ANNUAL FINANCIAL REPORT
AT 31 DECEMBER 2020

This document is a free translation into English of the original French "Rapport Financier Annuel au 31 décembre 2020", hereafter referred to as the "Annual Financial Report at 31 December 2020". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Financial highlights

The Group has implemented the AMF recommendation to present the costs related to the pandemic in EBITDA and trading profit, including the exceptional employee bonus paid in the first half of 2020 (€37 million in France, €47 million at Group level)

Casino Group's key consolidated figures for 2020 were as follows:

(€ millions)	2019 (restated)	2020	Reported change	Change at CER[1]
Consolidated net sales	**34,645**	**31,912**	-7.9%	+9.0%
Gross margin	**8,765**	**8,195**	-6.5%	
EBITDA[2]	**2,640**	**2,742**	+3.9%	+17.0%[3]
Net depreciation and amortisation	**(1,318)**	**(1,316)**	+0.2%	
Trading profit	**1,321**	**1,426**	+7.9%	+25.2%[3]
Other operating income and expenses	**(713)**	**(797)**	-11.9%	
Net financial expense, o/w:	**(806)**	**(748)**	+7.2%	
Net finance costs	***(356)***	***(357)***	*-0.1%*	
Other financial income and expenses	***(450)***	***(392)***	*+12.9%*	
Profit (loss) before tax	**(198)**	**(120)**	+39.3%	
Income tax benefit (expense)	**(132)**	**(82)**	+38.1%	
Share of profit of equity-accounted investees	**46**	**50**	+8.2%	
Net profit (loss) from continuing operations	**(283)**	**(152)**	+46.4%	
o/w Group share	***(396)***	***(370)***	*+6.4%*	
o/w attributable to non-controlling interests	***112***	***218***	*+94.6%*	
Net profit (loss) from discontinued operations	**(1,054)**	**(508)**	+51.8%	
o/w Group share	***(1,048)***	***(516)***	*+50.8%*	
o/w attributable to non-controlling interests	***(6)***	***7***	*n.m.*	
Consolidated net profit (loss)	**(1,338)**	**(660)**	+50.7%	
o/w Group share	***(1,444)***	***(886)***	*+38.6%*	
o/w attributable to non-controlling interests	***106***	***225***	*n.m.*	
Underlying net profit, Group share[4]	**196**	**268**	+37.0%	+61.9%

[1] *At constant exchange rates. The change in net sales is shown on an organic basis, excluding fuel and calendar effects.*
[2] *EBITDA = Trading profit + recurring amortisation and depreciation expense.*
[3] *Based on a comparable scope of consolidation and constant exchange rates, excluding the effect of hyperinflation.*
[4] *Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses, non-recurring financial items, income tax expense/benefits related to these adjustments, and the application of IFRIC 23.*
Note: Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.
The 2019 financial statements have been restated to permit meaningful comparisons with 2020. See Note 1.3 to the consolidated financial statements.

Significant events of the year

Casino and its banners hard at work during the Covid-19 pandemic

The first quarter of 2020 was marked by the Covid-19 epidemic, which impacted all geographies and activities, with an upsurge in demand directed towards food retailing.

In France, urban formats, convenience and E-commerce, which constitute the core of the Group's business model, have seen particularly high levels of demand since mid-March. The banners mobilised their resources to meet the food supply needs of communities while also protecting the health of employees and customers: A significant number of hygiene measures were implemented in stores, along with community-minded initiatives to help the most vulnerable and at-risk populations. In the first half of the year, the Group incurred additional costs as a result of maintaining its operations under challenging conditions, including additional logistics, staff, protection and security costs, along with the exceptional employee bonus. These costs were down sharply in the second half.

The Group also made a contribution in Latin America through Instituto GPA, which expanded its outreach activities by donating food, hygiene and cleaning products to thousands of Brazilian families. Instituto GPA also supported emergency social and microcredit funds to aid small local businesses, business owners and communities in socially vulnerable communities.

Asset disposal plan in France

The Group launched a large-scale €4.5 billion asset disposal program in France.

At 31 December 2020, the Group had completed €2.8 billion in asset sales since July 2018. The disposals carried out by the Group in 2020 are detailed below.

On 30 June 2020, Casino Group announced that it had completed the sale of Vindémia, the leading retailer in the Indian Ocean region, to GBH, collecting €186 million for an enterprise value of €219 million. Vindémia has 22 Jumbo and Score stores in Reunion, along with operations in Mauritius, Mayotte and Madagascar.

On 21 August 2020, the Group announced the additional and definitive disposal of 5% of Mercialys equity through the Mercialys total return swap (TRS) for €26 million. This disposal reduced Casino Group's stake in Mercialys in terms of voting rights from 25.3% to 20.3%.

On 30 November 2020, Casino Group announced that it had completed the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683 million, of which (i) €648 million was collected at closing, and (ii) up to €35 million relates to an earn-out contingent on compliance with certain operating indicators during the transition period. The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations while the stores are gradually converted to the Aldi banner throughout 2021. Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. The Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).

The Group also sold real estate assets for approximately €100 million in 2020.

In view of the successful development of its broad portfolio of activities in France, the Group has greater flexibility in implementing its disposal plan, for which the €4.5 billion objective is confirmed.

Restructuring of the Group's operations in Latin America

After streamlining its structure in Latin America in 2019, Casino Group announced a plan during the year to restructure GPA’s activities in Brazil.
On 10 September 2020, GPA’s Board of Directors approved the initiation of a study to spin off its cash & carry business (Assaí) from its other businesses. The aim of this operation was to unleash the full potential of Assaí and of GPA and Éxito’s more traditional food retailing business.

The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders.

As a result of this operation, Casino Group, which currently holds a 41% stake in GPA, will hold 41% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assai).

The spin-off plan was approved by GPA shareholders at the General Meeting on 31 December 2020 and the Assaí shares will be admitted to trading on 1 March 2021. Assaí shares will be distributed to GPA shareholders at a ratio of one Assaí share for each GPA share

Strengthening the Group's financial structure

With a view to further strengthening its liquidity and financial structure, in November 2019 Casino Group finalised a refinancing plan that consisted in raising €1.8 billion in new financing through a term loan ("Term Loan B") for €1 billion and a high-yield secured bond issue for €800 million due in January 2024, and extending confirmed credit lines in France by €2 billion in a new confirmed credit line due in October 2023.

In 2020, the Group continued to strengthen its financial structure, by carrying out several transactions aimed at strengthening its liquidity until end-2023, reducing bond debt and extending its average maturity.

In October and November, the Group redeemed bonds on the market and launched a public tender offer on its 2021-2024 bond issues.

In December, Casino Group completed a large scale transaction that consisted of (i) tapping the 2024 Secured Term Loan B initially issued in November 2019 for an amount of €225 million, (ii) the launch of an unsecured debt instrument maturing in January 2026 for €400 million and (iii) a tender offer on Casino's unsecured notes maturing between 2021 and 2025.

The cumulative amount of bonds bought back in 2020 on the market or through public tender offers thereby totalled €1.4 billion. On completion of these transactions, the segregated account dedicated to the redemption of bonds had a balance of €487 million. Between June and December 2020, the amount payable on bonds maturing between 2021 and 2023 was reduced by €1.5 billion, from €1.8 billion to €0.2 billion, taking into account the amounts held in the segregated account.

Development of the food E-commerce offering

The Covid-19 pandemic led to a ramp-up in the Group's food E-commerce offering in 2020.

May 2020 saw the official launch of the Monoprix Plus service in partnership with Ocado, allowing Monoprix to develop its online offering for next-day delivery from its O'logistique automated warehouse in Fleury-Mérogis. Following the success of this initiative, the service was extended to Casino Supermarkets and Géant Casino at the end of September 2020.

The Group also continues to expand its partnership with Amazon. Launched in September 2018, this commercial partnership brings a selection of items sourced from Monoprix, Casino and Naturalia to Amazon Prime Now customers in Paris, Nice and their surrounding areas. The initiative was extended to customers residing in Lyon and Bordeaux in 2020.

During the first lockdown in spring 2020, the Group also signed partnerships with Deliveroo and Uber Eats.

Rallye safeguard plan

On 2 March 2020, the Group was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye, its subsidiaries and their parent companies.

Business report

The comments in the Annual Financial Report reflect comparisons with 2019 results from continuing operations.

Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.

The 2019 financial statements have been restated to permit meaningful comparisons with 2020. These restatements mainly result from the retrospective application of the IFRS IC decision with regard to the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16.

Organic changes are calculated based on a comparable scope of consolidation and at constant exchange rates, excluding fuel and calendar effects. Same-store changes exclude fuel and calendar effects.

Main changes in the scope of consolidation

- Completion of the disposal of Vindémia on 30 June 2020
- Completion of the disposal of Leader Price on 30 November 2020
- Sale of all Mercialys TRS shares

Currency effects:

Currency effects were unfavourable in 2020, with the Brazilian real losing an average 25.1% against the euro compared with 2019.

Continuing operations (€ millions)	**2019 (restated)**	**2020**	**Reported change**	**Change at CER[1]**
Net sales	34,645	**31,912**	**-7.9%**	**+9.0%**
EBITDA	2,640	**2,742**	**+3.9%**	**+17.0%**
Trading profit	1,321	**1,426**	**+7.9%**	**+25.2%**
Underlying net profit, Group share	196	**268**	**+37.0%**	**+61.9%**

CASINO GROUP 2020 HIGHLIGHTS

IN FRANCE

- **Retail banners**: following the Group's repositioning, all banners achieved a level of profitability including the hypermarkets, with a very satisfactory level for the other banners.
- **Cdiscount**: very strong profitability growth, with 2020 EBITDA up 63% to €133 million[2] and accelerated growth in marketplace revenues to €182 million (up 23% for the year, up 40% in the fourth quarter)
- **GreenYellow**: excellent business momentum with accelerated growth in installed capacity to 335 MWp (up 56%) and a 25% increase in the pipeline to 565 MWp at end-2020
- **RelevanC**: data monetisation services for the Group and external retailers, with EBITDA growth of nearly 50% to €18 million in 2020
- **Continued progress in paying down debt, with a €1.3 billion reduction in gross debt to €4.8 billion[3], below the target of €5 billion**. Reduction in gross debt (including the TRS and Forward) represents €2.8 billion since the disposal plan launch. **Free cash flow in 2020 amounted to €288 million (up 30%)** before asset disposals and Rocade plan

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1 At constant exchange rates. The change in net sales is shown on an organic basis, excluding fuel and calendar effects.
2 Data published by the subsidiary. In consolidated view, EBITDA of €129m and EBITDA after lease payments of €101m
3 Gross debt included in the scope defined in the November 2019 refinancing documentation (mainly France Retail, Cdiscount and Segisor)

IN LATIN AMERICA

- **Strong 17% organic sales growth, led by vigorous trading at Assaí (up 29%).**
- **EBITDA up 36% at constant exchange rates** and free cash flow before disposal proceeds up by €238 million.
- **Digital transformation and strong growth in food E-commerce of more than 200%[1] in Brazil.**
- **The spin-off of Assaí was approved by GPA's shareholders at the General Meeting held in December 2020.** The listing of Assaí is scheduled for 1 March 2021.

[1] *Data published by the subsidiary*

FRANCE RETAIL

(€ millions)	2019 (restated)	2020
Net sales	**16,322**	**15,219**
EBITDA	**1,467**	**1,451**
EBITDA margin	*9.0%*	*9.5%*
Trading profit	**689**	**625**
Trading margin	*4.2%*	*4.1%*

France Retail net sales totalled €15,219 million in 2020 versus €16,322 million in 2019, up 3.0% on a same-store basis excluding fuel and calendar effects. Including Cdiscount, gross sales under banner were up 4.9% on a same-store basis in 2020.

Over the full year, the following can be noted per format:

- Net sales at **Monoprix** came in at €4,537 million for 2020, a rise of 1.6% on a same-store basis. **Strong momentum in the E-commerce and organic segments** drove this good performance and helped offset (i) the downturn in consumption in Paris resulting from the drop in tourist and office customers, (ii) the negative impact of the closure of sections selling "non-essential" goods and the curfew in the fourth quarter. E-commerce was boosted by the successful partnership with **Amazon Prime Now**, which was expanded to Lyon and Bordeaux in the year, and by the **ramp-up of Monoprix Plus** spurred by the next-day delivery service offered by O'logistique, the cutting-edge automated warehouse that has been operating since May 2020. Monoprix continued to focus on **innovation** during the period, opening a new concept store in Montparnasse (Paris) in September, and unveiling its fully-autonomous "Blackbox" store, accessible 24/7.

- **Franprix** reported further growth, with net sales up 7.1% on a same-store basis in 2020, at €1,579 million. Robust sales in the Paris suburbs and other French regions helped offset lower levels of consumption in the capital city, while the **buoyant E-commerce and organic segments** supported growth. The banner enhanced its E-commerce solutions with click & collect and home delivery services, notably through the development of its **partnership with Deliveroo**. In parallel, Franprix continued to roll out its **autonomous stores** and develop its non-food offering – primarily through its new **partnership with Décathlon** signed this year, and its ongoing partnership with Hema signed in 2019.

- **Casino Supermarkets** delivered €3,069 million in sales in 2020, or same-store growth of 5.4%, **led by food sales** which were lifted by the roll-out of the *Cave à Bières* beer cellar, along with select produce from Italy and Portugal. Sales of organic produce enjoyed double-digit growth in the year. **E-commerce saw triple-digit growth**, powered by the acceleration in drive & collect and click & collect solutions, as well as the **ramp-up in home deliveries**. The banner signed **partnerships with Deliveroo and Uber Eats** in 2020, and launched **Casino Plus** in partnership with Ocado. It continued to develop its **autonomous solutions** enabling it to offer extended opening hours, with more than two out of three stores offering this service. In line with further efforts to improve services and cut waiting times at checkouts, Casino Supermarkets rolled out express checkouts along with the "scan express" solution on the **Casino Max** app, guaranteeing an innovative customer experience.

- Consolidated net sales for the **Convenience & Other** segment climbed 9.1% on a same-store basis to €2,199 million, lifted by its nationwide presence, strong sales momentum (advertising and events) and extended opening hours. The **deployment of click & collect services** in the various networks and the signing of a new **partnership with Deliveroo** fuelled **strong growth in E-commerce sales**. The segment also ramped up the development of these fast-growing formats, opening new points of sale in the year.

- **Hypermarket** sales were €3,836 million in 2020, a 2.3% contraction in net sales on a same-store basis versus 2019, hit by the negative impact of lockdowns and by the closure of sections selling "non-essential" goods and the curfew in the fourth quarter. **E-commerce continued to enjoy good momentum** thanks mainly to **partnerships signed with Deliveroo and Uber Eats**. The banner accelerated its "shop-in-shop" strategy in 2020, **signing new partnership with specialist retailers C&A, Claire's and Hema**. The **digitalisation** strategy picked up pace, with 22% of net sales in supermarkets and hypermarkets now generated on the **Casino Max** app (versus 20% in 2019). Lastly, **autonomous solutions** enabling the banner to offer extended opening hours were ramped up, with the solutions deployed in 44 more hypermarkets in 2020. Autonomous solutions are now available across 70% of the store base.

France Retail EBITDA declined by 1.1% to €1,451 million, with a 55 basis-point increase in the EBITDA margin up to 9.5% of net sales. Retail EBITDA (excluding GreenYellow, Vindémia and special Covid-19 bonuses) was up 4.9%, in acceleration in the second half (up 5.3%). Property development EBITDA[1] came to €64 million.

France Retail trading profit came to €625 million, down 9.4% on 2019. Retail trading profit (excluding GreenYellow, Vindémia and special Covid-19 bonuses) was up 3.8%, in acceleration in the second half (up 4.2%). Property development trading profit[1] came to €63 million.

[1] Mainly related to the recognition of previously neutralised EBITDA on real estate development operations conducted with Mercialys. Real estate development operations with Mercialys are neutralised in EBITDA based on the Group's percentage interest in Mercialys. A reduction in Casino's stake in Mercialys or an asset disposal by Mercialys of those assets therefore results in the recognition of EBITDA that was previously neutralised.

NEW BUSINESSES

GreenYellow

Growth of the photovoltaic business accelerated, with **total installed capacity rising by 56%** in 2020 to 335 MWp and a **photovoltaic pipeline increasing by 25%** to represent 565 MWp[1] as of end-2020.

Total **energy savings delivered to customers have increased by 8%** to €85 million per year. The number of energy contracts for B2C customers sold in partnership with Cdiscount doubled over the year.

In 2020, GreenYellow also continued to **expand its geographic reach** and the **service offering**:

- On an international scale, by consolidating its positions in its geographies and by **penetrating new markets** such as Vietnam (pipeline of 32 MWp at 31 December) and South Africa, a fast-growing market where GreenYellow has set up a new subsidiary.
- By enhancing the service offering:
  - With the launch of **Utilities as a Service** solutions (service-based business model covering heating and cooling), a new business model for GreenYellow (17 initial Éxito stores in Colombia);
  - In the area of **electric mobility**, an avenue for growth in which GreenYellow has invested heavily as a signatory of the "100,000 charging points" charter and has already installed **130 electric vehicle charging stations**, including the first ultra-fast charging platforms in 2020;
  - Through **innovative solutions**, such as the first floating solar farm delivered in Thailand.

Considering its current installed capacity and its projects to date, GreenYellow expects to report **€90 million in EBITDA in 2021** (versus €64 million in 2020[2]).

DATA AND DATA CENTERS

After developing its solutions for the Group banners, RelevanC now offers external customers the opportunity to accelerate the monetisation of their data:

- The **first contracts were signed with retailers in early 2021** (including one with a network of over 10,000 stores and 14 million loyalty programme members)
- RelevanC offers **specialised customer relationship management services**, covering (i) optimised customer targeting for supplier advertising or marketing spend, and (ii) digital and in-store advertising space management.

Net sales for 2020 came to €55 million[3], while EBITDA rose almost 50% in the year to total €18 million.

The subsidiary, which has over 100 employees, offers:

- A platform that enables a banner and its suppliers to personalise their promotional campaigns (promotional offers, optimised contact method, etc.)
- A **Retail Media** platform that enables suppliers and marketplace vendors to **buy advertising space** on the Group sites or elsewhere, using RelevanC's expertise to target their customers.

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[1] MWp, Mega-Watt peak: maximum electrical power that can be supplied by a photovoltaic system under standard conditions.
[2] €64m based on GreenYellow's accounts, €57m contribution to consolidated EBITDA
[3] Post-3W spin-off sales

In the Data Centers business, ScaleMax pursued its growth strategy in 2020:

- **Computing capacity was increased**, with a new site opened in Cdiscount's warehouse in Verpilleux as well as the Réau warehouse (cumulative computing power of over 27,000 processing cores versus 20,000 at end-2019);
- **Its customer portfolio was diversified** among banks (Société Générale, BNP Paribas, Natixis) and 3D animation studios (Illumination McGuff, Iconem), and in data and artificial intelligence (RelevanC, Cdiscount).

E-COMMERCE (CDISCOUNT)

(€ millions)	**2019 (restated)**	**2020**
GMV (Gross Merchandise Volume) as published by Cnova	**3,899**	**4,207**
EBITDA	69	129
o/w Cdiscount group	*68*	*129*
o/w Holding companies	*1*	*0*

In E-commerce, gross merchandising volume ("GMV") totalled €4.2 billion in 2020, representing organic growth of 8.6%[1] led by the marketplace, which accounted for 43.6% of GMV, a rise of 5.3 points.

Cdiscount consolidated its status as the number two player in France, with **over 10 million customers (up 12%)** and an average of more than **20 million unique visitors per month**, peaking at 26 million unique visitors in December 2020.

The **international platform continued to expand**, delivering a two-fold increase in GMV over the year and a 90% rise in the fourth quarter. The banner had 206 connected websites at 31 December 2020 and offered delivery in 27 European countries.

E-commerce (Cdiscount) EBITDA margin improved by 285 basis points, with EBITDA of €129 million (6.4% of net sales), an increase of €60 million driven primarily by the marketplace, the development of digital marketing services, and the strategic adjustment in the product mix towards higher margin and higher repeat purchase categories (home, leisure, beauty).

1 *Data published by the subsidiary.*

LATAM RETAIL

(€ millions)	**2019 (restated)**	**2020**
Net sales	**16,358**	**14,656**
EBITDA	**1,104**	**1,161**
EBITDA margin	*6.8%*	*7.9%*
Trading profit	**628**	**748**
Trading margin	*3.8%*	*5.1%*

Latam Retail net sales were €14,656 million in 2020, up 17.3% on an organic basis and 11.6% on a same-store basis excluding fuel and calendar effects.

Sales by GPA Food in Brazil rose 21.2% on an organic basis and 12.8% on a same-store basis, excluding fuel and calendar effects.

- **Assaí (cash & carry)** sales were up 29.3% on an organic basis, buoyed by the excellent results of the 19 stores opened in the year and store expansions in previous years, as well as by a good same-store performance. Assaí now represents **55% of GPA's sales in Brazil**, underlining the pertinence of its business model.
- **Multivarejo continues to optimise its store portfolio** with the conversion of **Extra Super** stores, increasing the **Mercado Extra** portfolio to 147 stores. **Pão de Açúcar** benefited from the growth of its 46 new-generation G7 stores, the acceleration in E-commerce and the customised sales initiatives in each store. The **Convenience** segment delivered double-digit sales growth in fourth-quarter 2020, its tenth consecutive quarterly double-digit increase. **Extra Hypermarkets** also continued with their renovation program designed to boost the appeal of the stores (more competitive pricing, enhanced customer service and a streamlined non-food offering).

GPA continued to pursue its **omnichannel strategy**. The **food E-commerce** format reported annual growth of 203%[1], led by expansion of express delivery and click & collect services. James Delivery is now up and running in 32 towns and cities.

Éxito group net sales were up by 6.2% based on organic figures and by 7.9% on a same-store basis, buoyed by the success of the Éxito Wow and Carulla Fresh Market formats. Growth in E-commerce in Colombia picked up pace, representing 166%[1].

In **Latin America, EBITDA rose by 36.1% excluding currency effects** and including tax credits received by GPA for €139 million. EBITDA excluding tax credits was up 19.4% at constant exchange rates.

Trading profit totalled €748 million, an increase of 19.1% (25.2% excluding tax credits and currency effects) that reflected an improvement in the margin to 5.1% (vs 3.8% in 2019). In Brazil, trading profit, excluding tax credits and currency effects, rose by 70% at Multivarejo, driven by commercial strategy and operational efficiency plans, and 28% for Assaí. At **Grupo Éxito**, trading profit excluding the currency effect was almost stable (down 0.3%) in the context of the pandemic.

Overview of the consolidated financial statements

Pursuant to European Commission Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2020.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The accounting methods described in the notes to the consolidated financial statements have been applied continuously across the periods presented in the consolidated financial statements.

Net sales

Consolidated net sales amounted to €31,912 million in 2020, versus €34,645 million in 2019, representing an overall contraction of 7.9%, organic growth of 9.0%[1] and same-store growth of 7.8%[2].

Currency and hyperinflation effects on net sales were negative at -12.6%, as were scope and fuel effects at -2.4% and -1.8%, respectively.

A more detailed review of changes in net sales can be found above in the review of each of the Group’s three business segments.

EBITDA

Consolidated EBITDA came to €2,742 million, an increase of 3.9% including currency effects and 17.0% at constant exchange rates.

A more detailed review of changes in EBITDA can be found above in the review of each of the Group’s three business segments.

Trading profit

Consolidated trading profit came to €1,426 million in 2020 (€1,287 million excluding tax credits), an increase of 7.9% versus €1,321 million in 2019 and of 25.2% at constant exchange rates (or 14.8% excluding tax credits).

A more detailed review of changes in trading profit can be found above in the review of each of the Group’s three business segments.

Net financial expense

Net financial expense totalled €748 million in 2020 (€806 million in 2019), reflecting:

- **Net finance costs** of €357 million versus €356 million in 2019;
- **Other net financial expenses** of €392 million, compared with other net financial expenses of €450 million in 2019.

Underlying net financial expense for the period came to €681 million (€361 million excluding interest expense on lease liabilities) versus €772 million in 2019 (€448 million excluding interest expense on lease liabilities). In France, net financial expense excluding interest on lease liabilities was affected by an increase in finance costs following the November 2019 refinancing transaction. E-commerce net financial expense was virtually stable compared with 2019. In Latin America, financial expense was down.

Other operating income and expenses amounted to a net expense of €797 million in 2020 versus a net expense of €713 million in 2019. In France, other operating income and expenses represented a net expense of €694 million (versus a net expense of €630 million in 2019), including €233 million in exceptional cash costs (€316 million in 2019), with a reduction of nearly €90 million (or 40%) in the second half. Exceptional non-cash costs were €461 million (versus €314 million in 2019), mainly related to asset impairments.

[1] *Excluding fuel and calendar effects.*

[2] *Excluding fuel and calendar effects.*

Net profit (loss), Group share

Income tax was €82 million versus €132 million in 2019.

The **Group's share of profit of equity-accounted investees** was €50 million (€46 million in 2019).

Non-controlling interests in profit from continuing operations came to €218 million compared to €112 million in 2019. Excluding non-recurring items, underlying non-controlling interests were €265 million in 2020 versus €154 million in 2019.

Net profit (loss) from continuing operations, Group share came to €370 million, compared with €396 million in 2019, mainly due to asset impairments and non-recurring accounting costs in the context of the Group's transformation and the disposal plan.

Net profit (loss) from discontinued operations, Group share represented €516 million, versus €1,048 million in 2019.

Consolidated net profit (loss), Group share amounted to €886 million, versus €1,444 million in 2019.

Underlying net profit[1] from continuing operations, Group share totalled €268 million, compared with €196 million in 2019, an increase of 37% that was attributable to solid growth in trading profit and a reduction in finance costs.

Diluted underlying earnings per share[2] stood at €2.17, versus €1.47 in 2019, with a rise of 88% in the second half.

Financial position

Casino Group consolidated gross debt at 31 December 2020 amounted to **€7.4 billion** (€9.2 billion at end-2019), including €4.8 billion in France on the covenant scope[3] (versus €6.1 billion at end-2019).

Consolidated net debt after IFRS 5 stood at **€3.9 billion** versus €4.1 billion at 31 December 2019. In Latin America, the €0.7 billion debt reduction was attributable to cash flow generation and the currency effect. In France, net debt was mainly affected by the settlement of GPA TRS (settled in H1 2020 for €248 million), as disposals were offset by a reduction in assets in IFRS 5. **Excluding the effect of IFRS 5, and including the impact of unwinding the GPA TRS, net debt was €566 million lower.**

At 31 December 2020, the Group's liquidity in France (including Cdiscount) was €3.15 billion, with €819 million in cash and cash equivalents and €2.3 billion in confirmed undrawn lines of credit, available at any time. The Group also has €487 million in a segregated account for gross debt redemptions.

Additional financial information relating to the 2019 refinancing documentation

At 31 December 2020, the Group complied with the covenants. The **gross debt[4]/adjusted EBITDA[5] ratio was 5.03x**, below the 5.75x limit[6], with headroom of €679 million in gross debt. The **adjusted EBITDA/net finance costs ratio was 4.01x**, above the required 2.25x, representing headroom of €416 million in EBITDA.

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[1] See definition on page 2.

[2] Underlying diluted EPS includes the dilutive effect of TSSDI deeply-subordinated bond distributions.

[3] Scope defined in the refinancing documentation dated November 2019 (France, E-commerce, Segisor)

[4] Borrowings by the companies included in the scope defined in the refinancing documentation dated November 2019 (France, E-commerce, Segisor)

[5] EBITDA after lease payments (i.e. repayments of principal and interest on lease liabilities)

[6] 5.75x at 31 December 2020, 6.50x at 31 March 2020, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021

Outlook

The Group's priorities in France for 2021 are:

- **Sharply improved profitability, continuing the trend established in the second half of 2020**
- **Having completed its refocusing on buoyant formats, the Group is now giving priority to growth**
  - Expansion in the urban, semi-urban and rural convenience formats (100 stores to be opened in the first quarter and 200 in the second)
  - Development of E-commerce based on structurally profitable models (O'logistique automated warehouse, partnership with Amazon, click & collect and home delivery service offered by urban formats)
- **Ongoing development of Cdiscount, GreenYellow and RelevanC**
- **Ongoing growth in cash flow from continuing operations and free cash flow[1]**
  - Continued EBITDA growth
  - Continued reduction in non-recurring costs
  - Expansion on convenience and food E-commerce formats, which require low Capex
- **Ongoing deleveraging**
  - In view of the successful development of its broad portfolio of activities in France, the Group has a greater flexibility in implementing its disposal plan for which the €4.5 billion objective is confirmed.
  - In light of the priority given to the deleveraging plan, the Board of Directors will recommend to the 2021 Annual General Meeting not to pay a dividend in 2021 in respect of 2020

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[1] *France scope excluding GreenYellow for which development and transition to a company-owned asset model is ensured by its own resources*

Subsequent events

Casino banners create their new “Casino.fr” low-cost E-commerce network

In keeping with the fast-paced development of E-commerce services in 2020, Casino banners have reached a new milestone in their roll-out of E-commerce solutions in France, setting up a low-cost website with almost 300 pick-up points in France (excluding the Île-de-France region and Corsica) and up to 18,000 listed food products as well as a comprehensive range of associated services.

This new phase will place Casino.fr as the first food E-commerce retailer in France to offer an extensive range of product and services across the country (excluding the Île-de-France region) at the lowest prices on the market. Casino.fr will facilitate the day-to-day lives of French consumers, who are increasingly going online to complete their everyday purchases.

Cdiscount launches a new strategic activity for businesses to accelerate European E-commerce

Leveraging its expertise as a leader in E-commerce, on 18 January 2021 Cdiscount announced a new phase in its development with the launch of a B2B activity: a complete turnkey marketplace solution (technology, products, logistics) that enables both physical and pure-player retailers to develop their E-commerce activity.

This major initiative strengthens Cdiscount’s profitability and international growth strategy. It is unique on the market due to its comprehensive nature, is designed for all retail players and offers solutions adapted to their activity, growth ambitions and digital maturity to enable them to scale up. This solution is intended to be deployed on a priority basis in Europe, Africa and the Middle East, representing an E-commerce market of more than €600 billion.

Casino Group announces approval for the listing of Assaí

On 19 February 2021, Casino’s Brazilian subsidiary Companhia Brasileira de Distribuição (GPA) announced that it had received (i) on 10 February 2021, approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange.

These listings take place in the context of previously announced transactions to restructure and spin off certain GPA assets. Assaí shares, currently wholly owned by GPA, will be distributed to GPA shareholders at a ratio of one Assaí share for each GPA share. The trading of Assaí shares and ADSs will begin on 1 March 2021.

Following the listing of Assaí, Casino Group, which currently holds a 41% stake in GPA, will hold 41% of GPA and an identical stake in Assaí.

Appendix: Alternative performance indicators

The definitions of key non-GAAP indicators are available on the Group's website (https://www.groupe-casino.fr/en/investors/regulated-information/), particularly the underlying net profit as shown below.

Underlying net profit corresponds to net profit from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments and (iv) the application of IFRIC 23.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares) and the effects of discounting Brazilian tax liabilities.

Underlying profit is a measure of the Group's recurring profitability.

(€ millions)	2019 (restated)	Underlying items	2019 underlying	2020	Underlying items	2020 underlying
Trading profit	**1,321**	**0**	**1,321**	**1,426**	**0**	**1,426**
Other operating income and expenses	**(713)**	713	0	(797)	797	**0**
Operating profit	**609**	**713**	**1,321**	**628**	**797**	**1,426**
Net finance costs	(356)	0	(356)	(357)	0	(357)
Other financial income and expenses[1]	(450)	34	(416)	(392)	67	(324)
Income taxes[2]	(132)	(114)	(246)	(82)	(180)	(261)
Share of profit of equity-accounted investees	46	0	46	50	0	50
Net profit (loss) from continuing operations	**(283)**	**633**	**349**	**(152)**	**685**	**533**
o/w attributable to non-controlling interests[3]	112	41	154	218	47	265
o/w Group share	**(396)**	**591**	**196**	**(370)**	**638**	**268**

[1] Other financial income and expenses have been restated, primarily for the impact of discounting tax liabilities, as well as for changes in the fair value of total return swaps and forwards.
[2] Income taxes have been restated for the tax effects corresponding to the above restated financial items.
[3] Non-controlling interests have been restated for the amounts relating to the restated items listed above.

