INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Three-month period ended March 31, 2022

KPMG Audit
A division of KPMG S.A.

ERNST & YOUNG Audit

CMA CGM

Period from January 1 to March 31, 2022

Statutory auditors' review report on the interim condensed consolidated financial statements

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CMA CGM

Period from January 1 to March 31, 2022

Statutory auditors' review report on the interim condensed consolidated financial statements

To the Board of Directors,

In our capacity as statutory auditors of CMA CGM and in accordance with your request, we conducted a review of the accompanying interim condensed consolidated financial statements for the period from January 1 to March 31, 2022.

Due to the global crisis related to the Covid-19 pandemic, the interim condensed consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our work.

These interim condensed consolidated financial statements were approved by your Board of Directors. Our role is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim or dispute resulting from our engagement letter or the present report, or any related matters. Each party irrevocably waives its right to oppose any action brought before French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Marseille, June 3, 2022

The Statutory Auditors

KPMG Audit
A division of KPMG S.A.

Georges Maregiano

Loïc Herrmann

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Charles-Emmanuel Chosson

Camille de Guillebon

Contents

Interim Condensed Consolidated Statement of Profit & Loss 3
Interim Condensed Consolidated Statement of Comprehensive Income 4
Interim Condensed Consolidated Statement of Financial Position - Assets 5
Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity 6
Interim Condensed Consolidated Statement of changes in Equity 7
Interim Condensed Consolidated Statement of Cash Flows 8
Notes to the Interim Condensed Consolidated Financial Statements 9
Note 1 - Corporate information 9
Note 2 - General accounting principles 9
2.1 Basis of preparation 9
2.2 Change in accounting policies and new accounting policies 10
2.3 Significant accounting judgments, estimates and assumptions 11
2.4 Translation of financial statements of foreign operations 12
Note 3 - Significant events 12
3.1 Corporate information 12
3.2 Global trade constrained by overall supply chain congestions in a context of higher geopolitical and macroeconomical uncertainties 12
3.3 Debt repayment initiatives 13
3.4 Investments in port terminals 13
3.5 Vessel orderbook and Green transition 14
Note 4 - Results for the period 14
4.1 Operating segments 14
4.2 Operating expenses 16
4.3 Gains / (Losses) on disposal of property and equipment and subsidiaries 16
4.4 Other income and (expenses) 17
4.5 NPV benefits related to assets financed by tax leases 17
4.6 Financial result 17
4.7 Current and deferred taxes 18
Note 5 - Invested capital and working capital 20
5.1 Goodwill and other intangible assets 20
5.2 Property and equipment 22
5.3 Working Capital 24
5.4 Operating and investing cash-flows 26
Note 6 - Capital structure and financial debt 26
6.1 Derivative financial instruments 26
6.2 Other non-current financial assets - Securities and other current financial assets 27
6.3 Cash and cash equivalents, and liquidity 28
6.4 Borrowings and lease liabilities 29
6.5 Cash flow from financing activities 31
Note 7 - Scope of consolidation 32
7.1 Investments in associates and joint ventures 32
7.2 Related party transactions 32
Note 8 - Other Notes 33
8.1 Provisions, employee benefits and contingent liabilities 33
8.2 Commitments 35
8.3 Significant subsequent events 35

Interim Condensed Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the three-month period ended March 31, 2022	2021
REVENUE	4.1	18,217.0	10,719.4
Operating expenses	4.2	(9,344.8)	(7,534.7)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES		**8,872.2**	**3,184.7**
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	5.3	50.5
Depreciation and amortization of non-current assets	5.2.1	(1,247.4)	(723.5)
Other income and (expenses)	4.4	(14.0)	(8.9)
Operating exchange gain/loss		44.5	(36.5)
Net present value (NPV) benefits related to assets financed by tax leases		17.7	14.7
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		**7,678.3**	**2,481.1**
Share of income / (loss) from associates and joint ventures	7.1	(52.5)	(17.7)
EBIT	4.1	**7,625.8**	**2,463.4**
CORE EBIT	4.1	**7,643.3**	**2,463.1**
FINANCIAL RESULT	4.6	**(284.4)**	**(329.0)**
PROFIT / (LOSS) BEFORE TAX		**7,341.4**	**2,134.4**
Income taxes	4.7	(126.7)	(44.7)
PROFIT / (LOSS) OF THE PERIOD		**7,214.7**	**2,089.7**
of which:			
Non-controlling interests		15.9	11.9
OWNERS OF THE PARENT COMPANY		**7,198.8**	**2,077.8**
Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)		*476.4*	*137.5*

Interim Condensed Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the three-month period ended March 31, 2022	2021
PROFIT / (LOSS) OF THE PERIOD		**7,214.7**	**2,089.7**
Other comprehensive income / (loss) reclassifiable to Profit and Loss			
Cash flow hedges:			
Effective portion of changes in fair value		(12.1)	2.4
Reclassified to profit or loss		(3.0)	0.3
Net investment hedge	6.1.2	10.8	25.7
Net investment hedge - Share of other comprehensive income of associates and joint ventures	6.1.2 & 7.1	3.7	8.8
Foreign operations – foreign currency translation differences		1.1	(14.3)
Foreign operations – Share of other comprehensive income of associates and joint ventures	7.1	(7.3)	(11.9)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss			
Remeasurment of defined benefit pension plans	8.1	31.0	22.3
Remeasurement of defined benefit pension plans of associates and joint ventures	7.1	(0.0)	(0.5)
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.7.2 & 7.1	0.0	0.2
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) OF THE PERIOD, NET OF TAX		**24.1**	**32.8**
TOTAL COMPREHENSIVE INCOME / (LOSS) OF THE PERIOD, NET OF TAX		**7,238.8**	**2,122.5**
of which:			
Non-controlling interests		14.4	11.7
Owners of the parent company		7,224.4	2,110.7

Interim Condensed Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at March 31, 2022	As at December 31, 2021
Goodwill	5.1.1	3,939.6	2,855.8
Other intangible assets	5.1.2	3,353.5	2,046.9
INTANGIBLE ASSETS		**7,293.1**	**4,902.7**
Vessels	5.2.1	19,685.9	18,561.3
Containers	5.2.1	4,570.9	4,376.3
Lands and buildings	5.2.1	1,962.9	1,946.1
Other properties and equipment	5.2.1	2,331.7	1,485.7
PROPERTY AND EQUIPMENT	5.2.1	**28,551.4**	**26,369.4**
Deferred tax assets	4.7.2	253.6	234.3
Investments in associates and joint ventures	7.1	527.8	575.7
Other non-current operating assets		262.4	74.5
Other financial assets	6.2.1	1,198.7	814.1
NON-CURRENT ASSETS		**38,086.9**	**32,970.7**
Inventories	5.3	989.6	724.1
Trade and other receivables	5.3	4,890.9	4,504.2
Contract assets	5.3	2,954.8	2,404.1
Income tax assets	5.3	121.8	120.2
Derivative financial instruments	6.1	28.5	2.7
Securities and other financial assets	6.2.2	886.1	874.5
Cash and cash equivalents	6.3	11,647.5	10,130.9
Prepaid expenses	5.3	228.0	252.3
CURRENT ASSETS		**21,747.3**	**19,012.9**
TOTAL ASSETS		**59,834.2**	**51,983.6**

Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at March 31, 2022	As at December 31, 2021
Share capital		253.2	253.2
Reserves and retained earnings		22,088.9	5,657.8
Profit / (Loss) for the period attributable to owners of the parent company		7,198.8	17,893.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**29,540.8**	**23,804.9**
Non-controlling interests		122.1	113.1
TOTAL EQUITY		**29,662.9**	**23,918.0**
Borrowings and lease liabilities	6.4	14,937.4	14,649.4
Derivative financial instruments	6.1	34.7	35.2
Deferred tax liabilities	4.7.2	778.4	398.9
Provisions	8.1	392.9	405.0
Employee benefits	8.1	248.5	278.1
Other liabilities		67.1	52.4
NON-CURRENT LIABILITIES		**16,459.0**	**15,819.0**
Borrowings and lease liabilities	6.4	3,935.2	3,552.1
Derivative financial instruments	6.1	2.9	5.8
Provisions	8.1	246.4	228.0
Employee benefits	8.1	1.9	1.8
Trade and other payables	5.3	8,991.9	7,939.7
Income tax liabilities	5.3	314.3	284.3
Deferred income	5.3	219.7	234.9
CURRENT LIABILITIES		**13,712.3**	**12,246.5**
TOTAL LIABILITIES & EQUITY		**59,834.2**	**51,983.6**

Interim Condensed Consolidated Statement of changes in Equity

(in USD million)

	Attributable to owners of the parent					
		Reserves, retained earnings and Profit for the year				
	Share capital (i)	Premium, legal reserves, Profit / (Loss) for the year and other comprehensive income non reclassifiable to profit and loss	Other comprehensive income reclassifiable to profit and loss	TOTAL	Non-controlling interests	Total Equity
Balance as at January 1, 2021	**253.2**	**6,659.5**	**(200.0)**	**6,712.7**	**66.1**	**6,778.8**
Profit / (Loss) for the period	-	2,077.8	-	**2,077.8**	11.9	**2,089.7**
Other comprehensive income / (expense), net of tax	-	22.3	10.7	**33.0**	(0.2)	**32.8**
Total comprehensive income / (expense) for the period	**-**	**2,100.0**	**10.7**	**2,110.7**	**11.7**	**2,122.5**
Acquisition of subsidiaries	-	-	-	**-**	10.6	**10.6**
Other reclassification within equity	-	(6.3)	6.2	**(0.1)**	(1.1)	**(1.3)**
Dividends	-	(350.0)	-	**(350.0)**	(0.1)	**(350.1)**
Total transactions with Shareholders	**-**	**(356.3)**	**6.2**	**(350.1)**	**9.3**	**(340.8)**
Balance as at March 31, 2021	**253.2**	**8,403.2**	**(183.1)**	**8,473.3**	**87.1**	**8,560.4**
Balance as at January 1, 2022	**253.2**	**23,823.9**	**(272.2)**	**23,804.8**	**113.1**	**23,918.0**
Profit / (Loss) for the period	-	7,198.8	-	**7,198.8**	15.9	**7,214.7**
Other comprehensive income / (expense), net of tax	-	31.0	(5.3)	**25.7**	(1.5)	**24.1**
Total comprehensive income / (expense) for the period	**-**	**7,229.7**	**(5.3)**	**7,224.4**	**14.4**	**7,238.8**
Other reclassification within equity	-	8.9	2.5	**11.5**	(4.1)	**7.3**
Dividends	-	(1,500.0)	-	**(1,500.0)**	(1.2)	**(1,501.2)**
Total transactions with Shareholders	**-**	**(1,491.1)**	**2.5**	**(1,488.5)**	**(5.4)**	**(1,493.9)**
Balance as at March 31, 2022	**253.2**	**29,562.5**	**(274.9)**	**29,540.8**	**122.1**	**29,662.9**

