CONSOLIDATED FINANCIAL STATEMENTS

*   *
*

Year ended December 31, 2021

KPMG Audit
A division of KPMG S.A

ERNST & YOUNG Audit

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by French law, such as verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CMA CGM

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

KPMG Audit
A division of KPMG S.A.
480 avenue du Prado
13008 Marseille
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

ERNST & YOUNG Audit
Boulevard Jacques Saadé
48, quai du Lazaret
13002 Marseille
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

CMA CGM

Year ended December 2021,

Statutory auditors' report on the consolidated financial statements

To the annual general meeting of CMA CGM,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' general meeting, we have audited the accompanying consolidated financial statements of CMA CGM for the year ended December 31, 2021.

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, 2021 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.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors' rules applicable to us, for the period from January 1st, 2021 to the date of our report.

Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Significant accounting judgments, estimates and assumptions:

Note 2.3 "Significant accounting judgments, estimates and assumptions" to the consolidated financial statements discloses the significant accounting judgments, estimates and assumptions adopted by management. These significant estimates mainly relate to judgments and assumptions used for (i) the impairment testing of non-financial assets, (ii) the measurement and the recognition of deferred tax assets on tax losses carried forward, (iii) the determination of demurrage receivables and accruals for port call and handling costs, (iv) the assessment of whether the lease options are reasonably certain to be exercised, (v) the assessment of the risks related to litigations and (vi) provisions related to employee benefits.

Our procedures consisted in assessing the data and assumptions underlying these judgments and estimates, reviewing, using sampling techniques, the calculations performed by the Company and verifying the appropriateness of disclosures provided in the notes to the consolidated financial statements on the assumptions and options adopted by the Company.

As indicated in Note 2.3 to the consolidated financial statements, these estimates are based on assumptions that are by nature uncertain, and actual results may sometimes differ significantly from forecast data used.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Group's 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 statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information must be reported on by an independent third party.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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 made 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.

Marseille, March 4, 2022

The Statutory Auditors
French original signed by

KPMG Audit
A division of KPMG S.A.

ERNST & YOUNG Audit

Georges Maregiano   Loïc Herrmann   Camille de Guillebon   Charles-Emmanuel Chosson

Contents

Consolidated Statement of Profit & Loss 3
Consolidated Statement of Comprehensive Income 4
Consolidated Statement of Financial Position - Assets 5
Consolidated Statement of Financial Position - Liabilities & Equity 6
Consolidated Statement of changes in Equity 7
Consolidated Statement of Cash Flows 8
Notes to the 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 13
3.1 Corporate information 13
3.2 COVID-19 - Context of operations 13
3.3 Rating agencies 14
3.4 Debt repayment initiatives 14
3.5 Renewal of the CMA CGM securitization program 14
3.6 Sale of stakes in port terminals and logistics platform 14
3.7 Air cargo division 15
3.8 Investments in port terminals 15
3.9 Vessel orderbook and Green transition 16
Note 4 - Results for the year 17
4.1 Operating segments 18
4.2 Operating expenses 20
4.3 Gains / (Losses) on disposal of property and equipment and subsidiaries 21
4.4 Other income and (expenses) 21
4.5 NPV benefits related to assets financed by tax leases 22
4.6 Financial result 22
4.7 Current and deferred taxes 23
Note 5 - Invested capital and working capital 27
5.1 Goodwill and other intangible assets 27
5.2 Property and equipment 30
5.3 Impairment of non-financial assets 35
5.4 Working Capital 36
5.5 Non-current assets (or disposal group) held for sale 39
5.6 Operating and investing cash-flows 39
Note 6 - Capital structure and financial debt 39
6.1 Financial risk management objectives & policies 40
6.2 Derivative financial instruments 44
6.3 Other non-current financial assets - Securities and other current financial assets 46
6.4 Cash and cash equivalents, and liquidity 49
6.5 Share capital, other reserves and earnings per share 50
6.6 Borrowings and lease liabilities 51
6.7 Cash flow from financing activities 54
Note 7 - Scope of consolidation 55
7.1 Accounting principles and judgments used in determining the scope of consolidation 55
7.2 Investments in associates and joint ventures 57
7.3 List of companies or subgroups included in the consolidation scope 59
7.4 Related party transactions 62
Note 8 - Other Notes 64
8.1 Provisions, employee benefits and contingent liabilities 64
8.2 Other current liabilities 72
8.3 Commitments 72
8.4 Significant subsequent events 75
Note 9 - Glossary 77

Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the year ended December 31, 2021	2020
REVENUE	4.1	55,975.7	31,445.1
Operating expenses	4.2	(32,873.1)	(25,336.3)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES		**23,102.6**	**6,108.7**
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	52.4	159.2
Depreciation and amortization of non-current assets	5.1.2 & 5.2.1	(3,427.9)	(2,755.7)
Other income and (expenses)	4.4	(172.9)	(86.7)
Operating exchange gain/loss		31.4	116.2
Net present value (NPV) benefits related to assets financed by tax leases		70.6	38.4
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		**19,656.2**	**3,580.2**
Share of income / (loss) from associates and joint ventures	7.2	(42.9)	(28.7)
EBIT	4.1	**19,613.4**	**3,551.5**
CORE EBIT	4.1	**19,748.8**	**3,392.4**
FINANCIAL RESULT	4.6	**(1,298.4)**	**(1,672.6)**
PROFIT / (LOSS) BEFORE TAX		**18,315.0**	**1,878.9**
Income taxes	4.7	(370.1)	(103.1)
PROFIT / (LOSS) OF THE YEAR		**17,944.9**	**1,775.7**
of which:			
Non-controlling interests		50.9	20.5
OWNERS OF THE PARENT COMPANY		**17,893.9**	**1,755.3**
Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)		*1,184.1*	*116.2*

Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the year ended December 31, 2021	2020
PROFIT / (LOSS) OF THE YEAR		**17,944.9**	**1,775.7**
Other comprehensive income / (loss) reclassifiable to Profit and Loss			
Cash flow hedges:			
Effective portion of changes in fair value		7.9	25.3
Reclassified to profit or loss		12.1	1.2
Net investment hedge	6.2.2	45.2	(48.5)
Net investment hedge - Share of other comprehensive income of associates and joint ventures	6.2.2 & 7.2	16.2	(19.5)
Foreign operations – foreign currency translation differences		(75.6)	(88.2)
Foreign operations – Share of other comprehensive income of associates and joint ventures	7.2	(13.0)	63.4
Other comprehensive income / (loss) non reclassifiable to Profit and Loss			
Remeasurment of defined benefit pension plans	8.1	41.7	(33.9)
Remeasurement of defined benefit pension plans of associates and joint ventures	7.2	(0.1)	(0.5)
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.7.2 & 7.2	(0.6)	1.1
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		**33.7**	**(99.5)**
TOTAL COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		**17,978.6**	**1,676.2**
of which:			
Non-controlling interests		48.2	19.3
Owners of the parent company		17,930.4	1,656.9

Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at December 31, 2021	As at December 31, 2020
Goodwill	5.1.1	2,855.8	2,872.8
Other intangible assets	5.1.2	2,046.9	2,427.0
INTANGIBLE ASSETS		**4,902.7**	**5,299.8**
Vessels	5.2.1	18,561.3	13,557.4
Containers	5.2.1	4,376.3	2,818.2
Lands and buildings	5.2.1	1,946.1	1,852.2
Other properties and equipment	5.2.1	1,485.7	379.4
PROPERTY AND EQUIPMENT	5.2.1	**26,369.4**	**18,607.2**
Deferred tax assets	4.7.2	234.3	182.3
Investments in associates and joint ventures	7.2	575.7	545.1
Derivative financial instruments	6.2	-	0.1
Other non-current operating assets		74.5	49.2
Other financial assets	6.3.1	814.1	573.0
NON-CURRENT ASSETS		**32,970.7**	**25,256.7**
Inventories	5.4	724.1	445.9
Trade and other receivables	5.4	4,504.2	3,512.3
Contract assets	5.4	2,404.1	1,269.7
Income tax assets	5.4	120.2	63.9
Derivative financial instruments	6.2	2.7	-
Securities and other financial assets	6.3.2	874.5	165.3
Cash and cash equivalents	6.4	10,130.9	1,880.4
Prepaid expenses	5.4	252.3	212.4
Assets classified as held-for-sale	5.5	-	93.2
CURRENT ASSETS		**19,012.9**	**7,643.1**
TOTAL ASSETS		**51,983.6**	**32,899.8**

Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at December 31, 2021	As at December 31, 2020
Share capital	6.5	253.2	253.2
Reserves and retained earnings		5,657.8	4,704.3
Profit / (Loss) for the year attributable to owners of the parent company		17,893.9	1,755.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**23,804.9**	**6,712.7**
Non-controlling interests		113.1	66.1
TOTAL EQUITY		**23,918.0**	**6,778.8**
Borrowings and lease liabilities	6.6	14,649.4	13,903.5
Derivative financial instruments	6.2	35.2	38.8
Deferred tax liabilities	4.7.2	398.9	392.2
Provisions	8.1	405.0	324.0
Employee benefits	8.1	278.1	347.7
Other liabilities		52.4	84.6
NON-CURRENT LIABILITIES		**15,819.0**	**15,090.8**
Borrowings and lease liabilities	6.6	3,552.1	4,609.0
Derivative financial instruments	6.2	5.8	48.6
Provisions	8.1	228.0	181.7
Employee benefits	8.1	1.8	2.1
Trade and other payables	5.4	7,939.7	5,893.3
Income tax liabilities	5.4	284.3	94.3
Deferred income	5.4	234.9	138.4
Other liabilities	8.2	-	62.8
CURRENT LIABILITIES		**12,246.5**	**11,030.2**
TOTAL LIABILITIES & EQUITY		**51,983.6**	**32,899.8**

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)	Bonds redeemable in shares (ii)	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, 2020	**234.7**	**56.5**	**4,896.4**	**(136.0)**	**5,051.5**	**82.1**	**5,133.6**
Profit / (Loss) for the year	-	-	1,755.3	-	**1,755.3**	20.5	**1,775.7**
Other comprehensive income / (expense), net of tax	-	-	(33.3)	(65.0)	**(98.3)**	(1.2)	**(99.5)**
Total comprehensive income / (expense) for the year	**-**	**-**	**1,722.0**	**(65.0)**	**1,656.9**	**19.3**	**1,676.2**
Acquisition of subsidiaries	-	-	-	-	**-**	6.4	**6.4**
Transaction with non-controlling interests	-	-	3.1	1.1	**4.2**	(25.5)	**(21.3)**
Conversion of the bonds of BPI France	18.4	(56.5)	38.0	-	**-**	-	**-**
Dividends	-	-	-	-	**-**	(16.2)	**(16.2)**
Total transactions with Shareholders	**18.4**	**(56.5)**	**41.2**	**1.1**	**4.2**	**(35.3)**	**(31.1)**
Balance as at December 31, 2020	**253.2**	**-**	**6,659.5**	**(200.0)**	**6,712.7**	**66.1**	**6,778.8**
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 year	-	-	17,893.9	-	**17,893.9**	50.9	**17,944.9**
Other comprehensive income / (expense), net of tax	-	-	41.3	(4.8)	**36.4**	(2.7)	**33.7**
Total comprehensive income / (expense) for the year	**-**	**-**	**17,935.2**	**(4.8)**	**17,930.4**	**48.2**	**17,978.6**
Acquisition of subsidiaries	-	-	-	-	**-**	16.1	**16.1**
Other reclassification within equity	-	-	67.6	(67.3)	**0.3**	(0.8)	**(0.6)**
IAS 19 IFRS IC Decision - Employee benefits	-	-	11.6	-	**11.6**	-	**11.6**
Dividends	-	-	(850.0)	-	**(850.0)**	(16.5)	**(866.5)**
Total transactions with Shareholders	**-**	**-**	**(770.8)**	**(67.3)**	**(838.2)**	**(1.2)**	**(839.4)**
Balance as at December 31, 2021	**253.2**	**-**	**23,823.9**	**(272.2)**	**23,804.8**	**113.1**	**23,918.0**

(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 (see Note 3.1).

(ii) Bonds redeemable in shares correspond to the equity portion of the bonds mandatorily redeemable in ordinary shares, subscribed in June 2013 by Bpifrance. Such bonds have been redeemed in ordinary shares as at December 31, 2020.

Consolidated Statement of Cash Flows

(in USD million)

	Note	For the year ended December 31, 2021	2020
Profit / (Loss) for the year		**17,944.9**	**1,775.7**
Depreciation and amortization	5.2.1	3,427.9	2,755.7
Net present value (NPV) benefits related to assets financed by tax leases		(70.6)	(38.4)
Other income and expense	4.4	172.9	86.7
Increase / (Decrease) in provisions		41.6	43.2
Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(52.4)	(159.2)
Share of (Income) / Loss from associates and joint ventures	7.2	42.9	28.7
Interest expenses on net borrowings and lease liabilities		1,075.5	1,291.3
Income tax	4.7	370.1	103.1
Other non cash items		171.6	326.1
Changes in working capital	5.4	**(614.3)**	**(434.4)**
Cash flow from operating activities before tax		**22,510.0**	**5,778.5**
Income tax paid		(279.5)	(154.3)
Cash flow from operating activities net of tax	**5.6**	**22,230.5**	**5,624.1**
Purchases of intangible assets	5.1.2	(98.5)	(69.6)
Disposals of subsidiaries, net of cash divested	3.6	74.8	770.9
Acquisition of subsidiaries, net of cash acquired		(62.6)	(81.8)
Purchases of property and equipment	5.2.1	(3,196.4)	(664.7)
Proceeds from disposal of property and equipment		56.1	120.9
Dividends received from associates and joint ventures	7.2	13.6	17.8
Cash flow resulting from other financial assets		(400.8)	(22.9)
Variation in securities	6.3.2	(513.5)	(16.6)
Net cash (used in) / provided by investing activities	**5.6**	**(4,127.2)**	**53.9**
Dividends paid to the owners of the parent company and non-controlling interest		(869.0)	(92.4)
Proceeds from borrowings, net of issuance costs	6.6	924.9	3,236.0
Repayments of borrowings	6.6	(5,632.1)	(5,355.6)
Cash payments related to principal portion of leases	6.6	(2,249.2)	(1,750.9)
Interest paid on net borrowings		(287.5)	(458.4)
Cash payments related to interest portion of leases		(743.2)	(746.7)
Refinancing of assets, net of issuance costs	6.6	-	109.5
Other cash flow from financing activities	6.7	(995.5)	(304.5)
Net cash (used in) / provided by financing activities	**6.7**	**(9,851.6)**	**(5,363.0)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(27.1)	(64.0)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**8,224.6**	**251.0**
Cash and cash equivalents and bank overdrafts at the beginning of the year		**1,849.0**	**1,598.0**
Cash and cash equivalents as per balance sheet		10,130.9	1,880.4
Bank overdrafts		(57.4)	(31.4)
Cash and cash equivalents and bank overdrafts at the end of the period	6.4	**10,073.5**	**1,849.0**
Supplementary information: non cash investing or financing activities:			
- Assets acquired through financial debt or equivalents	5.2.1	*8,014.7*	*2,819.1*
Supplementary information: Interest paid on net borrowings			
- Interests received		*36.6*	*19.7*
- Interests paid excluding interest on leases		*(324.1)*	*(478.0)*

Notes to the 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 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 year ended December 31, 2021 were approved by the Board of Directors on March 4, 2022, subject to the approval by the shareholders during the next Annual General Meeting.

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. Other activities mainly include port terminals and air cargo operations.

Note 2 - General accounting principles

Starting from Note 4, the accounting principles have been highlighted in blue.

2.1 Basis of preparation

The consolidated financial statements of CMA CGM have been prepared 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. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods.

2.1.1 Statement of compliance

The CFS of CMA CGM have been prepared in accordance with IFRS as adopted by the European Union ("EU").

IFRSs can be found at: https://eur-lex.europa.eu/legal-content/FR/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 annual financial statements for the year ended December 31, 2020, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRS IC interpretations from January 1, 2021

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

The Phase 2 amendments, Interest Rate Benchmark Reform—Phase 2, address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

2.2.2 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2021, endorsed by the European Union

Amendment to IFRS 16: Leases – COVID-19-Related Rent Concessions

This amendment exempts lessees to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, with impacts directly recognized in Profit and Loss. Initially, it applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021, and under conditions. On March 31, 2021, the IASB has extended by one year the application period of the practical expedient in IFRS 16 to help lessees accounting for covid-19-related rent concessions and to cover rent concessions that reduce only lease payments due on or before 30 June 2022.

The amendment has been endorsed by the European Union on August 30, 2021 and is applicable for annual reporting periods beginning on or after April 1st , 2021. The Group early adopted such amendment, no impact was identified.

IFRS IC position related to IAS 19 Employee Benefits: Attributing Benefit to Periods of Service

In May 2021, IASB approved the tentative agenda decision on Attributing Benefit to Periods of Service (IAS 19 – Employee Benefits) that was finalised by the IFRS IC in April. The original request concerned a defined benefit plan under which employees are entitled to a lump sum benefit payment when they reach retirement age, provided that they are employed by the entity at that point. The request asked which periods of service the benefits should be attributed to, should these benefits be attributed to the last consecutive years of service immediately prior to retirement, or should they be attributed to the entire length of service. In other words, the amount of the payment depends on the employee's length of service but is capped at a set number of consecutive years of service. The IFRS IC had concluded that the entity should attribute retirement benefits to the last consecutive years of service immediately prior to retirement. The Group took into account the effect of such clarification, with no material impact.

The following amendments have been endorsed by the European Union and their effective date is January 1, 2022. They are not early adopted.
Amendments to IFRS 3 Business Combinations
Amendments to IAS 16 Property, Plant and Equipment
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
Annual Improvements 2018-2020

The impacts of these amendments are currently being assessed by the Company.

2.2.3 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2021, endorsed by the European Union and not early adopted

IFRS 17 & related amendments: Insurance Contracts

On 23 November 2021, the European Union published Commission Regulation (EU) 2021/2036, adopting IFRS 17 – Insurance Contracts. The standard will replace the "interim" standard IFRS 4. It has been adopted to permit first-time application for financial periods commencing on or after 1 January2023.

2.2.4 New IFRS and IFRS IC interpretations effective for the financial year beginning on or after January 1, 2021 and not yet endorsed by the European Union

- *New IFRS and IFRS IC interpretations effective for the financial year beginning on January 1, 2021 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, 2021 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 1: Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting policies
Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to IAS 12: Income Taxes
Amendments to IFRS 17: Insurance Contracts - Initial Application of IFRS 17 and IFRS 9 – Comparative Information

2.2.5 Change in accounting estimates (see notes 3.9 and 5.2)

As part of periodic accounting estimate review:
- Management revised the useful life of dry containers from 13 to 15 years and recorded the effect on depreciation expense prospectively as from July 1, 2021 onwards. The impact is not material;
- Management reviewed the useful life of certain specific vessels as part of the green transition (see Note 3.9).

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 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 2020 annual CFS, have been described in the below mentionned notes of these annual CFS and are mainly as follows:

- Measurement of the deferred tax assets related to tax losses carried forward (see Note 4.7.2);
- Impairment of non-financial assets (see Note 5.3);
- Determination of the vessels useful lives and residual values (see Note 5.2);
- 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);
- Demurrage & detention revenues and receivables, accruals for port call expenses, transportation costs and handling services (see Note 5.4);
- Risks related to cargo and corporate claims and related accounting provisions (see Note 8.1);
- Defined benefit obligations (see note 8.1.2).

