ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2022

This document is a free translation into English of the original French "Rapport Financier Annuel au 31 décembre 2022", hereafter referred to as the "Annual Financial Report at 31 December 2022". 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

Casino Group's key consolidated figures for 2022 were as follows:

(€ millions)	2021 (restated)(*)	2022	Reported change	Change at CER[1]
Consolidated net sales	**30,549**	**33,610**	+10.0%	+3.8%
Gross margin	**7,617**	**7,895**	+3.7%	
EBITDA[2]	**2,516**	**2,508**	-0.3%	-5.5%
Net depreciation and amortisation	**(1,329)**	**(1,391)**	+4.6%	
Trading profit	**1,186**	**1,117**	-5.9%	-12.1%
Other operating income and expenses	**(656)**	**(512)**	+22.0%	
Net financial expense, o/w:	**(813)**	**(939)**	-15.5%	
Net finance costs	***(422)***	***(581)***	*-37.6%*	
Other financial income and expenses	***(391)***	***(358)***	*+8.4%*	
Profit (loss) before tax	**(283)**	**(334)**	-18.0%	
Income tax benefit (expense)	**86**	**9**	-89.5%	
Share of profit of equity-accounted investees	**49**	**10**	-79.1%	
Net profit (loss) from continuing operations	**(147)**	**(314)**	n.m.	
o/w Group share	***(280)***	***(279)***	*+0.3%*	
o/w attributable to non-controlling interests	***132***	***(35)***	*n.m.*	
Net profit (loss) from discontinued operations	**(255)**	**(31)**	+87.8%	
o/w Group share	***(254)***	***(37)***	*+85.5%*	
o/w attributable to non-controlling interests	***(1)***	***6***	*n.m.*	
Consolidated net profit (loss)	**(402)**	**(345)**	+14.2%	
o/w Group share	***(534)***	***(316)***	*+40.9%*	
o/w attributable to non-controlling interests	***132***	***(29)***	*n.m.*	
Underlying net profit, Group share[3]	**89**	**(102)**	n.m.	n.m.

[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]*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.*

(*) The 2021 financial statements have been restated to permit meaningful comparisons with 2022. See Note 1.3 to the consolidated financial statements.

Significant events in 2022

Impact of the war in Ukraine and of the economic crisis

The geopolitical situation in Eastern Europe worsened on 24 February 2022 following Russia's invasion of Ukraine. The Group is not directly exposed to the countries involved in the conflict and has not observed any material direct impact on its performance, given that it has no stores in Ukraine or Russia and makes very limited purchases in the two countries.

However, the conflict continues to weigh heavily on the global economy and capital markets, and exacerbating an already difficult macro-economic climate due to accelerating inflation and disruptions to global supply chains.

The indirect effects of the conflict (higher inflation and fluctuating energy and commodity prices) lead to higher freight costs and higher purchasing costs for some products, and this may negatively impact the Group’s supply chain. All of these effects may compromise the Group's ability to supply certain products and lead to changes in customer purchasing behaviour and cost structures.

The Group does not operate in the conflict zones but continues to monitor the impacts of the war and the ways in which it is indirectly exposed.

Asset disposal plan in France

Casino Group has launched a vast asset disposal programme in France to focus on buoyant formats. The €1.5 billion plan launched in June 2018 was raised to €2.5 billion in March 2019 and completed with an additional €2.0 billion plan, as announced in August 2019, bringing the plan total to €4.5 billion.

As of 31 December 2022, the Group had signed or secured €4.1 billion in asset sales since 2018. The disposals carried out by the Group in 2022 are detailed below:

- On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of FLOA to BNP Paribas for €200 million (of which €192 million were collected net of costs in early 2022), with an earn-out for Casino Group representing 30% of the future value created by 2025.
- On 21 February 2022, the Group completed the disposal of 6.5% of Mercialys equity through a total return swap (TRS) for €59 million. On 4 April 2022, the Group sold its remaining 10.3% stake in Mercialys under a new TRS maturing in December 2022 for €86 million.
- On 18 October 2022, Casino Group completed the sale of GreenYellow to Ardian. At end-December 2022, it continued to have a stake in the company's value creation through a €150 million reinvestment. Net of the reinvestment, disposal proceeds for Casino Group amount to €617 million, including €30 million paid into a segregated account that will be released if certain operating indicators are met.
- The Group had €152 million in multiple secured disposals in 2022 (Sarenza, CChezVous, real estate).
- In addition, the Group secured and recorded in advance a €12 million earn-out in 2022 in relation to the Apollo and Fortress joint ventures (in addition to €118 million already secured in 2021).

In view of the current outlook and the options available, the Group is confident to complete its €4.5 billion disposal plan in France (of which €0.4 billion remains outstanding) by the end of 2023 at the latest.

Debt reduction in France: €1,062 million of debt repaid[1] in 2022

- Bond buybacks: €673 million of bonds cancelled in 2022.

  In 2022, the Group cancelled its bonds maturing in 2022, 2023 and 2024 and its secured 2024 Quatrim bonds for an aggregate nominal amount of €673 million. Since the beginning of 2023, the Group has cancelled bonds maturing in January 2023, 2024 and 2026 for an aggregate par value of €66 million.
- 2023 Segisor debt repayment: €150 million
- Repayment of the first half of the Cdiscount government-backed loan (PGE) in August 2022: €60 million
- €179 million reduction in short-term debt[2] (mainly NEUCP)

Restructuring of the Group's operations in Latin America

Following the simplification of the Group's structure in Latin America and the spin-off of GPA and Assaí activities at the end of 2020, Casino Group continued to reorganise its operations.

At the end of 2021, GPA and Assaí announced plans for GPA to sell 70 Extra hypermarkets to Assaí with the intention of converting them into the cash & carry format, and for GPA to transform remaining Extra hypermarkets into Mercado Extra, Compre Bem and Pão de Açúcar supermarkets. In 2022, the process of converting Extra hypermarkets to Assaí's cash & carry format made excellent progress, with a total of 47 conversions during the year. GPA completed the conversion of the 23 hypermarkets that were not sold.

In order to accelerate its deleveraging, the Group sold 10.44% of Assaí's capital for approximately €491 million in November 2022.

Following the success of the GPA and Assaí spin-off, a plan to spin off Grupo Éxito was launched on 5 September 2022 in order to unlock Grupo Éxito’s value. GPA’s Board of Directors announced that it was considering distributing approximately 83% of Grupo Éxito’s capital to its shareholders and retaining a minority stake of around 13% which could be sold at a later date. The Grupo Éxito spin-off was approved by GPA’s Extraordinary Shareholders’ Meeting of 14 February 2023 and should be completed in the first half of 2023, subject to obtaining the necessary authorisations.

On completion of the transaction, Casino Group would hold interests in three separate listed assets in Latin America, opening up various monetisation options. Following the spin-off, the Group would have a direct 34% stake in Grupo Éxito and an indirect holding via GPA’s minority stake of 13% (i.e., 47% of voting rights and 39% of capital overall). At 31 December 2022, Casino Group held 30.5% of Assaí[3] and 40.9% of GPA.

Legal reorganisation of operations in France

On 15 June 2022, the Group announced that it planned to simplify and increase the clarity of its legal organisation in France by placing all of its food retail subsidiaries (mainly Franprix, Monoprix, Distribution Casino France, Easydis and AMC) under a common holding company wholly owned by Casino, Guichard-Perrachon.

This company, CGP Distribution France, was incorporated in the second half of 2022. After informing and consulting the employee representative bodies of the subsidiaries concerned, the Group’s subsidiaries in the Monoprix scope were immediately placed under this holding company, which is wholly owned by Casino, Guichard-Perrachon. The final stage of this reorganisation, consisting of the transfer of Distribution Casino France's activities, will take place in the first half of 2023.

[1] *Data are presented based on nominal values.*
[2] *Commercial paper, RCF drawdown.*
[3] *Casino Group announced a new secondary offering of Assaí shares on 7 March 2023. On completion of the transaction, Casino Group’s Assaí capital stake will be 11.7% (see “Subsequent events” on page 15).*

Strengthening partnerships

- **On 17 February 2022, Casino Group and Ocado announced that they had signed a memorandum of understanding to extend their exclusive partnership in France**. The memorandum provides for:

- the creation of a joint venture to provide services for automated warehouses equipped with Ocado technology to online food retailers in France;
- the integration of Octopia's marketplace solution into the Ocado smart platform, allowing Ocado's partners across the globe to launch their own marketplace offerings;
- Casino Group to deploy Ocado's in-store fulfilment solution across its Monoprix store estate.

- **On 30 June 2022, the Casino Group and Gorillas signed a strategic agreement to extend their partnership to the Frichti banner.**

This agreement gives Frichti access to Casino's national-brand products and to Monoprix's private-label products. These products are now available on the Frichti platform for delivery to consumers in a matter of minutes in the areas where Frichti currently operates.

Through this partnership, which follows Gorillas' acquisition of French banner Frichti, Casino Group intends to strengthen the ties between Monoprix and Frichti, the French leader in quick commerce. As a result, Casino Group will become directly involved in Frichti's value creation through its stake in the company's capital.

Conversion of traditional hypermarkets

The Group's banners adapted their offerings to new consumer trends in 2022. The Group has accelerated the conversion of its traditional Géant hypermarkets into (i) Casino Supermarkets (20 conversions completed in 2022) and (ii) Casino #Hyper Frais, a new concept launched in 2022 to replace the 61 remaining Géant Casino stores in France. At the end of 2022, 51 conversions had been completed and the remaining 10 hypermarkets will be converted to the Casino #Hyper Frais format in the first half of 2023. This new concept allows hypermarkets to increase the percentage of fresh produce in the store from 35% to 50%, while maintaining their fundamentals (accessible prices and high-quality, diversified products). There will also be more regional products to better reflect the area in which each store is located.

Business report

The comments in the Annual Financial Report reflect comparisons with 2021 results from continuing operations.

The financial statements for 2021 have been restated following the retrospective application of the IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement.

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

- Disposal of Floa Bank completed on 31 January 2022
- Disposal of Mercialys completed through two TRS fully settled in 2022
- Disposal of GreenYellow completed on 18 October 2022
- Disposal of a 10.44% stake in Assaí on 29 November 2022

Currency effects:

Currency effects were favourable in 2022, with the Brazilian real gaining an average 17.3% against the euro compared with 2021.

Continuing operations (€ millions)	2021 (restated)	2022	Reported change	Change at CER[1]
Net sales	30,549	**33,610**	**+10.0%**	**+3.8%**
EBITDA	2,516	**2,508**	**-0.3%**	**-5.5%**
Trading profit	1,186	**1,117**	**-5.9%**	**-12.1%**
Underlying net profit, Group share	89	**(102)**	**n.m.**	**n.m.**

CASINO GROUP 2022 HIGHLIGHTS

IN FRANCE

- **France Retail**:

The Group continued to develop its buoyant formats:

- Renewed growth for Parisian banners and convenience stores (same-store sales growth[2] of 6.6% for convenience stores, 3.4% for Franprix and 11.2% for Monop'), in line with the upturn in tourism and consumer spending in the Paris region
- Strong growth in convenience formats: success of the expansion plan, with 879 store openings (Franprix, Vival, Spar, etc.) and supermarkets joining the franchise network
- Growth in food E-commerce of 17% over the year, vindicating the focus on home delivery and partnerships forged with world leaders (Amazon and Ocado)
- Development of a discount offering (Leader Price) adapted to the inflationary environment in hypermarkets and supermarkets (up 95% in Q4) and in the franchise network

EBITDA margin for the retail banners came in at 9.9% in H2 (8.4% for the year). Trading profit for the retail banners was stable in the second half, with an increase in trading profit and the trading margin at Monoprix, Franprix and Casino convenience stores.

[1] *At constant exchange rates. The change in net sales is shown on an organic basis, excluding fuel and calendar effects.*
[2] *Excluding fuel and calendar effects.*

- **Cdiscount**[1]:

  The transformation of the business model continued, with progress on growth and profitability drivers: (i) increase in the marketplace share, to 52% of GMV in 2022 (up 6 pts), (ii) growth in Advertising Services (up 5% year on year, x1.8 vs. 2019), with the deployment of the AI-based CARS platform, and (iii) acceleration of B2B services with Octopia (up 66% year on year).

  The swift implementation of the cost savings plan led to a sequential improvement in EBITDA during the year after a difficult first half (EBITDA at €15 million in H1 and €39 million in H2).

- **Disposal plan in France:**

  By end-2022, a total of €4.1 billion in disposals had been made under the disposal plan launched in 2018. In view of the current outlook and the options available, the Group remains confident in its ability to complete its €4.5 billion disposal plan in France by the end of 2023.

- **Net debt in France:**

  Net debt in France[2] fell to €4.5 billion at 31 December 2022 (from €4.9 billion at the end of 2021), mainly due to the early repayment of the entire bank debt subscribed by Segisor (initial maturity July 2023) using proceeds from the partial disposal of Assaí.

  The Group met the covenants[3] contained in its revolving credit facility, with gross debt headroom of €270 million for the secured gross debt/EBITDA after lease payments covenant, and EBITDA headroom of €115 million for the EBITDA after lease payments/net finance costs covenant.

IN LATIN AMERICA

In Latin America, EBITDA was up 11.9% for the year (14.9% excluding tax credits)[4]:

- Excellent 41.0% increase in Assaí EBITDA (49.4% excluding tax credits)[4]
- Grupo Éxito EBITDA up 8.7%
- Decline in GPA EBITDA amid efforts to reposition the business model following the sale of Extra hypermarkets

The Group continues to reorganise its operations in Brazil, with good progress on the conversion plan for the Extra hypermarkets (47 conversions to the cash & carry format in 2022, conversion plan completed at GPA for the 23 hypermarkets not sold to Assaí).

The Grupo Éxito spin-off was approved by GPA's Extraordinary Shareholders' Meeting of 14 February 2023 and should be completed in the first half of 2023, subject to obtaining the necessary authorisations. Following the spin-off, the Group would hold interests in three separate listed assets, opening up various monetisation options for these assets.

In this context, the Group sold 10.44% of Assaí's capital for approximately €491 million in November 2022[5].

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[1] *Data published by the subsidiary.*
[2] *France scope including Cdiscount, GreenYellow and Segisor.*
[3] *Covenants tested on the last day of each quarter – outside of these dates, there is no limit on the amounts that can be drawn down.*
[4] *Tax credits restated by the Brazilian subsidiaries in the calculation of adjusted EBITDA and adjusted trading profit.*
[5] *Casino Group announced a new secondary offering of Assaí shares on 7 March 2023 (see "Subsequent events" on page 15).*

FRANCE RETAIL

(€ millions)	2021 (restated)	2022
Net sales	**14,071**	**14,205**
EBITDA	**1,351**	**1,268**
EBITDA margin	*9.6%*	*8.9%*
Trading profit	**530**	**482**
Trading margin	*3.8%*	*3.4%*

France Retail net sales totalled €14,205 million in 2022 versus €14,071 million in 2021, up 1.5% on a same-store basis excluding fuel and calendar effects. All brands returned to growth in the second quarter, maintaining the good momentum into the third quarter with a sharp acceleration in Parisian banners (Franprix, Monoprix) in a market shaped by the return of tourists. The fourth quarter remained stable, with a further solid performance in buoyant formats (Paris, convenience and premium) and a more difficult environment for hypermarkets and supermarkets.

The year saw a significant ramp-up in the expansion strategy, with 879 new stores opened in convenience formats (Franprix, Spar, Vival, etc.), exceeding the initial target of 800 openings in 2022. The Group also accelerated its pace of converting traditional Géant hypermarkets into Casino Hyper Frais stores, with 32 new conversions completed in the fourth quarter (after 15 conversions in the third quarter and 4 in the second quarter), bringing the total number of converted stores to 51 at end-2022. The remaining 10 hypermarkets will be converted into the Casino Hyper Frais format in first-half 2023. This strategy is reflected in increased customer loyalty, with the success of subscriptions in the Casino, Monoprix and Naturalia banners. The Group had over 370,000 paying subscribers at end-2022.

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

- Net sales at **Monoprix**[1] came in at €4,393 million for 2022, up 1.2% on a same-store basis. Growth was driven by strong momentum at Monoprix City and Monop' stores, which recorded same-store sales growth of 2.1% over the year and a 9.2% rise in customer traffic. Food e-commerce continues to grow rapidly, driven by partnerships with Ocado, Amazon, Gorillas, Uber Eats and Deliveroo. The banner further expanded its store network, with 54 new store openings over the year, and plans to accelerate its expansion, with almost 100 store openings planned for 2023, primarily under the Monop' banner. Monoprix also continued to focus on innovation, with the opening of the first Monoprix Maison home decor store in October 2022.

- **Franprix** net sales were up by 3.4% on a same-store basis in 2022 to €1,477 million, driven by the recovery in consumption in Paris due to the return of tourists and office workers. The banner benefited from good momentum in customer traffic, the sale of Leader Price products (a target share of 10% in stores by 2023) and the acceleration of e-commerce. Total gross sales under banner rose by 4.1% over the year. The expansion strategy in target areas (Paris and the Ile de France region, the Rhône-Alpes region and the northern Mediterranean region) continued, with 181 new stores opened during the year, including 136 in the Ile de France region (960 stores in Ile de France at end-2022). The banner plans to maintain this pace of new store openings in 2023 and step up its strategy in first-half 2023 of attracting independent retailers to the franchise network.

- Net sales in the **Convenience** segment came to €1,507 million. The banner reported good sales momentum with same-store net sales growth of 6.6% and an increase of 7.8% in gross sales under banner, driven by the appeal of a format suited to customer needs in high-growth areas (notably Rhône-Alpes and Côte d'Azur) and the development of partnerships with Uber Eats, Deliveroo and the “mescoursesdeproximité.com” website. Store network expansion accelerated over the year, with 652 stores opened, i.e., almost two new stores per day.

[1] *Monoprix City including e-commerce, Monop' and Naturalia.*

- **Casino Supermarkets** and **Hypermarkets** sales totalled €3,402 million and €3,091 million, respectively, in 2022, down 0.4% and 0.1%, respectively, on a same-store basis. After expanding in the first nine months of the year, the two banners experienced a reverse trend in the fourth quarter, due to a more difficult competitive environment late in the year, in which the Group controlled its spending on promotions and communication. E-commerce nevertheless remains upbeat, with double-digit growth driven notably by partnerships with Uber Eats, Deliveroo and Shopopop. The Casino Hypermarkets/Supermarkets and Convenience banners have also sharply ramped up subscriptions via the Casino Max application, with an ever-growing number of subscribers.

France Retail EBITDA was €1,268 million (€1,351 million in 2021), with an 8.9% EBITDA margin. EBITDA for the retail banners (France Retail excluding GreenYellow and property development) was €1,199 million (€1,273 million in 2021). The EBITDA margin, at 8.4%, improved in the second half of the year (9.9%) thanks to renewed growth at Monoprix, Franprix and convenience stores.

France Retail trading profit was €482 million (€530 million in 2021), with a trading margin of 3.4%. Trading profit for the retail banners (France Retail excluding GreenYellow and property development) was €421 million (€479 million in 2021), with a trading margin of 3.0%.

RELEVANC

RelevanC pursued its strategy of external development after having built up its expertise with the Group's banners:

- Launch of the white label retail media solution launched with GPA in Brazil
- Rollout of the personalised white label digital catalogue offer launched with Monoprix

RelevanC continued to forge strategic and ambitious partnerships during the year, which included a new five-year partnership with In The Memory signed in the fourth quarter. Internationally, Latin America continued to enjoy strong momentum after the opening of new offices in Colombia.

E-COMMERCE (CDISCOUNT)

(€ millions)	2021 (restated)	2022
GMV (Gross Merchandise Volume) as published by Cnova	**4,206**	**3,497**
EBITDA	105	54
EBITDA margin	*5.2%*	*3.3%*
Trading profit	18	(42)
Trading margin	*0.9%*	*-2.6%*

In 2022, Cdiscount[1] accelerated its transformation towards a profitable business model.

Sharp increase in Cdiscount's gross margin, up to 23.2% of net sales in 2022 (up 1.3 pts year on year, up 5.4 pts versus 2019), driven by an improved business mix in favour of marketplace GMV, which accounted for 52% of total GMV over the year (up 6 pts year on year, up 13 pts versus 2019);

€191 million in marketplace revenues in 2022 (down 2% year on year), up 28% on 2019, with a solid and steady increase in the GMV take rate[2] to 16.2% (up 0.7 pts year on year, up 1.7 pts on 2019);

Continued development of digital marketing, with revenues up 5% over the year (x1.8 versus 2019). The GMV take rate[2] has risen steadily over the last few years, reaching 3.1% in 2022 (up 0.7 pts versus 2021, up 1.6 pts versus 2019);

B2B business growth remains a major source of long-term value creation. Octopia reported 66% growth in B2B revenues in 2022, with 14 new clients over the year for its turnkey marketplace solution. It had a total of 26 clients at the end of 2022, of which 17 are already on the platform;

The cost savings plan targeting €75 million on a full-year basis by end-2023 is ongoing, outperforming the objectives initially set. It generated €47 million in savings in 2022 (a €29 million decrease in general expenses and an €18 million decrease in capital expenditure), or €17 million more than the expected savings.

E-commerce EBITDA[3] was €54 million (versus €105 million in 2021), with a sequential improvement in the second half of 2022 driven by the success of the cost savings plan (€39 million in the second half after €15 million in the first).

E-commerce[3] reported a €42 million trading loss (€18 million trading profit in 2021), impacted in particular by the increase in depreciation and amortisation linked to investments made over the last few years to expand Octopia's operations.

[1] *Data published by the subsidiary.*
[2] *Calculated as revenues divided by product GMV excluding tax.*
[3] *Contribution to consolidated EBITDA.*

LATAM RETAIL

(€ millions)	**2021 (restated)**	**2022**
Net sales	**14,448**	**17,785**
EBITDA	**1,060**	**1,186**
EBITDA margin	*7.3%*	*6.7%*
Trading profit	**638**	**677**
Trading margin	*4.4%*	*3.8%*

Latam Retail net sales were €17,785 million in 2022, up 10.5% on an organic basis and 12.3% on a same-store basis excluding fuel and calendar effects. Food sales in Brazil rose 6.9% on an organic basis and 9.1% on a same-store basis excluding fuel and calendar effects.

- **Assaí** stepped up its development in 2022, with (i) a 30%[1] increase in net sales, (ii) a 27%[1] increase in EBITDA, and (iii) record expansion with the opening of 60 stores over the year, including 47 conversions of Extra hypermarkets, bringing the total number of stores to 263 at the end of 2022.
- **Grupo Éxito** also continued to enjoy strong commercial momentum, with a 21%[1] increase in net sales driven by innovative formats and omnichannel. The store base also continued to expand, with 92 store openings during the year.
- Following the sale of Extra hypermarkets, **GPA** is focusing its development on premium and convenience formats.

EBITDA for Latin America increased by 14.9% year on year excluding tax credits, driven by Assaí (up 49.4% excluding tax credits). Including tax credits[2] (€28 million in 2021 and €0 in 2022), EBITDA came out at €1,186 million, a rise of 11.9%.

In Latin America, trading profit excluding tax credits was up 10.9% year on year, driven by Assaí (up 44% excluding tax credits), in line with business growth. Including tax credits[2], trading profit was up 6.1% to €677 million.

[1] *Change at constant exchange rates, excluding tax credits.*
[2] *Tax credits restated by the Brazilian subsidiaries in the calculation of adjusted EBITDA and adjusted trading profit.*

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 2022.

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

In 2022, the Group's **consolidated net sales** amounted to €33,610 million versus €30,549 million in 2021, up 5.2% on a same-store basis[1], up 3.8% on an organic basis[1] and up 10.0% as reported after taking into account the effects of exchange rates (+6.4%), fuel (+0.3%), the calendar effect (-0.2%) and changes in scope (-0.3%).

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 €2,508 million, a decrease of 0.3% including currency effects and 5.5% 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 €1,117 million in 2022, down 5.9% including currency effects (down 3.6% excluding tax credits) and down 12.1% at constant exchange rates (down 5.2% 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 €939 million in 2022 (€813 million in 2021), reflecting:

- **Finance costs, net** of €581 million versus €422 million in 2021.
- **Other net financial expenses** of €358 million, compared with other net financial expenses of €391 million in 2021.

Underlying net financial expense for the period was €935 million (€592 million excluding interest on lease liabilities) compared to €813 million in 2021 (€500 million excluding interest on lease liabilities), reflecting a decrease in financial expenses in France linked to debt repayments and redemptions, and an increase in financial expenses in Latin America due to the Assaí investment plan and higher interest rates.

Other operating income and expenses represented a net expense of €512 million (net expense of €656 million in 2021). In France (including Cdiscount, excluding GreenYellow), other operating income and expenses amounted to a net expense of €170 million (€309 million in 2021), an improvement of €139 million primarily due to net capital gains on the France disposal plan. In Latin America, other operating income and expenses amounted to a net expense of €336 million (€300 million in 2021), reflecting the completion of the sale of Extra hypermarkets to Assaí.

[1] *Excluding fuel and calendar effects.*

Net profit (loss), Group share

Income tax represented a benefit of €9 million versus €86 million in 2021.

The **Group's share of profit of equity-accounted investees** was €10 million (€49 million in 2021).

Non-controlling interests in profit/(loss) from continuing operations came to a loss of €35 million compared to a profit of €132 million in 2021. Excluding non-recurring items, **underlying minority interests** were €117 million in 2022 versus €272 million in 2021.

Profit (loss) from continuing operations, Group share came out at a loss of €279 million, compared with a loss of €280 million in 2021, excluding the capital gain on the disposal of Assaí recognized in equity.

Net profit (loss) from discontinued operations, Group share came out at a net loss of €37 million in 2022, compared with a net loss of €254 million in 2021, which included the impacts of the Leader Price sale.

Consolidated net profit (loss), Group share amounted to a net loss of €316 million, versus a net loss of €534 million in 2021.

Underlying net loss[1] from continuing operations, Group share totalled €102 million compared with underlying net profit of €89 million in 2021, reflecting lower trading profit owing to business in the first quarter in France and at Cdiscount, a rise in net finance costs in Latin America, and an accounting tax charge (no cash impact) of €240 million relating to the review of capitalisable tax loss carryforwards in France.

Diluted underlying earnings per share[2] stood at a loss of €1.38, vs. earnings of €0.49 in 2021.

Financial position

Consolidated net debt was €6.4 billion (versus €5.9 billion at end-2021), including €4.5 billion in France[3] (€4.9 billion at end-2021) and €1.9 billion in Latin America (€979 million at end-2021). In France[3], the reduction in debt was notably due to bond redemptions and to the Segisor repayment (€150 million). The increase in debt in Latin America is the result of higher debt at Assaí owing to its investment plan.

At 31 December 2022, **the Group's liquidity in France (including Cdiscount)** was €2.4 billion, with €434 million in cash and cash equivalents and €2.0 billion in confirmed undrawn lines of credit, available at any time[4]. The balance of the unsecured segregated account was €36 million at 31 December 2022, enabling the Group to meet its January 2023 debt servicing obligations.

Financial information relating to the covenants[5]

At 31 December 2022, **the Group complied with the covenants contained in the revolving credit facility**. The ratio of secured gross debt to EBITDA (after lease payments[6]) was 3.1x[7], within the 3.5x limit, representing debt headroom of €270 million and EBITDA headroom of €77 million. The ratio of EBITDA (after lease payments) to net finance costs stood at 3.0x (above the required 2.5x), representing EBITDA headroom of €115 million.