Casino, Guichard-Perrachon

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(€ millions)	Notes	2020	2019 (restated)(i)
CONTINUING OPERATIONS			
Net sales	5 / 6.1	**31,912**	34,645
Other revenue	6.1	**598**	665
Total revenue	**6.1**	**32,510**	**35,310**
Cost of goods sold	6.2	**(24,314)**	(26,546)
Gross margin	**5.1**	**8,195**	**8,765**
Selling expenses	6.3	**(5,504)**	(6,073)
General and administrative expenses	6.3	**(1,265)**	(1,371)
Trading profit	**5.1**	**1,426**	**1,321**
As a % of net sales		***4.5%***	*3.8%*
Other operating income	6.5	**306**	63
Other operating expenses	6.5	**(1,103)**	(776)
Operating profit		**628**	**609**
As a % of net sales		***2.0%***	*1.8%*
Income from cash and cash equivalents	11.3.1	**16**	39
Finance costs	11.3.1	**(373)**	(396)
Net finance costs	**11.3.1**	**(357)**	**(356)**
Other financial income	11.3.2	**210**	265
Other financial expenses	11.3.2	**(602)**	(715)
Profit (loss) before tax		**(120)**	**(198)**
As a % of net sales		***-0.4%***	*-0.6%*
Income tax benefit (expense)	9.1	**(82)**	(132)
Share of profit of equity-accounted investees	3.2.3	**50**	46
Net profit (loss) from continuing operations		**(152)**	**(283)**
As a % of net sales		***-0.5%***	*-0.8%*
Attributable to owners of the parent		**(370)**	(396)
Attributable to non-controlling interests		**218**	112
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	**3.4.2**	**(508)**	**(1,054)**
Attributable to owners of the parent	3.4.2	**(516)**	(1,048)
Attributable to non-controlling interests	3.4.2	**7**	(6)
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit (loss)		**(660)**	**(1,338)**
Attributable to owners of the parent		**(886)**	(1,444)
Attributable to non-controlling interests	12.8	**225**	106

Earnings per share

(€)	Notes	2020	2019 (restated)(i)
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		**(3.75)**	(4.01)
▪ Diluted		**(3.75)**	(4.01)
From continuing and discontinued operations, attributable to owners of	**12.10.2**		
▪ Basic		**(8.54)**	(13.72)
▪ Diluted		**(8.54)**	(13.72)

(i) Previously published comparative information has been restated (Note 1.3).

Consolidated statement of comprehensive income

(€ millions)	2020	2019 (restated)(i)
Consolidated net profit (loss)	**(660)**	**(1,338)**
Items that may subsequently be reclassified to profit or loss	**(1,367)**	**(128)**
Cash flow hedges and cash flow hedge reserve(ii)	**(17)**	(27)
Foreign currency translation adjustments(iii)	**(1,328)**	(110)
Debt instruments at fair value through other comprehensive income (OCI)	**1**	6
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	**(27)**	(4)
Income tax effects	**5**	6
Items that will never be reclassified to profit or loss	**(10)**	**(14)**
Equity instruments at fair value through other comprehensive income	**-**	(1)
Actuarial gains and losses	**(14)**	(18)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	**-**	(1)
Income tax effects	**5**	6
Other comprehensive income (loss) for the year, net of tax	**(1,377)**	**(142)**
Total comprehensive income (loss) for the year, net of tax	**(2,037)**	**(1,480)**
Attributable to owners of the parent	***(1,455)***	*(1,537)*
Attributable to non-controlling interests	***(581)***	*58*

(i) Previously published comparative information has been restated (Note 1.3).
(ii) The change in the cash flow hedge reserve was not material in either 2020 or 2019.
(iii) The €1,328 million negative net translation adjustment in 2020 arose primarily from the depreciation of the Brazilian and Colombian currencies for €957 million and €235 million, respectively. The €110 million negative net translation adjustment in 2019 mainly concerned the depreciation of the Brazilian, Argentine and Uruguayan currencies, for €70 million, €57 million and €54 million respectively, partially offset by the appreciation of the Colombian peso for €68 million.

Changes in other comprehensive income are presented in Note 12.7.2.

Consolidated statement of financial position

ASSETS (€ millions)	Notes	31 December 2020	31 December 2019 (restated)(i)	1 January 2019 (restated)(i)
Goodwill	10.1	**6,656**	7,489	8,682
Intangible assets	10.2	**2,061**	2,296	2,265
Property, plant and equipment	10.3	**4,279**	5,113	5,843
Investment property	10.4	**428**	493	497
Right-of-use assets	7.1.1	**4,888**	5,602	5,312
Investments in equity-accounted investees	3.2.3	**191**	341	500
Other non-current assets	6.9	**1,217**	1,183	1,151
Deferred tax assets	9.2.1	**1,035**	784	666
Total non-current assets		**20,754**	**23,300**	**24,916**
Inventories	0	**3,209**	3,775	3,834
Trade receivables	6.7	**941**	836	905
Other current assets	6.8	**1,770**	1,536	1,383
Current tax assets		**167**	111	165
Cash and cash equivalents	11.1	**2,744**	3,572	3,730
Assets held for sale	3.4.1	**932**	2,818	8,464
Total current assets		**9,763**	**12,647**	**18,481**
TOTAL ASSETS		**30,517**	**35,948**	**43,397**

EQUITY AND LIABILITIES (€ millions)	Notes	31 December 2020	31 December 2019 (restated)(i)	1 January 2019 (restated)(i)
Share capital	12.2	**166**	166	168
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		**3,097**	4,603	6,312
Equity attributable to owners of the parent		**3,263**	**4,769**	**6,480**
Non-controlling interests	**12.8**	**2,856**	**3,488**	**5,203**
Total equity	**12**	**6,118**	**8,256**	**11,682**
Non-current provisions for employee benefits	8.2	**351**	357	366
Other non-current provisions	13.1	**374**	458	475
Non-current borrowings and debt, gross	11.2	**6,701**	8,100	6,782
Non-current lease liabilities	7.1.1	**4,281**	4,761	4,327
Non-current put options granted to owners of non−controlling interests	3.3.1	**45**	61	63
Other non-current liabilities	6.10	**201**	181	469
Deferred tax liabilities	9.2.2	**508**	566	667
Total non-current liabilities		**12,461**	**14,485**	**13,150**
Current provisions for employee benefits	8.2	**12**	11	11
Other current provisions	13.1	**189**	153	157
Trade payables		**6,190**	6,580	6,668
Current borrowings and debt, gross	11.2	**1,355**	1,549	2,199
Current lease liabilities	7.1.1	**705**	723	657
Current put options granted to owners of non-controlling interests	3.3.1	**119**	105	126
Current tax liabilities		**98**	48	127
Other current liabilities	6.10	**3,059**	2,839	2,613
Liabilities associated with assets held for sale	3.4.1	**210**	1,197	6,008
Total current liabilities		**11,937**	**13,206**	**18,565**
TOTAL EQUITY AND LIABILITIES		**30,517**	**35,948**	**43,397**

(i) Previously published comparative information has been restated (Note 1.3).

Consolidated statement of cash flows

(€ millions)	Notes	2020	2019 (restated)[(i)]
Profit (loss) before tax from continuing operations		**(120)**	(198)
Profit (loss) before tax from discontinued operations	3.4.2	**(462)**	(979)
Consolidated profit (loss) before tax		**(581)**	**(1,177)**
Depreciation and amortisation expense	6.4	**1,316**	1,318
Provision and impairment expense	4.1	**390**	240
Losses (gains) arising from changes in fair value	11.3.2	**78**	40
Expenses (income) on share-based payment plans	8.3.1	**12**	13
Other non-cash items		**(56)**	(62)
(Gains) losses on disposals of non-current assets	4.4	**(88)**	9
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		**58**	11
Dividends received from equity-accounted investees	3.2.1 / 3.2.2	**17**	43
Net finance costs	11.3.1	**357**	356
Interest paid on leases, net	11.3.2	**320**	324
Non-recourse factoring and associated transaction costs	11.3.2	**60**	77
Disposal gains and losses and adjustments related to discontinued operations		**258**	977
Net cash from operating activities before change in working capital, net finance costs and income tax		**2,142**	**2,170**
Income tax paid		**(157)**	(259)
Change in operating working capital	4.2	**26**	92
Income tax paid and change in operating working capital: discontinued operations		**211**	(882)
Net cash from operating activities		**2,222**	**1,120**
of which continuing operations		***2,215***	***2,004***
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	**(927)**	(1,107)
▪ Non-current financial assets	4.11	**(942)**	(440)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	**423**	890
▪ Non-current financial assets	4.11	**461**	68
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	**157**	218
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	**(63)**	(39)
Change in loans and advances granted		**(28)**	(42)
Net cash from investing activities of discontinued operations		**453**	422
Net cash used in investing activities		**(466)**	**(32)**
of which continuing operations		***(920)***	***(453)***
Dividends paid:			
▪ to owners of the parent	12.9	**-**	(169)
▪ to non-controlling interests	4.7	**(45)**	(83)
▪ to holders of deeply-subordinated perpetual bonds	12.9	**(36)**	(46)
Increase (decrease) in the parent's share capital		**-**	-
Transactions between the Group and owners of non-controlling interests	4.8	**(55)**	(971)
(Purchases) sales of treasury shares	12.4	**(1)**	(40)
Additions to loans and borrowings	4.9	**2,066**	4,542
Repayments of loans and borrowings	4.9	**(2,632)**	(3,694)
Repayments of lease liabilities		**(603)**	(649)
Interest paid, net	4.10	**(717)**	(670)
Other repayments		**(23)**	(12)
Net cash used in financing activities of discontinued operations		**(73)**	(297)
Net cash used in financing activities		**(2,117)**	**(2,088)**
of which continuing operations		***(2,044)***	***(1,792)***
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		**(494)**	(3)
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		**-**	19
Change in cash and cash equivalents	**4.9**	**(856)**	**(984)**
Net cash and cash equivalents at beginning of period		**3,530**	**4,514**
- of which net cash and cash equivalents of continuing operations	11.1	3,471	3,592
- of which net cash and cash equivalents of discontinued operations		59	922
Net cash and cash equivalents at end of period		**2,675**	**3,530**
- of which net cash and cash equivalents of continuing operations	11.1	2,675	3,471
- of which net cash and cash equivalents of discontinued operations		(1)	59

(i) Previously published comparative information has been restated (Note 1.3).

Consolidated statement of changes in equity

(€ millions) (before allocation of profit)	Share capital	Additional paid-in capital[(i)]	Treasury shares	Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the period	Other reserves[(ii)]	Equity attributable to owners of the parent[(iii)]	Non-controlling interests[(iv)]	Total equity
At 1 January 2019 (reported)	**168**	**3,939**	**(33)**	**1,350**	**3,516**	**(2,446)**	**6,494**	**5,208**	**11,702**
Effects of applying IFRS 16 (Note 1.3)	-	-	-	-	(15)	-	(14)	(5)	(19)
At 1 January 2019 (restated)[(*)]	**168**	**3,939**	**(33)**	**1,350**	**3,502**	**(2,446)**	**6,480**	**5,203**	**11,682**
Other comprehensive income (loss) for the period (restated)[(*)]	-	-	-	-	-	(93)	(93)	(48)	(142)
Net profit (loss) for the year (restated)[(*)]	-	-	-	-	(1,444)	-	(1,444)	106	(1,338)
Consolidated comprehensive income (loss) for the year (restated)[(*)]	**-**	**-**	**-**	**-**	**(1,444)**	**(93)**	**(1,537)**	**58**	**(1,480)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares[(v)]	(2)	(38)	5	-	(5)	-	(40)	-	(40)
Dividends paid/payable to shareholders[(vi)]	-	-	-	-	(169)	-	(169)	(92)	(261)
Dividends paid/payable to holders of deeply subordinated perpetual bonds[(vi)]	-	-	-	-	(37)	-	(37)		(37)
Share-based payments	-	-	-	-	6	-	6	16	22
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries[(vii)]	-	-	-	-	-	-	-	(725)	(725)
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[(viii)(*)]	-	-	-	-	48	-	48	(1,007)	(959)
Other movements	-	-	-	-	19	-	19	35	54
At 31 December 2019 (restated)[(*)]	**166**	**3,901**	**(28)**	**1,350**	**1,919**	**(2,539)**	**4,769**	**3,488**	**8,256**
Other comprehensive income (loss) for the year	-	-	-	-	**-**	**(570)**	**(570)**	**(807)**	**(1,377)**
Net profit (loss) for the year	-	-	-	-	**(886)**	**-**	**(886)**	**225**	**(660)**
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(886)**	**(570)**	**(1,455)**	**(581)**	**(2,037)**
Issue of share capital	-	-	-	-	-	-	**-**	**-**	**-**
Purchases and sales of treasury shares[(v)]	**-**	**-**	**6**	**-**	**(7)**	-	**(1)**	**-**	**(1)**
Dividends paid/payable to shareholders[(vi)]	-	-	-	**-**	**-**	-	**-**	**(80)**	**(80)**
Dividends paid/payable to holders of deeply subordinated perpetual bonds[(vi)]	-	-	-	**-**	**(34)**	-	**(34)**	**-**	**(34)**
Share-based payments	-	-	-	**-**	**7**	-	**7**	**7**	**14**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	-	-	-	**-**	**-**	-	**-**	**1**	**1**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries	-	-	-	**-**	**(38)**	-	**(38)**	**(1)**	**(38)**
Other movements	-	-	-	**-**	**15**	-	**15**	**22**	**37**
At 31 December 2020	**166**	**3,901**	**(22)**	**1,350**	**976**	**(3,109)**	**3,263**	**2,856**	**6,118**

(*) Previously published comparative information has been restated (Note 1.3).
(i) Additional paid-in capital includes (a) premiums on shares issued for cash or for contributions in kind, or in connection with mergers or acquisitions, and (b) legal reserves.
(ii) See Note 12.6.
(iii) Attributable to the shareholders of Casino, Guichard-Perrachon.
(iv) See Note 12.8
(v) See Note 12.4 for information about treasury share transactions.
(vi) See Note 12.9 for dividends paid and payable to holders of ordinary shares and deeply-subordinated perpetual bonds. Dividends paid and payable to non-controlling interests during the year primarily concern GPA for €49 million and Éxito for €22 million (2019: GPA for €44 million, Éxito for €24 million and Franprix-Leader Price for €19 million).
(vii) The negative amount of €725 million in 2019 mainly corresponded to the loss of control in Via Varejo.
(viii) The negative amount of €959 million in 2019 mainly related to the project to simplify the Group's structure in Latin America, representing a €931 million negative impact.

CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ABOUT THE CASINO, GUICHARD-PERRACHON GROUP

Casino, Guichard-Perrachon ("the Company") is a French *société anonyme* listed in compartment A of Euronext Paris. The Company and its subsidiaries are hereinafter referred to as "the Group" or "Casino Group". The Company's registered office is at 1, Cours Antoine Guichard, 42008 Saint-Étienne, France.

The consolidated financial statements for the year ended 31 December 2020 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2020 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 24 February 2021.

Note 1 Significant accounting policies

1.1 Accounting standards

Pursuant to European Commission Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2020.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The accounting policies set out below have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations listed below.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial years beginning on or after 1 January 2020

The European Union has adopted the following standards, amendments and interpretations which must be applied by the Group for its financial year beginning on 1 January 2020 and do not have a material impact on its consolidated financial statements:

- *Amendments to IAS 1 and IAS 8 – Definition of Material*

These amendments are applicable as from 1 January 2020 on a prospective basis.
They amend and expand the definition of materiality in IAS 1 and IAS 8.
They also align the definition of materiality with the wording of the IFRS Conceptual Framework.

- *Amendments to References to the Conceptual Framework in IFRS Standards*

These amendments are applicable as from 1 January 2020 on a prospective basis.
These amendments are designed to replace existing references to previous frameworks in various standards and interpretations, with references to the revised Conceptual Framework. The main standards and interpretations concerned are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

- *Amendments to IFRS 3 – Definition of a Business*

These amendments will be applicable on a prospective basis.
They clarify the definition of a business and the application guidance for the assessment of whether an acquired set of activities and assets is a group of assets rather than a business.
Under the amended definition, to be considered a business, the integrated set of activities and assets must create output in the form of goods and services delivered to customers, rather than being conducted and managed for the purpose of providing a return to investors or other owners, members or participants.
In addition, an optional concentration test has been introduced to simplify the assessment of whether an integrated set of activities and assets is a group of assets and not a business.

- *Amendment to IFRS 16 – Covid-19-Related Rent Concessions*

This amendment is applicable on a retrospective basis as from 1 June 2020 at the latest for financial years beginning on or after 1 January 2020.
The amendment offers a practical expedient available for a limited period, under which lessees can choose not to apply IFRS 16 lease modification principles and instead account for rent concessions as though they were not lease modifications. This expedient is available for all Covid-19-related rent concessions that result in a reduction in lease payments originally due on or before 30 June 2021. The amendment must be applied consistently to all leases with similar characteristics and in similar circumstances.

IFRS IC decision on the enforceable period of a lease and the useful life of leasehold improvements

The effects of applying the IFRS IC decision on IFRS 16 are presented in Note 1.3.

Standards, amendments to standards, and interpretations adopted by the European Union and early adopted by the Group

- *Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest Rate Benchmark Reform*

The first phase of this project, focusing on the presumed continuity of hedge effectiveness, mandatory for financial years beginning on or after 1 January 2020, was early adopted by the Group as of 1 January 2019.
The phase II amendments published on 27 August 2020, mandatory for financial years beginning on or after 1 January 2021, were early adopted by the Group as of 1 January 2020.
These amendments address issues that might affect the financial statements when an existing interest rate benchmark is replaced with an alternative benchmark as part of an interest rate benchmark reform, and offer practical expedients for recognising changes in contractual cash flows.
The adoption of these amendments did not have a material impact on the consolidated financial statements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of measurement

The consolidated financial statements have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities acquired in a business combination, which are measured at fair value in accordance with IFRS 3;
- derivative financial instruments and financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge which would otherwise be measured at cost are adjusted for changes in fair value attributable to the hedged risk.

The consolidated financial statements are presented in millions of euros. The figures in the tables have been rounded to the nearest million euros and include individually rounded data. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

1.2.2 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- classification and measurement of France Retail segment assets in accordance with IFRS 5 (Note 3.4);
- valuation of non-current assets and goodwill (Note 10.5);
- measurement of deferred tax assets (Note 9);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (Notes 5.1, 6.9 and 13);
- IFRS 16 application method, notably the determination of discount rates and the lease term for the purpose of measuring the lease liability for leases with renewal or termination options (Note 1.3);
- provisions for risks (Note 13), particularly tax and employee-related risks in Brazil.

1.3 Changes in accounting methods and restatement of comparative information

1.3.1 Impact on the consolidated financial statements

The tables below show the impact on the previously published consolidated income statement, consolidated statement of cash flows and consolidated statement of financial position of the retrospective application of the IFRS IC decision on the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16 – *Leases* (Note 1.3.2).

Impact on the main consolidated income statement indicators in 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision	31 December 2019 (restated)
Net sales	34,645	-	34,645
Other revenue	665	-	665
Total revenue	**35,310**	**-**	**35,310**
Cost of goods sold	(26,547)	1	(26,546)
Selling expenses	(6,100)	28	(6,073)
General and administrative expenses	(1,371)	-	(1,371)
Trading profit	**1,292**	**29**(i)	**1,321**
Operating profit	**574**	**35**	**609**
Net finance costs	(356)	-	(356)
Other financial income and expenses	(394)	(56)(ii)	(450)
Profit (loss) before tax	**(176)**	**(21)**	**(198)**
Income tax benefit (expense)	(137)	6	(132)
Share of profit of equity-accounted investees	46	-	46
Net profit (loss) from continuing operations	**(268)**	**(15)**	**(283)**
Attributable to owners of the parent	*(384)*	*(12)*	*(396)*
Attributable to non-controlling interests	*116*	*(4)*	*112*
Net profit (loss) from discontinued operations	**(1,054)**	**-**	**(1,054)**
Attributable to owners of the parent	*(1,048)*	-	*(1,048)*
Attributable to non-controlling interests	*(6)*	-	*(6)*
Consolidated net profit (loss)	**(1,322)**	**(15)**	**(1,338)**
Attributable to owners of the parent	*(1,432)*	*(12)*	*(1,444)*
Attributable to non-controlling interests	*110*	*(4)*	*106*

(i) Of which €13 million relating to the French Retail segment and €16 million to the Latam Retail segment.
(ii) Of which €31 million in financial expenses relating to the French Retail segment and €25 million in financial expenses relating to the Latam Retail segment.

Impact on the main consolidated statement of cash flow indicators in 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision	31 December 2019 (restated)
Net cash from operating activities	**1,120**	**-**	**1,120**
of which consolidated profit (loss) before tax	*(1,156)*	*(21)*	*(1,177)*
of which other components of cash flow	*3,325*	*21*	*3,346*
of which change in operating working capital and income tax paid	*(168)*	-	*(168)*
of which income taxes paid and change in operating working capital: discontinued operations	*(882)*	-	*(882)*
Net cash used in investing activities	**(32)**	-	**(32)**
Net cash used in financing activities	**(2,088)**	-	**(2,088)**
of which repayments of lease liabilities	*(701)*	*53*	*(649)*
of which interest paid, net	*(617)*	*(53)*	*(670)*
of which cash from (used in) discontinued operations	*(297)*	-	*(297)*
Effect of changes in exchange rates on cash and cash equivalents	16	-	16
Change in cash and cash equivalents	**(984)**	**-**	**(984)**
Net cash and cash equivalents at beginning of period	4,514	-	4,514
Net cash and cash equivalents at end of period	3,530	-	3,530

Impact on the main consolidated statement of financial position indicators at 1 January 2019

(€ millions)	1 January 2019 (reported)	Impact of the IFRS IC decision	1 January 2019 (restated)
Total non-current assets	**24,189**	**727**	**24,916**
Of which right-of-use assets	*4,592*	*720*	*5,312*
Of which deferred tax assets	*659*	*7*	*666*
Total current assets	**18,450**	**31**	**18,481**
Of which assets held for sale	*8,433*	*31*	*8,464*
Total assets	**42,639**	**758**	**43,397**
Total equity	**11,702**	**(19)**	**11,682**
Of which attributable to owners of the parent	*6,494*	*(14)*	*6,480*
Of which attributable to non-controlling interests	*5,208*	*(5)*	*5,203*
Total non-current liabilities	**12,384**	**766**	**13,150**
Of which non-current lease liabilities	*3,560*	*766*	*4,327*
Total current liabilities	**18,554**	**11**	**18,565**
Of which current lease liabilities	*677*	*(21)*	*657*
Of which liabilities associated with assets held for sale	*5,977*	*31*	*6,008*
Total equity and liabilities	**42,639**	**758**	**43,397**

Impact on the main consolidated statement of financial position indicators at 31 December 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision and other restatements	31 December 2019 (restated)
Total non-current assets	**22,524**	**776**	**23,300**
Of which right-of-use assets	*4,837*	*764*	*5,602*
Of which deferred tax assets	*772*	*12*	*784*
Total current assets	**12,320**	**328**	**12,647**
Of which assets held for sale[(i)]	*2,491*	*328*	*2,818*
Total assets	**34,844**	**1,104**	**35,948**
Total equity	**8,291**	**(34)**	**8,256**
Attributable to owners of the parent[(ii)]	4,767	*1*	4,769
Attributable to non-controlling interests[(ii)]	3,523	*(36)*	3,488
Total non-current liabilities	**13,661**	**825**	**14,485**
Of which non-current lease liabilities	3,937	825	4,761
Total current liabilities	**12,892**	**314**	**13,206**
Of which current lease liabilities	*740*	*(16)*	*723*
Of which liabilities associated with assets held for sale[(i)]	*867*	*330*	*1,197*
Total equity and liabilities	**34,844**	**1,104**	**35,948**

[(i)] A de-netting between right-of-use assets and lease liabilities was done on the “Assets held for sale” and “Liabilities associated with assets held for sale” lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283 million.

[(ii)] An amount of €28 million was reclassified from “Attributable to owners of the parent” to “Attributable to non-controlling interests” in connection with the Group’s loss of control of Via Varejo in June 2019 (see the consolidated statement of changes in equity).

1.3.2 Impact of the first-time application of the IFRS IC decision on IFRS 16 – *Leases*

On 16 December 2019, the IFRS IC published its decision on (i) determining the enforceable period of an automatically renewable lease or a lease that can be terminated by either of the parties with no contractual penalty, and (ii) the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term. This decision provides clarifications that may impact the term of leases other than the particular cases mentioned.

The French accounting standards-setter (*Autorité des Normes Comptables* – ANC) issued a new position statement regarding “3-6-9”-type commercial leases in France in its 3 July 2020 statement of conclusions, superseding its previous position statement of 16 February 2018. The ANC confirms that:

- the initial lease term to be adopted is generally nine years. This period can be reduced to the contractual non-cancellable period of three or six years, at the lessee’s discretion. The lease term may also be longer if provided for in the lease contract;
- an automatically renewable period may also be taken into account in determining the initial term of the lease if the lessee is reasonably certain that it will renew the lease and/or the lessor cannot terminate the lease without incurring a significant penalty; any such period represents an extension of the initial term of the lease;
- if an automatically renewable period is not taken into account when determining the initial term of the lease, the lease term is to be re-estimated and the initial amount of the right-of-use asset and lease liability is modified to reflect the additional period during which the lessee is reasonably certain to continue the lease;
- the assumptions used to determine the lease term must be consistent with those used to determine the useful life of non-removable leasehold improvements.

The Group has finished analysing its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected by this decision.
Based on its analyses, the Group revised upwards the term of the following leases:

- automatically renewable leases or leases that can be terminated at any time;
- underlying assets under lease (stores, warehouses), including non-removable leasehold improvements, whose residual net carrying amount at the end of the lease term as estimated under IFRS 16 could give rise to a significant penalty (within the meaning of the IFRS IC decision) for the Group.

Note 2 Significant events of the year

Significant events of the year are the following:

Rallye safeguard plan

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye, its subsidiaries and their parent companies.

Impact of the Covid-19 global pandemic on the consolidated financial statements

The Covid-19 pandemic affected all segments in which the Group operates, and retail was no exception. As an essential industry, the Group’s banners were able to continue operating during the unprecedented health crisis and ramped up efforts to continue supplying customers in the best possible conditions.

All of the Group’s sites worldwide were affected by Covid-19 and by the measures taken by governments to curb the spread of the virus. Covid-19 had a significant impact on our operations: we were required to reduce the number of customers in our stores at any one time, shorten the operating hours of certain stores in line with government guidelines and measures, invest in protective and other safety equipment, accelerate the deployment of self-service checkouts, increase our home delivery capabilities and our click & collect service, stockpile consumer staples and transition to remote working for head office functions. Many safety requirements that had been initially introduced by governments in the different regions in which we operate were reintroduced as from the autumn in response to the growing number of infections in various countries. The tighter restrictions followed a relaxation in the strict containment measures that had been imposed from the start of the pandemic through to summer 2020.

In first-half 2020, the Group recorded strong growth in net sales, as well as additional costs related to maintaining its operations under challenging conditions. These additional temporary costs fell sharply in the second half of the year. Since the third quarter, our entire organisation has adapted to the various Covid-19 restrictions with minimal additional cost.
However, the long-term impact of Covid-19 on inputs such as household spending, gross domestic product and exchange rates is not yet known. If the pandemic continues to spread, it could further (i) reduce our customers’ purchasing power, (ii) reduce the number of tourists who generally contribute to revenues for certain stores in the summer months, (iii) harm our operations by disrupting or delaying the preparation or delivery of products in our stores, (iv) affect the availability and cost of transport, (v) impact the financial stability of our suppliers and franchisees, and (vi) affect the value of our real estate assets. Although we have observed a sharp rise in the volume of home deliveries, click & collect and drive &

collect purchases, and despite having adapted our distribution networks to meet this upsurge in demand, we cannot predict whether Covid-19 (including future waves of the virus) will have a long-term impact on consumers' purchasing behaviour and how this could affect our business strategies and future outlook.

The assumptions and estimates used as a basis for certain statement of financial position and income statement items were reviewed in order to take account of the crisis. The assumptions and estimates reviewed mainly concerned the value of goodwill and other intangible assets; the fair value measurement of certain assets, particularly those classified as held for sale in accordance with IFRS 5; financial asset impairment; derivatives hedging sales transactions; and deferred tax assets arising on tax losses. Those reviews did not lead to any material impacts for the 2020 consolidated financial statements.

Disposal plan for non-strategic assets

In mid-2018, the Group initiated a plan to dispose of certain non-strategic assets, under which a total of €1.8 billion in assets had been sold at end-2019 (excluding Vindémia). The Group carried out further disposals under this plan in 2020, involving mainly the sale of Vindémia on 30 June 2020 (Note 3.1.2), the sale of Leader Price to Aldi France (Note 3.1.3), the sale of a 5% stake in Mercialys during the second half of the year (Note 3.1.1), and the sale of real estate assets. As a result, the Group had sold a total of €2.8 billion in non-strategic assets at 31 December 2020 out of an announced €4.5 billion disposal plan.

Assaí spin-off in Brazil

On 31 December 2020, the Group's Brazilian subsidiary GPA spun off its cash and carry business (Assaí) from the rest of its businesses (MultiVarejo and Éxito, with subsidiaries in Uruguay and Argentina). The aim of this operation was to optimise Assaí's potential on the one hand, and the potential of GPA and Éxito's more traditional food retailing business on the other. The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares are due to be admitted to trading on 1 March 2021 (Note 15).
This operation does not have a material impact on the consolidated financial statements as it classifies as an intragroup transaction and therefore only generates expenses and fees inherent to such operations. These are included in "Other operating expenses" in an amount of €25 million (Note 6.5). A tax impact was also recognised for €12 million (Note 9.1.2).

Operations carried out to strengthen the Group's financial structure

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.
It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €448 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:
- issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The accounting impact of these operations can be summarised as follows at 31 December 2020:
- reduction of €858 million in debt (Note 11.2.2), including fair value hedges with a negative fair value, of which a reduction of €1,481 million relating to bond buybacks and an increase of €623 million (including fees) relating to the new bond issue and the Term Loan B tap;
- decrease in hedging derivatives and collection of a net cash balance of €5 million.
- gain of €42 million included in "Net finance costs" (Note 11.3.1).

At 31 December 2020, amounts held in a segregated account to repay debt totalled €487 million (Note 6.8.1).

Note 3 Scope of consolidation

Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly (see list of consolidated companies in Note 17).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.
The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group's statement of financial position, regardless of the percentage interest held.

Potential voting rights

Control is assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.
The Group may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or reduce another party's voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement in which the parties that exercise joint control over an entity have rights to its net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in profit or loss and, where appropriate, in other comprehensive income of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".
Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated to the extent of the Group's percentage interest in these companies. In the absence of any guidance in IFRS concerning cases where the amount to be eliminated is greater than the carrying amount of the investment in the equity-accounted company, the Group has elected to cap the amount eliminated from the accounts in the transaction year and to deduct the uneliminated portion from its share of the equity-accounted company's profits in subsequent years. The Group follows a transparent approach to accounting for associates under the equity method and takes into account, if relevant, its final percentage interest in the associate for the purpose of determining the proportion of profit (loss) to be eliminated.
In the absence of any standard or interpretation covering dilution of the Group's interest in a subsidiary of an equity-accounted company, the dilution impact is recognised in the Group's share of the profit (loss) of the equity-accounted investee.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.
Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date when control is acquired and for each business combination, the Group may elect to apply either the partial goodwill method (in which case, the amount of goodwill is limited to the portion acquired by the Group) or the full goodwill method. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed.
Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, which was the only method applicable prior to publication of the revised version of IFRS 3.

In the case of an acquisition achieved in stages (step acquisition), the previously-held interest is remeasured at fair value at the date control is acquired. The difference between the fair value and carrying amount of the previously-held interest is recognised directly in profit or loss (under "Other operating income" or "Other operating expenses").
The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (not exceeding 12 months from the date when control is acquired). Any subsequent acquisitions of non-controlling interests do not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value, whatever the probability that it will become due. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expenses" if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not remeasured subsequently.

Intra-group transfers of shares in consolidated companies

In the absence of any guidance in IFRS on the accounting treatment of intra-group transfers of shares in consolidated companies leading to a change in percentage interest, the Group applies the following principle:

- the transferred shares are maintained at historical cost and the gain or loss on the transfer is eliminated in full from the accounts of the acquirer;
- non-controlling interests are adjusted to reflect the change in their share of equity, and a corresponding adjustment is made to consolidated reserves, without affecting profit or total equity.

Costs and expenses related to intra-group transfers of shares and to internal restructuring in general are included in "Other operating expenses".

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of the Group's parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated using the closing rate method, as follows:

▪ assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
▪ income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative differences recognised in equity on translation of the net investment in the operation concerned at successive reporting dates are reclassified to profit or loss. Because the Group applies the step-by-step method of consolidation, the cumulative translation differences are not reclassified to profit or loss if the foreign operation disposed is part of a sub-group. This reclassification will occur only at the disposal of the sub group.

Foreign currency transactions are translated into euros using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under "Foreign currency exchange gains" or "Foreign currency exchange losses". Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the transaction date.
Exchange differences arising on translation of the net investment in a foreign operation are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Exchange differences arising on translation of (i) foreign currency borrowings hedging a net investment denominated in a foreign currency or (ii) permanent advances made to subsidiaries are also recognised in equity and reclassified to profit or loss on disposal of the net investment.

In accordance with IAS 29, the statements of financial position and income statements of subsidiaries operating in hyperinflationary economies are (i) restated to take account of changes in the general purchasing power of the local currency, using official price indices applicable on the reporting date, and (ii) converted into euros at the exchange rate on the reporting date. The Group has qualified Argentina as a hyperinflationary economy since 2018.