2.4 Translation of financial statements of foreign operations

2.4.1 Translation of financial statements of foreign entities

The financial statements of foreign entities are translated into the presentation currency on the following basis:

- Assets and liabilities are translated at the closing exchange rate;
- The Statement of Profit & Loss is translated at the average exchange rate for the reporting year;
- The results of translation differences are recorded as "Currency translation differences" within other comprehensive income; and
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recorded within other comprehensive income. On disposal of a foreign operation, these exchange differences are recognized in the statement of Profit & Loss as part of the gain or loss on sale.

2.4.2 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income when qualified as cash flow hedges or net investment hedge.

Foreign exchange gains and losses relating to operating items (mainly trade receivables and payables) are recorded in the line item "Operating exchange gains / (losses), net". Foreign exchange gains and losses relating to financial items are recorded in the line item "Foreign currency income and expense" within the financial result.

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

	Closing rate		Average rate	
	December 31,	December 31,	year ended December 31,	
	2021	2020	2021	2020
Euro	0.88355	0.81493	0.84552	0.87744
British pound sterling	0.74228	0.73262	0.72698	0.77974
Australian Dollar	1.37950	1.29541	1.33191	1.45335
Chinese Yuan	6.34980	6.53777	6.45242	6.90330
Singapore Dollar	1.35040	1.32165	1.34392	1.37984

Note 3 - Significant events

3.1 Corporate information

In February 2021, CMA CGM SA shares owned by the main shareholder have been transferred from MERIT CC SAL, a Lebanese Company, to MERIT France SAS, a French Company. The ultimate beneficiary owners, i.e. the Saadé Family, remain unchanged.

In April 2021, Merit France SAS, the main shareholder of CMA CGM SA, acquired 453,359 shares from Bpifrance, increasing its shareholding to 72.61% while Bpifrance now owns 3.0% of the Company.

Dividends to shareholders have been declared in the year ended December 31, 2021 for an amount of USD 850.0 million and paid within the period.

3.2 COVID-19 - Context of operations

The COVID-19 global pandemic situation continues to prevail. Although vaccination campaigns are underway in most parts of the world, they progress at different speed and some countries are still susceptible to implement lockdown measures. The Group continues to monitor the developments closely in order to ensure the safety of its staff and adapt its operations to the demand and its customers' needs.

The sanitary situation has resulted in a shift of retail consumption in favor of goods rather than services, notably supported by the development of e-commerce. Consequently, the demand for transport and logistic services recovered quickly from the trough levels observed in the second quarter of 2020 to reach very high levels since the second half of 2020. The Group has therefore been operating at full capacity ever since. Towards the end of last year and during 2021, the level of demand combined with disruptions related to the COVID-19 (eg: staff shortages) have created severe congestion in global supply chains including in ports and hinterland infrastructures. In container shipping, this translated into slower asset rotations and severe equipment shortages (vessels and containers). The Suez incident towards the end of the first quarter and the resurgence of COVID-19 infections which led to new restrictions in certain Asian ports over the second quarter combined with equipment shortages and port congestions have exacerbated an already tensed situation.

Congestions continued to affect operations during the third quarter's peak season and in fact throughout the second half of the year, thereby constraining volume growth despite continuing strong underlying demand. In this context, the Group has continued to adapt operations by adding capacity wherever and whenever possible or reorganizing its services to cope with the restrictions and a high level of demand. Future business prospects remain highly uncertain in the current environment and may vary significantly from region to region, depending among other factors on the virus spread, the severity of sanitary containment measures, availability and progress of the vaccination as well as government incentives to support their respective economies.

As far as CMA CGM is concerned, transported volumes in the container shipping division were strong in the first half of the year (+14.8% year-on-year in H1 2021) but decreased by -3.4% in H2 2021 as a result of the congestions and a high comparable base in H2 2020. The group's financial performance has been supported by a combination of 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 current inflationary environment has led to a significant increase in energy prices reflected in higher bunker costs. Such trends currently continue to prevail. The longer-term effects of the pandemic and the development of macro-economics circumstances are difficult to predict at this stage.

In a context marked by strong demand, port congestion and severe supply chain disruptions, clients have sought to mitigate the impact of the current environment on their operations by ordering early and overstocking to the extent possible, thereby suppressing or lowering the typical seasonality of the Group's activities.

3.3 Rating agencies

Since the beginning of the year, the Group's financial performance and deleveraging actions combined with a a favourable market environment for shipping have prompted several positive rating actions by Standard and Poors and Moody's:

- On March 4, 2021, Standard and Poors upgraded CMA CGM and CEVA corporate ratings to BB- with a stable outlook.
- On March 9, 2021, Moody's upgraded CMA CGM corporate rating to B1 with a positive outlook. CEVA's corporate rating was upgraded to B2 with a positive outlook.
- On July 29, 2021, Standard and Poors upgraded CMA CGM and CEVA corporate ratings to BB with a stable outlook.
- On September 13, 2021 CMA CGM corporate and CEVA have been upgraded again by Moody's to Ba3 with a positive outlook.

3.4 Debt repayment initiatives

The Group pursued its debt repayment initiatives over the period through the early repayment of borrowings for an amount of USD 4.1 billion, including mainly EUR 950 million on French-State guaranteed facility ("Prêt Garanti par l'Etat"), EUR 650 million early repayment on the 2022 Senior Notes issued by CMA CGM as well as the repayment of amounts outstanding under CEVA's revolving credit facility (subsequently cancelled in August 2021, see note 6.6), USD 736 million early repayments of some vessels' debts, a voluntary repayment of USD 500 million on the securitization program in September 2021 and EUR 750 million early repayment (in full) on the 2025 Senior Notes issued by CMA CGM in October 2021. As a result, total borrowings (excluding lease liabilities) decreased from USD 9.7 billion at year-end 2020 to USD 5.3 billion at year-end 2021.

3.5 Renewal of the CMA CGM securitization program

The Group closed in Q1 2021 the renegotiation of the securitization programs with its core financial partners, with the main key features of the new merged program (excluding CEVA securitization program) being:

- 3-year maturity; hence allowing a sharp reduction of the current portion of borrowings;
- USD 2.1 billion facility, increased from USD 1.8 billion;
- Improved financing conditions.

In December 2021, CEVA renegotiated the terms of its existing receivables' securitization program, extending its maturity from November 2022 to December 2024.

3.6 Sale of stakes in port terminals and logistics platform

Port terminals

Two terminals which were part of the Terminal Link transaction were still classified as assets held for sale as at December 31, 2020. In Q1 2021, Management decided to reclassify these two investments in associates and joint ventures as their sale was no longer considered as highly probable. End of September 2021, the contractual long stop date of the transaction expired with no agreement between the parties, hence the two terminals will remain within CMA CGM.

Ameya logistics platform

The sale of the Group's 50% stake in Ameya, presented in assets held for sale since December 31, 2019, has been closed for a net consideration of USD 77.2 million in the course of Q1 2021 and a gain on disposal amounting to USD 57.9 million.

3.7 Air cargo division

In February 2021, CMA CGM announced a new strategic development with the creation of its AIR CARGO division.

To support its expansion into air freight, the Group acquired five second-hand aircrafts, including four 60-tonne payload Airbus A330-200F freighter aircrafts, which came into service between 2014 and 2016 for a net book value of USD 257.9 million. With a range of 4,000 nautical miles, they connect Europe with America and Middle East. Two additional Boeing 777F and four Airbus 350 aircrafts have been ordered later on and are recorded as asset in progress as of December 31, 2021 for USD 723.2 million, with expected delivery dates between 2022 and 2026, respectively (see Note 5.2 and Note 8.3.1).

The CMA CGM Group entrusted the operation of its freighter fleet to a European airline.

This expansion into air freight is a new milestone in the Group's strategic development, with the aim of providing Group customers a complementary range transportation and and logistic services.

3.8 Investments in port terminals

CMA CGM acquires the Tripoli Terminal in Lebanon

In February 2021, the Group acquired the Tripoli Container Terminal in Lebanon for an non material amount, in which a 20% stake had already been acquired in 2016. The terminal is operated under a 25-year concession from the government, awarded in late 2013. It has a berth length of 600 meters with a depth alongside of more than 15 meters. Equipped with five large STS, the facility has an annual design capacity of TEU 750,000.

CMA CGM acquires an equity stake in TTIA container terminal in Algeciras

In March 2021, the Group announced that its CMA Terminals subsidiary had acquired a 50% interest minus one share in Spain's Total Terminal International Algeciras (TTIA) port terminal for an amount of USD 27.9 million. The TTIA terminal, a multi-user facility with an annual capacity of 1.7 million 20-foot equivalent units (TEUs), was inaugurated in 2010 and is the first semi-automatic terminal in the Mediterranean area.

CMA CGM Group and its partners in Algeciras, HMM and DIF Capital Partners, will join forces to support and develop this strategic terminal.

This investment is recorded as an investment in associate and joint venture (see Note 7.2).

Alexandria Joint-Venture

On November 8, 2021, CMA CGM Group and the Egyptian Group for Multipurpose Terminals (EGMPT) agreed a joint-venture agreement to kit out and run Tahya Misr, Alexandria's new container and goods terminal.

The joint venture will be owned by EGMPT (68%) and CMA Terminals, a subsidiary of CMA CGM (32%). The new Tahya Misr terminal has been designed to be a world-class TEU 1.5 million multi-user container terminal and is due to enter service by mid-2022.
The transation had no effect on the 2021 CFS.

CMA CGM acquires 90% of Fenix Marine Services terminal in Los Angeles

On November 3, 2021, the Group announced it agreed to acquire 90% of Fenix Marine Services terminal in Los Angeles from investment fund EQT Infrastructure III. The Group already owned a 10% stake in this terminal. The closing of this transaction occurred on January 4, 2022 (see Note 8.4).

3.9 Vessel orderbook and Green transition

Owned vessel orderbook

On April 30, 2021, the Group announced an order of 22 containerships with China's CSSC Group. The order consists of three categories of vessels with the larger ones being LNG-powered in line with the group's commitment to increase its share of alternative fuels. Twelve of the new ships will use LNG, six with a capacity of 13,000 TEU, and the other six with a capacity of 15,000 TEU. The remaining 10 ships in the order will be VLSO-powered with a capacity of 5,500 TEU.

In September 30, 2021, six additional LNG vessels with a capacity of 7,300 TEU were ordered.

In November 22, 2021, ten additional LNG vessels with a capacity of 2,000 TEU were ordered.

All vessels mentioned above are scheduled to be delivered in 2023 and 2024.

Green transition – IMO regulation

As part of the Green transition and in anticipation of IMO23 regulation, Management reviewed the economic viability and efficiency of its vessels fleet, particularly 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 a USD 39.0 million additional depreciation expense was recorded in the last quarter.
The useful life applied to the majority of the vessels fleet remains unchanged at 25 years.

Partnership with Engie

On November 11, 2021, CMA CGM and ENGIE have decided to establish 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 year

Significant judgment

Determination of the demurrage and detention to be recognized requires estimates concerning the expected amount of the receivable as well as the question of whether it is highly probable that the revenue recognized will not be subject to any significant correction in future. These estimates are based on past experience.

Revenue and expense recognition principles

Revenue comprises the payment the Company expects to be entitled in exchange for the sale of shipping and logistics services, net of value-added tax, rebates and discounts after eliminating sales within the Group.

As required by IFRS 15 "Revenue from contracts with customers", the Group recognize revenue respecting the following five steps approach : (i) identify the contract with a customer, (ii) identify all the individual performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the price to the performance obligations, (v) recognize revenue as the performance obligations are fulfilled.

In accordance with IFRS 15, expenses are recognized in the income statement when they are incurred.

In some specific circumstances, a business practice of the Company might be to concede price reduction to certain customers afterwards. Such variable consideration is initially estimated and recognized as a reduction of the transaction price.

Application of IFRS 15 to specific transactions related to OCEAN Alliance

In accordance with IFRS 15.BC58/59, sales and purchases of slots related to Ocean Alliance do not generate revenue and cost recognition.

Container shipping

For container shipping activity, one single performance obligation has been identified by the Group for container transportation itself, inland transportation and ancillary services (such as THC, BAF…) as they are all part of one global shipping transportation performance obligation and as the transaction is contracted with the customers as a whole transaction.

Freight revenues are recognized on a percentage of completion basis, which is based on the proportion of transit time completed at report date for each individual container.

Freight receivables for which the Company transferred a portion of the services to the customers as per revenue recognition principles, are reported as contract assets.

Operating expenses are recognized based on an event-driven approach (call date for eg.).

Detention & demurrage revenue is recognized overtime.

Logistics activities

CEVA derives revenue from the transfer of services mainly over time in two major service lines, contract logistics and freight management (including Air, Ocean, Ground and other Freight Management services - "Other FM").

The CEVA sub-Group recognizes revenue when (or as) performance obligations are satisfied by transferring promised goods or services to the customer, which generally is dictated by the type of service CEVA is providing in agreement with the customer.

Contract logistics services

CEVA provides a range of logistics services such as distribution, pick and pack, materials management services, international insurance services, global project management services and trade facilitation services. The revenue performance obligation is satisfied over time based on the service delivered measured by either actual costs or output provided depending on the terms and conditions in the contracts. Costs are recorded or accrued to match revenue recognition.

Air and Ocean Freight Management – indirect carrier

As an indirect carrier, CEVA obtains shipments from its customers, consolidates shipments bound for a particular destination, determines the routing, selects the direct carrier and tenders each consolidated lot as a single shipment to the direct carrier for transportation to a distribution point. CEVA issues a Bill of Lading to customers as the contract of carriage. CEVA has complete discretion in selecting the means, route and procedures to be followed in handling, transportation and delivery of freight. CEVA is the direct point of contact for service fulfilment. The progress towards complete satisfaction of each performance obligation is measured based on the progress of each shipment during its time of travel, and thus met on an over time basis. The share of travel time not falling into a given reporting period is deferred to next period.

Other FM – Value added services

CEVA provides services at either origin or destination to clear shipments through customs, helping customers clear shipments through customs by preparing required documentation, calculating and providing for payment of duties and other taxes on behalf of the customers as well as arranging for any required inspections by governmental agencies and arranging for delivery or providing additional services such as warehousing, transportation, storage and document handling. The performance obligation is satisfied at the point in time once the service has been completed, as the performance obligation is either met or not met.

Cargo agent (direct freight services) revenue as included in the Air and Ocean Freight Management business lines

As an authorized cargo sales agent of most airlines and ocean shipping lines, CEVA also arranges for transportation of individual shipments and receives a commission from the airline or ocean shipping line for arranging the shipments or earns net revenue for the excess of amounts billed to the customer over amounts paid to the direct carrier. The contract of carriage is between the customer and the direct carrier and the direct carrier is the primary obligor from the perspective of the customer. When acting in this capacity, CEVA does not consolidate shipments or have responsibility for shipments once they have been tendered to the carrier, therefore the CEVA performance obligation is satisfied at the point in time once an agreement on the shipment between the customer and the carrier is reached. The revenue respective to agent revenue is recognized as either Ocean or Air.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Other activities

For other activities, no individual performance obligations have been identified in the contracts: revenue is recognized when the services have been rendered or when the goods have been delivered.

4.1 Operating segments

As required by IFRS 8 "Operating Segments", the segment information reported below is based on the internal reporting used by the Company's management to allocate resources between segments and to assess their performance.

Since the CEVA acquisition, the Group reports three operating segments: container shipping activity, logistics and other activities.

For container shipping activity, CMA CGM is organized as a worldwide container carrier, managing its customer base and fleet of vessels and containers on a global basis.

Segment performance is evaluated by management based on the following measures:

- Revenue;
- EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries;
- EBIT ("Earnings Before Interests and Taxes") / Core EBIT;

EBITDA corresponds to the line item "EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES" reported on the Consolidated Statement of Profit & Loss.

EBIT and EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries are a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to drive its operating performance. The Company believes that the presentation of these non-gaap measures is a relevant aggregate to management for decision making purposes. However, these measures are not defined in IFRS and should not be considered as an alternative to Profit / (Loss) for the year or any other financial metric required by such accounting principles. However, in terms of segment reporting, management believes that EBIT and EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries are more relevant aggregates to assess the segment performance as financial result and income tax are not allocated to segments.

The segment information for the reportable segments for years ended December 31, 2021 and 2020 is as follows:

	Revenue		EBITDA		EBIT	
	For the year ended December 31,					
	2021	2020	2021	2020	2021	2020
Container shipping segment	45,290.2	24,026.2	22,068.9	5,338.2	19,341.2	3,205.1
Logistics segment	10,903.1	7,422.6	881.5	613.9	341.8	104.6
Other activities	882.5	611.2	153.4	157.5	67.0	85.9
Total core measures before elimination	**57,075.8**	**32,060.0**	**23,103.8**	**6,109.6**	**19,750.0**	**3,395.6**
Eliminations	(1,100.1)	(614.9)	(1.2)	(0.9)	(1.2)	(3.2)
Total core measures	**55,975.7**	**31,445.1**	**23,102.6**	**6,108.7**	**19,748.8**	**3,392.4**
Reconciling items	-	-	-	-	(135.4)	159.1
Total consolidated measures	**55,975.7**	**31,445.1**	**23,102.6**	**6,108.7**	**19,613.4**	**3,551.5**

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 can be presented as follows in sync with Notes 4.3, 4.4 and 7.2 below:

	For the year ended December 31,	
	2021	2020
Core EBIT	**19,748.8**	**3,392.4**
Gains / (losses) on disposal of property and equipment and subsidiaries	52.4	159.2
Other income and (expenses)	(172.9)	(86.7)
Operating exchange rate gain/loss	31.4	116.2
Impairment / non recurring items recorded in associates and joint ventures	(46.5)	(29.6)
EBIT	**19,613.4**	**3,551.5**

4.2 Operating expenses

4.2.1 Variations of operating expenses

Operating expenses are analyzed as follows:

	For the year ended December 31,	
	2021	2020
Bunkers and consumables	(4,225.7)	(3,072.5)
Chartering and slot purchases	(1,610.2)	(1,263.2)
Handling and stevedoring	(8,223.1)	(6,330.9)
Inland and feeder transportation	(8,893.3)	(6,190.7)
Port and canal	(1,631.1)	(1,463.5)
Container equipment and repositioning	(1,357.4)	(1,162.2)
Employee benefits	(4,859.8)	(4,133.1)
General and administrative other than employee benefits	(1,667.4)	(1,299.0)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(48.0)	(59.4)
Others	(357.3)	(361.8)
Operating expenses	**(32,873.1)**	**(25,336.3)**

The increase of operating expenses is due to the increase of carried volumes in the Container Shipping division as well as surcharges due to port congestion and increased tariffs impacting certain operating expenses such as handling and stevedoring (including storage), bunker, inland transportation and vessel chartering. Such increase is by far more than compensated by the growth of shipping revenue, thus explaining the sharp increase in profitability.

4.2.2 Employee benefits

Employee benefit expenses are analyzed as follows:

	For the year ended December 31,	
	2021	2020
Wages and salaries	(4,077.4)	(3,492.2)
Social security costs	(613.0)	(498.0)
Pension costs (see Note 8.1)	(122.1)	(100.2)
Other expenses	(47.4)	(42.7)
Employee benefits	**(4,859.8)**	**(4,133.1)**

The number of employees of the controlled subsidiaries of the Group is 72,684 as at December 31, 2021 (72,331 as at December 31, 2020). The total number of employees, including those employed in certain joint-ventures or through international seafarer providers and interim worforces, is 126,617 as at December 31, 2021 (117,179 as at December 31, 2020).

The number of full-time equivalent employees of the controlled subsidiaries of the Group is 72,282 for the year ended December 31, 2021 (67,709 as at December 31, 2020).

Beyond the effect of the number of employees, the increase of the employee benefit is due to the current volume of activity and profitability.

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

Gains and losses on disposals correspond to the difference between the proceeds and the carrying amount of the asset disposed of.

Accounting principles related to sale and lease-back transactions are presented in Note 5.2.