The Board of Directors will recommend to the 2023 Annual General Meeting not to pay a dividend in 2023 in respect of 2022.

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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 *France including Cdiscount, GreenYellow and Segisor.*
4 *Subject to compliance with covenants tested at the end of each quarter.*
5 *France scope (including Cdiscount), excluding GreenYellow.*
6 *As defined in the refinancing documentation.*
7 *Secured debt of €2.1 billion and EBITDA after lease payments of €690 million.*

Outlook

The Group's priorities for 2023 are increased operational efficiency and a reduction in debt:

- Operational efficiency and development
    - Inventory reduction plan: €190 million reduction in the first half of the year to compensate for surplus inventories at end-2022
    - New cost reduction plan: €250 million in savings in the retail banners
    - Acceleration of the expansion strategy in convenience formats: +1,000 stores representing more than €500 million in full-year gross sales under banner

- Deleveraging
    - Completion of the disposal plan in France: €400 million by the end of 2023
    - Continued monetisation of assets in Latin America
    - Debt decrease

Subsequent events

TERACT and Casino Group sign an exclusive agreement to create the French leader in responsible and sustainable retail activities

On 9 March 2023, TERACT and Casino Group announced that they had entered into an exclusive agreement to create two separate entities:

- an entity, controlled by Casino, bringing together the retail activities in France. Casino Group would contribute over 9,100 stores, its undisputed leadership in convenience formats, the strength of its brands, its digital offering and its good CSR practices. TERACT would bring its know-how and expertise in the operation of garden centres and food distribution;
- a new entity, named TERACT Ferme France and controlled by InVivo, in charge of supplying local agricultural products through short food supply chains that help to promote France's regions and showcase agricultural products. TERACT Ferme France will benefit from strong proximity to the agricultural industry through the InVivo group, its majority shareholder.

The transaction would value the activities contributed by Casino Group and TERACT at 85% and 15%, respectively, on a debt-free cash-free basis.

This project remains subject to the signing of a binding agreement between Casino Group and TERACT, which could be achieved before the end of the second quarter of 2023. This project would be subject to the consultation of the employee representative bodies of both groups as well as to the approval of the respective governance bodies of Casino Group, TERACT and InVivo. Further communication to the market would be made upon the signing of the binding agreement, which would be submitted to the approval of the antitrust authorities and of the shareholders and creditors of both parties.

Sale of a stake in Assaí

In order to accelerate its deleveraging, on 7 March 2023 Casino Group announced that it was considering a plan to sell part of its stake[1] in Assaí for approximately USD 600 million. This amount could be increased depending on market conditions.

On 17 March 2023, the Group announced that it had completed the book building process for the secondary offering of Assaí shares. As part of the offering, 254 million Assaí shares held by Casino Group (representing 18.8% of Assaí's share capital) were allocated for a total placement amount of approximately €723 million[2]. The transaction is expected to close on 21 March 2023.

Upon completion of the transaction, Casino Group will hold an 11.7% stake in Assaí's capital and will therefore no longer control the company.

[1] *Casino held 30.5% of Assaí's capital at 31 December 2022.*
[2] *Based on an exchange rate of BRL 5.62/euro.*

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 and the effects of discounting Brazilian tax liabilities.

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

(€ millions)	2021 (restated)	Restated items	2021 underlying	2022	Restated items	2022 underlying
Trading profit	**1,186**	**0**	**1,186**	**1,117**	**0**	**1,117**
Other operating income and expenses	**(656)**	656	**0**	**(512)**	512	**0**
Operating profit	**530**	**656**	**1,186**	**605**	**512**	**1,117**
Net finance costs	(422)	0	(422)	(581)	0	(581)
Other financial income and expenses[1]	(391)	0	(391)	(358)	3	(354)
Income taxes[2]	86	(147)	(61)	9	(185)	(176)
Share of profit of equity-accounted investees	49	0	49	10	0	10
Net profit (loss) from continuing operations	**(147)**	**509**	**362**	**(314)**	**330**	**15**
o/w attributable to non-controlling interests[3]	*132*	*140*	*272*	*(35)*	*153*	*117*
o/w Group share	**(280)**	**369**	**89**	**(279)**	**117**	**(102)**

[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 equity derivative instruments.
[2] Income tax expense is restated for tax effects corresponding to the above restated financial items and the tax effects of the restatements.
[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 2022

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(€ millions)	Notes	2022	2021 (restated)(i)
CONTINUING OPERATIONS			
Net sales	5/6.1	**33,610**	30,549
Other revenue	6.1	**394**	504
Total revenue	**6.1**	**34,004**	**31,053**
Cost of goods sold	6.2	**(26,109)**	(23,436)
Gross margin	**6.2**	**7,895**	**7,617**
Selling expenses	6.3	**(5,366)**	(5,122)
General and administrative expenses	6.3	**(1,413)**	(1,308)
Trading profit	**5.1**	**1,117**	**1,186**
As a % of net sales		***3.3%***	*3.9%*
Other operating income	6.5	**764**	349
Other operating expenses	6.5	**(1,275)**	(1,005)
Operating profit		**605**	**530**
As a % of net sales		***1.8%***	*1.7%*
Income from cash and cash equivalents	11.3.1	**61**	27
Finance costs	11.3.1	**(642)**	(449)
Net finance costs	**11.3.1**	**(581)**	**(422)**
Other financial income	11.3.2	**300**	116
Other financial expenses	11.3.2	**(658)**	(507)
Profit (loss) before tax		**(334)**	**(283)**
As a % of net sales		***-1.0%***	*-0.9%*
Income tax benefit (expense)	9.1	**9**	86
Share of profit of equity-accounted investees	3.3.3	**10**	49
Net profit (loss) from continuing operations		**(314)**	**(147)**
As a % of net sales		***-0.9%***	*-0.5%*
Attributable to owners of the parent		**(279)**	(280)
Attributable to non-controlling interests		**(35)**	132
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	**3.5.2**	**(31)**	**(255)**
Attributable to owners of the parent	3.5.2	**(37)**	(254)
Attributable to non-controlling interests	3.5.2	**6**	(1)
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit (loss)		**(345)**	**(402)**
Attributable to owners of the parent		**(316)**	(534)
Attributable to non-controlling interests	12.8	**(29)**	132

Earnings per share

In €	Notes	2022	2021 (restated)(i)
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		**(3.02)**	(2.93)
▪ Diluted		**(3.02)**	(2.93)
From continuing and discontinued operations, attributable to owners of	**12.10.2**		
▪ Basic		**(3.36)**	(5.29)
▪ Diluted		**(3.36)**	(5.29)

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

Consolidated statement of comprehensive income

(€ millions)	2022	2021 (restated)[i]
Consolidated net profit (loss)	**(345)**	**(402)**
Items that may be subsequently reclassified to profit or loss	**203**	**(84)**
Cash flow hedges and cash flow hedge reserve[ii]	9	38
Foreign currency translation adjustments[iii]	194	(108)
Debt instruments at fair value through other comprehensive income (OCI)	(1)	(1)
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	2	(3)
Income tax effects	(1)	(10)
Items that will never be reclassified to profit or loss	**5**	**2**
Equity instruments at fair value through other comprehensive income	(30)	-
Actuarial gains and losses	46	2
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	-	-
Income tax effects	(11)	-
Other comprehensive income (loss) for the year, net of tax	**208**	**(82)**
Total comprehensive income (loss) for the year, net of tax	**(138)**	**(484)**
Attributable to owners of the parent	***(237)***	*(533)*
Attributable to non-controlling interests	***99***	*49*

(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 2022 or 2021.
(iii) The €194 million positive net translation adjustment in 2022 arose primarily from the appreciation of the Brazilian real for €299 million, partially offset by the depreciation of the Colombian peso for €123 million. In 2021, the €108 million negative net translation adjustment arose primarily from the depreciation of the Colombian peso for €124 million.

Changes in other comprehensive income are presented in Note 12.7.2.

Consolidated statement of financial position

ASSETS (€ millions)	Notes	31 December 2022	31 December 2021 (restated)	1 January 2021 (restated)
Goodwill	10.1	**6,933**	6,667	6,656
Intangible assets	10.2	**2,065**	2,006	2,048
Property, plant and equipment	10.3	**5,319**	4,641	4,279
Investment property	10.4	**403**	411	428
Right-of-use assets	7.1.1	**4,889**	4,748	4,888
Investments in equity-accounted investees	3.3.3	**382**	201	191
Other non-current assets	6.9	**1,301**	1,183	1,217
Deferred tax assets	9.2.1	**1,490**	1,195	1,022
Total non-current assets		**22,781**	**21,053**	**20,728**
Inventories	6.6	**3,640**	3,214	3,209
Trade receivables	6.7	**854**	772	941
Other current assets	6.8	**1,636**	2,033	1,770
Current tax assets		**174**	196	167
Cash and cash equivalents	11.1	**2,504**	2,283	2,744
Assets held for sale	3.5.1	**110**	973	932
Total current assets		**8,917**	**9,470**	**9,763**
TOTAL ASSETS		**31,698**	**30,523**	**30,491**

EQUITY AND LIABILITIES (€ millions)	Notes	31 December 2022	31 December 2021 (restated)	1 January 2021 (restated)
Share capital	12.2	**166**	166	166
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		**2,625**	2,577	3,135
Equity attributable to owners of the parent		**2,791**	**2,742**	**3,301**
Non-controlling interests	**12.8**	**2,947**	**2,880**	**2,855**
Total equity	**12**	**5,738**	**5,622**	**6,155**
Non-current provisions for employee benefits	8.2	**216**	273	289
Other non-current provisions	13.1	**515**	376	374
Non-current borrowings and debt, gross	11.2	**7,377**	7,461	6,701
Non-current lease liabilities	7.1.1	**4,447**	4,174	4,281
Non-current put options granted to owners of non-controlling interests	3.4.1	**32**	61	45
Other non-current liabilities	6.10	**309**	225	201
Deferred tax liabilities	9.2.2	**503**	405	508
Total non-current liabilities		**13,398**	**12,975**	**12,398**
Current provisions for employee benefits	8.2	**13**	12	12
Other current provisions	13.1	**229**	216	189
Trade payables		**6,522**	6,099	6,190
Current borrowings and debt, gross	11.2	**1,827**	1,369	1,355
Current lease liabilities	7.1.1	**743**	718	705
Current put options granted to owners of non-controlling interests	3.4.1	**129**	133	119
Current tax liabilities		**19**	8	98
Other current liabilities	6.10	**3,069**	3,196	3,059
Liabilities associated with assets held for sale	3.5.1	**12**	175	210
Total current liabilities		**12,563**	**11,926**	**11,937**
TOTAL EQUITY AND LIABILITIES		**31,698**	**30,523**	**30,491**

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

Consolidated statement of cash flows

(€ millions)	Notes	2022	2021 (restated)[(i)]
Profit (loss) before tax from continuing operations		**(334)**	(283)
Profit (loss) before tax from discontinued operations	3.5.2	**(29)**	(330)
Consolidated profit (loss) before tax		**(363)**	**(613)**
Depreciation and amortisation	6.4	**1,391**	1,329
Provision and impairment expense	4.1	**398**	299
Losses (gains) arising from changes in fair value	11.3.2	**(2)**	(5)
Expenses (income) on share-based payment plans	8.3.1	**13**	14
Other non-cash items		**(119)**	(47)
(Gains) losses on disposals of non-current assets	4.4	**(81)**	(128)
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		**(386)**	20
Dividends received from equity-accounted investees	3.3.1 / 3.3.2	**11**	17
Net finance costs	11.3.1	**581**	422
Interest paid on leases, net	11.3.2	**343**	313
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs	11.3.2	**108**	88
Disposal gains and losses and adjustments related to discontinued operations		**(7)**	114
Net cash from operating activities before change in working capital, net finance costs and income tax		**1,888**	**1,824**
Income tax paid		**(139)**	(184)
Change in operating working capital	4.2	**(475)**	(24)
Income tax paid and change in operating working capital: discontinued operations		**(119)**	(97)
Net cash from operating activities		**1,155**	**1,519**
of which continuing operations		***1,310***	***1,832***
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	**(1,651)**	(1,122)
▪ Non-current financial assets	4.11	**(232)**	(174)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	**467**	156
▪ Non-current financial assets	4.11	**712**	163
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	**587**	(15)
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	**280**	1
Change in loans and advances granted		**(12)**	(30)
Net cash from (used in) investing activities of discontinued operations		**(42)**	(81)
Net cash from (used in) investing activities		**108**	**(1,101)**
of which continuing operations		***150***	***(1,020)***
Dividends paid:			
▪ to owners of the parent	12.9	**-**	-
▪ to non-controlling interests	4.7	**(66)**	(102)
▪ to holders of deeply-subordinated perpetual bonds	12.9	**(42)**	(35)
Increase (decrease) in the parent's share capital		**-**	-
Transactions between the Group and owners of non-controlling interests	4.8	**442**	15
(Purchases) sales of treasury shares	12.4	**-**	-
Additions to loans and borrowings	4.9	**1,973**	4,203
Repayments of loans and borrowings	4.9	**(1,984)**	(3,514)
Repayments of lease liabilities		**(602)**	(623)
Interest paid, net	4.10	**(985)**	(752)
Other repayments		**(49)**	(30)
Net cash used in financing activities of discontinued operations		**(3)**	(10)
Net cash used in financing activities		**(1,317)**	**(848)**
of which continuing operations		***(1,314)***	***(838)***
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		**97**	(22)
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		**-**	-
Change in cash and cash equivalents	**4.9**	**43**	**(452)**
Net cash and cash equivalents at beginning of year		**2,223**	**2,675**
- of which net cash and cash equivalents of continuing operations	11.1	2,224	2,675
- of which net cash and cash equivalents of discontinued operations		(1)	(1)
Net cash and cash equivalents at end of year		**2,265**	**2,223**
- of which net cash and cash equivalents of continuing operations	11.1	2,265	2,224
- of which net cash and cash equivalents of discontinued operations		**-**	(1)

(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 year	Other reserves(ii)	Equity attributable to owners of the parent(iii)	Non-controlling interests(iv)	Total equity
At 1 January 2021 (reported)	**166**	**3,901**	**(22)**	**1,350**	**1,000**	**(3,087)**	**3,309**	**2,856**	**6,165**
Effect of applying IFRS IC agenda decision on Costs in a Cloud Computing Arrangement (Note 1.3)	-	-	-	-	(8)	-	(8)	(2)	(10)
At 1 January 2021 (restated)*(*)*	**166**	**3,901**	**(22)**	**1,350**	**992**	**(3,087)**	**3,301**	**2,855**	**6,155**
Other comprehensive income (loss) for the year (restated)*(*)*	-	-	-	-	-	1	1	(83)	(82)
Net profit (loss) for the year (restated)*(*)*	-	-	-	-	(534)	-	(534)	132	(402)
Consolidated comprehensive income (loss) for the year (restated)*(*)*	**-**	**-**	**-**	**-**	**(534)**	**1**	**(533)**	**49**	**(484)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares(v)	-	-	8	-	(8)	-	-	-	-
Dividends paid/payable to shareholders(vi)	-	-	-	-	-	-	-	(69)	(69)
Dividends paid/payable to holders of deeply-subordinated perpetual bonds(vi)	-	-	-	-	(36)	-	(36)	-	(36)
Share-based payments	-	-	-	-	8	-	8	12	20
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	-	-	-	-	-	-	-	-	-
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries	-	-	-	-	(21)	-	(21)	(3)	(25)
Other movements(ix)	-	-	-	-	25	-	25	37	62
At 31 December 2021 (restated)*(*)*	**166**	**3,901**	**(14)**	**1,350**	**426**	**(3,086)**	**2,742**	**2,880**	**5,622**
Other comprehensive income (loss) for the year	-	-	-	-	**-**	**79**	**79**	**129**	**208**
Net profit (loss) for the year	-	-	-	-	**(316)**	**-**	**(316)**	**(29)**	**(345)**
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(316)**	**79**	**(237)**	**99**	**(138)**
Issue of share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchases and sales of treasury shares(v)	**-**	**-**	**12**	**-**	**(12)**	**-**	**-**	**-**	**-**
Dividends paid/payable to shareholders(vi)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(53)**	**(53)**
Dividends paid/payable to holders of deeply-subordinated perpetual bonds(vi)	**-**	**-**	**-**	**-**	**(47)**	**-**	**(47)**	**-**	**(47)**
Share-based payments	**-**	**-**	**-**	**-**	**5**	**-**	**5**	**11**	**15**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries(vii)	**-**	**-**	**-**	**-**	**22**	**-**	**22**	**(140)**	**(118)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries(viii)	**-**	**-**	**-**	**-**	**211**	**53**	**264**	**85**	**348**
Other movements(ix)	**-**	**-**	**-**	**-**	**42**	**-**	**42**	**65**	**107**
At 31 December 2022	**166**	**3,901**	**(2)**	**1,350**	**331**	**(2,955)**	**2,791**	**2,947**	**5,738**

(*) 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 Uruguay for €20 million, Sendas for €14 million and Éxito for €13 million (2021: Sendas, GPA and Éxito for €28 million, €11 million and €19 million, respectively).
(vii) The €118 million negative impact on the Group's consolidated equity mainly reflects the loss of control of GreenYellow (Note 3.1.3).
(viii) The €348 million impact on the Group's consolidated equity mainly reflects the disposal of a 10.44% stake in Assaí (Note 3.1.4).
(ix) Primarily relating to the remeasurement at Libertad in application of IAS 29 - Financial Reporting in Hyperinflationary Economies.

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 2022 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2022 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 9 March 2023.

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 2022.

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 2022

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 2022 and do not have a material impact on its consolidated financial statements:

- *Amendments to IFRS 3 – Reference to the Conceptual Framework*

These amendments are mandatorily applicable on a prospective basis for reporting periods beginning on or after 1 January 2022.
They update a reference to the Conceptual Framework in IFRS 3 but do not change the accounting requirements for business combinations.

- *Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use*

These amendments are applicable on a retrospective basis as from 1 January 2022. 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 – Cost of Fulfilling a Contract*

These amendments are applicable on a retrospective basis as from 1 January 2022. 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 (for example: direct labour and material costs) 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*

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: minor amendments were issued to these standards but are not applicable to the Group.

IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement

In April 2021 the IFRS IC issued a decision on accounting for the costs of configuring or customising software in a cloud computing (SaaS) arrangement.
During the first half of 2022, the Group finished identifying SaaS contracts and analysing the different types of costs incurred in order to determine those items affected by this decision. These analyses led the Group to change the method of accounting for customisation and configuration costs when they did not meet the criteria for capitalisation under IAS 38 and when they did not relate to the development of an interface with the SaaS solution. These costs are now expensed – mostly as they are incurred – and especially if the work is carried out internally or by a third party supplier (not related to the SaaS solution provider). These costs are recognised over the term of the SaaS contract if the work is carried out by the SaaS solution provider or its subcontractor and cannot be separated from the rights to access the SaaS solution. However, the Group is not significantly concerned by this last case. The effects of applying this agenda decision on a retrospective basis are presented in Note 1.3.

IFRS IC agenda decision – Demand Deposits with Restrictions on Use

In April 2022, the IFRS IC issued an agenda decision clarifying whether an entity should include a demand deposit as a component of cash and cash equivalents in its statements of financial position and cash flows when the deposit is subject to contractual restrictions on use agreed with a third party.
In its decision, the IFRS IC concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7.
The Group has identified and analysed such contracts: this has not led to any material change in the presentation of its 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 euros, which is the Company’s functional currency. 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 assets in accordance with IFRS 5 (Note 3.5);
- 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 7);
- measurement of deferred tax assets (Note 9);
- valuation of non-current assets and goodwill (Note 10.5);
- Group liquidity risk (Note 11.5.4);
- analysis of control of Sendas and GPA (Note 12.8);
- provisions for risks (Note 13), particularly tax and employee-related risks in Brazil.

1.2.3 Addressing risks related to climate change

In 2021, the Group set up a Sustainable Finance department, whose role includes ensuring an alignment between the financial statements and climate issues, responding to new regulations in this area, and making sure that environmental issues are factored into decision-making processes, particularly investments.

Owing to its geographical footprint, Casino Group is exposed to significant country risks related to climate change. These involve a broad range of transition and physical risks, since current climate-related disruptions can have impacts at several different levels, for example:

- on the Group's businesses, due to the increase in extreme weather events such as a mix of drought and torrential rain in Brazil, and floods, storms, landslides and earthquakes in Colombia;
- on Group products sold by stores, due to significant changes in customers' purchasing behaviour;
- on the supply chain, due to the potential scarcity of raw materials;
- on access to financing, in the event of a failure to meet target greenhouse gas reduction goals under the Paris Agreement;
- on the Group's image and reputation among its customers and stakeholders, who expect companies to actively fight against climate change;
- on its employees, whose working conditions could be affected, particularly in areas vulnerable to heatwaves.

An increase in the occurrence of such extreme events would have not only direct consequences for the Group's operations (business interruption/supply chain difficulties), but also an indirect impact through higher raw material prices, energy, transport and distribution costs, a drop in sales of seasonal products, changes in consumer habits and an increase in insurance premiums. All such factors could be exacerbated by the introduction of new regulations in the countries in which the Group operates.

The following commitments also demonstrate how the Group is addressing climate risks and opportunities:

- 18% reduction in its Scope 1 (direct emissions from combustion) and Scope 2 (indirect emissions associated with energy) greenhouse gas emissions by 2025 compared to 2015 and by 38% by 2030 compared to 2015;
- 10% reduction in its Scope 3 (indirect emissions arising from the Group's operations) emissions between 2018 and 2025.

These commitments could have an impact on certain choices regarding investments relating to its operations.

In the course of its business, the Group addresses the climate change risks identified at the level of its business plans. These risks are considered:

- in assessing the value of certain assets through their useful life or, in the case of intangible assets with an indefinite useful life, in assessing events that may result in the identification of impairment indicators;
- in implementing decarbonisation roadmaps through the identification of measures to reduce emissions and the evaluation of the related financial impacts, notably concerning the transfer of traditional cold stores to hydrid or natural gas cold stores, the installation of equipment to improve energy efficiency and the deployment of low-carbon modes of transport;
- in developing product ranges in line with the potential future behaviour of consumers, who are increasingly aware of the carbon impact of what they consume. The Group is developing 100% vegan product ranges and store concepts, eco-certified products, local product offers, bulk sales and second-hand or reconditioned products;
- in analysing funding opportunities.

In 2022, the Group hired an external firm to conduct a physical climate risk study in France, Colombia and Brazil in order to identify potential risks to assets. Based on this study, the Group's exposure to acute and chronic physical climate risks was found to be low. The Group will continue to review the findings of this study, as well as the applicable adaptation solutions, which will be deployed where necessary. Accordingly, the direct impacts of climate change on the Group's financial statements are not considered to be material at this point in time.

1.3 Changes in accounting methods and restatement of comparative information

The following tables show the impact on the previously published consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows resulting from the retrospective application of the IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement (Note 1.1).

Impact on the main consolidated income statement indicators in 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	2021 (restated)
Net sales	30,549	-	30,549
Other revenue	504	-	504
Total revenue	**31,053**	**-**	**31,053**
Cost of goods sold	(23,436)	-	(23,436)
Selling expenses	(5,122)	-	(5,122)
General and administrative expenses	(1,302)	(6)	(1,308)
Trading profit	**1,193**	**(7)**	**1,186**
Operating profit	**537**	**(7)**	**530**
Net finance costs	(422)	-	(422)
Other financial income and expenses	(391)	-	(391)
Profit (loss) before tax	**(276)**	**(7)**	**(283)**
Income tax benefit (expense)	84	2	86
Share of profit of equity-accounted investees	49	-	49
Net profit (loss) from continuing operations	**(142)**	**(5)**	**(147)**
Attributable to owners of the parent	*(275)*	*(4)*	*(280)*
Attributable to non-controlling interests	*133*	*(1)*	*132*
Net profit (loss) from discontinued operations	**(255)**	**-**	**(255)**
Attributable to owners of the parent	*(254)*	-	*(254)*
Attributable to non-controlling interests	*(1)*	-	*(1)*
Consolidated net profit (loss)	**(397)**	**(5)**	**(402)**
Attributable to owners of the parent	*(530)*	*(4)*	(534)
Attributable to non-controlling interests	*133*	*(1)*	*132*

Impact on the main consolidated statement of comprehensive income indicators in 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	2021 (restated)
Consolidated net profit (loss)	**(397)**	**(5)**	**(402)**
Items that may be subsequently reclassified to profit or loss	(84)	-	(84)
Items that will never be reclassified to profit or loss	2	-	2
Other comprehensive income (loss) for the year, net of tax	**(82)**	**-**	**(82)**
Total comprehensive income (loss) for the year, net of tax	**(479)**	**(5)**	**(484)**
Attributable to owners of the parent	*(529)*	*(4)*	*(533)*
Attributable to non-controlling interests	*50*	*(1)*	*49*

Impact on the main consolidated statement of financial position indicators at 1 January 2021

(€ millions)	At 1 January 2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	1 January 2021 (restated)
Total non-current assets	**20,738**	**(10)**	**20,728**
of which intangible assets	*2,061*	*(12)*	*2,048*
of which deferred tax assets	*1,019*	*2*	*1,022*
Total current assets	**9,763**	**-**	**9,763**
Total assets	**30,501**	**(10)**	**30,491**
Total equity	**6,165**	**(10)**	**6,155**
of which attributable to owners of the parent	*3,309*	*(8)*	*3,301*
of which attributable to non-controlling interests	*2,856*	*(2)*	*2,855*
Total non-current liabilities	**12,398**	**-**	**12,398**
Total current liabilities	**11,937**	**-**	**11,937**
Total equity and liabilities	**30,501**	**(10)**	**30,491**

Impact on the main consolidated statement of financial position indicators at 31 December 2021

(€ millions)	31 December 2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	31 December 2021 (restated)
Total non-current assets	**21,067**	**(14)**	**21,053**
of which intangible assets	*2,024*	*(18)*	*2,006*
of which deferred tax assets	*1,191*	*4*	*1,195*
Total current assets	**9,470**	**-**	**9,470**
Total assets	**30,537**	**(14)**	**30,523**
Total equity	**5,638**	**(15)**	**5,622**
of which attributable to owners of the parent	*2,755*	*(13)*	*2,742*
of which attributable to non-controlling interests	*2,883*	*(3)*	*2,880*
Total non-current liabilities	**12,975**	**-**	**12,975**
Total current liabilities	**11,925**	**1**	**11,926**
of which trade payables	*6,097*	*2*	*6,099*
of which other current liabilities	*3,197*	*(1)*	*3,196*
Total equity and liabilities	**30,537**	**(14)**	**30,523**

Impact on the main consolidated statement of cash flow indicators in 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	2021 (restated)
Net cash from operating activities	**1,529**	**(10)**	**1,519**
of which consolidated profit (loss) before tax	*(606)*	*(7)*	*(613)*
of which depreciation and amortisation	*1,334*	*(4)*	*1,329*
of which other components of cash flow	*801*	*2*	*803*
Net cash used in investing activities	**(1,111)**	**10**	**(1,101)**
of which cash used in acquisitions of property, plant and equipment, intangible assets, and investment property	*(1,131)*	*10*	*(1,122)*
Net cash used in financing activities	**(848)**	**-**	**(848)**
Effect of changes in exchange rates on cash and cash equivalents	(22)	-	(22)
Change in cash and cash equivalents	**(452)**	**-**	**(452)**
Net cash and cash equivalents at beginning of year	2,675	-	2,675
Net cash and cash equivalents at end of year	2,223	-	2,223

Note 2 Significant events of the year

Significant events of the year are the following:

Impact of the conflict in Ukraine and of the economic crisis on the consolidated financial statements

The geopolitical situation in Eastern Europe worsened on 24 February 2022 following Russia's invasion of Ukraine. The Group does not operate in Ukraine, Russia or Belarus and does not own any assets or equity interests in these countries, nor does it operate any franchise agreements. The Group is not significantly affected by the trade restrictions and sanctions that certain governments have imposed on Russia. However, the conflict continues to weigh heavily on the global economy and capital markets, and exacerbating an already difficult macro-economic climate defined by accelerating inflation and disruptions to global supply chains. For example, export/import controls and economic sanctions against Russia may adversely affect the Group's operations, supply chains, business partners or customers. Similarly, indirect effects in the form of higher inflation and fluctuating energy and commodity prices lead to higher freight costs and higher purchasing costs for some products.
All of these factors may compromise the Group's ability to supply certain products and lead to changes in customer purchasing behaviour and cost structures (including inventory, freight costs and payroll). This in turn could have an adverse impact on our earnings, financial position and cash flows. Casino Group did not experience any significant supply issues during the year, despite a few localised and temporary shortages. However, in a tight supply chain environment, the Group stands ready to ensure regular supplies, for example by increasing emergency inventories in certain at-risk product categories, in order to improve the availability of products at favourable purchasing conditions.
The Group does not operate in the conflict zones but continues to monitor the impacts of the war and the ways in which it is indirectly exposed.

