

LISTING PARTICULARS NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES



CMA CGM S.A.

€200,000,000 5.500% Senior Notes due 2029

(to be consolidated and form a single class with CMA CGM S.A.'s original €400,000,000 5.500% Senior Notes due 2029 issued on July 4, 2024)

CMA CGM S.A. ("we," "us," the "Company" or the "Issuer") are offering €200,000,000 aggregate principal amount of our 5.500% Senior Notes due 2029 (the "Additional Notes"). The Additional Notes offered hereby constitute a reopening of the €400,000,000 5.500% Senior Notes due 2029 issued on July 4, 2024 (the "Original Notes" and, together with the Additional Notes, the "Notes"). The Additional Notes will constitute "Additional Notes" as defined in the Indenture (as defined herein) relating to the Notes, and will be consolidated with and form a single class with the Original Notes. The Additional Notes will have identical terms and conditions in all respects as, and will be treated as a single class with, the Original Notes for all purposes of the Indenture, including, without limitation, with respect to payments of interest, waivers, amendments, redemptions and offers to purchase, and will be fully fungible with the Original Notes. The Additional Notes will share the same ISINs and Common Codes as the Original Notes. See "Plan of Distribution," "Description of Notes—Form of Notes" and "Book Entry, Delivery and Form." Upon completion of this offering, an aggregate of €500,000,000 million of the Notes will be outstanding.

Interest on the Notes is payable on January 15 and July 15, beginning on January 15, 2025. Interest on the Additional Notes will be deemed to accrue from (and including) July 4, 2024 (the "Original Notes Issue Date"). The Notes will mature on July 15, 2029. Prior to July 15, 2026, we may redeem all or part of the Notes by paying a "make-whole premium." We may redeem all or part of the Notes at any time on or after July 15, 2026 at the redemption prices described under the caption "Description of Notes—Optional Redemption of Notes." In addition, until July 15, 2026, we may redeem up to 40% of the Notes with the proceeds of certain equity offerings at the redemption price as described under the caption "Description of Notes—Optional Redemption of Notes." We may also redeem the Notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a change of control, we may be required to make an offer to repurchase the Notes.

The Additional Notes will be, and the Original Notes are, our unsecured senior obligations. The Notes rank *pari passu* in right of payment to all our existing and future senior indebtedness. The Additional Notes will be, and the Original Notes are, effectively subordinated in right of payment to all our existing and future secured indebtedness to the extent of the assets securing such indebtedness and structurally subordinated to all of the existing and future indebtedness of all our subsidiaries.

We have applied to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange. The Original Notes are listed on the Official List of the Luxembourg Stock Exchange and have been admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange. These listing particulars ("listing particulars") constitute a prospectus for the purpose of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

These listing particulars include information on the terms of the Additional Notes, including redemption prices, covenants and transfer restrictions.

Investing in the Additional Notes involves a high degree of risk. See "Risk Factors" beginning on page 49.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). In the United States, the offering is being made only to qualified institutional buyers ("QIBs") in reliance on Rule 144A ("Rule 144A") under the Securities Act. Prospective purchasers that are QIBs are hereby notified that the sellers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S ("Regulation S") under the Securities Act. See "Notice to Investors" and "Plan of Distribution" for additional information about eligible offerees and restrictions on transfers of the Notes.

Issue Price: 101.500%, plus interest deemed to have accrued from (and including) the Original Notes Issue Date to (but excluding) the Additional Notes Issue Date (as defined below).

Interest on the Additional Notes will accrue from July 4, 2024 to the date of delivery of the Additional Notes.

We expect that the Additional Notes will be delivered in book-entry form through the Euroclear System SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on or about October 8, 2024 (the "Additional Notes Issue Date").

Joint Global Coordinators and Bookrunners

BNP PARIBAS

Crédit Agricole CIB

The date of these listing particulars is October 1, 2024.

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We are responsible for the information contained in these listing particulars. We have not authorized anyone to provide you with information that is different from the information contained in these listing particulars. These listing particulars may only be used where it is legal to sell the Additional Notes. The information in these listing particulars may only be accurate on the date of this document. The offering of the Additional Notes is being made on the basis of these listing particulars, and we cannot provide you with assurance regarding the accuracy or completeness of any other source of information. Any decision to purchase the Additional Notes must be based on the information contained in these listing particulars.

The Initial Purchasers (as defined herein) make no representation or warranty, express or implied, as to the accuracy or completeness of the information set forth in these listing particulars. The Issuer, and not the Initial Purchasers, has ultimate authority over the statements contained in these listing particulars, including their content and whether and how to communicate them. Nothing contained in these listing particulars is or should be relied upon as a promise or representation by any of the Initial Purchasers as to the past or the future.

We confirm to the best of our knowledge, information and belief, having made all reasonable inquiries, that the information contained in these listing particulars regarding us and the Additional Notes is true and accurate in all material respects, and is not misleading. We additionally confirm, except as provided below, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which would make these listing particulars as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. We accept responsibility accordingly. However, the information set out in these listing particulars describing clearing arrangements, including the section entitled “*Book-Entry, Delivery and Form*,” is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, as currently in effect. In addition, these listing particulars contain summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us, or any of the Initial Purchasers or the Paying Agent (as defined herein).

We are providing these listing particulars only to prospective purchasers of the Additional Notes. You should read these listing particulars before making a decision whether to purchase any Additional Notes. You must not use these listing particulars for any other purpose or disclose any information in these listing particulars to any other person.

These listing particulars do not constitute an offer to sell or an invitation to subscribe for or purchase any of the Additional Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Additional Notes may not be offered or sold, directly or indirectly, and these listing particulars may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable to such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Additional Notes or possess these listing particulars. You must also obtain any consents or approvals that you need in order to purchase, offer or sell any Additional Notes or possess or distribute these listing particulars. We and the Initial Purchasers are not responsible for your compliance with any of the foregoing legal requirements. See “*Plan of Distribution*.”

None of us, the Initial Purchasers or any of our or the Initial Purchasers’ respective representatives are making an offer to sell the Additional Notes in any jurisdiction except where such an offer or sale is permitted. We are relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the Additional Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under “*Notice to Investors*” in these listing particulars. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

These listing particulars are based on information provided by us and by other sources that we believe are reliable. The Initial Purchasers named in these listing particulars, the Trustee, the Paying Agent, the Registrar and the Transfer Agent (each of them as defined herein) make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Paying Agent, the Registrar or the Transfer Agent with respect to the Company or the Additional Notes as to the past, the present or the future.

By purchasing the Additional Notes, you will be deemed to have acknowledged that you have reviewed these listing particulars and have had an opportunity to request, and have received all additional information that you

need from us. No person has been authorized in connection with any offering made by these listing particulars to provide any information or to make any representations other than those contained in these listing particulars. You should carefully evaluate the information provided by us in light of the total mix of information available to you, recognizing that we can provide no assurance as to the reliability of any information not contained in these listing particulars.

The information contained in these listing particulars is presented as of the date hereof. Neither the delivery of these listing particulars at any time after the date of publication nor any subsequent commitment to purchase the Additional Notes shall, under any circumstances, imply that there has been no change in the information set forth in these listing particulars or in our business since the date of these listing particulars.

None of us, the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent or any of our or the Initial Purchasers' respective representatives or affiliates are making any representation to you regarding the legality of an investment in the Additional Notes by you under any legal, investment or similar laws or regulations. None of the Trustee, the Paying Agent, the Registrar or the Transfer Agent nor any of their respective employees, officers, directors, contractors or agents has authorized the contents or circulation of these listing particulars, and none of the Trustee, the Paying Agent, the Registrar or the Transfer Agent nor any of their employees assumes any responsibility for, and no such person will accept any liability for, any loss suffered as a result of, arising out of, or in connection with, these listing particulars or any of the information or opinions contained in it. The Trustee, the Paying Agent, the Transfer Agent and the Registrar and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of these listing particulars or any of the information or opinions contained in it. The Initial Purchasers do not undertake to review the financial condition or affairs of the Company during the life of the Additional Notes or to advise any investor or potential investor in the Additional Notes of any information coming to the attention of any Initial Purchaser. You should not consider any information in these listing particulars to be legal, financial, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, financial, business and tax and related aspects of an investment in the Additional Notes. You are responsible for making your own examination of the Company and our business and your own assessment of the merits and risks of investing in the Additional Notes.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if these listing particulars are truthful or complete. Any representation to the contrary is a criminal offense.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "UK"), (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) high-net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The Additional Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Additional Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In addition, the Additional Notes are subject to restrictions on transferability and resale, which are described under the captions "*Plan of Distribution*" and "*Notice to Investors.*" By possessing these listing particulars or purchasing any Additional Notes, you will be deemed to have represented and agreed to all of the provisions contained in those sections of these listing particulars.

It is expected that delivery of the Additional Notes will be made against payment thereof on or about the date of the settlement of this offering, which will be the fifth business day following the date of pricing of the Additional Notes (such settlement being referred to as "T+5"). See "*Plan of Distribution—General—Initial Settlement.*"

The Additional Notes will be issued in the form of one or more global notes, all of which will be deposited with or on behalf of, Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream or their respective participants. See "*Book-Entry, Delivery and Form.*"

We will not, nor will any of our agents, have responsibility for the performance of the obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor

will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

We reserve the right to withdraw this offering of the Additional Notes at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Additional Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Additional Notes sought by it. The Initial Purchasers and certain of their related entities may acquire, for their own accounts, a portion of the Additional Notes.

NOTICE TO U.S. INVESTORS

Each purchaser of Additional Notes will be deemed to have made the representations, warranties and acknowledgments that are described in these listing particulars under “*Summary—The Offering—Transfer Restrictions*” and “*Notice to Investors*.” The Additional Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. In the United States, the offering of the Additional Notes is being made only to “qualified institutional buyers” (or “QIBs”) (as defined in Rule 144A under the Securities Act). Prospective purchasers that are qualified institutional buyers are hereby notified that the Initial Purchasers of the Additional Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Additional Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act.

Neither the SEC, any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that these listing particulars are accurate or complete. Any representation to the contrary is a criminal offense.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Additional Notes to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
- (2) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (3) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (the “Prospectus Regulation”).

The expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Additional Notes.

United Kingdom

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Additional Notes to any retail investor in the UK. For the purposes of this provision, a retail investors means a person who is one (or more) of:

- (1) a retail client, as defined in point (8) of Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
- (2) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (3) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

The expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Additional Notes.

Each Initial Purchaser has represented and agreed that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Additional Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional Notes in, from or otherwise involving the UK.

Notice to investors in other jurisdictions

The distribution of these listing particulars and the offer and sale or resale of the Additional Notes may be restricted by law in certain jurisdictions. Persons into whose possession these listing particulars (or any part hereof) come are required by us and the Initial Purchasers to inform themselves about, and to observe, any such restrictions.

STABILIZATION

IN CONNECTION WITH THE ISSUE OF THE ADDITIONAL NOTES, BNP PARIBAS (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT ADDITIONAL NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE ADDITIONAL NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE ADDITIONAL NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE ADDITIONAL NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE ADDITIONAL NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

AVAILABLE INFORMATION

Each purchaser of Additional Notes from the Initial Purchasers will be furnished with a copy of these listing particulars and, to the extent provided to the Initial Purchasers by us, any related amendment or supplement to these listing particulars. So long as any Notes are outstanding and are “restricted securities” within the meaning of Rule 144 under the Securities Act, we will, upon request, furnish to any holder or beneficial owner of the Notes the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes if, at the time of the request, we are neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g 3-2(b) thereunder. Any such request should be directed to the Company’s Investor Relations team at ho.investors@cma-cgm.com, attention: Investor Relations team.

Additionally, so long as any of the Notes are listed on the Luxembourg Stock Exchange and its rules so require, copies of these listing particulars and other information relating to such issuance of Notes will be available in the registered office of the Issuer. These listing particulars will also be available on the website of the Luxembourg Stock Exchange (www.luxse.com). See “*General Information*.”

CERTAIN TERMS AND CONVENTIONS

In these listing particulars, “CMA CGM,” “we,” “us,” “our” and “the Group” refer to CMA CGM S.A. and its consolidated subsidiaries, unless the context otherwise requires, and the “Company” and “Issuer” refer to CMA CGM S.A.

In these listing particulars, unless indicated otherwise, references to “euros,” “EUR” or “€” are to the euro, the official currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time, references to “U.S. dollars,” “U.S.\$,” “USD,” “dollars” or “\$” are to the United States dollar, the official currency of the United States of America, references to “SGD” “Singapore dollars” or “SG\$” are to the Singapore dollar, the official currency of Singapore, and references to “sterling,” “pounds sterling” or “£” are to the British pound sterling, the official currency of the UK.