3.1 Transactions affecting the scope of consolidation in 2020

3.1.1 Mercialys TRS

On 26 July 2018, in connection with the announced asset disposal plan, the Group reduced its stake in Mercialys from 40.3% of the voting rights to 25.3%, through the block sale to a bank of shares representing 15% of the capital under a total return swap (TRS). Under the terms of the transaction, the Group received immediate proceeds amounting to €213 million before disposal costs (€209 million after disposal costs).

Under IFRS 9, the block sale is only effective once the shares are actually sold on the market by the bank. Consequently, the shares were not derecognised and a debt was recorded in respect of the shares not yet sold on the market.

As of 31 December 2019, 64.6% of the shares underlying the TRS had been sold. A corresponding capital loss of €20 million was recorded in “Other operating expenses” and the liability stood at €102 million. The remaining portion of the shares unsold under the TRS were classified as “Assets held for sale” in accordance with IFRS 5 in an amount of €46 million.

On 21 August 2020, the Group transferred a 5% stake in Mercialys to the TRS, allowing it to immediately collect €26 million held in a segregated account in connection with the repayment of gross debt. At 31 December 2020, all of the shares underlying the TRS had been sold and Mercialys was accounted for by the equity method based on a percentage interest of 20.3% (30.6% at 31 December 2019).

Upon unwinding the TRS, the Group recognised a loss of €72 million in “Other operating expenses” (Note 6.5).

In all, the Group paid out €47 million in 2020 in respect of the TRS, net of the €26 million collected from the 5% stake transferred (Note 4.6).

3.1.2 Sale of Vindémia

Casino Group sold Vindémia to the GBH group on 30 June 2020 as part of its plan to dispose of non-strategic assets, and collected €186 million based on an enterprise value of €219 million. This transaction generated a disposal loss of €23 million, including a loss of €13 million on reclassifying foreign currency translation adjustments within gains and losses on disposals.
If the transaction had been completed on 1 January 2020, the sale would have had a negative €405 million impact on the Group’s consolidated net sales, a negative €22 million impact on trading profit and a negative €9 million impact on net profit.

3.1.3 Sale of Leader Price stores and warehouses to Aldi France

On 30 November 2020, Casino Group finalised the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683 million, of which (i) €648 million was collected at closing (Note 3.4.2), and (ii) up to €35 million relates to an earn-out contingent on compliance with certain operating indicators during the transition period.
The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations in its capacity as “parent” while the stores are gradually converted to the Aldi banner throughout 2021.
Under the disposal agreement, Casino (the seller) also grants to Aldi (the buyer) the customary representations and warranties. These include a specific seller’s warranty for €100 million (Note 6.11.1).
Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. The Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).
The sale was completed following information and consultation with the employee representative bodies and clearance from the French competition authorities, which was granted on 17 November 2020. At closing, the Group had relinquished control of Leader Price by transferring its voting rights and other attached rights in the entities sold to Aldi. Aldi may terminate, at any time and without any notice, Casino’s current mandate to manage and operate the stores during the transition period.

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (Notes 3.4.1 and 3.4.2), assets held for sale and associated liabilities have been shown on a separate line of the statement of financial position since 31 December 2019. The post-tax net profit and cash flows for 2020 and 2019 are reported on separate lines of the consolidated income statement under "Net profit (loss) from discontinued operations".
This transaction led to the recognition of a disposal loss before tax of €206 million, presented under "Net profit/(loss) from discontinued operations" (Note 3.4.2).

3.2 Investments in equity-accounted investees

3.2.1 Significant associates and joint ventures

The following table presents the condensed financial statements (on a 100% basis) for the four main equity-accounted investees on a continuing-operations basis. These condensed financial statements prepared in accordance with IFRS correspond to the investees' published financial statements, as restated where appropriate for the adjustments made by the Group, for example fair value adjustments on the date control is acquired or lost, adjustments to bring the investee's accounting policies into line with Group policies, or adjustments to eliminate gains and losses on intra-group acquisitions and disposals for the portion corresponding to the Group's percentage interest in the investee:

(€ millions)	2020				2019			
	Mercialys	**Tuya**[(ii)]	**Floa Bank (formerly Banque du Groupe Casino)**	**FIC**[(iii)]	**Mercialys**	**Tuya**[(ii)]	**Floa Bank (formerly Banque du Groupe Casino)**	**FIC**[(iii)]
Country	**France**	**Colombia**	**France**	**Brazil**	France	Colombia	France	Brazil
Business	**Real estate**	**Banking**	**Banking**	**Banking**	Real	Banking	Banking	Banking
Type of relationship	**Associate**	**Joint venture**	**Joint venture**	**Associate**	Associate	Joint venture	Joint venture	Associate
% interests and voting rights[(iv)]	**20%**[(i)]	**50%**	**50%**	**36%**	31%[(i)]	50%	50%	36%
Total revenue	**231**	**276**	**224**	**168**	252	321	195	273
Net profit (loss) from continuing operations	**61**	**6**	**9**	**56**	104	(3)	11	60
Other comprehensive income (loss)	**-**	**-**	**-**	**-**	-	-	-	-
Total comprehensive	**61**	**6**	**9**	**56**	**104**	**(3)**	**11**	**60**
Non-current assets	**2,858**	**31**	**35**	**8**	2,855	22	33	11
Current assets[(v)]	**541**	**747**	**1,798**	**1,057**	130	878	1,411	1,569
Non-current liabilities	**(1,403)**	**(403)**	**(35)**	**(3)**	(1,280)	(473)	(35)	(4)
Current liabilities	**(423)**	**(252)**	**(1,614)**	**(880)**	(315)	(314)	(1,241)	(1,370)
of which credit activities related liabilities	**-**	***(579)***	***(1,591)***	***(241)***	-	*(675)*	*(1,236)*	*(470)*
Net assets	**1,573**	**124**	**184**	**182**	**1,389**	**113**	**168**	**206**
Dividends received from associates or joint ventures	**11**	**-**	**-**	**3**	34	-	-	6

(i) At 31 December 2020, the Group held 20% (25% at 31 December 2019) of the capital of Mercialys and considers it exercises significant influence over the financial and operating policies of the Mercialys group (Note 3.1.1). This position is based on (a) the absence of a majority vote on strategic decisions at meetings of the company's Board of Directors, which is mostly made up of independent Directors, (b) the governance rules stipulating that Casino's representatives on the Mercialys Board may not take part in decisions concerning transactions carried out with the Group, (c) business contracts entered into between the Group and Mercialys on an arm's length basis, and (d) an analysis of the votes cast at recent shareholders' meetings of Mercialys (showing that Casino and its related parties do not control shareholder decisions at shareholders' meetings). The percentage interest is 20% and 31% respectively at 31 December 2020 and 2019.

(ii) Tuya was set up in partnership with Éxito and Bancolombia to manage the banking services offered to customers of the stores in Colombia, primarily the possibility of signing up for credit cards in the stores. The partnership structure changed in October 2016 when Éxito became a 50% shareholder of Tuya.

(iii) FIC was set up by GPA in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA's customers. It is accounted for using the equity method as GPA exercises significant influence over its operating and financial policies.

(iv) The percentage interest corresponds to that held by Casino, except in the case of Tuya (interest held by the Éxito sub-group) and FIC (interest held by GPA). Following the sale of Via Varejo, GPA has held 36% of FIC's share capital and voting rights since June 2019.

(v) The current assets of Floa Bank (formerly Banque du Groupe Casino), Tuya and FIC primarily concern their credit business.

3.2.2 Other investments in associates and joint ventures

The aggregate amounts of key financial statement items for other associates and joint ventures are not material. Dividends received from these associates and joint ventures amounted to €3 million in 2020 (unchanged from end December 2019)

3.2.3 Changes in investments in equity-accounted investees

(€ millions)	
At 1 January 2019	**500**
Share of profit for the year[(i)]	(18)
Dividends	(43)
Other movements	(99)
At 31 December 2019	**341**
Share of profit for the year	**50**
Dividends	**(20)**
Other movements	**(179)**
At 31 December 2020	**191**

(i) Including a negative €63 million share relating to the loss from the discontinued operations of Leader Price in 2019.

3.2.4 Impairment losses on investments in equity-accounted investees

The fair value of the investment in Mercialys at the reporting date was €134 million for 20.3% of net assets, determined using the share price on 31 December 2020 (31 December 2019: €346 million for 30.6% of net assets), resulting in a loss in value of €77 million included in "Other operating expenses".

No material loss in value was identified for other equity-accounted investees and joint ventures which are not listed.

3.2.5 Share of contingent liabilities of equity-accounted investees

At 31 December 2020 and 31 December 2019, none of the Group's associates or joint ventures had any material contingent liabilities.

3.2.6 Related-party transactions (equity-accounted investees)

The related-party transactions shown below mainly concern transactions carried out in the normal course of business with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) that are accounted for in the consolidated financial statements using the equity method. These transactions are carried out on arm's length terms.

(€ millions)	2020		2019 (restated)	
	Associates	Joint ventures	Associates	Joint ventures
Loans	**60**	**7**	31	11
o/w impairment	***(2)***	***-***	*(1)*	-
Receivables	**20**	**22**	41	44
o/w impairment	***-***	***(1)***	-	-
Payables	**160**[(i)]	**143**	184[(i)]	283
Expenses	**60**[(ii)]	**798**[(iii)]	57[(ii)]	1,520[(iii)]
Income	**288**[(iv)]	**44**	312[(iv)]	51

(i) Including lease liabilities in favour of Mercialys for property assets amounting to €150 million at 31 December 2020, of which €32 million due within one year (31 December 2019: €169 million, of which €41 million due within one year).

(ii) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 57 leases signed with Mercialys. These payments represented €50 million in 2020 (2019: 63 leases for €49 million).

(iii) Including €764 million in fuel purchases from Distridyn (2019: €1,234 million and €235 million in goods purchases from CD Supply Innovation, the partnership with CDSI was unwound during first-half 2019).

(iv) Income of €288 million in 2020 includes sales of goods by Franprix-Leader Price to master franchisees accounted for by the equity method amounting to €115 million (2019: income of €312 million which includes sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method amounting to €145 million). The income figure also includes proceeds from property development transactions with Mercialys reported under "Other revenue" for €116 million, including an EBITDA impact of €65 million (Note 5.1), compared to €95 million reported under "Other revenue" in 2019 including an EBITDA impact of €48 million.

Transactions with Mercialys

Casino has entered into various agreements with Mercialys:

- Leases: Casino leases units in certain shopping centres from Mercialys, for which the lease payments are disclosed above.
- Property management agreement: Casino provides rental management services for nearly all Mercialys properties. In 2020, the related management fees amounted to €5 million (2019: €6 million).
- Partnership agreement: this agreement was approved by Casino's Board of Directors on 19 June 2012 and an addendum was signed on 12 November 2014. The partnership's fundamental principle whereby Casino develops and manages a pipeline of projects that Mercialys acquires to feed its business growth has been maintained in the new agreement. The original agreement concerned a pipeline of projects offering satisfactory visibility. The new agreement enables Mercialys to propose new projects that will be examined by Casino and tracked during monitoring committee meetings.
  Casino will not undertake any work until the order is reconfirmed by Mercialys once the necessary permits have been obtained and leases have been signed on units representing at least 60% of total projected rental revenues from signed leases.
  The acquisition price of projects developed by Casino was calculated under the original agreement on the basis of (i) a rent capitalisation rate determined using a grid that is updated twice a year by reference to the rates used to value Mercialys' portfolio and (ii) projected rental revenues from the project. Under the new agreement, the projected internal rate of return (IRR) – within the range of 8% to 10% – may also be taken into account for pricing purposes.
  The principle whereby the upside and downside are shared equally between Casino and Mercialys has been maintained to take into account the actual conditions in which the assets will be marketed. For example, the price will be increased or reduced by 50% of any positive (upside) or negative (downside) difference between the actual rents negotiated during the marketing process and the rents projected at the outset. The contracts require the parties to meet during the pre-acquisition process.
  In exchange for the exclusive partnership, Mercialys has undertaken not to invest in any operations that could lead to a material increase in competition in the catchment area of any of the Casino Group's food stores. At the end of January 2017, the partnership agreement was extended by three years, until end-2020. The partnership agreement expired in December 2020 as it was not extended by either of the parties.
- Support services agreement: the Group provides administrative, finance/accounting, IT and real estate support services to Mercialys. In 2020, the related fees amounted to €1 million (2019: €2 million).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. No services were provided under this agreement in 2020.
  The parties decided to terminate the agreement on 31 December 2018. A new fixed-term agreement was signed with an initial term of six months (1 January to 30 June 2019), covering asset management services provided by Mercialys' teams on projects managed on Casino's behalf. The agreement is automatically renewable for successive six-month terms up to a maximum of 48 months in total. This agreement expired at the end of 2020 since it was not renewed by either of the parties.
- Sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys. This agreement lapsed in 2020.
- Current account agreement: on 8 September 2005, Mercialys entered into a current account and cash management agreement with Casino. Under this agreement, Mercialys and Casino set up a shareholder current account for all eligible payments, withdrawals or advances of funds between the two companies. Following the reduction in Casino's interest in Mercialys' share capital in 2012, the two parties decided to terminate the existing current account and cash management agreement and to enter into a new current account agreement. This agreement maintained Mercialys' current account with Casino, enabling it to benefit from cash advances of up to €50 million from Casino.
  The term of the agreement was extended on several occasions. An addendum to the agreement was signed in December 2019, reducing the cash advance limit to €35 million and extending its maturity to 31 December 2021. An addendum to the agreement was signed in December 2020 to extend its maturity to 31 December 2022. No cash advances had been granted to Mercialys at end-December 2020.

On 23 December 2020, Mercialys sold five real estate assets to SCI AMR (an equity-accounted company in Mercialys' books) for a net selling price representing 100% of €198 million. On 21 December 2020, Mercialys also sold another real estate asset to a company outside the Group for a net selling price of €31 million.
In the Group's consolidated financial statements, these two transactions led to the recognition of income totalling €37 million in "Other revenue" and an EBITDA contribution of €19 million resulting from the recognition of previously eliminated margins on real estate development transactions involving Casino and Mercialys (Note 5.1).

3.2.7 Commitments to joint ventures

The Group had given guarantees to Distridyn (also presented in Note 6.11.1) for an amount of €68 million at 31 December 2020 (unchanged from end-December 2019).

3.3 Commitments related to the scope of consolidation

3.3.1 Put options granted to owners of non-controlling interests – "NCI puts"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. The options may be exercisable at any time or on a specified date. In accordance with IAS 32, obligations under these NCI puts are recognised as "Financial liabilities"; fixed price options are recognised at their discounted present value and variable price options at fair value. NCI puts are presented on a separate line of the consolidated statement of financial position, "Put options granted to owners of non-controlling interests".

IAS 27 revised, which was effective for annual periods beginning on or after 1 January 2010, and subsequently IFRS 10, effective for annual periods beginning on or after 1 January 2014, describe the accounting treatment of acquisitions of additional shares in subsidiaries. The Group has decided to apply two different accounting methods for these NCI puts, depending on whether they were granted before or after 1 January 2010, as recommended by France's securities regulator (*Autorité des marchés financiers*):

- NCI puts granted before the effective date of IAS 27 revised are accounted for using the goodwill method whereby the difference between the financial liability and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent years, this liability is remeasured and any changes adjust goodwill;
- NCI puts granted since IAS 27 revised came into effect are accounted for as transactions between shareholders, with the difference between the financial liability and the carrying amount of the non-controlling interests recognised as a deduction from equity. In subsequent years, this liability is remeasured and any changes adjust equity.

"NCI puts" can be analysed as follows at 31 December 2020:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities(iii)	Current liabilities(iii)
Franprix(i)	70.00%	30.00%	V	34	-
Éxito (Disco)(ii)	62.49%	29.82%	V	-	100
Other				11	19
Total NCI put liabilities				**45**	**119**

(i) The value of the NCI put on subsidiaries of the Franprix sub-group is based on net profit and a multiple of net sales. A 10% increase or decrease in these indicators would not have a material impact. The put option expires between 2022 and 2025.
(ii) It is exercisable at any time until 30 June 2021; in the event the put is not exercised, the agreement will be automatically rolled over until 30 June 2025. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2020, the exercise price represents the minimum price.
(iii) At 31 December 2019, NCI put liabilities amounted to €166 million, including current liabilities of €105 million.

3.3.2 Off-balance sheet commitments

Accounting principle

Puts and calls relating to non-controlling interests are generally accounted for as derivative instruments. The exercise price of these options generally reflects the fair value of the underlying assets.
Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies concerned. In this case, the options are valued based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date. In many cases, the put option written by the Group is matched by a call written by the other party; in these cases, the value shown corresponds to that of the written put.

At 31 December 2020, there were no outstanding puts relating to non-controlling interests. At 31 December 2019, put options represented €5 million and concerned companies within the Monoprix sub-group.

Call options granted to the Group on shares in non-controlled companies stood at €316 million at 31 December 2020 (31 December 2019: €339 million), the most important of which were granted in connection with transactions involving Mercialys:

- call option on 100% of the assets or 100% of the shares of Hyperthetis Participations, exercisable from 31 December 2020 and until 31 March 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- call option on a property asset previously sold to Immosiris, exercisable between 31 March 2021 and 30 September 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR.

3.4 Non-current assets held for sale and discontinued operations

Accounting principle

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification. Considering these characteristics, net assets held for sale attributable to owners of the parent of the selling subsidiary are presented as a deduction from net debt (Note 11).

Property, plant and equipment, intangible assets and right-of-use assets classified as held for sale are no longer depreciated or amortised.
If a disposal plan changes, and/or when the criteria for classification as held for sale are no longer met, assets can no longer be presented in this category. In this case, the asset (or disposal group) is to be carried at the lower of:

- its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision not to sell.

The impact of these adjustments, which primarily relate to the catching-up of depreciation and/or amortisation not recognised in the period during which the assets were classified as held for sale, is included in "Other operating expenses".

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

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

Classification as a discontinued operation occurs when the operation is disposed of or on a prior date when it fulfils the criteria for classification as held for sale.

When an operation is classified as discontinued, the comparative income statement and statement of cash flows are restated as if the operation had fulfilled the criteria for classification as discontinued as from the first day of the comparative period. Discontinued operations are presented on a separate line of the consolidated income statement, "Profit from discontinued operations", which includes the net profit or loss of the discontinued operation up to the date of disposal, and if appropriate, any impairment loss recognised to write down the net assets held for sale to their fair value less costs to sell and/or any after-tax disposal gains or losses.

3.4.1 Assets held for sale and liabilities associated with assets held for sale

(€ millions)	Notes	2020		2019 (restated)(i)	
		Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	3.1.3 / 3.4.2	**-**	**-**	1,362	706
Other France Retail(ii)		**914**	**210**	1,405	491
Other Latam Retail(iii)		**19**	**-**	51	-
Total		**932**	**210**	**2,818**	**1,197**
Net assets		**722**		1,621	
of which attributable to owners of the parent of the selling subsidiary	*11.2*	***720***		*1,602*	

(i) Right-of-use assets were offset against lease liabilities on the "Assets held for sale" and "Liabilities associated with assets held for sale" lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283 million.
(ii) At 31 December 2020 and 2019, this line corresponds mainly to stores and property assets relating to asset disposal plans and plans to optimise the store base.
(iii) In 2020, GPA also completed the sale of land for BRL 200 million. This sale generated a disposal gain of BRL 134 million (€23 million) which was recorded within other operating income (Note 6.5).

3.4.2 Discontinued operations

In 2020, net profit (loss) from discontinued operations primarily reflects the contribution of Leader Price to the Group's earnings up to the date of its sale, the loss on its disposal, and commitments undertaken in connection with the transition period (Note 3.1.3). In 2019, net profit (loss) from discontinued operations primarily reflected (i) the contribution of the Via Varejo group (including Cnova Brazil) to the Group's earnings up to the date of its sale, along with the gain on its disposal, and (ii) the contribution of Leader Price to the Group's earnings, representing a negative €1,046 million. Net profit (loss) from discontinued operations can be analysed as follows:

(€ millions)	2020	2019
Net sales	**1,528**	**4,376**
Net expenses[(i)]	**(1,784)**	**(4,681)**
Gains (losses) on disposals of non-current assets[(ii)]	**(206)**	**29**
Disposal proceeds collected	*648*	*615*
Disposal costs	*(4)*	*(39)*
Adjusted carrying amount of net assets sold[(iii)]	*(850)*	*(543)*
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax[(iv)]	*-*	*(4)*
Impairment loss resulting from the measurement of Leader Price at fair value less costs to sell[(v)]	**-**	**(704)**
Net profit (loss) before tax from discontinued operations	**(462)**	**(979)**
Income tax benefit (expense)	**15**	**(16)**
Share of profit of equity-accounted investees	**(62)**	**(60)**
Net profit (loss) from discontinued operations	**(508)**	**(1,054)**
Attributable to owners of the parent	***(516)***	***(1,048)***
Attributable to non-controlling interests	***7***	***(6)***

(i) Including a gross amount of BRL 231 million (€39 million) in 2020, corresponding to GPA's right to receive a portion of the profit resulting from the exclusion of ICMS tax from the PIS/COFINS tax base of its former subsidiary Globex, following the court ruling handed down in respect of Via Varejo for the 2007-2010 period. Pending substantiating legal documentation from Via Varejo regarding tax credits for fiscal years 2003 to 2007, GPA's right to receive tax credits is considered a contingent asset estimated at around BRL 277 million, or €43 million (Note 13.3).

(ii) The 2020 disposal loss relates to the sale of Leader Price on 30 November 2020 (Note 3.1.3). In 2019, the disposal gain related to the 14 June 2019 sale of Via Varejo.

(iii) The carrying amount of net assets sold is adjusted in order to bring the assets into line with the contractual provisions relative to the transition period.

(iv) The sale of Via Varejo in 2019 did not lead to any related foreign currency translation adjustments being reclassified to profit or loss.

(v) When the Franprix-Leader Price operating segment was separated in two in 2019, the breakdown of goodwill between the Leader Price, Franprix and Geimex businesses was measured based on the relative values of each of the businesses (value in use from the impairment test). The fair value of Leader Price had been estimated based on an enterprise value of €735 million (including a €35 million earn-out contingent on the achievement of certain operating indicators during the transition period), less the estimated cost of the put options held by master franchisees and independent operators, and less the estimated future cash flow usage of the sub-group up to the effective date of the disposal.

Earnings per share of discontinued operations are presented in note 12.10.

Note 4 Additional cash flow disclosures

Accounting principle

The statement of cash flows is prepared using the indirect method starting from consolidated net profit (loss) and is organised in three sections:

- cash flows from operating activities, including taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates and joint ventures and payments received in respect of government grants;
- cash flows from (used in) investing activities, including acquisitions of subsidiaries (excluding transaction costs), proceeds from disposals of subsidiaries (including transaction costs), acquisitions and disposals of investments in non-consolidated companies, associates and joint ventures (including transaction costs), contingent consideration paid for business combinations during the measurement period and up to the amount of the identified liability, and acquisitions and disposals of intangible assets and property plant and equipment (including transaction costs and deferred payments).
- cash flows from (used in) financing activities, including new borrowings and repayments of borrowings, issues of equity instruments, transactions between shareholders (including transaction costs and any deferred payments), repayments of lease liabilities, net interest paid (cash flows related to finance costs, non-recourse factoring and associated transaction costs, and interest on leases), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt.

4.1 Reconciliation of provision expense

(€ millions)	Notes	2020	2019 (restated)
Goodwill impairment	10.1.2	**(15)**	(17)
Impairment of intangible assets	10.2.2	**(20)**	(8)
Impairment of property, plant and equipment	10.3.2	**(121)**	(70)
Impairment of investment property	10.4.2	**(2)**	(4)
Impairment of right-of-use assets	7.1.1	**(78)**	(12)
Impairment of other assets		**(90)**	(140)
Net (additions to)/reversals of provisions for risks and charges	13.1	**(78)**	5
Total provision expense		**(404)**	**(247)**
Provision expense reported within discontinued operations		**14**	6
Provision expense adjustment in the statement of cash flows		**(390)**	**(240)**

4.2 Reconciliation of changes in working capital to the statement of financial position

(€ millions)	Notes	31 December 2019	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	Reclassifications and other[ii]	31 December 2020
Goods inventories	0	**(3,485)**	**(44)**	**-**	**-**	**(8)**	**483**	**(5)**	**(3,059)**
Property development work in progress	0	**(290)**	**(29)**	**(8)**	**-**	**11**	**27**	**140**	**(150)**
Trade payables	B/S	**6,580**	**51**	**(24)**	**-**	**69**	**(743)**	**257**	**6,190**
Trade receivables	6.7	**(836)**	**(122)**	**-**	**-**	**(3)**	**39**	**(18)**	**(941)**
Other (receivables)/payables	6.8.1 / 6.9.1 / 6.10	**302**	**171**	**1**	**(621)[i]**	**106**	**143**	**172**	**274**
TOTAL		**2,272**	**26**	**(32)**	**(621)**	**173**	**(50)**	**546**	**2,314**

(€ millions)	Notes	1 January 2019	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	Reclassifications and other	31 December 2019
Goods inventories	0	(3,655)	1	(35)	-	(13)	37	180	(3,485)
Property development work in progress	0	(179)	(100)	1	-	(2)	-	(10)	(290)
Trade payables	B/S	6,668	328	(83)	-	33	(46)	(321)	6,580
Trade receivables	6.7	(905)	(64)	(134)	-	62	11	195	(836)
Other (receivables)/payables	6.8.1 / 6.9.1 / 6.10	542	(74)	(2)	(463)[i]	134	5	160	302
TOTAL		**2,471**	**92**	**(254)**	**(463)**	**213**	**8**	**204**	**2,272**

(i) In 2020 and 2019, these amounts primarily reflect cash inflows and outflows relating to financial assets (Note 4.11).
(ii) Primarily reflecting the transfer of Green Yellow assets in connection with the shift in the subsidiary's strategy (Note 10.3.2), the impacts of classifying assets and liabilities as held for sale in accordance with IFRS 5, and the change in the fair value of the GPA TRS.

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	Notes	2020	2019
Additions to and acquisitions of intangible assets	10.2.2	**(239)**	(269)
Additions to and acquisitions of property, plant and equipment	10.3.2	**(660)**	(868)
Additions to and acquisitions of investment property	10.4.2	**(3)**	(14)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	**(3)**	(8)
Changes in amounts due to suppliers of non-current assets		**(26)**	21
Neutralisation of capitalised borrowing costs (IAS 23)[i]	10.3.3	**3**	5
Effect of discontinued operations		**1**	26
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(927)**	**(1,107)**

(i) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	Notes	2020	2019
Disposals of intangible assets	10.2.2	**5**	7
Disposals of property, plant and equipment	10.3.2	**236**	188
Disposals of investment property	10.4.2	**-**	-
Disposals of lease premiums included in right-of-use assets	7.1.1	**6**	8
Gains on disposals of non-current assets[i]		**141**	61
Changes in receivables related to non-current assets		**(27)**	(32)
Reclassification of non-current assets as "Assets held for sale"		**61**	664
Effect of discontinued operations		**-**	(7)
Cash from disposals of intangible assets, property, plant and equipment and investment property		**423**	**890**

(i) Prior to the restatement of sale-and-leaseback transactions in accordance with IFRS 16.

4.5 Effect on cash and cash equivalents of changes in scope of consolidation resulting in acquisition or loss of control

(€ millions)	2020	2019
Amount paid for acquisitions of control	**(20)**	(12)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	**9**	6
Proceeds from losses of control	**211**	227
(Cash sold) / bank overdrafts transferred in losses of control	**(43)**	(4)
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**157**	**218**

In 2020, the net impact of these transactions on the Group's cash and cash equivalents was mainly due to the loss of control of Vindémia (Note 3.1.2).

In 2019, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:
- the loss of control of loss-making stores in connection with the plan to optimise the store base, for €166 million;
- the sale of the contract catering services business and of restaurants.

4.6 Effect of changes in scope of consolidation related to equity-accounted investees

(€ millions)	2020	2019
Amount paid for the acquisition of shares in equity-accounted investees	**(16)**	(35)
Net outflow relating to the Mercialys TRS (Note 3.1.1)	**(47)**	(4)
Effect of changes in scope of consolidation related to equity-accounted investees	**(63)**	**(39)**

4.7 Reconciliation of dividends paid to non-controlling interests

(€ millions)	Notes	2020	2019
Dividends paid and payable to non-controlling interests	12.8	**(80)**	(92)
Change in the liability for dividends payable to non-controlling interests		**35**	9
Effect of movements in exchange rates		**-**	(1)
Effect of discontinued operations		**-**	-
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(45)**	**(83)**

4.8 Effect on cash and cash equivalents of transactions with non-controlling interests

(€ millions)	Notes	2020	2019
GPA – acquisition of 41.27% of Éxito shares in 2019		**(21)**	(917)
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary in 2019		**-**	(18)
Other		**(33)**	(36)
Effect on cash and cash equivalents of transactions with non-controlling interests		**(55)**	**(971)**

4.9 Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	Notes	2020	2019 (restated)
Change in cash and cash equivalents		**(856)**	(984)
Additions to loans and borrowings(i)		**(2,066)**	(4,542)
Repayments of loans and borrowings(i)		**2,632**	3,694
Allocation to/(use of) segregated account	4.11	**295**	193
Outflows/(inflows) of financial assets		**(55)**	(38)
Non-cash changes in debt(i)		**(719)**	(27)
Change in net assets held for sale attributable to owners of the parent		***(817)***	*(161)*
Change in other financial assets		***7***	*118*
Effect of changes in scope of consolidation		***102***	*95*
Change in fair value hedges		***(27)***	*(85)*
Change in accrued interest		***(32)***	*(26)*
Other		***49***	*32*
Effect of movements in exchange rates(i)		**896**	55
Change in loans and borrowings of discontinued operations		**14**	974
Change in net debt		**142**	**(677)**
Net debt at beginning of period(ii)		**4,055**	3,378
Net debt at end of period	11.2	**3,914**	4,055

(i) These impacts relate exclusively to continuing operations.
(ii) After taking into account the impact of applying the IFRS IC decision on IFRS 16, representing €2 million at 1 January 2020 (zero at 1 January 2019).

4.10 Reconciliation of net interest paid

(€ millions)	Notes	2020	2019 (restated)
Net finance costs reported in the income statement	**11.3.1**	**(357)**	**(356)**
Neutralisation of unrealised exchange gains and losses		**(6)**	13
Neutralisation of amortisation of debt issuance / redemption costs and premiums		**53**	41
Capitalised borrowing costs	10.3.3	**(3)**	(5)
Change in accrued interest and in fair value hedges of borrowings		**(27)**	40
Interest paid on lease liabilities	11.3.2	**(317)**	(324)
Non-recourse factoring and associated transaction costs	11.3.2	**(60)**	(77)
Interest paid, net as presented in the statement of cash flows		**(717)**	**(670)**

4.11 Cashflows in investing activities related to financial assets

In 2020, cash outflows and inflows related to financial assets amounted to €942 million and €461 million, respectively, representing a net cash outflow of €481 million. This primarily relates to the outflow of €248 million upon unwinding the TRS on GPA shares (Note 11.3.2) and the net outflow relating to the segregated account held in connection with the refinancing of the rollover credit facility (RCF) for €295 million. Changes in the segregated account reflect the transfer to this account of disposal proceeds from the sale of (i) Vindémia (Note 3.1.2), Leader Price (Note 3.1.3), and the 5% stake in Mercialys (Note 3.1.1), and (ii) the use of funds to repay the residual amount outstanding on bonds maturing in 2020 (Note 11.2.2) and a portion of the bond buybacks (Note 2).

In 2019, cash outflows related to acquisitions of financial assets amounted to €440 million, mainly breaking down as (i) a payment of €291 million relating to the refinancing transactions into a segregated account, which had a balance of €193 million at 31 December 2019 (Note 6.8.1), and (ii) a cash outflow of €109 million arising on unwinding the forward contract on GPA shares (Note 11.3.2).

Note 5 Segment information

Accounting principle

In accordance with IFRS 8 – Operating Segments, segment information is disclosed on the same basis as the Group's internal reporting system used by the chief operating decision maker (the Chairman and Chief Executive Officer) in deciding how to allocate resources and in assessing performance.

The Group's reportable segments are as follows:

- France Retail: reportable segment comprising retail operating segments (mainly the sub-group banners Casino, Monoprix, Franprix and Vindémia – the latter until its sale on 30 June 2020);
- Latam Retail: reportable segment comprising food retailing operating segments in Latin America (mainly the GPA food banners and the Éxito, Disco-Devoto and Libertad sub-group banners);
- E-commerce: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

In 2019, the Franprix-Leader Price operating segment was separated into Franprix, Leader Price and Geimex.

The operating segments included in France Retail and Latam Retail have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, marketing offer and long-term financial performance.

These reportable segments reflect pure retail activities and retail-related activities. Given the dual strategy and the interconnection between retail and real estate, the operating segments include real estate asset management activities, property development activities and energy-related activities (GreenYellow).

Management assesses the performance of these segments on the basis of net sales, trading profit (which includes the allocation of holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.

Segment assets and liabilities are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment information.

Segment information is determined on the same basis as the consolidated financial statements.