Completion of the sale of Floa to BNP Paribas

On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of FLOA to BNP Paribas (Note 3.1.1).

Signing of a memorandum of understanding with OCADO to extend their partnership

On 17 February 2022, Casino Group and Ocado announced that they had signed a memorandum of understanding to extend their exclusive partnership in France. The MoU provides for:
- the creation of a joint venture to provide services for automated warehouses equipped with Ocado technology to all online food retailers in France;
- an agreement under which Ocado will integrate technology from Octopia (a Cdiscount subsidiary) into its service platform, enabling Ocado's international partners to launch their own marketplace;
- the deployment by Casino Group of Ocado's in-store fulfilment solutions in its Monoprix stores.

This new partnership did not have a material accounting impact on the Group's consolidated financial statements at 31 December 2022.

GreenYellow borrowings

On 21 February 2022, GreenYellow announced that it had raised nearly €200 million in financing, including:
- €109 million in 5-year convertible bonds with warrants attached subscribed by an institutional investor, Farallon Capital. This transaction was accounted for as a hybrid instrument comprising debt and an embedded derivative, recorded respectively in borrowings and debt for €101 million and in derivatives at fair value through profit or loss for €8 million (€10 million at 30 June 2022);
- €87 million via a syndicated credit facility with a pool of top-tier banks with a one-year initial maturity (31 December 2022).

Disposal of the entire stake in Mercialys' share capital

Casino Group completed the sale of its remaining stake in Mercialys through two total return swaps (TRS) which were settled during the year: a first TRS for 6.5% of the share capital entered into in 21 February 2022 and a second TRS for 10.3% of the share capital entered into on 4 April 2022 (Note 3.1.2).

Sale of GreenYellow

On 18 October 2022, Casino Group sold a majority stake in GreenYellow for an enterprise value of €1.4 billion and an equity value of €1.1 billion. Net of the reinvestment, disposal proceeds for Casino Group would amount to €587 million, in addition to €30 million paid at closing into a segregated account contingent on achievement of certain operating indicators. The disposal gain less the costs of disposal came to €302 million. At 31 December 2022, the remaining 11.8% stake is accounted for as an equity investment (Note 3.1.3).

Legal reorganisation of Casino Group in France

On 15 June 2022, the Group announced that it planned to simplify and increase the clarity of its legal organisation in France by placing all of its French food retail subsidiaries (mainly Franprix, Monoprix, Distribution Casino France, Easydis and AMC) under a common holding company wholly owned by Casino, Guichard-Perrachon. The holding company, CGP Distribution France, was incorporated in the second half of 2022. The employee representative bodies of the subsidiaries concerned have been informed and consulted in accordance with the law, and the entities in the Monoprix scope are now owned by CGP Distribution France. The final phase of this reorganisation, consisting primarily of the contribution of Distribution Casino France's operations, is expected to take place in the first half of 2023.
The reporting segments and management structure of the Group remain unchanged. This reorganisation had no material accounting impact on the consolidated financial statements at 31 December 2022.

Strategic agreement signed to extend the Group's partnership with Gorillas to Frichti banner

On 30 June 2022, Casino Group signed an agreement with Gorillas to extend their partnership established in December 2021. This agreement gives Frichti access to Casino's national-brand products and to Monoprix's private-label products. These products are now available on the Frichti platform for delivery to consumers in a matter of minutes in the areas where Frichti currently operates. Through this partnership, which follows Gorillas' acquisition of French banner Frichti, Casino Group intends to strengthen the ties between Frichti, the French leader in quick commerce, and Monoprix, the leader in home delivery in city centres. As a result, Casino Group will become directly involved in Frichti's value creation through its stake in the company's capital.
The acquired stake is shown under "Other non-current assets" within equity instruments at fair value through other comprehensive income.
Following the acquisition of the entire share capital of Gorillas GmbH by the Getir group in December 2022, the Group's shareholding in Gorillas (a subsidiary of Gorillas GmbH) was written down in an amount of €30 million against "Other comprehensive income" (Note 12.7.2).

Distribution by GPA of 83% of the capital of Grupo Éxito to its shareholders

On 5 September 2022, the Board of Directors of GPA, a Casino Group subsidiary, announced that it was considering distributing approximately 83% of Grupo Éxito's capital to its shareholders and retaining a minority stake of around 13% which could be sold at a later date. Casino's Board of Directors' meeting held on the same date approved the principle of the GPA and Grupo Éxito spin-off in order to realize maximum capital gains on Grupo Éxito. At the Extraordinary General Meeting held on 14 February 2023, GPA's capital reduction of BRL 7.1 billion was approved by delivering 1.08 billion Éxito shares to GPA shareholders, i.e., four Éxito shares for each GPA share held.
The distribution of Grupo Éxito shares to GPA shareholders in the form of Brazilian Depository Receipts (BDR) and American Depository Receipts (ADR) is expected to take place in the first half of 2023, after the end of the creditors' objection period and following completion of the registration and listing of the BDR and ADR programmes. As this is an internal transaction (no change in Casino's control over the Éxito sub-group), it did not have a material accounting impact on the Group's financial statements at 31 December 2022, with the exception of the costs incurred in connection with this transaction recorded under "Other operating expenses" and the tax impact.
Following this transaction, Casino Group will hold 47% of the voting rights (39% interest) and will continue to control its subsidiary, Éxito.

Franprix and the Zouari family extend their partnership

On 21 September 2022 Franprix, a Casino Group subsidiary, and the Zouari family, decided to extend their long-standing strategic partnership. Their collaboration will help to drive the ongoing development of the banner and create new synergies, with a joint objective of opening 75 new stores (Note 3.1.5).

Group partnership with BUT, Conforama, MDA Company and Intermarché

On 29 September 2022, BUT, Conforama, MDA Company, Casino Group and Intermarché announced a new purchasing partnership for technical goods (large and small household appliances and audiovisual equipment) with the creation of Sirius Achats, a central purchasing unit.
This partnership has been operational since the 2023 purchasing round. The Sirius Achats central purchasing unit is responsible for negotiating the French banners' purchasing conditions with the largest international suppliers of household appliances. By combining the volumes of the French leaders in home furnishings (BUT and Conforama), e-commerce (Cdiscount), food retail (Casino Group and Intermarché) and local technical product distribution (MDA-GPDIS-Pulsat), Sirius Achats is positioning itself as a major player in technical goods and aims to support its industry partners in the commercial and environmental challenges of the future. The new partnership is aimed at optimising purchasing for all these banners and championing the development of responsible goods, including energy-efficient, eco-designed and repairable products.
This new partnership did not have a material accounting impact on the Group's consolidated financial statements at 31 December 2022.

Sale of a stake in Assaí

In order to accelerate its deleveraging, on 26 October 2022 Casino Group announced that it was studying the possibility of selling part of its stake in Assaí (Sendas). This project came to fruition on 29 November 2022 in the form of a secondary offering. Under the offering, 140.8 million Assaí shares held by the Group (including 2.0 million shares in the form of ADSs, with each ADS comprising 5 Assaí shares), or 10.44% of Assaí's share capital, were allocated at a price of BRL 19.00 per share (USD 17.90 per ADS). The total amount of the offering was therefore BRL 2,675 million, or €491 million. Settlement and delivery of the shares sold took place on 2 December, reducing the Group's stake in Assaí to 30.5% (Note 3.1.4).

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 €3.2 billion in assets had been sold at 31 December 2021. The Group pressed ahead with this plan in 2022, involving mainly the sale of its residual interest in Mercialys (Note 3.1.2) and the sale of GreenYellow (Note 3.1.3). The Group has now sold a total of €4.1 billion in non-strategic assets out of the announced €4.5 billion disposal plan.

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 “Other comprehensive income (loss)”. 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 initially 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 2022

3.1.1 Sale of Floa

On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of Floa to BNP Paribas. The resulting gain on disposal was not material to the 2022 consolidated financial statements.
The sale price (excluding expenses) amounted to €200 million, of which €192 million has been collected net of expenses (Note 4.6), breaking down as (i) €150 million relating to the disposal of shares representing 50% of Floa’s capital and (ii) €50 million relating to the sale of technology assets of the “FLOA PAY” split payment solution and to the renewal of commercial agreements between Cdiscount, the Casino banners and Floa (Cdiscount continues to operate its split payment solution via card through Floa and BNP Paribas).
Casino Group will also remain invested in the successful development of the “FLOA PAY” business through a 30% stake in future value created (by 2025). No gains were recognised in this respect in the consolidated financial statements at 31 December 2022.

3.1.2 Sale of Mercialys and loss of significant influence

The Group completed the disposal of its residual stake in Mercialys through two total return swaps (TRS), which were settled in full during the year.
The impact of these transactions in the Group's consolidated financial statements represents a cash inflow of €140 million (Note 4.6) and a disposal loss recognised under "Other operating expenses" for €20 million (Note 6.5).
Casino Group no longer holds any voting rights or equity interest in Mercialys as of 31 December 2022. The loss of significant influence was recognised at the end of April 2022 when the Group resigned from the Board of Directors of Mercialys.

3.1.3 Sale of GreenYellow

On 18 October 2022, Casino Group sold to Ardian a majority stake in GreenYellow, the Group's energy subsidiary, based on an enterprise value of €1.4 billion and an equity value of €1.1 billion. At end-December, Casino Group continued to have a stake in the company's value creation through a €150 million reinvestment.
The disposal proceeds for Casino Group represented €587 million, less the €150 million reinvested, of which (i) €350 million was received on 20 September 2022 through a pre-financing transaction with Farallon Capital, (ii) €222 million received on the day of closing, and (iii) €15 million received on 23 December 2022 as part of a syndication (Note 4.5). In addition,

€30 million was paid into a segregated account and will be released if certain operating indicators are met. An amount of €11 million in income was recognised in the year.

This transaction led to the recognition of a net capital gain before tax of €302 million, presented in "Net gains and losses related to changes in scope of consolidation" (Note 6.5) within “Other operating income”, including a negative €21 million impact from the reclassification of translation adjustments from equity to disposal gains in income (Note 12.7.2) The impact of this transaction on non-controlling interests is a negative €142 million. The interest retained by Casino Group following its reinvestment is accounted for under the equity method. As 31 December 2022, the equity-accounted investment represented €147 million and a 11.8% holding (Note 3.3.1).

3.1.4 Sale of a 10.44% stake in Assaí

On 29 November 2022, the Group sold a 10.44% stake in Assaí in the form of a secondary offering of 140.8 million Assaí shares (including 2.0 million shares in the form of ADSs, with each ADS comprising 5 Assaí shares) at a price of BRL 19 per share (USD 17.90 per ADS), representing a total offering amount of BRL 2,675 million. Settlement and delivery of this offering took place on 2 December 2022. The price received in December 2022 net of disposal costs amounted to BRL 2,537 million, or €466 million (Note 4.8).
Following this transaction, the Group held 30.51% of the share capital of Assaí, which continues to be fully consolidated in the Group's consolidated financial statements in light of the fact that Casino still has *de facto* control over the entity (Note 12.8). This sale without loss of control was accounted for as a transaction between owners. The impacts of this transaction on equity attributable to the owners of the parent and on non-controlling interests were €228 million and €130 million, respectively.

3.1.5 Changes in scope relating to the Franprix sub-group

On 21 September 2022, the Group announced that it had extended its long-standing, strategic partnership with the Zouari family through its subsidiary Pro Distribution, which is fully consolidated in the Group's financial statements.
The new partnership led to:
- a 2.5% increase in Franprix Leader Price Holding's stake in the capital of Pro Distribution for a price of €20 million (Note 4.8);
- the sale of 25 Franprix stores to Pro Distribution;
- the extension of the put and call agreements for a period of five years (Note 3.4.1).

Following this transaction, Casino Group holds 72.5% of the capital of Pro Distribution (Note 17). The sale was accounted for as a transaction between owners with a non-material impact on equity attributable to owners of the parent and on non-controlling interests.
The liability recognised in respect of the put option granted to non-controlling interests represented €28 million at 31 December 2022 (Note 3.4.1).

3.2 Transactions affecting the scope of consolidation in 2021

3.2.1 Mercialys TRS

On 9 December 2021, the Group completed the definitive disposal of an additional 3% of Mercialys equity through a total return swap (TRS) maturing in March 2022, leading to the immediate collection of an amount of €24 million. At 31 December 2021, all of the shares underlying the TRS had been sold and Mercialys continued to be accounted for by the equity method based on a percentage interest of 16.9%. In all, the Group collected €23 million in 2021 in respect of the TRS (Note 4.6).

3.2.2 Control of Supermercados Disco del Uruguay SA

Supermercados Disco del Uruguay SA was previously controlled by virtue of a shareholder agreement signed in April 2015, giving Éxito 75% of the voting rights it needed in order to exercise control. This agreement expired on 1 July 2021. There was no change in the control or management of this company and a new agreement was signed on 18 August 2021, under which Éxito continues to own 75% of the voting rights and therefore exercise control.

3.3 Investments in equity-accounted investees

3.3.1 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)	2022(i)		2021			
	Tuya(ii)	**FIC(iii)**	**Mercialys(iv)**	**Tuya(ii)**	**Floa Bank**	**FIC(iii)**
Country	**Colombia**	**Brazil**	France	Colombia	France	Brazil
Business	**Banking**	**Banking**	Real estate	Banking	Banking	Banking
Type of relationship	**Joint venture**	**Associate**	Associate	Joint venture	Joint venture	Associate
% interests and voting rights(v)	**50%**	**36%**	17%	50%	50%	36%
Total revenue	**342**	**259**	228	243	275	162
Net profit (loss) from continuing operations	**(16)**	**45**	78	2	20	42
Other comprehensive income (loss)	**-**	**-**	-	-	-	-
Total comprehensive income	**(16)**	**45**	78	2	20	42
Non-current assets	**26**	**6**	2,755	25	39	6
Current assets(vi)	**967**	**2,072**	365	843	2,119	1,385
Non-current liabilities	**(464)**	**(31)**	(1,275)	(322)	(37)	(7)
Current liabilities	**(418)**	**(1,767)**	(213)	(424)	(1,891)	(1,173)
of which credit activities related liabilities	***(828)***	***(291)***	-	*(662)*	*(1,865)*	*(307)*
Net assets	**111**	**280**	1,632	121	230	211
Dividends received from associates or joint ventures	**-**	**6**	8	-	-	3

(i) Following the loss of control of GreenYellow, the Group retained a stake in GreenYellow Holding in the context of a reinvestment (Note 3.1.3). At 31 December 2022, the Group held 11.8% of GreenYellow Holding, giving it significant influence over the company. This is primarily based on the Group's representation on GreenYellow Holding's Board of Directors, the protective rights granted and the existing business relationship that was maintained following the sale. This new structure, which carries on the GreenYellow business, only had three months of operations in 2022; at the reporting date, its accounts were still being prepared and are not therefore presented in this note.

(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/Sendas in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA/Sendas customers. It is accounted for using the equity method as GPA and Sendas exercises significant influence over its operating and financial policies.

(iv) At 31 December 2021, the Group held 17% of the capital of Mercialys and exercised significant influence over the company. This stake in Mercialys was sold in 2022 (Note 3.1.2).

(v) 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/Sendas). Since the spin-off of Sendas, the 36% stake in FIC has been owned in equal proportions by GPA and Sendas.

(vi) The current assets of Floa Bank, Tuya and FIC primarily concern their credit business.

3.3.2 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 €5 million in 2022 (2021: €5 million).

3.3.3 Changes in investments in equity-accounted investees

(€ millions)	
At 1 January 2021	**191**
Share of profit for the year	49
Dividends	(18)
Other movements	(21)
At 31 December 2021	**201**
Share of profit for the year	**9**
Dividends	**(14)**
Other movements(i)	**185**
At 31 December 2022	**382**

(i) In 2022, other movements mainly reflect the reinvestment in GreenYellow Holding for €150 million (Note 3.1.3).

3.3.4 Impairment losses on investments in equity-accounted investees

No impairment losses relating to equity-accounted investees were recognised in 2022 (€26 million recognised in 2021).

3.3.5 Share of contingent liabilities of equity-accounted investees

At 31 December 2022 and 31 December 2021, none of the Group's associates or joint ventures had any material contingent liabilities.

3.3.6 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)	2022		2021	
	Associates	**Joint ventures**	**Associates**	**Joint ventures**
Loans	**56**	**5**	77	47
of which impairment	*(2)*	-	*(4)*	-
Receivables	**41**	**25**	33	24
of which impairment	-	-	-	-
Payables	**43**	**229**(iii)	109(i)	234(iii)
Expenses	**125**	**1,120**(iii)	39(ii)	969(iii)
Income	**233**(iv)	**31**	200(iv)	52

(i) Including lease liabilities in favour of Mercialys for property assets amounting to €100 million at 31 December 2021, of which €29 million due within one year.
(ii) Following the application of IFRS 16, the above 2021 amounts do not include the lease payments associated with the 51 leases signed with Mercialys. These payments represented €39 million.
(iii) Including €1,084 million in fuel purchases from Distridyn (2021: €928 million). At 31 December 2022, the Group had a current account with Distridyn for €30 million (31 December 2021: €30 million).
(iv) Income of €233 million in 2022 includes sales of goods by Franprix to master franchisees accounted for by the equity method amounting to €114 million (2021: €200 million, including sales of goods by Franprix to master franchisees accounted for by the equity method amounting to €94 million. The income figure also includes proceeds from property development transactions with Mercialys reported under "Other revenue" for €44 million, including an EBITDA impact of €27 million (Note 5.1), versus €21 million reported under "Other revenue" in 2021 including an EBITDA impact of €12 million.

3.3.7 Commitments to joint ventures

The Group had given guarantees to Distridyn (also presented in Note 6.11.1) for an amount of €60 million at 31 December 2022 (€60 million at end-December 2021).

3.4 Commitments related to the scope of consolidation

3.4.1 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 the discounted present value of the estimated exercise price. "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 2022:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities(iii)	Current liabilities(iii)
Franprix(i)	60.00% to 72.50%	40.00% to 27.50%	V	32	-
Éxito (Disco)(ii)	62.49%	29.82%	V	-	127
Other				-	2
				32	**129**

(i) The value of the NCI puts 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 options expire between 2023 and 2027.
(ii) This option is exercisable at any time until 30 June 2025. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2022, the exercise price represents the minimum price.
(iii) At 31 December 2021, NCI put liabilities amounted to €195 million, including current liabilities of €133 million, and related mainly to the Disco subsidiary for €113 million and to Franprix subsidiaries for €45 million.

3.4.2 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 2022, there were no outstanding puts relating to non-controlling interests.

Call options granted to the Group on shares in non-controlled companies stood at zero at 31 December 2022 (31 December 2021: €312 million). At the end of 2021, the main call option, exercisable until 30 September 2022, was on a property asset previously sold to Immosiris and granted in connection with Mercialys transactions. This option was recognised at the higher of the fair value and a guaranteed minimum IRR.

3.5 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.

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

(€ millions)	Notes	2022		2021	
		Assets	Liabilities	Assets	Liabilities
France Retail[(i)]		**92**	**12**	836	175
Latam Retail[(ii)]		**18**	**-**	133	-
E-commerce		**-**	**-**	4	-
Total		**110**	**12**	**973**	**175**
Net assets		**98**		798	
of which attributable to owners of the parent of the selling subsidiary	*11.2*	***97***		*798*	

(i) At 31 December 2021, this line corresponds mainly to stores, property assets and the shareholding in Floa Bank in connection with asset disposal plans and plans to streamline the store base.
(ii) At 31 December 2021, this line mainly concerned (i) 17 store properties at GPA for BRL 517 million (€82 million) as part of the conversion of Extra stores into Assaí stores and (ii) real estate assets at Sendas in connection with sale-and-leaseback transactions for BRL 147 million, or €23 million.

3.5.2 Discontinued operations

The net loss from discontinued operations in 2022 reflects the residual impacts of the discontinued operations of Leader Price and Via Varejo sold in 2019. In 2021, the net loss from discontinued operations essentially reflected (i) commitments made with Aldi France in connection with the gradual conversion of the Leader Price stores sold (completed in late September 2021), and (ii) upstream and logistics activities along with the Leader Price head office, which were to a large extent involved in the supply of these stores.
Net profit (loss) from discontinued operations can be analysed as follows:

(€ millions)	2022	2021
Net sales	**66**	284
Net expenses	**(95)**	(615)
Net profit (loss) before tax from discontinued operations	**(29)**	**(330)**
Income tax benefit (expense)	**(1)**	76
Share of profit of equity-accounted investees	**(1)**	(1)
Net profit (loss) from discontinued operations	**(31)**	**(255)**
Attributable to owners of the parent	***(37)***	*(254)*
Attributable to non-controlling interests	***6***	*(1)*

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 reclassified as debt (mainly in relation to reverse factoring transactions).

4.1 Reconciliation of provision expense

(€ millions)	Notes	2022	2021
Goodwill impairment	10.1.2	-	-
Impairment of intangible assets	10.2.2	**(13)**	(90)
Impairment of property, plant and equipment	10.3.2	**(125)**	(123)
Impairment of investment property	10.4.2	**(1)**	(3)
Impairment of right-of-use assets	7.1.1	**(107)**	(33)
Impairment of other assets		**(50)**	(51)
Net (additions to) reversals of provisions for risks and charges	13.1	**(122)**	(27)
Total provision expense		**(419)**	**(328)**
Provision expense reported within discontinued operations		**21**	28
Provision expense adjustment in the statement of cash flows		**(398)**	**(299)**

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

(€ millions)	Notes	1 January 2022	Cash flows from operating activities	Changes in scope of consolidation(i)	Effect of movements in exchange rates	Reclassifications and other(ii)	31 December 2022
Goods inventories	6.6	**(3,122)**	**(433)**	**2**	**(63)**	**19**	**(3,597)**
Property development work in progress	6.6	**(91)**	**4**	**52**	**-**	**(6)**	**(43)**
Trade payables	B/S	**6,099**	**436**	**(45)**	**82**	**(49)**	**6,522**
Trade receivables	6.7	**(772)**	**(201)**	**119**	**(5)**	**5**	**(854)**
Other (receivables) payables	6.8.1/6.9.1/6.10	**206**	**(280)**	**(20)**	**(69)**	**604**	**441**
TOTAL		**2,319**	**(475)**	**108**	**(56)**	**573**	**2,469**

(€ millions)	Notes	1 January 2021 (restated)	Cash flows from operating activities	Changes in scope of consolidation	Effect of movements in exchange rates	Reclassifications and other(ii)	31 December 2021 (restated)
Goods inventories	6.6	(3,059)	(82)	(4)	24	(1)	(3,122)
Property development work in progress	6.6	(150)	2	(1)	1	56	(91)
Trade payables	B/S	6,190	175	1	(53)	(214)	6,099
Trade receivables	6.7	(941)	124	10	5	30	(772)
Other (receivables) payables	6.8.1/6.9.1/6.10	274	(243)	57	(12)	130	206
TOTAL		**2,314**	**(24)**	**62**	**(34)**	**1**	**2,319**

(i) In 2022, changes in scope of consolidation primarily reflect the loss of control of GreenYellow (Note 3.1.3).

(ii) In 2022, this column mainly reflects (i) cash flows from investing activities, including the use of segregated accounts for €468 million (Note 4.11) and an increase in net debt on non-current assets for €148 million, and (ii) cash flows related to discontinued operations, representing a net cash outflow of €162 million. In 2021, this column mainly reflected cash flows from discontinued operations.

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	Notes	2022	2021 (restated)
Additions to and acquisitions of intangible assets	10.2.2	**(290)**	(262)
Additions to and acquisitions of property, plant and equipment [(i)]	10.3.2	**(1,586)**	(1,021)
Additions to and acquisitions of investment property	10.4.2	**(22)**	(22)
Additions to and acquisitions of lease premiums included in right-of-use assets		**(3)**	(6)
Changes in amounts due to suppliers of non-current assets		**171**	179
Neutralisation of capitalised borrowing costs (IAS 23)[(ii)]	10.3.3	**78**	8
Effect of discontinued operations		**1**	3
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(1,651)**	**(1,122)**

(i) The increase in acquisitions of property, plant and equipment is mainly due to Assaí's expansion.
(ii) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	Notes	2022	2021
Disposals of intangible assets	10.2.2	**3**	2
Disposals of property, plant and equipment	10.3.2	**140**	46
Disposals of investment property	10.4.2	**1**	-
Disposals of lease premiums included in right-of-use assets		**9**	3
Gains on disposals of non-current assets[(i)]		**110**	131
Changes in receivables related to non-current assets		**51**	(71)
Disposals of non-current assets classified as "Assets held for sale" as per IFRS 5[(ii)]		**154**	46
Effect of discontinued operations		**(1)**	(1)
Cash from disposals of intangible assets, property, plant and equipment and investment property		**467**	**156**

(i) Prior to the restatement of sale-and-leaseback transactions in accordance with IFRS 16.
(ii) In 2022: relating to sale-and-leaseback transactions in Brazil (Note 7.1.4).

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

(€ millions)	2022	2021
Amount paid for acquisitions of control	**(18)**	(21)
Cash acquired (bank overdrafts assumed) in acquisitions of control	**-**	-
Proceeds from losses of control	**719**	4
(Cash sold) bank overdrafts transferred in losses of control	**(114)**	1
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**587**	**(15)**

In 2022, the net impact of these transactions on the Group's cash and cash equivalents is mainly due to the loss of control of GreenYellow for €444 million (Note 3.1.3).