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

	For the year ended December 31,	
	2021	**2020**
Disposal of vessels	(0.5)	1.0
Disposal of containers	(2.4)	(2.2)
Other fixed assets disposal	(1.9)	(9.3)
Disposal of subsidiaries	57.3	169.8
Gains / (losses) on disposal of property and equipment and subsidiaries	**52.4**	**159.2**

In 2021, disposal of subsidiaries mainly corresponds to the sale of the Group's 50% stake in Ameya for USD 57.9 million (see Note 3.6).

In 2020, disposal of subsidiaries mainly corresponds to the sale of a portfolio of stakes in terminals to Terminal Link for USD 169.7 million.

4.4 Other income and (expenses)

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

	For the year ended December 31,	
	2021	**2020**
Impairment (losses) / reversals of assets	(336.2)	(60.2)
Others	163.4	(26.4)
Other income and (expenses)	**(172.9)**	**(86.7)**

In 2021, "Impairment (losses) / reversals of assets" includes

- the write-off of the APL trademark for USD (190.7) million following the full implementation of the trade rationalization exercise initiated in 2020,
- a partial impairment of an IT development for USD (58.2) million, and
- certain individual vessels intended to be sold for scrapping, and some individually not material assets (right-of use, specific vessel components, other property and equipment, intangibles, …).

For the year ended December 31, 2021, "Others" line item mainly includes :

- the positive reevaluation of the 10% ownership in Fenix Marine Services (FMS) for USD 113.4 million,
- the earn-out to be received upon closing of FMS transaction for USD 105.9 million, related to the sale of 90% of the terminal's shares in 2017, and
- various items such as transaction fees, some variations of non recurring provisions or other non-recurring items individually not material for a total amount of USD (55.9) million.

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

Accounting principles related to borrowings and cash and cash equivalents have been presented in Notes 6.4 and 6.6.

The Company presents interest expenses as a cash flow used for financing activities in its consolidated statement of cash flows.

The financial result is analyzed as follows:

	For the year ended December 31,	
	2021	**2020**
Interest expense on net financial debt excl. Leases	(364.7)	(576.4)
Interest expense on leases	(763.1)	(763.1)
Net interests on cash and cash equivalents	16.9	15.6
Cost of borrowings and lease liabilities, and net interest on cash and cash equivalents	**(1,111.0)**	**(1,323.9)**
Settlements and change in fair value of derivative instruments	(23.2)	(56.8)
Foreign currency income and expense, net	39.9	(297.1)
Other financial income and expense, net	(204.1)	5.1
Other net financial items	**(187.4)**	**(348.7)**
Financial result	**(1,298.4)**	**(1,672.6)**

For the year ended December 31, 2021:

- "Interest expense on net financial debt excl. leases" includes USD (71.8) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (62.3) million for the year ended December 31, 2020). The decrease of cost of borrowings is the result of the deleveraging initiatives since Q3 2020 (se Note 3.4)
- "Interest expense on leases" apparent stability is the combination of (i) a sharp increase in the number, average cost and duration of leases and (ii) a decrease in the average discount rate reflecting the improvement of the Group's credit rating.

"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). Among other minor effects, the exchange gain for the year ended December 31, 2021 are due to the depreciation of EUR currency versus USD since the end of 2020 (as opposed to the appreciation of EUR versus USD in 2020 which generated losses).

"Other financial income and expense, net" mainly includes a revaluation of the value of our funds and various investments in Lebanon, driven by the continued depressed economic situation in the country. 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

In Accordance with IAS 12 "Income Taxes", current income tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for the year. Taxable profit (tax loss) is the profit (loss) for the year, determined in accordance with the rules established by the taxation authorities, upon which income tax is payable (recoverable).

Significant judgment

The Group is subject to income tax and equivalent in numerous jurisdictions. Most of the Group's shipping carriers benefit from specific tax regimes regarding their shipping activities (tonnage tax regime or equivalent).. The French tonnage tax regime actually consists in determining the taxable result, on a flat-rate basis,that will be subject to income tax on the basis of eligible vessel's tonnage. For this reason, among others, the Company classifies the consequences of tonnage tax regime as current income tax.

	For the year ended December 31,	
	2021	**2020**
Current tax income / (expense)	(421.4)	(159.5)
Deferred tax income / (expense)	51.3	56.4
Income Taxes	**(370.1)**	**(103.1)**

Most of the shipping activities handled by the Group are subject to specific tax regimes (tonnage tax regimes or equivalent) in France, in Singapore and in the United States. For instance, no provision is made for taxation on qualifying shipping income derived from the operation of the vessels which is exempt from taxation under Section 13A of the Singapore Income Tax Act and Singapore's Maritime Sector Incentive Approved International Shipping Enterprise Scheme. In France, income arising from liner activities are subject to a tonnage-based tax system under which the computation of tax is based on the tonnage of the qualifying vessel fleet. Other Group's subsidiaries and/or branches are subject to income tax in accordance with the local tax laws of their respective countries.

Tax consolidation agreements are in place in certain countries in which the Group operates, mostly in France. It allows the Companies of the same tax consolidation agreement to combine their taxable profits or losses to calculate the overall tax expense for which only the parent company is liable.

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

In accordance with IAS 12, deferred tax is provided for on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the CFS. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the Statement of Financial

Position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

The deferred taxes are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Significant judgment and estimates

Deferred tax assets are recognized for all temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

Due to the tonnage tax regime and equivalent applicable on the main part of the Company's Shipping activity, resulting in a lower income tax payable in the future, the amount of deferred tax assets to be recognized is limited.

Deferred taxes related to carry forward losses

The mechanism of tonnage tax requires to estimate the portion of the future results that will be treated as part of tonnage tax regime and the residual portion that will not be subject to tonnage tax regime. For the purpose of the recognition of the deferred tax assets in France, Management has also based its estimates on:

- The fact that the French tonnage tax regime has been renewed in 2013 for a 10-year period;
- The best estimates of the future taxable results of activities that are not subject to tonnage tax regime.

Deferred taxes related to permanent differences

Considering the tonnage tax regime applicable to Group shipping activities, differences between taxable and book values of assets and liabilities are generally of a permanent nature. This is due to the fact that the taxable result for tonnage tax eligible activities has no correlation with either the carrying value or the generally applicable tax value of assets and liabilities. As a consequence, temporary differences are limited to those arising from other activities which are subject to usual tax laws.

Deferred tax balances break down as follows:

Deferred tax assets	As at December 31, 2021	As at December 31, 2020
Investment tax credit	0.9	0.2
Tax losses carried forward	125.4	88.6
Retirement benefit obligations	33.2	31.3
Other temporary differences	91.0	78.2
Total gross deferred tax assets	**250.6**	**198.3**
Total net deferred tax assets	**234.3**	**182.3**

Deferred tax liabilities	As at December 31, 2021	As at December 31, 2020
Revaluation and depreciation of property and equipment	2.2	3.2
Intangible assets adjustment due to purchase price allocation	300.3	314.1
Undistributed profits from subsidiaries	67.4	54.6
Other temporary differences	45.3	36.2
Total gross deferred tax liabilities	**415.2**	**408.2**
Total net deferred tax liabillities	**398.9**	**392.2**
Total net deferred tax assets / (liabilities)	**(164.6)**	**(209.9)**

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 year ended December 31, 2021 is mainly explained by :

(i) An increase of USD 24.0 million in deferred tax assets related to carry forward losses previously unrecognized (on activities non eligible to tonnage tax);

(ii) An increase of USD 26.2 million in deferred tax liabilities on subsidiaries' reserves not yet distributed;

(iii) In the logistics division, a tax rate increase in the UK and the recognition of net operating losses due to foreseeable profitable results in some countries, leading to the increase of deferred tax asset on carry forward losses by USD 26.9 million; and

(iv) A recurrent decrease of the deferred tax liability related to purchase price allocation for USD 12.8 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.

In France, unused tax losses whose recovery within a reasonable timeframe is considered less than likely are not recognized in the Statement of Financial Position and represented USD 915.3 million as at December 31, 2021 (USD 1,381.0 million as at December 31, 2020). The corresponding unrecognized deferred tax asset amounts to USD 236.2 million in 2021 (USD 413.1 million in 2020). Most of these unused tax losses can be carried forward indefinitely.

Regarding CEVA, unused tax losses of USD 883.0 million (USD 1,137.0 million in 2020) are available for offset against future taxable profits for which no deferred tax asset has been recognized because the entities concerned reported losses in either the current or prior year, of which tax losses amounting to USD 419.0 million can be carried forward indefinitely, and USD 463.0 million will expire in 4 to 20 years.

A USD 47.0 million of deferred tax liabilities on temporary differences associated with undistributed earnings of certain subsidiaries within CEVA was not recognized because CEVA is in a position to control the timing of the reversal of the temporary difference, and it is probable that such differences will not reverse in the foreseeable future.

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

	For the year ended December 31,
	2021
Net deferred tax at the begining of the year	**(209.9)**
Changes through Profit & Loss	51.3
Changes through Other Comprehensive Income	(0.6)
Currency translation adjustment	(3.3)
Other variations	(2.1)
Net deferred tax at the end of the period	**(164.6)**

4.7.3 Tax proof

In France, from January 1, 2021, a rate of 27.50% (28.41% incl. 3.3% surtax) applies to entities with a revenue equal or above EUR 250.0 million.
As a consequence, the theoretical income tax rate taken into account has been updated at 28.41% for the year ended December 31, 2021 in the tax proof presented below:

	For the year ended December 31,	
	2021	**2020**
Profit / (Loss) before tax and excluding share of profit (or loss) of the associates and joint ventures	**18,357.9**	**1,907.5**
Profit Before Tax under tonnage tax regime	17,798.9	2,147.7
Profit Before Tax under regular income tax	**558.9**	**(240.2)**
Theoretical income tax (tax rate of 28.41% in 2021 / 32.02% in 2020)	**(158.8)**	**76.9**
Income tax expense	(370.1)	(103.1)
Difference between theoretical and effective income tax	**(211.4)**	**507.7**
Other income not subject to income tax	6.9	93.4
Deferred tax assets impacts related to carry forward losses and unrecognized tax losses	93.4	(57.4)
Effect of different tax rates in foreign tax jurisdictions	49.5	52.7
Variation of deferred taxes with no impact on profit / (losses) before tax	(25.6)	(8.6)
Current income tax expense driven by a specific income tax basis	(98.1)	(15.1)
Changes in respect of prior years	(23.8)	11.7
Other Permanent differences	(213.6)	(256.7)
Difference	**(211.4)**	**507.7**

The other permanent differences mainly relate to currency impacts, with material change of EUR versus USD rate between 2020 and 2021, with the parent Company being the main contributor with a USD functional currency while its statutory currency is the EUR as a French Company.

Note 5 - Invested capital and working capital

5.1 Goodwill and other intangible assets

5.1.1 Goodwill

Goodwill and Business Combinations

Business combinations are accounted for using the acquisition method defined in IFRS 3 "Business combinations". Accordingly, all acquisition-related costs are recognized as operating expenses.

The consideration transferred for the acquisition of a subsidiary consists of the assets transferred by the Group, the liabilities incurred to former owners of the acquiree and the equity interest issued by the Group at transaction date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent payments classified as debt are subsequently remeasured through the consolidated income statement.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Determination of goodwill

Goodwill is measured as the difference between:

- The aggregate of (i) the value of the consideration transferred, (ii) the amount of any non-controlling interest, and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, measured in accordance with IFRS 3

If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, then the difference is recognized directly in the income statement.

Non-controlling interests represent the portion of the profit or loss and net assets (of the Group or of one of its subsidiaries) attributable to equity interests held by third parties.

Adjustments are recognized as changes to goodwill, provided they result from new information obtained about facts and circumstances that existed at acquisition date and are made within twelve months of the date of acquisition.

Presentation and subsequent measurement of goodwill

Goodwill on acquisition of subsidiaries is disclosed separately in the Statement of Financial Position. Goodwill on acquisition of associates and joint ventures is included in the Company's share in investments in associates and joint ventures.

At the time of the sale of a subsidiary or a jointly controlled entity, the amount of the goodwill attributable to the subsidiary or associates and joint ventures is included in the calculation of the gain and loss on disposal.

Impairment of goodwill

See Note 5.3.

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

	As at December 31, 2021	As at December 31, 2020
Beginning of the year	**2,872.8**	**2,851.8**
Goodwill from business combinations	11.2	20.9
Other variations	-	2.4
Impairment	(11.0)	-
Foreign currency translation adjustment	(17.2)	(2.4)
At the end of the period	**2,855.8**	**2,872.8**
of which:		
Allocated to container shipping segment	*1,127.9*	*1,143.0*
Allocated to logistics segment	*1,726.6*	*1,717.3*
Allocated to other activities	*1.4*	*12.5*

5.1.2 Other intangible assets

Other intangible assets mainly consist of:

- Trademark and customer relationships, which are generally valued using the income approach, consisting in both (i) the relief from royalty method applied to the valuation of brands and (ii) the excess earnings method applied to the valuation of customer contracts and terminal concession rights. The useful life of customer relationships is generally depending on the churn rate applied to the customer portfolio ;
- Software developed or acquired for internal corporate use, which is recorded at the initial acquisition cost plus the cost of development minus the total of the amortization and any impairment loss. In-house software development costs are capitalized in accordance with criteria set out in IAS 38 "Intangible assets";
- Terminal concession rights for which the useful life is generally based on the concession contractual maturity with reasonable renewal assumptions.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Software developed or acquired is amortized on a straight-line basis over five to ten years based on the estimated useful life.

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, 2019	**666.9**	**330.2**	**2,137.6**	**115.0**	**9.9**	**3,259.6**
Acquisitions	13.2	49.4	0.5	-	0.0	63.1
Disposals	(88.3)	(4.2)	(0.7)	-	(0.0)	(93.3)
Reclassification	269.0	(269.6)	-	-	0.8	0.2
Foreign currency translation adjustment	17.1	2.5	(3.9)	-	(1.5)	14.1
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)
Impairment and write-offs	-	-	(203.0)	(44.0)	-	(247.0)
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**

	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
Amortization and impairment						
As at December 31, 2019	**(484.8)**	**-**	**(164.4)**	**(39.8)**	**(4.6)**	**(693.7)**
Amortization	(70.0)	-	(88.6)	(4.2)	(1.5)	(164.4)
Disposals	77.2	-	0.7	-	-	77.9
Impairment	-	-	-	(30.9)	-	(30.9)
Reclassification	4.3	-	-	-	-	4.3
Foreign currency translation adjustment	(9.3)	-	(1.5)	-	0.8	(10.1)
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 and write-offs	(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)**

Net book value of Other intangible assets	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
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**
As at December 31, 2019	**182.1**	**330.2**	**1,973.2**	**75.2**	**5.3**	**2,566.0**

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 1,586.8 million (USD 1,879.6 million as at December 31, 2020), (ii) USD 6.2 million to terminal concession rights (USD 40.1 million as at December 31, 2020) and (iii) software in use or in progress for an amount of USD 451.3 million (USD 503.5 million as at December 31, 2020).

High-performance information systems are critical within our industry, which requires significant internal and external software development. Software capitalized costs mainly correspond to costs incurred for the in-house development of (i) shipping agency systems, implemented throughout the global Group agency network and Shared Services Centers, which address bookings, billings and transportation documentation, (ii) the operating system including logistical support and container tracking and (iii) the comprehensive accounting and financial reporting ERP systems implemented in all Group shipping entities.

The software in progress recorded as at December 31, 2021 mainly corresponds to the finance parts of SAP project which is planned to be deployed early next 2023, as well as IT developments within the logistic division.

During the year ended December 31, 2021, the capitalized costs of the future information system amounted to USD 33.3 million (USD 17.6 million during the year ended December 31, 2020).

The amortization schedule of the currently used ERP has been adjusted to its reassessed remaining useful life.

5.2 Property and equipment

Recognition of property and equipment

In accordance with IAS 16 "Property, Plant and Equipment", items of property and equipment are recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably.

Right-of-use asset under IFRS 16

IFRS 16 requires to recognize a right-of-use asset (and a lease liability) representing its obligation to make lease payments for leases. At the commencement date, the right-of-use asset should be measured at cost, which includes: (i) the amount of the initial measurement of the lease liability, (ii) prepayments, (iii) initial direct costs and (iv) dismantling and removing costs.

Depreciation of the right-of-use asset is calculated using the straight-line method. The right-of-use asset should be depreciated from the commencement date to the earlier between the end of the useful life of the right-of-use asset and the end of the lease term. Otherwise, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset, taking into account the relevant residual value.

When lease agreements include both lease and non-lease components, the Company separates both components based on their relative stand-alone price. This split is primarily applicable for vessel chartering contracts in order to exclude the running costs from the rental expense and thus determine a bareboat equivalent lease component.

IFRIC position related to lease term and useful life of leasehold improvements

In assessing whether a lessee is reasonably certain to extend (or not to terminate) a lease, IFRS 16 requires an entity to consider all relevant facts and circumstances that create an economic incentive for the lessee. This includes significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract that are expected to have significant economic benefit for the lessee when an option to extend or terminate the lease becomes exercisable.

In addition, as noted above, an entity considers the broader economics of the contract when determining the enforceable period of a lease. This includes, for example, the costs of abandoning or dismantling non-removable leasehold improvements. If an entity expects to use non-removable leasehold improvements beyond the date on which the contract can be terminated, the existence of those leasehold improvements indicates that the entity might incur a more than insignificant penalty if it terminates the lease. Consequently, applying IFRS 16, an entity considers whether the contract is enforceable for at least the period of expected utility of the leasehold improvements.

Sale and lease-back transactions

In order to determine the accounting treatment applicable to a sale and leaseback transaction, the Group assesses whether the transfer of the asset is a sale under IFRS 15 requirements or not.

- If the transfer of an asset by the Group satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group shall measure the right-of-use asset arising from the leaseback at the proportion

of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the Group recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The lease is accounted applying IFRS 16.

- If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognize a financial liability equal to the transfer proceeds. It shall account for the financial liability applying IFRS 9.

Measurement of property and equipment

As required by IAS 16, property and equipment are recorded at the historical acquisition or manufacturing cost, less accumulated depreciation and any impairment loss. Acquisition or manufacturing costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The pre-operating costs are expensed when incurred.

Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

On initial recognition, the cost of property and equipment acquired is allocated to each component of the asset and depreciated separately.

Maintenance costs are recognized as expenses for the year, with the exception of mandatory dry-docks required to maintain vessel navigation certificates, which constitute an identifiable component upon the acquisition of a vessel and which are thereafter capitalized when the following dry-docks occur. Dry-docks are depreciated over the remaining useful life of the related vessel or to the date of the next dry-dock, whichever is sooner.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each part of the asset to its residual value (scrap value for vessels and estimated sale price for containers) over its estimated useful life, as follows:

Asset	Useful life in years
Buildings (depending on components)	15 to 40
New vessels	25
Dry-docks (component of vessels)	1 to 7
Second-hand container vessels and Roll-on Roll-off vessels (depending on residual useful life)	6 to 22
New barges/ Second-hand barges	40 / 20
New dry containers	15
New reefer containers	12
Second-hand containers (depending on residual useful life)	3 to 5
Fixtures and fittings	10
Other fixed assets such as handling and stevedoring equipment	3 to 20

For scrubbers, a 7-year useful life has been retained.

The assets' residual values and useful lives are reviewed, and adjusted if necessary, at each Statement of Financial Position date. The residual value for vessels is based on the lightweight and the average market price of steel. The residual value for containers is based on the Company's historical experience of the sale of used containers.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 5.3).

Significant estimates: Determination of the vessels useful lives and residual values

The depreciation of vessels is a significant expense for the Company. Vessels are depreciated over their expected useful lives to a residual value.