5.1 Key indicators by reportable segment

(€ millions)	France Retail	Latam Retail	E-commerce	2020
External net sales (Note 6.1)	**15,219**	**14,656**	**2,037**	**31,912**
EBITDA	**1,451**(i)	**1,161**(ii)	**129**	**2,742**
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	**(826)**	**(413)**	**(77)**	**(1,316)**
Trading profit	**625**(i)	**748**(ii)	**53**	**1,426**

(i) Of which €64 million in respect of property deals carried out in France, corresponding mainly in 2020 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys and the sale of assets by Mercialys, amounting to €45 million and €19 million, respectively (Note 3.2.6).
(ii) Of which BRL 817 million (€139 million) in respect of tax credits recognised by GPA, including BRL 995 million (€169 million) recognised in net sales corresponding to tax savings resulting from the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (Note 13.3).

(€ millions)	France Retail	Latam Retail	E-commerce	2019 (restated)
External net sales (Note 6.1)	16,322	16,358	1,966	34,645
EBITDA	1,467(i)	1,104	69	2,640
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(778)	(476)	(65)	(1,318)
Trading profit	689(i)	628	4	1,321

(i) Of which €56 million in respect of property deals carried out in France, corresponding in 2019 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys and the sale of assets by Mercialys, amounting to €38 million and €10 million, respectively (Note 3.2.6).

5.2 Key indicators by geographic area

(€ millions)	France	Latin America	Other regions	Total
External net sales for 2020	**17,235**	**14,656**	**21**	**31,912**
External net sales for 2019	18,285	16,343	17	34,645

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 31 December 2020[i]	**10,559**	**7,898**	**56**	**18,512**
Non-current assets at 31 December 2019 (restated)[i]	11,222	10,067	59	21,348

(i) Non-current assets include goodwill, intangible assets and property, plant, and equipment, investment property, right-of-use assets, investments in equity-accounted investees, contract assets and prepaid expenses beyond one year.

Note 6 Activity data

6.1 Total revenue

Accounting principle

Total revenue:

Total revenue is analysed between “Net sales” and “Other revenue”.

"Net sales" include sales by the Group’s stores, service stations, E-commerce sites and restaurants, franchise fees, revenues from business leases and financial services revenues.
Most of the amount reported under Group “Net sales” corresponds to revenue included in the scope of IFRS 15.

“Other revenue" consists of revenue from the property development and property trading businesses, rental revenues, miscellaneous service revenues, incidental revenues and revenues from secondary activities, and revenues from the energy business.
The majority of amounts reported under “Other revenue” are included in the scope of IFRS 15, while rental revenues are included in the scope of IFRS 16.

Revenue is measured at the contract price, corresponding to the consideration to which the Group expects to be entitled in exchange for the supply of goods or services. The transaction price is allocated to the performance obligations in the contract, which represent the units of account for revenue recognition purposes. Revenue is recognised when the performance obligation is satisfied, i.e., when control of the good or service passes to the customer. Revenue may therefore be recognised at a specific point in time or over time based on the stage of completion.

The Group’s main sources of revenue are as follows:

- Sales of goods (including through the property trading business): in this case, the Group generally has only one performance obligation, that of delivering the good to the customer. Revenue from these sales is recognised when control of the good is transferred to the customer upon delivery, i.e., generally:
  - at the checkout for in-store sales;
  - on receipt of the goods by the franchisee or affiliated store;
  - on receipt of the goods by the customer for E-commerce sales.
- Sales of services, for example sales of subscriptions, franchising fees, logistics services, rental revenue and property management services: in this case, for operations included in the scope of IFRS 15, the Group generally has only one performance obligation, to supply the service. The related revenues are recognised over the period in which the services are performed.
- Property development revenues: in this case, the Group generally has several performance obligations, some of which may be satisfied at a given point in time and others over time based on the project's percentage of completion. Profit from property development activities is generally calculated on a percentage-of-completion basis by reference to the projected margin on completion weighted by the percentage of completion determined by the inputs method.
- Revenues from the energy business, for which the Group generally identifies a performance obligation when the solar power plant is delivered (in exchange for variable consideration in some cases) or when the energy performance contracts are sold. The Group also sells energy services for which the related revenue is recognised when the service is performed.

The vast majority of revenues are recognised at a given point in time.

If settlement of the consideration is deferred for an unusually long time and no promise of financing is explicitly stated in the contract or implied by the payment terms, revenue is recognised by adjusting the consideration for the effects of the time value of money. If significant, the difference between this price and the unadjusted transaction price is recognised in "Other financial income" over the payment deferral period, determined using the effective interest method.

The Group operates loyalty programmes that enable customers to obtain discounts or award credits on their future purchases. Award credits granted to customers under loyalty programmes represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability. The corresponding revenue is deferred until the award credits are used by the customer.

Contract assets and liabilities, incremental costs to obtain a contract and costs to fulfil a contract

- A contract asset corresponds to an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Based on this definition, a receivable does not constitute a contract asset.

The Group recognises a contract asset when it has fulfilled all or part of its performance obligation but does not have an unconditional right to payment (i.e., the Group does not yet have the right to invoice the customer). In light of its business, contract assets recognised by the Group are not material.

- A contract liability corresponds to an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

The Group recognises contract liabilities mainly for award credits granted under its loyalty programmes, advances received and sales for which all or part of the performance obligation has not yet been fulfilled (e.g., sales of subscriptions and gift cards, and future performance obligations of the property development business for which the customer has already been invoiced followed by payment of consideration).

- The incremental costs to obtain a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained and which it expects to recover.

The costs to fulfil a contract are costs related directly to a contract that generate or enhance the resources that will be used by the Group in satisfying its performance obligations and which it expects to recover.
For the Group, the costs to obtain and fulfil contracts correspond primarily to the costs incurred in connection with its franchising and affiliation business. These costs are capitalised and amortised over the life of the franchise or affiliation contract. The capitalised amounts are tested regularly for impairment.

Contract assets and the costs of obtaining and fulfilling contracts are tested for impairment under IFRS 9.

6.1.1 Breakdown of total revenue

(€ millions)	France Retail	Latam Retail	E-commerce	2020
Net sales	**15,219**	**14,656**	**2,037**	**31,912**
Other revenue	**455**	**142**	**-**	**598**
Total revenue	**15,674**	**14,799**	**2,037**	**32,510**

(€ millions)	France Retail	Latam Retail	E-commerce	2019
Net sales	16,322	16,358	1,966	34,645
Other revenue	494	171	-	665
Total revenue	**16,816**	**16,528**	**1,966**	**35,310**

6.1.2 Incremental costs of obtaining and fulfilling contracts, contract assets and liabilities

(€ millions)	Notes	2020	2019
Costs to obtain contracts included in "Intangible assets"	10.2	**111**	113
Contract assets	6.8 / 6.9	**-**	11
Right-of return assets included in inventories	6.6	**3**	2
Contract liabilities	6.10	**135**	150

6.2 Cost of goods sold

Accounting principle

Gross margin

Gross margin corresponds to the difference between "Net sales" and the "Cost of goods sold".

“Cost of goods sold" comprises the cost of purchases net of discounts, commercial cooperation fees and any tax credits associated with the purchases, changes in retail inventories and logistics costs. It also includes property development and property trading business costs and changes in the related inventories.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Change in inventories

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses.

Logistics costs

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group’s sites. Transport costs included in suppliers’ invoices (e.g., for goods purchased on a "delivery duty paid" or "DDP" basis) are included in “Purchases and change in inventories”. Outsourced transport costs are recognised under "Logistics costs".

(€ millions)	**Notes**	**2020**	**2019 (restated)**
Purchases and change in inventories		**(22,880)**	(25,102)
Logistics costs	6.3	**(1,434)**	(1,444)
Cost of goods sold		**(24,314)**	**(26,546)**

6.3 Expenses by nature and function

Accounting principle

Selling expenses
"Selling expenses" consist of point-of-sale costs.

General and administrative expenses
General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening and post-closure costs
Pre-opening costs that do not meet the criteria for capitalisation and post-closure costs are recognised in operating expense when incurred.

(€ millions)	Logistics costs(i)	Selling expenses	General and administrative expenses	2020
Employee benefits expense	**(518)**	**(2,474)**	**(735)**	**(3,727)**
Other expenses	**(780)**	**(2,060)**	**(321)**	**(3,161)**
Depreciation and amortisation (Notes 5.1 / 6.4)	**(136)**	**(970)**	**(209)**	**(1,316)**
Total	**(1,434)**	**(5,504)**	**(1,265)**	**(8,204)**

(€ millions)	Logistics costs(i)	Selling expenses	General and administrative expenses	2019 (restated)
Employee benefits expense	(545)	(2,831)	(784)	(4,160)
Other expenses	(764)	(2,246)	(399)	(3,409)
Depreciation and amortisation (Notes 5.1/6.4)	(135)	(996)	(188)	(1,318)
Total	**(1,444)**	**(6,073)**	**(1,371)**	**(8,887)**

(i) Logistics costs are reported under "Cost of goods sold".

6.4 Depreciation and amortisation

(€ millions)	Notes	2020	2019 (restated)
Amortisation of intangible assets	10.2.2	**(198)**	(177)
Depreciation of property, plant and equipment	10.3.2	**(443)**	(476)
Depreciation of investment property	10.4.2	**(12)**	(14)
Depreciation of right-of-use assets	7.1.1	**(663)**	(720)
Total depreciation and amortisation expense		**(1,317)**	**(1,388)**
Depreciation and amortisation reported under "Profit from discontinued operations"		**-**	70
Depreciation and amortisation of continuing operations	**5.1 / 6.3**	**(1,316)**	**(1,318)**

6.5 Other operating income and expenses

Accounting principle

This caption covers two types of items:

- income and expenses which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income/expenses related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests); and
- income and expenses arising from major events occurring during the period that would distort analyses of the Group's recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs (such as reorganisation costs and the costs of converting stores to new concepts) and provisions and expenses for litigation and risks (including discounting adjustments).

(€ millions)	2020	2019 (restated)
Total other operating income	**306**	63
Total other operating expenses	**(1,103)**	(776)
	(797)	**(713)**
Breakdown by type		
Gains and losses on disposal of non-current assets[(i)(vii)]	**89**	(7)
Net asset impairment losses[(ii)(vii)]	**(303)**	(158)
Net income/(expense) related to changes in scope of consolidation[(iii)(vii)]	**(245)**	(198)
Gains and losses on disposal of non-current assets, net impairment losses on assets and net income (expense) related to changes in scope of consolidation	**(459)**	**(363)**
Restructuring provisions and expenses[(iii)(iv)(vii)]	**(219)**	(206)
Provisions and expenses for litigation and risks[(v)]	**(100)**	(95)
Other[(vi)]	**(19)**	(50)
Sub-total	**(339)**	**(350)**
Total net other operating income (expenses)	**(797)**	**(713)**

(i) The net gain on disposal of non-current assets in 2020 mainly concerns the Latam Retail segment with a gain of €79 million arising mainly on the disposal of real estate assets in Brazil, and the France Retail segment with a gain of €9 million. In 2019, the net loss on disposal of non-current assets mainly concerned the France Retail segment with a loss of €37 million and the Latam Retail segment with a gain of €31 million.

(ii) The impairment loss recognised in 2020 mainly concerns the France Retail segment and relates to the asset disposal plan and to impairment tests performed on individual stores. The impairment loss recognised in 2019 mainly concerned the France Retail segment and relates to the asset disposal plan.

(iii) The €245 million net expense recognised in 2020 chiefly results from the sale of Mercialys shares, generating a loss of €72 million, from the sale of the subsidiary Vindémia, and from various other transactions within the France Retail scope, generating a net loss of €97 million. Transactions in the Latam Retail segment generated a loss of €38 million, including €25 million in fees relating to the spin-off of Assaí in Brazil (Note 2). The €198 million net expense recognised in 2019 primarily related to the France Retail segment for €191 million, with the store base optimisation plan, the disposal plan and the reorganisation of operations in Latin America.

(iv) Restructuring provisions and expenses in 2020 primarily concern the France Retail segment for €149 million (mostly transformation, reorganisation and closure costs notably related to stores), and the Latam Retail segment for €66 million (mainly GPA). Restructuring provisions and expenses for 2019 mainly concerned the France Retail and Latam Retail segments for €131 million and €70 million, respectively.

(v) Provisions and expenses for litigation and risks represented a net expense of €100 million in 2020, including €66 million mainly for tax risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €95 million in 2019, including €36 million for tax risks at GPA.

(vi) In 2019, this caption included €32 million in costs relating to the digitalisation programme at Distribution Casino France (Hypermarkets & Supermarkets division).

(vii) Reconciliation of the breakdown of asset impairment losses with the tables of asset movements:

(€ millions)	Notes	2020	2019 (restated)
Goodwill impairment losses	10.1.2	**(15)**	(17)
Impairment (losses) / reversals on intangible assets, net	10.2.2	**(20)**	(8)
Impairment (losses) / reversals on property, plant and equipment, net	10.3.2	**(121)**	(70)
Impairment (losses) / reversals on investment property, net	10.4.2	**(2)**	(4)
Impairment (losses) / reversals on right-of-use assets, net	7.1.1	**(78)**	(12)
Impairment (losses) / reversals on other assets, net (IFRS 5 and other)		**(111)**	(140)
Total net impairment losses		**(348)**	**(251)**
Net impairment losses of discontinued operations		**17**	**10**
Net impairment losses of continuing operations		**(331)**	**(241)**
Of which presented under "Restructuring provisions and expenses"		***(31)***	*(52)*
Of which presented under "Net impairment (losses) / reversals on assets"		***(303)***	*(158)*
Of which presented under "Net income / (expense) related to changes in scope of consolidation"		***4***	*(32)*
Of which presented under "Gains and losses on disposal of non-current assets"		***-***	*-*

6.6 Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions for impairment of inventories is recognised if the probable net realisable value is lower than cost. This analysis takes into account the business unit's operating environment and the type, age, turnover characteristics and sales pattern of the products concerned.

The cost of inventories is determined by the first-in-first-out (FIFO) method, except for inventories held by the GPA sub-group which uses the weighted average unit cost method, primarily for tax reasons. As GPA's inventory turnover rate is very high, inventory values would not be materially different if the FIFO method was applied. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing them to their present location and condition. Accordingly, logistics costs are included in the carrying amount together with supplier discounts deducted from "Cost of goods sold". The cost of inventories also includes gains or losses on cash flow hedges of future inventory purchases initially accumulated in equity.

For its property development and property trading businesses, Casino Group recognises assets and projects in progress in inventories.

(€ millions)	2020	2019
Goods	**3,104**	3,532
Property assets	**160**	300
Gross amount	**3,265**	**3,833**
Accumulated impairment losses on goods	**(45)**	(48)
Accumulated impairment losses on property assets	**(11)**	(10)
Accumulated impairment losses	**(56)**	**(58)**
Net inventories (Note 4.2)	**3,209**	**3,775**

6.7 Trade receivables

Accounting principle

The Group's trade receivables are current financial assets (Note 11) that correspond to an unconditional right to receive consideration. They are initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. A loss allowance for expected credit losses is recorded upon recognition of the receivable. The Group applies the simplified approach for the measurement of expected credit losses on all of its trade receivables, which are determined based on credit losses observed for receivables with the same profile, as adjusted to take into account forward-looking factors such as the customer's credit status or the economic environment.
Trade receivables can be sold to banks and continue to be carried as assets in the statement of financial position for as long as the contractual cash flows and substantially all the related risks and rewards are not transferred to a third party.

6.7.1 Breakdown of trade receivables

(€ millions)	Notes	2020	2019
Trade receivables	11.5.3	**1,041**	940
Accumulated impairment losses on trade receivables	6.7.2	**(100)**	(104)
Net trade receivables	**4.2**	**941**	**836**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2020	2019
Accumulated impairment losses on trade receivables at 1 January	**(104)**	(125)
Additions	**(49)**	(44)
Reversals	**54**	59
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**(1)**	7
Accumulated impairment losses on trade receivables at 31 December	**(100)**	**(104)**

The criteria for recognising impairment losses are presented in Note 11.5.3 "Counterparty risk".

6.8 Other current assets

6.8.1 Breakdown of other current assets

(€ millions)	Notes	2020	2019
Financial assets		**1,237**	**975**
Other receivables		**714**	673
Financial assets held for cash management purposes and short-term financial investments	11.2.1	**1**	1
Financial assets arising from a significant disposal of non-current assets	11.2.1	**12**	31
Guarantees and segregated accounts(i)	11.2.1	**505**	257
Current accounts of non-consolidated companies		**25**	12
Accumulated impairment losses on other receivables and current accounts	6.8.2	**(34)**	(32)
Fair value hedges – assets	11.5.1	**15**	17
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	**-**	7
Contract assets	6.1.2	**-**	11
Non-financial assets		**532**	**561**
Other receivables		**296**	240
Tax and employee-related receivables in Brazil	6.9	**151**	242
Accumulated impairment losses on other receivables	6.8.2	**-**	(1)
Prepaid expenses		**84**	80
Other current assets		**1,770**	**1,536**

(i) Of which €487 million relating to the segregated account associated with the November 2019 refinancing transaction (2019: €193 million).

Other receivables primarily include tax and employee-related receivables (excluding Brazil) and receivables from suppliers. Prepaid expenses mainly concern purchases, other occupancy costs and insurance premiums.

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2020	2019
Accumulated impairment losses on other receivables and current accounts at 1 January	**(33)**	(31)
Additions	**(32)**	(51)
Reversals	**33**	47
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**(1)**	2
Accumulated impairment losses on other receivables and current accounts at 31 December	**(34)**	**(33)**

6.9 Other non-current assets

6.9.1 Analysis of other non current assets

(€ millions)	Notes	2020	2019
Financial assets		**449**	**381**
Financial assets at fair value through profit or loss		**38**	41
Financial assets at fair value through other comprehensive income		**5**	4
Financial assets arising from a significant disposal of non-current assets	11.2.1	**48**	29
Non-current fair value hedges – assets	11.5.1	**77**	62
Other financial assets		**287**	291
Loans		***118***	*121*
Non-hedging derivatives – assets	*11.5.1*	***-***	*7*
Other long-term receivables		***170***	*163*
Impairment of other non-current assets	6.9.2	**(7)**	*(46)*
Non-financial assets		**768**	**802**
Other non-financial assets		**125**	**188**
Legal deposits paid by GPA	*13.2*	***109***	*176*
Other long-term receivables		***16***	*12*
Impairment of other non-current assets	6.9.2	**-**	-
Tax and employee-related receivables in Brazil (see below)		**632**	599
Prepaid expenses		**10**	15
Other non-current assets		**1,217**	**1,183**

GPA has a total of €784 million in tax receivables (of which €632 million in long-term receivables and €151 million in short-term receivables), corresponding primarily to ICMS (VAT) for €431 million, PIS/COFINS (VAT) and INSS (employer social security contributions). GPA expects the main tax receivable (ICMS) to be recovered as follows:

(€ millions)	2020
Within one year	**115**
In one to five years	**228**
In more than five years	**89**
Total	**431**

GPA recognises ICMS and other tax credits when it has formally established and documented its right to use the credits and expects to use them within a reasonable period. These credits are mainly recognised as a deduction from the cost of goods sold.

6.9.2 Impairment of other non-current assets

(€ millions)	2020	2019
Accumulated impairment losses on other non-current assets at 1 January	**(46)**	(48)
Additions	**(1)**	-
Reversals	**-**	-
Other reclassifications and movements	**40**	2
Accumulated impairment losses on other non-current assets at 31 December[(i)]	**(7)**	**(46)**

(i) At 31 December 2019, this corresponded mainly to impairment losses recognised on loans granted by Franprix to master franchisees following the inclusion of the share of losses from non-controlling interests of Casino in certain stores of these master franchisees.

6.10 Other liabilities

(€ millions)	2020			2019		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Financial liabilities	**88**	**1,817**	**1,906**	**74**	**1,775**	**1,849**
Derivative instruments – liabilities (Note 11.5.1)(i)	**46**	**19**	**65**	41	185	227
Tax, social security and other liabilities	**39**	**1,650**	**1,689**	33	1,394	1,427
Amounts due to suppliers of non-current assets	**3**	**140**	**143**	-	194	194
Current account advances	**-**	**8**	**8**	-	2	2
Non-financial liabilities	**113**	**1,242**	**1,355**	**108**	**1,064**	**1,172**
Tax, social security and other liabilities	**107**	**1,015**	**1,122**	100	832	932
Contract liabilities (Note 6.1.2)	**-**	**134**	**135**	-	150	150
Deferred income	**6**	**93**	**99**	8	83	90
TOTAL	**201**	**3,059**	**3,261**	**181**	**2,839**	**3,020**

(i) In 2019, this related mainly to the fair value of the GPA TRS amounting to €177 million, which was unwound in first-half 2020 (Note 11.3.2).

6.11 Off-balance sheet commitments

Accounting principle

At every year-end, Management determines, to the best of its knowledge, that there are no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described in this note.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments relating to the scope of consolidation are presented in Note 3.3.2.

6.11.1 Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that might have to be paid under guarantees issued by the Group. They are not netted against sums which might be recovered through legal action or counter-guarantees received by the Group.

(€ millions)	2020	2019
Assets pledged as collateral(i)	**145**	206
Bank guarantees given(ii)	**2,023**	2,343
Guarantees given in connection with disposals of non-current assets	**11**	15
Other commitments	**54**	62
Total commitments given	**2,233**	**2,625**
Expiring:		
Within one year	***149***	*140*
In one to five years	***2,066***	*2,476*
In more than five years	***18***	*9*

(i) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2020, this concerns GPA for €119 million, mainly in connection with the tax disputes described in Note 13.2 (31 December 2019: €189 million). The amount of €145 million at 31 December 2020 (€206 million at 31 December 2019) does not include the guarantees given in connection with the November 2019 refinancing transaction (Note 11.5.4).

(ii) At 31 December 2020, this amount includes €1,821 million in bank guarantees obtained by GPA (31 December 2019: €2,252 million) mainly in connection with the tax disputes described in Note 13.2. It also comprises guarantees issued on behalf of joint ventures for €68 million (31 December 2019: €68 million) described in Note 3.2.7 and a guarantee granted to Aldi in connection with the sale of Leader Price for €100 million (Note 3.1.3)

6.11.2 Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	2020	2019
Bank guarantees received	**47**	64
Secured financial assets	**65**	91
Undrawn confirmed lines of credit (Note 11.2.4)	**2,496**	2,666
Other commitments	**30**	20
Total commitments received	**2,639**	**2,841**
Expiring:		
Within one year	***353***	*350*
In one to five years	***2,197***	*2,364*
In more than five years	***89***	*127*

Note 7 Leases

Accounting principle

Group as lessee

The Group is a lessee in a large number of property leases primarily relating to store properties, warehouses, office buildings and apartments for lessee managers. It also acts as lessee in leases of vehicles, store machinery and equipment (notably cooling systems) and logistics equipment, primarily in France.

The Group's lease contracts are recognised in accordance with IFRS 16 – *Leases*, taking into account the terms and conditions of each lease and all relevant facts and circumstances.
At the inception of such contracts, the Group determines whether or not they meet the definition of (or contain) a lease, i.e., whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are carried in the lessee's statement of financial position as follows:

- a right-of-use asset reflecting the right to use a leased asset over the lease term is recorded in "Right-of-use assets" in the consolidated statement of financial position;
- a lease liability reflecting the obligation to make lease payments over that same period is recorded in "Current lease liabilities" and "Non-current lease liabilities" in the consolidated statement of financial position. Lease liabilities are not included in the calculation of consolidated net debt.

Initial measurement

At the lease commencement date:

- lease liabilities are recognised at the present value of future fixed lease payments over the estimated term of the lease, as determined by the Group. The Group generally uses its incremental borrowing rate to discount these future lease payments. Future fixed lease payments include adjustments for payments that depend on an index or a contractually defined growth rate. They can also include the value of a purchase option or estimated early termination penalties, when Casino is reasonably certain to exercise these options. Any lease incentives receivable at the lease commencement date are deducted from the fixed lease payments;
- right-of-use assets are recognised for the value of the lease liabilities, less any lease incentives received from the lessor, plus any lease payments made at or before the commencement date, initial direct costs and an estimate of costs to be incurred in respect of any contractual restoration obligations.

The Group only includes the lease component of the contract when measuring its lease liabilities. For certain categories of assets where the lease includes a service component as well as a lease component, the Group may recognise a single lease contract (i.e., with no distinction between the service and lease components).

Subsequent measurement

After the commencement date, lease liabilities are carried at amortised cost using the effective interest rate method.

Lease liabilities are:

- increased by interest expenses, as calculated by applying a discount rate to the liabilities at the start of the financial period. These interest expenses are recognised in the income statement within "Other financial expenses";

- reduced by any lease payments made.

  Cash payments for the principal portion of lease liabilities along with cash payments for the interest portion of those liabilities are included within net cash used in financing activities in the consolidated statement of cash flows. These lease payments are generally shown on the "Repayments of lease liabilities" and "Interest paid, net" lines. However, lease payments under leases where the underlying asset can be shown to have suffered a prolonged decline in value are presented on a separate line. This is the case, for example, when assets have been written down in full: these lease payments are then presented within "Other repayments" within cash flow from financing activities.

The carrying amount of lease liabilities is remeasured against right-of-use assets to reflect any lease modifications and in the event of:

- changes in the lease term;
- changes in the assessment of whether or not a purchase option is reasonably certain to be exercised;
- changes in amounts expected to be payable under a residual value guarantee granted to the lessor;
- changes in variable lease payments that depend on an index or rate when the index or rate adjustment takes effect (i.e., when the lease payments are effectively modified).

In the first two cases, lease liabilities are remeasured using a discount rate as revised at the remeasurement date. In the last two cases, the discount rate used to measure the lease liabilities on initial recognition remains unchanged.

Right-of-use assets are measured using the amortised cost model as from the lease commencement date and over the estimated term of the lease. This gives rise to the recognition of a straight-line depreciation expense in the income statement. Right-of-use assets are reduced by any impairment losses recognised in accordance with IAS 36 (Note 10.5) and are readjusted in line with the remeasurement of lease liabilities.

In the event a lease is terminated early, any gains or losses arising as a result of derecognising the lease liabilities and right-of-use assets are taken to the income statement within other operating income or other operating expenses.

ESTIMATING THE LEASE TERM

The lease term corresponds to the enforceable period of the lease (i.e., the period during which the lease cannot be cancelled by the lessor, plus all possible contractual extensions permitted that are able to be decided unilaterally by the lessee), and takes account of any periods covered by an option to terminate or extend the lease if the Group is reasonably certain respectively to not exercise or exercise that option.

In estimating the reasonably certain term of a lease, the Group considers all of the characteristics associated with the leased assets (local laws and regulations, location, category – e.g., stores, warehouses, offices, apartments, property/equipment leases, expected useful life, etc.). Under leases of store properties, the Group may also consider economic criteria such as the performance of the leased assets, and whether or not significant recent investments have been made in the stores.

Generally, the term of property leases and equipment leases corresponds to the initial term provided for in the lease contract.

More specifically, for "3-6-9"-type commercial leases in France, the Group generally recognises a term of nine years as the enforceable period of the lease as of the lease commencement date, in accordance with the ANC's 3 July 2020 position statement.

For contracts with automatic renewal clauses, the Group considers that it is unable to anticipate this automatic renewal period at the inception of the lease and that this tacite renewal period only becomes reasonably certain upon expiry of the initial lease term. The right-of-use asset and lease liability are re-estimated at that date, provided that no previous modifying events have occurred, based on an automatically renewable period of nine years.

Lastly, the Group may be required to revise the lease term in the event significant leasehold improvements are made during the lease term that could lead to a significant penalty which is reflected in the residual value of the leasehold improvements at the end of the lease.

DISCOUNT RATE

The discount rate generally used to calculate the lease liability for each lease contract depends on the Group's incremental borrowing rate at the lease commencement date. This rate is the rate of interest that a lessee would have to pay at the lease commencement date to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Group calculates a discount rate for each country, taking into account the entity's credit spread and the lease terms.

LEASE PREMIUMS

Any lease premiums relating to lease contracts are included within "Right-of-use assets". Depending on the legal particulars inherent to each lease premium, they are either amortised over the underlying lease term or (most commonly) are not amortised, but are tested annually for impairment.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group has chosen to apply the recognition exemptions in IFRS 16 concerning:
- short-term leases (i.e., with a term of 12 months or less at inception). Leases with purchase options are not classified as short-term leases;
- leases for which the underlying asset is of low value (value of underlying leased asset less than €5,000).

Within the Group, these exemptions apply mainly to leases of store equipment and office equipment such as tablets, computers, mobile telephones and photocopiers.
Payments under these leases are included in operating expenses in the consolidated income statement, in the same way as variable lease payments which are not included in the initial measurement of lease liabilities. Cash flows relating to lease payments made are included within net cash from operating activities in the consolidated statement of cash flows.

SALE-AND-LEASEBACK TRANSACTIONS

A sale-and-leaseback transaction is a transaction in which the owner of assets sells those assets to third parties and then leases them back. If the sale of the assets by the seller-lessee meets the definition of a sale under IFRS 15:
- the seller-lessee measures the right-of-use asset under the lease as a proportion of the net carrying amount of the asset transferred, which corresponds to the right of use retained by that seller-lessee. Accordingly, the seller-lessee only recognises the net disposal gain or loss that relates to the rights transferred to the buyer-lessor;
- the buyer-lessor accounts for the purchase of the asset applying applicable standards and for the lease applying IFRS 16.

If the sale of the asset by the seller-lessee does not meet the definition of a sale under IFRS 15, the sale-and-leaseback is accounted for as a financing transaction. Accordingly:
- the seller-lessee recognises the transferred asset in its statement of financial position and recognises a financial liability equal to the consideration received from the buyer-lessor;
- the buyer-lessor does not recognise the transferred asset in its statement of financial position but recognises a financial asset equal to the considered transferred.

DEFERRED TAXES

In the event a lease gives rise to a temporary difference, deferred tax is recognised (Note 9).

Group as lessor

When the Group acts as lessor, it classifies each of its leases as either a finance lease or an operating lease.

- Finance leases are treated as a sale of non-current assets to the lessee financed by a loan granted by the lessor. To recognise a finance lease, the Group:
  - derecognises the leased asset from its statement of financial position;
  - recognises a financial receivable in “Financial assets at amortised cost” within “Other current assets” and "Other non-current assets” in its consolidated statement of financial position at an amount equal to the present value, discounted at the contractual interest rate or incremental borrowing rate, of the lease payments receivable under the lease, plus any unguaranteed residual value accruing to the Group;
  - splits the lease income into (i) interest income recognised in the consolidated income statement within “Other financial income”, and (ii) amortisation of the principal, which reduces the amount of the receivable.
- For operating leases, the lessor includes the leased assets within “Property, plant and equipment” in its statement of financial position and recognises lease payments received under “Other revenue” in the consolidated income statement on a straight-line basis over the lease term.

7.1 Group as lessee

Details of these leases are provided below.

7.1.1 Statement of financial position information

COMPOSITION OF AND CHANGE IN RIGHT-OF-USE ASSETS

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Other intangible assets	Total
Carrying amount at 1 January 2019 (restated)	**44**	**4,955**	**114**	**200**	**5,312**
New assets	-	790	149	-	939
Remeasurements	8	384	-	1	393
Derecognised assets	(9)	(63)	-	-	(72)
Depreciation and amortisation expense	(6)	(661)	(48)	(5)	(720)
Impairment (losses)/reversals, net	-	(11)	(1)		(12)
Changes in scope of consolidation	-	7	-	-	7
Effect of movements in exchange rates	-	(27)	-	(3)	(30)
IFRS 5 reclassifications	2	(175)	(7)	-	(180)
Other reclassifications and movements	-	(27)	-	(10)	(37)
Carrying amount at 31 December 2019 (restated)	**39**	**5,173**	**207**	**183**	**5,602**
New assets	**1**	**382**	**6**	**-**	**389**
Remeasurements	**4**	**336**	**-**	**8**	**347**
Derecognised assets	**(5)**	**(241)**	**(4)**	**-**	**(251)**
Depreciation and amortisation expense	**(6)**	**(600)**	**(47)**	**(11)**	**(663)**
Impairment (losses)/reversals, net	**-**	**(78)**	**-**		**(78)**
Changes in scope of consolidation	**-**	**(1)**	**-**	**-**	**(1)**
Effect of movements in exchange rates	**(1)**	**(482)**	**(1)**	**(53)**	**(537)**
IFRS 5 reclassifications	**-**	**(56)**	**(2)**	**(2)**	**(61)**
Other reclassifications and movements	**3**	**111**	**23**	**2**	**140**
Carrying amount at 31 December 2020	**35**	**4,545**	**181**	**127**	**4,888**

LEASE LIABILITIES

(€ millions)	Notes	2020	2019 (restated)
Current portion		**705**	723
Non-current portion		**4,281**	4,761
Total	**11.5.4**	**4,987**	**5,485**
of which France Retail		***3,128***	*3,427*
of which Latam Retail		***1,685***	*1,869*
of which E-commerce		***174***	*189*

Note 11.5.4 provides an analysis of lease liabilities by maturity.