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

(€ millions)	2022	2021
Amount paid for the acquisition of shares in equity-accounted investees	**(29)**	(19)
Net inflow relating to the Mercialys TRS (Notes 3.1.2 and 3.2.1)	**140**	23
Disposal of Floa, net of expenses (Note 3.1.1)[(i)]	**166**	-
Other	**3**	(3)
Effect of changes in scope of consolidation related to equity-accounted investees	**280**	**1**

(i) Excluding operating cash flows relating to commercial agreements.

4.7 Reconciliation of dividends paid to non-controlling interests

(€ millions)	Notes	2022	2021
Dividends paid and payable to non-controlling interests	12.8	**(53)**	(69)
Change in the liability for dividends payable to non-controlling interests		**(11)**	(31)
Effect of movements in exchange rates		**(2)**	(1)
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(66)**	**(102)**

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

(€ millions)	2022	2021
Sale of a 10.44% stake in Assaí (Note 3.1.4)	**466**	-
Franprix – acquisition of 2.5% of Pro Distribution (Note 3.1.5)	**(20)**	-
GPA – exercise of stock options	**3**	8
Other	**(7)**	7
Effect on cash and cash equivalents of transactions with non-controlling interests	**442**	**15**

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

(€ millions)	Notes	2022	2021
Change in cash and cash equivalents		**43**	(452)
Additions to loans and borrowings(i)	11.2.2	**(1,973)**	(4,203)
Repayments of loans and borrowings(i)	11.2.2	**1,984**	3,514
Allocation to (use of) segregated account	4.11	**(448)**	(3)
Outflows (inflows) of financial assets		**(111)**	16
Non-cash changes in debt(i)		**(470)**	(10)
Change in net assets held for sale attributable to owners of the parent		***(719)***	*77*
Change in other financial assets		***143***	*60*
Effect of changes in scope of consolidation		***260***	*(62)*
Change in fair value hedges		***82***	*13*
Change in accrued interest		***(184)***	*(57)*
Other		***(52)***	*(41)*
Effect of movements in exchange rates(i)		**(237)**	(4)
Change in loans and borrowings of discontinued operations		**-**	(5)
Change in net debt		**(1,212)**	**(1,147)**
Net debt at beginning of year		**5,060**	3,914
Net debt at end of year	11.2	**6,273**	5,060

(i) These impacts relate exclusively to continuing operations.

4.10 Reconciliation of net interest paid

(€ millions)	Notes	2022	2021
Net finance costs reported in the income statement	**11.3.1**	**(581)**	**(422)**
Neutralisation of unrealised exchange gains and losses		**1**	9
Neutralisation of amortisation of debt issuance/redemption costs and premiums		**32**	64
Capitalised borrowing costs	10.3.3	**(78)**	(8)
Change in accrued interest and in fair value hedges of borrowings		**87**	2
Interest paid on lease liabilities	11.3.2	**(338)**	(308)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs	11.3.2	**(108)**	(88)
Interest paid, net as presented in the statement of cash flows		**(985)**	**(752)**

4.11 Cash flows in investing activities related to financial assets

In 2022, cash outflows and inflows related to financial assets amounted to €232 million and €712 million, respectively, representing a net cash inflow of €480 million. They mainly reflect the use of segregated accounts, primarily the account linked to the RCF financing operation (Note 11.2.1).

In 2021, cash outflows and inflows related to financial assets amounted to €174 million and €163 million, respectively, representing a net cash outflow of €11 million. They were mainly attributable to changes in segregated accounts (Note 11.2.1).

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 Casino, Monoprix and Franprix sub-group banners);
- GPA: reportable segment comprising the retail operations of GPA's food banners in Brazil;
- Assaí: reportable segment comprising the retail operations of the Assaí food chain in Brazil;
- Grupo Éxito: reportable segment comprising the food retail operations of the Éxito, Disco - Devoto and Libertad sub-group banners in Colombia, Uruguay and Argentina, respectively;
- E-commerce: reportable segment comprising Cdiscount and the Cnova NV holding company.

Following the spin-off of GPA and Sendas assets, the conversion of Extra hypermarkets into Assaí stores, the proposed spin-off of GPA (distribution of 83% of Grupo Éxito's shares to its shareholders) and the disposal of a block of Assaí shares (Note 2), the Latam Retail reportable segment now comprises GPA, Assaí and Grupo Éxito. A "Latam Retail" sub-total is also presented in certain notes to the consolidated financial statements.

The operating segments included in France 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 until September 2022 (GreenYellow).

Management assesses the performance of these segments on the basis of net sales, trading profit (which included 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	E-commerce	Latam Retail	*of which GPA*	*of which Assaí*	*of which Grupo Éxito*	2022
External net sales (Note 6.1)	**14,205**	**1,620**	**17,785**	*3,344*	*10,016*	*4,424*	**33,610**
EBITDA	**1,268**[(i)]	**54**	**1,186**[(ii)]	*135*[(ii)]	*689*	*362*	**2,508**
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	**(785)**	**(96)**	**(509)**	*(200)*	*(176)*	*(134)*	**(1,391)**
Trading profit	**482**	**(42)**	**677**[(ii)]	*(65)*[(ii)]	*514*	*228*	**1,117**

(i) Of which €32 million in respect of property deals carried out in France, corresponding in 2022 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the disposal of assets by Mercialys and disposal of Casino's residual interest in Mercialys (Notes 3.1.2 and 3.3.6).

(ii) In June 2022, Brazil's Superior Court of Justice (STJ) confirmed that sales of certain technological products provided for by law – which had been the subject of an initial unfavourable court ruling – were to be excluded when calculating PIS/COFINS tax. As a result of this decision, GPA recognised a BRL 160 million (€29 million) tax credit in first-half 2022. A ruling was also handed down in favour of GPA in another legal action that also concerned the exclusion of ICMS from the base used to calculate PIS/COFINS tax. This led the Group to recognise a tax credit in the second half of 2022 amounting to BRL 106 million (€19 million), of which BRL 35 million (€6 million) recognised in net sales and BRL 71 million (€13 million) in other financial income.

(€ millions)	France Retail	E-commerce	Latam Retail	*of which GPA*	*of which Assaí*	*of which Grupo Éxito*	2021 (restated)
External net sales (Note 6.1)	14,071	2,031	14,448	*4,184*	*6,568*	*3,695*	30,549
EBITDA	1,351 (i)	105	1,060 (ii)	*238 (ii)*	*489 (ii)*	*333*	2,516
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(820)	(87)	(422)	*(195)*	*(104)*	*(123)*	(1,329)
Trading profit	530	18	638 (ii)	*43 (ii)*	*384 (ii)*	*211*	1,186

(i) Of which €14 million in respect of property deals carried out in France, corresponding in 2021 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys.

(ii) In May 2021, a new ruling by the Brazilian federal supreme court (STF) upheld the decisions in favour of the taxpayers that had been handed down in 2017 in relation to the exclusion of ICMS from the PIS/COFINS tax base. In light of this ruling, in 2021 Sendas recognised a BRL 216 million (€34 million) tax credit, of which BRL 175 million (€28 million) was recognised in net sales and BRL 41 million (€6 million) in other financial income (Note 11.3.2). In 2021, GPA also revalued the tax credits recognised in 2020 and, as a result, reversed the provision set aside in 2020 for BRL 280 million (€44 million), of which BRL 171 million (€27 million) in sales and BRL 109 million (€17 million) in other financial income (Note 11.3.2)

5.2 Key indicators by geographic area

(€ millions)	France	Latin America	Other regions	Total
External net sales for the year ended 31 December 2022	**15,783**	**17,787**	**39**	**33,610**
External net sales for the year ended 31 December 2021	16,073	14,448	28	30,549

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 31 December 2022 (i)	**10,158**	**9,800**	**51**	**20,009**
Non-current assets restated at 31 December 2021 (i)	10,388	8,117	183	18,689

(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 comprises "Net sales" and "Other revenue".

"Net sales" include sales by the Group's stores, service stations and E-commerce sites, 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. The corresponding revenues are then recognised on a percentage-of-completion basis and determined according to costs incurred (input 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	E-commerce	Latam Retail	*of which GPA*	*of which Assaí*	*of which Grupo Éxito*	2022
Net sales	14,205	1,620	17,785	*3,344*	*10,016*	*4,424*	**33,610**
Other revenue	223	-	171	*25*	*10*	*136*	**394**
Total revenue	**14,428**	**1,620**	**17,956**	*3,369*	*10,026*	*4,561*	**34,004**

(€ millions)	France Retail	E-commerce	Latam Retail	*of which GPA*	*of which Assaí*	*of which Grupo Éxito*	2021
Net sales	14,071	2,031	14,448	*4,184*	*6,568*	*3,695*	30,549
Other revenue	341	-	163	*38*	*5*	*120*	504
Total revenue	**14,412**	**2,031**	**14,611**	*4,222*	*6,573*	*3,816*	**31,053**

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

(€ millions)	Notes	2022	2021
Costs to obtain contracts included in “Intangible assets”	10.2	**113**	101
Contract assets	6.8/6.9	**-**	2
Right-of return assets included in inventories	6.6	**-**	2
Contract liabilities	6.10	**145**	127

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	2022	2021 (restated)
Purchases and change in inventories		**(24,664)**	(22,065)
Logistics costs	6.3	**(1,444)**	(1,371)
Cost of goods sold		**(26,109)**	**(23,436)**

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	2022
Employee benefits expense	**(540)**	**(2,312)**	**(721)**	**(3,573)**
Other expenses	**(760)**	**(2,044)**	**(455)**	**(3,259)**
Depreciation and amortisation (Notes 5.1/6.4)	**(144)**	**(1,010)**	**(237)**	**(1,391)**
Total	**(1,444)**	**(5,366)**	**(1,413)**	**(8,223)**

(€ millions)	Logistics costs(i)	Selling expenses	General and administrative expenses	2021 (restated)
Employee benefits expense	(512)	(2,225)	(694)	**(3,431)**
Other expenses	(716)	(1,939)	(386)	**(3,041)**
Depreciation and amortisation (Notes 5.1/6.4)	(143)	(958)	(228)	**(1,329)**
Total	**(1,371)**	**(5,122)**	**(1,308)**	**(7,801)**

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

6.4 Depreciation and amortisation

(€ millions)	Notes	2022	2021 (restated)
Amortisation of intangible assets	10.2.2	**(241)**	(219)
Depreciation of property, plant and equipment	10.3.2	**(459)**	(440)
Depreciation of investment property	10.4.2	**(11)**	(13)
Depreciation of right-of-use assets	7.1.1	**(681)**	(667)
Total depreciation and amortisation expense		**(1,392)**	**(1,339)**
Depreciation and amortisation reported under "Profit from discontinued operations"		**1**	9
Depreciation and amortisation of continuing operations	**5.1/6.3**	**(1,391)**	**(1,329)**

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 (including the catch-up in depreciation and amortisation not recognised during the time the assets are classified as held for sale), 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)	2022	2021
Total other operating income	**764**	349
Total other operating expenses	**(1,275)**	(1,005)
	(512)	**(656)**
Breakdown by type		
Gains and losses on disposal of non-current assets[(i)(vii)]	**41**	133
Net asset impairment losses[(ii)(vii)]	**(296)**	(111)
Net income/(expense) related to changes in scope of consolidation[(iii)(vii)]	**89**	(302)
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	**(166)**	**(281)**
Restructuring provisions and expenses[(iv)(vii)]	**(240)**	(270)
Provisions and expenses for litigation and risks[(v)]	**(96)**	(54)
Other[(vi)]	**(9)**	(51)
Sub-total	**(346)**	**(376)**
Total net other operating income (expenses)	**(512)**	**(656)**

(i) Net gains on disposal of non-current assets in 2022 primarily concerned the France Retail segment for €37 million. Net gains on disposal of non-current assets in 2021 primarily reflected the France Retail segment, with the recognition of contingent consideration deemed highly probable relating to the sale-and-leaseback transactions carried out in 2019 with the funds managed by Fortress and Apollo Global Management, for €118 million (Note 11.2.2).

(ii) Net impairment losses in 2022 mainly concerned the France Retail segment and related to (a) integrated loss-making stores that will be monetised and operated under a franchise model and (b) impairment tests performed on individual assets. Net impairment losses in 2021 mainly concerned the France Retail segment and related to the asset disposal plan and to impairment tests performed on individual assets.

(iii) Net income of €89 million recognised in 2022 resulted mainly from the loss of control of GreenYellow for which a capital gain of €302 million was recognised (Note 2), partially offset by additional costs of €178 million incurred in the conversion of Extra hypermarkets into Assaí stores. The net €302 million expense recognised in 2021 was mainly due to the conversion of Extra hypermarkets into Assaí stores, (impact of €232 million), as well as fees of €25 million in connection with the listing of Assaí in Brazil.

(iv) Restructuring provisions and expenses in 2022 mainly concerned (a) France Retail for €178 million, of which €98 million (mainly at Distribution Casino France) relating to the strategic transformation phase, the change in store concepts and €69 million in organisational streamlining costs and (b) Latam Retail (mainly GPA) for €50 million relating in particular to employee disputes and store and warehouse restructuring costs in connection with the closure of the Extra hypermarkets business. Restructuring provisions and expenses in 2021 primarily concerned the France Retail segment for €234 million (mainly employee-related costs, store closure and reorganisation costs and costs incurred in connection with the restructuring of logistics operations and converting stores to new concepts for €199 million) and the Latam Retail segment (mainly GPA) for €35 million.

(v) Provisions and expenses for litigation and risks represented a net expense of €96 million in 2022, including €70 million for tax, payroll and civil risks at GPA and Sendas. Provisions and expenses for litigation and risks represented a net expense of €54 million in 2021, including €20 million for tax risks at GPA.

(vi) In 2021, this mainly included recognition of a €30 million charge in a France Retail subsidiary resulting from prior year process deficiencies that were remedied during the year.

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

(€ millions)	Notes	2022	2021
Goodwill impairment losses	10.1.2	**-**	-
Impairment (losses) reversals on intangible assets, net	10.2.2	**(13)**	(90)
Impairment (losses) reversals on property, plant and equipment, net	10.3.2	**(125)**	(123)
Impairment (losses) reversals on investment property, net	10.4.2	**(1)**	(3)
Impairment (losses) reversals on right-of-use assets, net	7.1.1	**(107)**	(33)
Impairment (losses) reversals on other assets, net (IFRS 5 and other)		**(80)**	(54)
Total net impairment losses		**(326)**	**(304)**
Net impairment losses of discontinued operations		**8**	**16**
Net impairment losses of continuing operations		**(318)**	**(288)**
of which presented under "Restructuring provisions and expenses"		***(33)***	*(45)*
of which presented under "Net impairment (losses) reversals on assets"		***(296)***	*(111)*
of which presented under "Net income/(expense) related to changes in scope of consolidation"		***11***	*(131)*
of which presented under "Gains and losses on disposal of non-current assets"		***-***	*(1)*

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 GPA and Sendas which use the weighted average unit cost method, primarily for tax reasons. As the inventory turnover rate of GPA and Sendas 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)	2022	2021
Goods	**3,656**	3,163
Property assets	**45**	95
Gross amount	**3,702**	**3,258**
Accumulated impairment losses on goods	**(59)**	(41)
Accumulated impairment losses on property assets	**(3)**	(3)
Accumulated impairment losses	**(62)**	**(44)**
Net inventories (Note 4.2)	**3,640**	**3,214**

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 expected 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 or other financial institutions 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	2022	2021
Trade receivables	11.5.3	**965**	882
Accumulated impairment losses on trade receivables	6.7.2	**(111)**	(110)
Net trade receivables	**4.2**	**854**	**772**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2022	2021
Accumulated impairment losses on trade receivables at 1 January	**(110)**	(100)
Additions	**(49)**	(48)
Reversals	**46**	36
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**2**	2
Accumulated impairment losses on trade receivables at 31 December	**(111)**	**(110)**

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	2022	2021
Financial assets		**987**	**1,381**
Other receivables		**789**	769
Financial assets held for cash management purposes and short-term financial	11.2.1	**7**	1
Financial assets arising from a significant disposal of non-current assets	11.2.1	**85**	99
Guarantees and segregated accounts[(i)]	11.2.1	**124**	514
Current accounts of non-consolidated companies		**15**	10
Accumulated impairment losses on other receivables and current accounts	6.8.2	**(46)**	(32)
Fair value hedges – assets	11.5.1	**5**	7
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	**8**	12
Contract assets	6.1.2	**-**	2
Non-financial assets		**648**	**652**
Other receivables		**272**	289
Tax and employee-related receivables in Brazil	6.9	**271**	269
Accumulated impairment losses on other receivables	6.8.2	**-**	-
Prepaid expenses		**105**	94
Other current assets		**1,636**	**2,033**

(i) Of which €36 million relating to the segregated accounts associated with the November 2019 refinancing transaction (2021: €484 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)	2022	2021
Accumulated impairment losses on other receivables and current accounts at	**(32)**	(34)
Additions	**(65)**	(36)
Reversals	**39**	36
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**12**	1
Accumulated impairment losses on other receivables and current accounts at 31 December	**(46)**	**(32)**

6.9 Other non-current assets

6.9.1 Analysis of other non-current assets

(€ millions)	Notes	2022	2021
Financial assets		**479**	**534**
Financial assets at fair value through profit or loss		**13**	33
Financial assets at fair value through other comprehensive income		**42**	44
Financial assets arising from a significant disposal of non-current assets	11.2.1	**19**	24
Non-current economic and fair value hedges – assets	11.5.1	**85**	28
Other financial assets		**332**	418
Loans		*85*	*160*
Non-hedging derivatives – assets	*11.5.1*	*-*	*1*
Other long-term receivables		*247*	*258*
Impairment of other non-current assets	6.9.2	**(12)**	(13)
Non-financial assets		**822**	**649**
Other non-financial assets		**145**	135
Legal deposits paid by GPA and Sendas	*13.2*	*145*	*135*
Other long-term receivables		*-*	*-*
Impairment of other non-current assets	6.9.2	**-**	-
Tax and employee-related receivables in Brazil (see below)		**659**	501
Prepaid expenses		**19**	13
Other non-current assets		**1,301**	**1,183**

GPA and Sendas have tax and payroll receivables respectively totalling €596 million (of which €495 million of long-term receivables and €101 million of short-term receivables) and €335 million (€164 million long-term and €170 million short-term) corresponding primarily to ICMS (VAT) for €366 million, PIS/COFINS (VAT) for €504 million and INSS (employer social security contributions) for €60 million.

The main tax receivable (PIS/COFINS) is expected to be recovered as follows:

(€ millions)	2022	*of which GPA*	*of which Sendas*
Within one year	**178**	***113***	***65***
In one to five years	**326**	***287***	***39***
In more than five years	**-**	***-***	***-***
Total	**504**	***399***	***104***

The ICMS tax receivable is expected to be recovered as follows:

(€ millions)	2022	*of which GPA*	*of which Sendas*
Within one year	**206**	***110***	***96***
In one to five years	**120**	***26***	***94***
In more than five years	**40**	***16***	***24***
Total	**366**	***152***	***215***

GPA and Sendas recognise ICMS and other tax credits when they have formally established and documented their 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)	2022	2021
Accumulated impairment losses on other non-current assets at 1 January	**(13)**	**(7)**
Additions	**(2)**	**(5)**
Reversals	**-**	**1**
Other reclassifications and movements	**2**	**(2)**
Accumulated impairment losses on other non-current assets at 31 December	**(12)**	**(13)**

6.10 Other liabilities

(€ millions)	2022			2021 (restated)		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Financial liabilities	**121**	**1,951**	**2,072**	**133**	**1,946**	**2,079**
Derivative instruments – liabilities (Note 11.5.1)	**-**	**4**	**4**	23	1	24
Tax, social security and other liabilities	**54**	**1,492**	**1,546**	64	1,646	1,710
Amounts due to suppliers of non-current assets	**67**	**404**	**471**	46	260	306
Current account advances	**-**	**51**	**51**	-	39	39
Non-financial liabilities	**187**	**1,118**	**1,305**	**92**	**1,250**	**1,342**
Tax, social security and other liabilities(i)	**140(i)**	**877**	**1,017**	56	1,021	1,077
Contract liabilities (Note 6.1.2)	**28**	**117**	**145**	23	104	127
Deferred income	**20**	**123**	**143**	13	124	137
TOTAL	**309**	**3,069**	**3,377**	**225**	**3,196**	**3,422**

(i) Including BRL 600 million (€106 million) in the 9% social contribution surtax on profit (CSLL) recognised by GPA (Note 9.1.2).

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 3.4.2.

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)	2022	2021
Assets pledged as collateral(i)	**138**	301
Bank guarantees given(ii)	**2,359**	2,205
Guarantees given in connection with disposals of non-current assets	**20**	7
Other commitments	**73**	52
Total commitments given	**2,590**	**2,565**
Expiring:		
Within one year	***223***	*154*
In one to five years	***2,327***	*2,319*
In more than five years	***39***	*91*

(i) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2022, this concerns GPA for €103 million, mainly in connection with the tax disputes described in Note 13.2 (2021: €116 million). In 2021, this item also concerned GreenYellow for an amount of €101 million in connection with project-related liabilities. The amount of €138 million at 31 December 2022 (€301 million at 31 December 2021) does not include the guarantees given in connection with the November 2019 financing transaction (Note 11.5.4).

(ii) At 31 December 2022, this amount includes €2,198 million in bank guarantees obtained by GPA and Sendas (31 December 2021: €1,985 million) mainly in connection with the tax disputes described in Note 13.2. It also comprises guarantees issued on behalf of joint ventures for €60 million (31 December 2021: €60 million) described in Note 3.3.7 and a guarantee granted to Aldi in connection with the sale of Leader Price for €50 million (2021: €100 million).

6.11.2 Commitments received

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

(€ millions)	2022	2021
Bank guarantees received	**102**	52
Secured financial assets	**68**	65
Undrawn confirmed lines of credit (Note 11.2.4)	**2,202**	2,216
Other commitments	**27**	53
Total commitments received	**2,398**	**2,386**
Expiring:		
Within one year	***284***	*179*
In one to five years	***1,958***	*2,114*
In more than five years	***157***	*92*

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 (notably "3-6-9"-type leases), the Group considers that it is unable to anticipate this automatic renewal period at the inception of the lease, and that this tacit 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 if the lease premium cannot be separated from the right-of-use asset, or (most commonly) are not amortised, but are tested annually for impairment if the lease premium is distinct from the right-of-use asset.

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 consideration 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 2021	**35**	**4,545**	**181**	**127**	**4,888**
New assets	8	457	14	-	479
Modifications/remeasurements	4	403	2	6	415
Derecognised assets	(7)	(260)	(23)	-	(290)
Depreciation for the year	(6)	(603)	(49)	(9)	(667)
Impairment (losses) reversals, net	-	(21)	(12)		(33)
Changes in scope of consolidation	-	(15)	-	-	(15)
Effect of movements in exchange rates	-	(10)	(1)	1	(9)
IFRS 5 reclassifications	-	(7)	-	-	(7)
Other reclassifications and movements	-	(21)	7	1	(12)
Carrying amount at 31 December 2021	**34**	**4,468**	**120**	**126**	**4,748**
New assets	**5**	**574**	**3**	**9**	**591**
Modifications/remeasurements	**5**	**357**	**1**	**5**	**367**
Derecognised assets	**(6)**	**(170)**	**(21)**	**(15)**	**(213)**
Depreciation for the year	**(5)**	**(636)**	**(29)**	**(11)**	**(681)**
Impairment (losses) reversals, net[i]	**-**	**(105)**	**-**	**(2)**	**(107)**
Changes in scope of consolidation	**(5)**	**(1)**	**(7)**	**-**	**(13)**
Effect of movements in exchange rates	**1**	**127**	**-**	**16**	**144**
IFRS 5 reclassifications	**-**	**(4)**	**(1)**	**(1)**	**(6)**
Other reclassifications and movements	**-**	**57**	**1**	**1**	**60**
Carrying amount at 31 December 2022	**27**	**4,668**	**66**	**128**	**4,889**

(i) Mainly related to a plan to transfer loss-making integrated stores to a franchise model (Note 6.5).

LEASE LIABILITIES

(€ millions)	Notes	2022	2021
Current portion		**743**	718
Non-current portion		**4,447**	4,174
Total	**11.5.4**	**5,190**	**4,891**
of which France Retail		*2,646*	*2,904*
of which Latam Retail[i]		*2,411*	*1,820*
of which E-commerce		*133*	*167*

(i) The increase is primarily attributable to a currency effect and sale and leaseback transactions in Brazil.

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 income statement in respect of leases (excluding lease liabilities):

(€ millions)	2022	2021
Rental expense relating to variable lease payments[i]	**73**	62
Rental expense relating to short-term leases[i]	**6**	6
Rental expense relating to leases of low-value assets that are not short-term leases[i]	**113**	104

(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 €1,135 million (2021: €1,058 million).

7.1.4 Sale-and-leaseback transactions

The impact on the consolidated financial statements of the Group's sale-and-leaseback transactions carried out in 2022 are as follows:

- recognition of a right-of-use asset for €107 million and a lease liability for €147 million;
- decrease of €43 million in property, plant and equipment and of €106 million in assets held for sale (Note 3.5.1);
- recognition of disposal gains of €110 million within other operating income.

In 2022, the main sale-and-leaseback transaction carried out was the transaction planned as part of the operation to convert Extra hypermarkets into Assaí stores and concerning 17 store properties (see Note 2 to the 2021 consolidated financial statements). At 31 December 2022, 16 assets had been sold.

7.2 Group as lessor

OPERATING LEASES

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

(€ millions)	2022	2021
Within one year	**63**	66
In one to two years	**24**	27
In two to three years	**16**	15
In three to four years	**12**	11
In four to five years	**9**	10
In five or more years	**43**	43
Undiscounted value of lease payments receivable	**167**	**173**

The following amounts were recognised in the income statement:

(€ millions)	2022	2021
Operating leases		
Lease income(i)	**148**	119
Sub-letting income included within right-of-use assets	**34**	39

(i) Including €15 million in variable lease payments in 2022 that do not depend on an index or rate (2021: €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 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)	2022			2021		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	**187**	**12**	**199**	233	11	**244**
Jubilees	**23**	**1**	**24**	30	1	**31**
Bonuses for services rendered	**5**	**1**	**6**	10	-	**10**
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**216**	**13**	**228**	**273**	**12**	**285**

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.

The expense relating to defined contribution plans in 2022 was €221 million, of which 86% concerns the Group's French subsidiaries.

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, turnover and mortality rates.

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

	France		International	
	2022	2021	2022	2021
Discount rate	**3.8%**	1.0%	**7.8%-13.7%**	7.8%-8.5%
Expected rate of future salary increases	**2.0%-2.8%**	1.0%-1.9%	**3.5%-9.6%**	3.50%
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 100-basis point increase (decrease) in the discount rate would have the effect of reducing the projected benefit obligation by 8% (increasing the projected benefit obligation by 9%).

A 100-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 9% (reducing the projected benefit obligation by 8%).

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 2022 and 31 December 2021.