Useful lives and residual values are reassessed regularly based on available information such as the age of vessels in service on the market and the average age of scrapped vessels. This assessment also reflects current technology, service potential and vessel structure. This approach excludes short-term market fluctuations to the extent possible. Changes to estimates of useful lives and residual values may affect the depreciation expenses significantly.

Significant judgments and estimates: Assessment of whether the lease contract options (purchase, extension, early termination…) are reasonably certain to be exercised or not and assessment of other items which may affect the lease term

In assessing the lease terms, Management assessed existing purchase options, redelivery conditions, renewal, extension and termination options, taking into account economic and any other relevant factors in order to determine whether those existing options are reasonably certain to be exercised or not.

This assessment is made on a regular basis in order to assess any changes in Management's intention. These changes can modify the lease term or the option status and lead to a change in the value of lease liabilities and right-of-use assets.

The lease term also takes into account the redelivery period for vessels and the build-down period for containers that are part of the enforceable period of the leases, based on historical statistics and contractual provisions.

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at December 31, 2021	As at December 31, 2020
Vessels net		
Owned	10,171.8	8,152.5
In-progress	655.7	563.2
Right-of-use	7,733.8	4,841.8
	18,561.3	**13,557.4**
Containers net		
Owned	1,089.6	398.2
In-progress	155.0	3.8
Right-of-use	3,131.7	2,416.1
	4,376.3	**2,818.2**
Lands and buildings net		
Owned	483.6	536.2
In-progress	18.1	7.8
Right-of-use	1,444.5	1,308.3
	1,946.1	**1,852.2**
Other properties and equipments net		
Owned	542.6	263.0
In-progress	786.9	26.3
Right-of-use	156.2	90.1
	1,485.7	**379.4**
Total net		
Owned	12,287.6	9,349.8
In-progress	1,615.7	601.1
Right-of-use	12,466.2	8,656.2
Property and equipment	**26,369.4**	**18,607.2**

As at December 31, 2021, assets under IFRS 16 included in the above table represented a net book value of USD 12,466.2 million (USD 8,656.2 million as at December 31, 2020).

Changes in the cost of property and equipment for the year ended December 31, 2021 and the year ended December 31, 2020 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at December 31, 2019	**9,474.6**	**7,001.7**	**439.8**	**3,670.9**	**2,432.8**	**696.5**	**23,716.2**
Acquisitions	171.2	1,025.1	995.9	770.3	396.2	126.5	**3,485.2**
Acquisitions of subsidiaries	-	-	-	-	21.5	2.4	**23.9**
Disposals	(88.9)	(82.5)	-	(247.5)	(137.2)	(70.3)	**(626.4)**
Reclassification	-	-	13.6	2.8	5.7	(12.6)	**9.5**
Vessels put into service	886.1	-	(886.1)	-	-	-	**(0.0)**
Vessels refinancing & exercise of purchase option	963.5	(963.5)	-	-	-	-	**-**
Foreign currency translation adjustment	11.5	3.6	(0.0)	0.4	106.2	29.9	**151.4**
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)**
Disposals of subsidaries	-	-	-	-	(0.1)	(7.9)	**(8.0)**
Revaluation	-	-	-	-	(17.1)	-	**(17.1)**
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**

As at December 31, 2021, the Group holds 192 owned vessels and 331 leased vessels or equivalent agreements in the scope of IFRS 16 (128 owned vessels and 174 leased vessels or equivalent agreements in the scope of IFRS 16 as at December 31, 2020).

During the year ended December 31, 2021:

- "Acquisitions" of owned vessels relate mainly to the acquisition of 33 second-hand vessels ranging from TEU 1,338 to 5,400, as well as scrubbers for existing vessels and dry docks;
- "Acquisitions" of right-of-use vessels relate to :
  - 189 new leases entered into for a ROU amount of USD 4,072.1 million,
  - 44 vessel lease extensions for a ROU adjustment of USD 535.6 million,
  - 8 vessels with purchase options for a ROU amount of USD 234.4 million,
  - Dry-docks for leased vessels for USD 21.0 million.
- "Acquisitions" of in-progress vessels relate to the delivery instalments paid at the delivery dates of five TEU 23,000 vessels and two TEU 1,400 vessels which were delivered in 2021, as well as to the instalments paid in relation to some vessels in the orderbook : ten TEU 5,500 vessels, six TEU 7,300 vessels, six TEU 13,000 vessels, six TEU 15,000 vessels; 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 for an amount of USD 597.3 million;
- "Acquisitions" of other properties and equipments mainly include USD 726.6 million related to 5 Airbus cargo aircrafts and the ordering of 2 Boeing aircrafts (recorded as asset in progress) for an amount of USD 188.5 million;
- "Vessels put into service" relate to the delivery of the five TEU 23,000 vessels, two TEU 2,500 vessels, two TEU 2,200 vessels and 19 scrubbers.
- "Vessels refinancing & exercise of purchase option" relate to the exercise of purchase options in relation to 16 leased vessels.

Variations occurred during the year ended December 31, 2020 were disclosed in the 2020 CFS.

Borrowing costs capitalized during the year ended December 31, 2021 amounted to USD 4.3 million (USD 10.1 million for the year ended December 31, 2020).

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 11,309.7 million for the year ended December 31, 2021 (USD 3,548.2 million for the year ended December 31, 2020).

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 December 31,	
			2021	**2020**
Acquisition of assets presented in the above tables		a	11,309.7	3,548.2
(+)	Acquisition of assets held-for-sale	b	-	2.6
(-)	Assets not resulting in a cash outflow (i)	c	(680.2)	(758.7)
(-)	IFRS16 leases increase	d	(7,334.6)	(2,057.9)
CAPEX cash from purchases of intangible assets		e	(98.5)	(69.6)
CAPEX cash from purchases of property and equipment		f = a (+) b (-) c (-) d (-) e	(3,196.4)	(664.7)
CAPEX cash from business combination		g	(62.6)	(81.8)
Total CAPEX as per Consolidated Statement of Cash Flows		**e (+) f (+) g**	**(3,357.4)**	**(816.1)**

(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.*

In addition to USD 3,357.4 million capex cash as per Consolidated Statement of Cash-Flows, the Group proceeded to the following investments in its operating assets:

- USD 774.7 million financing cash outflow related to the exercise of purchase options of vessels and containers; this resulted into a reclassification of the carrying values of the related tangible assets from leased to owned categories for a net book value of USD 657.1 million for vessels and USD 433.1 million for containers;
- USD 680.2 million non-cash capex related to vessels and containers purchased through a financing drawdown or working capital items with no immediate cash impact for the Group;
- USD 7,334.6 million non-cash capex related to new leases entered into.

Changes in the accumulated depreciation for the year ended December 31, 2021 and the year ended December 31, 2020 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at December 31, 2019	**(2,403.0)**	**(1,707.4)**	**-**	**(919.0)**	**(608.7)**	**(312.3)**	**(5,950.5)**
Depreciation	(439.6)	(971.5)	-	(605.8)	(465.1)	(109.4)	**(2,591.3)**
Disposals	65.3	82.6	-	145.6	140.1	63.5	**497.0**
Impairment	(10.2)	(1.4)	-	-	(3.3)	(8.6)	**(23.5)**
Reclassification	(470.9)	457.4	-	-	1.3	(6.5)	**(18.7)**
Foreign currency translation adjustment	(7.0)	(2.3)	-	0.5	(37.4)	(19.7)	**(65.8)**
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**
Disposals of subsidaries	-	-	-	-	-	6.9	**6.9**
Impairment	(32.5)	(1.5)	-	0.0	(0.3)	(4.0)	**(38.3)**
Vessels refinancing & exercise of purchase option	(491.8)	491.8	-	-	-	-	**0.0**
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)**

Including intangible assets, the total depreciation for the year ended December 31, 2021 amounts to USD 3,427.9 million (USD 2,755.7 million for the year ended December 31, 2020).

The net book value of property and equipment at the opening and closing for the year ended December 31, 2021 and the year ended December 31, 2020 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
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**
As at December 31, 2019	7,071.6	5,294.3	439.8	2,751.9	1,824.1	384.2	**17,765.8**

As at December 31, 2021, the carrying amount of property and equipment held as collateral (mainly of financial debts) amounts to USD 16,581.6 million (USD 15,480 million as at December 31, 2020) and USD 4,113.5 million excluding leased assets under IFRS 16 (USD 6,821.4 million as at December 31, 2020).

5.2.2 Group 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 655.7 million as at December 31, 2021 (USD 563.2 million as at December 31, 2020).

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 723.2 million as at December 31, 2021.

5.3 Impairment of non-financial assets

As required by IAS 16 "Property, Plant and Equipment" and IAS 36 "Impairment of Assets", the Group reviews the carrying amounts of property and equipment (see Note 5.2) and intangible assets (see Note 5.1) annually in order to assess whether there is any indication that the value of these assets might not be recoverable. If such an indication exists, the recoverable value of the asset is estimated in order to determine the amount, if any, of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment of goodwill and other assets that do not generate independent cash inflows, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units or "CGU").

The impairment tests on goodwill and intangible assets with an indefinite useful life or unavailable for use are performed annually at the CGU level, or more frequently if there is an indication of impairment.

Right-of-use assets under IFRS 16 are considered as non-financial assets. Thus, they are in the scope of IAS 36.

Right-of-use assets are tested annually or when impairment indicators exist. They are assessed for impairment at Group's CGUs level.

The impairment test is performed according to the following assumptions:
- Right-of-use assets are included in the carrying amount of the related CGU; or
- The carrying amount of the lease liabilities is deducted from the carrying amount of the CGU.

Any impairment recorded on goodwill may not subsequently be reversed.

Significant judgment, estimates and assumptions

When value in use calculations are undertaken, management must estimate the expected future cash flows of the asset or cash-generating unit and choose a suitable discount rate and a perpetual long-term growth rate in order to calculate the present value of those cash flows. These estimates take into account certain assumptions about the global economic situation and the future growth of the container shipping and logistics industries.

The main assumptions used by the Company in order to perform impairment testing of non-financial assets are the following:

- The level at which the assets were tested:

(i) CMA CGM, is organized as a global container carrier, managing its customer base and fleet of vessels and containers on a global basis. Large customers are dealt with centrally and assets are regularly reallocated within trades according to demand. Even though certain trades may have their own specificities, none generates cash flows independently of the others. As such, vessels, containers, goodwill and other long-

term assets related to the container shipping activity are not tested individually but rather on the basis of the cash flows generated by the overall container shipping activity.

(ii) As far as logistics activities are concerned, Management monitors goodwill based on two cash generating units : Freight Management (FM) and Contract Logistics (CL). The recoverable amount of each CGU is determined based on calculating its value in use.

(iii) For terminal operations, when the Company controls the entity, the CGU correspond to each individual terminal or entity, or to a group of terminals or entities when they operate in the same geographic area and their activities are interrelated.

- For the container shipping activity, the cash flows used to determine the value in use are based on the most recent business plan prepared by management, which covers a 4-year period. The container shipping industry is currently particularly volatile in sync with the context of operations. To prepare its business plan, management considered historical data and opinions from independent shipping experts which tend to indicate that in the medium term, fleet capacity and demand will be more balanced.

- For logistics, the value in use is calculated by applying discounted cash flow modelling to management's own projections covering a four year period. Management's projections have been prepared on the basis of strategic and performance improvement plans, knowledge of the market, performance of competitors and management's views on achievable growth in market share and margins over the longer term.

- The post-tax discount rates, or Weighted Average Cost of Capital ("WACC") , used for testing purposes are included within the range 7%-18% (8%-15% in 2020) depending upon the inherent risk of each activity tested.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set between 1% and 2% (between 1% and 2% in 2020 – see sensitivity analysis below).

Sensitivity of the impairment test to changes in the assumptions used in the determination of the value in use

Regarding the container shipping activity:
- If the discount rate had been increased by 1%, the net present value of future cash flows would have been lowered by USD 4.5 billion (USD 2.0 billion as at December 31, 2020), which would not have resulted in any impairment charge;
- The estimated value in use of the container shipping assets to be tested would have been approximately equal to its carrying amount if the discount rate had been increased by 13.2% (4.2% as at December 31, 2020);
- If the perpetual growth rate had been set at 0%, the net present value of future cash flows would have been lowered by USD 3.4 billion (USD 1.6 billion as at December 31, 2020), which would not have resulted in any impairment charge.

Regarding the Logistics' CGUs: If the discount rate had been increased by 1% or if the perpetual growth rate had been decreased by 1%, the net present value of future cash flows generated by freight management (FM) and contract logistic (CL) would have been lowered by USD 0.7 billion as at December 31, 2021 (USD 0.2 billion as at December 31, 2020), which would not have resulted in any impairment charge.

5.4 Working Capital

Inventories - Initial recognition

Inventories are initially recorded at cost. Cost represents the purchase price and any directly attributable costs. Inventories mainly relate to bunker fuel at the end of the year. Cost is determined on a first-in, first-out basis.

Inventories - Write-down rules

When the net realizable value of an item of inventory is less than its cost, the excess is immediately written-down in profit or loss.

The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized through profit or loss so that the new carrying value is the lower of the cost and the revised net realizable value.

Trade receivables

Freight receivables for which the Company transferred a portion of the services to the customers as per revenue recognition principles, are reported as contract assets, net of the portion of the services not performed at cut-off date (deferred revenue).

Impairment of trade receivables

According to the simplified approach allowed by IFRS 9 for trade receivables, the Group determined that the provision that would be recognized using a provision matrix based on historical and projected statistics for determining expected credit loss (ECL) on trade receivables would not be materially different from the provision accounted through the methodology described below:

Write down is measured taking into account:
- Customer segments that have similar loss patterns : the Group differentiates freight receivables from demurrage receivables;
- The receivables' maturities in correlation with their estimated collection rate : at date, the Group fully depreciates aged receivables above one year as well as doubtful receivables.

Individual receivable identified as risky are also depreciated when:
- It is probable that the receivable will not be recovered; and
- The amount of the loss can be reliably measured.

Impairment of contract assets

Contract assets are impaired following the same rules as trade receivables.

Securitization of receivables

The Company transfers certain receivables of certain shipping and logistics entities by way of a securitization program. As a significant portion of the risks and rewards of ownership related to these trade receivables have been retained by the Group, they are not derecognized and a borrowing is recorded against the cash consideration received from the lenders (collateralized borrowing). Similarly, when the Company receives shares from the securitization vehicle either (i) as a consideration for receivables transferred during the period or (ii) as an advance consideration for receivables to be transferred in a subsequent period, the related receivables are not derecognized and maintained in the Statement of Financial Position (see Note 6.6 and Note 8.3.2).

Significant estimates: Demurrage and detention receivables, accruals for port call expenses, transportation costs and handling services

The amount of demurrage receivables as well as port call expenses, transportation costs and handling services are estimated on the basis of standard costs, as there can be delays between the provision of services and the receipt of the final invoices from shipping agents and customers or suppliers throughout the world (see Note 4 for revenue recognition accounting principles).

5.4.1 Inventories

	As at December 31, 2021	As at December 31, 2020
Bunkers	659.8	389.3
Other inventories	64.8	57.1
Provision for obsolescence	(0.5)	(0.5)
Inventories	**724.1**	**445.9**

5.4.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2021	As at December 31, 2020
Trade receivables	3,534.2	2,456.1
Less impairment of trade receivables	(86.6)	(133.1)
Trade receivables net	**3,447.5**	**2,323.1**
Prepayments	197.4	199.0
Other receivables, net	606.9	768.7
Employee, social and tax receivables	372.5	285.3
Trade and other receivables (*)	**4,624.3**	**3,576.1**

(*) including current income tax asset

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

A large portion of trade receivables included in the table above have been pledged as collateral under its securitization programs (see Note 8.3.2).

Trade and other payables are analyzed as follows:

	As at December 31, 2021	As at December 31, 2020
Trade payables	2,719.9	2,076.5
Employee, social and tax payables	963.3	663.3
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	4,540.7	3,247.8
Trade and other payables (*)	**8,224.0**	**5,987.6**

(*) including current income tax liability

The working capital can be analyzed as follows:

	As at December 31, 2020	Variations linked to operations	Acquisition of subsidiaries	Currency translation adjustment	Others	As at December 31, 2021
Inventories	445.9	281.5	0.2	(2.5)	(1.0)	724.1
Trade and other receivables (*)	3,576.1	1,015.6	84.4	(270.1)	218.3	4,624.3
Contract assets	1,269.7	1,144.0	2.5	(12.1)	0.1	2,404.1
Prepaid expenses	212.4	90.5	0.0	(2.3)	(48.3)	252.3
Trade and other payables (**)	(5,987.6)	(1,833.5)	(111.4)	166.5	(458.0)	(8,224.0)
Deferred income	(138.4)	(83.8)	0.1	(3.3)	(9.4)	(234.9)
Net working capital	**(621.8)**	**614.3**	**(24.2)**	**(123.8)**	**(298.4)**	**(454.0)**

(*) including current income tax asset

(**) including current income tax liability

Trade receivables and payables, including current income tax assets and liabilities, mature as follows:

	As at December 31, 2021	Not yet due	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	Over 120 days
Trade and other receivables	**4,624.3**	2,999.9	799.0	239.9	72.4	112.8	400.1
Trade and other payables	**8,224.0**	6,072.2	902.4	311.9	154.0	189.4	594.0

5.5 Non-current assets (or disposal group) held for sale

Non-current assets (or disposal group) to be disposed of are classified as non-current assets (or disposal group) held-for-sale and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets are classified as held-for-sale only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for the sale of such items. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. If the fair value is lower than the carrying amount, an impairment charge is recognized in the income statement.

A disposal group may include both current and non-current assets as well as liabilities (current and non-current) directly related to those assets to be disposed of in the same transaction.

Liabilities directly associated with these assets are presented in a separate line in the balance sheet.

When a non-current asset or a group of assets is classified as held-for-sale, its depreciation is discontinued.

There are no non-current assets (or disposal group) held for sale as at December 31, 2021 as (i) the stakes in 2 terminals that were left to be sold to Terminal Link as part of the transaction with CMP have been reclassified in associates and joint ventures and other non-current financial assets and (ii) the transaction regarding the stake in a logistic platform in India has been closed in the period (see Note 3.6).

5.6 Operating and investing cash-flows

Cash flow from operations stands at USD 22,230.5 million of which EBITDA contributed for USD 23,102.6 million, income tax paid for USD (279.5) million and variation of working capital for USD (614.3) million. Cash flow generated from investing activities amounted to USD (4,127.2) million.

Cash flow from investing activities has been mainly impacted by capital expenditures from intangible assets and purchasing of property and equipment representing a cash outflow of USD (3,294.9) million, the sale of Ameya for USD 77.1 million, the net cash used for some acquisitions of subsidiaries or associates and joint ventures for USD (62.6) million, the proceeds from disposal of properties and equipment for USD 56.1 million, the net cash flow resulting from the variation of other financial assets for USD (400.8) million, the purchase of securities for USD (513.5) million and the dividends received from investments in associates and joint ventures for USD 13.6 million.

Note 6 - Capital structure and financial debt

The Group's activities entail a variety of financial risks: market risk (including foreign exchange risk, bunker costs risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and oil/commodity markets and seeks to minimize potential adverse consequences on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department and a bunkering department in accordance with policies approved by management. These departments identify, evaluate and hedge financial risks in

close relation with operational needs. Management provides written principles for overall risk management, as well as written policies covering specific areas, such as bunker risk, foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of liquidity.

6.1 Financial risk management objectives & policies

6.1.1 Market risk

Bunker costs risk

The Group seeks to apply bunker surcharges (Bunker Adjustment Factor "BAF") in addition to freight rates to compensate for fluctuations in the price of fuel. The Group's risk management policy is also to hedge through fixed price forward contracts. The analysis of the exposure to price fluctuations is performed on a continual basis.