7.1.2 Income statement information

The following amounts were recognised in the 2020 income statement in respect of leases (excluding lease liabilities):

(€ millions)	2020	2019
Rental expense relating to variable lease payments(i)	**52**	54
Rental expense relating to short-term leases(i)	**7**	9
Rental expense relating to leases of low-value assets that are not short-term leases(i)	**88**	112

(i) Leases not included in lease liabilities recognised in the statement of financial position.

Depreciation charged against right-of-use assets is presented in Note 7.1.1, while interest expense on lease liabilities is shown in Note 11.3.2.
Sub-letting income included within right-of-use assets is set out in Note 7.2.

7.1.3 Statement of cash flow information

Total lease payments made in the year amounted to €1,112 million (2019: €1,120 million).

7.1.4 Sale-and-leaseback transactions

The impact on the Group's consolidated financial statements of the sale-and-leaseback transactions carried out in 2020 are as follows:

- recognition of a right-of-use asset for €113 million and a lease liability for €177 million;
- decrease of €234 million in property, plant and equipment (Note 10.3.2);
- recognition of a disposal gain recorded in "Other operating income" for €54 million (Note 6.5) and in trading profit for €16 million.

The main sale-and-leaseback transactions were carried out by GPA and include the following:

- On 5 March 2020, GPA entered into a sale-and-leaseback transaction with an investment fund concerning 43 property assets owned by GPA for a total price of BRL 1,246 million. Of this amount, BRL 1,183 million (€201 million) had been collected at 31 December 2020. At the reporting date, leases had been signed for a term of 15 years. These leases can be renewed once. At 31 December 2020, 39 store properties had been sold for a sale price of BRL 1,183 million (€201 million), and four assets with a non-material value had been ultimately excluded from the transaction.
- In 2020, GPA sold five other store properties in a transaction covering six properties in all, for a total amount of BRL 92 million. Leases were signed for a term of 10 years and can be renewed once.

7.2 Group as lessor

Operating leases

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	2020	2019
Within one year	**56**	65
In one to two years	**28**	36
In two to three years	**17**	25
In three to four years	**10**	20
In four to five years	**9**	15
In five or more years	**50**	63
Undiscounted value of lease payments receivable	**170**	**224**

The following amounts were recognised in the 2020 income statement:

(€ millions)	2020	2019
Operating leases		
Lease income[(i)]	**121**	109
Sub-letting income included within right-of-use assets	**33**	45

(i) Including €9 million in variable lease payments in 2020 that do not depend on an index or rate (2019: €12 million).

Note 8 Employee benefits expense

8.1 Employee benefits expense

Employee benefits expense is analysed by function in Note 6.3.

8.2 Provisions for pensions and other post-employment benefits

Accounting principle

Provisions for pensions and other post-employment benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans,** the Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to these plans are expensed as incurred.

- **Under defined benefit plans**, the Group's obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates (based on resignations only).

  Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All actuarial gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

  Past service cost, corresponding to the increase in the benefit obligation resulting from the introduction of a new benefit plan or modification of an existing plan, is expensed immediately.

  The expense in the income statement comprises:
  - service cost, i.e., the cost of services provided during the year, recognised in trading profit;
  - past service cost and the effect of plan curtailments or settlements, generally recognised in "Other operating income and expenses";
  - interest cost, corresponding to the discounting adjustment to the projected benefit obligation net of the return on plan assets, recorded in "Other financial income and expenses". Interest cost is calculated by applying the discount rate defined in IAS 19 to the net obligation (i.e., the projected obligation less related plan assets) recognised in respect of defined benefit plans, as determined at the beginning of the year.

  The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other in service long-term employee benefits

- **Other in-service long-term employee benefits**, such as jubilees, are also covered by provisions, determined on the basis of an actuarial estimate of vested rights as of the reporting date. Actuarial gains and losses on these benefit plans are recognised immediately in profit or loss.

8.2.1 Breakdown of provisions for pensions and other post-employment benefits and for long-term employee benefits

(€ millions)	2020			2019		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	**307**	**11**	**317**	310	10	319
Jubilees	**33**	**1**	**34**	35	1	36
Bonuses for services rendered	**12**	**1**	**12**	11	-	12
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**351**	**12**	**363**	**357**	**11**	**367**

8.2.2 Presentation of pension plans

DEFINED CONTRIBUTION PLAN

Defined contribution plans are plans in which the Company pays regular contributions into a fund. The Company's obligation is limited to the amount it agrees to contribute to the fund and it offers no guarantee that the fund will have sufficient assets to pay all of the employees' entitlements to benefits. This type of plan predominantly concerns employees of the Group's French subsidiaries, who participate in the government-sponsored basic pension scheme.

In 2020, defined contribution plans represented a cost of €260 million, of which 93% concerned the Group's French subsidiaries (€252 million excluding discontinued operations and 92%).

DEFINED BENEFIT PLAN

In certain countries, local laws or conventional agreements provide for the payment of a lump sum to employees either when they retire or at certain times post-retirement, based on their years of service and final salary at the age of retirement.

8.2.3 Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salary increase rates and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2020	2019	2020	2019
Discount rate	**0.7%**	0.6%	**4.8% - 5.9%**	6.1% - 6.6%
Expected rate of future salary increases	**1.0% - 1.9%**	1.0% - 1.7%	**3.25%**	3.5%
Retirement age	**62-65 years**	62-65 years	**57-62 years**	57-62 years

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

SENSITIVITY ANALYSIS

A 50-basis point increase (decrease) in the discount rate would have the effect of reducing the projected benefit obligation by 5.7% (increasing the projected benefit obligation by 6.1%).

A 50-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 6.0% (reducing the projected benefit obligation by 5.6%).

8.2.4 Change in retirement benefit obligations and plan assets

The following tables show a reconciliation of the projected benefit obligations of all Group companies to the provisions recognised in the consolidated financial statements for the years ended 31 December 2020 and 31 December 2019.

(€ millions)		France		International		Total	
		2020	2019	2020	2019	2020	2019
Projected benefit obligation at 1 January		**332**	**341**	**6**	**8**	**338**	**349**
Items recorded in the income statement		**1**	7	**-**	(1)	**1**	6
Service cost		**18**	19	**-**	-	**18**	19
Interest cost		**2**	5	**-**	-	**2**	6
Past service cost		**-**	-	**-**	(2)	**-**	(2)
Curtailments/settlements		**(19)**	(17)	**-**	-	**(19)**	(17)
Items included in other comprehensive income		**13**	**13**	**(1)**	**-**	**13**	**13**
(1) Actuarial (gains) and losses related to:		**13**	13	**-**	-	**13**	13
(i) changes in financial assumptions		***11***	*16*	**-**	-	***11***	*17*
(ii) changes in demographic assumptions		***(2)***	*(3)*	**-**	-	***(2)***	*(3)*
(iii) experience adjustments		***4***	-	**-**	-	***4***	-
(2) Effects of movements in exchange rates		**-**	-	**(1)**	-	**(1)**	-
Other		**(17)**	**(29)**	**(1)**	**(1)**	**(18)**	**(30)**
Paid benefits		**(14)**	(12)	**(1)**	(1)	**(14)**	(13)
Changes in scope of consolidation		**-**	-	**-**	-	**-**	-
Other movements		**(3)**	(17)	**-**	-	**(3)**	(17)
Projected benefit obligation at 31 December	**A**	**329**	**332**	**5**	**6**	**334**	**338**
Weighted average duration of plans						**17**	**17**

(€ millions)		France		International		Total	
		2020	2019	2020	2019	2020	2019
Fair value of plan assets at 1 January		**19**	**21**	**-**	**-**	**19**	**21**
Items recorded in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on plan assets		**-**	-	**-**	-	**-**	-
Items included in other comprehensive income		**1**	**(2)**	**-**	**-**	**1**	**(2)**
Actuarial (losses) gains (experience adjustments)		**1**	(2)	**-**	-	**1**	(2)
Effect of movements in exchange rates		**-**	-	**-**	-	**-**	-
Other		**(2)**	**-**	**-**	**-**	**(2)**	**-**
Paid benefits		**(2)**	-	**-**	-	**(2)**	-
Changes in scope of consolidation		**-**	-	**-**	-	**-**	-
Other movements		**-**	-	**-**	-	**-**	-
Fair value of plan assets at 31 December	**B**	**17**	**19**	**-**	**-**	**17**	**19**

(€ millions)		France		International		Total	
		2020	2019	2020	2019	2020	2019
NET POST-EMPLOYMENT BENEFIT OBLIGATION	**A-B**	**312**	**313**	**5**	**6**	**317**	**319**
Unfunded projected benefit obligation under funded plans		**102**	**102**	**-**	**-**	**102**	**102**
Projected benefit obligation under funded plans		**120**	**121**	**-**	**-**	**120**	**121**
Fair value of plan assets		**(17)**	**(19)**	**-**	**-**	**(17)**	**(19)**
Projected benefit obligation under unfunded plans		**209**	**211**	**5**	**6**	**215**	**218**

Plan assets consist mainly of units in fixed-rate bond funds.

Reconciliation of provisions recorded in the statement of financial position

(€ millions)	France		International		Total	
	2020	2019	2020	2019	2020	2019
At 1 January	**313**	**320**	**6**	**8**	**319**	**328**
Expense for the year	**1**	7	**-**	(1)	**1**	6
Actuarial gains or losses recognised in equity	**13**	15	**-**	-	**13**	15
Effect of movements in exchange rates	**-**	-	**(1)**	-	**(1)**	-
Paid benefits	**(12)**	(12)	**(1)**	(1)	**(12)**	(13)
Partial reimbursement of plan assets	**-**	-		-	**-**	-
Changes in scope of consolidation	**-**	-	**-**	-	**-**	-
Other movements	**(3)**	(17)	**-**	-	**(3)**	(17)
At 31 December	**312**	**313**	**5**	**7**	**317**	**319**

Breakdown of expense for the year

(€ millions)	France		International		Total	
	2020	2019	2020	2019	2020	2019
Service cost	**18**	19	**-**	-	**18**	19
Interest cost(i)	**2**	5	**-**	-	**2**	6
Past service cost	**-**	-	**-**	(2)	**-**	(2)
Curtailments/settlements	**(19)**	(17)	**-**	-	**(19)**	(17)
Expense for the year	**1**	**7**	**-**	**(1)**	**1**	**6**
Expense for the year of discontinued operations	**-**	(1)	**-**	-	**-**	(1)
Expense for the year of continuing operations	**1**	**6**	**-**	**(1)**	**1**	**5**

(i) Reported under "Other financial income and expenses".

Undiscounted future cash flows

(€ millions)	Statement of financial position	Undiscounted cash flows 2021	2022	2023	2024	2025	Beyond 2025
Post-employment benefits	**317**	11	7	13	15	20	832

8.3 Share-based payments

Accounting principle

Share-based payments

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by stock options, measured at fair value on the grant date, constitutes additional compensation. The grant-date fair value of the options is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (Note 6.5). The fair value of options is determined using the Black-Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of free shares is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise, it is deferred and recognised over the vesting period as and when the vesting conditions are met. When bonus shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Free shares are granted to certain Company managers and store managers. In certain cases, the shares vest in tranches, subject to the attainment of a performance target for the period concerned. In all cases, the shares are forfeited if the grantee leaves the Group before the end of the vesting period.

8.3.1 Impact of share-based payments on earnings and equity

The total net cost of share-based payment plans recognised in operating profit in 2020 was €12 million (2019: €23 million), including €7 million for Casino, Guichard-Perrachon and €5 million for GPA. The impact on equity was an increase for the same amount.

8.3.2 Casino, Guichard-Perrachon stock option plans

At 31 December 2020, no Casino, Guichard-Perrachon stock options were outstanding.

8.3.3 Casino, Guichard-Perrachon free share plans

FREE SHARE PLAN FEATURES AND ASSUMPTIONS

Date of plan	Vesting date	Number of free shares authorised	Number of shares to be delivered at 31/12/2020	Of which number of performance shares(i)	Share price (€)(ii)	Fair value of the share (€)(ii)
16/12/2020	31/07/2022	14,510	**11,487**	-	25.44	23.70
27/04/2020	27/04/2023	4,226	**4,226**	-	35.87	34.01
27/04/2020	27/04/2021	108,457	**108,457**	-	35.87	32.58
27/04/2020	31/03/2022	8,805	**5,847**	-	35.87	33.99
27/04/2020	27/04/2025	8,171	**8,171**	8,171	35.87	26.25
27/04/2020	27/04/2023	160,033	**148,760**	148,760	35.87	25.34
12/12/2019	12/12/2022	28,043	**25,706**	-	45.15	42.37
12/12/2019	12/12/2021	19,260	**9,175**	-	45.15	44.23
12/12/2019	31/10/2021	8,939	**8,939**	-	45.15	43.43
12/12/2019	31/07/2021	27,626	**19,997**	-	45.15	42.88
07/05/2019	31/03/2021	5,252	**5,252**	-	35.49	28.65
07/05/2019	31/01/2021	15,553	**12,052**	-	35.49	28.37
07/05/2019	07/05/2024	7,809	**7,809**	7,809	35.49	14.65
07/05/2019	07/05/2022	184,608	**126,301**	126,301	35.49	16.44
13/12/2018	14/12/2021	32,218	**12,493**	-	37.10	27.70
15/05/2018	15/05/2021	1,500	**1,500**	-	40.75	31.36
15/05/2018	15/05/2023	7,326	**6,853**	6,853	40.75	17.01
15/05/2018	15/05/2021	177,117	**94,206**	94,206	40.75	18.35
20/04/2017	20/04/2022	5,666	**4,250**	4,250	51.00	27.25
TOTAL		**825,119**	**621,481**	**396,350**		

(i) Performance conditions mainly concern organic sales growth and the level of trading profit or EBITDA of the company that employs the grantee.
(ii) Weighted average.

CHANGES IN FREE SHARES

Free share grants	2020	2019
Unvested shares at 1 January	**641,801**	**487,276**
Free share rights granted	**304,202**	400,755
Free share rights cancelled	**(136,679)**	(113,768)
Shares issued	**(187,843)**	(132,462)
Unvested shares at 31 December	**621,481**	**641,801**

8.3.4 Features of GPA stock option plans

- "B Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price is BRL 0.01 per option.
- "C Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price corresponds to 80% of the average of the last 20 closing prices for GPA shares quoted on Bovespa stock exchange.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted (thousands)	Option exercise price *(BRL)*	Number of options outstanding at 31/12/2020 (thousands)
C6 Series	31/05/2019	31/05/2022	30/11/2022	331	70.62	**289**
B6 Series	31/05/2019	31/05/2022	30/11/2022	434	0.01	**392**
C5 Series	31/05/2018	31/05/2021	30/11/2021	594	62.61	**394**
B5 Series	31/05/2018	31/05/2021	30/11/2021	594	0.01	**393**
					30.71	**1,468**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans ("Series" 5 and 6 respectively):

- dividend yield: 0.41% and 0.67%;
- projected volatility: 36.52% and 32.74%;
- risk-free interest rate: 9.29% and 7.32%.

The average fair value of outstanding stock options at 31 December 2020 was BRL 58.78.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2020		2019	
	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*
Options outstanding at 1 January	**2,153**	**30.25**	**2,755**	**26.03**
Of which exercisable options	**-**	**-**	-	-
Options granted during the period	**-**	**-**	765	30.55
Options exercised during the period	**(489)**	**42.59**	(1,080)	21.55
Options cancelled during the period	**(69)**	**23.93**	(126)	31.75
Options that expired during the period	**(127)**	**42.44**	(161)	16.74
Options outstanding at 31 December	**1,468**	**30.71**	**2,153**	**30.25**
Of which exercisable options	**-**	**-**	**-**	**-**

8.4 Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors

(€ millions)	**2020**	**2019**
Short-term benefits excluding social security contributions(i)	**27**	23
Social security contributions on short-term benefits	**4**	3
Termination benefits for key executives	**-**	-
Share-based payments(ii)	**5**	4
Total	**36**	**30**

(i) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and directors' fees.
(ii) Expense recognised in the income statement in respect of stock option and free share plans.

The members of the Group Executive Committee are not entitled to any specific supplementary pension benefits.

8.5 Average number of Group employees

Average full-time equivalent employees by category	2020	2019
Managers	**10,997**	10,975
Staff	**171,262**	177,359
Supervisors	**20,695**	21,362
Group total	**202,955**	**209,696**

Note 9 Income taxes

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.
Substantially all qualifying French subsidiaries are members of the tax group headed by Casino, Guichard-Perrachon and file a consolidated tax return.
Current tax expense reported in the income statement corresponds to the tax expense of the parent company of the tax group and of companies that are not members of a tax group.
Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards, unused tax credits and certain consolidation adjustments that are expected to be recoverable.
Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.
The Group reviews the probability of deferred tax assets being recovered on a periodic basis for each tax entity. This review may, if necessary, lead to the derecognition of deferred tax assets recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable profits.
The assumptions underlying the tax plan are consistent with those used in the medium-term business plans and budgets prepared by Group entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE), which is based on the value-added reflected in the separate financial statements, is included in "Income tax expense" in the consolidated income statement.

When payments to holders of equity instruments are deductible for tax purposes, the tax effect is recognised by the Group in the income statement.

In accordance with IFRIC 23 – *Uncertainty over Income Tax Treatments*, the Group presents provisions for uncertain income tax positions within income tax liabilities.

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	2020			2019 (restated)		
	France	International	Total	France	International	Total
Current income tax	**(17)**	**(153)**	**(170)**	(45)	(80)	(126)
Other taxes (CVAE)	**(58)**	**-**	**(58)**	(63)	-	(63)
Deferred taxes	**160**	**(14)**	**146**	54	3	58
Total income tax (expense) benefit recorded in the income statement	**85**	**(167)**	**(82)**	**(55)**	**(77)**	**(132)**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**10**	**-**	**10**	14	(2)	12
Income tax on items recognised in equity	**-**	**1**	**2**	**1**	**13**	**14**

9.1.2 Tax proof

(€ millions)	2020		2019 (restated)	
Profit (loss) before tax	**(120)**		**(198)**	
Theoretical income tax benefit (expense)[(i)]	**38**	**-32.02%**	**68**	-34.43%
Reconciliation of the theoretical income tax benefit (expense) to the actual income tax benefit (expense)				
Impact of differences in foreign tax rates	**19**	**-15.5%**	8	-4.0%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[(ii)]	**16**	**-13.7%**	15	-7.4%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[(iii)]	**(52)**	**+43.1%**	(52)	+26.5%
Change in corporate tax rate[(iv)]	**(85)**	**+71.2%**	(45)	+23.0%
CVAE net of income tax	**(40)**	**+33.1%**	(42)	+21.0%
Non-deductible interest expense[(v)]	**(31)**	**+26.1%**	(22)	+11.0%
Non-deductible asset impairment losses	**(31)**	**+25.7%**	(24)	+12.3%
Other taxes on distributed earnings[(vi)]	**(6)**	**+5.1%**	(15)	+7.8%
Deductible interest on deeply-subordinated perpetual bonds	**11**	**-9.0%**	10	-5.2%
Taxation of Mercialys shares	**1**	**-0.6%**	5	-2.6%
Reduced-rate asset disposals and changes in scope of consolidation	**(15)**	**+12.5%**	(22)	+10.9%
Restructuring of Brazilian operations and the Franprix-Leader Price sub-group[(vii)]	**123**	**-102.9%**	-	-%
Other	**(30)**	**+25.1%**	(15)	+7.7%
Actual income tax benefit (expense) / Effective tax rate	**(82)**	**+68.0%**	**(132)**	**+66.6%**

(i) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 32.02% (34.43% in 2019).
(ii) In 2020, this concerns the E-commerce segment for €6 million and the Latam Retail segment for €9 million. In 2019, this concerned the E-commerce segment for €3 million and the France Retail segment for €11 million.
(iii) In 2020, this concerns the France Retail segment for €29 million, the Latam Retail segment for €13 million and the E-commerce segment for €9 million. In 2019, this concerned the E-commerce segment for €29 million and the France Retail segment for €20 million.
(iv) In 2020, the main impacts relate to the revised timing of recovery for deferred taxes and the free revaluation of Immobilière Groupe Casino. In 2019, the main impact related to disposals of store properties and stores in the France Retail segment.
(v) Tax laws in some countries cap the deductibility of interest paid by companies. The impact on the two periods presented essentially concerns the France scope.
(vi) Corresponding to taxation of intra-group dividends.
(vii) Associated with the sale of Leader Price stores and warehouses (positive €136 million impact – see Note 3.1.3) and restructuring of Brazilian operations following the spin-off of Assaí in Brazil (negative €12 million impact – see Note 2).

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2020	2019 (restated)
At 1 January	**784**	666
(Expense)/benefit for the year	**197**	52
Impact of changes in scope of consolidation	**14**	(1)
IFRS 5 reclassifications	**(4)**	(21)
Effect of movements in exchange rates and other reclassifications	**34**	62
Changes in deferred tax assets recognised directly in equity	**9**	26
At 31 December	**1,035**	**784**

The deferred tax benefit net of deferred tax liabilities (Note 9.2.2) relating to discontinued operations was €23 million in 2020 (€46 million in 2019).

9.2.2 Change in deferred tax liabilities

(€ millions)	2020	2019
At 1 January	**566**	667
Expense/(benefit) for the year	**28**	(51)
Impact of changes in scope of consolidation	**(1)**	(44)
IFRS 5 reclassifications	**-**	1
Effect of movements in exchange rates and other reclassifications	**(86)**	(6)
Changes in deferred tax liabilities recognised directly in equity	**(1)**	-
At 31 December	**508**	**566**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Notes	Net	
		2020	2019(restated)
Intangible assets		**(487)**	(599)
Property, plant and equipment		**(13)**	(132)
Right-of-use assets net of lease liabilities		**155**	143
Inventories		**26**	31
Financial instruments		**42**	71
Other assets		**(84)**	(78)
Provisions		**196**	200
Regulated provisions		**(56)**	(89)
Other liabilities		**28**	14
Tax loss carryforwards and tax credits		**722**	657
Net deferred tax asset (liability)		**527**	**218**
Deferred tax assets recognised in the statement of financial position	9.2.1	**1,035**	784
Deferred tax liabilities recognised in the statement of financial position	9.2.2	**508**	566
Net		**527**	**218**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €253 million in 2020 (€346 million in 2019).

Recognised tax loss carryforwards and tax credits mainly concern the Casino, Guichard-Perrachon and Éxito tax groups. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned. At 31 December 2020, deferred tax assets amounted to €456 million for Casino, Guichard-Perrachon and €110 million for Éxito. These amounts are expected to be recovered by 2028 and 2025, respectively.

9.2.4 Unrecognised deferred tax assets

At 31 December 2020, unrecognised deferred tax assets arising on tax loss carryforwards amounted to approximately €829 million, representing an unrecognised deferred tax effect of €220 million (€551 million at 31 December 2019 excluding Leader Price, representing an unrecognised deferred tax effect of €147 million). These tax loss carryforwards mainly concern the Franprix sub-group and Cdiscount.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	2020	2019
Within one year	**1**	1
In one to two years	**1**	2
In two to three years	**1**	1
In more than three years	**-**	1
Without expiry date	**216**	142
Total	**220**	**147**

Note 10 Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of non-current assets corresponds to their purchase cost plus transaction expenses including tax. For intangible assets, property, plant and equipment, and investment property, these expenses are added to the assets’ carrying amount and follow the same accounting treatment.

10.1 Goodwill

Accounting principle

At the acquisition date, goodwill is measured in accordance with the accounting principle applicable to "Business combinations", described in Note 3. It is allocated to the cash generating unit (CGU) or groups of cash generating units that benefit from the synergies of the combination, based on the level at which the return on investment is monitored for internal management purposes (Note 10.1.1). Goodwill is not amortised. It is tested for impairment at each year-end, or whenever events or a change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible. The methods used by the Group to test goodwill for impairment are described in the "Impairment of non-current assets" section in Note 10.5. Negative goodwill is recognised directly in the income statement for the period of the business combination, once the identification and measurement of the acquiree’s identifiable assets, liabilities and contingent liabilities have been verified.

10.1.1 Breakdown by business line and geographic area

(€ millions)	31 December 2020 Net	31 December 2019 Net
France Retail	**4,298**	**4,359**
Hypermarkets, supermarkets and convenience stores	*1,365*	*1,405*
Franprix	*1,451*	*1,450*
Geimex	*149*	*149*
Monoprix	*1,326*	*1,333*
Other	*7*	*22*
E-commerce (France)	**61**	**61**
Latam Retail	**2,297**	**3,068**
Argentina	*56*	*64*
Brazil	*1,584*	*2,236*
Colombia	*444*	*505*
Uruguay	*212*	*263*
Casino Group	**6,656**	**7,489**

10.1.2 Movements for the year

(€ millions)	2020	2019
Carrying amount at 1 January	**7,489**	**8,682**
Goodwill recognised during the year	**4**	18
Impairment losses recognised during the year	**(15)**	(18)
Goodwill written off on disposals	**(6)**	(4)
Effect of movements in exchange rates	**(786)**	(88)
Reclassifications and other movements[i]	**(29)**	(1,103)
Carrying amount at 31 December	**6,656**	**7,489**

(i) In 2019, this line reflected the reclassification of Leader Price within assets held for sale in an amount of €1,106 million.

10.2 Other intangible assets

Accounting principle

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks, patents and costs to obtain contracts. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1 Breakdown

(€ millions)	2020			2019		
	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	**1,288**	**(24)**	**1,264**	1,536	(26)	1,511
Software	**1,419**	**(927)**	**492**	1,295	(855)	441
Other	**513**	**(208)**	**305**	505	(161)	345
Intangible assets	**3,220**	**(1,159)**	**2,061**	**3,337**	**(1,041)**	**2,296**

10.2.2 Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2019	**1,526**	**378**	**360**	**2,265**
Changes in scope of consolidation	-	-	(5)	(5)
Additions and acquisitions	2	66	201	269
Assets disposed of during the year	1	(4)	(4)	(7)
Amortisation for the year	-	(113)	(64)	(177)
Impairment (losses)/reversals, net	(3)	(2)	(4)	(8)
Effect of movements in exchange rates	(14)	(3)	-	(17)
IFRS 5 reclassifications	-	-	(30)	(30)
Other reclassifications and movements	(2)	118	(110)	7
Carrying amount at 31 December 2019	**1,511**(i)	**441**	**345**(ii)	**2,296**
Changes in scope of consolidation	**-**	**-**	**-**	**-**
Additions and acquisitions	**1**	**51**	**187**	**239**
Assets disposed of during the year	**-**	**(1)**	**(5)**	**(5)**
Depreciation and amortisation expense	**(1)**	**(132)**	**(66)**	**(198)**
Impairment (losses)/reversals, net	**(1)**	**(5)**	**(14)**	**(20)**
Effect of movements in exchange rates	**(241)**	**(56)**	**(2)**	**(299)**
IFRS 5 reclassifications	**(6)**	**-**	**(8)**	**(14)**
Other reclassifications and movements	**1**	**195**	**(133)**	**63**
Carrying amount at 31 December 2020	**1,264**(i)	**492**	**305**(ii)	**2,061**

(i) Including trademarks for €1,262 million (31 December 2019: €1,509 million).
(ii) Including costs to obtain contracts for €111 million (31 December 2019: €113 million) (Note 6.1.2).

Internally-generated intangible assets (mainly information systems developments) represented €90 million at 31 December 2020 (31 December 2019: €92 million).

Intangible assets at 31 December 2020 include trademarks with an indefinite life, carried in the statement of financial position for €1,262 million, allocated to the following groups of CGUs:

(€ millions)	2020	2019
Latam Retail	**686**	**926**
of which Brazil (GPA Food)(i)	***526***	*742*
of which Colombia	***139***	*159*
of which Uruguay	***20***	*25*
France Retail	**567**	**573**
of which Casino France	***1***	*1*
of which Monoprix(i)	***566***	*572*
E-commerce	**9**	**9**

(i) Trademarks are allocated to the following GPA Food banners in Brazil and Monoprix banners in France:

(€ millions)	2020	2019
GPA Food	**526**	**742**
Pão de Açúcar	164	231
Extra	281	397
Assaí	80	113
Other	1	1
Monoprix	**566**	**572**
Monoprix	552	552
Other	14	20

Intangible assets were tested for impairment at 31 December 2020 using the method described in Note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3 Property, plant and equipment

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before incurring the expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of assets, with generally no residual value. The main useful lives are as follows:

Asset category	Depreciation period (years)
Land	-
Buildings (structure)	50
Roof waterproofing	15
Fire protection of the building structure	25
Land improvements	10 to 40
Building fixtures and fittings	5 to 20
Technical installations, machinery and equipment	5 to 20
Computer equipment	3 to 5

"Roof waterproofing" and "Fire protection of the building structure" are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the "Building (structure)" category.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1 Breakdown

(€ millions)	2020			2019		
	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Land and land improvements	**741**	**(81)**	**660**	959	(74)	886
Buildings, fixtures and fittings	**2,585**	**(1,026)**	**1,559**	3,262	(1,229)	2,033
Other	**6,254**	**(4,194)**	**2,060**	6,287	(4,093)	2,194
Property, plant and equipment	**9,580**	**(5,301)**	**4,279**	**10,508**	**(5,395)**	**5,113**

10.3.2 Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Total
Carrying amount at 1 January 2019	**1,146**	**2,271**	**2,425**	**5,843**
Changes in scope of consolidation	-	(2)	3	1
Additions and acquisitions	20	217	631	868
Assets disposed of during the year	(21)	(110)	(57)	(188)
Depreciation for the year	(3)	(124)	(348)	(476)
Impairment (losses)/reversals, net	(7)	(9)	(54)	(70)
Effect of movements in exchange rates	(23)	(42)	(15)	(80)
IFRS 5 reclassifications	(227)	(269)	(257)	(754)
Other reclassifications and movements	1	101	(133)	(31)
Carrying amount at 31 December 2019	**886**	**2,033**	**2,194**	**5,113**
Changes in scope of consolidation	**-**	**2**	**2**	**5**
Additions and acquisitions	**13**	**117**	**530**	**660**
Assets disposed of during the year	**(62)**	**(170)**	**(5)**	**(236)**
Depreciation and amortisation expense	**(3)**	**(101)**	**(338)**	**(443)**
Impairment (losses)/reversals, net	**(8)**	**32**	**(145)**	**(121)**
Effect of movements in exchange rates	**(138)**	**(461)**	**(232)**	**(831)**
IFRS 5 reclassifications	**(29)**	**(10)**	**(27)**	**(65)**
Other reclassifications and movements[i]	**-**	**117**	**81**	**198**
Carrying amount at 31 December 2020	**660**	**1,559**	**2,060**	**4,279**

(i) At 31 December 2020, €158 million was reclassified from inventories and assets held for sale to property, plant and equipment in order to reflect the strategic shift in GreenYellow's business model, which is now focused on holding and operating its assets.

Property, plant and equipment were tested for impairment at 31 December 2020 using the method described in Note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3.3 Capitalised borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised in 2020 amounted to €3 million, reflecting an average interest rate of 4.1% (2019: €5 million at an average rate of 6.1%).

10.4 Investment property

Accounting principle

Investment property is property held by the Group or leased by the Group (in which case it gives rise to a right-of-use asset) to earn rental revenue or for capital appreciation or both. The shopping malls owned by the Group are classified as investment property.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1 Breakdown

(€ millions)	2020			2019		
	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Investment property	**546**	**(118)**	**428**	**609**	**(115)**	**493**

10.4.2 Movements for the year

(€ millions)	2020	2019
Carrying amount at 1 January	**493**	**497**
Changes in scope of consolidation	**-**	4
Additions and acquisitions	**3**	14
Assets disposed of during the year	**-**	-
Depreciation and amortisation expense	**(12)**	(14)
Impairment (losses)/reversals, net	**(2)**	(4)
Effect of movements in exchange rates	**(62)**	(15)
IFRS 5 reclassifications	**-**	(7)
Other reclassifications and movements(i)	**7**	19
Carrying amount at 31 December	**428**	**493**

(i) Including €12 million (31 December 2019: €19 million) relating to the remeasurement at Libertad in application of IAS 29 – *Financial Reporting in Hyperinflationary Economies*.

At 31 December 2020, investment property totalled €428 million, of which 71% (€304 million) concerned Éxito. Investment property at 31 December 2019 amounted to €493 million, of which 72% concerned Éxito.

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment properties were as follows:

(€ millions)	2020	2019
Rental revenue from investment properties	**67**	86
Directly attributable operating expenses on investment properties		
- that generated rental revenue during the year	**(15)**	(19)
- that did not generate rental revenue during the year	**(28)**	(33)

FAIR VALUE OF INVESTMENT PROPERTY

The main investment properties at both end-2020 and end-2019 were held by Éxito.
At 31 December 2020, the fair value of investment property was €671 million (31 December 2019: €799 million). For most investment properties, fair value is determined on the basis of valuations carried out by independent valuers. In accordance with international valuation standards, they are based on market value as confirmed by market indicators, representing a level 3 fair value input.
The fair value of investment property classified as "Assets held for sale" was €5 million at 31 December 2020 and primarily concerned the Latam Retail segment (31 December 2019: €16 million, primarily concerning the France Retail segment).