(€ millions)		France		International		Total	
		2022	2021	2022	2021	2022	2021
Projected benefit obligation at 1 January		**255**	**267**	**4**	**5**	**259**	**272**
Items recorded in the income statement		**3**	**5**	**4**	**1**	**8**	**5**
Service cost		**19**	20	**-**	-	**19**	20
Interest cost		**2**	2	**1**	-	**3**	2
Past service cost		**-**	-	**4**	-	**4**	-
Curtailments/settlements		**(18)**	(17)	**-**	-	**(18)**	(17)
Items included in other comprehensive income		**(42)**	**(2)**	**(1)**	**(1)**	**(43)**	**(3)**
(1) Actuarial (gains) and losses related to:		**(42)**	(2)	**(1)**	(1)	**(43)**	(2)
(i) changes in financial assumptions		***(44)***	*(4)*	***(1)***	*(1)*	***(45)***	*(4)*
(ii) changes in demographic assumptions		***(5)***	*-*	***-***	*-*	***(5)***	*-*
(iii) experience adjustments		***7***	*2*	***-***	*-*	***7***	*2*
(2) Effects of movements in exchange rates		**-**	-	**-**	-	**-**	-
Other		**(10)**	**(15)**	**(1)**	**(1)**	**(11)**	**(16)**
Paid benefits		**(14)**	(14)	**(1)**	(1)	**(14)**	(15)
Changes in scope of consolidation		**(1)**	(1)	**-**	-	**(1)**	(1)
Other movements		**5**	-	**-**	-	**5**	-
Projected benefit obligation at 31 December	**A**	**205**	**255**	**7**	**4**	**213**	**259**
Weighted average duration of plans						**14**	**17**

(€ millions)		France		International		Total	
		2022	2021	2022	2021	2022	2021
Fair value of plan assets at 1 January		**16**	**17**	**-**	**-**	**16**	**17**
Items recorded in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on plan assets		**-**	-	**-**	-	**-**	-
Items included in other comprehensive income		**-**	**1**	**-**	**-**	**-**	**1**
Actuarial (losses) gains (experience adjustments)		**-**	1	**-**	-	**-**	1
Effect of movements in exchange rates		**-**	-	**-**	-	**-**	-
Other		**(2)**	**(2)**	**-**	**-**	**(2)**	**(2)**
Paid benefits		**(2)**	(2)	**-**	-	**(2)**	(2)
Changes in scope of consolidation		**-**	-	**-**	-	**-**	-
Other movements		**-**	-	**-**	-	**-**	-
Fair value of plan assets at 31 December	**B**	**14**	**16**	**-**	**-**	**14**	**16**

(€ millions)		France		International		Total	
		2022	2021	2022	2021	2022	2021
NET POST-EMPLOYMENT BENEFIT OBLIGATION	**A-B**	**191**	**239**	**7**	**4**	**199**	**244**
Unfunded projected benefit obligation under funded plans		**1**	**1**	**-**	**-**	**1**	**1**
Projected benefit obligation under funded plans		**15**	16	**-**	-	**15**	16
Fair value of plan assets		**(14)**	(16)	**-**	-	**(14)**	(16)
Projected benefit obligation under unfunded plans		**190**	**238**	**7**	**4**	**198**	**243**

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	
	2022	2021	2022	2021	2022	2021
At 1 January	**240**	**250**	**4**	**5**	**244**	**255**
Expense for the year	**3**	5	**4**	1	**8**	5
Actuarial gains and losses	**(43)**	(2)	**(1)**	(1)	**(43)**	(2)
Effect of movements in exchange rates	**-**	-	**-**	-	**-**	-
Paid benefits	**(12)**	(12)	**(1)**	(1)	**(12)**	(13)
Partial reimbursement of plan assets	**-**	-	**-**	-	**-**	-
Changes in scope of consolidation	**(1)**	(1)	**-**	-	**(1)**	(1)
Other movements	**5**	-	**-**	-	**5**	-
At 31 December	**192**	**240**	**7**	**4**	**199**	**244**

BREAKDOWN OF EXPENSE FOR THE YEAR

(€ millions)	France		International		Total	
	2022	2021	2022	2021	2022	2021
Service cost	**19**	20	**-**	-	**19**	20
Interest cost(i)	**2**	2	**-**	-	**3**	2
Past service cost	**-**	-	**4**	-	**4**	-
Curtailments/settlements	**(18)**	(17)	**-**	-	**(18)**	(17)
Expense for the year	**3**	**4**	**4**	**1**	**7**	**5**

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

UNDISCOUNTED FUTURE CASH FLOWS

(€ millions)	Statement of financial position	Undiscounted cash flows					
		2023	2024	2025	2026	2027	Beyond 2027
Post-employment benefits	199	12	10	14	18	25	820

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 2022 was €13 million (2021: €14 million), including €5 million each for Casino, Guichard-Perrachon and GPA, and €3 million for Sendas. The impact on equity was an increase for the same amount.

8.3.2 Casino, Guichard-Perrachon stock option plans

At 31 December 2022, 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 unvested shares at 31 December 2022	Of which number of performance shares[i]	Share price (€)[ii]	Fair value of the share (€)[ii]
15/12/2022	31/08/2024	61,836	**61,836**	-	10.33	10.33
10/05/2022	28/02/2024	6,798	**4,326**	-	16.69	16.31
10/05/2022	10/05/2025	318,727	**252,635**	252,635	16.69	14.37
15/12/2021	31/07/2023	9,052	**9,052**	-	23.25	22.55
28/07/2021	30/04/2023	22,641	**22,045**	-	24.50	23.62
28/07/2021	31/01/2023	7,049	**7,049**	-	24.50	23.35
28/07/2021	28/07/2026	3,972	**3,972**	3,972	24.50	16.76
28/07/2021	28/07/2024	231,932	**149,857**	149,857	24.50	18.46
27/04/2020	27/04/2025	8,171	**8,171**	8,171	35.87	26.25
27/04/2020	27/04/2023	160,033	**95,794**	95,794	35.87	25.34
07/05/2019	07/05/2024	7,809	**7,809**	7,809	35.49	14.65
15/05/2018	15/05/2023	7,326	**3,808**	3,808	40.75	17.01
TOTAL		**845,346**	**626,354**	**522,046**		

(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	2022	2021
Unvested shares at 1 January	**880,921**	**621,481**
Free share rights granted	**387,361**	538,969
Free share rights cancelled	**(300,381)**	(47,082)
Shares issued	**(341,547)**	(232,447)
Unvested shares at 31 December	**626,354**	**880,921**

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 31/12/2022 (*thousands*)
C7 Series	31/01/2021	31/05/2023	30/11/2023	497	12.60	**217**
B7 Series	31/01/2021	31/05/2023	30/11/2023	673	0.01	**223**
C8 Series	31/05/2022	31/05/2025	30/11/2025	1,328	17.28	**1,328**
B8 Series	31/05/2022	31/05/2025	30/11/2025	1,617	0.01	**1,270**
					8.46	**3,038**

MAIN ASSUMPTIONS USED TO VALUE STOCK OPTIONS

GPA uses the following assumptions to value its plans ("Series" 7 and 8 respectively):

- dividend yield: 1.61% and 4.50%;
- projected volatility: 37.09% and 43.48%;
- risk-free interest rate: 5.47% and 11.96%.

The average fair value of outstanding stock options at 31 December 2022 was BRL 12.80 or €2.27.

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

	2022		2021	
	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	**1,412**	**5.71**	**1,468**	**30.71**
of which exercisable options	**-**	**-**	-	-
Options granted during the year	**2,945**	**7.80**	1,225	22.37
Options exercised during the year	**(985)**	**1.94**	(1,157)	7.65
Options cancelled during the year	**(291)**	**10.82**	(54)	10.50
Options that expired during the year	**(43)**	**6.34**	(70)	11.57
Options outstanding at 31 December	**3,038**	**8.46**	**1,412**	**5.71**
of which exercisable options	**-**	**-**	**-**	**-**

8.3.5 Features of Sendas 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 Sendas 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 31/12/2022 (thousands)
B8 Series	31/05/2021	01/06/2024	30/11/2024	363	0.01	**314**
C8 Series	31/05/2021	01/06/2024	30/11/2024	363	13.39	**314**
B9 Series	31/05/2022	01/06/2025	30/11/2025	2,163	0.01	**2,131**
C9 Series	31/05/2022	01/06/2025	30/11/2025	1,924	12.53	**1,892**
					6.01	**4,651**

MAIN ASSUMPTIONS USED TO VALUE STOCK OPTIONS

Sendas uses the following assumptions to value its plans ("Series" 8 and 9 respectively):

- dividend yield: 1.28% and 1.20%;
- projected volatility: 37.06% and 37.29%;
- risk-free interest rate: 7.66% and 12.18%;
- exit rate: 8%.

The average fair value of outstanding stock options at 31 December 2022 was BRL 17.21, BRL 7.69, BRL 15.27 and BRL 7.35, respectively, for the B8, C8, B9 and C9 Series (€3.05, €1.36, €2.71 and €1.30, respectively, for these Series).

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

	2022		2021	
	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	**668**	**6.70**	**-**	**-**
of which exercisable options	**-**	**-**	-	-
Options granted during the year	**4,087**	**5.90**	726	6.70
Options exercised during the year	**(104)**	**6.01**	-	-
Options cancelled during the year	**-**	**-**	(58)	6.70
Options that expired during the year	**-**	**-**	-	-
Options outstanding at 31 December	**4,651**	**6.01**	**668**	**6.70**
of which exercisable options	**-**	**-**	**-**	**-**

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

(€ millions)	**2022**	**2021**
Short-term benefits excluding social security contributions(i)	**16**	25
Social security contributions on short-term benefits	**6**	4
Termination benefits for key executives	**6**	-
Share-based payments(ii)	**1**	3
Total	**30**	**32**

(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	**2022**	**2021**
Managers	**10,395**	10,811
Staff	**158,802**	165,454
Supervisors	**19,614**	20,043
Group total	**188,811**	**196,307**

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 Senior 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.

On 14 December 2022, all EU Member States formally adopted the Directive, which aims to ensure a global minimum level of taxation for multinationals and large-scale domestic groups in the Union, implementing at EU level the global agreement reached by the OECD Inclusive Framework on 8 October 2021.
The Pillar 2 Directive should be transposed into French law before the end of 2023. Its provisions will be applicable to financial years beginning on or after 31 December 2023 (for the tax liability rule, while the under-taxed payments rule will be applicable to financial years beginning on or after 31 December 2024).

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	2022			2021 (restated)		
	France	International	Total	France	International	Total
Current income tax	(62)	57	(5)	(34)	(79)	(114)
Other taxes (CVAE)	(27)	-	(27)	(30)	-	(30)
Deferred taxes	(73)	114	41	29	201	230
Total income tax (expense) benefit recorded in the income statement	**(162)**	**171**	**9**	**(35)**	**121**	**86**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**(12)**	**(1)**	**(13)**	**(10)**	**(1)**	**(10)**
Income tax on items recognised in equity	**-**	**(118)**	**(118)**	**1**	**-**	**1**

9.1.2 Tax proof

(€ millions)	2022		2021 (restated)	
Profit (loss) before tax	**(334)**		**(283)**	
Theoretical income tax benefit (expense)[(i)]	**86**	**-25.83%**	**80**	**-28.41%**
Reconciliation of the theoretical income tax benefit (expense) to the actual income tax benefit (expense)				
Impact of differences in foreign tax rates	**(28)**	**8.5%**	(29)	10.4%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[(ii)]	**24**	**-7.3%**	13	-4.7%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[(iii)]	**(327)**	**98.1%**	(58)	20.4%
Change in corporate tax rate[(iv)]	**(47)**	**14.1%**	(19)	6.5%
CVAE net of income tax	**(20)**	**6.0%**	(22)	7.6%
Non-deductible interest expense[(v)]	**(21)**	**6.2%**	(24)	8.5%
Non-deductible asset impairment losses	**3**	**-0.9%**	(3)	0.9%
Other taxes on distributed earnings[(vi)]	**(7)**	**2.0%**	(4)	1.5%
Deductible interest on deeply-subordinated perpetual bonds	**13**	**-3.9%**	10	-3.7%
Reduced-rate asset disposals and changes in scope of consolidation[(vii)]	**269**	**-80.7%**	(27)	9.7%
Change in Brazilian taxation[(viii)]	**73**	**-21.9%**	171	-60.4%
Other	**(10)**	**3.0%**	(3)	1.2%
Actual income tax benefit (expense)/Effective tax rate	**9**	**-2.7%**	**86**	**-30.5%**

(i) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 25.83% (28.41% in 2021)

(ii) In 2022, this primarily concerns the France Retail segment in an amount of €21 million. In 2021, it concerned the France Retail segment for €9 million and the Latam Retail segment for €4 million.

(iii) In 2022, this concerns France Retail, Latam Retail and E-commerce segments for negative amounts of €285 million, €8 million and €34 million, respectively (Notes 9.2.3 and 9.2.4). During the year, and in accordance with IAS 12, the Group capped its recognition of deferred taxes relating to the tax losses of the Casino, Guichard-Perrachon tax consolidation group and recorded an expense of €240 million. In 2021, this concerned the France Retail segment for €21 million, the Latam Retail segment for €22 million and the E-commerce segment for €15 million.

(iv) As a result of a Brazilian Federal Supreme Court (STF) ruling dated February 2023, which has been applied retrospectively since 2007, GPA is now liable for the 9% social contribution surtax on profit (CSLL) which, together with the corporate income tax rate of 25%, raises its tax rate to 34%. As a result of this ruling, a non-current tax liability was recognised for BRL 600 million (€106 million – Note 6.10). The impact of this ruling, net of the revised deferred tax amount, is an expense of BRL 407 million (€75 million).

(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) In 2022 relating to (a) the Group's plan to dispose of non-strategic assets and, in particular, GreenYellow and Mercialys, and (b) the ongoing restructuring of our Brazilian operations.

(viii) Following a change in Brazilian legislation in the second half of 2021 stipulating the non-taxation of investment grants, a tax reduction was recognised in respect of grants received in 2022, in line with the reduction already recognised in the second half of 2021. In 2021, further to a change in Brazilian legislation, the tax on investment grants was cancelled and a tax credit of €125 million recognised in respect of taxation levied in previous years. The Brazilian subsidiaries also benefited from a favourable ruling from the STF regarding the exclusion of monetary corrections relating to judicial proceedings from the tax base. This resulted in the recognition of a tax credit for €46 million.

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2022	2021 (restated)
At 1 January	**1,195**	**1,022**
(Expense) benefit for the year[(i)]	**132**	191
Impact of changes in scope of consolidation	**2**	1
IFRS 5 reclassifications	**3**	-
Effect of movements in exchange rates and other reclassifications	**165**	(11)
Changes recognised directly in equity and other comprehensive income	**(8)**	(7)
At 31 December	**1,490**	**1,195**

(i) Impairment, net.

The deferred tax benefit net of deferred tax liabilities (Note 9.2.2) relating to discontinued operations was €9 million in 2022 (€76 million in 2021).

9.2.2 Change in deferred tax liabilities

(€ millions)	2022	2021
At 1 January	**405**	**508**
Expense/(benefit) for the year	**82**	(115)
Impact of changes in scope of consolidation	**(2)**	1
IFRS 5 reclassifications	**-**	-
Effect of movements in exchange rates and other reclassifications	**13**	11
Changes recognised directly in equity and other comprehensive income	**4**	-
At 31 December	**503**	**405**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Notes	Net	
		2022	2021 (restated)
Intangible assets		**(571)**	(466)
Property, plant and equipment		**165**	(34)
Right-of-use assets net of lease liabilities		**214**	166
Inventories		**25**	26
Financial instruments		**(7)**	15
Other assets		**(86)**	(42)
Provisions		**256**	174
Regulated provisions		**(55)**	(58)
Other liabilities		**80**	43
Tax loss carryforwards and tax credits		**966**	965
Net deferred tax asset (liability)		**987**	**790**
Deferred tax assets recognised in the statement of financial position	9.2.1	**1,490**	1,195
Deferred tax liabilities recognised in the statement of financial position	9.2.2	**503**	405
Net		**987**	**790**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €124 million in 2022 versus €103 million in 2021.

Recognised tax loss carryforwards and tax credits mainly concern the Casino, Guichard-Perrachon, GPA 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 2022, deferred tax assets amounted to €509 million for Casino, Guichard-Perrachon, €175 million for GPA and €77 million for Éxito. These amounts are expected to be recovered by 2030 (Casino, Guichard-Perrachon and GPA), and 2027 (Éxito).

Deferred tax assets are recognised on tax loss carryforwards over the period during which they are expected to be recovered, based on the likely existence of future taxable profits. The estimated recovery of tax loss carryforwards is based on the achievement of projected taxable profit targets. For example, for the Casino, Guichard-Perrachon tax group, achieving an average of 85% of the operating profitability targets over the period of the plan would mean not being able to use €150 million in deferred taxes arising on tax losses (able to be carried forward indefinitely).

9.2.4 Unrecognised deferred tax assets

At 31 December 2022, unrecognised deferred tax assets arising on tax loss carryforwards amounted to approximately €1,663 million, representing an unrecognised deferred tax effect of €436 million (€821 million at 31 December 2021, representing an unrecognised deferred tax effect of €221 million). These losses mainly relate to the Casino, Guichard-Perrachon tax group, the Franprix sub-group and Cdiscount, and can mostly be carried forward indefinitely.

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 2022 Net	31 December 2021 Net
France Retail	**4,375**	**4,309**
Hypermarkets, supermarkets and convenience stores	*1,594*	*1,523*
Franprix	*1,456*	*1,449*
Monoprix	*1,319*	*1,327*
Other	*6*	*10*
E-commerce (France)	**58**	**61**
Latam Retail	**2,500**	**2,298**
Argentina	*88*	*75*
Brazil – GPA	*636*	*569*
Brazil – Assaí	*1,154*	*1,031*
Colombia	*363*	*406*
Uruguay	*259*	*217*
Casino Group	**6,933**	**6,667**

10.1.2 Movements for the year

(€ millions)	2022	2021
Carrying amount at 1 January	**6,667**	**6,656**
Goodwill recognised during the year	**19**	17
Impairment losses recognised during the year	**-**	-
Goodwill written off on disposals	**(13)**	(5)
Effect of movements in exchange rates	**160**	(24)
Reclassifications and other movements	**100**	24
Carrying amount at 31 December	**6,933**	**6,667**

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)	2022			2021 (restated)		
	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and	**1,335**	**(113)**	**1,222**	1,315	(110)	1,205
Software	**1,736**	**(1,134)**	**602**	1,543	(1,001)	543
Other	**484**	**(242)**	**241**	489	(230)	259
Intangible assets	**3,554**	**(1,490)**	**2,065**	**3,347**	**(1,341)**	**2,006**

10.2.2 Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2021 (restated)	**1,264**	**483**	**302**	**2,048**
Changes in scope of consolidation	29	-	(5)	23
Additions and acquisitions	1	87	173	262
Assets disposed of during the year	-	(1)	(1)	(2)
Amortisation for the year	(2)	(149)	(68)	(219)
Impairment (losses) reversals, net[(iii)]	(79)	(3)	(9)	(90)
Effect of movements in exchange rates	(7)	1	(1)	(8)
IFRS 5 reclassifications	-	(10)	(18)	(28)
Other reclassifications and movements	(1)	135	(113)	21
Carrying amount at 31 December 2021 (restated)	**1,205[(i)]**	**543**	**259[(ii)]**	**2,006**
Changes in scope of consolidation	**(27)**	**(7)**	**(26)**	**(59)**
Additions and acquisitions	**1**	**138**	**151**	**290**
Assets disposed of during the year	**-**	**(3)**	**(1)**	**(3)**
Amortisation for the year	**(2)**	**(182)**	**(57)**	**(241)**
Impairment (losses) reversals, net	**-**	**(10)**	**(4)**	**(13)**
Effect of movements in exchange rates	**44**	**17**	**-**	**61**
IFRS 5 reclassifications	**3**	**-**	**(20)**	**(17)**
Other reclassifications and movements	**(2)**	**105**	**(61)**	**42**
Carrying amount at 31 December 2022	**1,222[(i)]**	**602**	**241[(ii)]**	**2,065**

(i) Including trademarks for €1,220 million (31 December 2021: €1,176 million).
(ii) Including costs to obtain contracts for €113 million (31 December 2021: €101 million) (Note 6.1.2).
(iii) Of which €78 million relating to impairment losses recognised against the Extra trademark in 2021 (Note 6.5).

Internally-generated intangible assets (mainly information systems developments) represented €107 million at 31 December 2022 (31 December 2021: €103 million).

Intangible assets at 31 December 2022 include trademarks with an indefinite life, carried in the statement of financial position for €1,220 million, allocated to the following groups of CGUs:

(€ millions)	2022	2021
Latam Retail	**644**	**600**
of which Brazil – GPA[(i)]	***415***	*371*
of which Brazil – Sendas[(i)]	***90***	*81*
of which Colombia	***113***	*127*
of which Uruguay	***25***	*21*
France Retail	**567**	**567**
of which Casino France	***1***	*1*
of which Monoprix[(i)]	***566***	*566*
E-commerce	**9**	**9**

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

(€ millions)	2022	2021
Brazil – GPA	**415**	**371**
Pão de Açúcar	185	165
Extra	229	205
Other	1	1
Brazil – Sendas	**90**	**81**
Assaí	90	81
Monoprix	**566**	**566**
Monoprix	552	552
Other	14	14

Intangible assets were tested for impairment at 31 December 2022 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)	2022 Gross amount	2022 Accumulated depreciation and impairment	2022 Net	2021 Gross amount	2021 Accumulated depreciation and impairment	2021 Net
Land and land improvements	**843**	**(106)**	**737**	752	(88)	664
Buildings, fixtures and fittings	**3,673**	**(1,338)**	**2,335**	2,813	(1,074)	1,739
Other non-current assets(i)	**7,066**	**(4,820)**	**2,247**	6,659	(4,421)	2,238
Property, plant and equipment	**11,582**	**(6,264)**	**5,319**	**10,224**	**(5,582)**	**4,641**

(i) Other non-current assets consist mainly of facilities, machinery and equipment.

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 2021	**660**	**1,559**	**2,060**	**4,279**
Changes in scope of consolidation	-	(5)	46	41
Additions and acquisitions	35	268	719	1,021
Assets disposed of during the year	(10)	(4)	(33)	(46)
Depreciation for the year	(3)	(104)	(333)	(440)
Impairment (losses) reversals, net	(3)	(20)	(99)	(123)
Effect of movements in exchange rates	(15)	(22)	(11)	(48)
IFRS 5 reclassifications(i)	(22)	(75)	(21)	(118)
Other reclassifications and movements	23	141	(90)	74
Carrying amount at 31 December 2021	**664**	**1,739**	**2,238**	**4,641**
Changes in scope of consolidation	**-**	**(128)**	**(351)**	**(479)**
Additions and acquisitions	**14**	**716**	**855**	**1,586**
Assets disposed of during the year	**(8)**	**(27)**	**(105)**	**(140)**
Depreciation for the year	**(3)**	**(101)**	**(355)**	**(459)**
Impairment (losses) reversals, net	**(6)**	**(16)**	**(102)**	**(125)**
Effect of movements in exchange rates	**(3)**	**72**	**63**	**131**
IFRS 5 reclassifications	**60**	**60**	**44**	**164**
Other reclassifications and movements	**20**	**19**	**(40)**	**(1)**
Carrying amount at 31 December 2022	**737**	**2,335**	**2,247**	**5,319**

(i) In 2021, this mainly concerned the reclassification of property, plant and equipment as "Assets held for sale" (i) at GPA, for an amount of BRL 517 million (€82 million) in respect of the 17 store properties concerned by a sale-and-leaseback transaction (Note 3.5.1) and (ii) at Sendas, for an amount of BRL 349 million (€59 million) (Note 3.5.1).

Property, plant and equipment were tested for impairment at 31 December 2022 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 2022 amounted to €78 million, reflecting an average interest rate of 13% (2021: €8 million at an average rate of 7.4%).

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)	2022			2021		
	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Investment property	**546**	**(143)**	**403**	**540**	**(129)**	**411**

10.4.2 Movements for the year

(€ millions)	2022	2021
Carrying amount at 1 January	**411**	**428**
Changes in scope of consolidation	**-**	-
Additions and acquisitions	**22**	22
Assets disposed of during the year	**(1)**	-
Depreciation	**(11)**	(13)
Impairment (losses) reversals, net	**(1)**	(3)
Effect of movements in exchange rates	**(48)**	(31)
IFRS 5 reclassifications	**-**	-
Other reclassifications and movements(i)	**30**	9
Carrying amount at 31 December	**403**	**411**

(i) Including €28 million at end-2022 (31 December 2021: €19 million) relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2022, investment property totalled €403 million, of which 65% (€260 million) concerned Éxito. Investment property at 31 December 2021 amounted to €411 million, of which 68% concerned Éxito.

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

(€ millions)	2022	2021
Rental revenue from investment properties	**84**	66
Directly attributable operating expenses on investment properties		
- that generated rental revenue during the year	**(20)**	(18)
- that did not generate rental revenue during the year	**(18)**	(16)

FAIR VALUE OF INVESTMENT PROPERTY

The main investment properties at both end-2022 and end-2021 were held by Éxito.
At 31 December 2022, the fair value of investment property was €716 million (31 December 2021: €687 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 €1 million at 31 December 2022 and primarily concerned the Latam Retail segment (31 December 2021: €1 million, also primarily concerning the Latam 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 year

Net impairment losses recognised in 2022 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €246 million (Note 6.5), of which €224 million arose in relation to individual assets (mainly in the France Retail segment for €211 million, the Latam Retail segment for €8 million and the E-commerce segment for €6 million), €33 million in relation to restructuring operations (mainly in the France Retail segment for €24 million and in the Latam Retail segment for €9 million), and a negative €11 million impact in relation to changes in the scope of consolidation (mainly in the Latam Retail segment).

Further to the impairment tests conducted in 2021, the Group recognised net impairment losses on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €249 million (Note 6.5), of which €73 million arose in relation to individual assets (mainly in the France Retail segment for €65 million, the Latam Retail segment for €7 million and the E-commerce segment for €2 million), €131 million in relation to changes in the scope of consolidation (mainly in the Latam Retail segment for €113 million and in the France Retail segment for €18 million), and €45 million in relation to restructuring operations (mainly in the France Retail segment for €34 million and the Latam Retail segment for €11 million).

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 2022 for internal calculations of values in use

Region	2022 perpetual growth rate(i)	2022 after-tax discount rate(ii)	2021 perpetual growth rate(i)	2021 after-tax discount rate(ii)
France (retail)	**2.0%**	**6.1%**	**1.4%**	**5.5%**
France (other)(iii)	**2.0%**	**6.1% and 8.6%**	**1.4% and 1.9%**	**5.5% and 7.5%**
Argentina(iv)	**-**	**-**	**4.0%**	**11.6%**
Brazil – GPA (iii)	**5.4%**	**11.0%**	**4.6%**	**10.0%**
Brazil – Assaí(iii)	**5.4%**	**12.2%**	**6.6%**	**10.4%**
Colombia(iii)	**3.7%**	**7.4%**	**3.0%**	**7.4%**
Uruguay	**5.4%**	**9.2%**	**5.8%**	**8.6%**

(i) In 2022, the inflation-adjusted perpetual growth rate was nil (2021: 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 2022, the market capitalisation of the listed subsidiaries was as follows: GPA €791 million, Sendas €4,659 million, Éxito €853 million and Cnova €1,067 million. With the exception of Cnova and Sendas, 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).
(iv) For Argentina, the recoverable amount was determined using the adjusted net asset value method.