In addition, unless indicated otherwise, or the context otherwise requires, references in these listing particulars to:

- “3PL” means a third-party logistics provider that offers integration and management of all logistics services of a complex supply chain;
- “4PL” means a fourth-party logistics provider or an integrator that assembles the resources, capabilities and technologies of its own organization and other organizations to design, build and run comprehensive supply chain solutions;
- “2022 Audited Consolidated Financial Statements” means the audited consolidated financial statements, and the related notes thereto, for CMA CGM S.A. as of and for the year ended December 31, 2022;
- “2023 Audited Consolidated Financial Statements” means the audited consolidated financial statements, and the related notes thereto, for CMA CGM S.A. as of and for the year ended December 31, 2023;
- “Additional Notes” means the €200,000,000 5.500% Senior Notes due 2029 issued hereunder;
- “Additional Notes Issue Date” means October 8, 2024;
- “Adjusted EBITDA” means EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries as presented in the consolidated statement of profit and loss;
- “Adjusted EBITDA margin” means Adjusted EBITDA divided by revenue;
- “AEO” means Authorized Economic Operator;
- “ANL” means ANL (Singapore) Pte Ltd.;
- “APL” and “APL Co.” mean CMA CGM Asia Shipping Private Ltd., formerly known as APL Co. Pte Ltd.;
- “ARCOM” means the French regulatory authority for audiovisual and digital communications;
- “Audited Consolidated Financial Statements” means the 2022 Audited Consolidated Financial Statements and the 2023 Audited Consolidated Financial Statements;
- “autotainer” means a dry container suited for the transportation of automobiles;
- “blank sailing” means a scheduled sailing that has been canceled by a carrier or a shipping line, which may mean one part is being skipped or the entire string is cancelled;
- “Board of Directors” means the board of directors of the Company;
- “BPI” means Bpifrance Participations (formerly known as the Fonds Stratégique d’Investissement);
- “BPI Shareholders’ Agreement” means the shareholders’ agreement, dated June 28, 2013 among us, Merit and BPI in the presence of Yildirim;

- “bunker” and “bunker fuel” mean the heavy fuel oil we generally use to power our ships;
- “C-TPAT” means U.S. Customs Trade Partnership against Terrorism;
- “cascade” or “cascaded,” in relation to vessels, means the practice of shifting vessels from one trade to another as they are replaced by newer vessels, with larger vessels typically replacing smaller vessels in order to take advantage of economies of scale;
- “calls” means stopping at a port to load and discharge cargo;
- “capacity,” unless otherwise specified, means the maximum number of containers as measured in TEU that could theoretically be loaded onto a container ship without taking into account operational constraints (including, but not limited to, the actual weight of any loaded containers); with reference to a fleet, a carrier or the container shipping industry, capacity is the total TEU capacity of all ships in the fleet, the carrier or the industry, as applicable;
- “capital expenditures” means the sum of the following cash flow statement captions: purchases of intangible assets and the purchases of property and equipment. It does not include outflows for business combinations (i.e., the following cash flow statement captions: the acquisition of subsidiaries and new investments in associates and joint ventures). See Note 5.2.1 to the Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements;
- “carrier,” unless otherwise specified, means a company providing container shipping services;
- “CBP” means U.S. Customs and Border Protection;
- “CEVA” means CEVA Logistics S.A. and its consolidated subsidiaries;
- “CGU” means cash-generating unit;
- “charter,” with respect to ships, means the lease of a ship for a specified period of time at a fixed price or a price indexed on an interest rate formula; unless specifically referring to a bareboat charter, which covers the capital cost of a ship only, the charter or time charter includes the capital costs as well as running costs (including ship’s crew, spare parts, lubricants and insurance);
- “Cheng Lie Navigation” or “CNC” means Cheng Lie Navigation Co. Ltd;
- “CII” means Carbon Intensity Indicator, a measure determining the operational carbon performance of vessels via a rating system from A to E;
- “CMA Audiovisual” means CMA Audiovisual SAS;
- “CMA CGM Asia Pacific” means CMA CGM Asia Pacific Ltd (formerly “Neptune Orient Lines Limited” or “NOL”);
- “CMA CGM Asia Pacific Liner” means CMA CGM Asia Pacific Liner Pte. Ltd;
- “CMA CGM Logistics” means CMA CGM Logistics, the Group’s logistics subsidiary, which was transferred to CEVA on May 2, 2019;
- “CMA CGM Terminals” means terminals held by CMA Terminals and CMATH;
- “CMA Media” means CMA Media SAS;
- “CMA Terminals” means CMA Terminals SAS;
- “CMP” means China Merchant Ports Holdings Company Limited;
- “CNC Line” means CNC Line Limited;
- “cold ironing” means the practice of ships turning off their auxiliary engines and instead sourcing electric power from shore while at berth;

- “Containerships” means Containerships—CMA CGM GmbH and its consolidated subsidiaries;
- “Core EBIT” means EBIT less gains / (losses) on disposal of property and equipment and subsidiaries, less other income and expenses, less operating exchange gain/losses and less impairment / non-recurring items recorded in associates and joint ventures;
- “Core EBIT margin” means Core EBIT divided by revenue;
- “COSCO Shipping” means China COSCO Shipping;
- “demurrage” means the fee we charge for each day that an importer maintains possession of a container beyond the scheduled or agreed date of return;
- “dominant leg” means the leg of the service from net exporting regions to net importing regions, and “non-dominant leg” means the return leg of such services from net importing regions to net exporting regions;
- “Drewry” means Drewry Maritime Services (Asia) Pte Ltd.;
- each of “own,” “to own” or “owned,” with respect to our vessels or containers, means vessels or containers to which we have title or that we have financed through lease arrangements that transfer substantially all the risks and rewards of ownership to us;
- “East-West lines” or “East-West trades” means the four main east-west intercontinental trades for the container shipping industry: Asia-Europe, Transpacific (Asia-North America), Transatlantic (Europe-North America) and Asia-Middle East;
- “EBIT” corresponds to a measure equivalent to an operating profit/loss; it is equal to the sum of the following income statement captions as presented in our consolidated financial statements for the relevant period: “Revenues,” “operating expenses,” “Gains / (losses) on disposal of property and equipment and subsidiaries,” “Depreciation and amortization of non-current assets,” “Other income and (expenses),” “Operating exchange gain/losses,” “Net present value (NPV) benefits related to assets financed by tax leases” and “Share of income / (loss) from associates and joint ventures;”
- “EBITDA” means the sum of the following income statement captions as presented in our consolidated financial statements for the relevant period: “EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries” and “Gains / (losses) on disposal of property and equipment and subsidiaries;”
- “EBITDA margin” means EBITDA divided by revenue;
- “economic net debt” means net debt less deposits not qualified as cash and cash equivalents;
- “EEA” means the European Economic Area;
- “EEDI” means the Energy Efficiency Design Index issued by the IMO;
- “EEXI” means Energy Efficiency Existing Ship Index, a technical measure for existing ships requiring them to attain a certain energy efficiency;
- “EPA” means the United States Environmental Protection Agency;
- “European Union” or “EU” means the European economic and political union;
- “EU ETS” means the EU Emissions Trading System;
- “feeder line” means a non-intercontinental service that calls at smaller ports, operates with smaller vessels and operates to transport most of its cargo to and from secondary ports to connect with main lines at primary ports (as opposed to short sea lines, which operate to provide an independent shipping service for most of their cargo);

- “FMC” means the U.S. Federal Maritime Commission;
- “freight forwarders” means intermediaries between carriers and direct shippers which consolidate cargo and prepare customs documentation;
- “French West Indies Divestment Businesses” means Bolloré Logistics’ activities in Guadeloupe, Martinique, Saint Martin, and French Guiana and a number of assets in metropolitan France linked to these activities;
- “Garment on Hanger” or “GOH” means a method of storing apparel in containers for garments that should not be folded;
- “GDPR” means the EU General Data Protection Regulation (Regulation (EU) 2016/679);
- “GHG” means greenhouse gas;
- “IFRS” means International Financial Reporting Standards, as adopted for use in the European Union by the European Commission;
- “IMO” means the International Maritime Organization;
- “IMO 2020” means the IMO’s Low Sulphur Regulation that came into effect on January 1, 2020;
- “Indenture” means the indenture dated as of July 4, 2024 relating to the Notes, entered into by and among us, the Trustee, the Paying Agent, Transfer Agent and Registrar;
- “Ingram CLS” means Ingram Micro Commerce & Lifecycle Services;
- “Initial Purchasers” means BNP Paribas and Crédit Agricole Corporate and Investment Bank;
- “ISM Code” means the International Management Code for Safe Operation of Ships and for Pollution Prevention created by the IMO;
- “ISPS Code” means the International Ship and Port Facility Security Code issued by the IMO;
- “LNG” means liquefied natural gas;
- “LTV” means loan-to-value, or the ratio of the amount borrowed to the fair market value of an asset, including in the case of vessel financing arrangements, a vessel;
- “MacAndrews” means MacAndrews & Company Limited;
- “main line” means a shipping line that traverses oceans;
- “Malta Freeport” means Malta Freeport Terminals Ltd.;
- “MARPOL” means The International Convention for the Prevention of Pollution from Ships;
- “Member States” means states which are members of the European Union;
- “Mercosul” means Mercosul Line Navegação e Logística Ltda., which is one of the leading players in Brazil’s domestic container shipping market;
- “Merit” means Merit France SAS (or, where the context requires, its predecessor entities);
- “MSC” means Mediterranean Shipping Company;
- “net debt” means non-current and current borrowings including lease liabilities, less cash and cash equivalents (as per the statement of financial position), less securities, plus restricted cash (which is a component of “cash and & cash equivalents”);

- “North-South lines” or “North-South trades” means the six main north-south intercontinental trades for the container shipping industry: North America-Latin America, Europe-Latin America, Europe-Africa, Asia-Africa, Asia-Latin America and Asia-Australasia;
- “Notes” means, collectively, the Original Notes and the Additional Notes issued hereunder;
- “Ocean Alliance” means our global alliance with Cosco Container Lines Co., Ltd, Evergreen Marine Corporation (Taiwan) Ltd. and Orient Overseas Container Line Limited covering the Asia-Europe, Asia-Mediterranean, Asia-Red Sea, Asia-Middle East, Trans-Pacific, Asia-U.S. East Coast and Trans-Atlantic trades, the operations of which started on April 1, 2017;
- “OECD” means the Organization for Economic Co-operation and Development, a group of 35 member states focused on developing the international market economy;
- “OOCL” means Orient Overseas Container Line;
- “OPEC” means Organization of the Petroleum Exporting Countries;
- “Original Notes” means the €400,000,000 5.500% Senior Notes due 2029 issued by CMA CGM on July 4, 2024, with which the Additional Notes offered hereby will be consolidated and form a single class;
- “Original Notes Issue Date” means July 4, 2024;
- “Paris Agreement” means the agreement adopted at the 2015 United Nations Climate Change Conference in Paris;
- “Paying Agent” means Elavon Financial Services DAC;
- “per carried TEU” means the relevant financial or operating measure divided by the number of TEU we transported during the relevant period;
- “Polynesian Divestment Businesses” means the maritime freight transport organization activities of Bolloré Logistics Polynésie and a number of assets in metropolitan France linked to these activities;
- “primary port” means ports which are called by main lines;
- “reefer” means refrigerated transport;
- “Registrar” means Elavon Financial Services DAC;
- “Restricted Subsidiary” has the meaning given to it in the “*Description of Notes*”;
- “RMC-BFM” means RMC-BFM SAS;
- “SEC” means the U.S. Securities and Exchange Commission;
- “secondary port” means ports which are called by feeder lines and not by main lines;
- “short sea line” means a non-intercontinental service that calls at smaller ports, operates with smaller vessels and operates for the purposes of providing an independent service for most of its cargo (as opposed to feeder lines, which operate to transport most of their cargo to and from main lines);
- “slot” means the space required for one TEU on board a ship;
- “slot swap” means an exchange of container capacity between us and another carrier;
- “slow steaming” means the practice of operating a vessel at a significantly reduced speed from its maximum speed, typically aimed at optimizing bunker fuel consumption;
- “stevedoring” means the loading and unloading of cargo from a ship;

- “TEU” means a 20-foot equivalent unit, the standard unit of measurement of volume used in the container shipping industry;
- “Terminal Link” means our joint venture with CMP that holds investments in terminals;
- “Ti” means Transport Intelligence Ltd ;
- “trades” means regular routes assigned to ships;
- “Transfer Agent” means Elavon Financial Services DAC;
- “Trustee” means U.S. Bank Trustees Limited;
- “ULCV” means ultra-large container vessel ;
- “Unaudited Interim Condensed Consolidated Financial Statements” means our unaudited interim condensed consolidated financial statements, and the related notes thereto, as of and for the six and three-month periods ended June 30, 2024;
- “Well-to-wake emissions” designates well-to-tank emissions and tank-to-wake emissions;
- “Tank-to-wake emissions” means direct emissions linked to combustion of fuel by vessel engines;
- “Well-to-tank emissions” means indirect emissions linked to extraction, production, refinery, transport and bunkering activities, i.e., all upstream emissions until the maritime fuel arrives in the vessel tank, ready for usage;
- “Whynot Media” means Whynot Media SAS;
- “Yildirim” means Yildirim AM and Yildirim Holding;
- “Yildirim AM” means Yildirim Asset Management Holding BV, a private company with limited liability (besloten vennootschap) organized under the laws of the Netherlands;
- “Yildirim Holding” means Yildirim Holding, a joint stock company (AS) organized under the laws of Turkey; and
- “Yildirim Shareholders’ Agreement” means the shareholders’ agreement, dated January 27, 2011 among us, Merit and Yildirim, as amended on April 7, 2011 and June 28, 2011.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

The historical consolidated financial information as of and for the years ended December 31, 2021 (as comparative information), 2022 and 2023 and as of and for the six-month periods ended June 30, 2023 (as comparative information) and 2024 is derived from the free English language translations of our Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, each of which are included elsewhere in these listing particulars.

The Audited Consolidated Financial Statements have been prepared in accordance with IFRS and the Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial statements.

The 2023 Audited Consolidated Financial Statements have been audited by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated February 23, 2024, a free English translation of which is included in these listing particulars. The 2022 Audited Consolidated Financial Statements have been audited by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated March 3, 2023, a free English translation of which is included in these listing particulars. The Unaudited Interim Condensed Consolidated Financial Statements have been reviewed by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated July 25, 2024.

Changes in accounting policies during periods presented are disclosed in Note 2.2 to the Audited Consolidated Financial Statements, and in Note 2.2 to the Unaudited Interim Condensed Consolidated Financial Statements, included elsewhere in these listing particulars. None of these changes materially affected our financial performance or positions during the periods presented.

Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” are calculated using the numerical data in the consolidated financial statements or the tabular presentation of other information (subject to rounding) contained in these listing particulars, as applicable, and not using the numerical data in the narrative description thereof.