10.5 Impairment of non-current assets (intangible assets, property, plant and equipment, investment property and goodwill)

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.
Intangible assets and property, plant and equipment are tested for impairment whenever there is an indication that their carrying amount may not be recoverable and at least annually, at the end of the year, for goodwill and intangible assets with an indefinite useful life.

Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
The Group has defined its cash generating units as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the CGU): ratio of net carrying amount of store assets divided by sales (including VAT) higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retail industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset plus a terminal value. It is determined internally or by external experts on the basis of:

- cash flow projections contained usually in business plans covering three years. Cash flows beyond this projection period are usually estimated over a period of three years by applying a growth rate as determined by management (generally constant);
- a terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

Impairment losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1 Movements for the period

Net impairment losses recognised in 2020 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €237 million (Note 6.5), of which €205 million arose in relation to individual assets (mainly in the France Retail segment for €189 million, the Latam Retail segment for €13 million and the E-commerce segment for €4 million) and €31 million in relation to restructuring operations (mainly in the France Retail segment for €15 million and the Latam Retail segment for €16 million).

Following the tests carried out in 2019, impairment losses totalling €111 million had been recognised on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets, of which €52 million arose from restructuring operations mainly in the France Retail segment and €59 million related to individual assets primarily in the France Retail segment.

10.5.2 Goodwill impairment losses

Annual impairment testing consists of determining the recoverable amounts of the CGUs or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications presented in Note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

Annual impairment testing consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles described in Note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Assumptions used in 2020 for internal calculations of values in use

Region	**2020 perpetual growth rate(i)**	**2020 after-tax discount rate(ii)**	**2019 perpetual growth rate(i)**	**2019 after-tax discount rate(ii)**
France (retail)	**1.6%**	**5.6%**	**1.7%**	**5.6%**
France (other)	**1.6% and 2.1%**	**5.6% and 8.0%**	**1.7% and 2.2%**	**5.6% and 7.9%**
Argentina	**5.0%**	**19.6%**	**5.0%**	**21.1%**
Brazil(iii)	**4.6%**	**7.9% to 9.8%**	**4.8%**	**8.4%**
Colombia(iii)	**3.0%**	**6.6%**	**3.0%**	**8.0%**
Uruguay	**6.3%**	**9.4%**	**7.0%**	**11.9%**

(i) The inflation-adjusted perpetual growth rate ranges from 0% to 1.3% (2019: between 0% and 1.5%) depending on the nature of the CGU's business/banner and country.

(ii) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.

(iii) At 31 December 2020, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €3,160 million, €1,481 million and €1,036 million, respectively. With the exception of Cnova, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA and Éxito goodwill were performed based on their value in use (see below).

No impairment loss was recognised at 31 December 2020 from the annual goodwill impairment test conducted at the end of the year. The tests carried out at 30 June 2020 on CGU goodwill for which there was evidence of impairment resulted in the recognition of an impairment loss of €15 million for the Catering business, leading to the write-down of the full amount of goodwill relating to this business.

In view of the positive difference between value in use and carrying amount, the Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. The Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value.

10.5.3 Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method. The main trademarks concern GPA. Note that the Extra banner in Brazil, which owns the brand with a net carrying amount of €281 million at 31 December 2020, was tested for impairment. No impairment was recognised as a result of this test. This would also have been the case in the event of the following changes in the key assumptions used: a 100-basis point increase in discount rates, a 25-basis point decrease in the perpetual growth rate used to calculate terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value.

Note 11 Financial structure and finance costs

Accounting principle

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs in the case of instruments not measured at fair value through profit or loss. Directly attributable transaction costs of financial assets measured at fair value through profit or loss are recorded in the income statement.

Financial assets are classified in 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.

The classification depends on the business model within which the financial asset is held and the characteristics of the instrument's contractual cash flows.

Financial assets are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are measured at amortised cost when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (iii) they give rise to cash flows that are solely payments of principal and interest on the nominal amount outstanding ("SPPI" criterion).
They are subsequently measured at amortised cost, determined using the effective interest method, less any expected impairment losses in relation to the credit risk. Interest income, exchange gains and losses, impairment losses and gains and losses arising on derecognition are all recorded in the income statement.
This category primarily includes trade receivables (except for GPA credit card receivables), cash and cash equivalents as well as other loans and receivables.
Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

This category comprises debt instruments and equity instruments.
- Debt instruments are measured at fair value through OCI when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (iii) they give rise to cash flows that are solely payments of principal and interest on the nominal amount outstanding ("SPPI" criterion). Interest income, exchange gains and losses and impairment losses are recorded in the income statement. Other net gains and losses are recorded in OCI. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.
  This category mainly consists of GPA credit card receivables.
- Equity instruments that are not held for trading may also be measured at fair value through OCI. This method may be chosen separately for each investment. The choice is irrevocable. Dividends received are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recorded in OCI and are never reclassified to profit or loss. At present, the Group's use of this option is non-material.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

All financial assets that are not classified as financial assets at amortised cost or at fair value through OCI are measured at fair value through profit or loss. Gain and losses on these assets, including interest or dividend income, are recorded in the income statement.
This category mainly comprises derivative instruments that do not qualify for hedge accounting and investments in non-consolidated companies, for which the Group decided not to use the fair value through other comprehensive income (OCI) option.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term investments.
To be classified as cash equivalents under IAS 7, investments must be:
- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

Usually, the Group uses interest bearing bank accounts or term deposits of less than three months.

IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 requires the recognition of lifetime expected credit losses on financial assets. This impairment model applies to financial assets at amortised cost (including cash-based instruments), contract assets and debt instruments at fair value through OCI.

The main financial assets concerned are trade receivables relating to Brazilian credit activities, trade receivables from franchisees and affiliated stores and rent receivables.

For trade and rent receivables and contract assets, the Group applies the simplified approach provided for in IFRS 9. This approach consists of estimating lifetime expected credit losses on initial recognition, usually using a provision matrix that specifies provision rates depending on the number of days that a receivable is past due.

For other financial assets, the Group applies the general impairment model.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset have expired; or
- the contractual rights have been transferred. In this latter case:
  - if substantially all the risks and rewards of ownership of the financial asset have been transferred, the asset is derecognised in full,
  - if substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the statement of financial position for its total amount.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

The accounting treatment of put options granted to owners of non-controlling interests ("NCI puts") is described in Note 3.3.1.

FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST

Borrowings and other financial liabilities at amortised cost are initially measured at the fair value of the consideration received, and subsequently at amortised cost, using the effective interest method. Transaction costs and issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. The costs are then amortised over the life of the liability by the effective interest method.

Within the Group, some loans and other financial liabilities at amortised cost are hedged.

Several subsidiaries have set up reverse factoring programmes with financial institutions to enable their suppliers to collect receivables more quickly in the ordinary course of the purchasing process. The accounting policy for these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and due date, consideration, face value) they continue to be recorded under "Trade payables". Otherwise, they are qualified as financing transactions and included in financial liabilities under "Trade payables - structured programme".

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

These are mainly derivative instruments (see below). There are no financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not hold any financial liabilities for trading other than derivative instruments at fair value through profit or loss.

Derivative instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

DERIVATIVE FINANCIAL INSTRUMENTS THAT QUALIFY FOR HEDGE ACCOUNTING: RECOGNITION AND PRESENTATION

In accordance with IFRS 9, the Group applies hedge accounting to:

- fair value hedges of a liability (for example, swaps to convert fixed rate debt to variable rate); the hedged item is recognised at fair value and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement of the hedge at fair value are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;

- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate or to change the borrowing currency, and hedges of budgeted purchases billed in a foreign currency). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit or loss and the effective portion is recognised in "Other comprehensive income" and subsequently reclassified to profit or loss on a symmetrical basis with the hedged cash flows in terms of both timing and classification (i.e., in trading profit for hedges of operating cash flows and in net financial income and expense for other hedges). The premium/discount component of forward foreign exchange contracts is treated as a hedging cost. Changes in the fair value of this component are recorded in "Other comprehensive income" and reclassified to profit or loss as part of the cost of the hedged transaction on the transaction date (basis of adjustment method);

- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in financial income or expense. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:

- the hedging instruments and hedged items included in the hedging relationship are all eligible for hedge accounting;
- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

DERIVATIVE FINANCIAL INSTRUMENTS THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING: RECOGNITION AND PRESENTATION

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, successive changes in its fair value are recognised directly in profit or loss for the period under “Other financial income and expenses”.

Definition of net debt

Net debt corresponds to gross borrowings and debt including derivatives designed as fair value hedge (liabilities) and trade payables - structured programme, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and as short-term investments, (iii) derivatives designated as fair value hedge (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent of the selling subsidiary.

11.1 Net cash and cash equivalents

(€ millions)	2020	2019
Cash equivalents	**1,383**	1,074
Cash	**1,362**	2,497
Cash and cash equivalents	**2,744**	**3,572**
Bank overdrafts (Note 11.2.4)	**(69)**	(101)
Net cash and cash equivalents	**2,675**	**3,471**

As of 31 December 2020, cash and cash equivalents are not subject to any material restrictions.

Bank guarantees are presented in Note 6.11.1.

11.2 Loans and borrowings

11.2.1 Breakdown

Gross borrowings and debt amounted to €8,056 million at 31 December 2020 (31 December 2019: €9,649 million), breaking down as follows:

(€ millions)	Notes	2020 Non-current portion	2020 Current portion	2020 Total	2019 Non-current portion	2019 Current portion	2019 Total
Bonds(i)	11.2.3	**4,663**	**615**	**5,278**	6,661	758	7,418
Other loans and borrowings	11.2.4	**2,034**	**732**	**2,766**	1,430	784	2,214
Fair value hedges – liabilities(ii)	11.5.1	**3**	**8**	**11**	10	8	17
Gross borrowings and debt		**6,701**	**1,355**	**8,056**	**8,100**	**1,549**	**9,649**
Fair value hedges – assets(iii)	11.5.1	**(77)**	**(15)**	**(92)**	(62)	(17)	(78)
Other financial assets(iv)	6.8.1 / 6.9.1	**(68)**	**(518)**	**(586)**	(54)	(288)	(342)
Loans and borrowings(v)		**6,555**	**823**	**7,378**	**7,984**	**1,244**	**9,229**
Of which France Retail		*4,504*	*(163)*	*4,341*	*5,425*	*139*	*5,563*
Of which Latam Retail(vi)		*1,932*	*876*	*2,808*	*2,560*	*806*	*3,366*
Of which E-commerce		*120*	*109*	*229*	*-*	*299*	*299*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.4.1	**-**	**(720)**	**(720)**	-	(1,602)	(1,602)
Cash and cash equivalents	11.1	**-**	**(2,744)**	**(2,744)**	-	(3,572)	(3,572)
Of which France Retail				*(803)*			*(1,715)*
Of which Latam Retail				*(1,926)*			*(1,778)*
Of which E-commerce				*(16)*			*(78)*
Cash and cash equivalents and net assets held for sale		**-**	**(3,464)**	**(3,464)**	**-**	**(5,173)**	**(5,173)**
NET DEBT		**6,555**	**(2,642)**	**3,914**	**7,984**	**(3,929)**	**4,055**
Of which France Retail				*2,835*			*2,284*
Of which Latam Retail				*866*			*1,550*
Of which E-commerce				*213*			*221*

(i) Including €3,551 million in France and €1,727 million in Brazil at 31 December 2020 (31 December 2019: €4,850 million in France and €2,568 million in Brazil) (Note 11.2.3).
(ii) Including €8 million in France and €3 million in Brazil at as 31 December 2020 (31 December 2019: €11 million in France and €7 million in Brazil).
(iii) Including €79 million in France and €12 million in Brazil at 31 December 2020 (31 December 2019: €66 million in France and €13 million in Brazil).
(iv) Including mainly €505 million placed in escrow and posted as collateral (of which €487 million in respect of the RCF refinancing – Note 11.5.4) and €60 million of financial assets following the disposal of non-current assets at 31 December 2020 (31 December 2019: €257 million placed in escrow and posted as collateral [of which €193 million in respect of the RCF refinancing] and €60 million in financial assets further to a major disposal of non-current assets).
(v) The Group defines “Loans and borrowings” as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets. This indicator is used to calculate the covenants included in the revolving credit facility (RCF) (Note 11.5.4).
(vi) Including Segisor for €188 million at 31 December 2020 (31 December 2019: €195 million).

11.2.2 Change in financial liabilities

(€ millions)	2020	2019
Gross borrowings and debt at 1 January	*9,649*	*8,980*
Fair value hedges – assets	*(78)*	*(101)*
Other financial assets	*(342)*	*(86)*
Loans and borrowings at beginning of period	**9,229**	**8,794**
New borrowings(i) (iii) (vii)	**2,066**	4,542
Repayments of borrowings(ii) (iii) (vii)	**(2,632)**	(3,701)
Change in fair value of hedged debt	**27**	86
Change in accrued interest	**32**	26
Foreign currency translation adjustments(iv)	**(915)**	(63)
Changes in scope of consolidation(v)	**(101)**	(135)
Reclassification of financial liabilities associated with non-current assets held for sale	**-**	(13)
Change in other financial assets	**(247)**	(256)
Other and reclassifications(vi)	**(81)**	(51)
Loans and borrowings at end of period	**7,378**	**9,229**
Gross borrowings and debt at end of period (Note 11.2.1)	*8,056*	*9,649*
Fair value hedges – assets (Note 11.2.1)	*(92)*	*(78)*
Other financial assets (see Note 11.2.1)	*(586)*	*(342)*

(i) New borrowings in 2020 mainly included the following: (a) an unsecured bond issue by Casino, Guichard-Perrachon maturing in January 2026 and the Term Loan B tap for a total amount of €625 million (Note 2); (b) a debenture issue by GPA for BRL 2,000 million (€339 million) along with new bank borrowings for BRL 3,070 million (€521 million); (c) new bank loans taken out by Éxito for COP 1,025 billion (€243 million); and (d) a government-backed loan granted to Cdiscount for €120 million.
New borrowings in 2019 mainly included the following: (a) a bond issue by Quatrim, a wholly-owned subsidiary of Casino, Guichard-Perrachon, and an issue by Casino, Guichard-Perrachon of a term loan placed with investors (“Term Loan B”) for a total amount of €1,800 million in November 2019 (see Note 2); and (b) issues by the GPA sub-group of BRL 8,000 million (€1,812 million) in bonds, primarily following efforts to simplify the Group’s structure in Latin America at end-2019, BRL 1,600 million (€362 million) in promissory notes, and BRL 2,168 million (€491 million) in loans taken out with banks.

(ii) Repayments of borrowings in 2020 mainly concerned (i) Casino, Guichard-Perrachon (of which €257 million in redemptions of bonds maturing in March 2020 and €1,400 million in early bond redemptions – Note 2); (ii) GPA (of which BRL 2,734 million [€464 million] in redemptions of bonds and BRL 1,186 million [€201 million] in repayments of bank loans); and (iii) Éxito for COP 786 billion (€186 million) in repayments of confirmed credit facilities and bank loans.
Repayments of borrowings in 2019 mainly concerned Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560 million (of which (a) the €784 million bond tender in November 2019 described in Note 2, and (b) redemption of a €675 million bond issue in August 2019), Éxito for €1,160 million and Segisor for €204 million (including €198 million following efforts to simplify the Group’s structure in Latin America at the end of 2019), and GPA for €717 million.

(iii) In 2020, cash flows relating to financing activities could be summarised as a net inflow of €966 million, consisting of repayments of borrowings for €2,632 million and net interest paid (excluding on lease liabilities) for €400 million (Note 4.10), offset by new borrowings in an amount of €2,066 million.
In 2019, cash flows relating to financing activities could be summarised as a net inflow of €504 million, consisting of repayments of borrowings for €3,694 million and net interest paid (excluding on lease liabilities) for €345 million (Note 4.10), offset by new borrowings in an amount of €4,542 million.

(iv) In 2020, foreign currency translation adjustments primarily concerned GPA.

(v) Including a reduction of €102 million in 2020 relating to the total return swap (TRS) on Mercialys shares (Note 3.1.1).
In 2019, including a reduction of €97 million and €50 million related to total return swaps (TRS) on Mercialys and Via Varejo shares respectively. The 2019 TRS on Via Varejo was unwound in June 2019.

(vi) Including a reduction in bank overdrafts of €58 million in 2020 and €20 million in 2019.

(vii) Changes in negotiable European commercial paper (“NEU CP”) are presented net in this table.

11.2.3 Outstanding bond issues

(€ millions)	Principal(i)	Nominal interest rate(ii)	Effective interest rate(ii)	Issue date	Maturity date	2020(iii)	2019(iii)
Casino, Guichard-Perrachon bonds in euros	**2,622**					**2,758**	**4,059**
2020 bonds	-	F: 5.24	5.28%	March 2012	March 2020	**-**	258
2021 bonds	130(iv)	F: 5.98	6.53%	May 2011	May 2021	**131**	611
2022 bonds	331(iv)	F: 1.87	2.55%	June 2017 January 2018	June 2022	**329**	447
2023 bonds	272(iv)	F: 4.56	4.47%	January 2013 May 2013	January 2023	**283**	762
2024 bonds	611(iv)	F: 4.50	4.88%	March 2014	March 2024	**643**	950
2025 bonds	370(iv)	F: 3.58	3.62%	December 2014	February 2025	**396**	469
2026 bonds	508	F: 4.05	4.09%	August 2014	August 2026	**578**	562
2026 bonds	400	F: 6.625	6.98%	December 2020	January 2026	**398**	-
Quatrim bonds in euros	**800**					**793**	**791**
2024 bonds	800	F: 5.88	6.31%	November 2019	January 2024	**793**	791
GPA bonds in BRL	**1,717**					**1,727**	**2,568**
2020 bonds	-	V: 96.0% CDI	V: 96.0% CDI	April 2017	April 2020	**-**	239
2020 bonds	-	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2020	**-**	11
2020 bonds	-	V: CDI +1.60%	V: CDI +1.60%	September 2019	August 2020	**-**	221
2021 bonds	71	V: 104.75% CDI	V: 104.75% CDI	January 2018	January 2021	**71**	177
2021 bonds	110	V: 106.0% CDI	V: 106.0% CDI	September 2018	September 2021	**111**	155
2021 bonds	8	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2021	**8**	11
2021 bonds	274	V: CDI +1.74%	V: CDI +1.74%	September 2019	August 2021	**274**	443
2022 bonds	78	V: 107.4% CDI	V: 107.4% CDI	September 2018	September 2022	**81**	111
2022 bonds	126	V: 105.75% CDI	V: 105.75% CDI	January 2019	January 2022	**128**	177
2022 bonds	8	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2022	**8**	11
2022 bonds	314	V: CDI +1.95%	V: CDI +1.95%	September 2019	August 2022	**315**	443
2023 bonds	39	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2023	**39**	55
2023 bonds	314	V: CDI 2.20%	V: CDI 2.20%	September 2019	Aug. 2023	**316**	426
2024 bonds	31	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2024	**31**	44
2025 bonds	31	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2025	**31**	44
2023 bonds	314	V: CDI +1.45%	V: CDI +1.45%	January 2020	January 2023	**313**	-
Total bonds						**5,278**	**7,418**

(i) Corresponds to the principal of the bonds outstanding at 31 December 2020.
(ii) F (Fixed rate) - V (Variable rate) - CDI (*Certificado de Depósito Interbancário*). The effective interest rates on Casino, Guichard-Perrachon bonds do not reflect the possible impact of the remeasurement component relating to fair value hedges.
(iii) The amounts above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.
(iv) In the second half of 2020, the Group carried out early redemptions of a portion of its bonds maturing in 2021 (€467 million), 2022 (€122 million), 2023 (€449 million), 2024 (€289 million) and 2025 (€74 million) (Note 2).

11.2.4 Other loans and borrowings

(€ millions)	Principal(i)	Type of rate	Issue date	Maturity date	2020	2019
France						
Term Loan B	1,225	Variable(ii)	November 2019	January 2024	**1,193**	959
Negotiable European commercial paper (Casino Guichard- Perrachon)	179	Fixed	(iii)	(iii)	**180**	129
Mercialys TRS (Casino, Guichard-Perrachon)	-	Variable	July 2018	December 2020	**-**	102
Government-backed loan (Cdiscount)	120	Variable	August 2020	August 2026(iv)	**120**	-
Other(v)					**9**	29
International						
GPA	652	Variable(vi)	November 2014 to November 2020	January 2021 to May 2027	**649**	431
Éxito	238	Variable/ Fixed(vi)	June 2017 to June 2020	March 2021 to March 2026	**237**	71
Segisor	188	Variable	June 2018	December 2021(ix)	**188**	195
Other	4	Fixed			**4**	-
Bank overdrafts(vii)					**69**	101
Accrued interest(viii)					**118**	197
Total other borrowings					**2,766**	**2,214**
Of which variable rate					***2,287***	***1,926***

(i) Corresponds to the nominal amount at 31 December 2020.
(ii) Interest on this loan is based on Euribor with a zero floor, plus a 5.5% spread.
(iii) Negotiable European commercial paper (NEUCP) is short-term financing generally with a maturity of less than 12 months.
(iv) Loan initially falling due in August 2021 including extension options exercisable at Cdiscount's discretion, with final repayment due in August 2026. This loan is shown in non-current financial liabilities at 31 December 2020.
(v) Of which €8 million concerning Cdiscount (31 December 2019: €11 million concerning Cdiscount).
(vi) GPA and Éxito's variable-rate loans pay interest at rates based on the CDI and IBR, respectively. Including borrowings in Colombia originally denominated in Colombian pesos for COP 610 billion, or €145 million (31 December 2019: COP 259 billion, or €70 million, swapped for variable-rate debt).
(vii) Overdrafts are mostly in France.
(viii) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2020, accrued interest primarily concerned Casino for €76 million and GPA for €39 million (31 December 2019: Casino for €136 million and GPA for €61 million).
(ix) A commitment letter was signed by the Group and the bank to extend the debt's maturity from December 2021 to July 2023.

CONFIRMED BANK CREDIT LINES IN 2020 AND 2019

2020 (€ millions)	Interest rate	Due: Within one year	Due: In more than one year	Amount of the facility	Drawdowns
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance(i)	Variable(i)	**198**	**2,020**	**2,218**	**-**
Other confirmed bank credit lines(iii)	Variable(ii)	**135**	**143**	**277**	**-**
Total		**333**	**2,163**	**2,496**	**-**

2019 (€ millions)	Interest rate	Due: Within one year	Due: In more than one year	Amount of the facility	Drawdowns
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance(i)	Variable(i)	**-**	**2,220**	**2,220**	**-**
Other confirmed bank credit lines(iii)	Variable(ii)	**389**	**111**	**500**	**54**
Total		**389**	**2,331**	**2,720**	**54**

(i) In 2020 and 2019, syndicated credit lines comprised (a) the revolving credit facility (RCF) for €2,000 million maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date), bearing interest at Euribor with a zero floor, plus a spread that depends on the amount drawn down and the "loans and borrowings"/EBITDA ratio for the France Retail and E-commerce segments, as well as the Segisor holding company (no more than 3.50%); (b) a €198 million line maturing in February 2021 and bearing interest at Euribor plus a spread that depends on the amount drawn down and the Group's net debt/EBITDA ratio (Note 11.5.4); and (c) a USD 25 million line maturing in July 2022 and bearing interest at US Libor plus a spread that depends on the Group's net debt/EBITDA ratio (Note 11.5.4).
(ii) Interest on the other lines is based on a reference rate (depending on the currency of the credit line) plus a spread. In some cases, the spread varies depending on the subsidiary's net debt/EBITDA ratio and the amount drawn down (lines totalling €111 million).
(iii) In 2020, other confirmed bank credit lines concern Monoprix for €111 million and Éxito for €166 million (COP 700 billion). In 2019, other confirmed bank credit lines concerned Monoprix (€111 million), GPA (€199 million) and Éxito (€190 million).

11.3 Net financial income/(expense)

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and loans and borrowings during the period, including income from cash and cash equivalents, gains and losses on disposals of cash equivalents, interest expense on loans and borrowings, gains and losses on interest rate hedges (including the ineffective portion) and related currency effects, and trade payable – structured programme costs.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

It includes dividends received from non-consolidated companies, non-recourse factoring and associated transaction costs (including fees relating to instalment program CB4X at Cdiscount), credit line non-utilisation fees, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations), interest expense on lease liabilities, gains and losses arising from remeasurement at fair value of equity derivatives, and impairment losses and realised gains and losses on financial assets other than cash and cash equivalents. Exchange gains and losses are also recorded under this caption, apart from (i) exchange gains and losses on cash and cash equivalents and loans and borrowings, which are presented under net finance costs, and (ii) the effective portion of accounting hedges of operating transactions, which are included in trading profit.

Financial discounts for prompt payments are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the supplement.

11.3.1 Net finance costs

(€ millions)	**2020**	**2019**
Gains (losses) on disposals of cash equivalents	**-**	-
Income from cash and cash equivalents	**16**	39
Income from cash and cash equivalents	**16**	**39**
Interest expense on borrowings after hedging	**(373)**	(396)
Finance costs	**(373)**	**(396)**
Net finance costs	**(357)**	**(356)**
Of which France Retail(i)	***(210)***	*(161)*
Of which Latam Retail	***(135)***	*(184)*
Of which E-commerce	***(12)***	*(12)*

(i) The increase in 2020 reflects the full-year impact of the refinancing transaction carried out at the end of 2019 (see notes to the 2019 financial statements), partly offset by the gain relating to the bond redemptions (Note 2).

11.3.2 Other financial income and expenses

(€ millions)	2020	2019 (restated)
Total other financial income	**210**	**265**
Total other financial expenses	**(602)**	**(715)**
Net foreign currency exchange gains (losses) (other than on borrowings)(i)	**(8)**	(11)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments(ii)	**(73)**	(31)
Gains (losses) on remeasurement at fair value of financial assets	**(5)**	(9)
Interest expense on lease liabilities (Note 7.1.2)	**(320)**	(324)
Non-recourse factoring and associated transaction costs	**(60)**	(77)
Impact of applying IAS 29 to operations in Argentina	**(7)**	(10)
Other(iii)	**81**	12
Total net other financial expense	**(392)**	**(450)**

(i) Including €52 million in foreign currency exchange gains and €60 million in foreign currency exchange losses in 2020 (2019: €53 million in forex gains and €63 million in forex losses).

(ii) In 2020, the €73 million net expense primarily reflects the €70 million adverse impact of changes in the fair value of the GPA total return swap. This swap was unwound during the first half, generating a cash outflow of €248 million (Note 4.11). The net loss of €31 million on remeasurement at fair value of non-hedging derivative instruments reported in 2019 mainly reflects (a) fair value adjustments to the GPA TRS (negative adjustment of €6 million) and GPA forward (negative adjustment of €9 million) as well as dividend income (€2 million) and the cost of carry (€13 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€3 million). The GPA forward was unwound between August and December 2019, resulting in a cash outflow of €109 million (for a negative fair value of €101 million).

(iii) Of which BRL 613 million (€104 million) recognised by GPA in 2020 in respect of the monetary adjustment relating to the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (Note 13.3).

11.4 Fair value of financial instruments

Accounting principle

Fair value measurements are classified using the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments, which are not quoted in an active market (such as over-the-counter derivatives), is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.4.1 Financial assets and liabilities by category of instrument

FINANCIAL ASSETS

The tables below analyse financial assets according to the categories set out in IFRS 9.

(€ millions)	Total financial assets	Breakdown by category of instrument			
		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
At 31 December 2020					
Other non-current assets[i]	**449**	**38**	**5**	**77**	**329**
Trade receivables	**941**	**-**	**33**	**-**	**908**
Other current assets[i]	**1,237**	**1**	**-**	**15**	**1,222**
Cash and cash equivalents	**2,744**	**-**		**-**	**2,744**

(€ millions)	Total financial assets	Breakdown by category of instrument			
		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
At 31 December 2019					
Other non-current assets[i]	381	48	4	62	267
Trade receivables	836	-	22	-	813
Other current assets[i]	975	6	1	17	950
Cash and cash equivalents	3,572	17	-	-	3,554

(i) Excluding non-financial assets.

FINANCIAL LIABILITIES

The following table shows financial liabilities by category.

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	NCI Puts	Derivative instruments
At 31 December 2020				
Bonds	**5,278**	**5,278**	**-**	**-**
Other loans and borrowings	**2,777**	**2,766**	**-**	**11**
Current put options granted to owners of non-controlling interests	**163**	**-**	**163**	**-**
Lease liabilities	**4,987**	**4,987**	**-**	**-**
Trade payables	**6,190**	**6,190**	**-**	**-**
Other liabilities[i]	**1,906**	**1,840**	**-**	**65**

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	NCI Puts	Derivative instruments
At 31 December 2019 (restated)				
Bonds	7,418	7,418	-	-
Other loans and borrowings	2,231	2,214	-	17
Current put options granted to owners of non-controlling interests	166	-	166	-
Lease liabilities	5,485	5,485	-	-
Trade payables	6,580	6,580	-	-
Other liabilities[i]	1,849	1,622	-	227

(i) Excluding non-financial liabilities.

11.4.2 Fair value hierarchy for assets and liabilities

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to a reasonable approximation of fair value such as trade receivables, trade payables, contract assets and liabilities, and cash and cash equivalents.

At 31 December 2020 (€ millions)	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**169**	**169**	**4**	**126**	**39**
Financial assets at fair value through profit or loss(i)	**39**	**39**	**-**	**-**	**39**
Financial assets at fair value through other comprehensive income(i)	**38**	**38**	**4**	**34**	**-**
Fair value hedges – assets(ii)	**92**	**92**	**-**	**92**	**-**
Cash flow hedges and net investment hedges – assets(ii)	**-**	**-**	**-**	**-**	**-**
Other derivative instruments – assets	**-**	**-**	**-**	**-**	**-**
Liabilities	**13,271**	**13,290**	**3,505**	**9,622**	**163**
Bonds(iii)	**5,278**	**5,298**	**3,505**	**1,793**	**-**
Other borrowings(iv)	**2,766**	**2,766**	**-**	**2,766**	**-**
Lease liabilities	**4,987**	**4,987**	**-**	**4,987**	**-**
Fair value hedges – liabilities(ii)	**11**	**11**	**-**	**11**	**-**
Cash flow hedges and net investment hedges – liabilities(ii)	**56**	**56**	**-**	**56**	**-**
Other derivative instruments – liabilities(ii)	**9**	**9**	**-**	**9**	**-**
Put options granted to owners of non-controlling interests(v)	**163**	**163**	**-**	**-**	**163**

At 31 December 2019 (restated) (€ millions)	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**161**	**161**	**6**	**108**	**47**
Financial assets at fair value through profit or loss(i)	41	41	1	-	41
Financial assets at fair value through other comprehensive income(i)	27	27	5	22	
Fair value hedges – assets(ii)	78	78	-	78	-
Cash flow hedges and net investment hedges – assets(ii)	1	1	-	1	-
Other derivative instruments – assets	13	13	-	6	7
Liabilities	**15,527**	**15,210**	**4,687**	**10,357**	**167**
Bonds(iii)	7,418	7,102	4,687	2,416	-
Other borrowings(iv)	2,214	2,213	-	2,213	-
Lease liabilities	5,485	5,485	-	5,485	-
Fair value hedges – liabilities(ii)	17	17	-	17	-
Cash flow hedges and net investment hedges – liabilities(ii)	41	41	-	41	-
Other derivative instruments – liabilities(ii)	186	186	-	186	-
Put options granted to owners of non-controlling interests(v)	166	166	-	-	166

(i) Financial assets recognised at fair value are generally measured using standard valuation techniques. If their fair value cannot be determined reliably, they are not included in this note.
(ii) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.
(iii) The fair value of bonds is based on the latest quoted price on the reporting date.
(iv) The fair value of other borrowings has been measured using other valuation techniques such as the discounted cash flow method, taking into account the Group's credit risk and interest rate conditions at the reporting date.
(v) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract’s calculation formulas and is discounted, if necessary. These formulas are considered to be representative of fair value and notably use net profit multiples (Note 3.3.1).

11.5 Financial risk management objectives and policies

The main risks associated with the Group's financial instruments are market risks (foreign currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the Finance departments of the Group's main subsidiaries and reports to Senior Management.

The Corporate Finance department liaises with the Finance departments of subsidiaries to manage financing, cash investments and financial risks. This process is based on principles of prudence and anticipation particularly with respect to counterparty management and liquidity risk. Major transactions are monitored individually.

The Group Corporate Finance department has issued a guide to financing, investment and hedging best practices which is distributed to subsidiary Finance departments. The guide sets out financing methods, selection criteria for banking partners, appropriate hedging products and required authorisation levels.

The French and international business units' cash positions and forecasts are reported weekly and continuously monitored. The Group's other financial risk exposures, such as interest rate risk, currency risk on financial transactions and banking counterparty risk, are measured and analysed in monthly reports to Senior Management that also include action plans for dealing with any material identified risks.

The Group manages its exposure to interest rate risks and foreign currency risks using standard derivative financial instruments such as interest rate swaps and options (caps, floors, swaptions), currency swaps, forward currency contracts and currency options. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.
Like many other large corporates, the Group may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate and currency exposures.