No impairment loss was recognised at 31 December 2022 from the annual goodwill impairment test conducted at the end of the year.

With the exception of GPA and Argentina, 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.

The recoverable amount of the GPA CGU was determined by reference to its value in use, calculated from cash flow projections based on three-year financial budgets approved by Senior Management, extrapolation of projections over a period of two years, a terminal value calculated from perpetual capitalisation of notional annual cash flow based on cash flows taken from the last year of forecasts, and a 11.01% discount rate (2021: 10.00%).

Management believes that a cumulative change in key assumptions could result in a carrying amount equal to the recoverable amount. The table below shows the individual change of the key assumptions required for the estimated recoverable value of the GPA CGU to equal its carrying amount (including €636 million in goodwill).

Change required for the GPA CGU carrying amount to equal its recoverable value	31 December 2022
Post-tax discount rate	**+233 bps**
Perpetual growth rate net of inflation	**-342 bps**
EBITDA margin used for the annual cash flow projection	**-152 bps**

For Argentina, the recoverable amount was determined using the adjusted net asset value method. The remeasurement relates to the Company's property portfolio, which is measured at fair value less costs to sell. Fair value was estimated on the basis of appraisals made by independent experts of all the real estate assets owned by the subsidiary. A 4.9% decrease in fair value less costs to sell would reduce the recoverable amount to the carrying amount.

10.5.3 Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method as applied to the CGU of the relevant banner. The main trademarks concern the subsidiaries GPA and Monoprix. The Extra and Pão de Açucar banners in Brazil which own the brands with a net carrying amount of €229 million and €185 million, respectively, at 31 December 2022, were tested for impairment. No impairment was recognised as a result of this test. 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 the terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value) would have led the recoverable amount to equal the carrying amount.

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 and Sendas 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 and Sendas 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 3.4.1.

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), and (iv) financial assets arising from a significant disposal of non-current assets.
Previously, the Group also monitored net debt after IFRS 5, which led it to reduce gross debt by its share of the net assets held for sale of the selling subsidiary.

11.1 Net cash and cash equivalents

(€ millions)	2022	2021
Cash equivalents	**1,648**	1,169
Cash	**856**	1,114
Cash and cash equivalents	**2,504**	**2,283**
Bank overdrafts (Note 11.2.4)	**(239)**	(59)
Net cash and cash equivalents	**2,265**	**2,224**

As of 31 December 2022, 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 €9,204 million at 31 December 2022 (31 December 2021: €8,829 million), breaking down as follows:

(€ millions)	Notes	2022			2021		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[i]	11.2.3	**4,971**	**79**	**5,050**	4,918	492	5,410
Other loans and borrowings	11.2.4	**2,240**	**1,733**	**3,972**	2,533	876	3,409
Economic and fair value hedges – liabilities[ii]	11.5.1	**167**	**15**	**182**	9	1	11
Gross borrowings and debt[iii]		**7,377**	**1,827**	**9,204**	**7,461**	**1,369**	**8,829**
Economic and fair value hedges – assets[iv]	11.5.1	**(85)**	**(5)**	**(91)**	(28)	(7)	(35)
Other financial assets[iii][v]	6.8.1/6.9.1	**(24)**	**(216)**	**(239)**	(41)	(613)	(654)
Loans and borrowings[vi]		**7,268**	**1,606**	**8,874**	**7,392**	**749**	**8,141**
of which France Retail		***4,281***	***344***	***4,625***	*4,818*	*122*	*4,940*
of which Latam Retail[vii]		***2,945***	***989***	***3,934***	*2,514*	*329*	*2,843*
of which E-commerce		***43***	***273***	***316***	*60*	*298*	*358*
Cash and cash equivalents	11.1	**-**	**(2,504)**	**(2,504)**	-	(2,283)	(2,283)
of which France Retail				***(421)***			*(541)*
of which Latam Retail				***(2,070)***			*(1,721)*
of which E-commerce				***(14)***			*(21)*
NET DEBT		**7,268**	**(898)**	**6,370**	**7,392**	**(1,534)**	**5,858**
of which France Retail				***4,204***			*4,399*
of which Latam Retail				***1,864***			*1,122*
of which E-commerce				***302***			*337*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5.1	**-**	**(97)**	**(97)**	-	(798)	(798)
NET DEBT after IFRS 5 (assets held for sale)		**7,268**	**(996)**	**6,273**	**7,392**	**(2,331)**	**5,060**
of which France Retail				***4,124***			*3,737*
of which Latam Retail				***1,847***			*991*
of which E-commerce				***302***			*333*

(i) Including €2,812 million in France and €2,238 million in Brazil at 31 December 2022 (31 December 2021: €3,687 million in France and €1,724 million in Brazil) (Note 11.2.3).

(ii) Including €166 million in France and €16 million in Brazil at 31 December 2022 (31 December 2021: €4 million in France and €7 million in Brazil).

(iii) Including secured gross debt of €2,145 million. This indicator is used to calculate the covenants following the amendment to the revolving credit facility since 30 June 2021 (RCF) (Note 11.5.4).

(iv) Including €58 million in France and €32 million in Brazil at 31 December 2022 (31 December 2021: €30 million in France and €5 million in Brazil).

(v) Including mainly €124 million placed in segregated accounts and posted as collateral (of which €36 million in respect of the revolving credit facility (RCF) – Note 11.5.4) and €104 million of financial assets following the disposal of non-current assets at 31 December 2022 (31 December 2021: €514 million placed in segregated accounts and posted as collateral, of which €484 million in respect of the revolving credit facility (RCF), and €122 million in financial assets further to a major disposal of non-current assets comprising contingent consideration recognised in the year for €94 million, of which €5 million in non-current items).

(vi) The Group defines "Loans and borrowings" as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets.

(vii) Segisor is included in the presentation of the Latam Retail segment. Segisor loans and borrowings had been repaid in full at 31 December 2022 (31 December 2021: €149 million).

11.2.2 Change in financial liabilities

(€ millions)	2022	2021
Gross borrowings and debt at 1 January	*8,829*	*8,056*
Economic and fair value hedges – assets	*(35)*	*(92)*
Other financial assets	*(654)*	*(586)*
Loans and borrowings at beginning of year	**8,141**	**7,378**
New borrowings(i)(iii)(viii)	**1,973**	4,203
Repayments of borrowings(ii)(iii)(viii)	**(1,984)**	(3,514)
Change in fair value of hedged debt	**(82)**	(13)
Change in accrued interest	**184**	57
Foreign currency translation adjustments(iv)	**255**	4
Changes in scope of consolidation(v)	**(260)**	62
Reclassification of financial liabilities associated with non-current assets held for sale	**5**	-
Change in other financial assets(vi)	**417**	(67)
Other and reclassifications(vii)	**226**	31
Loans and borrowings at end of year	**8,874**	**8,141**
Gross borrowings and debt at end of period (Note 11.2.1)	*9,204*	*8,829*
Economic and fair value hedges – assets (Note 11.2.1)	*(91)*	*(35)*
Other financial assets (Note 11.2.1)	*(239)*	*(654)*

(i) New borrowings in 2022 mainly included the following: (a) the use by Casino, Guichard-Perrachon of the revolving credit facility for €50 million, (b) the issue by Sendas of debentures for BRL 2,850 million (€524 million), of commercial paper for BRL 1,150 million (€211 million) and new bank loans for BRL 3,201 million (€589 million), (c) the issue by GreenYellow of bonds convertible into shares with warrants for €109 million (Note 2), and (d) the use of confirmed bank lines and the issue of new bank loans by Éxito for COP 764 billion (€171 million).
New borrowings in 2021 mainly included: (a) an unsecured bond issue by Casino, Guichard-Perrachon maturing in April 2027 and a new term loan ("Term Loan B") maturing in August 2025 for a total nominal amount of €1,950 million (Note 2), (b) issues by GPA of debentures for BRL 1,500 million (€235 million) and promissory notes for BRL 1,000 million (€157 million), along with new bank loans contracted for BRL 1,067 million (€167 million), (c) issues by Sendas of debentures for BRL 3,100 million (€486 million) and promissory notes for BRL 2,500 million (€392 million), along with new bank loans contracted for BRL 591 million (€93 million), (d) drawdowns on confirmed bank credit lines at Monoprix for €170 million, (e) drawdowns on confirmed bank credit lines and new bank loans taken out by Éxito for COP 810 billion (€183 million), (f) the refinancing at Segisor of the €188 million bank loan maturing in December 2021, resulting in the repayment of €188 million in the period and a new liability contracted for the same amount (see below in (ii)), and (g) a new €30 million bond issue at GreenYellow along with new bank loans and liabilities contracted with its subsidiaries' shareholders (€82 million).

(ii) Repayments of borrowings in 2022 relate mainly to (i) Casino, Guichard-Perrachon (of which €249 million in repayments of NEU CP negotiable short-term debt, €314 million in redemptions of the 2022 bond issue and €232 million in partial redemptions of the January 2023 and March 2024 bond issues), (ii) Quatrim with the partial redemption of secured high-yield bonds for €147 million, and (iii) GPA with BRL 2,000 million (€368 million) in bond redemptions.
Repayments of borrowings in 2021 mainly concerned (i) Casino, Guichard-Perrachon (of which €1,225 million relating to the early repayment of the initial Term Loan B (Note 2), €148 million relating to redemption of the 2021 and 2022 bonds and €165 million to partial early redemptions of the January 2023, March 2024, February 2025 and August 2026 bonds in connection with public buyback offers launched at the end of the year (Note 2)), (ii) GPA (of which BRL 2,450 million (€384 million) in redemptions of bonds and BRL 902 million (€141 million) in repayments of bank loans), (iii) Sendas (of which BRL 5,796 million (€908 million) in redemptions of bonds and BRL 279 million (€44 million) in repayments of bank loans), (iv) Éxito for COP 916 billion (€207 million) in repayments of confirmed credit lines and bank loans, and (v) Segisor for €226 million.

(iii) Cash flows relating to financing activities in 2022 represent a net outflow of €658 million, with new borrowings of €1,973 million offset by repayments of borrowings for €1,984 million and net interest payments of €647 million (excluding interest on lease liabilities).
Cash flows relating to financing activities in 2021 represented a net inflow of €245 million, with new borrowings of €4,203 million broadly offset by repayments of borrowings for €3,514 million and net interest payments of €444 million (excluding interest on lease liabilities).

(iv) In 2022, foreign currency translation adjustments primarily concern Brazil for €261 million

(v) In 2022, including a negative impact of €263 million resulting from the loss of control of GreenYellow (Note 3.1.3).

(vi) In 2022, changes in other financial assets essentially related to the use of the segregated account (Note 4.11).
In 2021, changes in other financial assets primarily resulted from the recognition of contingent consideration (earn-out) not collected, representing a negative €94 million impact

(vii) Including an increase in bank overdrafts for €175 million in 2022 and a reduction of €11 million in 2021.

(viii) 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	2022(iii)	2021(iii)
Casino, Guichard-Perrachon bonds in EUR	**2,287**					**2,151**	**2,892**
2022 bonds	-	F: 1.87%	2.55%	June 2017 January 2018	June 2022	**-**	**313**
2023 bonds	36(iv)	F: 4.56%	4.47%	January 2013 May 2013	January 2023	**36**	**224**
2024 bonds	509(iv)	F: 4.50%	4.88%	March 2014	March 2024	**498**	**574**
2025 bonds	357	F: 3.58%	3.62%	December 2014	February 2025	**337**	**333**
2026 bonds	460	F: 4.05%	4.09%	August 2014	August 2026	**427**	**528**
2026 bonds	400	F: 6.625%	7.00%	December 2020	January 2026	**397**	**396**
2027 bonds	525	F: 5.25%	5.46%	April 2021	April 2027	**457**	**523**
Quatrim bonds in EUR	**653**					**648**	**790**
2024 bonds	653(iv)	F: 5.88%	6.66%	November 2019	January 2024	**648**	**790**
GreenYellow bonds in EUR	**-**					**-**	**5**
2023 bonds	-	F: 6%	6%	June 2021	June 2023	**-**	**5**
GreenYellow bonds in BRL	**-**					**-**	**24**
2028 bonds	-	V: CDI +3.5%	V: CDI +3.5%	September 2021	September 2028	**-**	**24**
Cdiscount bonds in EUR	**13**					**13**	**-**
2029 bonds	13	E3M +6%	E3M +6%	June 2022	September 2029	**13**	-
GPA bonds in BRL	**443**					**437**	**710**
Debentures – 17th issue	-	V: CDI +1.45%	V: CDI +1.45%	January 2020	January 2022 and January 2023	**-**	**317**
Debentures – 18th issue – 1st Series	174	V: CDI +1.70%	V: CDI +1.70%	May 2021	May 2025 and May 2026	**174**	**155**
Debentures – 18th issue – 2nd Series	92	V: CDI +1.95%	V: CDI +1.95%	May 2021	May 2027 and May 2028	**92**	**82**
Promissory notes – 5th issue – 1st Series	89	V: CDI +1.55%	V: CDI +1.55%	July 2021	July 2025	**89**	**79**
Promissory notes – 5th issue – 2nd Series	89	V: CDI +1.65%	V: CDI +1.65%	July 2021	July 2026	**89**	**79**
Issue fees						**(6)**	**(3)**
Sendas bonds in BRL	**1,818**					**1,801**	**989**
Promissory notes – 1st issue – 3rd Series	-	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2022	**-**	**8**
Promissory notes – 1st issue – 4th Series	44	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2023	**44**	**40**
Promissory notes – 1st issue – 5th Series	35	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2024	**35**	**32**
Promissory notes – 1st issue – 6th Series	35	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2025	**35**	**32**
Debentures – 2nd issue – 1st Series	167	V: CDI +1.70%	V: CDI +1.70%	June 2021	May 2026	**167**	**149**
Debentures – 2nd issue – 2nd Series	117	V: CDI +1.95%	V: CDI +1.95%	June 2021	May 2028	**117**	**105**
Promissory notes – 2nd issue – 1st Series	222	V: CDI +1.47%	V: CDI +1.47%	August 2021	August 2024	**222**	**198**
Promissory notes – 2nd issue – 2nd Series	222	V: CDI +1.53%	V: CDI +1.53%	August 2021	August 2025	**222**	**198**
Debentures – 3rd issue – 1st Series – CRI	174	V: IPCA +5.15%	V: IPCA +5.15%	October 2021	October 2028	**174**	**156**
Debentures – 3rd issue – 2nd Series – CRI	92	V: IPCA +5.27%	V: IPCA +5.27%	October 2021	October 2031	**92**	**82**
Debentures – 4th issue – CRI	355	V: CDI +1.75%	V: CDI +1.75%	January 2022	November 2027	**355**	**-**
Commercial Paper Notes – 1st series	133	V: CDI +1.70%	V: CDI +1.70%	February 2022	February 2025	**133**	**-**
Debentures – 5th issue – CRI	44	V: CDI +0.75%	V: CDI +0.75%	April 2022	March 2025	**44**	**-**
Debentures – 6th issue – 1st Series – CRI	13	V: CDI +0.60%	V: CDI +0.60%	September 2022	September 2026	**13**	**-**
Debentures – 6th issue – 2nd Series – CRI	10	V: CDI +0.70%	V: CDI +0.70%	September 2022	September 2027	**10**	**-**
Debentures – 6th issue – 3rd Series – CRI	84	V: IPCA +6.70%	V: IPCA +6.70%	September 2022	September 2029	**84**	**-**
Commercial Paper Notes – 2nd series	71	V: CDI +0.93%	V: CDI +0.93%	December 2022	December 2025	**71**	**-**
Issue fees						**(17)**	**(9)**
Total bonds						**5,050**	**5,410**

(i) Corresponds to the principal of the bonds outstanding at 31 December 2022.
(ii) F (Fixed rate) – V (Variable rate) – CDI (*Certificado de Depósito Interbancário*) – IPCA (Extended National Consumer Price Index). 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 2022, the Group carried out early redemptions of a portion of its unsecured bonds maturing in 2023 and 2024 for €184 million and €49 million, respectively, and the secured high-yield bond issue maturing in January 2024 for €147 million (Note 11.5.4).

11.2.4 Other loans and borrowings

(€ millions)	Principal(i)	Type of rate	Issue date	Maturity date	2022	2021
France						
Term Loan B	1,425	Variable(ii)	April 2021 November 2021	August 2025	**1,418**	1,416
Negotiable European commercial paper (Casino, Guichard- Perrachon)	59	Fixed	(iii)	(iii)	**59**	308
Government-backed loan (Cdiscount)	60	Variable	August 2020	August 2026(iv)	**60**	120
Casino Finance RCF	50	Variable	November 2019	October 2023 to July 2026(v)	**50**	-
Confirmed credit lines – Monoprix	170	Variable	July 2021	January 2024 to January 2026(vi)	**170**	170
Other(vii)					**153**	99
International						
GPA	522	Variable(viii)	November 2014 to December 2022	May 2023 to November 2026	**518**	491
Sendas	836	Variable(viii)	January 2015 to December 2022	April 2022 to May 2027	**835**	240
Éxito	149	Variable/Fixed (viii)	March 2020 to March 2021	March 2025 to March 2030	**149**	193
Segisor	-		-	-	**-**	149
Other					**-**	-
Bank overdrafts(ix)					**239**	**59**
Accrued interest(x)					**321**	**164**
Total other borrowings					**3,972**	**3,409**
of which variable rate					***3,139***	***2,828***

(i) Corresponds to the nominal amount at 31 December 2022.
(ii) Interest on this loan is based on Euribor with a zero floor, plus a spread reduced to 4% following the refinancing operations in first-half 2021.
(iii) Negotiable European commercial paper (NEU CP) is short-term financing generally with a maturity of less than 12 months.
(iv) Loan initially maturing in August 2021 for which Cdiscount exercised its five-year extension option, bringing the new maturity to August 2026 with intermediate instalment requirements. This loan is shown in non-current liabilities (€30 million) and current financial liabilities (also €30 million) at 31 December 2022.
(v) An amount of €10 million falls due in October 2023 and €40 million in July 2026 (May 2025 if Term Loan B maturing in August 2025 is not refinanced at that date).
(vi) An amount of €130 million falls due in January 2026. In February 2022, the maturity of the €40 million confirmed facility was extended from January 2023 to January 2024 (July 2023 if the Quatrim high-yield bond maturing in January 2024 is not refinanced at that date).
(vii) Including €128 million in one-off asset financing (end-2021: €90 million relating to GreenYellow and €13 million to Cdiscount).
(viii) The variable-rate loans in Brazil (GPA and Sendas) and Colombia (Éxito) pay interest at rates based on the CDI and IBR, respectively. Including borrowings in Colombia originally denominated in Colombian pesos for COP 355 billion, or €69 million (31 December 2021: COP 303 billion, or €66 million, swapped for fixed-rate debt).
(ix) Overdrafts are mostly in France.
(x) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2022, accrued interest primarily concerned Casino for €82 million, GPA for €74 million and Sendas for €159 million (31 December 2021: Casino for €90 million, GPA for €35 million and Sendas for €39 million).

CONFIRMED BANK CREDIT LINES IN 2022 AND 2021

2022 (€ millions)	Interest rate	Due		Amount of the facility	Drawdowns
		Within one year	In more than one year		
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance(i)	Variable(i)	**252**	**1,799**	**2,051**	**50**
Other confirmed bank credit lines(ii)	Variable(iii)	**19**	**364**	**383**	**183**
Total		**271**	**2,163**	**2,435**	**233**

2021 (€ millions)	Interest rate	Due		Amount of the facility	Drawdowns
		Within one year	In more than one year		
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance(i)	Variable(i)	-	2,051	**2,051**	**-**
Other confirmed bank credit lines(ii)	Variable(iii)	160	192	**352**	**187**
Total		**160**	**2,243**	**2,403**	**187**

(i) In 2022 and 2021, syndicated credit lines comprised a revolving credit facility (RCF) for a total of €2,051 million, of which (a) a €1,799 million tranche maturing in July 2026 (May 2025 if the Term Loan B maturing in August 2025 is not repaid or refinanced at that date) bearing interest at Euribor with a zero floor, plus a spread that depends on the ratio of loans and borrowings to EBITDA for the France Retail (excluding GreenYellow) and E-commerce segments as well as the Segisor holding company (no more than 3%), and (b) a €252 million tranche maturing in October 2023 bearing interest at Euribor with a zero floor, plus a spread that depends on the ratio of loans and borrowings to EBITDA for the France Retail and E-commerce segments, as well as the Segisor holding company (no more than 3.50%).

(ii) In 2022, other confirmed bank credit lines concerned Monoprix, Éxito and Distribution Casino France for €170 million (including a syndicated facility of €130 million – Note 2), €193 million (COP 1,000 billion) and €20 million, respectively, of which €170 million in lines drawn by Monoprix and €13 million in lines drawn by Distribution Casino France. In February 2022, the maturity of the confirmed €40 million line at Monoprix was extended from January 2023 to January 2024 (July 2023 if Quatrim's high-yield bond maturing in January 2024 is not refinanced at that date).
In 2021, other confirmed bank credit lines concerned Monoprix, GreenYellow and Éxito for €170 million (including a syndicated facility of €130 million – Note 2), €30 million and €152 million (COP 700 billion), respectively, of which €170 million in lines drawn down at Monoprix.

(iii) Interest on the other lines is based on a reference rate (depending on the currency of the credit line) plus a spread. For Monoprix, the spread applicable to the €130 million line varies depending on (i) whether or not societal and environmental performance targets are met and (ii) the amount of the drawdown.

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 economic interest rate hedges (including the ineffective portion, counterparty credit risk and the Group's own default risk) and related currency effects, and trade payables – 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 (including issuance costs), 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)	2022	2021
Gains (losses) on disposals of cash equivalents	**-**	-
Income from cash and cash equivalents	**61**	27
Income from cash and cash equivalents	**61**	**27**
Interest expense on borrowings after hedging	**(642)**	(449)
Finance costs	**(642)**	**(449)**
Net finance costs	**(581)**	**(422)**
of which France Retail(i)	***(213)***	*(267)*
of which Latam Retail	***(350)***	*(144)*
of which E-commerce	***(18)***	*(11)*

(i) Including a positive €51 million impact in 2022 relating to the assessment of the DVA risk on derivatives with a negative fair value (Note 11.4). In 2021, including a negative €38 million impact in connection with the derecognition of the former Term Loan B.

11.3.2 Other financial income and expenses

(€ millions)	2022	2021
Total other financial income	**300**	**116**
Total other financial expenses	**(658)**	**(507)**
	(358)	**(391)**
Net foreign currency exchange gains (losses) (other than on borrowings)(i)	**-**	(11)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments	**13**	11
Gains (losses) on remeasurement at fair value of financial assets	**(11)**	(6)
Interest expense on lease liabilities (Note 7.1.2)	**(343)**	(313)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs	**(108)**	(88)
Impact of applying IAS 29 to operations in Argentina	**(23)**	(10)
Other(ii)	**115**	28
Total net other financial expense	**(358)**	**(391)**

(i) Including €76 million in foreign currency exchange gains and €76 million in foreign currency exchange losses in 2022 (2021: €29 million in forex gains and €40 million in forex losses).

(ii) In 2022, this items corresponds mainly to the monetary adjustment at GPA and Sendas relating to the exclusion of ICMS tax from the PIS/COFINS tax base. In 2021, this item included BRL 41 million (€6 million) recognised by Sendas in connection with the exclusion of ICMS from the PIS/COFINS tax base and BRL 109 million (€17 million) recognised by GPA (Note 5.1).

11.4 Fair value of financial instruments

Accounting principle

The fair value of all financial assets and liabilities is determined at the reporting date generally using standard valuation techniques, either for the purpose of recognition in the financial statements or for disclosure in the notes. This fair value includes the risk of non-performance by the Group and counterparties.

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 (e.g., bonds) 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.

In particular, the measurement of the fair value of derivative financial instruments includes a credit value adjustment (CVA) to reflect counterparty risk for derivative instruments with a positive fair value, and a debit value adjustment (DVA) to reflect own credit risk for derivative instruments with a negative fair value.
Counterparty credit risk and the Group's own default risk used in the calculation of the CVA and DVA are determined on the basis of the credit spreads of the debt securities on the secondary market and trends in credit default swaps (CDS). A probability of loss given default (LGD) is applied, determined according to the market standard.

The Group has not adopted the exemption provided by IFRS 13.48 that allows an entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received for the sale of a net long position or the transfer of a net short position, where the entity manages that group of financial assets and financial liabilities on the basis of its net exposure to market or credit risk.

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)	Qualifying and non-qualifying hedging instruments	Financial assets at amortised cost
At 31 December 2022					
Other non-current assets[i]	**479**	**13**	**42**	**85**	**339**
Trade receivables	**854**	**-**	**95**	**-**	**759**
Other current assets[i]	**987**	**12**	**-**	**8**	**967**
Cash and cash equivalents	**2,504**	**-**	**-**	**-**	**2,504**

(€ 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)	Qualifying and non-qualifying hedging instruments	Financial assets at amortised cost
At 31 December 2021					
Other non-current assets[i]	534	33	44	29	428
Trade receivables	772	-	41	-	731
Other current assets[i]	1,381	5	-	15	1,361
Cash and cash equivalents	2,283	-	-	-	2,283

(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 2022				
Bonds	**5,050**	**5,050**	**-**	**-**
Other loans and borrowings	**4,154**	**3,972**	**-**	**182**
Current put options granted to owners of non-controlling interests	**161**	**-**	**161**	**-**
Lease liabilities	**5,190**	**5,190**	**-**	**-**
Trade payables	**6,522**	**6,522**	**-**	**-**
Other liabilities[i]	**2,072**	**2,069**	**-**	**4**

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	NCI Puts	Derivative instruments
At 31 December 2021				
Bonds	5,410	5,410	-	-
Other loans and borrowings	3,419	3,409	-	11
Current put options granted to owners of non-controlling interests	195	-	195	-
Lease liabilities	4,891	4,891	-	-
Trade payables	6,097	6,097	-	-
Other liabilities[i]	2,080	2,056	-	24

(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 2022 (€ 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	**255**	**255**	**4**	**231**	**20**
Financial assets at fair value through profit or loss	20	20	-	-	20
Financial assets at fair value through other comprehensive income	136	136	4	133	-
Economic and fair value hedges – assets(i)	91	91	-	91	-
Cash flow hedges and net investment hedges – assets(i)	3	3	-	3	-
Other derivative instruments – assets	5	5	-	5	-
Liabilities	**14,558**	**13,659**	**1,926**	**11,572**	**161**
Bonds	5,050	4,190	1,926	2,265	-
Other borrowings(ii)	3,972	3,933	-	3,933	-
Lease liabilities	5,190	5,190	-	5,190	-
Economic and fair value hedges – liabilities(i)	182	182	-	182	-
Cash flow hedges and net investment hedges – liabilities(i)	2	2	-	2	-
Other derivative instruments – liabilities	1	1	-	1	-
Put options granted to owners of non-controlling interests(iii)	161	161	-	-	161

At 31 December 2021 (€ 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	**166**	**166**	**5**	**128**	**33**
Financial assets at fair value through profit or loss	33	33	-	-	33
Financial assets at fair value through other comprehensive income	85	85	5	80	-
Economic and fair value hedges – assets(i)	35	35	-	35	-
Cash flow hedges and net investment hedges – assets(i)	8	8	-	8	-
Other derivative instruments – assets	5	5	-	5	
Liabilities	**13,940**	**13,949**	**3,663**	**10,088**	**197**
Bonds	5,410	5,382	3,663	1,719	-
Other borrowings(ii)	3,409	3,446	-	3,443	3
Lease liabilities	4,891	4,891	-	4,891	-
Economic and fair value hedges – liabilities(i)	11	11	-	11	-
Cash flow hedges and net investment hedges – liabilities(i)	24	24	-	24	-
Other derivative instruments – liabilities	-	-	-	-	-
Put options granted to owners of non-controlling interests(iii)	195	195	-	-	195

(i) Derivatives held as fair value hedges are almost fully backed by borrowings.
(ii) The fair value of other borrowings was measured using the discounted cash flow method, taking into account the Group's own credit risk and interest rate conditions at the reporting date.
(iii) 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 3.4.1).