(i) The share capital is constituted of (i) 11,031,714 ordinary shares held by MERIT France SAS, its shareholders and related persons, (ii) 3,626,865 ordinary shares held by Yildirim and (iii) 453,358 ordinary shares and 1 preferred share held by the Banque Publique d'Investissement (Bpifrance formerly FSI) for a total of 15,111,938 ordinary shares.

Interim Condensed Consolidated Statement of Cash Flows

(in USD million)

	Note	For the three-month period ended March 31, 2022	2021
Profit / (Loss) for the period		**7,214.7**	**2,089.7**
Depreciation and amortization	5.2.1	1,247.4	723.5
Net present value (NPV) benefits related to assets financed by tax leases		(17.7)	(14.7)
Other income and expense	4.4	14.0	8.9
Increase / (Decrease) in provisions		2.1	33.2
Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(5.3)	(50.5)
Share of (Income) / Loss from associates and joint ventures	7.1	52.5	17.7
Interest expenses on net borrowings and lease liabilities		271.8	293.0
Income tax	4.7	126.7	44.7
Other non cash items		17.5	(136.1)
Changes in working capital	5.3	**(210.5)**	**(70.4)**
Cash flow from operating activities before tax		**8,713.1**	**2,938.9**
Income tax paid		(121.5)	(24.7)
Cash flow from operating activities net of tax	**5.4**	**8,591.7**	**2,914.2**
Purchases of intangible assets	5.1.2	(24.6)	(13.4)
Disposals of subsidiaries, net of cash divested		-	73.8
Acquisition of subsidiaries, net of cash acquired	3.4	(1,673.2)	(13.9)
New investments in associates and joint ventures		-	(28.0)
Purchases of property and equipment	5.2.1	(953.7)	(409.3)
Proceeds from disposal of property and equipment		17.7	10.0
Dividends received from associates and joint ventures	7.1	3.8	2.7
Cash flow resulting from other financial assets	5.4	(702.2)	(31.8)
Variation in securities	6.2.2	(17.4)	8.9
Net cash (used in) / provided by investing activities	**5.4**	**(3,349.6)**	**(401.1)**
Dividends paid to the owners of the parent company and non-controlling interest		(1,501.8)	(0.5)
Proceeds from borrowings, net of issuance costs	6.4	269.9	301.8
Repayments of borrowings	6.4	(968.7)	(2,171.5)
Cash payments related to principal portion of leases	6.4	(793.1)	(506.6)
Interest paid on net borrowings		(49.7)	(92.2)
Cash payments related to interest portion of leases		(209.7)	(172.1)
Other cash flow from financing activities	6.5	(472.6)	(219.1)
Net cash (used in) / provided by financing activities	**6.5**	**(3,725.7)**	**(2,860.4)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(6.8)	44.6
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**1,509.6**	**(302.7)**
Cash and cash equivalents and bank overdrafts at the beginning of the period		**10,073.5**	**1,849.0**
Cash and cash equivalents as per balance sheet		11,647.5	1,734.5
Bank overdrafts		(64.4)	(188.3)
Cash and cash equivalents and bank overdrafts at the end of the period	6.3	**11,583.1**	**1,546.3**
Supplementary information: non cash investing or financing activities:			
- Assets acquired through financial debt or equivalents	5.2.1	*1,625.1*	*1,272.0*
Supplementary information: Interest paid on net borrowings			
- Interests received		*11.9*	*6.7*
- Interests paid excluding interest on leases		*(61.6)*	*(98.9)*

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is Boulevard Jacques Saadé, 4 Quai d'Arenc, 13235 Marseille Cedex 2, France.

The Interim Condensed Consolidated Financial Statements ("CFS") of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the three-month period ended March 31, 2022 were approved and authorized for issue by the Board of Directors on June 3, 2022.

The Group operates primarily in the international containerized transportation of goods as well as in logistics business, through the Freight Management and Contract Logistics solutions provided by CEVA Logistics. Other activities mainly include port terminals and air cargo operations.

Note 2 - General accounting principles

2.1 Basis of preparation

The interim condensed CFS of CMA CGM for the three-month period ended March 31, 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and under the historical cost basis, with the exception of financial assets measured at fair value, securities, derivative financial instruments and net assets acquired through business combinations which have all been measured at fair value.

2.1.1 Statement of compliance

The interim condensed CFS do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS as adopted by the European Union, and should be read in conjunction with the Group's audited annual CFS for the year ended December 31, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last financial statements.

IFRSs can be found at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Al26040

IFRSs include the standards approved by the IASB, that is, IAS and accounting interpretations issued by the IFRS IC or the former IFRIC (until 2010) and SIC (until 2002).

2.1.2 Basis of consolidation

The CFS comprise:

- The financial statements of CMA CGM;
- The financial statements of its subsidiaries; and
- The share in the net result and the net assets of associates and joint ventures.

The CFS are presented in U.S. Dollar ("USD"), which is also the currency of the primary economic environment in which CMA CGM operates (the "functional currency"). The functional currency of the shipping activities is U.S. Dollar, except for certain regional carriers. This means that, among other things, the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortization are maintained in USD from the date of acquisition. For other activities, the functional currency is generally the local currency of the country in which such activities are operated.

All values are rounded to the nearest million (USD 000,000) with a decimal unless otherwise indicated.

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of these CFS have been applied consistently with those described in the 2021 annual CFS, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRS IC interpretations from January 1, 2022

The following amended Standards did not have any significant impact on the Group's CFS and performance:

Amendments to IFRS 3 Business Combinations : Reference to the conceptual Framework

These limited-scope amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. These amendments were published in the Official Journal of the European Union (OJEU) on July 2021 and are mandatory for financial periods commencing on or after 1 January 2022.

Amendments to IAS 16 Property, Plant and Equipment : Proceeds before Intended Use

The IASB issued amendments to IAS 16 Property, plant and equipment in May 2020. These amendments aim to standardise practices for the recognition of proceeds and costs during the test phase of an asset. These amendments were published in the OJEU on July 2021 and are mandatory for financial periods commencing on or after 1 January 2022.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous contracts – costs of fulfilling a contract

These amendments related to IAS 37 are intended to standardise practices when identifying and measuring provisions for onerous contracts, in particular for losses at completion recorded on customer contracts accounted for in application of IFRS 15. These amendments were published in the OJEU on July 2021 and are mandatory for financial periods commencing on or after 1 January 2022.

Annual Improvements 2018-2020

These limited-scope amendments concern IFRS 1, IFRS 9, IAS 16 and IFRS 41. The amendments issued in the Annual Improvements to IFRS Standards 2018–2020 were published in the OJEU on July 2021 and are of mandatory application to current reporting periods at 1 January 2022.

2.2.2 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2022, endorsed by the European Union and not early adopted

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting policies : Classification of liabilities as current or non-current

The amendments to IAS 1 on accounting policy information, issued in February 2021 by the IASB, have been endorsed by the European Union and published in the OJEU on March 3, 2022. These amendments are intended to help companies to identify the disclosures they should present on their accounting policies, to ensure the information is useful to users of financial statements. The amendments are mandatory for financial periods beginning on or after 1 January 2023. Early application is permitted.

Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments to IAS 8 on the definition of accounting estimates, issued in February 2021 by the IASB, have been endorsed by the European Union and published in the OJEU on March 3, 2022. These amendments are intended to clarify the distinction between accounting policies and accounting estimates. The amendments are mandatory for financial periods beginning on or after 1 January 2023. Early application is permitted.

2.2.3 New IFRS and IFRS IC interpretations effective for the financial year beginning on or after January 1, 2022 and not yet endorsed by the European Union

- *New IFRS and IFRS IC interpretations effective for the financial year beginning on January 1, 2022 and not yet endorsed by the European Union*

IFRS 14: Regulatory Deferral Accounts

The endorsement process of this interim standard has been suspended until the publication of the final IFRS standard.

- *New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2022 and not yet endorsed by the European Union*

The impacts of the following new or amended Standards are currently being assessed by the Company:

Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current
Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 17: Insurance Contracts - Initial Application of IFRS 17 and IFRS 9 – Comparative Information

2.2.4 Change in accounting estimates (see notes 3.5 and 5.2)

As disclosed in the 2021 annual CFS, Management reviewed the useful life of certain specific vessels as part of the green transition (see Note 3.5).

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the CFS requires the use of judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the reporting date.