Factors Affecting Comparability

Certain amounts with respect to the year ended December 31, 2022 were restated in the 2023 Audited Consolidated Financial Statements in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12 (see the 2023 Audited Consolidated Financial Statements for more information). The information presented in these listing particulars in “*Summary Financial and Operating Information*,” “*Selected Historical Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” is based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements.

We have also consummated numerous acquisitions and debt repayment initiatives over the periods presented. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Presentation of Financial Information; Comparability of Information*.”

Use of Non-IFRS Financial Measures

In these listing particulars, we present our EBITDA and certain ratios and margins based on EBITDA for certain periods. EBITDA, as presented in the Audited Consolidated Financial Statements included elsewhere in these listing particulars, represents the sum of the following income statement captions: “EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries” and “Gains / (losses) on disposal of property and equipment and subsidiaries.” We also use a metric which we call “Adjusted EBITDA,” which is equal to “EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries” as presented in the consolidated statement of profit and loss. Neither EBITDA nor Adjusted EBITDA is a substitute for EBIT (as defined below) or net cash generated from operating activities as determined in accordance with IFRS. EBITDA and Adjusted EBITDA are presented as additional information because we believe that they are widely used as measures to evaluate a company’s operating performance and financial requirements.

We also present our “EBIT” in these listing particulars. EBIT is a measure equivalent to an operating profit / (loss). We also present a measure which we call “Core EBIT” that we believe is a particularly useful indicator of our

operating performance. It is calculated as EBIT less gains / (losses) on disposal of property and equipment and subsidiaries, less other income and expenses, less operating exchange gain / losses and less impairment / non-recurring items recorded in associates and joint ventures. Like EBITDA and Adjusted EBITDA, we believe this measure enables a relevant comparison against our competitors depending on the strategy in terms of fleet ownership, although EBITDA and Adjusted EBITDA have become more relevant in that respect since the application of IFRS 16: the cost of our ships held under operating leases with a duration of less than one year is still accounted for under our chartering expenses, and therefore affects EBITDA, whereas our owned fleet costs and the cost of our ships held under operating leases with a duration in excess of one year are capitalized and amortized, thus affecting EBIT. We also refer in these listing particulars to our “Adjusted EBITDA margin,” which represents our Adjusted EBITDA divided by our revenue, and “Core EBIT margin,” which represents our Core EBIT divided by our revenue.

We also present our net debt and certain ratios based on net debt for certain periods. Net debt includes non-current and current borrowings including lease liabilities, less cash and cash equivalents (as per the statement of financial position), less securities, plus restricted cash (which is a component of “cash and & cash equivalents”). Economic net debt represents net debt less deposits not qualified as cash and cash equivalents.

Because EBITDA, Adjusted EBITDA, EBIT, Core EBIT, Core EBIT margin, net debt and economic net debt are not calculated identically by all companies, our presentation of these measures may not be comparable to other similarly titled measures of other companies. Moreover, our discretionary use of EBITDA may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. For a reconciliation of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Core EBIT, Core EBIT margin, net debt and economic net debt to the relevant financial measures defined in accordance with IFRS, see “*Summary—Summary Financial and Operating Information.*”

More generally, these non-IFRS financial measures have limitations as analytical tools and should not be considered as alternatives to net profit or any other performance measures derived from or in accordance with IFRS.

We also present financial information for the twelve-month period ended June 30, 2024, which is calculated by (i) subtracting the financial information related to the six-month period ended June 30, 2023 from and (ii) adding the financial information related to the six-month period ended June 30, 2024 to (iii) the financial information for the year ended December 31, 2023. Additionally, we present certain pro forma information for the twelve-month period ended June 30, 2024, giving effect to the acquisition of Bolloré Logistics as if it had occurred on July 1, 2023. See “*Summary Financial and Operating Information—Pro Forma Information.*”

Exchange Rate Information

The table below sets forth for the periods indicated certain information regarding the Bloomberg Composite Rate. The following table shows the period-end, average, high and low Noon Buying Rates for the euro, as certified by the Federal Reserve Bank of New York (the “Noon Buying Rate”), expressed in dollars per one euro, for the periods and dates indicated. These rates may differ from the actual rates used in the preparation of our financial statements and other financial information appearing in these listing particulars.

Month

\$/Euro	Period End	Average Rate*	High	Low
September 2024 (through September 20, 2024)	1.1159	1.1084	1.1159	1.1012
August 2024	1.1060	1.1020	1.1176	1.0789
July 2024	1.0823	1.0847	1.0933	1.0728
June 2024.....	1.0711	1.0763	1.0890	1.0682
May 2024.....	1.0846	1.0810	1.0879	1.0680
April 2024	1.0684	1.0724	1.0865	1.0628
March 2024.....	1.0791	1.0870	1.0944	1.0791
February 2024.....	1.0843	1.0795	1.0865	1.0720
January 2024.....	1.0844	1.0901	1.0976	1.0807
December 2023.....	1.1062	1.0901	1.1114	1.0746

Year

\$/Euro	Period End	Average Rate*	High	Low
2024 (through September 20, 2024)	1.1159	1.0860	1.1176	1.0628
2023	1.1062	1.0827	1.1237	1.0453
2022	1.0698	1.0519	1.1487	0.9616
2021	1.1318	1.1787	1.2295	1.1196
2020	1.2230	1.1475	1.2280	1.0682
2019	1.1227	1.1194	1.1524	1.0905
2018	1.1456	1.1817	1.2488	1.1281

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual averages; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in the exchange rate between the euro and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

These listing particulars contain translations of euro amounts into U.S. dollars at the exchange rate of \$1.00 = €0.93345 (the exchange rate as of June 30, 2024 used by the Company for its unaudited consolidated balance sheet as of such day), unless otherwise indicated, solely for the convenience of the reader. These translations should not be construed as representations that the euro amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. On September 20, 2024, the Noon Buying Rate in New York City for cable transfers in foreign currencies was \$1.1159 per one euro.

Industry Data

The information contained in the section “*Industry Overview*,” including market and industry statistical data, was provided by Drewry and Ti with respect to the shipping and logistics industries, respectively. Drewry is a consultant firm specializing in shipping and Ti is a consultant firm specializing in logistics. We commissioned Drewry and Ti to provide the text for this section. In compiling the data for this section, Drewry and Ti relied on industry sources, published materials, their own private databanks and direct contacts within the respective industries of shipping and logistics. All those sources were used to calculate the data and market information shown in these listing particulars, except where otherwise noted.

Other Information in these listing particulars

Certain information provided in these listing particulars has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading.

The information set out in relation to sections of these listing particulars describing clearing and settlement arrangements, including the section entitled “*Book-Entry, Delivery and Form*,” is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, these listing particulars contain

summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

These listing particulars include “forward-looking statements” within the meaning of the U.S. federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements regarding management’s expectations regarding our business, growth, future financial condition, results of operations and prospects and other statements made in the sections entitled “*Summary*,” “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.” You can identify forward-looking statements because they contain words such as “believe,” “expect,” “may,” “should,” “seek,” “intend,” “plan,” “estimate,” or “anticipate” or similar expressions that relate to our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We have based these forward-looking statements on our current views and assumptions about future events. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. We cannot assure you that future results will be achieved. All forward-looking statements are based upon information available to us on the date of these listing particulars.

Important factors that could cause actual results to differ materially from our expectations (“cautionary statements”) are disclosed under “*Risk Factors*” and elsewhere in these listing particulars, including, without limitation, in conjunction with the forward-looking statements included in these listing particulars. All forward-looking information in these listing particulars and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to our business. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in these listing particulars might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in these listing particulars, including those described in the section entitled “*Risk Factors*.”

SUMMARY

This summary highlights information contained elsewhere in these listing particulars. This summary is not complete and does not contain all of the information that you should consider before investing in the Additional Notes. You should read the entire listing particulars carefully, especially the risks of investing in the Additional Notes. See “Risk Factors.” For definitions of certain capitalized terms used in these listing particulars, see “Certain Terms and Conventions.”

Overview

We are a leading global player in sea, land, air and logistics solutions. We operate three segments: (i) Container Shipping, (ii) Logistics, including Freight Management (Ocean and Air), Ground Transportation, Contract Logistics and FVL businesses and (iii) Other, including Terminals, Air Cargo, Specialized Maritime Transport and Media businesses. We generated revenue of \$47.0 billion and Adjusted EBITDA of \$9.0 billion in the year ended December 31, 2023, revenue of \$25.0 billion and Adjusted EBITDA of \$4.9 billion in the six months ended June 30, 2024 and revenue of \$47.0 billion and Adjusted EBITDA of \$7.9 billion in the twelve months ended June 30, 2024.

As of August 1, 2024, we are the third largest provider of container shipping services globally based on shipping capacity (source: Alphaliner Monthly Monitor, August 2024). As of March 31, 2024, we are a top five global logistics player in air and ocean freight based on volumes (source: Ti, May 2024). We offer our services in over 160 countries through a global network of more than 425 offices, 900 warehouses (11 million square meters) and over 248 main lines calling at over 400 ports (out of 800 ports worldwide).

Over the past 46 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping and logistics services, operating a fully integrated supply chain with a fleet of 643 container vessels. In May 2018, we initiated a strategic move towards logistics services through our investment in, and subsequent acquisition of, CEVA. Alongside Container Shipping, Logistics is the second pillar of the Group’s operations. We have also diversified our business portfolio by investing into port terminal facilities, as well as Air Cargo, Specialized Maritime Transport and Media businesses.

We believe that the stability of our efficient, experienced and adaptable management team, combined with our streamlined organization, enables us to make decisions rapidly and efficiently, allowing us to take early advantage of market opportunities and generate higher profitability in Shipping compared to our European peers.

Our Competitive Strengths

We operate in an industry that is critical for the resilience of global value chains and world trade.

Container shipping occupies an increasingly important position in world trade, with containerships constituting the principal channel to transfer finished and semi-finished goods. According to the IMO, approximately 80% of world trade in terms of volume is transported by sea. Global container trade traffic represents close to 60% of seaborne transported cargo by value (see “*Industry Overview—The International Container Shipping Industry*”). Container trade volumes have increased every year since the introduction of long-haul containerized shipping lanes in the late 1960s, apart from 2009 and 2020.

Trade in goods, container transport as well as overall supply chain and logistics services have shown resilience despite sudden and unexpected events affecting both demand and supply, demonstrating the remarkable plasticity of the globalization process and the agility of container carriers to navigate such events. Since the global financial crisis, the ratio of goods traded to GDP has been relatively stable, fluctuating between 41% and 48% (source: IMF, May 2024). Trade and investment flows are nevertheless being redirected. According to the IMF (May 2024), while China’s share in U.S. imports declined by 8% between 2017 and 2023 following rising trade tensions, and, during the same period, the U.S.’s share in China’s exports dropped by about 4%, the impact of this decline in U.S. – China trade has been limited, since part of this trade and investment has been re-routed instead through third-party countries (particularly in South East Asia). Our extensive global network as well as the sheer size of our fleet (see below) allow us to adapt to these evolutions in trade patterns. Moreover, our ability to offer alternative transportation such air cargo has allowed our clients to reduce supply chain disruptions. Our portfolio of terminals is also strategically important for us, as it supports the growth of our Shipping segment and secures our clients’ supply chains, which is particularly valuable when disruptions arise. For example, during the COVID-19 pandemic when access to certain terminals was particularly constrained due to congestion, having interests in terminals helped us minimize interruptions to our operations.

This plasticity of the globalization process evolved during the COVID-19 pandemic, the ongoing conflicts in the Middle East and Ukraine and the Red Sea crisis, each of which provides concrete recent examples of resilience due to expertise and prudent management of carriers, which have demonstrated the strategically important nature of the industry. The corollary of this is that, immediately following such unexpected events, the industry has benefited, and may in the future benefit, from periods of high profitability characterized by elevated freight rates. Elevated freight rates in the aftermath of the COVID-19 pandemic demonstrated this.

Our position as a global leader in both the shipping and logistics industries, in which scale is critical, is underpinned by our extensive network and comprehensive commercial offering.

We are a global leader in the container shipping industry, operating one of the largest global container shipping networks. We are the third largest provider of container shipping services in the world in terms of capacity (total fleet capacity of 3.7 million TEU as of June, 2024) and could become the second largest based on the current orderbook (see “*Industry Overview—International Container Shipping Industry—Key Players*”). Our operating fleet of 643 container vessels represented approximately 12.4% of the total capacity of the world fleet of fully cellular container ships as of August 1, 2024 (source: Alphaliner Monthly Monitor, August 2024). We deploy vessels across 248 lines, comprised of 115 deep sea lines and 133 short sea and feeder lines, and call at over 400 ports in 160 countries. We have a fleet of 12 ULCVs, 9 of which are propelled with LNG. This ultra-large container vessel fleet will be further strengthened between 2025 and 2028 by deliveries of 14 vessels in the range of 23,000 to 24,000 TEU, all equipped with LNG propulsion. Our shipping network combines the benefits of global breadth and local depth. We operate one of the most extensive global and local networks of direct shipping services covering the four major East-West trade lanes: Asia-Europe, Transpacific (Asia-North America), Transatlantic (Europe-North America), and Asia-Middle East, which accounted for 9.8%, 23.7%, 5.5% and 5.0% of our shipping volumes for the twelve months ended June 30, 2024, respectively. We also service other trade lanes, such as Asia-Red Sea and intra-Asia, and niche markets, such as the Caribbean, Black Sea and Africa. In addition, we have substantially expanded our intra-regional lines organically and through targeted acquisitions, including those of Mercosul (intra-Brazil) in 2017 and Containerships (intra-Europe) in 2018, increasing significantly our long-standing presence on short sea trades where we also operate in intra-Asia via our brand CNC. We believe the scale and reach of our network is a key factor in our customers choosing to work with us.