The fuel prices over the last three years are as follows:

Market data as at :	2021	2020	2019	2021	2020	2019
Nymex WTI (1st nearby, in $ per barrel) *	75.21	48.52	61.06	68.08	39.34	57.04
Brent (1st nearby, in $ per barrel) *	77.78	51.80	66.00	70.94	43.21	64.16

** Based on the future contract maturing at the closest maturity on each considered date*

As at December 31, 2021, the Company hedged approximately 8.0% of expected purchase of bunkers for the next year through fixed price forwards with delivery (0.5% of expected purchase for the year 2021 as at December 31, 2020). These bunker purchases are treated as executory contracts.

As at December 31, 2021, the Company hedged approximately 0.5% of expected purchase of bunkers for the next year through derivatives products (nil as at December 31, 2020)

The table below presents the fair value of the Group's bunker hedge derivatives in relevant maturity groupings based on the remaining period, from the Statement of Financial Position date to the contractual maturity date:

As at December 31, 2021	Nominal amount	Maturity		Fair value of derivatives
		Less than 1 year	More than 1 year	
Bunker hedge - cash flow hedge	**46.5**	46.5	-	(3.1)
Total	**46.5**	**46.5**	**-**	**(3.1)**

Based on the fuel consumption for the year ended December 31, 2021, an increase of the fuel prices by USD 10 (in USD per ton) would have had a negative impact on the Statement of Profit & Loss of approximately USD 82.0 million, excluding any effect on the BAF mechanism mentioned above as well as any other correlation with freight prices.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The functional currency of the Group being the U.S. Dollar, the Company is primarily exposed to the Euro currency fluctuations regarding its operational and financing transactions. Transactional currency exposure risks arise from sales or purchases by an operating unit in a currency other than the Group's functional currency.

The Company may conclude certain derivative transactions to hedge specific risks.

The Group's exposure to the transaction currencies, taking into account the effect of hedges, can be presented as follows:

As at December 31, 2021	Carrying amount	USD	EUR	CNY	GBP	Others
Trade receivables and prepaid expenses	**4,756.5**	2,137.4	1,118.0	334.7	101.6	1,064.7
Cash and cash equivalents and securities	**10,130.9**	8,377.2	581.4	81.3	51.8	1,039.2
Trade payables and current deferred income	**8,174.5**	4,142.9	1,753.3	264.4	153.2	1,860.8
Borrowings	**18,201.5**	15,475.6	1,657.6	12.3	465.8	590.1

This exposure is mitigated to a certain extent by the currency mix of operating revenues and expenses.

Cash Flow Interest rate risk

The evolution of short-term USD rates is as follows:

	Closing rate as at December 31,			Annual average rate		
Market data:	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
LIBOR USD 3 M	0.21%	0.24%	1.91%	0.16%	0.65%	2.33%

The Group's interest rate risk mainly arises from borrowings. Indeed, the Group has borrowings issued at variable rates (USD Libor) that expose the Group to a cash flow interest rate risk.

As at December 31, 2021, taking into account the interest rate hedges, the borrowings bearing interest at variable rates represent 24% of total debts, 76% at fixed rates.

The table below presents the fair value of the Group's interest rate derivatives in relevant maturity groupings based on the remaining period, from the Statement of Financial Position date to the contractual maturity date:

As at December 31, 2021	Nominal amount	Maturity		Fair value of derivatives
		Less than 5 years	More than 5 years	
Cross currency interest rates swaps - fair value hedge	**302.4**	302.4	-	(35.2)
Total	**302.4**	**302.4**	**-**	**(35.2)**

The following table presents the sensitivity of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2021 to a possible change in interest rates, assuming no change in other parameters:

		Income Statement impact		Balance Sheet impact
		Change in fair value of derivatives	Interest expenses	Cash Flow Reserve
U.S Dollar	+100 bps	(12.6)	(3.0)	-
Singapore Dollar	+100 bps	6.7	2.8	-

6.1.2 Credit risk

The Group trades with large, recognized, creditworthy third parties and also with a very large number of smaller customers for which prepayments are often required. Trade receivables and third party agents

outstanding balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant (bad debts represent 0.1% of revenue in 2021 and 0.5% of revenue in 2020). Because of the large customer base, the Group has no significant concentration of credit risk. No customer represents more than 5% of Group revenue.

Counterparties for transactions on derivatives are limited to high-credit-quality financial institutions. The Group has policies that limit its exposure to credit risk towards financial institutions when dealing derivative financial instruments.

6.1.3 Liquidity risk

The table below presents the undiscounted cash flows of interest swap derivatives based on spot rate as at December 31, 2021 and on the interest rate curve as at December 31, 2021:

	2022	2023	2024	2025	2026	Onwards
Cross currency interest rates swaps - Liabilities	(4.2)	(4.1)	(8.6)	(9.5)	-	-
Total	**(4.2)**	**(4.1)**	**(8.6)**	**(9.5)**	**-**	**-**

Since end of 2018, the Group's financing arrangements are subject to compliance with the following financial covenants:
- A leverage ratio, calculated as adjusted net debt to a 3-year average adjusted EBITDA;
- Minimum liquidity balance.

These covenants are based on specific calculations as defined in the financing arrangements (see below).

As at 31 December 2021, the Group is in compliance with its financial covenants.

The definition of EBITDA in the agreements allows adjustments and certain items to be added back to the reported EBITDA for the purpose of calculating the covenants.

On the basis of the agreements, adjusted net debt and unrestricted cash and cash equivalents are calculated as follows:

	Note	As at December 31, 2021	As at December 31, 2020
Total Borrowings and lease liabilities (A)	6.6	**18,201.5**	**18,512.5**
Cash and cash equivalents as per statement of financial position	6.4	**10,130.9**	**1,880.4**
(+) Securities	6.3.2	530.2	35.7
(-) Restricted cash	6.4	(179.3)	(295.5)
Unrestricted cash and cash equivalents (B)		**10,481.9**	**1,620.6**
Adjusted net debt : A (-) B		**7,719.7**	**16,891.9**

Regarding the liquidity risk linked to property and equipment, refer to the financial commitments presented in the Note 8.3.1 Commitments on assets.

6.1.4 Capital risk management

The Group monitors capital on the basis of the ratios described above.

6.1.5 Fair value hierarchy

Fair Value of financial assets

The fair values of quoted investments are based on current mid-market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are largely similar and discounted cash flow analyses refined to reflect the issuer's specific circumstances.

The table in the Note 6.3.3 Classification of financial assets and liabilities that presents a breakdown of financial assets and liabilities categorized by value meets the amended requirements of IFRS 7. The fair values are classified using a scale which reflects the nature of the market data used to make the valuations. This scale has three levels of fair value:

- Level 1: fair value based on the exchange rate/price quoted on the active market for identical instruments;
- Level 2: fair value calculated from valuation techniques based on observable data such as active prices or similar liabilities or scopes quoted on the active market;
- Level 3: fair value from valuation techniques which rely completely or in part on non-observable data such as prices on an inactive market or the valuation on a multiples basis for non-quoted securities.

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2021:

As at December 31, 2021	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	530.2	-	-	530.2
Derivatives used for hedging	-	2.7	-	2.7
Other financial assets	-	-	11.3	11.3
Investments in non consolidated companies	-	-	372.5	372.5
Total Assets	**530.2**	**2.7**	**383.8**	**916.7**
Liabilities				
Derivatives used for hedging	-	5.8	-	5.8
Cross currency interest rates swaps - fair value hedge	-	35.2	-	35.2
Total Liabilities	**-**	**41.0**	**-**	**41.0**

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2020:

As at December 31, 2020	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	35.7	-	-	35.7
Derivatives used for hedging	-	0.1	-	0.1
Investments in non consolidated companies	-	-	223.5	223.5
Total Assets	**35.7**	**0.1**	**223.5**	**259.2**
Liabilities				
Interest swaps - cash flow hedge	-	9.8	-	9.8
Interest swaps - not qualifying to hedge accounting	-	44.2	-	44.2
Cross currency interest rates swaps - fair value hedge	-	31.2	-	31.2
Cross currency interest rates swaps - cash flow hedge	-	2.2	-	2.2
Total Liabilities	**-**	**87.4**	**-**	**87.4**

The variations of assets included in level 3 are as follows:

	ASSETS	
	Fair value through other comprehensive income	**Fair value through P&L**
Opening balance	**-**	**223.5**
Total gains or losses for the period		
Included in profit or loss	-	147.7
Foreign Currency impact	-	(2.0)
Purchases, issues, sales and settlements		
Purchases	-	33.7
Reclassification	-	(8.8)
Depreciation	-	(7.0)
Settlements	-	(2.0)
Others	-	(1.3)
Closing balance	**-**	**383.8**

6.2 Derivative financial instruments

Derivative instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-evaluated at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if this is the case, on the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedge).

The Group documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve are shown in other comprehensive income.

Classification of the Company's derivative instruments

- Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. The impact in the Statement of Profit & Loss (effective and ineffective portion) of bunker hedging activities that qualify as cash flow hedges is presented in the line item "Bunkers and Consumables".

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowing is recognized in the Statement of Profit & Loss within "Interest expense on borrowings". The gain or loss relating to the ineffective portion is recognized in the income statement under the heading "Other financial items".

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the non-financial asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at this time remains in other comprehensive income and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

- Fair value hedge

Fair value hedges apply when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment or an identified portion of such an asset, liability or unrecognized firm commitment that is attributable to a particular risk.

The fair value changes on the effective portion of derivatives that are designated and qualify as fair value hedges are recognized in the income statement within the same line item as the fair value changes from the hedged item. The fair value changes relating to the ineffective portion of the derivatives are recognized separately in the income statement.

- Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as assets or liabilities at fair value through profit and loss, and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement. The impact in the Statement of Profit & Loss of such derivatives is presented in the line item "Other financial items".

- Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income; the gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

6.2.1 Derivative financial instruments

Derivative financial instruments can be analyzed as follows :

	As at December 31, 2021		**As at December 31, 2020**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest swaps - cash flow hedge	-	-	0.1	9.8
Interest swaps - not qualifying to hedge accounting	-	-	-	44.2
Bunker hedge - cash flow hedge	2.7	5.8	-	-
Cross currency interest rates swaps - fair value hedge	-	35.2	-	31.2
Cross currency interest rates swaps - cash flow hedge	-	-	-	2.2
Total derivative financial instruments	**2.7**	**41.0**	**0.1**	**87.4**
of which non-current portion (greater than 1 year)	*-*	*35.2*	*0.1*	*38.8*
of which current portion (less than 1 year)	*2.7*	*5.8*	*-*	*48.6*

The derivative financial instruments related to CEVA's Term Loan B, requalified as at December 31, 2020 as "Interest swaps - not qualifying to hedge accounting", have been settled in January 2021.
The Company did not record any transfer between derivative financial instruments' categories in the period ended December 31, 2021.

6.2.2 Net investment hedge

A foreign currency exposure arises from the Group's net investment in certain subsidiaries, associates or joint ventures with a euro functional currency, notably in the port terminal and container shipping short sea activities.

The risk arises from the fluctuation in spot exchange rates between the Euro and the US Dollar, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening euro against the US dollar that will result in a reduction in the carrying amount of the Group's net investment in the euro investees.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate.

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 61.5 million for the year ended December 31, 2021 (exchange loss of USD (68.0) million for the year ended December 31, 2020).

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

The Group classifies its financial assets in the following categories, depending on their nature (i.e. their contractual cash flow characteristics) and how they are managed (i.e. the Group business model used for managing these financial assets):

Financial assets subsequently measured at amortized cost

These financial assets are initially recognized at fair value plus directly attributable costs.

They are classified as subsequently measured at amortized cost if they meet both of the following criteria:

- The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

Amortized cost is determined using the effective interest method, less impairment.

Financial assets subsequently measured at fair value through other comprehensive income

These financial assets are initially recognized at fair value plus directly attributable costs.

They are classified as subsequently measured at fair value through other comprehensive income (FVOCI) if they meet both of the following criteria:

- The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The business model mentioned as first criteria involves greater frequency and volume of sales than the business model used for financial assets measured at amortized cost. Integral to this business model is an intention to sell the instrument before the investment matures.

Financial assets subsequently measured at fair value through profit or loss

These financial assets are initially recognized at fair value excluding directly attributable costs that are immediately recognized in profit and loss.

These financial assets are classified and measured at Fair value through profit or loss (FVTPL) if:
- The asset is held within a business model that does not correspond to the business model used to classify financial assets at amortized cost or at fair value through other comprehensive income; and
- The contractual terms of the financial asset give rise to cash flows that are not solely payments of principal and interest(SPPI).

A financial asset is thus classified and measured at FVTPL if the financial asset is:
- A held-for-trading financial asset;
- A debt instrument that do not qualify to be measured at amortized cost or FVOCI;
- An equity investment which the Group has not elected to classify as at FVOCI.

Changes in fair value are recognized in profit and loss as they arise.

Impairment of financial assets

At each Statement of Financial Position date, the Group performs impairments tests using a forward-looking expected credit loss (ECL) model.

The amount of impairment to be recognized as expected credit losses (ECL) at each reporting date as well as the amount of interest revenue to be recorded in future periods are determined through a three-stage impairment model based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition:
- Stage 1: When the credit risk has not increased significantly since initial recognition, the Group accounts expected losses over the next 12 months and recognizes interest on a gross basis;
- Stage 2: When the credit risk has increased significantly since initial recognition and is not considered as low, the Group accounts expected losses over the lifetime of the asset and recognizes interest on a gross basis;
- Stage 3: In case of a credit deterioration that threatens its recoverability, the Group accounts expected losses over the lifetime of the asset and present interest on a net basis (i.e. on the gross carrying amount less credit allowance).

6.3.1 Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at December 31, 2021	As at December 31,2020
Gross	387.4	231.4
Impairment	(14.8)	(7.9)
Net investments in non consolidated companies	**372.5**	**223.5**
Gross	47.7	56.0
Impairment	(18.6)	(19.5)
Loans	**29.1**	**36.5**
Gross	81.0	102.4
Impairment	(14.0)	(26.0)
Deposits	**67.0**	**76.4**
Gross	98.9	58.0
Impairment	(42.2)	(29.7)
Receivable from associates & joint ventures	**56.7**	**28.3**
Gross	305.5	215.5
Impairment	(16.8)	(7.1)
Other financial assets	**288.7**	**208.4**
Gross	**920.5**	**663.2**
Impairment	**(106.4)**	**(90.1)**
Total other non-current financial assets, net	**814.1**	**573.0**

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 69.9 million, (ii) Fransabank El Djazair for USD 60.4 million, (iii) Fenix Marine Services for USD 171.5 million (see Notes 3.8 and 4.4 for the revaluation of such investment) and to (iv) various other stakes individually not significant, mainly classified as assets at fair value through profit and loss (see Note 6.1.5).

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 (see Note 7.4).

Deposits

"Deposits" correspond to USD 67.0 million of cash deposits which do not qualify as cash and cash equivalents as at December 31, 2021 (USD 76.4 million as at December 31, 2020).

Other financial assets

As at December 31, 2021, "Other financial assets" mainly include USD 157.2 million (USD 105.6 million as at December 31, 2020) financial tax benefit to be received at the maturity of the tax financing period.

6.3.2 Securities and other current financial assets

"Securities and other current financial assets" as at December 31, 2021 include:

- securities at fair value for an amount of USD 530.2 million corresponding to the investment of a portion of the group's liquidity into a specific quoted instrument allowing exit options (USD 35.7 million as at December 31, 2020);
- Other current financial assets for USD 344.3 million (USD 129.6 million as at December 31, 2020). 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.

6.3.3 Classification of financial assets and liabilities

Set out below is a breakdown by category of carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements as at December 31, 2021:

Assets	As at December 31, 2021	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit and loss	Derivative instruments
Derivative financial instruments	**2.7**	-	-	-	2.7
Other financial assets	**814.1**	430.2	-	383.8	-
Trade and other receivables	**4,504.2**	4,504.2	-	-	-
Contract assets	**2,404.1**	2,404.1			
Securities and other financial assets (current)	**874.5**	874.5	-	(0.0)	-
Cash and cash equivalents	**10,130.9**	10,130.9	-	-	-
Total financial instruments - Assets	**18,730.4**	**18,344.0**	**-**	**383.8**	**2.7**

Liabilities	As at December 31, 2021	Financial liabilities at amortized cost	Derivative instruments
Borrowings and lease liabilities	**18,201.5**	18,201.5	-
Derivative financial instruments	**41.0**	-	41.0
Trade and other payables	**7,939.7**	7,939.7	-
Total financial instruments - Liabilities	**26,182.2**	**26,141.2**	**41.0**

6.4 Cash and cash equivalents, and liquidity

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and margin calls related to the Company's derivative financial instruments. Those financial assets are classified as amortized cost and valued as described above. Bank overdrafts are presented within borrowings on the Statement of Financial Position.

6.4.1 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

	As at December 31, 2021	As at December 31, 2020
Cash on hand	1,880.8	1,349.0
Short term deposits	8,070.9	235.9
Restricted cash	179.3	295.5
Cash and cash equivalents as per statement of financial position	**10,130.9**	**1,880.4**
Bank overdrafts	(57.4)	(31.4)
Cash and cash equivalents and bank overdrafts, as per cash flow statement	**10,073.5**	**1,849.0**
Restricted Cash	(179.3)	(295.5)
Marketable securities	530.2	35.7
Group available cash	**10,424.5**	**1,589.2**
Undrawn committed facilities	1,880.2	1,111.3
Total Group Liquidity	**12,304.6**	**2,700.5**

The group holds USD 25.7 million of net funds deposited in a number of Lebanese banks as short-term dollar denominated deposit accounts (USD 205.1 million as at December 31, 2020). Such net investment is reported in restricted cash and hence excluded from the group liquidity, due to the restrictions of the use of these funds out of the country, as a consequence of the economic situation in Lebanon. The decrease of the value of the deposits is mainly due to a revaluation of either the value of the related funds or the investments made with such funds, driven by the continued depressed economic situation in the country (see Note 4.6).

The remaining portion of 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.

The Group invested in short term deposits of various maturities for a net amount of USD 8,070.9 million, which have been qualified as cash and cash equivalents since inception.

6.4.2 Undrawn committed credit facilities and liquidity position

As at December 31, 2021, the Group has access to undrawn committed credit facilities amounting to USD 1,880.2 million (USD 1,111.3 million as at December 31, 2020) granted by various financial institutions.

6.5 Share capital, other reserves and earnings per share

Share capital and other reserves

Incremental costs directly attributable to the issue of new shares are presented in equity as a deduction from the proceeds, net of tax.

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.

Yildirim holds 24% of the Company's ordinary shares since the conversion of bonds subscribed in 2011 and 2013 into ordinary shares on December 31, 2017.

In June 2013, Bpifrance subscribed for USD 150 million to bonds which have been redeemed in Company's new ordinary shares as at December 31, 2020, representing 6% of the Company's ordinary shares. In April 2021, Merit France SAS, the main shareholder of CMA CGM SA, acquired 453,359 shares from Bpifrance, increasing its shareholding to 72.61% while Bpifrance was diluted to a 3.0% ownership.

No share option plans or dilutive equity instruments have been issued.

Other comprehensive income / (Loss) reclassifiable to profit and loss break down as follows:

	As at December 31, 2021	As at December 31, 2020
Cash flow hedge	(3.1)	32.7
Share of other comprehensive income / (Loss) of associates and joint ventures	11.9	(0.5)
Deferred tax on reserve	1.4	2.1
Net investment hedge	(23.4)	(84.9)
Currency translation adjustments	(258.9)	(149.4)
Total Other Comprehensive Income / (Loss)	**(272.2)**	**(200.0)**

6.6 Borrowings and lease liabilities

Financial liabilities

Financial liabilities within the scope of IFRS 9 "Financial instruments" are classified as financial liabilities at amortized cost or at fair value through profit and loss (when they are held for trading). The Group determines the classification of its financial liabilities at initial recognition. The Group does not hold over the period presented financial liabilities at fair value through profit and loss except derivative instruments.
Financial liabilities are recognized initially at fair value, less directly attributable costs in case of liabilities that are not measured at fair value through profit and loss. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivatives.