Although these interim condensed CFS reflect management's best estimates based on information available at the time of the preparation of these financial statements, the outcome of transactions and actual situations could differ from those estimates due to changes in assumptions or economic conditions.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2021 annual CFS, have been described in the below mentioned notes of these annual CFS and are as follows:

- Measurement of the deferred tax assets related to tax losses carried forward (see Note 4.7.2 of the annual CFS);
- Impairment of non-financial assets (see Note 5.3 of the annual CFS);
- Determination of the vessels useful lives and residual values (see Note 5.2 of the annual CFS);
- Assessment of whether the lease contract options (purchase, extension, renewal and early termination…) are reasonably certain to be exercised or not and assessment of other items which may affect the lease term (see Note 5.2 of the annual CFS);
- Demurrage & detention revenues and receivables, accruals for port call expenses, transportation costs and handling services (see Note 5.4 of the annual CFS); The estimation of demurrage & detention revenues and receivables is closely monitored in the current context of congestion and supply chain disruption;

- Risks related to cargo and corporate claims and related accounting provisions (see Note 8.1 of the annual CFS);
- Defined benefit obligations (see note 8.1.2 of the annual CFS).

2.4 Translation of financial statements of foreign operations

Exchange rates used for the translation of significant foreign currency transactions against one USD are as follows:

	Closing rate		Average rate	
	March 31,	December 31,	3-month period ended March 31,	
	2022	2021	2022	2021
Euro	0.90082	0.88355	0.89097	0.82963
British pound sterling	0.76161	0.74228	0.74521	0.72523
Australian Dollar	1.33476	1.37950	1.38147	1.29440
Chinese Yuan	6.34290	6.34980	6.34955	6.48283
Singapore Dollar	1.35450	1.35040	1.35257	1.33251

Note 3 - Significant events

3.1 Corporate information

Dividends to shareholders have been declared and paid in the three-month period ended March 31, 2022 for an amount of USD 1,500 million.

3.2 Global trade constrained by overall supply chain congestions in a context of higher geopolitical and macroeconomical uncertainties

Since the second half of 2020 and as a result of the first Covid-19 pandemic lockdown lifting, global trade is heavily constrained by the congestion of the supply chains, both at sea and on the ground, with longer transit times, slower asset rotations and deterioration of schedules reliability. Recently, tensions in global supply chains have continued to weigh on the effective capacity of the global maritime transport in 2022, and on the Group's operations. Transported volumes in the Group's container shipping division decreased slightly in Q1 2022 compared to Q1 2021 as a result of the congestions and a high comparable base. The group's financial performance has been supported by a combination of positive unit revenue dynamics in the container shipping division and cost containment efforts across the group, although the current context generates material cost increases such as extra costs in terminals and higher charter rates. In addition, the recent geopolitical tensions have led to a significant increase in energy prices reflected in higher bunker costs and may create wider inflationary pressure on global economies and hence resulting in weaker macro-economic prospects.

In response to the current supply chain challenges, the Group has continued to increase its fleet capacity, and invests to enhance its portfolio of assets (including owned containers and vessels as well as logistics activities). Following the acquisition of Fenix Marine Services on January 4 (see Note 3.4), the Group closed the acquisitions of the main part of Ingram CLS as well as of Colis Privé and GEFCO (the latter being subject to antitrust approval) in April 2022, thereby strengthening its logistics solutions, particularly in the e-commerce space (see Note 8.3).

Besides, the Group is closely monitoring developments in the current geopolitical landscape and has suspended all new bookings to/from Russia, Ukraine and Belarus. The Group also ensures that it complies with applicable sanctions. In such context, Management decided to write-off the recoverable value of two joint-ventures located in Russia and Ukraine for a total amount of USD (48) million and to write down a portion of the local receivables for a total amount of USD (25) million.

The decisions taken thus far have no material impact on the Group's performance. However, it is difficult to assess yet the impact of a potential further deterioration in the geopolitical environment, the wider macro-economic consequences and the implications of the measures that may have to be taken by the Group.

3.3 Debt repayment initiatives

The Group pursued its debt repayment initiatives over the period through with a voluntary partial repayment of USD 500 million on the CMA CGM securitization program, which remains fully available (see Note 6.4.5).

3.4 Investments in port terminals

Acquisition of Fenix Marine Services

On January 4, 2022, the Group closed the acquisition of 90% of Fenix Marine Services (FMS) terminal in Los Angeles from the investment fund EQT Infrastructure III for an equity value of USD 1.8 billion. Considering the 10%-stake owned prior to this acquisition CMA CGM is now the sole owner of the FMS port terminal.

The following impacts were recognized in the year ended December 31, 2021 prior to the closing of the transaction:

- the positive revaluation of the 10% ownership in Fenix Marine Services (FMS) for USD 113.4 million,
- the recognition in 2021 P&L of the earn-out received upon closing of FMS transaction for USD 105.9 million, related to the sale of 90% of the terminal's shares in 2017.

Consideration paid, purchase price allocation ("PPA") and preliminary goodwill of FMS

At FMS acquisition date, the consideration paid, the measurement at fair value of the assets acquired and liabilities assumed and the resulting full goodwill can be presented as follows (in USD million) :

		In USD million
Total consideration for 90% stake in FMS	**A**	**1,816.3**
Cash acquired - Cash and cash equivalents of FMS at acquisition date	**B**	**156.5**
Cash consideration paid for 90% stake in FMS, net of cash acquired, at acquisition date	**C = A (-) B**	**1,659.8**
Identifiable assets acquired		
Terminal concession rights		1,333.2
Software licences and other intangible		10.6
Lands and buildings		9.0
Terminal assets		804.7
Other property and equipment		8.3
Inventories		5.7
Current derivatives		0.6
Working capital - assets		68.3
Liabilities assumed		
Non current borrowings and lease liabilities		997.6
Deferred tax liabilities		384.0
Non current provisions		11.6
Current borrowings and lease liabilities		9.3
Working capital - liabilities		86.0
Fair value of net assets acquired	**D**	**751.9**
Fair value of previously acquired shares	**E**	**171.5**
Goodwill	**C (-) D (+) E**	**1,079.4**

In accordance with IFRS 3, all acquired assets, liabilities and contingent liabilities assumed have been measured at fair value. The main intangible asset recognized separately from goodwill is the concession-related intangible asset, using the excess earnings valuation method.

The purchase price allocation has resulted in the recognition of a preliminary goodwill of USD 1,079.4 million, mainly explained by the contract-related assets with CMA CGM (Volume & Call Commitment Agreement and relationship with CMA CGM) which constitute a pre-existing relationship which is not to be recognized in accordance with IFRS 3, and remains part of goodwill.

Port of Beirut

On February 17, 2022, CMA Terminals, a fully-owned subsidiary of the Group, has been awarded the concession to run the Beirut Port Container Terminal, the only dedicated container facility in the capital of Lebanon. The Group will start operations in March 2022 under the terms of a ten-year lease agreement.

3.5 Vessel orderbook and Green transition

Owned vessel orderbook

The Group's orderbook includes 42 owned vessels and 2 vessels to be delivered under long-term bareboats (no change compared to December 31, 2021).

The owned vessels orderbook corresponds to ten TEU 7,300 vessels, ten TEU 2,000 LNG-fueled vessels, ten TEU 5,500 vessels, six TEU 15,000 LNG-fueled vessels and six TEU 13,000 vessels.

Green transition – IMO regulation

As part of its decarbonation roadmap and the Green transition and in anticipation of IMO23 regulation, Management reviewed from Q4 2021 onwards the economic viability and efficiency of some of its older vessels which are likely to be mostly affected by these changes in regulation. This has resulted in a shortening of their remaining useful lives and hence an acceleration of their depreciation profile. The useful life applied to most vessels in the fleet remains unchanged at 25 years.

Partnership with Engie

On November 11, 2021, CMA CGM and Engie established a long-term, strategic and operational project focused on the production of decarbonized fuels. The goal is to develop the production and distribution of synthetic methane on an industrial scale so it can be used by the shipping sector.

Note 4 - Results for the period

4.1 Operating segments

For management purposes, the Group reports three operating segments: (i) container shipping (ii) logistics (mostly comprising of the CEVA Logistics activities) and (iii) other activities including mainly port terminals and air cargo.

The segment information for the reportable segments for the three-month period ended March 31, 2022 is as follows:

	Revenue		EBITDA		EBIT	
	For the three-month period ended March 31,					
	2022	2021	2022	2021	2022	2021
Container shipping segment	14,849.9	8,574.2	8,537.9	2,974.8	7,504.6	2,419.3
Logistics segment	3,386.7	2,154.5	250.1	171.7	103.4	39.4
Other activities	384.1	166.6	84.2	38.3	35.3	4.4
Total core measures before elimination	**18,620.7**	**10,895.3**	**8,872.2**	**3,184.7**	**7,643.3**	**2,463.1**
Eliminations	(403.7)	(175.9)	-	-	0.0	(0.0)
Total core measures	**18,217.0**	**10,719.4**	**8,872.2**	**3,184.7**	**7,643.3**	**2,463.1**
Reconciling items	-	-	-	-	(17.5)	0.2
Total consolidated measures	**18,217.0**	**10,719.4**	**8,872.2**	**3,184.7**	**7,625.8**	**2,463.4**

Certain items included in EBIT are presented as reconciling items as management considers that they do not affect the recurring operating performance of the Group. As a consequence, these items are not reported in the line item "Total Core measures".