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 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	2022	Interest rate risk	Foreign currency risk	Other market risks	2021
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8.1 - 6.9	**5**	**-**	**5**	**-**	5
Cash flow hedges	6.8.1	**3**	**3**	**-**	**-**	8
Economic and fair value hedges – assets	6.8.1 - 6.9 - 11.2.1	**91**	**91**	**-**	**-**	35
Total derivatives – assets		***99***	***93***	***5***	**-**	***48***
of which non-current		***85***	***85***	**-**	**-**	*29*
of which current		***13***	***8***	***5***	**-**	*19*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	6.10	**1**	**-**	**1**	**-**	-
Cash flow hedges	6.10	**2**	**-**	**2**	**-**	24
Economic and fair value hedges	11.2.1	**182**	**165**	**17**	**-**	11
Total derivatives – liabilities		***186***	***165***	***20***	**-**	***35***
of which non-current		***167***	***163***	***4***	**-**	*33*
of which current		***19***	***3***	***16***	**-**	*2*

At 31 December 2022, non-qualifying derivatives (i.e., derivatives held as fair value hedges but not eligible for hedge accounting) on a notional amount of €3,997 million had a negative net fair value of €92 million and mainly comprised interest rate hedges and currency hedges in France on a notional amount of €3,506 million with a negative fair value of €107 million and in Brazil on a notional amount of €492 million with a positive fair value of €16 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 2022, the cash flow hedge reserve included in equity had a debit balance of €7 million after tax (31 December 2021: debit balance of €14 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 was USD 207 million (€194 million – Note11.5.2). Colombia applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €69 million at 31 December 2022. 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 positive fair value of €5 million at 31 December 2022 (31 December 2021: positive fair value of €5 million).

The fair value calculation at 31 December 2022 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. Income of €51 million was recognised in 2022 in this respect (Note 11.3.1).

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 €2,940 million and €1,425 million, respectively, at 31 December 2022 (Note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date.

At 31 December 2022, Casino, Guichard-Perrachon had a portfolio of 40 interest-rate swaps with around ten bank counterparties. These instruments expire at various dates between 2023 and 2027.

At 31 December 2022, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 25% at fixed rates (€1,089 million), 33% at a capped or floored variable rate (€1,425 million) and 42% at a variable rate (€1,852 million).

SENSITIVITY TO A CHANGE IN INTEREST RATES

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

(€ millions)	Notes	2022	2021
Casino, Guichard-Perrachon variable-rate bonds(i)		**1,852**	1,788
Casino, Guichard-Perrachon Term Loan B(i)		**1,425**	1,425
Brazil variable-rate bonds(ii)	11.2.3	**2,261**	1,712
Other variable-rate loans and borrowings(iii)(iv)(v)	11.2.4	**1,720**	1,393
Total variable-rate bonds, other loans and borrowings		**7,258**	**6,317**
Cash and cash equivalents	11.1	(2,504)	(2,283)
Net variable-rate position		**4,753**	**4,035**
100-bps change in interest rates		**48**	32
Net finance costs	11.3.1	**581**	422
Impact of change on net finance costs		**8.2%**	**7.6%**

(i) Corresponding to fixed-rate bonds and to the Term Loan B, representing a principal amount of €4,365 million (31 December 2021: €5,059 million) (Note 11.2.3), including a principal amount of €1,852 million (31 December 2021: €1,788 million) swapped for variable-rate debt, and a principal amount of €1,425 million for Term Loan B including a floored rate (31 December 2021: €1,425 million).
(ii) Principal.
(iii) Excluding accrued interest.
(iv) Including variable-rate loans and borrowings in Brazil for BRL 7,625 million, or €1,352 million (31 December 2021: BRL 4,645 million, or €736 million).
(v) Including variable-rate borrowings in Colombia for COP 417 billion, or €81 million (31 December 2021: COP 589 billion, or €128 million).

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 8.2% or €48 million increase (8.2% or €48 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 2022	Of which USD	Total exposure 2021
Exposed trade receivables	**(16)**	**(14)**	(6)
Exposed other financial assets	**(56)**	**(19)**	(67)
Exposed derivatives at fair value through profit or loss	**-**	**-**	-
Exposed trade payables	**208**	**186**	179
Exposed financial liabilities	**157**	**142**	237
Exposed other financial liabilities	**74**	**74**	53
Gross exposure payable/(receivable)	**367**	**370**	**395**
Hedged other financial assets	**-**	**-**	-
Hedged trade payables	**165**	**151**	141
Hedged financial liabilities	**140**	**140**	235
Other hedged financial liabilities	**66**	**66**	49
Net exposure payable/(receivable)	**(4)**	**13**	**(30)**
Hedges of future purchases	**194**	**194**	**190**
Exposed put options granted to owners of non-controlling interests[i]	**127**	**127**	**113**

(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 3.4.1).

Sensitivity of net exposure after foreign currency hedging

A 10% appreciation of the euro at 31 December 2022 and 2021 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)	2022	2021
US dollar	**1**	1
Other currencies	**(2)**	(4)
Impact on net financial income (expense)	**-**	**(3)**

A 10% decline in the euro against those currencies at 31 December 2022 and 2021 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)	2022		2021 (restated)	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total revenue	**(1,222)**	**(312)**	(985)	(268)
Trading profit	**(44)**	**(14)**	(41)	(15)
Net profit (loss)	**(9)**	**(3)**	(7)	(8)
Equity	**(325)**	**(104)**	(242)	(123)

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)	2022	%	2021	%
Euro	**411**	**16%**	523	23%
US dollar	**37**	**1%**	39	2%
Brazilian real	**1,730**	**69%**	1,167	51%
Colombian peso	**263**	**11%**	473	21%
Uruguayan peso	**46**	**2%**	41	2%
Other currencies	**18**	**1%**	40	2%
Cash and cash equivalents	**2,504**	**100%**	**2,283**	**100%**

Exchange rates against the euro

Exchange rates against the euro	2022		2021	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	**5.6386**	**5.43763**	6.3101	6.3797
Colombian peso (COP)	**5,173.70**	**4,471.77**	4,611.32	4,426.54
Argentine peso (ARS)[(i)]	**190.4643**	**190.4643**	116.7629	116.7629
Uruguayan peso (UYP)	**42.49402**	**43.37884**	50.5625	51.5217
US dollar (USD)	**1.0666**	**1.0534**	1.1326	1.1829
Polish zloty (PLN)	**4.6808**	**4.6856**	4.5969	4.5655

(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 2022, 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 2022						
Trade receivables	**641**	**75**	**84**	**164**	**324**	**965**
Allowance for lifetime expected losses	**(6)**	**(4)**	**(26)**	**(76)**	**(105)**	**(111)**
Total, net (Note 6.7.1)	**636**	**71**	**58**	**88**	**218**	**854**
At 31 December 2021						
Trade receivables	503	135	93	150	**378**	**882**
Allowance for lifetime expected losses	(5)	(10)	(8)	(88)	**(105)**	**(110)**
Total, net (Note 6.7.1)	**499**	**125**	**86**	**62**	**273**	**772**

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 Sendas 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 at the level of 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 2022, the Group's liquidity position comprised:
- confirmed, undrawn lines of credit for a total of €2,202 million (of which a non-current portion of €1,766 million for France);
- gross cash and cash equivalents totalling €2,504 million (of which €434 million available in France);
- €36 million held in segregated accounts in France and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2022 (France Retail):
- unsecured bonds amounting to €2,287 million, of which €400 million in high-yield bonds maturing in January 2026 and €525 million in high-yield bonds maturing in April 2027;
- secured high-yield bonds for €653 million maturing in January 2024;
- a term loan ("Term Loan B") for €1,425 million, maturing in August 2025.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €59 million was outstanding at 31 December 2022 (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 in excess of the Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- carrying out asset disposals, particularly in the Latam Retail segment;
- 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 €59 million at 31 December 2022 versus €308 million at 31 December 2021.

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 2022, trade payables totalling €1,217 million (including €520 million in France Retail payables, €664 million in Latam Retail payables and €33 million in E-commerce payables) had been reverse factored, versus €1,158 million at 31 December 2021 (€509 million, €604 million, and €45 million, respectively).

Management of medium- and long-term debt

The Group continues to proactively manage its debt maturities through buybacks and early repayments, and by accessing the market for new loan and bond issues. The form, availability and timing of these operations are dependent on market conditions.

In November 2022, the Group made a public offer to redeem its unsecured bond issue maturing in January 2023 for a nominal amount of €154 million.
The Group also redeemed bond issues through buybacks on the financial markets throughout 2022. These redemptions represented a total nominal amount of €226 million, of which (i) €147 million for the secured high-yield bond maturing in January 2024, (ii) €49 million for the unsecured bond maturing in March 2024 and (iii) €30 million for the unsecured bond maturing in January 2023.

The table below shows the ratings assigned to the financial instruments by Fitch Ratings, Moody's, Scope Ratings and Standard & Poor's:

Financial instrument rating	Fitch Ratings (new rating)	Moody's	Scope ratings	Standard & Poor's
Casino, Guichard-Perrachon	B- with a positive outlook since 25 November 2022	B3 with a negative outlook since 8 September 2022 (previously B3 with a stable outlook)	B+ with a negative outlook since 27 January 2023 (previously BB- with a stable outlook)	CCC+ with a developing outlook since 7 October 2022 (previously B with a negative outlook)
Secured bonds	BB- since 25 November 2022	B2/stable outlook (6 August 2020)	BB- since 27 January 2023 (previously BB)	B- since 7 October 2022 (previously B+)
Term Loan B	BB- since 25 November 2022	B2/stable outlook (6 August 2020)	BB- since 27 January 2023 (previously BB)	B- since 7 October 2022 (previously B+)
Unsecured bonds	CCC+ since 25 November 2022	Caa1/stable outlook (6 August 2020)	B since 27 January 2023 (previously B+)	CCC+ since 7 October 2022 (previously B)

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).

For the €2,051 million revolving credit facility (RCF) and €1,425 million Term Loan B, 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.

Surety rights have also been granted in respect of miscellaneous liabilities totalling €17 million (mainly loans to companies-stores).

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its main subsidiaries (GPA, Sendas, Éxito and Monoprix) is not secured by collateral or pledged assets.

Casino, Guichard-Perrachon debt covenants

Following the July 2021 signature of the amendment to the RCF, applicable as from 30 June 2021 in terms of the covenants (see above), Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail (excluding GreenYellow) and E-commerce scope, 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 2022
Secured gross debt[1]/EBITDA[2] not more than 3.5x	▪ RCF for €2,051 million	Quarterly	**3.1**
EBITDA[2]/net finance costs[3] not less than 2.5x.			**3.0**

(1) Gross debt as defined in the loan documentation only concerns loans and borrowings for which collateral has been posted for the France Retail and E-commerce segments as presented in Note 11.2.1, and certain GPA and Sendas holding companies reported in the Latam Retail segment (notably Segisor). At 31 December 2022, the debt concerned was mainly (i) the Term Loan B for €1,425 million, (ii) high-yield bonds for €653 million, and (iii) the drawn portion of the RCF facility (€50 million drawn at end-2022).
(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 for the France Retail and E-commerce scope.
(3) Net finance costs as defined in the loan agreement represent net finance costs for the France Retail and E-commerce scope.

Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issues put in place since 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 bonds 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 €1,362 million at 31 December 2022, 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 refinancing transactions put in place since 2019 also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings/2026 and 2027 high-yield bonds): 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 Monoprix, GPA and Sendas – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix Exploitation	Gross debt/EBITDA < 2.0(i)	Annual	▪ €130 million syndicated credit line
GPA(ii)	Net debt(iii) may not be higher than equity(iv) Consolidated net debt/EBITDA < 3.25	Quarterly	▪ All bond issues and certain bank borrowings
Sendas(ii)	Net debt/equity < 3.0 Net debt/EBITDA < 3.0	Quarterly	▪ All bond issues and certain bank borrowings

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

These covenants were respected at 31 December 2022.

EXPOSURE TO LIQUIDITY RISK

The table below presents an analysis by maturity of financial liabilities at 31 December 2022, 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.

31 December 2022 (€ 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	**1,630**	**2,562**	**3,498**	**2,620**	**723**	**11,032**	**9,022**
Current put options granted to owners of non-controlling interests	**129**	**-**	**12**	**73**	**-**	**215**	**161**
Lease liabilities	**1,025**	**971**	**907**	**1,555**	**4,058**	**8,516**	**5,190**
Trade payables and other financial liabilities	**8,416**	**142**	**9**	**11**	**13**	**8,590**	**8,590**
Total	**11,199**	**3,675**	**4,426**	**4,259**	**4,794**	**28,353**	**22,963**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	**26**	**25**	**12**	**7**	**-**	**69**	
Derivative contracts – paid	**(79)**	**(75)**	**(42)**	**(36)**	**-**	**(232)**	
Derivative contracts – net settled	**(27)**	**(15)**	**(11)**	**(13)**	**192**	**126**	
Currency derivatives							
Derivative contracts – received	**285**	**13**	**-**	**-**	**-**	**298**	
Derivative contracts – paid	**(283)**	**(14)**	**-**	**-**	**-**	**(297)**	
Derivative contracts – net settled	**(21)**	**(5)**	**-**	**-**	**-**	**(26)**	
Other derivative instruments							
Derivative contracts – received	**-**	**-**	**-**	**-**	**-**	**-**	
Derivative contracts – paid	**-**	**-**	**-**	**-**	**-**	**-**	
Derivative contracts – net settled	**-**	**-**	**-**	**-**	**-**	**-**	
Total	**(100)**	**(71)**	**(41)**	**(41)**	**192**	**(62)**	**(87)**

31 December 2021 (€ 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	1,668	1,410	2,137	4,396	1,153	10,765	8,819
Current put options granted to owners of non-controlling interests	133	52	-	5	12	202	195
Lease liabilities	996	964	902	1,372	2,875	7,110	4,891
Trade payables and other financial liabilities	8,044	20	15	17	56	8,153	8,153
Total	**10,841**	**2,446**	**3,055**	**5,790**	**4,097**	**26,229**	**22,057**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	16	9	4	3	-	33	
Derivative contracts – paid	(11)	(8)	(5)	(4)	-	(29)	
Derivative contracts – net settled	15	12	13	28	(46)	22	
Currency derivatives							
Derivative contracts – received	374	19	-	-	-	393	
Derivative contracts – paid	(364)	(19)	-	-	-	(383)	
Derivative contracts – net settled	(11)	(16)	(3)	-	-	(29)	
Other derivative instruments							
Derivative contracts – received	2	-	-	-	-	2	
Derivative contracts – paid	-	-	-	-	-	-	
Derivative contracts – net settled	-	-	-	-	-	-	
Total	**21**	**(3)**	**9**	**27**	**(46)**	**8**	**13**

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. These 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 Group employees, or any other share-based payment mechanism.

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 2022, 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 2021). 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.

12.3 Share equivalents

The Group is committed to granting free shares under various plans (Note 8.3). The Board of Directors 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 2022, a total of 68,420 shares were held in treasury, representing €2 million (31 December 2021: 409,967 shares representing €14 million). The shares were purchased primarily for allocation upon exercise of the rights under free share plans.

The Group has a liquidity agreement with Rothschild Martin Maurel in accordance with AMF decision 2021-01 dated 22 June 2021, for a total of €15 million. At 31 December 2022 and 2021, no Casino, Guichard-Perrachon S.A. shares were held in the liquidity account.

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 2022, the average coupon was 2.69% (2021: 1%).
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 2021	**(43)**	**(1)**	**(2,933)**	**(105)**	**(3)**	**(1)**	**(3,087)**
Movements for the year	29	-	(30)	2	-	-	1
At 31 December 2021	**(14)**	**(1)**	**(2,963)**	**(103)**	**(4)**	**(1)**	**(3,086)**
Movements for the year	7	-	121	34	(30)	-	132
At 31 December 2022	**(7)**	**(1)**	**(2,842)**	**(70)**	**(33)**	**(1)**	**(2,955)**

(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 2022

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2022	Movements for the year	31 December 2022	1 January 2022	Movements for the year	31 December 2022	31 December 2022
Brazil	(2,265)	147	**(2,118)**	(3,498)	178	**(3,320)**	**(5,438)**
Argentina	(239)	(35)	**(273)**	(82)	(45)	**(127)**	**(400)**
Colombia	(371)	(13)	**(385)**	(582)	(107)	**(689)**	**(1,074)**
Uruguay	(113)	20	**(93)**	(93)	46	**(48)**	**(140)**
United States	20	-	**20**	1	1	**2**	**22**
Poland	6	(2)	**4**	-	-	**-**	**5**
Hong Kong	1	-	**1**	-	-	**-**	**1**
Other	(2)	3	**-**	(1)	-	**(1)**	**(1)**
Total foreign currency	**(2,963)**	**121**	**(2,842)**	**(4,256)**	**73**	**(4,183)**	**(7,025)**

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS BY COUNTRY AT 31 DECEMBER 2021

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2021	Movements for the year	31 December 2021	1 January 2021	Movements for the year	31 December 2021	31 December 2021
Brazil	(2,277)	12	(2,265)	(3,515)	17	(3,498)	**(5,763)**
Argentina	(230)	(8)	(239)	(72)	(11)	(82)	**(321)**
Colombia	(342)	(29)	(371)	(481)	(101)	(582)	**(953)**
Uruguay	(110)	(2)	(113)	(105)	11	(93)	**(206)**
United States	20	-	20	1	-	1	**21**
Poland	7	(1)	6	-	-	-	**6**
Hong Kong	-	1	1	-	-	-	**1**
Other	(1)	(2)	(2)	(1)	(1)	(1)	**(4)**
Total foreign currency	**(2,933)**	**(30)**	**(2,963)**	**(4,173)**	**(83)**	**(4,256)**	**(7,219)**

12.7.2 Notes to the consolidated statement of comprehensive income

(€ millions)	2022	2021 (restated)
Cash flow hedges and cash flow hedge reserve[(i)]	**8**	**28**
Change in fair value	-	40
Reclassifications to inventories	-	-
Reclassifications to profit or loss	9	(2)
Income tax (expense) benefit	(2)	(10)
Debt instruments at fair value through other comprehensive income (OCI)	**(1)**	**-**
Net change in fair value	(1)	(1)
Impairment losses	-	-
Reclassifications to profit or loss	-	-
Income tax (expense) benefit	-	-
Foreign currency translation reserves (Note 12.7.1)	**194**	**(108)**
Foreign currency translation adjustments for the year	173	(108)
Net investment hedges	-	-
Reclassifications to profit or loss	21	-
Income tax (expense) benefit	-	-
Equity instruments at fair value through other comprehensive income	**(30)**	**-**
Net change in fair value(ii)	(30)	-
Income tax (expense) benefit	-	-
Actuarial gains and losses	**34**	**2**
Actuarial gains and losses for the year	46	2
Income tax (expense) benefit	(11)	-
Share of other comprehensive income of equity-accounted investees	**2**	**(3)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	2	2
Cash flow hedges and cash flow hedge reserve – reclassifications to profit or loss	-	-
Foreign currency translation reserve – adjustments for the year		(5)
Foreign currency translation reserve – reclassification to profit or loss	-	-
Equity instruments at fair value through other comprehensive income – change in fair value		-
Actuarial gains and losses – net gain or loss for the year	-	-
Income tax (expense) benefit	-	-
Total	**208**	**(82)**

(i) The change in the cash flow hedge reserve in 2022 and 2021 was not material.
(ii) In 2022, this corresponds to the impairment loss recognised on the Group's investment in Gorillas (Note 2).

12.8 Main non-controlling interests

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

(€ millions)	**GPA[(i)]**	**Sendas**	**Grupo Éxito[(ii)]**	**Other**	**Total**
Country	***Brazil***	***Brazil***	***Colombia***		
1 January 2021 (reported)	1,369		1,412	**75**	**2,856**
Effect of applying IFRS IC agenda decision on Costs in a Cloud Computing Arrangement (Note 1.3)	(1)		-	(1)	(2)
1 January 2021 (restated)	**1,368**		**1,412**	**74**	**2,855**
% of ownership interests held by non-controlling interests[(iii)]	*58.8%*		*60.2%*		
% of voting rights held by non-controlling interests[(iii)]	*58.8%*		*60.2%*		
Net profit (loss)	(95)	149	87	(9)	132
Other comprehensive income (loss)[(iv)]	14	3	(98)	(1)	(83)
Dividends paid / payable	11	(28)	(52)	(1)	(69)
Other movements[(v)]	(602)	620	28	(1)	46
31 December 2021 (restated)	**697**	**745**	**1,377**	**62**	**2,880**
% of ownership interests held by non-controlling interests[(iii)]	*59.0%*	*59.0%*	*60.4%*		
% of voting rights held by non-controlling interests[(iii)]	*59.0%*	*59.0%*	*60.4%*		
Net profit (loss)	**(219)**	**159**	**45**	**(15)**	**(29)**
Other comprehensive income (loss)[(iv)]	**99**	**126**	**(106)**	**10**	**129**
Dividends paid / payable	**28**	**(14)**	**(65)**	**(1)**	**(53)**
Other movements	**255**	**(130)**	**33**	**(137)**	**20**
31 December 2022	**860**	**886**	**1,284**	**(82)**	**2,947**
% of ownership interests held by non-controlling interests[(iii)]	***59.1%***	***69.5%***	***60.5%***		
% of voting rights held by non-controlling interests[(iii)]	***59.1%***	***69.5%***	***60.5%***		
Average % of ownership interests held by the Group in 2022	*41.0%*	*39.2%*	*39.6%*		
% of ownership interests held by the Group at 31 December 2022	*40.9%*	*30.5%*	*39.5%*		

(i) GPA excluding Éxito, Uruguay and Argentina.
(ii) Éxito including Uruguay and Argentina.
(iii) 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 2022, Casino holds 40.9% of the capital and voting rights of GPA and 30.5% of Sendas, which are fully consolidated in the Group's consolidated financial statements. Full consolidation results from the Group's assessment that it has de facto control owing to the fact that (i) a majority of members of the Board of Directors have been nominated by Casino, and (ii) the remaining shares of GPA and Sendas are held by widely-dispersed shareholders (31 December 2021: 41.0% of capital and voting rights held in GPA and Sendas).
(iv) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.
(v) In 2021, other movements at GPA and Sendas reflect the spin-off transaction.

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)	2022			2021 (restated)		
	GPA(i)	**Sendas**	**Grupo Éxito(ii)**	**GPA(i)**	**Sendas**	**Grupo Éxito(ii)**
Country	***Brazil***		***Colombia***	***Brazil***	***Brazil***	***Colombia***
Net sales	**3,344**	**10,016**	**4,424**	4,184	6,568	3,695
Net profit (loss) from continuing operations	**(381)**	**247**	**53**	(161)	253	131
Net profit (loss) from discontinued operations	**11**	**-**	**-**	-	-	(3)
Consolidated net profit (loss)	**(370)**	**247**	**53**	**(162)**	**253**	**129**
Attributable to non-controlling interests in continuing operations	***(225)***	***159***	***45***	*(95)*	*149*	*88*
Attributable to non-controlling interests in discontinued operations	***6***	***-***	***-***	-	-	*(2)*
Other comprehensive income (loss)	**125**	**141**	**(143)**	24	5	(135)
Total comprehensive income (loss) for the year	**(245)**	**388**	**(90)**	**(137)**	**258**	**(7)**
Attributable to non-controlling interests	***(120)***	***285***	***(61)***	*(82)*	*152*	*(11)*
Non-current assets	**3,563**	**5,227**	**2,477**	3,426	3,001	2,530
Current assets	**1,493**	**2,536**	**1,165**	1,522	1,327	1,272
Non-current liabilities	**(2,214)**	**(3,425)**	**(489)**	(2,318)	(1,743)	(526)
Current liabilities	**(1,187)**	**(3,062)**	**(1,439)**	(1,254)	(1,317)	(1,421)
Net assets	**1,655**	**1,276**	**1,713**	**1,377**	**1,269**	**1,855**
Attributable to non-controlling interests	***860***	***886***	***1,284***	*697*	*745*	1,377
Net cash from operating activities	**(231)**	**869**	**223**	144	431	306
Net cash from (used in) investing activities	**662**	**(1,256)**	**(193)**	70	(452)	(104)
Net cash from (used in) financing activities	**(620)**	**992**	**(231)**	(257)	(134)	(178)
Effect of changes in exchange rates on cash and cash equivalents	**96**	**26**	**(17)**	13	4	(45)
Change in cash and cash equivalents	**(93)**	**632**	**(218)**	**(31)**	**(150)**	**(21)**
Dividends paid to the Group(ii)	***7***	***13***	***-***	*38*	*10*	-
Dividends paid to owners of non-controlling interests during the period(iii)	***11***	***18***	***37***	*56*	*14*	*30*

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

12.9 Dividends

The Annual General Meeting of 10 May 2022 approved the decision not to pay any dividend in 2022 in respect of 2021. 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)	2022	2021
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**47**	**36**
of which amount paid during the year	41	34
of which amount payable in the following year	7	2
Impact on the statement of cash flows for the year	**42**	**35**
of which coupons awarded and paid during the year	41	34
of which interest allocated in the prior year and paid during the year	2	1

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		2022	2021
Weighted average number of shares outstanding during the year			
Total ordinary shares		**108,426,230**	108,426,230
Ordinary shares held in treasury		**(317,857)**	(521,070)
Weighted average number of ordinary shares before dilution	**(1)**	**108,108,373**	**107,905,160**
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)**	**108,108,373**	**107,905,160**

12.10.2 Profit (loss) attributable to ordinary shares

(€ millions)		2022			2021 (restated)		
		Continuing operations	Discontinued operations(i)	Total	Continuing operations	Discontinued operations(i)	Total
Net profit (loss) attributable to owners of the parent		**(279)**	**(37)**	**(316)**	**(280)**	**(254)**	**(534)**
Dividend payable on deeply- subordinated perpetual bonds		**(47)**	**-**	**(47)**	(36)	-	**(36)**
Net profit (loss) attributable to holders of ordinary shares	**(3)**	**(326)**	**(37)**	**(363)**	**(316)**	**(254)**	**(570)**
Potential dilutive effect of free share plans		**-**	**-**	**-**	-	-	**-**
Diluted net profit (loss) attributable to holders of ordinary shares	**(4)**	**(326)**	**(37)**	**(363)**	**(316)**	**(254)**	**(570)**
Basic earnings (loss) per share attributable to owners of the parent (€)	**(3)/(1)**	**(3.02)**	**(0.34)**	**(3.36)**	**(2.93)**	**(2.36)**	**(5.29)**
Diluted earnings (loss) per share attributable to owners of the parent (€)	**(4)/(1)**	**(3.02)**	**(0.34)**	**(3.36)**	**(2.93)**	**(2.36)**	**(5.29)**

(i) Note 3.5.2.