Except for obligations recognized under IFRS16, borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Statement of Profit & Loss over the period of the borrowings using the effective interest method.

Borrowings also comprise obligations recognized under IFRS16.

Lease liabilities under IFRS 16

IFRS 16 requires to recognize a lease liability (and a right-of-use) representing its obligation to make lease payments for leases. At the commencement date, the lease liability should be measured at the present value of the lease payments that are not paid at date, discounted using incremental borrowing rates.

Under IFRS 16, the amount recognized as lease liabilities relating to leases contracts largely depends on assumptions used in terms of discount rates and lease terms. Renewal, extension and early termination options are also taken into consideration when calculating the lease liability if the lessee is reasonably certain to exercise those options.

In-substance purchase

The IASB decided not to provide requirements in IFRS 16 to distinguish a lease from a sale or purchase of an asset. Whereas, in accordance with the Basis for conclusions BC139, the IASB observed that:

- The accounting for leases that are similar to the sale or purchase of the underlying asset would be similar to that for sales and purchases applying the respective requirements of IFRS 15 and IAS 16; and
- The accounting for a transaction depends on the substance of that transaction and not its legal form.

Consequently, if a contract grants rights that represent the in-substance purchase of an item of property, plant and equipment, those rights meet the definition of property, plant and equipment in IAS 16 and would be accounted for applying that Standard, regardless of whether legal title transfers. If the contract grants rights that do not represent the in-substance purchase of an item of property, plant and equipment but that meet the definition of a lease, the contract would be accounted for applying IFRS 16.

As a consequence, due to the substance of certain transactions having the legal form of a lease and due to the fact that the tax incentive was the primarily objective of the lease arrangement or due to the "in-substance purchase" nature of certain leases, such contracts have not been considered as lease arrangements. Hence, the corresponding assets are presented as owned assets and the related liabilities as bank borrowings.

Discount rate

The Group uses the incremental borrowing rates method to determine the discount rates for all the leases. These rates are determined according to several criteria including mainly the asset category, the duration (for the avoidance of doubt, different from lease term), the age of the assets, the lease currency etc… The discount rates are updated quarterly.

6.6.1 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 December 31, 2021	Current portion	Non current portion	Maturity schedule : December 31,				
				2023	2024	2025	2026	Onwards
Senior notes	**659.8**	**(7.0)**	**666.8**	(7.4)	87.3	(4.7)	591.7	-
Bank borrowings - Asset financing	**2,727.0**	**338.7**	**2,388.3**	307.2	358.8	363.4	273.7	1,085.2
Bank borrowings - Corporate	**37.9**	**42.9**	**(5.0)**	(2.9)	(2.1)	(0.0)	(0.0)	-
Bank overdrafts	**57.4**	**57.4**	**-**	-	-	-	-	-
Securitization programs	**1,754.5**	**(3.0)**	**1,757.5**	(3.0)	1,760.5	-	-	-
Other borrowings	**87.2**	**60.8**	**26.4**	8.4	5.0	0.2	-	12.7
Total excluding lease liabilities	**5,323.8**	**489.8**	**4,834.0**	302.3	2,209.5	358.9	865.3	1,097.9
Lease liabilities	**12,877.7**	**3,062.3**	**9,815.5**	2,298.4	1,796.1	1,358.7	1,044.1	3,318.2
Total including lease liabilities	**18,201.5**	**3,552.1**	**14,649.4**	2,600.7	4,005.6	1,717.6	1,909.4	4,416.2

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, 2021	**2,429.2**	**4,709.3**	**8,783.9**	**31.4**	**2,243.0**	**315.6**	**18,512.5**
Proceeds from new borrowings, net of issuance costs	0.0	158.0	-	-	413.7	319.0	890.7
Repayment of financial borrowings	(1,655.0)	(2,631.0)	(2,249.1)	-	(865.5)	(480.5)	(7,881.2)
Other increase/decrease in borrowings and lease liabilities	5.6	552.2	7,162.7	30.2	-	(2.1)	7,748.5
Exercise of purchase options of vessels and containers	-	-	(774.7)	-	-	-	(774.7)
Accrued interests and fees amortization	11.8	57.0	17.1	-	4.9	(56.7)	34.1
Reclassification	-	(37.0)	-	-	-	-	(37.0)
Acquisition of subsidiaries	-	1.3	21.8	1.0	-	(1.7)	22.4
Foreign currency translation adjustments	(131.9)	(44.9)	(84.0)	(5.1)	(41.6)	(6.4)	(313.8)
Balance as at December 31, 2021	**659.8**	**2,764.9**	**12,877.7**	**57.4**	**1,754.5**	**87.2**	**18,201.5**

The line item "Exercise of purchase options of vessels and containers" relates to the exercise of purchase options of leases for USD (346.5) million for vessels and USD (428.3) 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	-	2,631.5	7,845.0	-	2.96%	5.45%
Containers	-	-	3,320.3	-	-	8.61%
Land and buildings	-	70.7	1,544.1	-	0.32%	5.25%
Terminal concession	-	15.4	108.2	-	3.00%	8.38%
Other tangible assets	-	9.3	60.2	-	2.47%	7.75%
Other secured borrowings	-	2.4	-	1,756.0	1.81%	1.81%
General corporate purposes	659.8	35.5	-	143.1	7.39%	7.39%
Total	**659.8**	**2,764.9**	**12,877.7**	**1,899.1**		

Secured borrowings (either affected to a tangible asset or included in "other secured borrowing" in the table above) corresponds 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.

Financial cash-flows on borrowings including repayment of principal and financial interests have the following maturities (as required by IFRS 7, these cash-flows are not discounted):

	As at December 31, 2021	Current portion	Non current portion	Maturity schedule : December 31,				
				2023	2024	2025	2026	Onwards
Senior notes	**909.4**	52.2	857.1	52.2	143.9	44.6	616.5	-
Bank borrowings - Asset financing	**3,230.1**	441.9	2,788.1	395.3	450.9	448.4	321.2	1,172.3
Bank borrowings - Corporate	**49.6**	47.9	1.7	1.1	0.6	0.1	-	-
Bank overdrafts	**60.8**	60.8	-	-	-	-	-	-
Securitization programs	**1,850.4**	36.9	1,813.4	36.9	1,776.5	-	-	-
Other borrowings excl. accrued interests	**50.4**	19.4	31.0	9.5	5.8	1.0	0.7	14.0
Total excluding lease liabilities	**6,150.5**	**659.1**	**5,491.4**	**495.0**	**2,377.7**	**493.9**	**938.4**	**1,186.4**
Lease liabilities	**16,444.9**	3,835.7	12,609.2	2,970.4	2,303.3	1,772.2	1,342.5	4,220.8
Total including lease liabilities	**22,595.4**	**4,494.8**	**18,100.6**	**3,465.4**	**4,681.0**	**2,266.1**	**2,280.9**	**5,407.2**

6.6.2 Details of Senior Notes

As at December 31, 2021, the Group has 2 unsecured Senior Notes outstanding which can be detailed as follows:

- USD 116.5 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 and April 2021, the Group fully repaid the EUR 650 million note issued by CMA CGM and initially maturing in July 2022, for EUR 300 million and EUR 350 million, respectively.

In October 2021, the EUR 750 million note issued by CMA CGM and initially maturing in January 2025 was also fully early repaid.

Finally, in December 2021, the company proceeded to bond buybacks on the market for an amount of USD 21 million, thereby reducing the outstanding notional of the notes held by APL Investments America and maturing in January 2024, from USD 116.5 million to USD 95.5 million.

6.6.3 Bank borrowings

The full remaining amount of the PGE facility has been repaid during the first quarter of 2021 for an amount of EUR 950 million.

In the year ended December 31, 2021, the Group also early repaid :

- the residual outstanding portion of CEVA's RCF for EUR 175 million;
- vessel secured borrowings for USD 736 million.

In the third quarter of 2021, the Group refinanced and upsized CMA CGM and CEVA's former RCFs, merged in a single USD 1.4 billion revolving credit facility at the level of CMA CGM, with a 3-year tenor. Such facility is fully undrawn to date.

6.6.4 Lease liabilities

The sharp increase in lease liabilities is 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.

6.6.5 Securitization program

During the year ended December 31, 2021, the global amount drawn under the receivables securitization programs decreased by USD 488.5 million as a result of several drawdowns and repayments.

In March 2021, the Group closed a USD 2.1 billion trade receivables securitization facility with a three-year commitment from five banks. This program fully refinanced the existing CMA CGM and CMA CGM ASIA PACIFIC (formerly know as NOL) receivables securitization facilities initially maturing in July and March 2021, respectively. As of December 31, 2021, the outstanding drawn amount under the new facility, classified as non-current, was USD 1,296.7 million.

In December 2021, CEVA renegotiated the terms of its exisiting receivables' securitization program, extending its maturity from November 2022 to December 2024. As of December 31, 2021, the outstanding drawn amount under CEVA Global securitization program, classified as non-current, was USD 457.8 million.

6.6.6 Other borrowings

As at December 31, 2021, other borrowings include USD 42.7 million of accrued interests (USD 100.8 million as at December 31, 2020).

6.7 Cash flow from financing activities

Cash flow from financing activities amounts to USD (9,851.6) million for the year ended December 31, 2021. The financing cash flows mainly consisted in drawdown of borrowings for USD 924.9 million, more than compensated by the repayment of borrowings for USD (5,632.1) million, the payment of financial interests for USD (287.5) million, the cash payments related to IFRS 16 leases for USD (2,992.4) million, dividends payments for USD (869.0) million and other cash flow from financing activities for USD (995.5) million mainly impacted by the exercise of vessels and containers' purchase options for USD (774.7) million.

Note 7 - Scope of consolidation

7.1 Accounting principles and judgments used in determining the scope of consolidation

The control analysis, as defined by IFRS 10 "Consolidated Financial Statements", involves judgment as certain situations are not obviously conclusive. Management has based its conclusion based on the following principles and on all the facts and circumstances, as well as existing contractual agreements.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control.

The control over an entity is effective only if the following elements are reached:

- Power, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns);
- Exposure, or rights, to variable returns from its involvement with the entity;
- The ability to use its power over the entity to affect the amount of the investor's returns.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealized gains or losses resulting from intra-group transactions are fully eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as the parent company, using consistent accounting policies.

Non-controlling interests represent the portion of profit and loss and net assets that is not held by the Group. They are presented within equity and in the income statement, respectively separately from Group shareholders' equity and Group profit for the year.

Transactions with non-controlling interests

When purchasing non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in consolidated income statement. The fair value subsequently represents the initial carrying amount of the retained interest as an associate, joint venture or financial asset.

Interests in joint-venture & significant influence

Companies on which the Group has no control alone can be part of a joint arrangement. A joint arrangement is defined as an arrangement of which two or more parties have joint control.

Joint control exists when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent.

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venture recognizes its interest in a joint venture as an investment and shall account for that investment using the equity method (in accordance with IAS 28 Investments in Associates and Joint Ventures).

The significant influence is the power to participate in the financial and operating policy decisions of the investee without granting control or joint control on the investee:

- A party that participates in, but does not have joint control of a joint venture, accounts for its interest in the arrangement in accordance with IFRS 9,
- Unless it has significant influence over the joint venture, in which case it accounts for it in accordance with IAS 28.

Under the equity method, equity interests are accounted for at cost, adjusted for by the post-acquisition changes in the investor's share of net assets of the associate, and reduced by any distributions (dividends).

The carrying amount of these equity interests is presented in the line item "Investments in associates and joint ventures" on the Statement of Financial Position (see Note 7.2).

"Share of profit of associates and joint ventures" is presented within EBIT as it was concluded that the business of these entities forms part of the Company's ongoing operating activities and that such entities cannot be considered as financial investments. This line item includes impairment of goodwill, financial income and expense and income tax related to associates and joint ventures.

An associate's losses exceeding the value of the Group's interest in this entity are not accounted for, unless the Group has a legal or constructive obligation to cover the losses or if the Group has made payments on the associate's behalf.

Any surplus of the investment cost over the Group's share in the fair value of the identifiable assets and liabilities of the associate company on the date of acquisition is accounted for as goodwill and included in the carrying amount of the investment.

Any remaining investment in which the Group has ceased to exercise significant influence or joint control is no longer accounted for under the equity method and is valued at fair value.

7.2 Investments in associates and joint ventures

7.2.1 Investments in associates and joint ventures – Variation in the Consolidated Statement of Financial Position

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

	As at December 31, 2021	As at December 31, 2020
Beginning of the year	**545.1**	**805.9**
Reclassification following loss of significant influence	-	(69.4)
New investments in associates and joint ventures	28.6	-
Effect of disposal to a joint-venture	-	(68.3)
Waiver of equity share rights treated as a price adjustment	-	(82.8)
Capital increase / decrease	24.6	12.3
Share of (loss) / profit	(42.9)	(28.7)
Dividend paid or payable to the Company	(20.0)	(17.8)
Other comprehensive income / (expense)	3.2	43.6
Reclassification to / from assets held-for-sale	37.0	3.8
Reclassification from / to other items	(0.0)	(53.1)
Other	0.0	(0.4)
Closing balance	**575.7**	**545.1**

The line item "New investments in associates and joint ventures" mainly corresponds to the investment in Total Terminal International Algeciras (TTIA) port terminal (see Note 3.8).

The line item "Capital increase / decrease" corresponds to the subscriptions to share capital increases of Terminal Link. There is 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. In 2021, this includes a non-recurring expense of USD (34.0) million corresponding to :

- Our share in the net result of Terminal Link for USD (23.4) million mostly related to an impact related to the dividends guarantee that the Group is expected to waive to the benefit of CMP and interests of the financing of the transaction supported by Terminal Link,
- An impairment of a specific terminal investment for USD (10.6) million.

In 2020, the line item "Share of (loss) / profit" included an impairment of our investment in Global Ship lease of USD (28.6) million, the investment being reclassified as a financial asset at fair value through profit and loss from March 31, 2020 onwards.

The line item "Reclassification to / from assets held-for-sale" relates to the reclassification of the stakes in 2 terminals as disclosed in Notes 3.6 and Note 5.5.

As at December 31, 2021, the main contributors to investments in associates and joint ventures are as follows:

- 51% of Terminal Link Group for USD 240.6 million (USD 269.1 million as at December 31, 2020);
- 50% of Anji-CEVA for USD 212.5 million (USD 203.0 million as at December 31, 2020).

7.2.2 Additional disclosures related to associates

The contribution of our investments in associates can be presented as follows, no of which being individually significant:

	December 31, 2021	December 31, 2020
% of shareholding	n.a.	n.a.
% of voting rights	n.a.	n.a.
Equity method Balance sheet contribution	49.2	43.4
Equity method P&L contribution	(6.6)	(34.8)
Equity method OCI contribution	(2.5)	3.2
Equity method total comprehensive income contribution	(9.1)	(31.6)
Fair value (for listed entities)	n.a.	n.a.
Distributed dividends for CMA CGM	11.6	2.6

7.2.3 Additional disclosures related to joint ventures

in million of USD	TERMINAL LINK GROUP		ANJI CEVA		OTHER ENTITIES	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
% of shareholding	51.0%	51.0%	50.0%	50.0%	n.a.	n.a.
% of voting rights (if different from above)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Equity method Balance sheet contribution	240.6	269.1	212.5	203.0	73.3	29.7
Equity method P&L contribution	(51.6)	(3.6)	8.4	8.7	6.9	1.0
Equity method OCI contribution	(1.3)	42.3	7.6	4.0	(0.6)	(5.9)
Equity method total comprehensive income contribution	(52.9)	38.7	16.0	12.7	6.3	(4.9)
Fair value (for listed entities)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Distributed dividends to CMA CGM	(0.0)	(0.0)	6.4	11.4	2.0	0.0
Data based on a 100% basis						
Non-current assets	2,075.6	2,105.8	210.0	235.6		
Other current assets	137.5	226.3	799.4	680.6		
Cash & cash equivalents	98.6	178.5	181.3	266.4		
Total Assets	**2,311.7**	**2,510.6**	**1,190.8**	**1,182.6**		
Shareholders equity	1,160.8	1,309.9	252.2	239.7		
Minority interest	18.7	10.5	(3.1)	(2.7)		
Non-current borrowings	946.8	983.2	32.9	52.1		
Other non-current liabilities	11.5	10.4	19.3	15.4		
Current borrowings	47.1	80.9	15.5	22.9		
Other current liabilities	126.8	115.8	874.0	855.1		
Total Liabilities	**2,311.7**	**2,510.6**	**1,190.8**	**1,182.6**		
Reconciliation of 100% figures to investments in joint ventures						
Equity of the joint venture excluding mandatory convertible bond	**766.8**	**916.0**	**252.2**	**239.7**		
Equity attributable to the joint venturer	(375.8)	(448.8)	(126.1)	(119.9)		
Purchase Price Allocation	-	-	101.7	101.7		
Waiver of equity share rights	(86.0)	(121.3)	-	-		
Elimination of internal disposal gain	(68.8)	(68.8)	-	-		
Other	4.3	(8.0)	(15.3)	(18.6)		
Equity method balance sheet contribution	**240.6**	**269.1**	**212.5**	**203.0**		
Revenue	**347.4**	**299.1**	**1,498.6**	**1,320.0**		
Depreciation & amortization	(48.0)	(33.4)	(46.6)	(60.7)		
Financial result	(56.0)	(50.8)	0.2	(0.6)		
Income tax	(9.7)	(18.0)	15.9	15.0		
Profit / Loss) for the year	**(49.4)**	**(9.5)**	**43.2**	**36.9**		
Other comprehensive income / Loss)	**22.5**	**6.8**	**15.1**	**7.9**		
Total comprehensive income / Loss)	**(26.9)**	**(2.7)**	**58.4**	**44.8**		
Reconciliation of 100% figures to share of profit / (loss) from joint venture						
Share of profit / (loss) for the year	**(49.4)**	**(9.5)**	**43.2**	**36.9**		
Non-controlling interests	-	-	(21.2)	(17.0)		
Share of profit for the year for the joint venturer	24.2	4.6	(11.0)	(9.9)		
Waiver of equity share rights as part of guaranteed dividends	(26.4)	-	-			
Other	-	1.3	(2.6)	(1.2)		
Equity method P&L contribution	**(51.6)**	**(3.6)**	**8.4**	**8.7**		

7.3 List of companies or subgroups included in the consolidation scope

With the objective to improve the relevance of the information, the Group only discloses the material entities or subgroups by applying the following thresholds:

- Fully integrated entities contributing to the Group revenue by more than USD 10 million;
- Associates and joint ventures contributing to equity by more than USD 5 million;
- Agencies with commercial volumes above TEU 500 thousand;
- As well as certain intermediate holding companies.

As at December 31, 2021, 622 entities are fully consolidated or accounted under equity method either directly or through sub-groups (629 as at December 31, 2020).