The bridge from EBIT to core EBIT is presented below in sync with Notes 4.3, 4.4 and 7.1 below:

	For the three-month period ended March 31,	
	2022	2021
Core EBIT	**7,643.3**	**2,463.1**
Gains / (losses) on disposal of property and equipment and subsidiaries	5.3	50.5
Other income and (expenses)	(14.0)	(8.9)
Operating exchange rate gain/loss	44.5	(36.5)
Impairment / non recurring items recorded in associates and joint ventures	(53.3)	(4.9)
EBIT	**7,625.8**	**2,463.4**

4.2 Operating expenses

Operating expenses are analyzed as follows:

	For the three-month period ended March 31,	
	2022	**2021**
Bunkers and consumables	(1,304.6)	(898.2)
Chartering and slot purchases	(436.4)	(447.5)
Handling and stevedoring	(2,150.4)	(2,003.3)
Inland and feeder transportation	(2,762.2)	(1,829.2)
Port and canal	(410.3)	(408.5)
Container equipment and repositioning	(370.8)	(287.1)
Employee benefits	(1,350.6)	(1,163.1)
General and administrative other than employee benefits	(431.0)	(401.5)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(5.1)	(22.2)
Others	(123.5)	(74.1)
Operating expenses	**(9,344.8)**	**(7,534.7)**

In the shipping operating segment, surcharges due to port congestion and increased tariffs result into increasing operating expenses such as handling and stevedoring (including storage), bunker and inland transportation. Such increase is by far more than compensated by the growth of shipping revenue, thus explaining the sharp increase in profitability. In the Logistics division, operating expenses (mainly inland transportation and employee benefits) are also up in sync with higher volumes and also the effects of congestion on inland tranportation costs, sucha s driver shortages and fuel increase.

4.3 Gains / (Losses) on disposal of property and equipment and subsidiaries

Gains / (losses) on disposal of property and equipment and subsidiaries consist of the following:

	For the three-month period ended March 31,	
	2022	**2021**
Disposal of vessels	(0.8)	(0.1)
Disposal of containers	2.6	(3.4)
Other fixed assets disposal	3.5	(1.0)
Disposal of subsidiaries	0.0	55.0
Gains / (losses) on disposal of property and equipment and subsidiaries	**5.3**	**50.5**

No significant disposal occurred in Q1 2022.

In 2021, disposal of subsidiaries mainly corresponds to the sale of the Group's 50% stake in Ameya for USD 57.9 million.

4.4 Other income and (expenses)

Other income and (expenses) can be analyzed as follows :

	For the three-month period ended March 31,	
	2022	**2021**
Impairment (losses) / reversals of assets	(1.2)	(0.8)
Others	(12.8)	(8.1)
Other income and (expenses)	**(14.0)**	**(8.9)**

"Others" line item includes various items such as transaction fees, some variations of non-recurring provisions or other non-recurring items individually not material.

4.5 NPV benefits related to assets financed by tax leases

"NPV benefits related to assets financed by tax leases" relate to some vessel tax financings whereby a portion of the associated benefit is credited to the Consolidated Statement of Profit & Loss over the tax financing period.

4.6 Financial result

The financial result is analyzed as follows:

	For the three-month period ended March 31,	
	2022	**2021**
Interest expense on net financial debt excl. leases	(57.6)	(101.7)
Interest expense on leases	(225.8)	(177.2)
Net interests on cash and cash equivalents	8.5	1.7
Cost of net debt, incl. settlement of interest rates derivatives	**(274.9)**	**(277.2)**
Non-recurring impact related to deleveraging initiatives	(13.7)	(7.6)
Total cost of net debt	**(288.6)**	**(284.8)**
Settlements and change in fair value of derivative instruments	2.3	1.9
Foreign currency income and expense, net	3.1	70.8
Other financial income and expense, net	(1.2)	(116.9)
Other net financial items	**4.2**	**(44.2)**
Financial result	**(284.4)**	**(329.0)**

For the three-month period ended March 31, 2022:

- "Interest expense on net financial debt excl. leases" includes USD (7.1) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (27.3) million for the year ended March 31, 2021). The decrease of interest expenses between Q1 2021 and Q1 2022 is driven by the Group's voluntary debt initiatives undertaken since Q4 2020, hence lowering average indebtedness.
- "Interest expense on leases" variation is the result of a sharp increase in the number, average cost and duration of leases (including the new lease recognized as part of FMS integration).
- "Non-recurring impact related to deleveraging initiatives" mainly includes redemption premiums paid and the accelerated amortization of issuance costs related to borrowings.

"Settlements and change in fair value of derivative instruments" reflect the impact, on the portfolio of derivative financial instruments, of specific settlement operations as well as the volatility of currencies and interest rates during the periods presented.

"Foreign currency income and expense, net" is mainly composed of foreign currency exchange gains / (losses) on financial operations due to the translation of borrowings and financial instruments denominated in currencies different from USD (mainly but not limited to transactions in EUR). The voluntary debt repayment initiatives led to a reduction of the portion of the Group's indebtedness in EUR currency, which results into a much lower exposure to exchange rates fluctuations in Q1 2022 compared to Q1 2021.

In Q1 2021, "Other financial income and expense, net" mainly included a revaluation of the value of our funds and various investments in Lebanon. Besides, such caption generally includes impacts arising from unwinding of discount, termination fees, lease modifications, interests' income related to financial assets, dividends received from related parties and changes in fair value of assets at fair value through profit and loss.

4.7 Current and deferred taxes

4.7.1 Current tax

	For the three-month period ended March 31,	
	2022	**2021**
Current tax income / (expense)	(146.5)	(50.1)
Deferred tax income / (expense)	19.8	5.4
Income Taxes	**(126.7)**	**(44.7)**

The Group's subsidiaries generated an increase of the current tax expenses in sync with increased profitability and sustained activities.

In the French tax consolidation Group, the current tax expenses have significantly increased due to higher operations not subject to tonnage tax and to some income taxes incurred abroad.

4.7.2 Deferred tax

Deferred tax balances break down as follows:

Deferred tax assets	As at March 31, 2022	As at December 31, 2021
Investment tax credit	0.9	0.9
Tax losses carried forward	156.5	125.4
Retirement benefit obligations	29.9	33.2
Other temporary differences	82.5	91.0
Total gross deferred tax assets	**269.8**	**250.6**
Total net deferred tax assets	**253.6**	**234.3**

Deferred tax liabilities	As at March 31, 2022	As at December 31, 2021
Revaluation and depreciation of property and equipment	2.1	2.2
Intangible assets adjustment due to purchase price allocation	676.0	300.3
Undistributed profits from subsidiaries	79.1	67.4
Other temporary differences	37.4	45.3
Total gross deferred tax liabilities	**794.6**	**415.2**
Total net deferred tax liabillities	**778.4**	**398.9**
Total net deferred tax assets / (liabilities)	**(524.8)**	**(164.6)**

The breakdown of deferred tax assets and deferred tax liabilities presented in the table above is based on gross amounts. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amount recognized in the statement of financial position corresponds to the net deferred tax assets and liabilities.

The deferred tax P&L impact for the three-month period ended March 31, 2022 is mainly explained by :

(i) An increase in deferred tax assets related to carry forward losses previously unrecognized (on activities non eligible to tonnage tax) for USD 31.2 million;

(ii) An increase in deferred tax liabilities on undistributed subsidiaries' reserves for USD (11.9) million;

(iii) A decrease of the deferred tax liability related to purchase price allocation for USD (2.5) million.

Tax losses are recognized only to the extent of the level of the corresponding deferred tax liability and the foreseeable taxable profit generated by these activities under common law conditions (excluding tonnage tax regimes). None of the related entities have incurred losses in either the current or preceding years.

Income tax impacts related to other comprehensive income are presented in the statement of comprehensive income.

	For the three-month period ended March 31, 2022
Net deferred tax at the begining of the year	**(164.6)**
Changes through Profit & Loss	19.8
Changes through Other Comprehensive Income	0.0
Currency translation adjustment	3.0
Other variations	(383.0)
Net deferred tax at the end of the period	**(524.8)**

"Other variations" line item mainly reflects the recognition of a deferred tax impact for USD (383.0) million related to the preliminary purchase price allocation of FMS.

Note 5 - Invested capital and working capital

5.1 Goodwill and other intangible assets

5.1.1 Goodwill

The carrying amount of goodwill has been allocated to the following operating segments and cash generating units based on the management structure:

	As at March 31, 2022	As at December 31, 2021
Beginning of the year	**2,855.8**	**2,872.8**
Goodwill from business combinations	1,079.4	11.2
Other variations	0.1	-
Impairment	(1.0)	(11.0)
Foreign currency translation adjustment	5.3	(17.2)
At the end of the period	**3,939.6**	**2,855.8**
of which:		
Allocated to container shipping segment	*1,133.1*	*1,127.9*
Allocated to logistics segment	*1,726.7*	*1,726.6*
Allocated to other activities	*1,079.8*	*1.4*

During the three-month period ended March 31, 2022, the line item "Goodwill from business combinations" corresponds to the preliminary goodwill recognized as part of the acquisition of Fenix Marine Services (see Note 3.4).

In 2021, the line item "Goodwill from business combinations" mainly corresponds to the goodwill recognized as part of the acquisition of some non-material entities by CEVA.