Our global leadership in the container shipping industry is bolstered by our membership in Ocean Alliance, which serves to increase our market reach. Our membership in Ocean Alliance allows us to build on our comprehensive and customer-focused service network by allowing our customers to take advantage of higher sailing frequencies, better transit times and greater coverage in terms of loops, ports of call and port pairs to more efficiently and reliably transport their goods. Ocean Alliance operates 35 services on the East-West trades, which makes it the leading operating alliance in terms of services and overall coverage. Ocean Alliance operates a highly efficient fleet of 324 vessels, with approximately 4.4 million TEU in total annual capacity, 29% of the total market share by capacity, and the largest market share of any shipping alliance on the Transpacific trade and on the Asia-Europe trade. We are the main contributor in terms of deployed capacity to Ocean Alliance, deploying a fleet of 121 vessels with a 35.5% capacity share

We believe that the size of our Container Shipping activities enables us to take advantage of the significant economies of scale that characterize the liner industry. Being able to efficiently deploy optimized tonnage and achieve a lower cost base, coupled with the ability to react quickly and flexibly, and having in place the proper commercial tools and IT systems means that, across the industry, larger liners are more profitable than smaller players. The scale of our operations, together with the flexibility of our fleet and effective management of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes. When we replace our ships serving main lines with new larger ships, we are usually able to cascade replaced ships to lines where they will in turn replace smaller tonnage. Cascading of ships therefore provides economies of scale down the chain of lines. We expect that the ongoing replacement of vessels in our major markets, and the subsequent transfer of the replaced vessels to main lines of a lesser capacity, will further improve the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships. Optimizing tonnage is a key advantage, as operating costs can differ significantly depending on the size of the vessel deployed along the same route. For example, the bunker fuel cost per TEU for a 14,000 TEU containership is estimated to be about 40% lower than the equivalent costs for a 9,500 TEU ship operating on the same route, so our ability to cascade larger vessels helps us to reduce our operating costs per unit. Our size also strengthens our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, financings, and any negotiations with respect to rebates and discounts with various terminals.

We have cultivated a number of higher value niche business lines that support our profitability. For example, we have a fleet of reefer containers, which allows us to address a distinct customer base that needs transportation of

perishable goods, pharmaceuticals, frozen food and wines and spirits. Since our acquisition of NOL in 2016, we have maintained a contractual relationship with U.S. authorities and have the certification to carry U.S. governmental cargo with nine of our vessels sailing under the U.S. flag.

In addition, we continue to identify and cultivate ancillary revenue streams for activities related to our core container shipping business, such as pre- and post-shipping intermodal transportation, charges for detention and demurrage in the case of delays and documentation fees. These revenues are not dependent on vessel freight rates, and thus provide sources of revenue that help to reduce our revenue volatility and exposure to changes in freight rates.

The acquisition of Bolloré Logistics accelerated our growth in freight forwarding, making us a top five global logistics player in air and ocean freight based on volumes as of March 31, 2024 (source: Ti, May 2024). The increased size of our freight forwarding activities, both in air and ocean, allows us to optimize the cost of freight purchasing as the best tariffs are usually provided to clients with larger volumes. Further, our global logistics network complements our shipping network and the integration of the various companies that we have acquired in recent years in the logistics sector (Ingram CLS, Colis Privé, GEFCO and Bolloré Logistics) provides us with opportunities across the whole value chain. In addition, we operate a fleet of five car carrier vessels leveraging our shipping expertise and are hence in a position to offer to OEM clients of the FVL business of CEVA custom rotations to meet their needs to transport cars from their overseas production lines towards their final consumer destination in combination with ancillary services such as final preparation, battery charging, cleaning and client delivery. This comprehensive service portfolio has positioned us to become the provider of choice for complex, integrated, end-to-end supply chain solutions.

We believe our broad market reach, route diversity and flexibility position us as a global leader in our industry.

Our diversified customer base and offering strengthened by our logistics business position us well to weather market volatility.

Our diversified and loyal customer base is founded on dedicated commercial services and a strong reputation. We have a global shipping customer base of over 52,400 active customers. Our customer portfolio in our shipping business is highly diversified by both geography and industry sector and includes stable important customer relationships with both direct shippers, such as Samsung, Ikea, GM, BASF, Coca-Cola, Renault and Nestlé, and leading freight forwarders, such as DHL, Kuehne + Nagel, DB Schenker (part of Deutsche Bahn), and Expeditors. We also benefit from low customer concentration: in 2023, the volumes transported for our top 20 shipping customers by volume represented 16.6% of total volumes carried and no customer accounted for more than 2.7% of total volume. Our top 20 shipping customers in 2015 all remain significant customers in 2023, and a large majority of them are still in the top 20, which highlights the strong, long-term customer relationships that we have built in the shipping industry. Our operations are supported by an extensive global network of 187 shipping agencies operating through more than 425 offices worldwide. These agencies act as our local sales, marketing and customer service representatives. The profitability and the resilience of our business model is also supported by our diversified revenue base, with no single trade representing more than 11% of our annual volumes transported in 2023.

CEVA has a diverse client base of more than 15,000 customers. CEVA's top 20 customers accounted for approximately 37% of its revenue for the year ended December 31, 2023, with its single largest customer accounting for 12% in the same period. CEVA has a strong presence in automotive, industrial and the consumer and retail industry, which accounted for approximately 32%, 15% and 14% of standalone revenues in 2023, respectively, and is showing particularly promising growth in e-commerce and healthcare. CEVA's top 20 customers in 2012 all remain significant customers in 2023, again highlighting the customer loyalty that exists in our logistics business. Due to its recent acquisitions, CEVA has also reinforced its presence on the e-commerce segment with clients such as Zalando, Bol.com, Bestseller and AboutYou, while Bolloré Logistics has a strong presence in beauty and luxury (LVMH, Kering), healthcare (Sanofi) and aircraft manufacturing (Airbus).

Our Logistics segment covers a portfolio of various activities with different dynamics. In particular, we engage in Freight Management (Ocean and Air), Contract Logistics, Ground Transportation and FVL. This breadth of expertise increases the resilience of our Logistics segment revenue and profitability: while the main driver for freight forwarding is global trade, which could be volatile, contract logistics is more stable due to multi-year contracts. The FVL business is highly dependent on automotive prospects, including the rapid development of EVs.

We believe our reputation for quality and reliability, our ability to offer clients tailor-made and innovative transportation solutions, together with our global reach and leading market position, give us a competitive advantage.

Our business model is built around a modern, valuable and largely unencumbered asset base of vessels and containers, suited to decarbonization, as well as strategic logistics and infrastructure assets.

We have a comprehensive, modern and diverse asset base that is highly integrated and complementary, with our terminal and logistics assets providing valuable support services and allowing us to optimize the use of our vessel and container assets. This diversified, but complementary, asset base also increases our revenue diversification, helping to reduce volatility and our reliance on freight rates, and enhances our operational and financial performance.

We operate a large and flexible fleet of modern vessels. As of June 30, 2024, our fleet consisted of 643 container ships with a total capacity of 3.7 million TEU, of which we owned or operated under financial lease or equivalent arrangements 267 vessels, or 50.1% of our fleet by capacity, and chartered the remaining 376, or 49.9% of our fleet by capacity. The market value of our owned vessels, which is assessed every six months by calculating the average of four independent ship brokers' valuations, was \$15.3 billion as of June 30, 2024. We also maintain a large and diverse fleet of containers, totaling 5.0 million TEU as of June 30, 2024, of which we leased 75% and owned the remainder.

Our financial deleveraging has allowed us to increase the share of unencumbered vessels and containers on our balance sheet. The market value of our 217 unencumbered container ships (excluding right-of-use and in-progress vessels) is estimated at \$9.1 billion as of June 30, 2024.

The composition of our fleet provides us with a significant degree of flexibility in our operations, allowing us to adapt the size of our vessels in accordance with demand on our various trades. Moreover, the increasing efficiency of our vessel fleet as a result of increasing size (49% of our fleet capacity was comprised of vessels larger than 10,000 TEU as of June 30, 2024), age (the average age of our vessels was 10.0 years as of June 30, 2024), technological advancements, retrofitting and our operational efficiency efforts (47.6% of our total capacity is either equipped with scrubbers or runs on LNG) have helped us to control our operating costs and improve our profitability.

We are also growing in line with our sustainability strategy and efficiency targets, with existing orders benefitting from the latest technology and powered by environmentally friendly energy sources. In 2020 and 2021, we took delivery of nine 23,000 TEU vessels, which benefit from new technology and are powered by LNG. These vessels are equipped with the latest technology, including a smart system to manage ventilation for the reefer containers carried in the hold. As of June 30, 2024, we had 48 dual-fuel LNG container ships for a total capacity of 620,000 TEU in our fleet. We have 47 dual-fuel LNG container ships that are scheduled to be delivered from 2024 to early 2028, with a total capacity of approximately 591,100 TEU and we will also take delivery of 24 methanol-propelled vessels with a total capacity of 336,000 TEU between early 2025 and the end of 2027. These vessels are expected to replace smaller vessels on our Asia-Europe trade, allowing us to take advantage of the per-unit cost savings associated with larger vessels and ensure that we have sufficient capacity to accommodate future growth in demand on this trade. We will then be able to cascade the vessels that they replace to other trades, which will thereby increase the average size of vessels in use and the cost efficiency across our network. We will continue to deploy such vessels in accordance with demand fluctuations. See *"Business—Segments—Container Shipping—Current Orderbook."*

Our asset base also includes important strategic and complementary terminal and logistics assets, the importance of which has been particularly illustrated by their availability during the recent period of supply chain congestion to secure capacity and access for our customers. We have invested in a number of port terminal facilities around the world where we have significant operations. We currently have interests in, or agreements related to, 58 terminals around the world with a total capacity of approximately 50 million TEU as of March 31, 2024, of which 55 are in operation and three are in development or under acquisition. These facilities include two critical infrastructure assets in the USA (for which we are the sole owner): the FMS terminal in the Los Angeles/Long Beach port area, which allows us to secure services for our vessels in the busiest gateway in the western world, and our two terminals in the New York harbor: Port Liberty Terminals in New York and Bayonne, which provide us a distinctive advantage on the East Coast, one of the most important population concentrations in the western world. In 2022, we were the eighth largest port operator in terms of handled throughput before accounting for the acquisition of the two GCT Terminals in New-York (source: Drewry, Global Container Terminal Operators

Annual Review and Forecast 2023/24). During periods of high congestion, priority access to quality infrastructure has proven to be a competitive advantage in developed countries. This advantage may become more critical over time, considering that the number of new ports/terminals providing alternative access to these gateways is expected to be limited. We also maintain a portfolio of 90 inland terminals.

We are able to extract value quickly from our terminal and logistics assets while keeping a part of the ownership (majority or minority) stake to secure operational needs. Leveraging our shipping volumes, we have proven our ability to turn greenfield or underperforming brownfield assets into mature and profitable terminals representing significant potential for cash proceeds in case of potential disposals. We have also shown a consistent ability to refinance our fleet of containers and vessels, illustrating continued market appetite for our prime assets, such as large vessels, niche vessels with high reefer capability and reefer containers. Modern port terminals, especially in mature markets, attract infrastructure investors as demonstrated in 2017 when we sold the FMS terminal to EQT.

Our ability to capitalize on industry trends and drive improvements in our cost base are key structural drivers of improved profitability.

We have successfully capitalized on industry trends, such as demand for value-added services, to drive revenue growth and diversification, while at the same time continuously improving our cost base in order to drive improved profitability. As the third largest container shipping company worldwide, we benefit from significant economies of scale, increased bargaining power when negotiating contracts, rebates and discounts. We have the resources to serve large customers requiring global coverage and the means to meet their specific needs by transferring perishable goods in reefers, for example, and we also have the ability to optimize the use of our assets, all of which positively contribute to our operating margin. We have invested in ULCVs that enable us to serve trade lines, predominantly the major East-West trade lanes, more efficiently than fleets that use smaller vessels. For example, the bunker fuel cost per TEU for a 14,000 TEU containership is estimated to be about 40% lower than the equivalent costs for an older 9,500 TEU ship operating on the same route, so our ability to cascade larger vessels helps us to reduce our operating costs per unit. When we replace our ships serving main lines with ULCVs, we expect to cascade replaced ships to secondary trade lines where they will in turn replace smaller tonnage.

We have successfully implemented initiatives to improve our cost base, including both cost savings and margin improvement measures. Since 2016 (except in 2021 and 2022), we have annually implemented a comprehensive plan, which we call “Agility,” involving a broad range of cost reduction and efficiency measures across our organization aimed at reducing our per-unit costs, thereby improving our profitability and increasing the resilience of our business in cyclical downturns. We are continuing systematically to implement further cost savings and margin improvement measures. We have demonstrated that substantial structural improvements can lead to improved profitability, as evidenced by decreasing cost per unit (excluding bunker) in recent periods in spite of depressed volumes, from \$1,130 per TEU in the six months ended June 30, 2023 to \$1,054 per TEU in the six months ended June 30, 2024, alleviating the strong decrease in revenue per unit (revenue/TEU) over the same period from \$1,620 per TEU to \$1,392 per TEU. CEVA has also put in place its own cost reduction initiatives as part of the IMPACT 2020 turnaround plan, designed to help CEVA to make positive contributions to Group profitability in the future.

We have a strong capital structure with significant liquidity position and balanced financial strategy.

We benefit from a strong, deleveraged balance sheet with a strong liquidity. During 2021 and 2023, we used our high cash flow to voluntarily repay the majority of our financial debt (including partial repayment of \$800 million of borrowings under our securitization program which remains fully available and repayment of the €525 million senior notes due January 2026). We also used cash generated from operations to finance our acquisitions of FMS and Port Liberty Terminals, Ingram CLS, Colis Privé, GEFECO and Bolloré Logistics. Our remaining debt as of June 30, 2024 has a balanced maturity profile with no significant needs for refinancing in the coming years (see “Description of Certain Financing Arrangements”).