The main entities are detailed below :

Legal Entity	Country	Direct and indirect percentage of interest
CMA CGM SA (parent company)	**France**	
Consolidation method - Full		
SHIPPING		
ANL CONTAINER LINE LTD	Australia	100.00%
MERCOSUL Line Navegacao LTD	Brazil	100.00%
CMA SHIPS SAS	France	100.00%
CONTAINERSHIPS - CMA CGM	Germany	100.00%
ANL SINGAPORE	Singapore	100.00%
CMA CGM Asia Shipping Pte. Ltd.	Singapore	100.00%
CMA CGM Asia Pacific Liner Pte. Ltd.	Singapore	100.00%
AMERICAN PRESIDENT LINES LTD	United States of America	100.00%
AGENCIES		
CMA CGM AGENCES France	France	100.00%
CMA CGM AGENCIES INDIA Pvt Ltd	India	100.00%
CMA CGM AMERICA LLC	United States of America	100.00%
CMA CGM AND ANL TAIWAN LTD	Taiwan	100.00%
CMA CGM ANL DUBAI	United Arab Emirates	88.00%
CMA CGM GROUP (AUSTRALIA) PTY LTD	Australia	100.00%
CMA CGM BELGIUM	Belgium	100.00%
CMA CGM BRAZIL	Brazil	100.00%
CMA CGM CHINA	China	100.00%
CMA CGM DEUTSCHLAND	Germany	100.00%
CMA CGM HOLLAND BV	The Netherlands	100.00%
CMA CGM IBERICA	Spain	100.00%
CMA CGM JAPAN	Japan	100.00%
CMA CGM KOREA	South Korea	100.00%
CMA CGM MALAYSIA SDN BHD	Malaysia	100.00%
CMA CGM DENIZ ACENTELIGI A.S	Turkey	95.00%
CMA CGM (THAILAND) LTD	Thailand	49.00%
CMA CGM VIETNAM	Vietnam	100.00%
HANDLING		
INTRAMAR SA	France	100.00%
MARSEILLE MANUTENTION	France	100.00%
SOMARIG	France (Guyane)	100.00%
GMM	France (Martinique)	100.00%
SOCIETE D'ACCONAGE ET DE MANUTENTION DE LA REUNION	France (Réunion)	69.99%
LATTAKIA INT. CONT. TERMINAL LLC	Syria	100.00%
OTHER ACTIVITIES		
CMA CGM AIR CARGO	France	100.00%
CCIS France	France	100.00%
CMA CGM INLAND SERVICES INDONESIA	Indonesia	49.00%
CC TERMINAL CONTENEURS DAKAR (TCD)	Senegal	100.00%
CMA CGM DEPOT SERVICES (THAILAND) LIMITED	Thailand	73.99%
LOGISTICS & SUPPLY CHAIN		
CEVA Freight Shanghai Ltd. East	China	99.99%
CEVA Freight LLC	United States of America	100.00%
CEVA Logistics U.S., Inc.	United States of America	100.00%
CEVA Logistics Netherlands B.V. incl. Showfreight	Netherlands	100.00%
CEVA Logistics Ltd. Dedicated	United Kingdom	100.00%
CEVA Logistics (Australia) Pty. Ltd.	Australia	100.00%
CEVA Logistics Italia S.r.l.	Italy	100.00%
CEVA Freight (India) Pte. Ltd.	India	100.00%
CEVA Lojistik Limited Sirketi	Turkey	100.00%
CEVA Freight (Thailand) Ltd.	Thailand	100.00%
CEVA Logistics Singapore Pte. Ltd.	Singapore	100.00%
CEVA Logistics (Vietnam) Company Ltd.	Vietnam	100.00%
CEVA Logistics (Hong Kong) Ltd.	Hong Kong	100.00%
CC Logistics (China) Co, Ltd (CN)	China	100.00%
CEVA Logistics Korea, Inc.	Korea	100.00%
CEVA Logistics GmbH	Germany	100.00%
CEVA Freight Management Mexico, S.A. de C.V.	Mexico	100.00%
CEVA Freight Management France S.A.S.	France	100.00%
CEVA Logistics Ltda.	Brasil	100.00%
CEVA Freight (UK) Ltd.	United Kingdom	100.00%
CEVA Ulusiararasi Tasimacilik A.S.	Turkey	100.00%

LOGISTICS & SUPPLY CHAIN (continuation)		
CEVA Logistics Poland Sp.zo.o	Poland	100.00%
CEVA Freight Germany GmbH	Germany	100.00%
CEVA Freight Management do Brasil Ltda.	Brasil	100.00%
CEVA Freight Holdings (Malaysia) Sdn. Bhd.	Malaysia	100.00%
CEVA Logistics Japan, Inc.	Japan	100.00%
CEVA Freight Canada Corp	Canada	100.00%
CEVA Freight Italy S.r.l.	Italy	100.00%
CEVA Logistics España, S.L.	Spain	100.00%
CEVA Freight Holland B.V.	Netherlands	100.00%
CEVA Logistics (Taiwan) Co. Ltd.	Taiwan	100.00%
CEVA Logistics Canada, ULC	Canada	100.00%
CEVA Logistics Belgium N.V.	Belgium	100.00%
CEVA Freight (España), S.L.	Spain	100.00%
CEVA Logistics (Philippines) Inc.	Philippines	100.00%
CEVA Freight (Australia) Pty. Ltd.	Australia	100.00%
CEVA Logistics (Thailand) Ltd.	Thailand	100.00%
CEVA Freight Management Logistica de Chile Ltda.	Chile	100.00%
AVEC Logistics (Ireland) Ltd.	Ireland	100.00%
CEVA Freight (Shenzhen) Ltd. North	China	99.99%
CEVA Logistics (Malaysia) Sdn. Bhd.	Malaysia	100.00%
CEVA Freight (Poland) Sp. z.o.o.	Poland	100.00%
CEVA Logistics (New Zealand) Pty. Ltd.	New Zealand	100.00%
CEVA Freight (Bangladesh) Co. Ltd.	Bangladesh	40.00%
CEVA&MELI Joint venture	Italy	50.00%
CEVA Freight Management Argentina S.R.L.	Argentina	100.00%
CEVA Freight Belgium N.V.	Belgium	100.00%
PT CEVA Freight Indonesia	Indonesia	94.99%
CEVA Ground Europe	United Kingdom	100.00%
CEVA Logistics Ivory Coast	Ivory Cost	75.00%
CEVA Logistics (U.A.E.) L.L.C.	United Arab Emirates	49.00%
CEVA Logistics South Africa (Proprietary) Ltd.	South Africa	100.00%
Dubai Contract Logistics	United Arab Emirates	49.00%
CARGEX S.A.	Colombia	99.99%
CEVA Freight (Cambodia) Co., Ltd.	Cambodia	59.99%
CEVA Vehicle Logistics (Thailand) Ltd.	Thailand	100.00%
CEVA Logistics Peru S.R.L.	Peru	100.00%
CC Logistics (Russia) (RU	Russia	100.00%
CEVA Logistics Hungary Kft.	Hungary	100.00%
CEVA Logistica de Mexico, S.A. de C.V.	Mexico	100.00%
PT CEVA Logistik Indonesia	Indonesia	100.00%
CEVA Freight Management de Colombia S.A.S.	Colombia	100.00%
CEVA Saudi Logistics & Freight Co.	Saudi Arabia	99.99%
CEVA logistics S.r.l.	Romania	100.00%
CEVA Freight (India) Pte. Ltd. (CL)	India	100.00%
CEVA Logistics Myanmar Company Limited	Myanmar	99.99%
CEVA Contract Logistics Kft	Hungary	100.00%
CEVA Freight Czech Republic s.r.o.	Czech Republic	99.99%
CEVA Freight Austria GmbH	Austria	100.00%
CEVA Logistics Finland OY	Finland	99.99%
FINANCIAL HOLDING		
CMA CGM AGENCIES WORLDWIDE	France	100.00%
CMA TERMINALS HOLDING	France	100.00%
CMA TERMINALS	France	100.00%
CMA CGM & ANL Securities B.V.	The Netherlands	99.99%
CMA CGM Asia Pacific Limited	Singapore	100.00%

Consolidation method - Equity

Associates and joint ventures are disclosed in the table below		
ANJI CEVA	China	50.00%
TERMINAL LINK GROUP	France	51.00%
PACIFIC MARITIME SERVICE	United States of America	10.00%
LOGOPER LLC	Russia	50.00%
CMA MUNDRA TERMINAL PVT LTD	India	50.00%
GEMALINK	Vietnam	25.00%
Total Terminal International Algeciras (TTIA)	Spain	25.50%

7.4 Related party transactions

For the purposes of this note, the following group of related parties have been identified:

- Terminal activities handled through associates and joint ventures which mainly include Terminal Link and its subsidiaries, as well as other terminals under associates and joint ventures or recorded as non consolidated investment (Fenix Marine Services, Kribi, Mundra).

- Global Ship Lease, Inc. ("GSL") a ship-owner listed in the U.S., owning a fleet of 65 vessels of which 17 time chartered to CMA CGM under agreements ranging from October 2022 till November 2026.

- Anji-CEVA, a joint venture operating in the logistics division.

- Some shipping agencies, either non consolidated or associated companies.

- Management and / or shareholder's related entities which mainly include:
  - Merit CC SAL, incorporated in Lebanon, whose ultimate shareholders are the Saadé family and members of his immediate family, who owns a large part of the ordinary shares of the Company;
  - Certain subsidiaries of Merit CC SAL, including Merit SAL, a service company providing CMA CGM with cost and revenue control and internal audit support, MERIT invest SAL, a Company to which the Group lent some funds for real estate investments, CMA Liban, a shipping agent and Investment and Financing Corp. Ltd, a container leasing company;
  - Yildirim, incorporated in Turkey, owner of 24% of CMA CGM ordinary shares since December 31, 2017 (see Note 6.5), and with whom the Group entered into another agreement in 2011 regarding the sale of 50% of the shareholding in Malta Freeport Terminals Limited for a cash amount of EUR 200.0 million (USD 289.0 million at that time);
  - The Banque Publique d'Investissement (Bpifrance formerly FSI), owner of 3.0% of CMA CGM ordinary shares since April 2021 (see Note 6.5);
  - A non-profit foundation "Fondation d'Entreprise CMA CGM" which promotes certain not-for-profit activities.

- Other activities which mainly include following Traxens, which is developing a breakthrough technology for "smart" containers in which CMA holds 32.6% ownership.

The related party transactions included in the Statement of Profit & Loss, excluding the share of income / (loss) from associates and joint ventures can be analysed as follows:

	Total related parties		Terminal activities		GSL		Agencies		Management / Shareholder's related entities		Others	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	**34.8**	**44.5**	2.3	2.1	0.5	0.2	0.2	-	5.3	4.4	26.4	37.8
Operating expenses	**(327.1)**	**(361.8)**	(122.9)	(135.2)	(129.0)	(136.0)	(2.7)	(7.8)	(24.9)	(46.1)	(47.6)	(36.7)
Other income and expenses	**(29.8)**	**1.4**	(29.8)	1.4	-	-	-	-	-	-	-	-
Financial result	**(30.4)**	**10.6**	(5.4)	(14.0)	35.9	25.0	8.1	10.9	(58.1)	(1.1)	(10.8)	(10.2)

The Statement of Financial Positions corresponding to the related parties listed above, excluding the investments in associates and joint ventures and non consolidated shares, are:

	Total related parties		Terminal activities		GSL		Agencies		Management / Shareholder's related entities		Others	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non current assets	**31.1**	**80.9**	10.9	80.3	-	-	-	0.0	17.0	0.0	3.3	0.6
Current assets	**210.2**	**186.3**	83.0	53.9	0.9	2.6	66.4	52.2	42.3	46.8	17.6	30.8
Non current liabilities	**29.0**	**128.4**	29.0	128.4	-	-	0.0	0.0	-	-	-	-
Current liabilities	**39.4**	**47.4**	12.9	4.2	0.6	0.0	11.1	31.9	3.4	6.9	11.2	4.4

Besides, the following items are not included in the table above:

- the Group is committed towards INVESTMENT AND FINANCING CORP. LIMITED (IFCO), in relation to leases payables for an amount of USD 66.0 million as at December 31, 2021, recognized as a lease liability under IFRS 16 (USD 144.8 million as at December 31, 2020);
- the Group is committed towards GLOBAL SHIP LEASE, INC, in relation to leases payables for an amount of USD 292.2 million as at December 31, 2021, recognized as a lease liability under IFRS 16 (USD 95.4 million as at December 31, 2020);
- the Group acts as sponsor to Kingston Freeport Terminal Limited (KFTL), a subsidiary of Terminal Link.

Key management compensations for a total amount of USD 7.3 million for the year ended December 31, 2021 (USD 5.1 million for the year ended December 31, 2020) are included in "Employee benefits" in the Consolidated Statement of Profit & Loss.

Note 8 - Other Notes

8.1 Provisions, employee benefits and contingent liabilities

The Group recognizes provisions when:
- It has a present legal or constructive obligation as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Judgments and estimates made in determining the risk related to cargo and corporate claims and related accounting provisions:

The Group evaluates provisions based on facts and events known at the closing date, from its past experience and to the best of its knowledge. Certain provisions may also be adjusted as a consequence of a post Statement of Financial Position adjusting event. Provisions mainly cover litigation with third parties such as shipyards, restructuring and cargo claims.
Certain provision may require a certain level of judgment and estimates (see below disclosures).

Provisions can be analyzed as follows:

	Litigation	Other risks and obligations	Provisions	of which non current portion	of which current portion	Employee benefits	of which non current portion	of which current portion
As at December 31, 2019	**158,2**	**301,5**	**459,7**	*304,8*	*154,9*	**290,5**	*289,2*	*1,3*
Additions for the period	48,1	158,0	**206,1**			**38,1**		
Reversals during the period (unused)	(8,9)	(30,9)	**(39,8)**			**(0,0)**		
Reversals during the period (used)	(10,7)	(107,8)	**(118,5)**			**(31,0)**		
Reclassification	3,1	(2,8)	**0,3**			**(1,5)**		
Acquisition of subsidiaries	0,1	0,8	**0,9**			**1,0**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**33,9**		
Foreign currency translation adjustment	(1,9)	(1,0)	**(2,8)**			**18,9**		
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*

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at December 31, 2021 corresponds to cargo related and other claims incurred in the normal course of business, including for CEVA (same as at December 31, 2020). 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 118.4 million (USD 89.0 million as at December 31, 2020) 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 8.9 million as at December 31, 2020). 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 85.9 million (USD 76.2 million as at December 31, 2020). These items are based on the estimated level of Terminal Link dividend distribution capacity which may require a certain level of judgement.

8.1.2 Provisions related to employee benefits

Significant judgment and estimates

The valuation of provisions for pensions and similar obligations is based on, among other things, assumptions regarding discount rates, anticipated future increases in salaries and pensions and mortality tables. These assumptions may diverge from the actual figures due to changes in external factors such as economic conditions or the market situation as well as mortality rates.

Group companies operate in various jurisdictions and provide various pension schemes to employees. The Company has both defined benefit and defined contribution pension plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The post-employment benefit paid to all employees in the Group's home country qualifies as a post-employment defined benefit plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's obligations in respect of defined benefit schemes are calculated using the projected unit credit method, taking into consideration specific economic conditions prevailing in the various countries concerned and actuarial assumptions. These obligations might be covered by plan assets. The Company obtains an external valuation of these obligations annually.

Measurement

In accordance with IAS 19 "Employee benefits", the liability recognized in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets. Actuarial gains and losses resulting from changes in actuarial assumptions or from experience adjustments are recognized as other items of comprehensive income, together with the return on assets excluding the interest income.

Payments made by the Company for defined contribution plans are accounted for as expenses in the Statement of Profit & Loss in the period in which the services are rendered.

The service cost of the periodic pension cost is presented in employee benefits included in operating expenses. The interest component is presented within other financial income and expenses, net.

Past service costs are recognized immediately in the consolidated income statement.

In France, certain companies operating in terminal activities, as part of collective bargaining agreements, participate together with other enterprises – so called multi-employer plans – in the funding of plans deemed to cover pension obligations and asbestos programs. These plans are by their nature difficult to value as they require detailed information which is only available at the beneficiary's request and for their individual pension calculation. In addition, the regime brings together the assets of several employers and the individual obligation of each employer in the plan is therefore difficult to precisely determine as it varies from one year to another based on activity levels. As per IAS 19 paragraph 34, where sufficient information is not available to use defined benefit accounting for defined benefit multi-employer plans, the plans are treated as defined contribution plans.

Description of the Company's plans

The Company's employees are generally entitled to pension benefits, in accordance with local regulations:
- Retirement and medical benefits, paid by the Company on retirement (defined benefit plan); and
- Pension payments from outside institutions, financed by contributions from employers and employees (defined contribution plan).

In accordance with the regulatory environment and collective agreements, the Group has established both defined contribution and defined benefit pension plans (company or multi-employer) to provide such benefit to employees.

Defined contribution plans

Defined contribution plans are funded through independent pension funds or similar organizations.

Contributions are fixed (e.g. based on salary) and are paid to these outside institutions. These institutions are responsible for maintaining and distributing employee benefits. The Company has no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employees the benefits relating to contributions in the current and prior financial years. The employer contributions are recognized as employee benefit expense in the financial year to which they relate.

Certain subsidiaries of CMA CGM, CMA CGM ASIA PACIFIC and CEVA also contribute to a number of collectively bargained, multi-employer plans that provide pension benefits to certain union-represented employees. These plans are treated as defined contribution plans in accordance with IAS 19.34.

The Group contributed USD 83.9 million to its defined contribution plans in 2021 (USD 66.6 million in 2020) which are recorded as employee benefits together with defined benefit service cost.

Defined benefit plans

Major defined benefit plans can be described as follows:

Retirement Indemnities (France)

French retirement indemnity plans provide a lump sum benefit paid by the company to the employees when they retire. The amount of this benefit depends on the length of service of the employee and salary at the retirement date and is prescribed by collective bargaining agreements ("CBA"). Those agreements are negotiated by Union representatives of the employer and of the employees, by sector of activity and at a national level. Their application is compulsory. The retirement indemnities are not linked to other standard French retirement benefits, such as pensions provided by Social Security or complementary funds (ARRCO and AGIRC).

Article 23 (France)

The benefits consist of an annuity payable to a closed group of beneficiaries. All the beneficiaries are retired. This plan has been partially funded through a contribution to an insurer, but the annuities are currently directly paid by the employer.

Pensions are indexed each year based on the general salary increase of the company. The surviving spouse of a retiree is entitled to a pension equal to 60% of the pension benefit paid at time of death.

Jubilee Awards (France)

The benefits consist of a lump sum payable to employees when they reach various service anniversaries.

Asbestos/hardness indemnities (France)

In Terminal activities operated by certain of the Group's subsidiaries in France, employees having spent the required number of years under hardness qualifying extreme work conditions and/or having been exposed to asbestos while working at the terminal are eligible to early retire 2 to 5 years ahead of normal retirement age.

The early retirement pensions are financed through state program (asbestos) and/or multi-employer program. As mentioned above, where sufficient information is not available to use defined benefit accounting for defined benefit multi-employer plans, the plans are treated as defined contribution plans.

Nevertheless, at early retirement leave, the indemnity lump sum payable by the employer differs from the retirement indemnity, and have been set by a local collective bargaining agreement. These specific lump sum indemnities are taken into account to value the appropriate retirement indemnity of employees concerned.

Retirement Indemnities (Morocco)

Retirement indemnity benefits in our subsidiaries in Morocco are lump sums paid by the company to the employees when they retire. The amount of this benefit depends on the length of service of the employee and salary at the retirement date and is prescribed by collective bargaining agreements.

Medical insurance (Morocco)

The benefits provide continuous medical coverage to retirees and their dependent subject to conditions. The program is a top up plan supplementing the Assurance Maladie Obligatoire reimbursements and is insured through an insurance contract with a local insurer.

This estimated yearly reimbursment cost is indexed by 2.5% per year in order to reflect the medical consumption and cost inflation.

Superannuation Plan (Australia)

Retirement indemnity benefits at Company subsidiaries in Australia are lump sums paid by the Company to the employees when they retire or resignate from the Company. The amount of this benefit depends on the length of service of the employee and salary at the retirement or resignation. This plan is closed to new members.

Annual leave plans and long service leave plans (Australia)

These unfunded plans provide a right to annual leave to employees depending of the length of service.