5.1.2 Other intangible assets

Other intangible assets are analyzed as follows:

	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
Cost of Other intangible assets						
As at December 31, 2020	**877.9**	**108.2**	**2,133.5**	**115.0**	**9.1**	**3,243.8**
Acquisitions	31.5	71.8	0.1	-	0.2	103.6
Disposals	(29.7)	(0.5)	-	-	-	(30.2)
Reclassification	32.9	(34.3)	0.0	-	0.3	(1.1)
Foreign currency translation adjustment	(19.4)	(2.6)	(11.8)	-	(0.7)	(34.6)
As at December 31, 2021	**893.2**	**142.5**	**1,918.8**	**71.0**	**8.9**	**3,034.4**
Acquisitions	2.0	24.1	-	-	0.1	26.2
Acquisitions of subsidiaries	10.6	-	-	1,333.2	-	1,343.8
Disposals	(0.3)	-	-	-	-	(0.3)
Reclassification	0.6	(3.1)	-	-	-	(2.5)
Foreign currency translation adjustment	(4.1)	(0.9)	5.2	-	(0.1)	0.1
As at March 31, 2022	**901.9**	**162.5**	**1,924.0**	**1,404.2**	**8.9**	**4,401.6**

	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
Amortization and impairment						
As at December 31, 2020	**(482.6)**	**-**	**(253.9)**	**(74.9)**	**(5.4)**	**(816.8)**
Amortization	(84.4)	-	(92.4)	(3.1)	(1.5)	(181.4)
Disposals	33.1	-	-	-	0.0	33.1
Impairment	(58.2)	-	12.2	13.2	-	(32.8)
Reclassification	(0.2)	-	-	-	-	(0.2)
Foreign currency translation adjustment	7.9	-	2.1	-	0.5	10.5
As at December 31, 2021	**(584.4)**	**-**	**(332.0)**	**(64.8)**	**(6.4)**	**(987.5)**
Amortization	(24.7)	-	(21.1)	(14.8)	(0.3)	(61.0)
Disposals	0.3	-	-	-	-	0.3
Reclassification	(1.1)	-	-	-	-	(1.1)
Foreign currency translation adjustment	1.0	-	0.2	-	0.1	1.2
As at March 31, 2022	**(609.0)**	**-**	**(352.9)**	**(79.6)**	**(6.6)**	**(1,048.1)**

Net book value of Other intangible assets	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
As at March 31, 2022	**292.9**	**162.5**	**1,571.1**	**1,324.6**	**2.3**	**3,353.5**
As at December 31, 2021	**308.8**	**142.5**	**1,586.8**	**6.2**	**2.6**	**2,046.9**
As at December 31, 2020	**395.3**	**108.2**	**1,879.6**	**40.1**	**3.8**	**2,427.0**

The net carrying value of other intangible assets mainly relates to (i) the trademark and customer relationships recognized as part of the purchase price allocations for USD 1,571.1 million (USD 1,586.8 million as at December 31, 2021), (ii) USD 1,324.6 million of terminal concession rights relating to purchase price allocations, including the concession-related intangible asset recognized in Q1 2022 as part of the acquisition of FMS (USD 6.2 million as at December 31, 2021) and (iii) software in use or in progress for an amount of USD 455.4 million (USD 451.3 million as at December 31, 2021).

During the three-month period ended March 31, 2022, the capitalized costs of the future information system amounted to USD 10.3 million (USD 33.3 million during the year ended December 31, 2021).

5.2 Property and equipment

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Vessels net		
Owned	10,553.2	10,171.8
In-progress	949.1	655.7
Right-of-use	8,183.6	7,733.8
	19,685.9	**18,561.3**
Containers net	-	
Owned	1,525.2	1,089.6
In-progress	-	155.0
Right-of-use	3,045.7	3,131.7
	4,570.9	**4,376.3**
Lands and buildings net	-	
Owned	482.7	483.6
In-progress	19.7	18.1
Right-of-use	1,460.5	1,444.5
	1,962.9	**1,946.1**
Other properties and equipments net	-	
Owned	715.5	542.6
In-progress	867.4	786.9
Right-of-use	748.8	156.2
	2,331.7	**1,485.7**
Total net	-	
Owned	13,276.6	12,287.6
In-progress	1,836.2	1,615.7
Right-of-use	13,438.6	12,466.2
Property and equipment	**28,551.4**	**26,369.4**

As at March 31, 2022, assets under IFRS 16 included in the above table represented a net book value of USD 13,438.6 million (USD 12,466.2 million as at December 31, 2021).

Changes in the cost of property and equipment for the three-month period ended March 31, 2022 and the year ended December 31, 2021 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at December 31, 2020	**11,417.9**	**6,984.4**	**563.2**	**4,196.8**	**2,825.2**	**772.4**	**26,759.9**
Acquisitions	1,028.9	4,889.7	1,127.5	2,267.2	675.3	1,217.4	**11,206.0**
Acquisitions of subsidiaries	-	-	-	-	9.1	66.1	**75.2**
Disposals	(53.0)	(130.2)	(0.0)	(207.5)	(175.6)	(28.7)	**(595.1)**
Reclassification	18.9	-	-	0.0	(14.0)	9.6	**14.6**
Vessels put into service	1,027.9	6.9	(1,034.8)	-	-	-	**0.0**
Vessels refinancing & exercise of purchase option	1,148.8	(1,148.9)	-	-	-	-	**(0.0)**
Foreign currency translation adjustment	(33.8)	(7.1)	(0.1)	(0.0)	(157.0)	(64.5)	**(262.6)**
As at December 31, 2021	**14,555.7**	**10,594.7**	**655.7**	**6,256.5**	**3,145.9**	**1,964.4**	**37,172.8**
Acquisitions	354.4	1,267.3	327.9	376.2	158.4	93.1	**2,577.3**
Acquisitions of subsidiaries	-	-	-	-	9.0	813.1	**822.1**
Disposals	(13.7)	(3.5)	0.0	(33.3)	(56.4)	(11.1)	**(117.9)**
Disposals of subsidaries	-	-	-	-	(1.3)	(0.1)	**(1.5)**
Revaluation	-	-	-	-	(1.8)	-	**(1.8)**
Reclassification	22.6	-	-	0.0	(1.0)	(0.8)	**20.8**
Vessels put into service	19.9	14.9	(34.9)	-	-	-	**-**
Vessels refinancing & exercise of purchase option	442.4	(442.4)	-	-	-	-	**-**
Foreign currency translation adjustment	0.9	(2.7)	0.3	(0.0)	(41.5)	(19.8)	**(62.7)**
As at March 31, 2022	**15,382.2**	**11,428.4**	**949.1**	**6,599.3**	**3,211.3**	**2,838.8**	**40,409.3**

As at March 31, 2022, the Group had 205 owned vessels and 340 leased vessels or under equivalent agreements in the scope of IFRS 16 (192 owned vessels and 331 leased vessels or equivalent agreements in the scope of IFRS 16 as at December 31, 2021). The Group also operated 35 vessels not recorded in the statement of financial position for a total fleet of 580 vessels.

During the three-month period ended March 31, 2022:

- "Acquisitions" of owned vessels relate mainly to the acquisition of 8 second-hand vessels ranging from TEU 1,700 to 5,000, as well as scrubbers for existing vessels and dry-docks;
- "Acquisitions" of right-of-use vessels mainly relate to :
    - 17 new leases entered into for a ROU amount of USD 1,031.6 million,
    - 24 vessel lease extensions for a ROU adjustment of USD 8.5 million, and
    - 7 leases with purchase options for a ROU amount of USD 218.5 million;
- "Acquisitions" of in-progress vessels relate to the instalments paid in relation to the vessel orderbook; this also related to investment in scrubbers to be fitted on vessels;
- "Acquisitions" of containers relate to new leases entered into as well as some modifications of existing leases;
- "Acquisitions" of land and buildings mainly include leases entered into by CEVA Logistics for an amount of USD 137.1 million;
- "Vessels put into service" relate to the delivery of 3 scrubbers;
- "Vessels refinancing & exercise of purchase option" relates to the exercise of purchase options in relation to 5 leased vessels.

Variations occurred during the year ended December 31, 2021 were disclosed in Note 5.2.1 of the 2021 annual CFS.

Borrowing costs capitalized during the three-month period ended March 31, 2022 amounted to USD 3.5 million (USD 4.3 million for the year ended December 31, 2021).

Acquisition of property and equipment, intangible assets and reconciliation with the Consolidated Statement of Cash Flows

Purchases of property and equipment and intangibles amounted to USD 2,603.5 million for the three-month period ended March 31, 2022 (USD 11,309.7 million for the year ended December 31, 2021).

The reconciliation of these acquisitions with the capital expenditures (CAPEX) presented in the statement of cash-flows, under the heading "Purchase of property and equipment" can be presented as follows:

		As at March 31,	
		2022	2021
Acquisition of assets presented in the above tables	a	2,603.5	1,694.7
(-) Assets not resulting in a cash outflow (i)	b	(92.5)	(212.7)
(-) IFRS16 leases increase	c	(1,532.6)	(1,059.3)
CAPEX cash from purchases of intangible assets	d	(24.6)	(13.4)
CAPEX cash from purchases of property and equipment	e = a (-) b (-) c (-) d	(953.7)	(409.3)
CAPEX cash from business combination	f	(1,845.2)	(41.9)
Total CAPEX as per Consolidated Statement of Cash Flows	**e (+) f (+) g**	**(2,823.6)**	**(464.6)**

(i) The group assets include assets financed via financial leases or assets which purchase price is settled directly by the financing bank to the yard hence not resulting in a cash stream upon acquisition.

Changes in the accumulated depreciation for the three-month period ended March 31, 2022 and the year ended December 31, 2021 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at December 31, 2020	**(3,265.4)**	**(2,142.6)**	**-**	**(1,378.6)**	**(972.9)**	**(393.0)**	**(8,152.6)**
Depreciation	(656.8)	(1,340.7)	-	(636.7)	(476.2)	(136.2)	**(3,246.6)**
Disposals	53.2	130.2	-	135.4	180.7	23.1	**522.7**
Impairment	(32.5)	(1.5)	-	0.0	(0.3)	(4.0)	**(38.3)**
Reclassification	-	-	-	-	4.7	(10.8)	**(6.1)**
Foreign currency translation adjustment	9.4	1.7	-	(0.2)	64.3	35.5	**110.6**
As at December 31, 2021	**(4,383.9)**	**(2,861.0)**	**-**	**(1,880.2)**	**(1,199.7)**	**(478.7)**	**(10,803.4)**
Depreciation	(364.8)	(482.1)	-	(171.2)	(122.3)	(45.9)	**(1,186.4)**
Disposals	12.8	3.5	-	23.0	56.2	9.8	**105.3**
Disposals of subsidaries	-	-	-	-	0.1	0.1	**0.1**
Vessels refinancing & exercise of purchase option	(94.1)	94.1	-	-	-	-	**-**
Reclassification	-	-	-	-	1.7	(2.3)	**(0.6)**
Foreign currency translation adjustment	0.8	0.8	-	(0.1)	15.7	9.9	**27.1**
As at March 31, 2022	**(4,829.1)**	**(3,244.8)**	**-**	**(2,028.5)**	**(1,248.4)**	**(507.1)**	**(11,857.9)**

Including intangible assets, the total depreciation for the three-month period ended March 31, 2022 amounts to USD 1,247.4 million (USD 3,427.9 million for the year ended December 31, 2021).