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 2022	Additions 2022	Reversals (used) 2022	Reversals (not used) 2022	Changes in scope of consolidation	Effect of movements in exchange rates	Other	31 December 2022
Claims and litigation	381	271	(90)	(61)	(1)	37	-	**537**
Other risks and expenses	100	34	(14)	(18)	(1)	-	2	**103**
Restructuring	112	48	(43)	(9)	-	-	(3)	**104**
Total provisions	**592**	**354**	**(147)**	**(88)**	**(2)**	**37**	**(1)**	**744**
of which non-current	*376*	*235*	*(75)*	*(54)*	*-*	*37*	*(3)*	***515***
of which current	*216*	*119*	*(72)*	*(33)*	*(2)*	*(1)*	*2*	***229***

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 €537 million and include €485 million for Brazil (Note 13.2). Of this amount, additions to provisions, reversals of utilised provisions and reversals of surplus provisions, respectively amounted to €227 million, €74 million, and €52 million.

13.2 Breakdown of provisions for claims and litigation in Brazil

(€ millions)	PIS/COFINS/CPMF disputes(i)	Other tax disputes(ii)	Employee disputes	Civil litigation	Total
31 December 2022	**58**	**253**	**134**	**40**	**485**
of which GPA	*53*	*248*	*118*	*36*	***456***
of which Sendas	*5*	*5*	*15*	*4*	***29***
31 December 2021	**45**	**197**	**66**	**37**	**345**
of which GPA	*33*	*192*	*55*	*33*	*313*
of which Sendas	*12*	*5*	*11*	*4*	*32*

(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 Note 13.3, GPA and Sendas are 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 and Sendas has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (Note 6.11.1).

(€ millions)	31 December 2022					
	Bonds posted [i]		Assets pledged as collateral[ii]		Bank guarantees	
	GPA	Sendas	GPA	Sendas	GPA	Sendas
Tax disputes	**86**	**2**	**101**	**-**	**1,718**	**124**
Employee disputes	**37**	**6**	**-**	**-**	**177**	**16**
Civil and other litigation	**12**	**2**	**2**	**-**	**73**	**90**
Total	**135**	**10**	**103**	**-**	**1,968**	**230**

(€ millions)	31 December 2021					
	Bonds posted [i]		Assets pledged as collateral[ii]		Bank guarantees	
	GPA	Sendas	GPA	Sendas	GPA	Sendas
Tax disputes	79	10	115	-	1,573	100
Employee disputes	33	8	-	-	183	16
Civil and other litigation	4	1	1	-	78	35
Total	**116**	**19**	**116**	**-**	**1,834**	**151**

(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, social security bodies or tax authorities in certain countries (mainly Brazil – see below – and France Retail concerning disputes with the customs authorities and URSSAF representing a risk of €41 million).

As stated in Note 3.3.5, 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**

In February 2017, the Minister of the Economy, represented by the Department for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino Group companies before the Paris Commercial Court. The DGCCRF is seeking repayment to 41 suppliers of a total of €22 million relating to a series of credit notes issued in 2013 and 2014, 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 the DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepted the DGCCRF's claims concerning the other 7 suppliers. AMC was ultimately ordered to refund credit notes issued in 2013 and 2014 by the 7 suppliers for a total of €2 million, and to pay a fine of €1 million.
However, the DGCCRF appealed this decision in January 2021. As no application was made for provisional enforcement, the appeal has suspensive effect.
The proceedings are still in progress. 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.
On 31 May 2021, the Paris Commercial Court handed down its decision, ordering Casino to pay a fine of €2 million. On 12 July 2021, the Group appealed the decision before the Paris Court of Appeal, maintaining that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned. However, as a provisional enforcement request was granted, the fine had to be paid in December 2021.

Lastly, in February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon, Achats Marchandises Casino – AMC (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 addition, 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 by the plaintiffs 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. On 14 July 2022, the Advocate General delivered

their opinion recommending that the Court categorically annul the Commission's 2017 investigation and hence the 2019 investigation. The procedure remains pending until the Court of Justice delivers its judgement in the coming weeks.

- **Arbitration between GPA and Península**

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Imobiliáro Península ("Península") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Península 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.
On 7 July 2021, GPA announced that it had reached an out-of-court settlement with Fundo de Investimento Imobiliário Peninsula ("Península"), enabling the various amounts outstanding between the parties to be closed out, while maintaining the long-term leases and amending the terms and conditions of the agreements in order to more closely reflect the current market environment. From an accounting perspective, this out-of-court settlement led to a remeasurement of right-of-use assets under these lease agreements and of the lease liability.

- **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 NV ("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. At the beginning of March 2022, Cnova received a report from the court-appointed expert indicating that (i) a significant number of claims did not meet the eligibility criteria as described in the agreement, and (ii) the amount of BRL 65 million should be reduced by Via Varejo's 22% contribution and by approximately BRL 25 million of deductible. In an order handed down in July 2022, the court instructed the expert to carry out further examinations on 19,700 third-party claims. The court's final decision is expected by the end of 2023. Cnova management and its counsel have analysed the expert's report and do not consider the residual risk to be material.

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

(€ millions)	2022	*of which GPA*	*of which Sendas*	2021	*of which GPA*	*of which Sendas*
INSS (employer's social security contributions)	113	*109*	*4*	100	*91*	*9*
IRPJ - IRRF and CSLL (corporate income taxes)	253	*145*	*109*	195	*119*	*76*
PIS, COFINS and CPMF (VAT and similar taxes)	936	*820*	*115*	835	*739*	*97*
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	26	*23*	*3*	25	*22*	*2*
ICMS (state VAT)	1,143	*951*	*192*	974	*795*	*179*
Civil litigation	71	*63*	*8*	59	*52*	*7*
Total	**2,542**	**2,111**	**431**	**2,188**	***1,819***	***369***

GPA and Sendas employ consulting firms to advise them in tax disputes, whose fees are contingent on the disputes being settled in the company's favour. At 31 December 2022, the estimated amount totalled €28 million, comprising €25 million for GPA and €2 million for Sendas (31 December 2021: €25 and €2 million, respectively, for a total €27 million).

Moreover, Casino has given a specific guarantee to GPA concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,922 million (€341 million) at 31 December 2022 (31 December 2021: BRL 1,467 million), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify its subsidiary 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 961 million (€170 million) (31 December 2021: BRL 734 million, representing €116 million). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

- **Brazil contingent assets**

Exclusion of ICMS from the PIS/COFINS tax base

Since the adoption of non-cumulative regime to calculate PIS and COFINS tax credits, GPA and Sendas have challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA and Sendas' 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 in 2020, net of provisions, amounting to BRL 1,608 million (income of €273 million), of which BRL 995 million (€169 million) recognised in net sales and BRL 613 million (€104 million) recognised in "Other financial income". For 2021, GPA reassessed the amount of tax credits recognised in 2020 and reversed the provision that had been set aside in 2020 for BRL 280 million, or €44 million (Notes 5.1 and 11.3.2). On 16 July 2021, a ruling was handed down in favour of Sendas. In light of this ruling, associated with the ruling of the Brazilian federal supreme court (STF) of May 2021 (see Note 5.1), Sendas considered that the uncertainty that had previously led it to consider this asset as "contingent" within the meaning of IAS 37 had resolved. Accordingly, in 2021 it recognised a tax credit for BRL 216 million (€34 million), of which BRL 175 million (€28 million) in net sales and BRL 41 million (€6 million) in other financial income.

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 2022, 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. In 2020, GPA had recognised a gross amount of BRL 231 million (€39 million) in its income statement in this respect. Following full justification by Via Varejo, GPA no longer considers these tax credits as a contingent asset, and accordingly recognised an additional amount of BRL 278 million (€51 million) at 31 December 2022, shown in profit (loss) from discontinued operations.

Note 14 Related-party transactions

Related parties are:

- parent companies (mainly Rallye, Foncière Euris, Finatis, Euris and Euris Holding);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (Note 17);
- associates (Note 3.3);
- joint ventures (Note 3.3);
- 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 €4.3 million, of which €4 million for strategic advisory services and €0.3 million for the provision of staff and premises.

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Note 15 Subsequent events

Disposal of additional Assaí stake considered

In order to accelerate its deleveraging, on 7 March 2023 Casino Group announced that it was considering a plan to sell part of its stake in Assaí for approximately USD 600 million. This amount could be increased depending on market conditions. No final decision has been made on this proposed transaction, which would take the form of a secondary offering.

TERACT and Casino Group sign an exclusive agreement to create the French leader in responsible and sustainable retail

On 9 March 2023, Casino Group and TERACT announced that they had entered into an exclusive agreement, with the aim of entering into a binding agreement to create the French leader in responsible and sustainable retail activities. The exclusive discussions concern the creation of two separate entities:

- an entity, controlled by Casino, bringing together the retail activities in France. Casino Group would contribute over 9,100 stores, its undisputed leadership in convenience formats, the strength of its brands, its digital offering and its good CSR practices. TERACT would bring its know-how and expertise in the operation of garden centres, pet retail and food distribution;
- a new entity, named TERACT Ferme France and controlled by InVivo, in charge of supplying local agricultural products through short food supply chains that help to promote France's regions and showcase agricultural products. TERACT Ferme France will benefit from strong proximity to the agricultural industry through the InVivo group, its majority shareholder.

The transaction would value the activities contributed by Casino Group and TERACT at 85% and 15%, respectively, on a debt-free cash-free basis.
In order to be able to execute an ambitious growth plan, the new entity would be provided with additional equity in the region of €500 million. To this effect, in a joint initiative, Casino and the reference shareholders of TERACT have already engaged discussions with a number of investors keen to become shareholders of the combined entity.
The composition of both entities' governance and executive bodies would closely associate the reference shareholders of Casino Group and TERACT, as well as their management teams.
This project remains subject to the signing of a binding agreement between Casino Group and TERACT, which could be achieved by the end of the second quarter of 2023. This project would be subject to the consultation of the employee representative bodies of both groups as well as to the approval of the respective governance bodies of Casino Group, TERACT and InVivo. Further communication to the market would be made upon the signing of the binding agreement, which would be submitted to the approval of the antitrust authorities and of the shareholders and creditors of both parties.

Note 16 Statutory Auditors' fees

Statutory Auditors' fees for the year ended 31 December 2022 (€ thousands)	KPMG	Deloitte
Statutory audit and review of the parent company and consolidated financial statements	3,901	5,190
Non-audit services	1,235	1,657
TOTAL	**5,136**	**6,847**

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 2022, the Casino Group comprised 1,287 consolidated companies. The main companies are listed below.

	2022			2021		
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
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
AUXO Achats Alimentaires	30	30	EM	30	30	EM
AUXO Achats Non-Alimentaires	70	70	EM	70	70	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
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
Distribution Franprix	100	100	FC	100	100	FC
Distribution Leader Price	100	100	FC	100	100	FC
Franprix Holding	100	100	FC	100	100	FC
Franprix – Leader Price Holding	100	100	FC	100	100	FC
Franprix-Leader Price Finance	100	100	FC	100	100	FC
Holding Ile-de-France 2	100	100	FC	100	100	FC
Holdi Mag	100	100	FC	100	100	FC
Pro Distribution	72.5	72.5	FC	70	70	FC
Sarjel	100	100	FC	100	100	FC
Sédifrais	100	100	FC	100	100	FC
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	-	-	-	72.36	72.36	FC
GreenYellow Holding	11.81	11.81	EM	-	-	-
L'immobilière Groupe Casino	100	100	FC	100	100	FC
Sudéco	100	100	FC	100	100	FC
Uranie	100	100	FC	100	100	FC

Company		2022 % control	2022 % interest	2022 Consolidation method	2021 % control	2021 % interest	2021 Consolidation method
Mercialys group							
Mercialys (listed company)		**-**	**-**	**-**	**16.86**	**16.86**	**EM**
Other businesses							
Floa Bank		-	-	-	50	50	EM
Casino Finance		100	100	FC	100	100	FC
ExtenC		100	100	FC	100	100	FC
Perspecteev		49	49	EM	49	49	EM
RelevanC		100	100	FC	100	100	FC
Inlead		100	91.31	FC	100	91.31	FC
Infinity Advertising		50	50	EM	50	50	EM
IRTS		100	100	FC	100	100	FC
Global Retail Services		50	50	EM	50	50	EM
E-commerce							
Cnova NV group (listed company)		**99.48**	**78.83**	**FC**	**99.48**	**78.87**	**FC**
Cdiscount		100	78.89	FC	100	78.94	FC
C-Logistics		100	82.21	FC	100	82.24	FC
Cnova Pay		100	78.83	FC	100	78.87	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)	(iii)	**40.92**	**40.92**	**FC**	**41.04**	**41.04**	**FC**
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento (FIC)	(i)(ii)	25	17.88	EM	25	17.88	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (GPA M&P)	(i)	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (Novasoc)	(i)	100	100	FC	100	100	FC
Sendas Distribuidora SA ("Sendas") (listed company)	(iii)	**30.51**	**30.51**	**FC**	41.02	41.02	FC
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento (FIC)	(i)(ii)	25	17.88	EM	25	17.88	EM
International – Colombia, Uruguay and Argentina							
Éxito group (listed company)	(vii)	**96.52**	**39.50**	**FC**	**96.57**	**39.64**	**FC**
Éxito Industrias SAS	(iv)	97.95	97.95	FC	97.95	97.95	FC
Viva Malls Trust	(iv)(vi)	51	51	FC	51	51	FC
Viva Villavincencio Trust	(iv)	51	26.01	FC	51	26.01	FC
Barranquilla Trust	(iv)	90	45.90	FC	90	45.90	FC
Logistica y transporte de Servicios SAS	(iv)	100	100	FC	100	100	FC
Tuya SA	(iv)	50	50	EM	50	50	EM
Grupo Disco (Uruguay)	(iv)(v)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay)	(iv)	100	100	FC	100	100	FC
Libertad (Argentina)	(iv)	100	100	FC	100	100	FC

	2022			2021		
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
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	39.50	FC	100	39.62	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
Tevir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(i) The percentage interests correspond to the percentages held by GPA and Sendas.

(ii) FIC finances purchases made by GPA and Sendas customers. This entity was created through a partnership between Banco Itaú Unibanco SA ("Itaú Unibanco") and GPA and Sendas, and is accounted for by the equity method as GPA and Sendas exercise only significant influence over its operating and financial policies.

(iii) 10.44% of the capital of Sendas was sold on 2 December 2022 (Notes 2 and 3.1.4).

(iv) The percentage interests correspond to the percentages held by the Éxito sub-group.

(v) 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. A new agreement was signed in August 2021, giving Éxito 75% of the voting rights and therefore control over the company (Note 3.1).

(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, 96.52% of Éxito is now held by GPA.

Note 18 Standards, amendments and interpretations published but not yet mandatory

Standards, amendments and interpretations adopted by the European Union at the reporting date but not yet mandatory

The IASB has published the following standards, amendments to existing standards and interpretations, adopted by the European Union but not mandatory at 1 January 2022.

Standard (Group application date)	Description of the standard
Amendments to IAS 1 and the Materiality Practice Statement – Disclosure of Accounting Policies (1 January 2023)	These amendments will be applicable on a prospective basis. They are intended to help companies identify useful information to provide to users of financial statements about accounting policies.
Amendment to IAS 8 Definition of Accounting Estimates (1 January 2023)	These amendments will be applicable on a prospective basis. They are intended to facilitate the distinction between accounting policies and accounting estimates. In the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
Amendment to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (1 January 2023)	These amendments will be applicable on a limited retrospective basis as from the first comparative period presented. They specify how entities should account for deferred taxes arising on transactions such as leases and decommissioning obligations. In particular, they clarify that the exemption from deferred tax recognition on the initial recognition of assets and liabilities does not apply to such transactions.

These interpretations and amendments are not expected to have any material impact on the Group’s consolidated financial statements.

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 2024)	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 IAS 1 Non-current Liabilities with Covenants (1 January 2024)	These amendments will be applicable on a retrospective basis. They specify that covenants to be met after the reporting period should not affect the classification of a liability as current or non-current at the reporting date. However, entities are required to provide information on long-term debt subject to covenants in the notes to the financial statements.
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (1 January 2024)	These amendments will be applicable on a retrospective basis. They provide clarification on the subsequent measurement of the lease liability arising from sale and leaseback transactions, consisting of variable lease payments that are not dependent on an index or rate. In particular, the lessee-seller should calculate the lease payments so that no gain or loss is recognised in respect of the right-of-use asset retained.

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 2022

DELOITTE & ASSOCIES
Tour Majunga
6, place de la Pyramide
92908 Paris - La Défense cedex
S.A.S. au capital de € 2 188 160
572 028 041 R.C.S. Nanterre

commissaire aux comptes membre de la compagnie
régionale de Versailles et du Centre

KPMG S.A.
Tour Eqho
2, Avenue Gambetta
CS 60055 - 92066 Paris la Défense Cedex
S.A. au capital de € 5 497 100
775 726 417 R.C.S. Nanterre

commissaire aux comptes membre de la compagnie
régionale de Versailles et du Centre

Casino Guichard-Perrachon

Société Anonyme
1 cours Antoine Guichard
42000 SAINT-ETIENNE

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2022

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 Englishspeaking users. This statutory auditors' report includes information 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 and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual general meeting of Casino, Guichard-Perrachon,

Opinion

In compliance with the engagement entrusted to us by your Annual general meeting, we have audited the accompanying consolidated financial statements of Casino, Guichard-Perrachon for the year ended December 31, 2022.

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 December 31, 2022 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 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 January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, 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. We do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill impairment tests	
Risk identified	***Our response***
See Notes 3 "Scope of consolidation", 10.1 "Goodwill" and 10.5 "Impairment of non-current assets" to the consolidated financial statements	
As at December 31, 2022, the net carrying value of goodwill recorded in the consolidated statement of financial position amounts to €6,933 million, i.e. approximately 21.9% of total consolidated assets. In respect of the valuation of these assets, the Group performs goodwill impairment tests at least once a year and whenever an indication of impairment is identified, according to the methods described in Notes 10.1 and 10.5 to the consolidated financial statements. We considered the assessment of values in use to determine the recoverable value of goodwill to be a key audit matter due to: ▪ The materiality of goodwill in the consolidated financial statements; ▪ The importance of the estimates underlying the calculation of their value in use, including revenue and EBITDA forecasts, discount rates and the perpetual growth rates used to determine the terminal value; ▪ The sensitivity of certain assumptions on which the assessment of these values in use are based.	We assessed the compliance of the methodology implemented by the Group with the applicable accounting standards. We also assessed the main estimates underlying the assessment of value in use when it is determined based on discounted future cash flows, in particular: ▪ The consistency of cash flow projections with the medium-term budgets and plans prepared under the responsibility of the Board of Directors, as well as the consistency of revenue and EBITDA 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 our valuation specialists, we recalculated the discount rates based on the latest available market data and compared the results with (i) the rates used by the Group and (ii) the rates for several players operating in the same business sector as the Group; ▪ The sensitivity scenarios adopted by the Group, for which we verified the arithmetical accuracy. Finally, we also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, in particular those relating to sensitivity analyses.

Compliance with bank ratios relating to the "RCF" syndicated corporate loan facility	
Risk identified	***Our response***
See Notes 2 "Significant events of the year" and 11.5 "Financial risk management objectives and policies" to the consolidated financial statements	
Certain bonds and bank financing require the Company and certain French subsidiaries to comply with "bank covenants", as stated in Note 11.5.4. "Liquidity risk" to the consolidated financial statements. Non-compliance with the bank covenants could result in the immediate repayment of all or part of the financing concerned, some of which is also subject to cross-default clauses. We considered compliance with bank ratios under the "RCF" corporate loan facility to be a key audit matter in view of the amount of the authorized credit line, which is €2,051 million. Any non-compliance with the bank ratios could have an impact on the availability of this credit line and consequently, due to the existence of cross-default clauses as described in the notes to the consolidated financial statements, on the current/non-current presentation of financial liabilities in the consolidated financial statements, the Group's liquidity position and, if relevant, the Company's ability to continue as a going concern.	As part of our audit work, 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 ratios and monitoring compliance with bank covenants; ▪ Analyzed the contractual bank documentation relating to the "RCF" syndicated corporate loan facility; ▪ Reconciled the methods adopted to determine the aggregates used to monitor the covenants of the "RCF" corporate loan facility as implemented by the Company: "secured gross debt", "EBITDA" and "cost of net financial debt", with their contractual definition; ▪ Assessed the assumptions used by the Company to establish projections for the calculation of financial ratios for the next quarterly milestones over the forthcoming 12 months, ▪ Assessed the appropriateness of the disclosures in the notes to the consolidated financial statements.

Valuation of rebates to be received from suppliers at year-end	
Risk identified	***Our response***
See Notes 6.2 “Cost of goods sold” and 6.8 “Other current assets” to the consolidated financial statements	
In respectof 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 deducted from cost of goods sold. Considering the material impact of these rebates, the large number of contracts involved and the need for the Group to estimate the amount of rebate for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter for the Distribution Casino France, Monoprix, Franprix, C Discount and Exito brands.	As part of our audit work, we: ▪ Gained an understanding of the internal control environment relating to the process of monitoring these rebates in the Distribution Casino France, Monoprix, Franprix, C Discount and Exito brands; ▪ Assessed the key controls implemented by the Group relating to the determination of the purchase volumes concerned by the rebates, and the application of contractual commercial terms: we assessed their design and tested their operational effectiveness on a sampling basis: ▪ Reconciled, for a sample of contracts, the rates used to assess the rebates with the commercial terms indicated in the contracts signed with suppliers; ▪ Assessed, for a sample of contracts and by comparison with the annual purchase amounts confirmed by the suppliers and those recorded in information systems, the year-end purchase volumes used by the Group to assess the amount of rebates to be received by product family for each supplier; ▪ Assessed the settlement of accrued invoices booked as at December 31, 2021, compared to amounts received in 2022; and ▪ Assessed the information available to date relating to the settlement of accrued invoices booked as at December 31, 2022, compared to amounts received in early 2023.

<table>
<tr><td colspan="2">Valuation of tax credits (ICMS and PIS/COFINS) and contingent tax liabilities at GPA and Sendas</td></tr>
<tr><td>Risk identified</td><td>Our response</td></tr>
<tr><td colspan="2">See Notes 5.1 “Key indicators by reportable segment”, 6.8 “Other current assets”, 6.9.1 “Analysis of other non-current assets” and 13.3 “Contingent assets and liabilities” to the consolidated financial statements</td></tr>
<tr><td>Within the scope of its retail activities at GPA and Sendas, the Group recognizes ICMS and PIS/COFINS tax credits. As at December 31, 2022, the recorded ICMS tax credits amount to €366 million and the PIS/COFINS tax credits to €504 million.

These tax credits were recognized insofar as GPA and Sendas consider their recoverability to be probable.

In Brazil, GPA and Sendas are also involved in various administrative and legal proceedings, arising notably from tax claims filed by the Brazilian tax authorities. A portion of these tax risks, estimated at €2,471 million, were classified as contingent liabilities and no provisions were recognized at December 31, 2022, as stated in Note 13.3 to the consolidated financial statements.</td><td>We familiarized ourselves with the procedures put in place by the Group to identify and assess tax credits and tax risks in the Brazilian subsidiaries (identification of credits and risks, credit recovery plan, documentation of risk assessment, use of external experts). As part of this procedure, we also interviewed the various individuals who hold responsibilities in the GPA and Sendas organization to identify and gain an understanding of the tax credits and existing disputes, as well as the judgments relating thereto.

Concerning the ICMS and PIS/COFINS tax credits, with the assistance of our Brazilian indirect tax specialists:
▪ We analyzed the internal control environment relating to the processes implemented to monitor the tax credits and ensure their recoverability. We assessed the design of the related key controls and tested their operating effectiveness, including controls over the projections prepared by Management which supportthe assessment of tax credit recoverability;
▪ We tested the material assumptions used by Management in its assessment of the recoverability of these tax credits and tested the accuracy of the underlying data:
▪ We assessed the application of tax laws and special tax regimes used in the assessment of tax credit recoverability;
▪ We tested the data used by Management to determine the amounts of tax credits recorded;
▪ We assessed the appropriateness of the disclosures in notes 5.1, 6.8, 6.9.1 and 13.3 to the consolidated financial statements.</td></tr>
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<table>
<tr><th colspan="2">Valuation of tax credits (ICMS and PIS/COFINS) and contingent tax liabilities at GPA and Sendas (continued)</th></tr>
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<tr><td>We considered the recoverability of tax credits and the assessment of contingent tax liabilities in Brazil to be key audit matters due to (i) the materiality of the tax credits receivable and contingent tax liabilities in the consolidated financial statements for the year ended December 31, 2022, (ii) the complexity of Brazilian tax legislation and (iii) the use of judgments and estimates as part of the assessment of tax credits and contingent tax liabilities.</td><td>Concerning contingent liabilities, with the assistance of our Brazilian tax specialist, we:
▪ Gained an understanding of the internal control environment relating to the process of identifying, monitoring and estimating the level of risk associated with the various disputes, assessed the design of the related key controls and tested their operational effectiveness, in particular controls relating to the assumptions and technical bases of the tax positions used to assess loss probabilities, as well as those relating to the assessment and presentation of the amounts associated with contingent tax liabilities.
▪ Evaluated the assessment made by GPA and Sendas Management of the probability and estimation of losses for a sample of material contingent tax liabilities:
o Gained an understanding of the judgments made by GPA and Sendas Management, the technical bases and documentation used by Management to assess risk, including analyses of tax opinions or other tax advice obtained from GPA and Sendas’ external legal and tax advisors;
o Inspection and assessment of the responses to external confirmations sent to GPA and Sendas’ principal legal and tax advisors;
o Review of Management’s estimates based on the knowledge and experience of our tax experts in Brazil, regarding the application of tax laws and changes in the regulatory and tax environments.
▪ Analyzed the underlying assumptions and data and the accuracy of the calculation of the amounts related to the contingent tax liabilities presented; and
▪ Assessed the appropriateness of the disclosures in note 13.3 to the consolidated financial statements.</td></tr>
</table>

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, and highlight that, in accordance with Article 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Other information or verifications required by legal and regulatory texts

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent in the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Casino, Guichard-Perrachon by the Annual general meetings held on April 29, 2010 for Deloitte & Associés and on May 10, 2022 for KPMG S.A.

As of December 31, 2022, Deloitte & Associés was in its thirteenth year of uninterrupted engagement and KPMG S.A. in its first year.

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 Group's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or 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 (*Code de commerce*), 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 judgment 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 assesses whether these 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 a report to the Audit Committee 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, if any, significant deficiencies 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 judgment, 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 audit 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 (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie* for Statutory AuditorsWhere 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, March 20, 2023

The Statutory Auditors

DELOITTE & ASSOCIES		KPMG S.A.	
Stéphane Rimbeuf	Patrice Choquet	Eric Ropert	Rémi Vinit-Dunand