As of June 30, 2024, we have financial resources consisting of cash on the balance sheet and liquid financial investments of \$10.1 billion (including \$2.6 billion of undrawn committed credit facilities). In addition, we have access to \$1.6 billion of additional financing under the Group’s receivables securitization programs.

Our financial deleveraging has allowed us to increase the share of unencumbered vessels and containers on our balance sheet. The market value of our 217 unencumbered container ships (excluding right-of-use and in-progress vessels) is estimated at \$9.1 billion as of June 30, 2024.

Our financial policy has historically involved limited distributions to our shareholders: on average, over 2021, 2022 and 2023, we paid out 18.0% of our net income to our shareholders. This limited payout enables us to prioritize financing development of our business and the repayment of our financial commitments and to invest in order to improve the business risk profile of the Group. Going forward, our shareholders target a payout policy of 10 to 20% of profit for the year.

We have access to diversified sources of financing, including capital markets, secured and unsecured asset financing and long-term leases provided by a wide range of suppliers, including international and regional banks, financial institutions, governmental agencies, shipyards and various lessors. At the same time, we have developed strong and confident relationships with a group of core banks that allow us to optimize our financings. All of our debt financing arrangements benefit from a covenant package well-suited to the industry's volatility, based on minimum available cash and a leverage ratio. In addition, we have been successful in seizing financing opportunities and managing our leverage covenants to maintain our strong liquidity position. Examples of our ability to implement attractive financing opportunities include the government-guaranteed bank financing made available at the outset of the COVID-19 pandemic, which we swiftly obtained in 2020, as well as the 2020 financing of Terminal Link, which was repaid early (in 2023). We also seek to secure dedicated asset financing for our vessels in advance of their delivery in order to optimize financing conditions and avoid having liquidity pressures.

Our financial policy focuses on maintaining a strong liquidity position to provide security and flexibility in an uncertain and cyclical market, which has historically enabled us to maintain a strong liquidity position even during more difficult operating environments, such as 2016, both as a result of the positive cash we generated through operations and various financing transactions. The Group's available cash position as of June 30, 2024 was \$5.8 billion (net of bank overdrafts).

Our management benefits from a long experience in aptly navigating market cycles and successfully integrating acquisitions to support the diversification of our business with a distinctive entrepreneurial spirit.

We benefit from what we believe to be one of the most highly qualified and experienced management teams in the container shipping industry. Mr. Rodolphe Saadé is our Chairman and CEO and is supported by an experienced senior management team. Our five most senior operational executives have on average over 20 years of experience within the industry. They have weathered previous challenging industry troughs as well as turned around loss-making acquired companies such as NOL. In addition to promoting managers from within, we also selectively hire senior managers from outside the Company to provide our management team with new views, ideas and skills. Following the acquisition of CEVA in 2019, we hired an experienced team of logistics executives to help support our plan to fully integrate the acquired companies.

We believe that our ability to react quickly gives us a significant strategic advantage over our competitors. For example, our management team demonstrated an entrepreneurial and flexible decision-making process through its acquisition of CEVA in 2019. Furthermore, our management team showed dexterity in navigating the Company through the COVID-19 period. The quick decision-making process has enabled us to adapt our capacity to evolving market demand, including with respect to acquiring assets, and enhance our profitability.

We are focused on operational excellence, sustainability and digital innovation, particularly with respect to the implementation of AI.

We believe our operational excellence, focus on sustainability and digital innovation are key drivers of the success of our business.

Our sustainability investments, together with our investments in digitalization, are key components of our commitment to operational excellence. These investments have optimized our trade lines, routing and bunker fuel consumption and improved our overall operational efficiency. For example, the use of a central, real-time supervision center and retrofitting and maintenance initiatives have helped us to reduce our bunker fuel consumption from 413kg per transported TEU in 2017 to 367kg per transported TEU in 2023. Our three navigation and port operations centres in Singapore, Marseille (France) and Miami (United States) further ensure the safety of our seafarers, fleet and customers' cargo worldwide by leveraging data (such as on currents, waves, weather and vessel positions) from various third parties as well as using in-house data (such as live vessel feeds). The expert teams in each of our operations centres are empowered to assess, anticipate and mitigate any navigation related risks to our vessel operations.

Our Strategy

Our key strategic objectives are as follows:

Maximize the total addressable pool of customers across our shipping and logistics businesses, while allowing for high levels of flexibility in our service offering.

Our shipping business has global scale and a leading market position. We are one of the few liners to operate a truly global network, with one of the most extensive networks of direct services covering the four major East-West trade lanes. We also hold a market-leading position in the Transpacific trade route, which has not only proven to be resilient in a volatile market, but also represents a significant growth opportunity. Our acquisition of CEVA in 2019, and the subsequent acquisitions of Ingram CLS, Colis Privé, GEFECO and Bollore Logistics in 2022-2024, expanded and diversified our commercial offering by growing our logistics business.

Our core strategy is to develop each of our shipping and logistics businesses on a standalone basis, providing high quality, reliable and cost-effective services to as many customers as possible. We operate our shipping and logistics businesses separately and maintain them at arm's length in order to guarantee the best service and pricing to the customers of each business, especially with regards to freight management activities. We believe that this differs from the strategy of other liners, and has the aim of maximizing our total addressable pool of customers, be they beneficial cargo owners or freight forwarders.

The development of our logistics business has also enabled us to have broader discussions with customers seeking an integrated offering, to target a larger share of wallet of their global logistics spend while simultaneously generating greater customer loyalty. We believe that we are positioned well to service the end-to-end needs of our customers in comparison to competitors that offer more commoditized, standalone shipping services. We seek to leverage the logistics capabilities of CEVA and Bollore Logistics, and their diversified customer portfolios, to upsell our expanding logistics service offering.

We also aim to grow the share of non-freight related revenues in our total revenue mix by further developing value-added services that often command premia, such as pre- and post-shipping intermodal transportation, detention and demurrage in the case of delays and priority handling at origin or destination and guaranteed availability of container equipment. More recently, we created CMA CGM Air Cargo operating a fleet of five cargo planes (and expect to take possession of one additional new Boeing B777F aircraft in November 2024). We are also able to offer add-on solutions to our shipping clients for urgent shipments while also allowing CEVA and Bollore Logistics to source some of their air freight needs from CMA CGM Air Cargo.

Seize all market opportunities to grow organically while meeting clients' needs.

Our flexible business strategy enables us to adapt both to our customers' supply chain and sourcing needs as well as emerging trends in global trade and the geopolitical climate. One such emerging and growing trend is an increase in intra-regional trades in response to growing demand for supply chain diversification and changing consumer behaviour toward local consumption. For example, the intra-Asia trade has evolved as manufacturers and importers adopt a "China plus one" supply chain strategy in response to the maturing Chinese manufacturing market (e.g. rising wages) and ongoing trade tensions between the United States and China. We have adapted to align our business to these trends by consolidating and rebranding our intra-Asia shortsea service, "CNC," with positive results. We intend to continue to leverage this strong brand to satisfy evolving client demand in this market.

We will continue to carefully evaluate our operations in order to allocate resources towards the services that are most valuable to our clients, which we believe will contribute to improved profitability. For example, starting in the COVID-19 pandemic which led to reduced air freight capacities, we have reinforced our pre-existing express service, EXX, with another express service to offer our clients direct services with minimal transit time and, for a premium fee, guaranteed delivery time.

Furthermore, our e-commerce strategy is under constant evaluation as a key component to grow our business and facilitate exchanges with our clients and their end-users. Our e-commerce solutions currently include a comprehensive digital ecosystem offering customers the ability to interact with CMA CGM in the most practical way for them, whether this is online on our Digital Agency or via EDI and Application Programming Interfaces (API). In 2023, our e-commerce channels accounted for 94.5% of our bookings with more than 54% performed on our website. We continuously invest and adapt our range of solutions to satisfy the needs of our customers and our industry via new products and features, and ensure that our service offering tracks the latest developments in technology and digital security.

More generally, we have rationalized our brand to offer enhanced visibility to our clients, resulting in: (i) a unique global carrier for intercontinental routes under the CMA CGM brand; (ii) regional specialists for short-sea and/or door-to-door offers (Mercosul, CNC and ANL); and (iii) shipping experts for niche markets (e.g., the APL brand being used solely for U.S. government cargo).

Leveraging industry dynamics to foster further organic and inorganic growth.

We plan to continue to grow organically by increasing the frequency and depth of the container shipping services that we offer on existing lines, expanding into new lines and new geographic regions and expanding our business into related markets and services. We will continue to reinforce our Logistics activities both through organic growth and selective acquisitions in the logistics sector, including both contract logistics and freight management to keep supporting our clients' international supply chains and continue our diversification. We will also continue to invest in selected strategic assets throughout the end-to-end shipping and logistics chain, such as the largest vessels, dry ports, terminals (for example, during the last five years, our acquisitions of FMS, GCT Bayonne and New York terminals) and various logistics assets. We believe that continuing to invest strategically in the logistical chain, with investments that may be structured in the form of wholly-owned subsidiaries, majority stakes, or strategic minority positions, will help us maintain our cost structure while supporting revenue diversification.

In terms of fleet management, owned versus chartered vessels composition and the timing profile of our chartered-in fleet, we will continue to invest in new vessels as well as take advantage of chartering arrangements to secure new vessels (see "*Business—Segments—Container Shipping—Current Orderbook*"). Our new shipbuilding orders will continue to focus on strategic and sustainable assets such as ULCVs to take advantage of economies of scale and maintain competitive unit costs in the context of industry trends towards increasing volumes and scale or small vessels with unique features and providing a competitive advantage to the fleet, as well as preparing for the energy transition of ageing vessels, an activity which has seen limited investment in recent years.

In terms of inorganic growth more broadly, we will remain attentive to opportunities that present a strategic fit or a diversification potential, as demonstrated by our acquisitions of Ingram CLS, Colis Privé, GEFCO, Bolloré Logistics and Altice Media in 2022-2024. Our key evaluation criteria for any acquisition proposal, which may include substantial acquisitions as well as "bolt-on" transactions, will include growth potential, financial attractiveness and manageable execution risks, while maintaining a balanced financial policy. We are regularly and actively monitoring potential acquisition targets that may fit the criteria noted above. As a result, we could seize opportunities at any time. See "*Risk Factors—Our results and financial condition could be affected by recent and future growth initiatives, both organic and inorganic, and by difficulties in managing them.*"

Continuously implementing efficiency and cost improvement measures to enhance overall profitability.

We will continue our approach in recent years to focus on systematically reducing costs to increase the profitability of our operations while enhancing our financial strength. We have implemented, and continue to implement, a broad range of cost reduction and efficiency measures across our organization aimed at reducing our per-unit costs, thereby improving our profitability and increasing the resilience of our business in cyclical downturns. Implementation of cost improvement plans have contributed significantly to maintaining or improving our profitability in recent periods. These measures include the rationalization of some of our lines, greater operational efficiency, lower logistics costs, new partnerships with suppliers, and other initiatives to offset inflationary pressures, as well as the implementation of innovative on-board technical solutions to reduce our energy consumption and carbon footprint.

We believe that the size of our Container Shipping activities enables us to take advantage of the significant economies of scale that characterize the liner industry (see "*Our Competitive Strengths—Our position as a global leader in both the shipping and logistics industries, in which scale is critical, is underpinned by our extensive network and comprehensive commercial offering*"). In our Logistics segment, we seek to leverage the increased size of our freight management operations due to the recent addition of Bolloré Logistics in order to benefit from optimized costs of freight. The increased size of our Logistics segment also enables us to amortize the investments into efficient operational IT systems such as Cargo Wise and more generally investments into digital and state of art technologies such as robotics within warehouses.

Reinforcing our digital presence to improve our service offering and foster cost reduction.

We aspire to remain at the forefront of the industry by providing innovative digital solutions in order to meet the needs of our customers, who are increasingly seeking more transparency, speed, interaction and visibility. Our

level of investment demonstrates our commitment; for example, in 2023, 55% of the budget dedicated to digital projects was allocated to customer-focused initiatives.

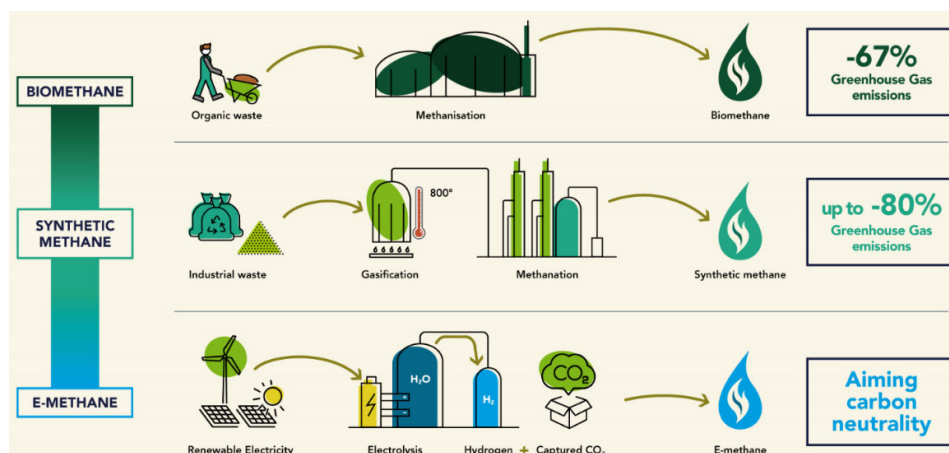
The ability to process information quickly and accurately, using the latest technology (including AI), is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes. We have developed and deployed a global information system that consolidates information from across all our operations using real-time internet-linked technologies and a common software platform, allowing all our employees access to the most up-to-date shipping information available. These systems have enabled us to increase our shipping volumes while maintaining stable headcount levels. Furthermore, our IT systems enable us to better forecast and manage changes in the global trade imbalances that characterize and affect the container shipping industry. This allows us to optimize empty container repositioning and thus considerably reduces our repositioning costs. We are interested in how future technologies may shape the shipping and logistics industries; for example, we are using blockchain to offer secure and paperless bills of lading, which is a crucial document in the shipping industry that will help to make the shipping administrative process far more efficient for our customers. We are also exploring augmented reality as a team training aid and as a predictive maintenance tool to anticipate problems on our ships.