11.5.1 Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of hedged risk and accounting classification:

(€ millions)	Notes	2020	Interest rate risk	Foreign currency risk	Other market risks	2019
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8.1 - 6.9	**-**	**-**	**-**	**-**	13
Cash flow hedges	6.8.1	**-**	**-**	**-**	**-**	1
Fair value hedges – assets	6.8.1 - 6.9 - 11.2.1	**92**	**81**	**10**	**-**	78
Total derivatives – assets		***92***	***81***	***11***	***-***	***93***
of which non-current		***77***	***76***	***2***	***-***	*69*
of which current		***15***	***6***	***9***	***-***	*24*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	6.10	**9**	**5**	**4**	**-**	186
Cash flow hedges	6.10	**56**	**47**	**10**	**-**	41
Fair value hedges	11.2.1	**11**	**1**	**10**	**-**	17
Total derivatives – liabilities		***77***	***52***	***24***	***-***	***244***
of which non-current		***50***	***47***	***3***	***-***	*51*
of which current		***27***	***6***	***21***	***-***	*193*

At 31 December 2020, derivatives held as fair value hedges (on a notional amount of €3,440 million) had a positive net fair value of €81 million and mainly comprised (i) interest rate hedges in France on a notional amount of €3,344 million with a positive fair value of €72 million and (ii) currency hedges in Brazil on a notional amount of €96 million with a positive fair value of €9 million. All the currency and interest rate derivatives are backed by bank borrowings or bonds denominated either in the same currency or in a currency other than the borrower entity's functional currency. The ineffective portion of these fair value hedges is not material.
At 31 December 2020, the cash flow hedge reserve included in equity had a debit balance of €43 million (31 December 2019: debit balance of €32 million after tax). These derivatives concern operations in France and hedge goods purchases billed in currencies other than the euro (mainly the US dollar). Their notional amount at 31 December 2020 was USD 177 million (€144 million – Note 11.5.2). France and Colombia applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €878 million and €94 million, respectively, at 31 December 2020. The ineffective portion of these cash flow hedges is not material.

Derivative instruments that do not qualify for hedge accounting under IFRS 9 had a negative fair value of €9 million at 31 December 2020 (31 December 2019: negative fair value of €173 million). In 2019, these instruments related to TRSs on GPA shares with a negative fair value of €177 million.

The fair value calculation at 31 December 2020 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is not material.

11.5.2 Market risk

INTEREST RATE RISK

The Group's objective is to manage its exposure to the risk of interest rate changes and optimise its financing cost. Its strategy therefore consists of dynamic debt management by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Interest rate risks are managed using various vanilla instruments. The main instruments are interest rate swaps and options (caps, floors and swaptions). These instruments do not always qualify for hedge accounting; however all interest-rate instruments are contracted in line with the above risk management policy.

Specifically, Casino, Guichard-Perrachon's debt is mainly composed of fixed-rate bonds and the variable-rate Term Loan B, representing a nominal amount of €3,422 million and €1,225 million, respectively, at 31 December 2020 (Note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date; all of these hedges qualify for hedge accounting.

At 31 December 2020, Casino, Guichard-Perrachon had a portfolio of 44 interest-rate swaps with around ten bank counterparties. These instruments expire at various dates between 2021 and 2026.

At 31 December 2020, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 29% at fixed rates (€1,339 million), 26% at a capped or floored variable rate (€1,225 million) and 45% at a variable rate (€2,083 million).

SENSITIVITY TO A CHANGE IN INTEREST RATES

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	Notes	2020	2019
Casino, Guichard-Perrachon variable-rate bonds[(i)]		**2,083**	2,601
Casino, Guichard-Perrachon capped variable-rate bonds[(i)]		**-**	607
Term Loan B[(i)]		**1,225**	1,000
Brazil variable-rate bonds[(ii)]	11.2.3	**1,717**	2,585
Other variable-rate loans and borrowings[(iii)(iv)(v)]	11.2.4	**1,062**	926
Total variable-rate bonds, other loans and borrowings		**6,087**	**7,719**
Cash and cash equivalents	11.1	**(2,744)**	(3,572)
Net variable-rate position		**3,343**	**4,147**
100-bps change in interest rates		**27**	34
Net finance costs	11.3.1	**357**	356
Impact of change on net finance costs		**7.5%**	**9.4%**

(i) Corresponding to fixed-rate bonds and to the Term Loan B, representing a principal amount of €4,647 million (31 December 2019: €5,679 million) (Note 11.2.3), including a principal amount of €2,083 million (31 December 2019: €2,601 million) swapped for variable-rate debt, and a principal amount of €1,225 million (31 December 2019: €1,000 million) for Term Loan B including a floored rate.
(ii) Principal.
(iii) Excluding accrued interest.
(iv) Including borrowings in Brazil originally denominated in BRL or USD for BRL 4,152 million (€652 million) swapped for variable-rate debt in BRL by means of cross-currency swaps where applicable (31 December 2019: BRL 1,947 million, or €431 million).
(v) Including borrowings in Colombia originally denominated in Colombian pesos for COP 610 billion, or €145 million (31 December 2019: COP 259 billion, or €70 million, swapped for variable-rate debt).

Assuming a constant net debt structure and management policy, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 7.5% or €27 million increase (5.9% or €21 million decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

EXPOSURE TO FOREIGN CURRENCY RISK

Due to its geographically diversified business base, the Group is exposed to both currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the eurozone and to transaction risk on transactions denominated in currencies other than the euro.
Translation risk (or balance sheet currency risk) is the risk of an unfavourable change in the exchange rates used to translate the financial statements of subsidiaries located outside the eurozone into euros for inclusion in the consolidated financial statements adversely affecting the amounts reported in the consolidated statement of financial position and income statement, leading to a deterioration of the Group's financial structure ratios.
Transaction risk is the risk of an unfavourable change in exchange rates that adversely affects a cash flow denominated in foreign currency.

The Group's policy for managing transaction risk is to hedge highly probable budgeted exposures, which mainly concern cash flows arising from purchases made in a currency other than the buyer's functional currency and particularly purchases in US dollars which are hedged using forward contracts. These instruments are mainly over- the- counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.
As a general principle, budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

Currency risks on debts denominated in a currency other than the borrower's functional currency are systematically hedged, except where the debt represents a designated and documented hedge of a net investment in a foreign operation.

The Group's net exposure based on notional amounts after hedging mainly concerns the US dollar (excluding the functional currencies of entities), as shown below:

(€ millions)	Total exposure 2020	Of which USD	Total exposure 2019
Exposed trade receivables	**(19)**	**(8)**	(23)
Exposed other financial assets	**(50)**	**(43)**	(77)
Exposed derivatives at fair value through profit or loss	**(224)**	**(224)**	271
Exposed trade payables	**114**	**96**	263
Exposed financial liabilities	**245**	**245**	245
Exposed other financial liabilities	**44**	**44**	42
Gross exposure payable/(receivable)	**109**	**110**	**722**
Hedged other financial assets	**-**	**-**	94
Hedged trade payables	**62**	**57**	85
Hedged financial liabilities	**243**	**243**	229
Other hedged financial liabilities	**42**	**42**	32
Net exposure payable/(receivable)	**(237)**	**(231)**	**282**
Hedges of future purchases	**144**	**144**	**132**
Exposed put options granted to owners of non-controlling interests[(i)]	**100**	**100**	**104**

(i) Changes in fair value of put options granted to owners of non-controlling interests (including the effect of movements in exchange rates) have no impact on profit or loss, because the puts are treated as transactions between owners and changes in their fair value are therefore recorded directly in equity (Note 3.3.1).

At 31 December 2020, the net statement of financial position exposure (€237 million) is mainly attributable to the timelag of several days between setting up the hedging instrument (arranged prior to 31 December 2020 for an effective date subsequent to 31 December 2020) and the hedged item (effective date after 31 December 2020).

At 31 December 2019, the net statement of financial position exposure of €282 million mainly concerned the US dollar.

SENSITIVITY OF NET EXPOSURE AFTER FOREIGN CURRENCY HEDGING

A 10% appreciation of the euro at 31 December 2020 and 2019 against the currencies included in the Group's exposure would impact net financial expense in the amounts indicated in the table below.
For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

(€ millions)	2020	2019
US dollar	**(23)**	25
Other currencies	**(1)**	(1)
Impact on net financial income (expense)	**(24)**	**24**

A 10% decline in the euro against those currencies at 31 December 2020 and 2019 would have produced the opposite effect.

SENSITIVITY TO TRANSLATION RISK

A 10% appreciation of the euro compared to the Group's other main currencies would have the following impact on the translation into euros of the sales, profit and equity of subsidiaries whose functional currency is not the euro:

(€ millions)	2020		2019 (restated)	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total revenue	**(1,008)**	**(264)**	(1,124)	(291)
Trading profit	**(54)**	**(11)**	(41)	(14)
Net profit (loss)	**(23)**	**(5)**	(9)	(1)
Equity	**(234)**	**(130)**	(465)	(167)

A 10% decline in the euro against those currencies would have produced the opposite effect.
For the purposes of the analysis, all other variables are assumed to be constant.

BREAKDOWN OF CASH AND CASH EQUIVALENTS BY CURRENCY

(€ millions)	2020	%	2019	%
Euro	**780**	**28%**	1,743	49%
US dollar	**58**	**2%**	79	2%
Brazilian real	**1,345**	**49%**	1,071	30%
Colombian peso	**494**	**18%**	608	17%
Uruguayan peso	**36**	**1%**	34	1%
Other currencies	**32**	**1%**	37	1%
Cash and cash equivalents	**2,744**	**100%**	**3,572**	**100%**

EXCHANGE RATES AGAINST THE EURO

Exchange rates against the euro	2020		2019	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	**6.3735**	**5.8936**	4.5157	4.4143
Colombian peso (COP)	**4,204.58**	**4,216.03**	3,692.38	3,672.20
Argentine peso (ARS)(i)	**103.1176**	**103.1176**	67.2695	67.2695
Uruguayan peso (UYP)	**51.7764**	**47.9825**	41.7621	39.4526
US dollar (USD)	**1.2271**	**1.1419**	1.1234	1.1194
Polish zloty (PLN)	**4.5597**	**4.4445**	4.2568	4.2971

(i) In accordance with IAS 29, the financial statements of Libertad have been translated at the year-end exchange rate.

EQUITY RISK

At 31 December 2020, the Group did not hold any significant investments in any listed companies other than its listed subsidiaries or treasury shares.

In addition, the Group does not hold any options or any derivatives backing its own shares. Its policy as regards cash management is to invest only in money market instruments that are not exposed to equity risk.

11.5.3 Counterparty risk

The Group is exposed to various aspects of counterparty risk through its operating activities, cash deposits and interest rate and currency hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

COUNTERPARTY RISK RELATED TO TRADE RECEIVABLES

Customer credit risk:
Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

The table below shows the credit risk exposure and the estimated risk of a loss in value of trade receivables:

(€ millions)	Not yet due	Past-due trade receivables at the reporting date				Total
		Up to one month past due	Between one and six months past due	More than six months past due	Total past-due trade receivables	
At 31 December 2020						
Trade receivables	**709**	**104**	**78**	**150**	**332**	**1,041**
Allowance for lifetime expected losses	**(11)**	**(2)**	**(13)**	**(75)**	**(89)**	**(100)**
Total, net (Note 6.7.1)	**698**	**102**	**65**	**75**	**243**	**941**
At 31 December 2019						
Trade receivables	579	79	120	162	**361**	**940**
Allowance for lifetime expected losses	(3)	(11)	(15)	(75)	**(101)**	**(104)**
Total, net (Note 6.7.1)	**576**	**68**	**105**	**86**	**260**	**836**

Counterparty risk related to other assets

Credit risk on other financial assets – mainly comprising cash and cash equivalents, equity instruments, loans, legal deposits paid by GPA and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is limited and equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-tier counterparties and in first-tier rated instruments.

11.5.4 Liquidity risk

The Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The liquidity analysis is performed both for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2020, the Group's liquidity position comprised:
- confirmed, undrawn lines of credit for a total of €2,496 million (of which a non-current portion of €2,020 million for France);
- gross cash and cash equivalents totalling €2,744 million (of which €819 million available in France);
- €487 million held in a segregated account in France in connection with the refinancing of the revolving credit facility (RCF) and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2020 (France Retail):
- unsecured bonds amounting to €2,622 million, of which €400 million in high-yield bonds maturing in 2026 (Note 2);
- secured high-yield bonds for €800 million;
- Term Loan B for €1,225 million.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €179 million was outstanding at 31 December 2020 (France Retail); these issues are made under a programme capped at €2,000 million, with the availability of funds depending on market conditions and investor appetite. These issues are not subject to any covenants.

The main liquidity risk management methods consist in:
- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

Management of short-term debt

Access to the European negotiable commercial paper (NEU CP) market is subject to market conditions and investor appetite for Casino debt. Outstanding commercial paper issues represented €179 million at 31 December 2020 versus €129 million at 31 December 2019.

In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.
At 31 December 2020, trade payables totalling €1,181 million (including €434 million in France Retail payables, €709 million in Latam Retail payables and €38 million in E-commerce payables) had been reverse factored, versus €1,594 million at 31 December 2019 (€445 million, €1,092 million, and €57 million, respectively).

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, at end-2019 the Group refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line ("RCF") maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date).

The Group also raised funds in two transactions carried out in November 2019 in the form of a €1 billion secured term loan and an €800 million secured bond issue.

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.
It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November

and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €448 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments:

Financial instrument rating	Moody's	Standard & Poor's
Casino, Guichard-Perrachon	B3/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Secured high-yield bonds	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Term Loan B	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	Caa1/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa2/stable outlook (6 August 2020)	CCC (28 May 2019)

The high-yield bond issue by Quatrim is secured by shares in Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets whose disposal was pending).

In connection with the 2019 revolving credit facility (RCF) and Term Loan B financing, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries and holding companies in France holding shares in the Group's Latin American operations.

The confirmed €2,000 million facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its subsidiaries is not secured by collateral or assets.

Casino, Guichard-Perrachon debt covenants

As from 31 March 2020, Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail and E-commerce segments, calculated each quarter (on a rolling 12-month basis):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2020
Debt[(1)]/EBITDA[(2)]: < specified amount (evolving level)[(3)]	▪ RCF for €2,000 million	Quarterly	**5.03**
EBITDA[(2)]/net finance costs: > 2.25			**4.01**

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in Note 11.2.1, and certain GPA holding companies reported in the Latam segment (notably Segisor).
(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities.
(3) 5.75x at 31 December 2020, 6.50x at 31 March 2021, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021.

Two syndicated credit lines (the first for €198 million maturing in February 2021 and the second for USD 25 million maturing in July 2022) are subject to a covenant tested annually: this covenant was complied with at 31 December 2020.

Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issue put in place as part of the Group's refinancing in late 2019 include the usual restrictions for high-yield borrowings applicable to the Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably Segisor). These restrictions concern Casino, Guichard-Perrachon dividend payments, sales of assets as defined in the documentation, additional borrowings, and additional security interests and collateral.

The Term Loan B and high-yield bond also include incurrence covenants, which only apply upon the occurrence of certain specific events or to enable certain transactions to proceed, in particular:

- an incurrence covenant will apply in the event special dividends are paid in addition to ordinary dividends[1], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x;
- leverage and secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation may be applied on an independent or additional basis, depending on the transactions planned:

- FCCR: EBITDA[2]/Fixed charges[2]: > 2
- Secured debt leverage: Consolidated leverage[2]/EBITDA[2]: < 2

[1] 50% of net profit attributable to owners to the parent, with a minimum of €100 million per year from 2021 and an additional €100 million that may be used for one or several distributions during the life of the debt.

[2] As defined in the loan agreements.

The Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses.

Change-of-control clauses are included in all of Casino's bond financing documentation issued up to 2018, except for the documentation relating to the €600 million deeply-subordinated perpetual bonds (TSSDI) issued in 2005. Change of control is established when two criteria are met:

- a third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
- this change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €2,222 million at 31 December 2020, each bond investor would be entitled to request from Casino the early redemption of all its bonds at par, at its individual discretion;
- for €750 million worth of TSSDI issued in 2013, the interest would be raised by an additional spread of 5% per annum and Casino would be entitled to buy back all of the bonds at par.

The documentation for the 2019 and 2020 refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings/2026 high-yield bond): an entity other than Rallye or one of its affiliated entities holds more than 50% of Casino's share capital or if substantially all of the Group's assets are sold/transferred;
- Casino Finance (RCF): a third party (other than Rallye or its affiliates) takes control of Casino Finance;
- Monoprix (RCF): Monoprix is no longer controlled by Casino and/or its subsidiaries or if the percentage of ownership interest or voting rights held (by Casino and/or its subsidiaries) is lower than 40%.

A change of control would offer the lenders the possibility of cancelling their commitments at their individual discretion (limited to one-third of the nominal amount of the RCF in the event of a change of control of Monoprix). In the case of the high-yield bond issue, Quatrim, the wholly-owned subsidiary of Casino, Guichard-Perrachon that issued the bonds, would launch a tender offer (at a specified price) in which investors could participate.

Financing of subsidiaries subject to covenants

Most of the Group's other loan agreements – primarily concerning GPA, Monoprix and Segisor – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5[(iv)]	Annual	▪ €111 million syndicated credit line
GPA[(i)]	Net debt[(ii)] may not be higher than equity[(iii)]	Quarterly/half-yearly/annually	▪ All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Segisor	Net debt/value of GPA shares < 50%[(v)]	Quarterly	▪ Bank loans totalling €188 million (Note 11.2.4)

(i) All of GPA's covenants are based on the subgroup's consolidated financial statements.
(ii) Debt less cash, cash equivalents and receivables.
(iii) Consolidated equity (attributable to owners of the parent and non-controlling interests).
(iv) Monoprix's covenant is based on its consolidated financial statements.
(v) Segisor's covenant is based on its parent company financial statements.

These covenants were respected at 31 December 2020.

EXPOSURE TO LIQUIDITY RISK

The table below presents an analysis by maturity of financial liabilities at 31 December 2020, including principal and interest and for undiscounted amounts. For derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. For interest rate instruments, when the amount payable or receivable is not fixed, the amount presented has been determined by reference to observed yield curves as at the reporting date.

For the TRS instruments described in Note 11.3.2, the cash flows presented for 2019 in the table below reflect the interest payable and the fair value of instruments at the reporting date.

31 December 2020 (€ millions)	Maturity: Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due in more than five years	Total contractual cash flows	Carrying amount
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	**1,508**	**2,038**	**1,224**	**3,432**	**1,043**	**9,244**	**8,044**
Current put options granted to owners of non-controlling interests	**119**	**10**	**38**	**-**	**-**	**167**	**163**
Lease liabilities	**929**	**908**	**872**	**1,392**	**2,946**	**7,046**	**4,987**
Trade payables and other financial liabilities	**7,992**	**3**	**-**	**-**	**35**	**8,030**	**8,030**
Total	**10,547**	**2,959**	**2,134**	**4,824**	**4,024**	**24,487**	**21,224**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	**17**	**17**	**15**	**22**	**5**	**76**	
Derivative contracts – paid	**(13)**	**(10)**	**(9)**	**(15)**	**(3)**	**(51)**	
Derivative contracts – net settled	**-**	**-**	**-**	**-**	**-**	**-**	
Currency derivatives							
Derivative contracts – received	**592**	**1**	**-**	**-**	**-**	**593**	
Derivative contracts – paid	**(613)**	**(1)**	**-**	**-**	**-**	**(613)**	
Derivative contracts – net settled	**-**	**9**	**(3)**	**-**	**-**	**6**	
Other derivative instruments							
Derivative contracts – received	**-**	**-**	**-**	**-**	**-**	**-**	
Derivative contracts – paid	**-**	**-**	**-**	**-**	**-**	**-**	
Derivative contracts – net settled	**-**	**-**	**-**	**-**	**-**	**-**	
Total	**(16)**	**15**	**3**	**7**	**2**	**10**	**15**

31 December 2019 (restated) (€ millions)	Maturity: Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due in more than five years	Total contractual cash flows	Carrying amount
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	1,731	2,178	1,559	4,989	763	11,221	9,632
Current put options granted to owners of non-controlling interests	108	-	28	38	-	174	166
Lease liabilities	953	917	888	1,573	3,559	7,890	5,485
Trade payables and other financial liabilities	8,156	4	-	1	33	8,193	8,202
Total	**10,947**	**3,100**	**2,475**	**6,600**	**4,355**	**27,478**	**23,485**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	5	-	-	-	-	5	
Derivative contracts – paid	(5)	-	-	-	-	(5)	
Derivative contracts – net settled	4	4	2	-	-	9	
Currency derivatives							
Derivative contracts – received	292	1	1	-	-	294	
Derivative contracts – paid	(288)	(1)	(1)	-	-	(290)	
Derivative contracts – net settled	4	-	-	-	-	4	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(226)	-	-	-	-	(226)	
Derivative contracts – net settled	-	-	-	-	-	-	
Total	**(215)**	**4**	**2**	**-**	**-**	**(208)**	**(152)**

Note 12 Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control affect only equity as there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of Casino, Guichard-Perrachon. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met:

- the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and
- in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the entity's own equity instruments, or it is a derivative that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

External and qualifying internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Casino, Guichard-Perrachon shares purchased by the Group are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact in the income statement for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in Note 11.

12.1 Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial headroom required to support the Group's future business development. The Group aims to continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity. To this end, it may adjust the amount of dividends paid to shareholders (subject to the restrictions set out in the documentation for the RCF, Term Loan B and high-yield bonds – Note 11.5.4), return part of the capital to shareholders, buy back its own shares or issue new shares. From time to time, the Group may buy back its own shares in the market. The shares are generally acquired for allocation to a liquidity contract used to make a market in the shares, or to be held for allocation under stock option plans, employee share ownership plans or free share plans for employees.

The policy objectives and management procedures are exactly the same as in previous years.

Apart from legal requirements, the Group is not subject to any external minimum capital requirements.

12.2 Share capital

At 31 December 2020, the Company's share capital amounts to €165,892,132 and is composed of 108,426,230 ordinary shares issued and fully paid (unchanged from 31 December 2019). The shares have a par value of €1.53.

Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, by up to €59 million.

Vesa Equity Investment
On 20 January 2020, Vesa Equity Investment announced that it had crossed the 5%-threshold of Casino, Guichard-Perrachon's share capital to hold 5.64% of the capital. On 31 December 2020, it held 9.997% of the Company's capital.

12.3 Share equivalents

The Group is committed to granting free shares under various plans (Note 8.3). The Group intends to fulfil its obligations under those plans by delivering existing shares when the related rights vest.

12.4 Treasury shares

Treasury shares result from shareholder-approved buybacks of Casino, Guichard-Perrachon SA shares. At 31 December 2020, a total of 642,414 shares were held in treasury, representing €22 million (31 December 2019: 830,257 shares representing €28 million). The shares were purchased primarily for allocation upon exercise of the rights under free share plans.

In January 2019, the Group signed a new liquidity agreement with Rothschild Martin Maurel, effective 1 January of that year, to take account of the changes in regulations governing such agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. This new agreement replaces the previous agreement signed in 2005. On the date of signature of the contract in January 2019, €30 million in cash was held in the liquidity contract and no shares. At 31 December 2020, no Casino, Guichard-Perrachon S.A. shares were held in the liquidity account.

Purchases and sales of treasury shares in 2020 led to a €1 million reduction in equity, also corresponding to the net cash outflow for the period (in 2019 €40 million decrease in equity resulting from purchases and sales of treasury shares, also corresponding to the net cash outflow for the period).

12.5 Deeply-subordinated perpetual bonds (TSSDI)

At the beginning of 2005, the Group issued 600,000 deeply-subordinated perpetual bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest is due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the ten-year constant maturity swap rate plus 100 bps, capped at 9%. In 2020, the average coupon was 1% (2019: 1.65%).
On 18 October 2013, the Group issued €750 million worth of perpetual hybrid bonds (7,500 bonds) on the market. The bonds are redeemable at the Company's discretion with the first call date set for 31 January 2019 and the second on 31 January 2024. The bonds paid interest at 4.87% until 31 January 2019. Since then, as specified in the prospectus, the interest rate has been reset at 3.992%. This rate will be reset every five years.

Given their specific characteristics in terms of maturity and remuneration, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax have been recorded as a deduction from equity.

12.6 Breakdown of other reserves

(€ millions)	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Equity instruments(i)	Debt instruments(i)	Total other reserves
At 1 January 2019 (restated)	**(8)**	**(1)**	**(2,326)**	**(107)**	**(2)**	**(2)**	**(2,446)**
Movements for the year	(23)	-	(59)	(11)	(2)	1	(93)
At 31 December 2019 (restated)	**(32)**	**(1)**	**(2,385)**	**(118)**	**(3)**	**(1)**	**(2,539)**
Movements for the year	(12)	-	(548)	(10)	-	-	(569)
At 31 December 2020	**(43)**	**(1)**	**(2,933)**	**(127)**	**(3)**	**(1)**	**(3,109)**

(i) Financial instruments at fair value through other comprehensive income.

12.7 Other information on additional paid-in capital, retained earnings and reserves

12.7.1 Foreign currency translation adjustments

Foreign currency translation adjustments correspond to exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables included in the Group's net investment in these subsidiaries, at the closing rate.

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS BY COUNTRY AT 31 DECEMBER 2020

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2020	Movements for the year	31 December 2020	1 January 2020	Movements for the year	31 December 2020	31 December 2020
Brazil	(1,854)	(423)	(2,277)	(2,962)	(554)	(3,515)	**(5,793)**
Argentina	(209)	(21)	(230)	(38)	(34)	(72)	**(302)**
Colombia	(281)	(61)	(342)	(300)	(181)	(481)	**(823)**
Uruguay	(69)	(42)	(110)	(64)	(40)	(105)	**(215)**
United States	20	-	20	1	-	1	**21**
Poland	15	(8)	7	-	-	-	**7**
Indian Ocean	(9)	9	-	(3)	3	-	**-**
Hong Kong	1	(1)	-	-	-	-	**-**
Other	2	(3)	(1)	-	(1)	(1)	**(1)**
Total foreign currency translation adjustments	**(2,385)**	**(548)**	**(2,933)**	**(3,366)**	**(807)**	**(4,173)**	**(7,106)**

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS BY COUNTRY AT 31 DECEMBER 2019

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2019	Movements for the year	31 December 2019	1 January 2019	Movements for the year	31 December 2019	31 December 2019 (restated)
Brazil	(1,847)	(7)	(1,854)	(2,899)	(63)	(2,962)	**(4,816)**
Argentina	(175)	(34)	(209)	(15)	(23)	(38)	**(247)**
Colombia	(295)	15	(281)	(354)	54	(300)	**(581)**
Uruguay	(34)	(35)	(69)	(46)	(19)	(64)	**(133)**
United States	20	-	20	1	-	1	**21**
Poland	14	1	15	-	-	-	**15**
Indian Ocean	(9)	-	(9)	(3)	-	(3)	**(12)**
Hong Kong	1	-	1	-	-	-	**1**
Other	1	2	2	-	1	-	**2**
Total foreign currency translation adjustments	**(2,326)**	**(59)**	**(2,385)**	**(3,315)**	**(51)**	**(3,366)**	**(5,751)**

12.7.2 Notes to the consolidated statement of comprehensive income

(€ millions)	2020	2019 (restated)
Cash flow hedges and cash flow hedge reserve[(i)]	**(12)**	(19)
Change in fair value	**(15)**	(27)
Reclassifications to inventories	**-**	-
Reclassifications to profit or loss	**(2)**	-
Income tax (expense) benefit	**5**	7
Debt instruments at fair value through other comprehensive income (OCI)	**1**	**5**
Net change in fair value	**1**	6
Impairment losses	**-**	-
Reclassifications to profit or loss	**-**	-
Income tax (expense) benefit	**-**	(1)
Foreign currency translation reserves (Note 12.7.1)	**(1,328)**	**(110)**
Foreign currency translation adjustments for the year	**(1,342)**	(124)
Net investment hedges	**-**	-
Reclassifications to profit or loss	**13**	14
Income tax (expense) benefit	**-**	-
Equity instruments at fair value through other comprehensive income	**-**	**(1)**
Net change in fair value	**-**	(1)
Income tax (expense) benefit	**-**	-
Actuarial gains and losses	**(10)**	**(12)**
Actuarial gains and losses for the year	**(14)**	(18)
Income tax (expense) benefit	**5**	6
Share of other comprehensive income of equity-accounted investees	**(27)**	**(5)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	**-**	(3)
Cash flow hedges and cash flow hedge reserve – reclassifications to profit or loss	**-**	-
Foreign currency translation reserve – adjustments for the year	**(27)**	(1)
Foreign currency translation reserve – reclassification to profit or loss		-
Equity instruments at fair value through other comprehensive income – change in fair value	**-**	(1)
Actuarial gains and losses – net gain or loss for the year	**-**	-
Income tax (expense) benefit	**-**	-
Total	**(1,377)**	**(142)**

(i) The change in the cash flow hedge reserve in 2020 and 2019 was not material.

12.8 Non-controlling interests

The following table provides detailed information on material non-controlling interests.

(€ millions) ***Country***	**GPA(i)** ***Brazil***	**Other**	**Total**
1 January 2019 (restated)	**5,153**	**50**	**5,203**
% of ownership interests held by non-controlling interests[(ii)]	*66.9%*		
% of voting rights held by non-controlling interests[(ii)]	*0.06%*		
Net profit (loss)	116	(11)	106
Other comprehensive income (loss) [(iii)]	(48)	-	(48)
Dividends paid / payable	(73)	(19)	(92)
Other movements	(1,730)	49	(1,681)
31 December 2019 (restated)	**3,419**	**69**	**3,488**
% of ownership interests held by non-controlling interests[(ii)]	*58.7%*		
% of voting rights held by non-controlling interests[(ii)]	*0.06%*		
Net profit	**223**	**3**	**225**
Other comprehensive income (loss) [(iii)]	**(798)**	**(8)**	**(807)**
Dividends paid / payable	**(75)**	**(5)**	**(80)**
Other movements	**13**	**16**	**29**
31 December 2020	**2,782**	**74**	**2,856**
% of ownership interests held by non-controlling interests[(ii)]	*58.8%*		
% of voting rights held by non-controlling interests[(ii)]	*58.8%*		
Average % of ownership interests held by the Group in 2020	*41.2%*		
% of ownership interests held by the Group at 31 December 2020	*41.2%*		

(i) GPA owns 97% of Éxito (Colombia), which in turn owns Uruguay and Argentina (Note 17).

(ii) The percentages of non-controlling interests set out in this table cover the scope of Casino Group and do not include the Group's own non-controlling interests in sub-groups. At 31 December 2019, Casino held 99.9% of GPA's voting rights and 41.3% of its capital. Since GPA was first listed on the B3 (Brazil, Bolsa, Balcao "B3") listing segment of Brazil's Novo Mercado on 2 March 2020, its share capital has comprised a single share class. At 31 December 2020, Casino holds 41.2% of the capital and voting rights of GPA, which is fully consolidated in the Group's consolidated financial statements. Full consolidation results from the Group's assessment that it has *de facto* control of GPA owing to the fact that (i) the remaining shares of GPA are held by widely-dispersed shareholders and (ii) a majority of Casino members have been appointed to GPA's Board of Directors.

(iii) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.

SUMMARISED FINANCIAL INFORMATION ON THE MAIN SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The information presented in the table below is based on the IFRS financial statements, adjusted where applicable to reflect the remeasurement at fair value on the date of acquisition or loss of control, and to align accounting policies with those applied by the Group. The amounts are shown before intragroup eliminations.

(€ millions)	GPA(i)	
	2020	**2019 (restated)**
Country	***Brazil***	
Net sales	**14,656**	16,343
Net profit from continuing operations	**330**	144
Net profit from discontinued operations	**17**	5
Consolidated net profit	**346**	**149**
Attributable to non-controlling interests in continuing operations	***213***	*113*
Attributable to non-controlling interests in discontinued operations	***10***	*3*
Other comprehensive income (loss)	**(1,319)**	(65)
Total comprehensive income (loss) for the year	**(972)**	**84**
Attributable to non-controlling interests	***(576)***	*68*
Non-current assets	**8,767**	11,040
Current assets	**4,100**	4,419
Non-current liabilities	**(4,165)**	(4,885)
Current liabilities	**(4,258)**	(5,112)
Net assets	**4,443**	**5,462**
Attributable to non-controlling interests	***2,782***	*3,419*
Net cash from operating activities	**803**	567
Net cash used in investing activities	**(115)**	(136)
Net cash used in financing activities	**(44)**	(805)
Effect of changes in exchange rates on cash and cash equivalents	**(496)**	(240)
Change in cash and cash equivalents	**147**	**(614)**
Dividends paid to the Group(ii)	***11***	*40*
Dividends paid to owners of non-controlling interests during the period(ii)	***37***	*65*

(i) GPA including Éxito, Uruguay and Argentina.
(ii) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.9 Dividends

The Annual General Meeting of 17 June 2020 approved the decision not to pay any dividend in 2020 in respect of 2019. Decisions on future payouts will be taken in light of the Group's financial position, and will take account of the interests of the Company and compliance with its loan and bond agreements.