The net book value of property and equipment at the opening and closing for the three-month period ended March 31, 2022 and the year ended December 31, 2021 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at March 31, 2022	10,553.2	8,183.6	949.1	4,570.9	1,962.9	2,331.7	**28,551.4**
As at December 31, 2021	10,171.8	7,733.8	655.7	4,376.3	1,946.2	1,485.7	**26,369.5**
As at December 31, 2020	8,152.5	4,841.8	563.2	2,818.2	1,852.2	379.4	**18,607.3**

5.2.2 Group vessels and aircrafts fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within "Vessels" in the consolidated statement of Financial Position and amount to USD 949.1 million as at March 31, 2022 (USD 655.7 million as at December 31, 2021).

Prepayments made with regards to aircraft orderbook are presented within "Other properties and equipment" in the consolidated statement of Financial Position and amount to USD 753.3 million as at March 31, 2022 (USD 723.2 million as at December 31, 2021).

5.3 Working Capital

5.3.1 Inventories

	As at March 31, 2022	As at December 31, 2021
Bunkers	918.5	659.8
Other inventories	71.7	64.8
Provision for obsolescence	(0.6)	(0.5)
Inventories	**989.6**	**724.1**

5.3.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Trade receivables	3,539.2	3,534.2
Less impairment of trade receivables	(87.4)	(86.6)
Trade receivables net	**3,451.8**	**3,447.5**
Prepayments	249.9	197.4
Other receivables, net	967.3	606.9
Employee, social and tax receivables	343.8	372.5
Trade and other receivables (*)	**5,012.7**	**4,624.3**

(*) including current income tax asset

"Other receivables, net" mainly include accrued income estimated due to the time between the provision of services and the issuance of the final invoices from shipping agents to customers throughout the world.

A portion of trade receivables included in the table above are pledged as collateral under the Group's securitization programs.

Trade and other payables are analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Trade payables	2,763.8	2,719.9
Employee, social and tax payables	990.9	963.3
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	5,551.5	4,540.7
Trade and other payables (*)	**9,306.1**	**8,224.0**

(*) including current income tax liability

The working capital can be analyzed as follows:

	As at December 31, 2021	Variations linked to operations	Acquisition of subsidiaries	Currency translation adjustment	Others	As at March 31, 2022
Inventories	724.1	256.6	5.7	0.5	2.7	989.6
Trade and other receivables (*)	4,624.3	351.4	67.0	(27.1)	(2.9)	5,012.7
Contract assets	2,404.1	552.4	-	(1.7)	(0.0)	2,954.8
Prepaid expenses	252.3	(1.6)	1.4	(0.4)	(23.7)	228.0
Trade and other payables (**)	(8,224.0)	(965.2)	(85.9)	16.2	(47.3)	(9,306.1)
Deferred income	(234.9)	16.9	-	1.6	(3.3)	(219.7)
Net working capital	**(454.0)**	**210.5**	**(11.8)**	**(11.0)**	**(74.5)**	**(340.8)**

(*) including current income tax asset

(**) including current income tax liability

5.4 Operating and investing cash-flows

Cash flow from operations amounted USD 8,591.7 million of which EBITDA contributed for USD 8,872.2 million, income tax paid for USD (121.5) million and variation of working capital for USD (210.5) million. Cash flow generated from investing activities amounted to USD (3,349.6) million.

Cash flow from investing activities has been mainly impacted by the acquisition of FMS representing a net cash outflow of USD (1,659.6) million, capital expenditures from intangible assets and purchasing of property and equipment representing a cash outflow of USD (978.3) million, the proceeds from disposal of properties and equipment for USD 17.7 million, the net cash flow resulting from the variation of other financial assets for USD (702.2) million mainly related to some financial investment which do not qualify as cash equivalents, the sale of securities for USD (17.4) million and the dividends received from investments in associates and joint ventures for USD 3.8 million.

Note 6 - Capital structure and financial debt

Except for the information provided below, the Group's objectives & policies in terms of financial risk management have been detailed in Note 6.1 of the 2021 annual CFS.

6.1 Derivative financial instruments

6.1.1 Derivative financial instruments

Derivative financial instruments can be analyzed as follows :

	As at March 31, 2022		As at December 31, 2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest swaps - cash flow hedge	2,8	-	-	-
Bunker hedge - cash flow hedge	25,7	2,9	2,7	5,8
Cross currency interest rates swaps - fair value hedge	-	34,6	-	35,2
Total derivative financial instruments	**28,5**	**37,6**	**2,7**	**41,0**
of which non-current portion (greater than 1 year)	*-*	*34,7*	*-*	*35,2*
of which current portion (less than 1 year)	*28,5*	*2,9*	*2,7*	*5,8*

In Q1 2022, the Company entered into a new derivative financial instrument to hedge its fuel exposure, maturing in April 2023 and with a nominal of USD 1.1 billion.

The Company did not record any transfer between derivative financial instruments' categories in the period ended March 31, 2022.

6.1.2 Net investment hedge

Part of the Group's net investment in its euro investees is hedged by a Euro denominated senior note, which mitigates the foreign currency exposure arising from the investee's net assets. A portion of the euro loan has been designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the EUR/USD exchange rates.

The amount of the change in the value of the Senior Notes that has been recognized in OCI to offset the currency translation adjustment of the foreign operation amounts to an exchange gain of USD 14.5 million for the period ended March 31, 2022 (exchange gain of USD 61.5 million for the year ended December 31, 2021).

6.2 Other non-current financial assets - Securities and other current financial assets

6.2.1 Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Gross	233.4	387.4
Impairment	(14.7)	(14.8)
Net investments in non consolidated companies	**218.7**	**372.5**
Gross	46.3	47.7
Impairment	(17.8)	(18.6)
Loans	**28.5**	**29.1**
Gross	89.5	81.0
Impairment	(2.4)	(14.0)
Deposits	**87.0**	**67.0**
Gross	102.9	98.9
Impairment	(47.0)	(42.2)
Receivable from associates & joint ventures	**55.9**	**56.7**
Gross	840.8	305.5
Impairment	(32.1)	(16.8)
Other financial assets	**808.7**	**288.7**
Gross	**1,312.8**	**920.5**
Impairment	**(114.1)**	**(106.4)**
Total other non-current financial assets, net	**1,198.7**	**814.1**

Change in other non-current financial assets is presented within "Cash flow resulting from other financial assets" in the consolidated statement of cash flows.

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to stakes in (i) Global Ship Lease for USD 86.9 million, (ii) Fransabank El Djazair for USD 60.4 million and to (iii) various other stakes individually not significant, mainly classified as assets at fair value through profit and loss. The decrease compared to December 31, 2021 relates to the acquisition of FMS (see Note 3.4), as the Company already owned a 10% stake in the terminal.

Loans and receivables from associates and joint ventures

"Loans" and "receivables from associates and joint ventures" mainly relate to funds borrowed by certain terminal joint ventures of certain related parties.

Deposits

"Deposits" correspond to USD 87.0 million of cash deposits which do not qualify as cash and cash equivalents as at March 31, 2022 (USD 67.0 million as at December 31, 2021).

Other financial assets

As at March 31, 2022, "Other financial assets" mainly include USD 170.0 million (USD 157.2 million as at December 31, 2021) financial tax benefit to be received at the maturity of the tax financing period and some financial investments subscribed in Q1 2022 which do not qualify as cash equivalents.

6.2.2 Securities and other current financial assets

"Securities and other current financial assets" as at March 31, 2022 include:

- securities at fair value for an amount of USD 541.8 million corresponding to the investment of a portion of the group's liquidity into a specific quoted instrument allowing exit options (USD 530.2 million as at December 31, 2021);
- Other current financial assets for USD 344.3 million (USD 344.3 million as at December 31, 2021). Other current financial assets mainly include (i) the current portion of the financial assets, (ii) some short term loans to joint-ventures or associates, (iii) as well as certain cash deposits which do not qualify as cash and cash equivalents since their inception.

6.3 Cash and cash equivalents, and liquidity

6.3.1 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Cash on hand	2,495.0	1,880.8
Short term deposits	8,972.3	8,070.9
Restricted cash	180.2	179.3
Cash and cash equivalents as per statement of financial position	**11,647.5**	**10,130.9**
Bank overdrafts	(64.4)	(57.4)
Cash and cash equivalents and bank overdrafts, as per cash flow statement	**11,583.1**	**10,073.5**
Restricted Cash	(180.2)	(179.3)
Marketable securities	541.8	530.2
Group available cash	**11,944.8**	**10,424.5**
Undrawn committed facilities	1,815.2	1,880.2
Total Group Liquidity	**13,760.0**	**12,304.6**

The restricted cash balance mainly corresponds to some funds held by the Group in Algeria which cannot be used out of the country due to the transfer restrictions in Algeria as well as to some funds held in other specific countries with transfer restrictions (including a net carrying value of USD 26.8 million in Lebanon).

The Group invested in short term deposits of various maturities for a net amount of USD 8,972.3 million, which have been qualified as cash and cash equivalents since inception.

6.3.2 Undrawn committed credit facilities and liquidity position

As at March 31, 2022, the Group has access to undrawn committed credit facilities amounting to USD 1,815.2 million (USD 1,880.2 million as at December 31, 2021) granted by various financial institutions included in the Group liquidity position of USD 13,760.0 million.

In addition, the Group has access to USD 1.3 billion of undrawn financing available under its securitization programs.