As part of our strategy, we will continue improving our technological infrastructure to support our shipping agencies, individual lines, logistics activities and various head office departments. We hope to leverage the effects of digitization to identify and exploit opportunities to spread best practices across our operations and streamline our operations to reduce overall costs. We will seek to use AI and big data to improve operating efficiency, identify and capture opportunities for growth and provide access to valuable information for our customers to provide a differentiated service. We have developed and deployed a global information system that consolidates data from across all our operations using real-time internet-linked technologies and a common software platform, allowing our employees access to the most up-to-date shipping information available. We created a department responsible for digital transformation, innovation, and AI. Among others, this department is responsible for coordinating our digital transformation, AI and innovation projects and the AI roadmap.

Reducing our environmental footprint with an ambitious investment strategy in our fleet.

We have a sustainable and environmentally friendly growth plan to support new requirements of various government regulations and of our clients as well as to ensure corporate social responsibility. Besides meeting the emission requirements set by the IMO and the EU regulations, we are committed to an ambitious decarbonization path. In December 2023, during COP28, our Chairman announced our ambition of reducing GHG emissions, targeting (i) a decrease of 30% by 2030, (ii) a decrease of 80% by 2040 and (iii) net zero carbon by 2050, compared to 2008 emissions. In addition, CEVA targets having 1,450 alternative fuel vehicles on the road in 2025 and using 100% renewable energy in its warehouses by 2025 by installing 1.8 million square meters of solar panels on its warehouses.

With respect to Container Shipping, our decarbonization strategy combines (i) the use of modern, efficient fleet using less carbon-intensive fuels, (ii) improvement of the environmental footprint due to retrofitting of our existing vessels and (iii) operational optimization due to projects such as “Smart Ships.” In particular, we are intent on developing one of the most efficient and environmentally friendly fleets in the shipping industry with a balanced consumption of LNG, HSFO (with retrofitting), low sulfur fuel oil and methanol. CMA CGM was the first container liner in 2017 to order 23,000 TEU LNG-propelled vessels which will be able to be replaced by bio methane and e-methane in the future without any change on the vessels. Indeed, although zero emission technology is not in existence yet for large container vessels, we have decided to invest in vessels propelled with transition energies, such as methane and methanol. Over time, these vessels could be operated with synthetic or green molecules (such as e-methane and e-methanol) hence giving a clear advance to our fleet. This is further evidenced by the fact that 71 of the 78 container vessels in our current orderbook as of June 30, 2024 are equipped with engines able to burn conventional marine fuels as well as either LNG (dual fuel LNG) or methanol (dual fuel methanol), allowing (in the case of LNG or methanol) for a significant reduction in carbon dioxide, sulfur, fine particles and nitrogen oxides emission. As of June 30, 2024, we operated 48 dual fuel LNG vessels, either owned or chartered, and our orderbook through 2028 will plan to have included 119 vessels that can be powered by bio/e-methane or bio/e-methanol, with a capacity between 2,000 and 24,000 TEU. We will continue to regularly order newbuild vessels and commit meaningful part of our capex in order to gradually shift our fleet towards a more carbon efficient fleet and contribute to achieving our decarbonization strategy.



Operational optimization is also key in reducing our carbon emissions. In this respect, we have developed new tools to enhance the efficiency of our operations, through the “Smart Ship” project, which seeks to collect real time data from vessels through electronic sensors and to subsequently discover inefficient operations through data analysis. Three CMA CGM fleet centers covering all time zones 24/7 are dedicated to assisting ships and performing intelligent maritime routing that minimizes fuel consumption. By analyzing multiple internal and external data sources, they define the best route for each of our vessels and provide optimized weather assistance in real-time. They work in close collaboration with the Operations Department, which optimizes all our operations (nautical and operational management of vessels, security of crews, reduction of port congestion, optimization of CMA CGM maritime and land network).

Since 2008, we have halved the carbon intensity of our maritime activities. For shipping activities (excluding specialized transport), well-to-wake CO₂ emissions (including direct emissions from combustion onboard “tank-to-wake” as well as upstream emissions linked to extraction, transport and supply of fuel “well-to-tank”) have decreased by almost one million tons of CO₂ in 2023 (to 29.2 million tons of CO₂ compared to 30.1 million tons in 2022 and 30.5 million tons in 2021), due, in particular, to an improvement in performance through speed optimizations, retrofits and entry of more efficient ships into the fleet (see “*Business—Environment, Quality, Safety and Sustainability*”).

We are equally committed to improving our carbon footprint in our logistics business. While CO₂ emissions increased by 2.4 million tons in 2023, this was mainly due to the extension of the integration of acquired entities (accounting for 1.6 million tons of CO₂ emissions) and the inclusion of subcontracted road transport not reported previously (accounting for 1.2 million tons), offsetting our efforts to decarbonize operations (photovoltaic panels and LED in warehouses, low carbon vehicles).

In September 2022, we announced the creation of the PULSE fund with a €1.5 billion budget in order to accelerate the decarbonization of the Group and the entire transport and logistics sector. As of December 31, 2023, a total of 41 projects representing a commitment of €460 million were approved. This includes internal projects as well as external investments (e.g. methanol retrofits, electrification of rubber-tired gantry cranes (RTGs) and the “Flexis” joint venture with Renault and Volvo to build electric vans), as well as an endowment fund called “Endowment Fund for the Decarbonization of the French Maritime Sector” managed by BPI. We also invest in new technologies and concepts (e.g., wind assistance).

We are committed to cultural and gender diversity throughout our organization. One of our key strategies is the continued promotion of cultural and gender diversity of our employees and giving everyone equal opportunities. Our workforce comprises over 168 nationalities, of whom 37% are women (including 34% within management).

Preserving a balanced financial policy, maintaining a strong liquidity position and financial flexibility

Notwithstanding recent trends in the shipping industry (consolidation and alliances in particular and capacity management initiatives more generally) tending to foster lower volatility in freight rates in the shipping market and intrinsically more stable or predictable earnings of the logistics business, we will continue to focus on improving our balance sheet profile and maintaining a strong liquidity position while also ensuring we have flexibility to invest in strategic assets to improve our long-term profitability and growth perspectives. We will also continue to seek greater centralization of assets within our Group, which provides us with the support of a strong balance sheet and facilitates potential leveraging of these assets in financial transactions. Our management

team has a proven ability to implement an agile and efficient financing strategy, to mobilize and leverage our assets and to maintain flexibility throughout the business cycle, including in the recent turbulent period marked by the COVID-19 pandemic.

In particular, our management team has a sharp focus on cash flow generation with cautious cash management and has instilled a culture of cash preservation and generation across the organization in order to reinvest in our business and fully capitalize on our orderbook. Our positive cash flow generation, driven by improving profitability, supports our robust liquidity position. Our free cash flow before cash flow from investing activities (calculated as operating cash flow minus lease payments, minus interest payments) for the first six months of 2024 was \$1,520 million, compared with \$4,003 million for the first six months of 2023. This is particularly due to laser focus on maintaining and increasing liquidity. As an example, we have long had and will maintain a policy to have our subsidiaries distribute as much of their net income as possible up to the parent company in order to strengthen our financial position. We will also continue to explore a variety of funding sources to support our liquidity position, including through debt capital markets transactions and leasing transactions, leveraging our strong relationship with our core banks and our securitization program reinforced by the addition of CEVA.

Recent Developments

Current trading and outlook

The significant deterioration in the geopolitical environment since the end of 2023 and the subsequent supply chain disruptions triggered by the Red Sea situation have resulted in a temporary supply/demand shock and a recovery of spot freight rates, compared to the levels observed during the fourth quarter of 2023. This has provided support to our Container Shipping segment.

In addition, since the beginning of the year, ocean volumes have also experienced a rebound, compared to a very low base in the first half of 2023, driven by the cautious approach adopted by shippers in the wake of persistent supply-chain disruptions contributing to ending the destocking cycle experienced during most of 2023.

Additional costs related to the diversion of most of our vessels through the Cape of Good Hope have so far been offset by higher spot freight rates, allowing profitability to recover in our Container Shipping segment since the beginning of the year, as compared to the fourth quarter of 2023. In addition, we experienced a particularly dynamic summer peak season this year supported by strong volumes and elevated spot freight rates.

In our Logistics segment, we are experiencing good momentum across all our products, except for our Freight Management (Ocean and Air) business, although this has been offset by the integration of Bolloré Logistics since February 28, 2024.

In light of the above, we expect our Adjusted EBITDA for the second half of 2024 to be significantly higher than our Adjusted EBITDA for the first half of 2024. Although the outlook remains uncertain, notably considering the geopolitical context (including potential further escalation of the military conflicts in the Middle East) and its potential impact on the macroeconomic backdrop, expected newbuild deliveries may ultimately weigh on the overall supply/demand balance in the industry at some stage and result in weakening freight indices, as observed in the recent weeks. However, we expect full year 2024 to have better financial results relative to 2023.

The preliminary operating and financial information underlying our expectations in respect of our second half 2024 results has not been audited, reviewed or compiled, nor have any procedures been performed by our independent auditors with respect thereto. Furthermore, our expectations with respect to our third and fourth quarter financial performance are based upon a number of assumptions and judgments that are subject to inherent uncertainties and are subject to change, and those changes may be material. These expectations and assumptions include a continuation of current operating conditions and shipping and logistics industry trends throughout the third and fourth quarters of 2024. While we have a certain degree of visibility as to our anticipated operating and financial performance during July and August, there can be no assurance that our expectations and assumptions for our third and fourth quarter performance will not change or otherwise prove inaccurate, including due to factors beyond our control (such as global macro-economic developments, including the ongoing Red Sea crisis). Accordingly, you should not place undue reliance on the forward-looking operating and financial information set forth above, and no opinion or any other form of assurance is provided with respect thereto.

Altice Media

On July 2, 2024, the Group (via CMA Audiovisual) completed the acquisition of Altice Media (now renamed RMC-BFM), a leading live news player in France, from Altice France for a total purchase price of €1.57 billion. CMA Audiovisual is indirectly owned by the Company (80%) and Merit (20%).

The purchase price for the acquisition was funded through intercompany loans granted to CMA Audiovisual by CMA Media and Merit France Investissements, *pro rata* to their respective shareholding in CMA Audiovisual. Such intercompany loans are convertible into equity of CMA Audiovisual. In July 2024, both such intercompany loans were partially converted into equity on a *pro rata* basis to maintain the Company's (through CMA Media) and Merit's (through Merit France Investissements) current 80/20 shareholding ratio in CMA Audiovisual.

See “*Business—Segments—Other—Media—Altice Media*” and “*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Loan from Merit in connection with acquisition of Altice Media.*”

Ongoing improvement of vessel and aircraft fleet

As of June 30, 2024, our orderbook comprised 78 container vessels to be delivered between 2024 and 2028, for an aggregate purchase price of approximately \$11.8 billion, of which approximately \$8.1 billion remained payable upon satisfaction of certain milestones up to delivery of these vessels. Since June 30, 2024, 14 container vessels have been delivered. See “*Business—Segments—Container Shipping—Current Orderbook.*”

On July 12, 2024, we entered into shipbuilding contracts with HD Hyundai Samco Co., Ltd. and HD Hyundai Heavy Industries Co., Ltd. for the order of 12 dual fuel LNG 15,500 TEU container vessels. These 12 vessels are expected to be delivered between April 2027 and June 2028. The total purchase price payable for these 12 vessels will be approximately \$2.7 billion, with 50% of this \$2.7 billion purchase price payable upon delivery. In addition, we undertook to purchase, at the time of delivery, two LNG 8,400 TEU container vessels currently under construction, for a total purchase price of approximately \$270 million. These vessels are expected to be delivered in 2026. As of the date of these listing particulars, no third-party financing arrangement has been entered into with respect to these 14 vessels. These investments are consistent with our strategy of remaining a leader in the industry in terms of profitability through cost control and operational efficiency and are also consistent with our strategy of modernizing and de-carbonizing our fleet. The 12 dual fuel LNG 15,500 TEU container vessels are expected to replace smaller vessels, allowing us to take advantage of the per-unit cost savings associated with larger vessels and ensure that we have sufficient capacity to accommodate growth in demand on this trade. We will then be able to cascade the vessels that they replace to other trades and thereby increase the average size of vessels in use and the cost efficiency across our network.

The Air Cargo business took delivery of a new Boeing B777F aircraft in August 2024, and expects to take delivery of another Boeing B777F aircraft in November 2024. In parallel, in line with our strategy to focus on long-haul services, we sold an A330F aircraft in August 2024 and another A330F aircraft in September 2024. We therefore have one A330F aircraft remaining in our fleet as of the date of these listing particulars. See “*Business—Segments—Other—Air Cargo.*”

New significant debt incurrence

On July 4, 2024, we issued an aggregate principal amount of €400.0 million of Original Notes, with which the Additional Notes offered hereby will be consolidated and form a single class (See “*Description of Certain Financing Arrangements—Senior Notes—The Original Notes.*”).