CMA CGM ASIA PACIFIC's defined benefit plans

CMA CGM ASIA PACIFIC's employee benefits provisions mainly relate to defined benefits for employees which are generally based on the final pensionable salary and years of service. Most plans cover employees located in the US and Taiwan. In the US, all non-union plans are frozen to future accruals.

CEVA's defined benefit plans

CEVA operates a number of pension plans around the world, most of which are defined contribution plans. CEVA has a small number of defined benefit plans of which the main ones are based in Italy, the United

Kingdom and the United States. The plans in Italy, the United Kingdom and the United States are closed to new members.

The majority of benefit payments are from trustee-administered funds; however, there are also a number of unfunded plans where the Company meets the benefit payment as it falls due. The pension plan in the Netherlands changed to a career average plan with no indexation as from 1 January 2013. The new plan is treated as a defined contribution plan for accounting purposes.

Italian pension plan for the Group's activities

In accordance with the Trattamento di Fine Rapporto ("TFR") legislation in Italy, employees are entitled to a termination payment on leaving the Company. The TFR regulation changed from 1 January 2007 and employees were given the option to either remain under the prior regulation or to transfer the future accruals to external pension funds. The funded provision for TFR maturing after 1 January 2007 is treated as a defined contribution plan under both options.

The IFRS IC decision published in May 2021 led to a change in the valuation methodology of certain plans, pursuant to which the service prorate should now reflect the intermediate caps (instead of the full years of service). The effect of this change was recognized as at December 31, 2021, leading to a decrease of the defined benefit obligation of USD 11.8 million. The impact was recorded in equity.

Actuarial assumptions

The actuarial assumptions used for the principal countries are as follows:

	As at December 31, 2021					As at December 31, 2020				
	Euro Zone	Morocco	Australia	United Kingdom	United States	Euro Zone	Morocco	Australia	United Kingdom	United States
Discount rate	1.05%	2.40%	2.60%	1.80%	2.61%	0.43%	2.50%	1.10%	1.40%	2.25%
Future salary increase	2.76%	3.00%	3.80%	3.00%	2.50%	2.63%	2.50%	3.50%	2.30%	2.50%
Long-term inflation	1.50%	2.00%	n.a.	3.53%	2.50%	1.50%	2.00%	n.a.	3.10%	2.50%

The future salary increase mentioned in the table above includes the impact of inflation.

Discount rates determination

Euro zone: The Company used as a reference rate the IBoxx Corporate AA 10+.

Morocco: The Company used a state bonds average rate due to a lack of liquidity on corporate market, reflecting the average duration of plans (around 13 years).

Australia: The Company used a corporate bonds average rate reflecting the average duration of plans (around 5 years).

United Kingdom: The company used as a reference rate the iboxx AA rated corporate bond yield curve adjusted to remove the effect of bonds issued by universities which are included in the construction of the curve.

United States: The discount rates in the US are usually based on each individual plan. Hence, as it is common in the US, the discount rate is determined using the actual plan cashflows and applying a full yield curve (in this case the Mercer Yield Curve) to determine a weighted average discount rate. The discount rate presented above is a DBO-weighted average discount rate.

Evolution of rates

Due to the increase of interest rates in all regions except Morocco, the discount rate being used to evaluate the Company's liability regarding pension and employee benefits were down in most countries from

December 31, 2020 to December 31, 2021. Taking into account all the impact recognized in OCI, the overall positive impact of remeasurement of defined pension and medical plans recorded in other comprehensive income amounts to USD 41.7 million.

Variation of obligations, plan assets and provisions

The net liability recognized in the Statement of Financial Position breaks down as follows:

	As at December 31, 2021	As at December 31, 2020
Present value of unfunded obligations	(217.0)	(247.9)
Present value of funded obligations	(337.6)	(418.7)
Fair value of plan assets	274.7	316.9
Net present value of obligations	**(279.9)**	**(349.7)**

Variations in the defined benefit obligations over the year are as follows:

	As at December 31, 2021	As at December 31, 2020
Beginning of year	**666.6**	**576.2**
Plan amendment - past service cost	1.1	(7.2)
Service cost	36.1	38.6
Interest cost	8.7	11.5
Actuarial losses/(gains)	(38.7)	61.3
Benefits paid	(49.3)	(40.7)
Employee contributions	0.3	0.1
Expenses Paid	(0.0)	(0.0)
Taxes paid	(0.1)	(0.0)
Premiums paid	(0.0)	(0.0)
Acquisition / disposal of subsidiaries and other	(5.4)	(0.6)
Plan curtailments	(40.1)	(0.9)
Exchange differences	(24.6)	28.4
End of year	**554.5**	**666.6**

Plan assets vary as follows:

	As at December 31, 2021	As at December 31, 2020
Beginning of year	**316.9**	**285.7**
Interest on assets	4.6	6.5
Actuarial (losses)/gains	4.0	26.9
Benefits paid and interest income	(19.1)	(22.3)
Employer contributions	5.9	11.7
Employee contributions	0.3	0.1
Acquisition of subsidiaries and other	7.6	-
Expenses paid	(1.3)	(1.3)
Taxes paid	(0.1)	(0.0)
Premiums paid	(0.0)	(0.0)
Plan settlement	(39.8)	-
Exchange differences	(4.3)	9.6
End of the year	**274.7**	**316.9**

The plan assets are invested as follows:

	As at December 31,	
	2021	**2020**
Cash and cash equivalents	4.4%	2.1%
Equity instruments	19.6%	15.5%
Debt instruments	9.0%	8.0%
Real estate	0.2%	0.2%
Derivatives	0.0%	3.2%
Investment funds	41.0%	36.3%
Assets held by insurance company	11.1%	21.5%
Other	14.6%	13.2%

The amounts recognized in the Statement of Profit & Loss are as follows:

	For the year ended December 31,	
	2021	**2020**
a. Current service cost excluding taxes, expenses, employees contributions and premiums	36.1	38.6
b. Administrative expenses and taxes	1.1	1.1
c. Employees contributions	-	-
d. Past service cost/curtailment	1.1	(7.2)
e. Non-routine settlements	-	-
Total service cost	**38.3**	**32.5**
a. Interest on the DBO (gains) / losses	8.7	11.5
b. Interest on Assets gains /(losses)	(4.6)	(6.5)
c. Interest on Assets ceiling (gains) / losses	-	-
d. Interest on reimbursement rights (gains) / losses	(0.0)	(0.0)
Total net interest	**4.1**	**5.0**
Remeasurements of Other Long Term Benefits	(1.0)	0.5
Benefit expense recognized in the income statement	**41.3**	**38.0**
Remeasurements (recognized in other comprehensive income)	**(41.7)**	**33.9**
Total defined benefit cost recognized in P&L and OCI	(0.5)	72.0

The amounts recognized in the Statement of Financial Position in the net liability are as follows:

	As at December 31, 2021	**As at December 31, 2020**
Net liability as of beginning of year	**(349.8)**	**(290.4)**
Benefit expense recognized in the income statement	(41.3)	(38.0)
Remeasurements (recognized in other comprehensive income)	41.7	(34.0)
Employer contributions	5.9	11.7
Benefits paid directly	30.6	19.3
Acquisition / disposal of subsidiaries and other	13.0	0.6
Others	0.0	(0.1)
Exchange differences	19.9	(18.9)
Net liability as of end of year	**(279.9)**	**(349.8)**

The defined benefit obligation, the plan assets and the accumulated actuarial gains and losses for the current year and previous four periods are as follows:

	Defined Benefit Obligation	Plan Assets	Funded Status	Variation of actuarial gains and losses: On Defined Benefit Obligation	Variation of actuarial gains and losses: On Plan Assets
As at December 31, 2017	(380.0)	189.8	(190.2)	(4.4)	15.2
As at December 31, 2018	(351.7)	167.1	(184.6)	(8.0)	(11.3)
As at December 31, 2019	(576.2)	285.7	(290.5)	45.2	32.1
As at December 31, 2020	(666.6)	316.9	(349.7)	61.3	26.9
As at December 31, 2021	(554.5)	274.7	(279.9)	(38.7)	4.0

Sensitivity analysis

The sensitivity of the defined benefit obligation to the following changes of discount rates and long term inflation is as follows (in USD million):

As at December 31, 2021	Discount rate	Long-term inflation
- 25 basis points	15.8	(3.9)
+25 basis points	(16.7)	3.8

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.

Certain 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 are 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 et 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.

Given the above and as reinforced by the recent decision, no provision was recorded within these 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 December 31, 2021, the Group (through CEVA) reports a net payable to CIL Limited, amounting to USD 13 million. This mainly relates to intercompany cash pooling arrangements and is included within trade and other payables in the Consolidated Statement of Financial Position.

8.2 Other current liabilities

As at December 31, 2020, this line item included the liability (USD 62.8 million) corresponding to the future cash-outflows in relation to the minimum dividend guaranteed to CMP as part of the disposal of the 49% stake in Terminal Link in June 2013. The payment of such liability has been done in January 2021, partly through cash payment and through the release of funds previously transferred to Terminal Link in an escrow account recorded in Other financial assets (USD 35.0 million).

8.3 Commitments

8.3.1 Commitments on assets

Lease commitments

The Group applied IFRS 16 Leases from January 1, 2019. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most of these leases, except where the lease term is below one year or where the leased asset is not made available for use to the lessee.

The Group leases vessels, containers, terminal premises, various offices and warehouses under non-cancellable operating lease agreements. The Group also leases various motor vehicles, trailers and equipment under operating lease agreements.

The total amount of operating lease expenses related to leased assets outside the scope of IFRS 16 was USD 941.9 million in 2021 (USD 1,035.9 million for the year ended December 31, 2020).

Besides, the service component related to leased assets within the scope of IFRS 16, mainly related to running costs, amounted to USD 510.7 million (USD 257.4 million for the year ended December 31, 2020).

Some of the Group's lease contracts (mainly related to vessels, containers, warehouses) recognized under IFRS 16 include purchase, renewal or termination options which are not systematically included in the calculation of the lease liability as such options are not reasonably certain to be exercised. Such management intentions to exercise or not these options are regularly reviewed by Management.

Vessels operated under time charters (or bareboat charters) and container leases

As at December 31, 2021 the Group operates 374 leased vessels of which 331 have been recorded under IFRS 16.

The Group is committed to pay time chart (including running costs) in relation to 43 vessels leases with a residual lease term of 12 months or less for an amount of USD 132.2 million (USD 245.9 million as at December 31, 2020).

The Group is committed to pay leases in relation to container leases with a residual lease term of 12 months or less for an amount of USD 52.2 million (USD 16.3 million as at December 31, 2020).

Commitments related to ordered vessels

In 2021, the Group ordered 38 owned vessels and committed to 5 vessels to be delivered under long term bareboats and 26 vessels to be delivered under long term charters.

The owned vessels orderbook corresponds to six TEU 7,300 vessels, ten TEU 2,000 LNG-fuelled vessels, ten TEU 5,500 vessels, six TEU 15,000 LNG-fuelled vessels and six TEU 13,000 vessels. None of the vessels included in this orderbook has committed financing (see below).

The contractual commitments related to the vessel orderbook can be detailed as follows (in USD million):

	As at December 31, 2021	As at December 31, 2020
Owned vessels Orderbook		
- units	38	7
- Remaining commitments, net of prepayments *	3,270.6	625.3
- Commited financings	-	546.9
** of which payable in:*		
2021	-	625.3
2022	637.6	-
2023	994.4	
2024	1,638.6	
Total	**3,270.6**	**625.3**

Besides, the Group committed to long-term bareboats (three TEU 15,000 LNG vessels and two TEU 15,000 scrubber-equipped vessels) for which the undiscounted amount of lease payments amounts to USD 1,059.8 million (not included in the lease liabilities as the vessels are not available for use yet).

The group is also committed to pay time chart in relation to 26 vessels (not included in the lease liabilities as the vessels are not available for use yet) concerning five TEU 7,000 vessels (8 years), three TEU 5,800 vessels (10 years), twelve TEU 6,000 vessels (10 years) and six TEU 15,000 vessels (15 years) for which the undiscounted amount of lease payments (excluding running costs) amounts to USD 2,768.1 million.

During the construction of the vessels, the Company obtains refund guarantees from the shipyards' banks covering the amount of prepayments made by the Company until the completion of the delivery. These guarantees relate to the construction of 38 vessels as at December 31, 2021 and amount to USD 394.8 million (USD 223.2 million as at December 31, 2020 for 7 vessels).

Commitments relating to concession fees

The Group carries out certain stevedoring activities under long-term concession arrangements, most of which are being recognized as a lease liability within the scope of IFRS 16 when the operating subsidiary is controlled by the Company.

Regarding commitments of associates and joint ventures, the Group issued guarantees amounting to USD 888.4 million on a discounted basis as at December 31, 2021 for the payment of concession fees by certain of its associates or joint ventures (USD 828.1 million as at December 31, 2020).

Commitments relating to airplanes

The Group ordered four Airbus A350F and two additional Boeing 777F aircrafts for which the Group is committed to pay the remaining purchase price under certain conditions at delivery, for a total amount of USD 288,4 million.

8.3.2 Other financial commitments

In the normal course of our business, we provide bank guarantees or letters of credit to various customs authorities, landlords, port authorities, suppliers and insurance underwriters.

Most of the Group's subsidiaries credit facilities are unconditionally guaranteed by the Group's main legal entities, such as CMA CGM, CEVA Logistics SA or CMA CGM ASIA PACIFIC.

As at December 31, 2021, guarantees on behalf of CEVA's subsidiaries amounting to USD 206.0 million (USD 178.0 million as at December 31, 2020) were issued.

Other financial commitments primarily relate to the following:

Other financial commitments given

	As at December 31, 2021	As at December 31, 2020
Bank guarantees	43.4	52.6
Guarantees on terminal financing	66.6	84.0
Customs guarantees	8.8	14.4
Port authorities and administration	9.6	9.0
Others guarantees granted for non-current assets	321.4	411.8
Mortgage on share of associates and Joint Ventures	420.9	420.9
Other	702.0	715.5

The financial commitments included in the table above relate to guarantees or pledges granted to third-parties in addition to recognized liabilities. However, there is no indication to date that any significant item out of these commitments may require a cash outflow, apart from the items disclosed below.

"Other guarantees granted for non-current assets" mainly correspond to the CAPEX commitment in relation to the information system.

The line item "Mortgage on share of associates and joint ventures" in the table above corresponds to the commitments undertaken by the Group towards CMP and Terminal Link, a joint-venture, as part of the CMP loan subscribed by Terminal Link in 2020 to finance the acquisition of 8 terminals.

"Other" line item primarily includes (i) the commitment related to the guaranted dividends to CMP which should not result in a cash outflow since it should be covered by the Terminals' dividend distribution capacity and (ii) other guarantees mainly provided in the context of the financing of terminals' associates and joint ventures.

As at December 31, 2021, the Group transferred USD 6,788.8 million of trade receivables as collateral under its securitization programs (USD 3,704.8 million as at December 31, 2020).

Other financial commitments received

	As at December 31, 2021	As at December 31, 2020
Guarantees received from independent shipping agents	0.6	0.9
Guarantees received from customers	45.0	0.5
Other financial commitments received	13.2	4.0

8.4 Significant subsequent events

Business combinations

Fenix Marine Services

On January 4, 2022, the Group closed the acquisition of 90% of Fenix Marine Services (FMS) terminal in Los Angeles from investment fund EQT Infrastructure III for an equity value of USD 1.8 billion. With the 10% stake kept by the Group since the disposal transaction occurred in 2017, CMA CGM is again the sole owner of the FMS facility. Apart from side effects disclosed in Note 4.4, the acquisition will be recognized in 2022 CFS.

Colis Privé & Ingram

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 announced:

- Signing of an agreement to acquire Ingram Micro's CLS business, specialized in eCommerce contract logistics and omni-channel fulfillment, including Shipwire, a cloud-based logistics technology platform. 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. This acquisition will further complement CEVA Logistics offering in the contract logistics industry and support its objective to become a Top 5 global third-party logistics player. The transaction will also expand CEVA Logistics' existing eCommerce business and accelerate its growth in key market segments, such as technology, retail and fashion.
- Signing of a preliminary agreement to take the control of Colis Privé, a leading platform for last-mile, B-to-C parcel delivery in France and in Europe. The agreement includes path to full ownership within short to medium term horizon.

The closings of such transactions are expected to occur before summer 2022.

Ocean Alliance D6

The Group announced the signature of Ocean Alliance Day 6 Product, which will start in April 2022 with 42 services and an annual capacity of 22.4 million TEUs on the world's major trade routes. Capacity will increase to meet demand from the Group's customers amid strong demand for shipping services. As part of its commitment to the shipping industry's energy transition, 26 dual-fuel, LNG-powered CMA CGM vessels will be assigned to Ocean Alliance by year-end 2022.

Accord Ferrari

CEVA Logistics, part of the CMA CGM Group, becomes Team Partner of Scuderia Ferrari. CEVA will also provide support services for Scuderia Ferrari, Ferrari Challenge and other GT race series as Official Logistics Partner.

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 under the terms of a ten-year lease agreement.

Healthy global trade since the onset of 2022, but with geopolitical uncertainties

Tensions in global supply chains have continued to weigh on the effective capacity of the global fleet since the start of 2022, and on the Group's operations. As a result, the Group has further increased its fleet capacity, and plans to allocate nearly USD 9 billion to enhancing its portfolio of assets (including owned and chartered containers and vessels, excluding acquisitions). Following the acquisition of Fenix Marine Services on January 4, the Group expects to close the Ingram CLS and Colis Privé transactions by the summer of 2022 in order to strengthen its logistics solutions, particularly in the of e-commerce space.

Moreover, the Group is closely monitoring developments in the current geopolitical landscape and has taken the decision to suspend all bookings to/from Russia, Ukraine and Belarus. The Group also ensures that it complies with applicable sanctions. Energy prices have been impacted by the geopolitical events.

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

Note 9 - Glossary

BAF
"Bunker Adjustment Factor" is a surcharge assessed by carrier which is applied to freight rates and invoiced to customers in order to compensate unexpected fuel oil price variations.

CGU
A "Cash-Generating Unit" is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

EBIT - Core EBIT
EBIT, as presented in the consolidated statement of Profit & Loss, means "Earning Before Interests and Taxes" and corresponds to Operating profit.
Core EBIT, as presented in the consolidated statement of Profit & Loss, corresponds to EBIT, as defined above, less certain unallocated items as defined in Note 4.1 Operating segments.

EBITDA
EBITDA, as presented in the consolidated statement of Profit & Loss, means "Earning Before Interests, Taxes, Depreciation and Amortization" and corresponds to revenue less operating expenses.

IASB
"International Accounting Standards Board" is the principal body within the IFRS foundation and is in charge of establishing (i.e. develop and issue) IFRS as defined below.

IFRIC or IFRS Interpretations Committee (IFRS IC)
The Interpretations Committee's responsibilities are to interpret the application of the IFRS, report to the IASB and obtain IASB approval for final interpretations.

IFRS & IAS
"International Financial Reporting Standards" & "International Accounting Standards" are designed as a single set of accounting standards, developed and maintained by the IASB with the intention of those standards being capable of being applied on a globally consistent basis by developed, emerging and developing economies, thus providing investors and other users of financial statements with the ability to compare the financial performance of publicly listed companies on a like-for-like basis with their international peers.

LIBOR
"London Inter-Bank Offer Rate" is used as a reference rate for many financial instruments in both financial markets and commercial fields.

NPV
"Net Present Value" is the worth at the present date of an expected cash flow of an asset or a liability, determined by applying a discount rate to these cash flows.

WACC
The "Weighted Average Cost of Capital" is a calculation of a firm's cost of capital in which each category of capital is proportionately weighted. All sources of capital, including common stock, preferred stock, bonds and any other long-term debt, are included in a WACC calculation.