6.3.3 Adjusted net debt

Apart from the Group liquidity mentioned above, the calculation of the adjusted net debt, which is the main aggregate used in the Company's covenants, is as follows:

	Note	As at March 31, 2022	As at December 31, 2021
Total Borrowings and lease liabilities (A)	6.4	**18,872.6**	**18,201.5**
Cash and cash equivalents as per statement of financial position	6.3	**11,647.5**	**10,130.9**
(+) Securities	6.2.2	541.8	530.2
(-) Restricted cash	6.3	(180.2)	(179.3)
Unrestricted cash and cash equivalents (B)		**12,009.2**	**10,481.9**
Adjusted net debt : A (-) B		**6,863.4**	**7,719.7**

6.4 Borrowings and lease liabilities

6.4.1 Maturity schedule, variations and detail of borrowings

Borrowings and lease liabilities are presented below and include bank overdrafts, long-term bank borrowings, lease liabilities (including ex finance leases and similar arrangements) and have the following maturities:

	As at March 31, 2022	Current portion	Non current portion	Maturity schedule : March 31, 2024	2025	2026	2027	Onwards
Senior notes	**629.6**	**(6.3)**	**635.9**	62.4	(4.5)	578.0	-	-
Bank borrowings - Asset financing	**2,654.2**	**383.2**	**2,271.0**	307.4	408.1	286.3	267.8	1,001.4
Bank borrowings - Corporate	**359.9**	**365.7**	**(5.8)**	(4.3)	(2.1)	0.6	0.0	0.0
Bank overdrafts	**64.4**	**64.4**	**-**	-	-	-	-	-
Securitization programs	**1,252.3**	**(3.0)**	**1,255.3**	797.1	458.2	-	-	-
Other borrowings	**65.0**	**39.8**	**25.2**	8.4	3.9	0.2	-	12.7
Total excluding lease liabilities	**5,025.4**	**843.8**	**4,181.6**	1,171.0	863.6	865.0	267.8	1,014.2
Lease liabilities	**13,847.2**	**3,091.4**	**10,755.8**	2,293.0	1,723.5	1,375.8	1,020.0	4,343.5
Total including lease liabilities	**18,872.6**	**3,935.2**	**14,937.4**	3,464.0	2,587.1	2,240.8	1,287.8	5,357.7

Variations in borrowings and lease liabilities can be analyzed as follows:

	Senior notes	Bank borrowings	Lease liabilities	Bank overdrafts	Securitization programs	Other borrowings	Total
Balance as at January 1, 2022	**659,8**	**2 764,9**	**12 877,7**	**57,4**	**1 754,5**	**87,2**	**18 201,5**
Proceeds from new borrowings, net of issuance costs	-	10,1	-	-	256,8	0,6	267,4
Repayment of financial borrowings	(24,5)	(172,8)	(793,1)	-	(757,2)	(14,1)	(1 761,8)
Other increase/decrease in borrowings and lease liabilities	2,4	0,6	1 486,1	8,3	(0,5)	1,9	1 498,8
Exercise of purchase options of vessels and containers	-	-	(308,2)	-	-	-	(308,2)
Accrued interests and fees amortization	3,0	4,2	15,3	-	0,8	(11,2)	12,1
Acquisition of subsidiaries	-	409,4	596,3	-	-	1,2	1 006,9
Foreign currency translation adjustments	(11,0)	(2,2)	(26,9)	(1,3)	(2,1)	(0,6)	(44,1)
Balance as at March 31, 2022	**629,6**	**3 014,1**	**13 847,2**	**64,4**	**1 252,3**	**65,0**	**18 872,6**

The line item "Exercise of purchase options of vessels and containers" relates to the exercise of purchase options of leases for USD (262.0) million for vessels and USD (46.2) million for containers.

The line item "Other increase / decrease in borrowings and lease liabilities" corresponds to variation in borrowings and lease liabilities which did not have any cash impact for the Group either because (i) the asset is financed through a lease contract under IFRS16, (ii) the drawdown was directly made by the bank to the benefit of the shipyard or (iii) variation in overdraft has an opposite impact in cash and cash equivalents.

Borrowings and lease liabilities relate to the following assets and their respective average interest rates are as follows:

	Senior notes	Bank borrowings	Lease liabilities	Other borrowings, securitization and overdrafts	Average Interest rate after hedging, amortized cost and "PPA"	
					Excluding leases	Including leases
Vessels	-	2 565,7	8 273,6	-	3,19%	5,50%
Containers	-	-	3 237,3	-	-	8,47%
Land and buildings	-	65,9	1 572,8	-	0,40%	5,42%
Terminal concession	-	14,1	705,9	-	3,00%	8,83%
Other tangible assets	-	8,6	57,7	-	2,34%	7,12%
Other secured borrowings	-	346,7	-	1 253,7	2,46%	2,46%
General corporate purposes	629,6	13,2	-	127,9	7,47%	7,47%
Total	**629,6**	**3 014,1**	**13 847,2**	**1 381,6**		

Secured borrowings (either allocated to a tangible assets or included in "other secured borrowing" in the table above) correspond to financial borrowings secured by tangible assets or other kind of assets (for instance but not limited to pledges over shares, bank account or receivables). Borrowings included in "General corporate purposes (unsecured)" are fully unsecured.

6.4.2 Details of Senior Notes

As at March 31, 2022, the Group has 2 unsecured Senior Notes outstanding which can be detailed as follows:
- USD 71 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America, maturing in January 2024;
- EUR 525 million of nominal amount, issued by CMA CGM and maturing in January 2026.

In March 2022, the Company proceeded to bond buybacks on the market for an amount of USD 24.5 million, thereby reducing the outstanding notional of the Notes held by APL Investments America and maturing in January 2024, from USD 95.5 million to USD 71.0 million.

6.4.3 Bank borrowings

As at March 31, 2022, the Group early repaid a bank loan related to FMS for USD 60 million. Another USD 348.0 million loan related to FMS is due to be repaid shortly and is included in current maturities.

6.4.4 Lease liabilities

The increase in lease liabilities is still mainly related to the tense situation in the chartering and container equipment markets, combining assets shortages and price increases, resulting in conditions of new or amended leases being far more expensive and with longer average duration compared to historical trends. The acquisition of FMS in January 2022 also contributed to this increase for USD 596.3 million.

6.4.5 Securitization program

During the three-month period ended March 31, 2022, the global amount drawn under the receivables securitization programs decreased by USD 502.3 million as a result of several drawdowns and repayments.

6.4.6 Other borrowings

As at March 31, 2022, other borrowings include USD 32.5 million of accrued interests (USD 42.7 million as at December 31, 2021).

6.5 Cash flow from financing activities

Cash flow from financing activities amounts to USD (3,725.7) million for the three-month period ended March 31, 2022. The financing cash flows mainly consisted in drawdown of borrowings for USD 269.9 million, more than compensated by the repayment of borrowings for USD (968.7) million, the payment of financial interests for USD (49.7) million, the cash payments related to IFRS 16 leases for USD (1,002.9) million, dividend payments for USD (1,501.8) million and other cash flow from financing activities for USD (472.6) million mainly related to the exercise of vessels and containers' purchase options for USD (308.2) million.

Note 7 - Scope of consolidation

The list of main companies or subgroups included in the consolidation scope has been disclosed in Note 7.3 of the 2021 annual CFS, the main change being the consolidation of FMS from acquisition date.

7.1 Investments in associates and joint ventures

Investments in associates and joint ventures can be analyzed as follows:

	As at March 31, 2022	As at December 31, 2021
Beginning of the year	**575.7**	**545.1**
New investments in associates and joint ventures	-	28.6
Capital increase / decrease	12.3	24.6
Share of (loss) / profit	(52.5)	(42.9)
Dividend paid or payable to the Company	(3.8)	(20.0)
Other comprehensive income / (expense)	(3.6)	3.2
Reclassification to / from assets held-for-sale	-	37.0
Reclassification from / to other items	-	(0.0)
Other	(0.4)	0.0
Closing balance	**527.8**	**575.7**

The line item "Capital increase / decrease" corresponds to the subscriptions to share capital increases of Terminal Link, with no change to the ownership in Terminal Link.

The line item "Share of (loss) / profit" corresponds to the Company's share in the profit or loss of its associates and joint ventures, which includes impairment losses recognized by associates and joint ventures where applicable. As at March 31, 2022, this includes a non-recurring expense of USD (53.3) million corresponding to the impairment of our shares into an inland joint-venture in Russia and a terminal joint-venture in Ukraine.

As at March 31, 2022, the main contributors to investments in associates and joint ventures are as follows:
- 51% of Terminal Link Group for USD 224.6 million (USD 240.6 million as at December 31, 2021);
- 50% of Anji-CEVA for USD 213.8 million (USD 212.5 million as at December 31, 2021).

2021 variations were disclosed in the 2021 annual CFS.

7.2 Related party transactions

Apart from the below, no new significant transaction has been entered into with related parties compared to the information disclosed in Note 7.5 of the 2021 annual CFS.

Note 8 - Other Notes

8.1 Provisions, employee benefits and contingent liabilities

Provisions can be analyzed as follows:

	Litigation	Other risks and obligations	Provisions	*of which* *non current portion*	*current portion*	Employee benefits	*of which* *non current portion*	*current portion*
As at December 31, 2020	**188.0**	**317.7**	**505.7**	*324.0*	*181.7*	**349.7**	*347.7*	*2.1*
Additions for the period	70.0	188.7	**258.7**			**41.3**		
Reversals during the period (unused)	(14.3)	(21.2)	**(35.5)**			**(2.0)**		
Reversals during the period (used)	(18.6)	(80.7)	**(99.3)**			**(34.5)**		
Reclassification	3.0	5.8	**8.7**			**(2.2)**		
Acquisition of subsidiaries	0.5	0.1	**0.7**			**1.0**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**(41.7)**		
IAS 19 IFRS IC Decision - Employee benefits	-	-	**-**			**(11.8)**		
Foreign currency translation adjustment	(2.4)	(3.6)	**(6.0)**			**(19.9)**		
As at December 31, 2021	**226.2**	**406.9**	**633.1**	*405.1*	*228.0*	**279.9**	*278.0*	*1.8*
Additions for the period	3.8	58.5	**62.3**			**9.9**		
Reversals during the period (unused)	(11.8)	(20.7)	**(32.4)**			**-**		
Reversals during the period (used)	(7.0)	(26.3)	**(33.2)**			**(2.8)**		
Reclassification	0.0	(1.2)	**(1.2)**			**(1.4)**		
Acquisition of subsidiaries	-	11.6	**11.6**			**0.0**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**(31.0)**		
Foreign currency translation adjustment	0.1	(0.9)	**(0.8)**			**(4.2)**		
As at March 31, 2022	**211.4**	**427.9**	**639.3**	*392.9*	*246.4*	**250.4**	*248.5*	*1.9*

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at March 31, 2022 corresponds to cargo related and other claims incurred in the normal course of business. None of these claims taken individually represents a significant amount.