Santos Brasil

On September 22, 2024, the Group and certain funds managed by Opportunity (the “Sellers”) entered into a share purchase agreement (the “Santos Brasil SPA”), whereby the Group agreed to acquire a 47.55% stake in Santos Brasil Participações S.A. (“Santos Brasil”) at the purchase price of BRL 15.30 per share, corresponding to an aggregate price of BRL 6.3 billion (approximately \$1.2 billion at the exchange rate prevailing on such date), subject to certain adjustments (the “Santos Brasil Acquisition”). Completion of the Santos Brasil Acquisition is subject to customary conditions, including approvals from the relevant Brazilian authorities (including the National Waterway Transportation Agency and the Administrative Council for Economic Defense), and is currently expected to take place in the first quarter of 2025. Over the period from September 25, 2024 through September 27, 2024, the Group acquired on the market a 3.1% stake in Santos Brasil. Accordingly, after

completion of the Santos Brasil Acquisition, the Group is expected to hold approximately 51% of Santos Brasil's shares.

Following completion of the Santos Brasil Acquisition, the Group will launch a tender offer to acquire the remaining shares of Santos Brasil at the same price as it pays to acquire the 47.55% stake (i.e., BRL 15.30 per share, as adjusted at closing). If all of the remaining shares are tendered the aggregate acquisition price for such shares (using the unadjusted per share acquisition price of BRL 15.30 per share) would be BRL 6.6 billion (approximately \$1.2 billion at the exchange rate prevailing on September 22, 2024).

Santos Brasil is a leading terminal operator in Brazil with eight assets, including three container terminals, one vehicle terminal, one liquid bulk terminal and three logistics facilities. These assets are located in the ports of Santos, Imbituba, Vila do Conde and Itaquí. Santos Brasil's principal asset is the container terminal "Tecon Santos" in the State of São Paulo. The Tecon Santos terminal is the largest container terminal in South America. This multi-user facility terminal is ideally located in the port allowing easy access, has first-class infrastructure, has a current capacity of 2.5 million TEU and has three berth slots each capable of handling 14,000 TEU ships. The Tecon Santos terminal's concession expires in 2047.

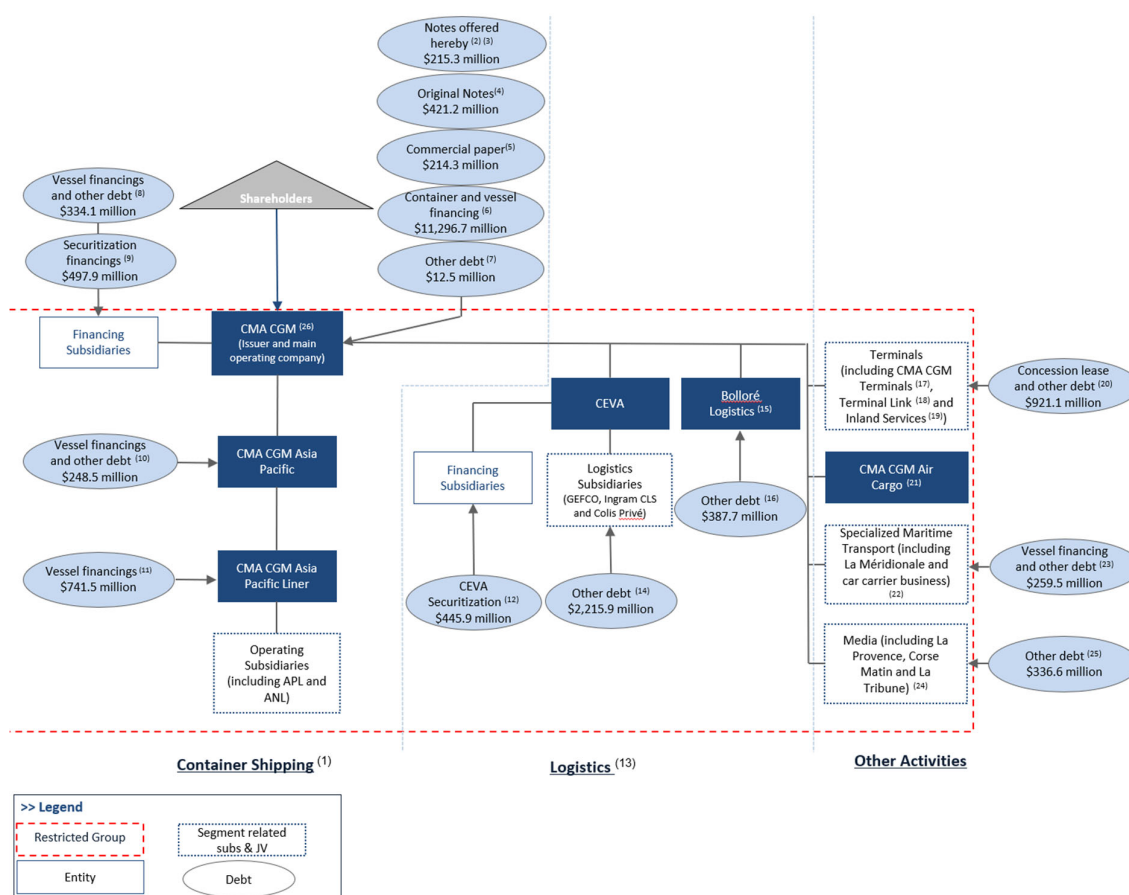
The Group has been operating in Brazil for over 20 years, and it has developed its Brazilian business both organically through acquisitions (such as the acquisition of Mercosul in 2017). The Group intends to further develop its line calls in Brazil and further improve its offering to Brazilian exporters and importers, thereby responding to an increasing demand in the region. The Group intends to accelerate investments in Santos Brasil's terminals, with an objective to increase their combined capacity in the coming years, in line with the commitments undertaken by Santos Brasil with port authorities.

The acquisition of Santos Brasil furthers the Group's strategy to reinvest profits in order to reinforce its business (following the acquisition of Ingram CLS, Colis Privé and GEFECO in 2022, La Méridionale and La Tribune in 2023 and Bolloré Logistics and Altice Media in 2024). It is also in line with the recent expansion of our Terminals business, especially in Americas (including the acquisition of the FMS terminal in the Los Angeles/Long Beach port area in 2022 and Port Liberty Terminals in New York and Bayonne in 2023). See *"Business—Our Strengths—Our business model is built around a modern, valuable and largely unencumbered asset base of vessels and containers, suited to decarbonization, as well as strategic logistics and infrastructure assets"* and *"Business—Segments—Other—Terminals."*

CORPORATE AND FINANCING STRUCTURE

The following chart shows a simplified summary of our corporate and financing structure on an as adjusted basis as of June 30, 2024, after giving effect to the issuance of the (A) Additional Notes offered hereby and the use of the net proceeds therefrom (see “*Use of Proceeds*”) and (B) Original Notes and the use of the net proceeds therefrom, in each case as if such events had occurred on June 30, 2024. The indebtedness below is based on the obligations of the principal obligor only and does not reflect the impact of any guarantees. Any indebtedness denominated in euros or Singapore dollars has been converted using the Company’s balance sheet exchange rates of \$1.00 = €0.93345 and \$1.00 = SG\$1.35540, respectively, as of June 30, 2024. The indebtedness figures set forth below are based on the Unaudited Interim Condensed Consolidated Financial Statements (as adjusted as mentioned above). As such, the figures may reflect certain accounting adjustments that will cause them to differ from the outstanding nominal amount of such indebtedness, including in particular netting of certain transaction costs in accordance with IFRS, amortization. For more information, see “*Principal Shareholders*,” “*Description of Certain Financing Arrangements*,” “*Description of Notes*,” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations and Commercial Commitments*.”

As of the Original Issue Date, all of our subsidiaries became subject to the restrictive covenants of the Indenture. See “*Description of Notes—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*” and “*Description of Notes—Certain Definitions*.”



(1) See “*Business Segments—Container Shipping*.”

(2) We estimate that the net proceeds from this offering will be approximately \$215.3 million (using the Company’s consolidated balance sheet exchange rate of \$1.00 = €0.93345 as of June 30, 2024), after deducting the Initial Purchasers’ fees and the estimated offering expenses payable by us. We expect to use the net proceeds from the offering for general corporate purposes, which may include potential future acquisitions. See “*Use of Proceeds*.”

- (3) The Additional Notes offered hereby will rank pari passu in right of payment with any of the Company's existing and future indebtedness that is not subordinated in right of payment to the Notes. The Additional Notes offered hereby will be effectively subordinated in right of payment to statutorily preferred obligations and to any of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The Additional Notes offered hereby will be structurally subordinated to any existing and future indebtedness of the Company's subsidiaries for so long as they do not guarantee the Notes. See *"Risk Factors—Risks relating to the Notes, the Offering and Other Financings"* and *"Description of Notes."*
- (4) Represents the net proceeds from the issuance of the Original Notes. The Original Notes rank pari passu in right of payment with any of the Company's existing and future indebtedness that is not subordinated in right of payment to the Original Notes. The Original Notes are effectively subordinated in right of payment to statutorily preferred obligations and to any of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The Original Notes are structurally subordinated to any existing and future indebtedness of the Company's subsidiaries for so long as they do not guarantee the Original Notes.
- (5) Represents the aggregate outstanding amount of our European commercial paper program. For more information see *"Description of Certain Financing Arrangements—Senior Notes."* In August and September 2024, we rolled over the maturity of some of our commercial paper we had issued under our NEU CP so that our program remains drawn at a level of €200 million as of the date of these listing particulars.
- (6) Represents the aggregate outstanding amount of (i) lease liabilities incurred by the Company for container and vessel financings purposes, of which (x) \$2,817.6 million was outstanding under container leases and (y) \$6,391.0 million was outstanding under vessel leases signed by the Company with respect to 253 vessels, and (ii) vessels' bank borrowings (including French tax leases and other similar financial lease arrangements) entered into by the Company to finance the acquisition of the Company's owned vessels for an amount of \$2,088.1 million with respect to 27 vessels. For more information, see *"Description of Certain Financing Arrangements—Lease Liabilities—Container Leases," "Description of Certain Financing Arrangements—Lease Liabilities—Vessel Leases—CMA CGM (excluding CMA CGM Asia Pacific Liner)"* and *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM (excluding CMA CGM Asia Pacific)."*
- (7) Includes (i) \$1.2 million of outstanding bank overdrafts, (ii) accrued but unpaid interest for an outstanding amount of \$35.1 million, and (iii) a deduction of \$32.1 million of deferred issuance costs related to the Company's (undrawn) revolving credit facility. As of June 30, 2024, no amounts were drawn under (i) the Company's up to \$2.0 billion unsecured revolving credit facility, (ii) the Company's up to \$150 million unsecured short-term loan facility agreement for general corporate purposes and investments in sub-Saharan African jurisdictions, and (iii) the Company's non-committed reverse factoring agreement. For more information, see *"Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing,"* and *"Description of Certain Financing Arrangements—Bank Overdrafts."*
- (8) Represents, as of June 30, 2024, (i) \$300.6 million of aggregate outstanding amount under secured vessels financings incurred by wholly-owned finance subsidiaries, and guaranteed by the Company, with respect to 14 vessels, and (ii) real estate financing raised by SCI Tour d'Arenç under a €200.0 million mortgage term loan facility (of which \$33.5 million was outstanding as at June 30, 2024) granted to finance the construction of our headquarters in Marseille. For more information, see *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM (excluding CMA CGM Asia Pacific),"* and *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Real Estate Financing—Tour d'Arenç."*
- (9) Represents the outstanding amount under CMA CGM securitization program, pursuant to which certain receivables of the Company and certain of its subsidiaries are assigned to CMA CGM & ANL Securities B.V., as securitization issuer. For more information, see *"Description of Certain Financing Arrangements—Securitization Programs—CMA CGM Securitization Program."*
- (10) Mainly represents (i) \$175.6 million of aggregate outstanding amount of vessels' bank borrowings entered into by CMA CGM Asia Pacific to finance the acquisition of two vessels and (ii) \$66.6 million of non-vessels related lease liabilities. As of June 30, 2024, no amounts were drawn under the secured revolving credit facility agreements (for an aggregate principal amount of up to \$535 million) entered into by CMA CGM Asia Pacific. Since June 30, 2024, CMA CGM Asia Pacific drew \$49 million under two newly entered into mortgage facility agreements, guaranteed by CMA CGM, in connection with the financing of two dual fuel LNG vessels under construction. For more information, see *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM Asia Pacific"* and *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Secured Revolving Credit Facilities CMA CGM Asia Pacific."*
- (11) Represents, as of June 30, 2024, the aggregate of (i) \$163.9 million aggregate outstanding amount under mortgage facility agreements with respect to six vessels, and (ii) \$574.7 million aggregate outstanding amount under lease arrangements with respect to 44 vessels. The financing in respect of two of these six vessels financed under mortgage facility agreements has been repaid at maturity in July and September 2024. For more information, see *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM Asia Pacific,"* and *"Description of Certain Financing Arrangements—Lease Liabilities—Vessel Leases—CMA CGM Asia Pacific Liner."*
- (12) Represents the aggregate outstanding amount under CEVA's securitization program, pursuant to which a number of European, U.S. and Australian subsidiaries of CEVA, acting as originators, have agreed to sell on a daily basis their receivables to securitization issuers. For more information, see *"Description of Certain Financing Arrangements—Securitization Programs—CEVA Securitization Program."*
- (13) See *"Business—Segments—Logistics."*
- (14) Mainly represents (i) lease liabilities for \$2,107.7 million, and (ii) \$73.7 million aggregate outstanding amount under unsecured short-term facility agreements entered into by GEFCO and one of its subsidiaries. For more information, see *"Description of Certain Financing Arrangements—Lease Liabilities—Logistics Lease,"* and *"Description of Certain Financing Arrangements—Bank Borrowing—Unsecured Financing—Unsecured term loan facilities—GEFCO."*
- (15) See *"Business—Segments—Logistics—Bolloré Logistics."*
- (16) Mainly represents the aggregate outstanding amount of financings incurred by Bolloré Logistics, namely (i) \$101.7 million outstanding under factoring agreements, (ii) \$19.1 million outstanding under secured term loan facility agreements, (iii) \$10.8 million outstanding under unsecured term loan facility agreements, and (iv) \$250.9 million of lease liabilities. For more information, see *"Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Bolloré Logistics Factoring," "Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Real Estate Financing—Bolloré Logistics," "Description of Certain Financing Arrangements—Unsecured Financing—Unsecured term loan facilities—Bolloré Logistics,"* and *"Description of Certain Financing Arrangements—Lease Liabilities—Logistics Leases."*
- (17) Terminals include 37 terminals held by CMATH and CMA CGM, including FMS terminal, Port Liberty Bayonne terminal and Port Liberty New York terminal. See *"Business—Segments—Other—Terminals—CMA CGM Terminals."*