The coupon payable on deeply-subordinated perpetual bonds is as follows:

(€ millions)	2020	2019
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**34**	**37**
Of which amount paid during the year	33	37
Of which amount payable in the following year	1	3
Adjustments	-	(2)
Impact on the statement of cash flows for the year	**36**	**46**
Of which coupons awarded and paid during the year	33	37
Of which interest awarded in the prior year and paid during the year	3	10

12.10 Earnings per share

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares. Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period are adjusted for dividends on deeply-subordinated perpetual bonds;
- denominator: the basic number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and free shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments that will or may be settled in Casino, Guichard-Perrachon shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

12.10.1 Number of shares

Diluted number of shares used for the calculation		2020	2019
Weighted average number of shares outstanding during the period			
Total ordinary shares		108,426,230	108,969,224
Ordinary shares held in treasury		(748,772)	(1,045,090)
Weighted average number of ordinary shares before dilution	**(1)**	**107,677,458**	**107,924,134**
Potential shares represented by:			
Stock options		-	-
Non-dilutive instruments (out of the money or covered by calls)		-	-
Weighted average number of dilutive instruments		**-**	**-**
Theoretical number of shares purchased at market price		-	-
Dilutive effect of stock option plans		-	-
Free share plans		-	-
Total potential dilutive shares		-	-
Total diluted number of shares	**(2)**	**107,677,458**	**107,924,134**

12.10.2 Profit(loss) attributable to ordinary shares

(€ millions)		2020			2019 (restated)		
		Continuing operations	Discontinued operations(i)	Total	Continuing operations	Discontinued operations(i)	Total
Net profit (loss) attributable to owners of the parent		**(370)**	**(516)**	**(886)**	**(396)**	**(1,048)**	**(1,444)**
Dividend payable on deeply - subordinated perpetual bonds		(34)	-	(34)	(37)	-	(37)
Net profit (loss) attributable to holders of ordinary shares	**(3)**	**(404)**	**(516)**	**(920)**	**(433)**	**(1,048)**	**(1,481)**
Potential dilutive effect of free share plans		-	-	-	-	-	-
Diluted net profit (loss) attributable to holders of ordinary shares	**(4)**	**(404)**	**(516)**	**(920)**	**(433)**	**(1,048)**	**(1,481)**
Basic earnings (loss) per share attributable to owners of the parent (€)	**(3)/(1)**	**(3.75)**	**(4.79)**	**(8.54)**	**(4.01)**	**(9.71)**	**(13.72)**
Diluted earnings (loss) per share attributable to owners of the parent (€)	**(4)/(1)**	**(3.75)**	**(4.79)**	**(8.54)**	**(4.01)**	**(9.71)**	**(13.72)**

(i) Note 3.4.2.

Note 13 Other provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.
In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the notes to the financial statements.

13.1 Breakdown of provisions and movements

(€ millions)	1 January 2020	Additions 2020	Reversals (used) 2020	Reversals (not used) 2020	Changes in scope of consolidation	Effect of movements in exchange rates	Other	31 December 2020
Claims and litigation	444	156	(28)	(49)	2	(125)	9	**409**
Other risks and expenses	117	31	(21)	(22)	(2)	(1)	(5)	**98**
Restructuring	50	54	(37)	(5)	4	-	(8)	**57**
Total provisions	**611**	**241**	**(87)**	**(76)**	**4**	**(126)**	**(4)**	**563**
of which non-current	*458*	*138*	*(23)*	*(44)*	*(4)*	*(125)*	*(26)*	***374***
of which current	*153*	*102*	*(64)*	*(31)*	*8*	*(1)*	*22*	***189***

Provisions for claims and litigation, and for other risks and expenses are composed of a wide variety of provisions for employee-related disputes (before a labour court), property disputes (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax disputes and business claims (trademark infringement, etc.) or indirect taxation disputes.

Provisions for claims and litigation amount to €409 million and include €351 million for GPA (Note 13.2). Of this amount, additions to provisions, reversals of used provisions and reversals of not used provisions, respectively amounted to €123 million, €22 million, and €36 million.

13.2 Breakdown of GPA provisions for claims and litigation

(€ millions)	PIS/COFINS/CPMF disputes(i)	Other tax disputes(ii)	Employee disputes	Civil litigation	Total
31 December 2020	**48**	**224**	**55**	**25**	**351**
31 December 2019	13	302	68	28	411

(i) VAT and similar taxes.
(ii) Indirect taxes (mainly ICMS tax on sales and services in Brazil).

In the context of the litigation disclosed above and below in Note13.3, GPA is contesting the payment of certain taxes, contributions and payroll obligations. The bonds posted by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets" (Note 6.9.1). GPA has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (Note 6.11.1).

(€ millions)	2020			2019		
	Bonds posted by GPA(i)	**Assets pledged as collateral(ii)**	**Bank guarantees(ii)**	**Bonds posted by GPA(i)**	**Assets pledged as collateral(ii)**	**Bank guarantees(ii)**
Tax disputes	**29**	**118**	**1,618**	53	187	2,029
Employee disputes	**74**	**-**	**112**	105	-	119
Civil and other litigation	**5**	**1**	**91**	18	3	104
Total	**109**	**119**	**1,821**	**176**	**189**	**2,252**

(i) See Note 6.9.1.
(ii) See Note 6.11.1.

13.3 Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries (mainly involving GPA – see below).

As stated in Note 3.2.5, no associates or joint ventures have any significant contingent liabilities.

- **Proceedings brought by the DGCCRF (French competition authority) against AMC and INCAA and investigations by the French and European competition authorities**

On 28 February 2017, the French Ministry of the Economy, represented by the Department of Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino in the Paris Commercial Court. The case involves a series of credit notes totalling €22 million issued in 2013 and 2014 by 41 suppliers. The DGCCRF is seeking repayment of this sum to the suppliers concerned together with a fine of €2 million.
On 27 April 2020, the Paris Commercial Court handed down its decision, dismissing most of the DGCCRF's claims. The Court considered that there was no evidence to support DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepting the DGCCRF's claims concerning the other seven suppliers. Casino Group was ordered to refund a series of credit notes issued in 2013 and 2014 by the seven suppliers for a total of €2 million, and to pay a fine of €1 million.
In early January 2021, the DGCCRF filed an appeal against the Paris Commercial Court's decision. As no application was made for provisional enforcement, the appeal has suspensive effect.
Casino Group maintains that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned. Based on this and on the advice of its legal counsel, the Group considers that the associated risk on its financial statements is limited.

On 11 April 2017, the common purchasing entity INCA Achats, and its parent companies Intermarché and Casino, were prosecuted for economic imbalance and abusive commercial practices that allegedly took place in 2015 against 13 multinational companies in the hygiene and fragrance industry, with a fine of €2 million.
The proceedings in both cases are still in progress. The Group considers that it complied with the applicable regulations during negotiations with the suppliers concerned by both sets of proceedings. Based on this and on the advice of its legal counsel, the Group considers that the associated risk on its financial statements is limited.

Moreover, the Group is subject to regular inquiries by the French and European competition authorities.
In early February 2017, representatives of France's Competition Authority raided the premises of Vindémia Logistique and Vindémia Group and seized certain documents concerning their consumer goods supply and distribution activities on Reunion Island.
On 7 December 2020, the Competition Authority officially ruled that it no longer has jurisdiction over this case.

At the end of February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon Achats Marchandises Casino – A.M.C. (formerly E.M.C. Distribution) and Intermarché-Casino Achats (INCA-A), in connection with an investigation into fast-moving consumer goods supply contracts, contracts for the sale of services to manufacturers of branded products and contracts for the sale of fast-moving consumer goods to consumers.
In May 2019, representatives of the European Commission conducted additional raids of the premises of the same companies (except for INCA-A, which has since ceased operations and is in the process of being liquidated).
The European Commission has not issued any complaint at this stage.
On 5 October 2020, the General Court of the European Union ruled that the raids conducted by the Commission in February 2017 were partially unlawful. The case is currently being appealed before the Court of Justice of the European Union, seeking to have all of the 2017 raids classified as unlawful; proceedings are also currently pending before the General Court of the European Union in respect of the raids carried out in May 2019. The Group is not currently able to reliably predict the outcome of this matter.

In June 2018, after giving notice in accordance with French law No. 2015-990 of 6 August 2015, the French Competition Authority launched an investigation into the creation of joint purchasing organisations in the food retailing sector. The investigation concerns in particular the Horizon central purchasing organisation set up between Auchan, Casino, Metro and Schiever. On 22 October 2020, the Competition Authority officially closed its investigation into the Horizon central purchasing organisation, subject to Horizon's compliance with the commitments undertaken to limit the extent of its cooperation on private-label brands.

- **Arbitration between GPA and Peninsula**

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Inmobiliáro Península ("Península") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Peninsula and operated by GPA. The agreements have a duration of 20 years as from 2005 and are renewable for another 20-year period at the sole discretion of GPA. They set out the method for calculating rental charges.
Despite the discussions concerning application of the lease terms, the request for arbitration has no impact on the operation of the leased stores, which is contractually guaranteed. At this stage of the arbitration process, it is not possible to make a reasonable estimate of the related risk. Based on the opinion of its legal advisors, the Company considers as possible the risk of an unfavourable ruling by the arbitral tribunal.

- **Dispute between Cnova and Via Varejo**

On 31 October 2016, ahead of the GPA's announcement of its decision to start negotiations for the sale of its stake in Via Varejo, Via Varejo completed its combination with Cnova Brazil, responsible for the Group's e-commerce business in the country. The combination involved the acquisition by Via Varejo of 100% of Cnova Brazil's shares from Cnova N.V. ("Cnova"). The combination agreement included the usual vendor warranty compensation clauses.
In September 2019, Via Varejo notified Cnova of a guarantee call for an undocumented amount of around BRL 65 million (€11 million), concerning litigation with employees and customers. Following this notification, Cnova and Via Varejo exchanged information in order to determine the substance and, where appropriate, the scope of the compensation claim. In light of the extensive analyses currently in progress and the discussions that are likely to result from the analyses, Cnova is unable to determine the extent of its exposure to this risk. On 20 July 2020, Cnova received notification that Via Varejo had commenced arbitration proceedings. On 22 January 2021, Via Varejo submitted its declaration in connection with these proceedings but no additional evidence has been provided. Accordingly, Cnova remains unable to determine the extent of the risk and/or of its liability, if any.

- **GPA tax, social and civil contingent liabilities**

(€ millions)	2020	2019
INSS (employer's social security contributions)	**78**	100
IRPJ – IRRF and CSLL (corporate income taxes)	**163**	234
PIS, COFINS and CPMF (VAT and similar taxes)	**560**	448
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	**24**	27
ICMS (state VAT)	**967**	1,355
Civil litigation	**65**	89
Total	**1,858**	**2,254**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. At 31 December 2020, the estimated amount was €30 million (31 December 2019: €44 million).

Moreover, Casino has given a specific guarantee to its Brazilian subsidiary concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,432 million at 31 December 2020 (31 December 2019: BRL 1,409 million), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify GPA for 50% of any damages incurred, provided those damages are definitive. Based on the commitment given by Casino to its subsidiary, the risk exposure amounts to BRL 716 million (€112 million) (31 December 2019: BRL 705 million, representing €156 million). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

- **GPA contingent assets**

<u>Exclusion of ICMS from the PIS/COFINS tax base</u>

Since the adoption of non-cumulative regime to calculate PIS and COFINS tax credits, GPA has challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA's position was supported by a Brazilian federal supreme court (STF) ruling on 15 March 2017 that the ICMS tax should be excluded from the PIS and COFINS tax base.

On 29 October 2020, GPA was notified of a final favourable ruling on its main claim initially filed in 2003. Based on this court decision, GPA considered that the uncertainty that had previously led it to consider this asset as "contingent" within the meaning of IAS 37 had resolved. Accordingly, it recognised a tax credit, net of provisions, amounting to BRL 1,608

million (i.e., income of €273 million recorded in profit before tax for the year), of which BRL 995 million (€169 million) recognised in net sales (Note 5.1) and BRL 613 million (€104 million) recognised in “Other financial income” (Note 11.3.2).
At 31 December 2020, the only decision pending related to the legal proceedings concerning the former Sendas subsidiaries, which have since been merged into Sendas SA. Consequently, the corresponding tax credit, estimated at BRL 118 million (€19 million) continues to be classified as a contingent asset and is not recognised in the statement of financial position.

Pursuant to the shareholder agreements between GPA and the Klein family following the creation of Via Varejo, which were still in force at 31 December 2020, GPA has a legal right to obtain from Via Varejo the aforementioned tax credits in respect of its former subsidiary Globex for the 2003-2010 period. As a result of the final ruling obtained by Via Varejo on its proceedings with the tax authorities in May 2020, GPA has an unconditional right to obtain a refund of these tax credits from Via Varejo. GPA has recognised a gross amount of BRL 231 million (€39 million) in its income statement in this respect (Note 3.4.2). Pending full legal documentation from Via Varejo for the 2003-2007 period, GPA considers these tax credits as a contingent asset with an estimated value of BRL 277 million (€43 million) at 31 December 2020.

Note 14 Related-party transactions

Related parties are:
- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (Note 17);
- associates (primarily Mercialys) (Note 3.2);
- joint ventures (Note 3.2);
- members of the Board of Directors and Management Committee (Note 8.4).

The Company maintains normal relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). The amount expensed over the year in relation to these agreements with Casino and its subsidiaries totalled €4.7 million, of which €4.2 million for strategic advisory services and €0.5 million for the provision of staff and premises.

In connection with the deployment of its dual model combining retail and commercial real estate activities, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (Note 3.2.6).

In November 2020, the Group signed an agreement with the Foncière Euris group to incorporate the Centrum Krakow shopping centre into its 2014 partnership agreement concerning the Serenada shopping mall. This agreement provides for a link-up between these two centres with the aim of creating a regional leader in the north of Krakow In 2020, the Group committed to this new partnership by investing €13 million in two companies jointly controlled with the Foncière Euris group.

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Note 15 Subsequent events

- **Approval for the listing of Assaí**

On 19 February 2021, GPA announced that it had received (i) on 10 February 2021 approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado segment of the B3 SA – Brasil, Bolsa, Balcão, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange.
These listings take place in the context of previously announced transactions to restructure and spin off certain GPA assets (Note 2). Assaí shares, currently wholly owned by GPA, will be distributed to GPA shareholders at a ratio of one Assaí share for each GPA share. The trading of Assaí shares and ADSs will begin on 1 March 2021.
Following the listing of Assaí, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in Assaí.

Note 16 Statutory Auditors' fees

Statutory Auditors' fees for the year ended 31 December 2020 (in € thousands)	EY	Deloitte
Statutory audit and review of the parent company and consolidated financial statements	6,746	4,305
Non-audit services	1,297	646
TOTAL	8,043	4,950

Services other than the statutory audit of the financial statements ("Non-audit services") by the Statutory Auditors to Casino, Guichard-Perrachon, the parent company, and to its subsidiaries, correspond mostly to procedures related to the issuance of statements and reports on agreed-upon procedures regarding data contained in the accounting records, or regarding internal control.

Note 17 Main consolidated companies

At 31 December 2020, the Casino Group comprised 1,485 consolidated companies. The main companies are listed below.

		2020			2019		
Company		**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
Casino, Guichard-Perrachon SA				**Parent company**			**Parent company**
France – Retailing							
Achats Marchandises Casino (AMC)		100	100	FC	100	100	FC
Casino Carburants		100	100	FC	100	100	FC
Casino Services		100	100	FC	100	100	FC
Casino International		100	100	FC	100	100	FC
CD Supply Innovation		50	50	EM	50	50	EM
Distribution Casino France (DCF)		100	100	FC	100	100	FC
Distridyn		49.99	49.99	EM	49.99	49.99	EM
Easydis		100	100	FC	100	100	FC
Floréal		100	100	FC	100	100	FC
Geimex		100	100	FC	100	100	FC
Horizon Achats		44	44	EM	44	44	EM
Horizon Appels d'Offres		44	44	EM	44	44	EM
Intermarché Casino Achats (INCAA)		50	50	EM	50	50	EM
Monoprix group							
Les Galeries de la Croisette		100	100	FC	100	100	FC
Monoprix		100	100	FC	100	100	FC
Monoprix Exploitation		100	100	FC	100	100	FC
Monoprix On Line (formerly Sarenza)		100	100	FC	100	100	FC
Monop'		100	100	FC	100	100	FC
Naturalia France		100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."		100	100	FC	100	100	FC
Société L.R.M.D.		100	100	FC	100	100	FC
Franprix-Leader Price group							
Cofilead		100	100	FC	100	100	FC
DBMH		100	100	FC	100	100	FC
Distribution Franprix		100	100	FC	100	100	FC
Distribution Leader Price		100	100	FC	100	100	FC
Distri Sud-Ouest (DSO)		100	100	FC	100	100	FC
Franprix Holding		100	100	FC	100	100	FC
Franprix-Leader Price		100	100	FC	100	100	FC
Franprix-Leader Price Finance		100	100	FC	100	100	FC
HLP Ouest		100	100	FC	70	70	FC
Holding Ile de France 2		100	100	FC	49	100	EM
Holding Spring Expansion		49	100	EM	49	100	EM
Holdi Mag	(i)	100	100	FC	49	100	FC
Holdev Mag		100	100	FC	100	100	FC
Gesdis	(i)	100	100	FC	40	100	FC
Leader Price Exploitation		100	100	FC	100	100	FC
NFL Distribution		100	100	FC	100	100	FC
Parfidis		100	100	FC	100	100	FC
Pro Distribution		70	70	FC	70	70	FC
R.L.P. Invest		100	100	FC	100	100	FC
Sarjel		100	100	FC	100	100	FC
Sédifrais		100	100	FC	100	100	FC
Sofigep		100	100	FC	100	100	FC

		2020			2019		
Company		**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
Codim group							
Codim 2		100	100	FC	100	100	FC
Hyper Rocade 2		100	100	FC	100	100	FC
Pacam 2		100	100	FC	100	100	FC
Poretta 2		100	100	FC	100	100	FC
Prodis 2		100	100	FC	100	100	FC
Property and Energy							
GreenYellow		72.51	72.51	FC	73.62	73.62	FC
L'immobilière Groupe Casino		100	100	FC	100	100	FC
Sudéco		100	100	FC	100	100	FC
Uranie		100	100	FC	100	100	FC
Mercialys group							
Mercialys (listed company)		**20.27**	**20.27**	**EM**	**25.24**	**30.57**	**EM**
Other businesses							
Floa Bank (formerly Banque du Groupe Casino)		50	50	EM	50	50	EM
Casino Finance		100	100	FC	100	100	FC
Casino Restauration		100	100	FC	100	100	FC
Perspecteev		49	49	EM	49	49	EM
RelevanC		100	100	FC	100	100	FC
E-commerce							
Cnova N.V. group (listed company)		**99.48**	**78.92**	**FC**	**99.46**	**78.91**	**FC**
Cdiscount		100	78.99	FC	100	78.98	FC
C-Logistics		100	82.29	FC	100	82.28	FC
Cnova Pay		100	78.92	FC	100	78.91	FC
International – Poland							
Mayland Real Estate		100	100	FC	100	100	FC
International – Brazil							
Wilkes		100	100	FC	100	100	FC
GPA group (listed company)	**(iv)**	**41.21**	**41.21**	**FC**	**99.94**	**41.26**	**FC**
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento (FIC)	(ii) (iii)	50	35.76	EM	50	35.76	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (GPA M&P)	(ii)	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (Novasoc)	(ii)	100	100	FC	100	100	FC
Sendas Distribuidora SA (Sendas)	(iv)	41.21	41.21	FC	100	100	FC
International – Colombia, Uruguay and Argentina							
Éxito group (listed company)	**(vii)**	**96.57**	**39.79**	**FC**	**96.57**	**39.84**	**FC**
Éxito Industrias SAS	(v)	97.95	97.95	FC	97.95	97.95	FC
Viva Malls Trust	(v) (vi)	51	51	FC	51	51	FC
Viva Villavincencio Trust	(v)	51	26.01	FC	51	26.01	FC
Barranquilla Trust	(v)	90	45.90	FC	90	45.90	FC
Logistica y transporte de Servicios S.A.S	(v)	100	100	FC	100	100	FC
Tuya SA	(v)	50	50	EM	50	50	EM
Grupo Disco (Uruguay)	(v)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay)	(v)	100	100	FC	100	100	FC
Libertad (Argentina)	(v)	100	100	FC	100	100	FC
International – Indian Ocean							
Vindémia Distribution		-	-	-	100	100	FC
Vindémia Logistique		-	-	-	100	100	FC

	2020			2019		
Company	**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
French and international holding companies						
Casino Participations France	100	100	FC	100	100	FC
Forézienne de Participations	100	100	FC	100	100	FC
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	39.79	FC	100	39.84	FC
Helicco	100	100	FC	100	100	FC
Intexa (listed company)	**98.91**	**97.91**	**FC**	**98.91**	**97.91**	**FC**
Quatrim	100	100	FC	100	100	FC
Segisor SA	100	100	FC	100	100	FC
Tévir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(i) As of 31 December 2019, the Group held potential rights conferring control.

(ii) The percentage interests correspond to the percentages held by the GPA sub-group.

(iii) FIC finances purchases made by GPA's customers. This entity was created through a partnership between Banco Itaú Unibanco SA ("Itaú Unibanco"") and GPA, and is accounted for by the equity method as GPA exercises significant influence only over its operating and financial policies.

(iv) On 31 December 2020, GPA spun off its cash and carry business (Assaí) from the rest of its businesses. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares are due to be listed on 1 March 2021.

(v) The percentage interests correspond to the percentages held by the Éxito sub-group. On 27 April 2015, Éxito signed a contractual agreement, initially with a two-year term, granting it more than 75% of the Disco voting rights and exclusive control over the sub-group's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019 and was rolled over automatically until 30 June 2021.

(vi) The trust's governance is specified in the agreement between the parties. Éxito is the majority partner and FIC has rights with respect to certain Viva Malls business decisions concerning such matters as acquisitions and disposals in excess of a certain amount or the method of setting budgets and business plan targets. The agreement also states that Éxito is the sole provider of property management, administrative and marketing services for Viva Malls and that it is paid an arm's length fee for these services. A review of the substance of FIC's rights under the agreement confirms that their effect is solely to protect FIC's investment and that, consequently, Viva Malls is controlled by Éxito.

(vii) Following measures taken at the end of 2019 to streamline the Group's structure in Latin America, 96.57% of Éxito is now held by GPA. Based on Colombian rules and regulations, a sole shareholder cannot own more than 95% of an entity's share capital. GPA therefore has 18 months from the date of the restructuring to reduce its direct shareholding in Éxito. This operation is currently in progress at GPA.

Note 18 Standards, amendments and interpretations published but not yet mandatory

Standards and interpretations not adopted by the European Union at the reporting date

The IASB has published the following standards, amendments to standards and interpretations applicable to the Group, which have not yet been adopted by the European Union:

Standard **(application date for the Group subject to adoption by the EU)**	**Description of the standard**
Amendments to IAS 1 Classification of Liabilities as Current or Non-current (1 January 2023)	These amendments will be applicable on a retrospective basis. They aim to clarify the classification of debt and other liabilities as current or non-current.
Amendments to IFRS 3 Reference to the Conceptual Framework (1 January 2022)	These amendments will be applicable on a prospective basis They update a reference to the Conceptual Framework but do not change the accounting requirements.
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)	These amendments will be applicable on a retrospective basis. They cancel the exception to the general rule set out in IAS 16.17e. The amendments prevent entities from deducting from the cost of an item of property, plant and equipment any proceeds produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Proceeds from the sale of such assets must be recognised in the income statement.
Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (1 January 2022)	These amendments will be applicable on a retrospective basis. They specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. In particular, they specify that the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract, such as for example depreciation charged against an item of property, plant and equipment used to fulfil the contract.
IFRS Annual Improvements 2018-2020 Cycle (1 January 2022)	The main standards concerned are: ▪ IFRS 9: these amendments clarify which fees an entity includes when it applies the ‘10% test’ in assessing whether to derecognise a financial liability; ▪ IFRS 16: these amendments modify illustrative example 13 and eliminate the example dealing with payments by the lessor in respect of leasehold improvements; ▪ IFRS 1 and IAS 41 are also concerned by minor amendments. These are not applicable by the Group.

These interpretations and amendments are not expected to have any material impact on the Group’s consolidated financial statements.

Casino, Guichard-Perrachon

Société anonyme

1 cours Antoine Guichard
42000 SAINT-ETIENNE

Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2020

Ernst & Young et Autres
Tour First
TSA 14444
92037 PARIS-LA DEFENSE Cedex

S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux comptes
Membre de la compagnie
régionale de Versailles et du Centre

Deloitte & Associés
Tour Majunga
6 place de la Pyramide
92908 PARIS-LA DEFENSE Cedex

S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre

Commissaire aux comptes
Membre de la compagnie
régionale de Versailles et du Centre

Casino, Guichard-Perrachon

Société anonyme

1 cours Antoine Guichard
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Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2020

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the General Meeting of Shareholders of Casino, Guichard-Perrachon

Opinion

In compliance with the engagement entrusted to us by the General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Casino, Guichard-Perrachon for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.
The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of matter

We draw attention to the following matter described in Note 1.3 "Changes in accounting methods and restatement of comparative information" to the consolidated financial statements relating to the methods of implementation and the impacts of the first-time application of the IFRS IC's decision on the determination of the enforceable period of leases and the depreciation period of leasehold improvements. Our opinion is not modified in respect of this matter.

Justification of assessments - Key audit matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823 9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment tests of goodwill and brands	
Risk identified	***Our response***
See Note 3 "Scope of consolidation", Note 10.1 "Goodwill", Note 10.2 "Other intangible assets" and Note 10.5 "Impairment of non-current assets" to the consolidated financial statements	
As at 31 December 2020, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to €6,656 million and €1,262 million respectively, i.e. approximately 26% of total consolidated assets. Within the context of the valuation of these assets, the Group performs impairment tests on its goodwill and brands at least once a year and whenever an indication of impairment is identified, according to the conditions described in Notes 10.1, 10.2 and 10.5 to the consolidated financial statements. We considered the valuation of the values in use applied in determining the recoverable amount of goodwill and brands to be a key audit matter due to: - Their materiality in the consolidated financial statements; - The significance of the estimates notably used as a basis for the determination of their value in use, including turnover and margin rate forecasts, the perpetual growth rates used to determine terminal value, and discount rates; - The sensitivity of the valuation of these values in use to certain assumptions.	We assessed the compliance of the methodology implemented by Management with the accounting standards in force. We also assessed the main estimates used, analysing the following in particular: - The consistency of cash flow projections with the budgets and medium-term business plans prepared by Management, as well as the consistency of the turnover and margin rate forecasts with the Group's historical performance, in the economic context in which the Group operates; - The methods and parameters used to determine the discount rates and perpetual growth rates applied to estimated cash flows. With the assistance of the valuation specialists included in our audit team, we recalculated these discount rates using the most recent market data available and compared the results obtained with (i) the rates used by Management and (ii) the rates observed for several players operating in the same business sector as the Group; - The sensitivity scenarios adopted by Management, of which we verified the arithmetical accuracy. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular that relating to sensitivity tests.

Compliance with bank ratios	
Risk identified	***Our response***
See Note 2 "Significant events of the year" and Note 11.5 "Financial risk management objectives and policies" to the consolidated financial statements	
Certain loan and credit line agreements, as stated in Note 11.5.4 "Liquidity risk" to the consolidated financial statements, provide for the obligation for the Company and certain subsidiaries to comply with bank ratios in respect of the bank covenants. Any non-compliance with the bank covenants is liable to result in all or part of the debts concerned being immediately payable. We considered compliance with the bank covenants to be a key audit matter, as any failure to comply with these ratios could have impacts on the availability of the group's confirmed credit lines as described in the notes to the consolidated financial statements, the presentation of financial liabilities as current/non-current in the consolidated financial statements, the liquidity position and, if relevant, the continuation of the company as a going concern.	Within the scope of our audit: - We analysed the Group's bond and bank documentation, including in particular the covenants, in order to understand the definition of the ratios and corroborated our understanding through interviews with Group Management; - We gained an understanding of the internal control procedures relating to the monitoring of the Group's liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating the ratios and complying with the bank covenants; - We verified the arithmetical accuracy of the calculation of the ratios produced by Management as at 31 December 2020. - We assessed the level of banking ratios calculated with regard to contractual provisions. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, notably the information on the covenants relating to the financing concerned.

<table>
<tr><td colspan="2">Recognition of tax credits and monitoring of contingent tax liabilities at GPA</td></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td colspan="2">See Note 5.1 “Key indicators by reportable sector”, Note 6.8 “Other current assets”, Note 6.9.1 “Analysis of other non-current assets” and Note 13.3 “Contingent assets and liabilities” to the consolidated financial statements</td></tr>
<tr><td>Within the scope of its retail activities at GPA, the Group recognises ICMS tax credits. The balance of the credits recognised amounts to €431 million as at 31 December 2020. These tax credits were recognised insofar as GPA considers their recoverability to be probable.

GPA is also involved in various administrative and legal proceedings in Brazil arising, notably, from tax claims filed by the Brazilian tax authorities. A part of these tax risks, estimated at €1,792 million as at 31 December 2020, were analysed as contingent liabilities and no provisions were recognised as at 31 December 2020, as stated in Note 13.3 to the consolidated financial statements.</td><td>We interviewed the various persons who hold responsibilities in the GPA organisation to identify and gain an understanding of the tax credits and existing disputes, as well as the judgements relating thereto.

Concerning the tax credits to be received, we analysed the following items with the assistance of the specialists in Brazilian indirect taxes included in our audit team:
- The internal control environment relating to the processes set up by Management to monitor the tax credits and ensure their recoverability, and we tested the related key controls;
- The assumptions used by Management to draw up the tax credits recovery plan;
- The documentation that evidences either the recognition of ICMS tax credits over the year.</td></tr>
</table>

Recognition of tax credits and monitoring of contingent tax liabilities at GPA (continued)	
Risk identified	**_Our response_**
See Note 5.1 "Key indicators by reportable sector", Note 6.8 "Other current assets", Note 6.9.1 "Analysis of other non-current assets" and Note 13.3 "Contingent assets and liabilities" to the consolidated financial statements (cont'd.)	
We considered the recognition and recoverability of both the tax credits and the valuation and monitoring of contingent tax liabilities in Brazil to be key audit matters for the following reasons: (i) the significance in the accounts of the tax credit balance and the amount of contingent tax liabilities as at 31 December 2020, (ii) the complexity of the Brazilian tax legislation and (iii) the use of judgements and estimates by Management in connection with the recognition of tax credits and the valuation of the contingent tax liabilities.	Concerning the contingent liabilities, with the assistance of our specialists in Brazilian taxation: - We gained an understanding of the internal control environment relating to the processes for the identification, monitoring and estimation of the level of risk associated with the various disputes, and we tested the related key controls; - We reconciled the list of identified disputes with the information provided by the Brazilian subsidiaries' law firms that we contacted in order to assess the existence, completeness and amounts of tax proceedings and any necessary provisions, where applicable; - We examined the information on the legal or technical proceedings and/or opinions provided by the main law firms or external experts chosen by Management, in order to assess the correct recognition of the various disputes or the relevance of their classification as contingent liabilities; - We reconciled the risk estimates prepared by the Group with the figures relating to contingent tax liabilities disclosed in the notes to the consolidated financial statements. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Valuation of rebates to be received from suppliers at year-end	
Risk identified	***Our response***
See Note 6.2 "Cost of goods sold" and Note 6.8 "Other current assets" to the consolidated financial statements	
Within the scope of its retail activities, the Group receives rebates from its suppliers in the form of discounts and commercial cooperation fees. These rebates, generally paid on the basis of a percentage defined contractually according to purchase volumes and applied to purchases made from suppliers, are recorded as a deduction from cost of goods sold. Considering the material impact of these rebates on net profit for the year, the large number of contracts involved and the necessity for Management to estimate the final rebate percentage determined according to the volume of related purchases for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter.	Within the scope of our audit: - We gained an understanding of the internal control environment relating to the process of monitoring these rebates in the Group's various significant subsidiaries and we carried out tests on the key controls set up by Management; - We reconciled, on a sampling basis, the contractual terms relating to rebates to be received from suppliers with their valuation; - We assessed, on a sampling basis, (i) the year-end rebates estimates used by Management to determine the percentage of rebates by product family for each supplier (ii) and the amounts of the invoices to be issued at year-end relating to this sampling; - We reconciled the receivables recognised in the consolidated statement of financial position with the amounts collected subsequent to year-end.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to the fair presentation of the information contained in the management report and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement. This information should be reported on by an independent third party.

Other legal and regulatory Verification or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of CASINO, GUICHARD-PERRACHON by the General Meeting of Shareholders held on 29 April 2010.

As at 31 December 2020, our audit firms were both in their 11th year of uninterrupted engagement. Previously, ERNST & YOUNG Audit had been Statutory Auditor since 1978.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 2 March 2021

The Statutory Auditors

French original signed by:

ERNST & YOUNG et Autres	**DELOITTE & ASSOCIÉS**

Yvon SALAÜN	Alexis HURTREL	Frédéric MOULIN	Patrice CHOQUET