While the outcome of these legal proceedings is uncertain, the Company believes that it has provided for all probable and estimable liabilities arising from the normal course of business, and therefore does not expect any un-provisioned liability arising from any of these legal proceedings to have a material impact on the results of operations, liquidity, capital resources or the statement of financial position.

Other risks and obligations

Provisions for other risks and obligations mainly include:

- Insurance provisions (mainly at CEVA) related to self-insurance schemes which represent estimates, based on historical experience, of the ultimate cost of settling outstanding claims and claims incurred but not reported at the balance sheet date on risks retained by the Group;
- Restructuring provisions including staff redundancy costs, and site closure costs;
- Provisions for onerous contracts, notably in contract logistics business where contracts and related commitments can last several years;
- Provisions for dismantling costs in relation to lease contracts amounting to USD 119.6 million (USD 118.4 million as at December 31, 2021) reflecting obligations liable to the lessee in certain container lease contracts to restore the leased asset before redelivering it to the lessor;
- A provision amounting to USD 18.0 million related to the estimated future cash-outflows in relation to the minimum dividend guaranteed to CMP over 7 years (USD 18.0 million as at December 31, 2021). The waiver of the Group's dividend rights in favor of CMP is recorded as a reduction of the value of Terminal Link and amounts to USD 86.1 million (USD 85.9 million as at December 31, 2021). These items are based on the estimated level of Terminal Link dividend distribution capacity which requires a certain level of judgement.

8.1.2 Provisions related to employee benefits

The detailed disclosures related to provision for employee benefits have been presented in Note 8.1.2 of the 2021 annual CFS. There has been no significant change applied in the interim condensed CFS.

8.1.3 Contingent liabilities

The Group is involved in a number of legal and tax disputes in certain countries, including but not limited to alleged breaches of competition rules. Some of these may involve significant amounts, the outcome of which being subject to a high level of uncertainty, that cannot be accurately quantified at the closing date.

Some of the Group's entities are involved in tax audits and tax proceedings in various jurisdictions relating to the normal conduct of its business. While the outcome of these audits and proceedings is uncertain and can involve material amounts, Management recorded liabilities for uncertain income tax treatments and other non income tax risks; Management therefore does not expect any liability arising from these audits to have a material impact on its results.

Some companies in France are currently subject to tax inspections. No provision is recognized in this regard when, based on strong arguments and external advice, management believes that there should be no or limited final cash and/or accounting impacts of such inspections.

In all cases, the Group fully cooperates with the authorities.

The main contingent liabilities are as follows:

Belgium customs

In February 2018, CMA CGM was informed by the Belgian customs of the discovery of cigarettes in 2 of the 7 containers shipped by a freight forwarder through CMA CGM's agency in Istanbul for a carriage from Gebze (Turkey) to Rotterdam, while the goods were mentioned as glassware.

In January 2020, the State of Belgium and the Belgian customs summoned the companies CMA CGM BELGIUM, CMA CGM SA and CMA CGM Turkey to appear before the criminal tribunal of Antwerp for illegal import of cigarettes. The Administration requires the condemnation to pay fines, taxes and penalties for a significant amount. The part that would be supported by CMA CGM if the group is declared liable cannot be reliably assessed at this stage.

A preliminary decision in favor of CMA CGM was rendered in June 2021, followed by and appeal made by the Belgian authorities. Management and its advisors will continue to closely monitor the situation.

No provision was recorded within these interim condensed CFS.

CIL Related Proceedings (CEVA)

CIL Limited (formerly CEVA Investments Limited), the former parent of CEVA Group Plc, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. The Trustee in the Chapter 7 proceeding filed a claim against CIL Limited's former directors, CEVA Group Plc, and affiliated entities relating mostly to CEVA's recapitalization in 2013. In 2015 the defendants filed motions to dismiss certain of the claims asserted by the Trustee, and in January 2018, the Bankruptcy Court issued an order granting in part and denying in part the defendants' motions including dismissing the disputed payable claim against one of the defendants for lack of personal jurisdiction. In July 2018, the Trustee filed an amended complaint as well as a new action in the Netherlands related to the disputed payable claim against the entity that had been dismissed from the Bankruptcy Court action, and other CEVA-affiliated entities. The defendants and the Trustee have filed motions for summary judgment in the Bankruptcy Court action, which have been fully briefed and argued to the court. One of the creditors in the bankruptcy proceeding has also filed a claim against CEVA Logistics AG in New York state court related to CEVA's 2013 recapitalization. The Company cannot provide assurances regarding the outcome of these matters and it is possible that if the Trustee or the creditor were to prevail on their claims, the Company could incur a material loss in connection with those matters, including the payment of substantial damages and/or with regard to the matter in the bankruptcy court, the unwinding of the recapitalization in 2013.

In July 2021, the court denied the motion for summary judgment, though CEVA Group has sought reconsideration of that decision. The case has otherwise not proceeded past the pleadings stage. Although there is uncertainty with respect to the outcome and the potential cash-outflow related to this matter, CEVA believe the claim is without merit and intends to vigorously defend itself.

On March 31, 2022, the Group (through CEVA) reports a net payable to CIL Limited, amounting to USD 12 million. This mainly relates to intercompany cash pooling arrangements and is included within trade and other payables in the interim condensed Consolidated Statement of Financial Position.

8.2 Commitments

Apart from the information disclosed below and elsewhere in these interim condensed CFS, no new significant commitment has been entered into since the information disclosed in the 2021 annual CFS.

8.3 Significant subsequent events

Business combinations

Colis Privé & Ingram

As described in the 2021 annual CFS, CEVA Logistics continues to execute its development plan in line with CMA CGM Group's strategy to strengthen its position as a global leader in shipping and logistics. In this context, the following transactions have been closed in April 2022:

- On April 4, 2022, closing of the acquisition of the vast majority of Ingram Micro's CLS business, specialized in eCommerce contract logistics and omni-channel fulfillment, including Shipwire, a cloud-based logistics technology platform, for a consideration of USD 2.9 billion. Such business represents estimated annual revenues of USD 1.7 billion in 2021 and employs 11,500 staff members worldwide across 59 warehouses, with a strong presence in the U.S. and in Europe.
- On April 7, 2022, closing of the acquisition of 100% of Colis Privé, a leading platform for last-mile, B-to-C parcel delivery in France and in Europe.

The integration of such transactions in the CFS will be performed in the next quarter.

GEFCO

On April 8, 2022, the Group announced a new logistics development with the acquisition of nearly 100% of GEFCO, a European leader in automotive logistics. With this acquisition, the CMA CGM Group ensures the continuity and long-term stability of GEFCO's business and will strengthen its development within CEVA Logistics. The deal has been submitted to competition authorities for approval. As part of a special procedure, the European Commission has authorized CMA CGM to acquire the capital of GEFCO immediately, the integration of GEFCO being subject to the final approval that will take place in the coming months.

Geopolitical uncertainties

The Group is closely monitoring developments in the current geopolitical landscape in relation to the events in Russia, Ukraine and Belarus. Although the decisions taken thus far have had no material impact on the Group's performance, it is difficult to assess yet (i) the impact of any further deterioration in the geopolitical environment, the potential consequences and the implications of the measures that may have to be taken for the Group and (ii) more specifically the macro-economic consequences on the group arising from the current situation beyond the recent inflation in energy and consumption prices.

CMA CGM Air cargo

In April 2022, the Group ordered two additional Boeing 777F aircrafts to be delivered in 2024, for a total of 8 aircrafts on order.

On May 18, 2022, the CMA CGM Group and Air France-KLM Group announced that they have signed a long-term strategic partnership in the air cargo market. This exclusive partnership will see both parties combine their complementary cargo networks, full freighter capacity and dedicated services in order to build an even more competitive offer thanks to the unrivalled know-how and global footprint of Air France-KLM and CMA CGM. The agreement will have an initial duration of 10 years. Air France-KLM and CMA CGM will join and exclusively operate the full-freighter aircraft capacity of the respective airlines consisting initially of a fleet of 10 full-freighter aircrafts, and an additional combined 12 aircrafts on order.

As part of this long-term exclusive partnership, CMA CGM will become a new reference shareholder in Air France-KLM. CMA CGM has announced its intention to take up to 9% of Air France-KLM's ex-post share capital, for a period consistent with the implementation of the strategic commercial partnership. This investment close to EUR 400 million will be realized through the acquisition of preferential subscription rights as part of the EUR 2.4bn rights issue of Air France-KLM, announced on May 24, 2022. Settlement of the transaction is expected to occur mid-June 2022.

In this context, Air France-KLM EGM has approved the nomination of Rodolphe Saadé as Board member representing CMA CGM.

Rating agencies

On May 9, 2022, Standard and Poors upgraded CMA CGM and CEVA corporate and Senior Notes ratings to BB+ with a stable outlook.

On May 13,2022 Moody's upgraded CMA CGM's corporate rating to Ba2 while CEVA's and the Senior Notes rating were upgraded to Ba1. All ratings have a positive outlook.