- (18) Terminal Link is a joint venture with CMP; we own 51% of Terminal Link and the remaining 49% is owned by CMP. Terminal Link holds interest in 21 terminals. See “*Business—Segments—Other—Terminals—Terminal Link*.”
- (19) See “*Business—Segments—Other—Terminals—Inland Facilities*.”
- (20) Mainly represents the aggregate outstanding amount under terminal concession lease obligations of our subsidiaries and joint ventures in our terminal business, including \$716.7 million relating to the FMS terminal concession and \$71.0 million relating to Port Liberty terminal concessions.
- (21) See “*Business—Segments—Other—Air Cargo*.”
- (22) See “*Business—Segments—Other—Specialized Maritime Transport*.”
- (23) Mainly represents, as of June 30, 2024, (i) \$241.0 million of lease liabilities related to car carriers, and (ii) \$13.8 million outstanding under bank debt financing incurred by La Méditerranée for the acquisition of one passenger vessel. For more information, see “*Business—Segments—Other—Specialized Maritime Transport—La Méditerranée*” and “*Business—Segments—Other—Specialized Maritime Transport—Car Carrier Business*.”
- (24) The media activities of the Group are managed by CMA Media, which currently owns CMA Press News (formerly Whynot Media), which directly and indirectly owns the companies operating the newspapers La Provence, Corse Matin, and La Tribune. On July 2, 2024, the Group completed the acquisition of Altice Media (now renamed RMC-BFM) from Altice France. See “*Business—Segments—Other—Media*.”
- (25) Represents the amount outstanding under the shareholder loan granted by Merit to CMA Audiovisual on June 28, 2024, for the acquisition of Altice Media on July 2, 2024 (now renamed RMC-BFM). See “*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Loan from Merit in connection with acquisition of Altice Media*,” including for a description of the partial conversion of the shareholder loan granted by Merit into equity in CMA Audiovisual in July 2024.
- (26) As of June 30, 2024, the Company, together with its dedicated vessel financing SPVs and the shipping agencies in which it holds at least a majority stake (see “*Business—Segments—Container Shipping—Management and Operations—Shipping Agencies*”), held 55.5% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, the Company, together with such SPVs and shipping agencies, generated 56.0% of the Group’s revenues and 68.0% of the Group’s Adjusted EBITDA.

Vessel financing SPVs are separate legal entities from, and are wholly owned by, the Company. We believe it is helpful to consider the figures presented above for the Company and the vessel financing SPVs on a combined basis because such SPVs generally hold no assets other than one container vessel (and related insurance coverage) and have no outstanding third-party financial indebtedness other than the secured indebtedness incurred to finance the acquisition, construction or improvement of that vessel. In addition, our vessel financing SPVs typically charter the relevant vessel to the Company and derive revenue solely from such chartering agreements. Such revenue is equal to the amounts of debt service and insurance coverage payments the SPV is required to make, which amounts are paid directly to the lenders or insurance providers by the Company. The Company recognizes any payments it makes on behalf of such SPVs under such charter agreements as an expense, which decreases the Company’s Adjusted EBITDA on a stand-alone basis, although under our Group policy and the terms of the Notes, as further described below, such SPVs will, subject to certain exceptions, distribute their net income directly or indirectly to the Company. As of June 30, 2024, the Company’s dedicated vessel financing SPVs held 5.3% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, such SPVs generated nil of the Group’s revenues and 4.5% of the Group’s Adjusted EBITDA.

Shipping agencies are separate legal entities from the Company, and are generally wholly owned by the Company. Such shipping agencies have only a limited amount of assets, consistent with our policy to centralize assets in dedicated vessel financing SPVs or at the Company level. Such shipping agencies also have a limited amount of indebtedness (\$96.3 million of indebtedness, which in the aggregate represented 0.5% of the Group’s consolidated indebtedness as of June 30, 2024). As of June 30, 2024, such shipping agencies held 3.4% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, such shipping agencies generated 1.2% of the Group’s revenues and 4.4% of the Group’s Adjusted EBITDA.

THE OFFERING

The following is a brief summary of certain terms of this offering. For additional information regarding the Additional Notes, see “*Description of Notes*.”

Issuer	CMA CGM S.A., a French <i>société anonyme</i> .
Notes Offered	€200,000,000 aggregate principal amount of 5.500% Senior Notes due 2029 (the “Additional Notes”), to be consolidated and form a single class with the €400,000,000 5.500% Senior Notes due 2029 issued on July 4, 2024 (the “Original Notes,” and, together with the Additional Notes, the “Notes”).
Issue Price	101.500%, plus interest deemed to be accrued from (and including) the Original Notes Issue Date to (but excluding) the Additional Notes Issue Date.
Additional Notes Issue Date	October 8, 2024.
Maturity	The Notes will mature on July 15, 2029.
Interest Rate	The Notes will bear interest at a rate of 5.500% per year.
Interest Payment Dates	January 15 and July 15, beginning on January 15, 2025.
Denomination	The Additional Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Ranking	The Additional Notes will be our unsecured senior obligations and will: • rank senior in right of payment to all our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the Notes; • rank equally in right of payment to all our existing and future senior debt and obligations that are not, by their terms, expressly subordinated in right of payment to the Notes; • be effectively subordinated in right of payment to statutorily preferred obligations and to all our existing and future secured indebtedness to the extent of the value of the assets securing such debt; and • be structurally subordinated to all existing and future debt and obligations of our subsidiaries.

As of June 30, 2024, on an as adjusted basis after giving effect to the issuance of the (i) Additional Notes offered hereby and the use of the net proceeds therefrom and (ii) Original Notes and the use of the net proceeds therefrom, in each case as if such events had occurred on June 30, 2024, we would have had \$18,672.3 million of indebtedness (on a consolidated basis), of which \$12,401.0 million would have been our indebtedness (on a standalone basis) and \$6,271.3 million would have been debt of our subsidiaries (based on the obligations of the principal obligor only and not reflecting the impact of any guarantees). On a standalone basis, \$11,578.0

million of our indebtedness would have been secured indebtedness.

As of June 30, 2024, the Issuer, together with its dedicated vessel financing SPVs and the shipping agencies in which it holds at least a majority stake (see “*Business—Segments—Container Shipping—Management and Operations—Shipping Agencies*”), held 55.5% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, the Issuer, together with such SPVs and shipping agencies, generated 56.0% of the Group’s revenues and 68.0% of the Group’s Adjusted EBITDA.

As of June 30, 2024, the Issuer’s dedicated vessel financing SPVs held 5.3% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, such SPVs generated nil of the Group’s revenues and 4.5% of the Group’s Adjusted EBITDA.

As of June 30, 2024, such shipping agencies held 3.4% of the Group’s total assets, excluding investments in the stock of subsidiaries, and for the twelve-month period ended June 30, 2024, such shipping agencies generated 1.2% of the Group’s revenues and 4.4% of the Group’s Adjusted EBITDA.

For more information, see “*Corporate and Financing Structure*.”

Optional Redemption

At any time prior to July 15, 2026, we may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium described in these listing particulars and accrued and unpaid interest to the date of redemption. For more information, see “*Description of Notes—Optional Redemption of Notes*.”

In addition, at any time prior to July 15, 2026, we may redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 105.500% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date provided that at least 50% of the aggregate principal amount of the Notes (including any Additional Notes (as defined herein)) originally issued remain outstanding after the redemption. For more information, see “*Description of Notes—Optional Redemption of Notes*.”

We may redeem the Notes on or after July 15, 2026, in whole or in part, at our option at the redemption prices set forth under the caption “*Description of Notes—Optional Redemption of Notes*,” plus accrued and unpaid interest, if any. For more information, see “*Description of Notes—Optional Redemption of Notes*.”

In addition, we may redeem all, but not less than all, of the Notes upon not less than 10 or more than 60 days’ notice, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption

date, if we have or will become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. For more information, see “*Description of Notes—Optional Redemption of Notes—Redemption upon Changes in Withholding Taxes.*”

Additional Amounts

Any payments made by the Issuer with respect to the Notes will be made without withholding or deduction for taxes in any jurisdiction unless required by law. If any deduction or withholding for taxes of a relevant tax jurisdiction is required by law with respect to a payment under or with respect to the Notes, subject to certain exceptions, the Issuer will pay the additional amounts necessary so that the net amount received after the withholding is not less than the amount they would have received in the absence of such withholding. See “*Description of Notes—Additional Amounts.*”

Change of Control

Upon the occurrence of a “Change of Control,” you will have the right, as holders of the Notes, to require us to repurchase some or all of your Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of the purchase. For a summary of what constitutes a “Change of Control,” see “*Description of Notes—Purchase of Notes upon a Change of Control.*”

We may not be able to pay you the required price for Notes you present to us at the time of a Change of Control, because we may not have enough funds at that time; or the terms of our senior debt may prevent us from making such payment.

Covenants

The Indenture contains covenants for the benefit of the holders of the Notes that include, subject to important limitations and exceptions, restrictions on our ability and the ability of our Restricted Subsidiaries to:

- incur additional debt;
- create liens on assets to secure debt;
- make payments, including dividends or other distributions, with respect to shares of the Issuer or the Restricted Subsidiaries;
- prepay or redeem subordinated debt or equity;
- make investments;
- engage in transactions with affiliates;
- in the case of a Restricted Subsidiary, guarantee our debt;
- designate our subsidiaries as unrestricted subsidiaries;
- engage in a business not related to our business or that of the Restricted Subsidiaries; and
- consolidate or merge with or into, or sell or otherwise dispose of all or substantially all our assets to, another

person.

Certain covenants will be suspended after the Notes obtain investment grade ratings from at least two of Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("Standard & Poor's" or "S&P") and Fitch Ratings Ltd. ("Fitch"). For more information, see "*Description of Notes.*"

Fungibility of the Additional Notes and the Original Notes

The Additional Notes (which constitute "Additional Notes" as defined in the Indenture) and the Original Notes will form a single class of notes for all purposes under the Indenture, including, without limitation, in respect of interest payments, waivers, amendments, redemptions and offers to purchase. The Additional Notes will share the same ISINs and Common Codes as the Original Notes.

Transfer Restrictions

We have not registered the Additional Notes under the Securities Act or the securities laws of any other jurisdiction and we do not intend to do so. Consequently, you may not offer or sell the Additional Notes within the United States except pursuant to an exemption from, or in a transaction not subject to, the Securities Act or in other jurisdictions except under an exemption from, or in a transaction not subject to, the applicable securities laws of such other jurisdictions. See "*Plan of Distribution*" and "*Notice to Investors.*"

Qualified Reopening

We expect to treat the Additional Notes offered hereby as issued in a "qualified reopening" of the Original Notes issued on July 4, 2024 for U.S. federal income tax purposes. If the Additional Notes are so treated, they will be considered to have the same issue date and issue price as the Original Notes for U.S. federal income tax purposes and will be fungible with the Original Notes for such purposes. See "*Certain Tax Considerations—U.S. Federal Income Tax Considerations.*"

Use of Proceeds

We expect the net proceeds from the offering of the Additional Notes to be approximately \$215.3 million (using the Company's balance sheet exchange rate of \$1.00 = €0.93345 as of June 30, 2024), after deducting the Initial Purchasers' discounts and the estimated offering expenses payable by us. We expect to use the net proceeds from the offering of the Additional Notes for general corporate purposes. See "*Use of Proceeds.*"

No Prior Market

The Additional Notes will be new securities for which there is a very limited market history based on the Original Notes with which the Additional Notes will be consolidated and form a single class. Accordingly, we cannot assure you as to whether a market for the Additional Notes will continue to develop or be maintained or as to the liquidity of any such market. While the Initial Purchasers have informed us that they currently intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making activities in their sole discretion at any time without notice. See also "*Fungibility of the Additional Notes and the Original Notes.*"

Trustee

U.S. Bank Trustees Limited.

Paying Agent, Transfer Agent and Registrar Elavon Financial Services DAC.

Listing We will apply to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange. The Original Notes are listed on the Official List of the Luxembourg Stock Exchange and have been admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange.

Governing Law New York law.

ADDITIONAL INFORMATION

Our head office and principal executive offices are located at Boulevard Jacques SAADE 4 Quai d'Arenc, 13002 Marseille Cedex 02, France. Our telephone number is +33 (0) 4 8891 9000. We were registered in Marseille (France) on July 12, 1977.

SUMMARY FINANCIAL AND OPERATING INFORMATION

Summary Historical Consolidated Financial Information

The following tables present summary consolidated financial and operating information for the Company at the dates and for the periods indicated. The summary historical consolidated financial information as of and for the years ended December 31, 2021 (as comparative information), 2022 and 2023 is derived from the Audited Consolidated Financial Statements. The summary historical consolidated financial information as of and for the six-month periods ended June 30, 2023 (as comparative information) and 2024 is derived from the Unaudited Interim Condensed Consolidated Financial Statements. Free English language translations of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements are included elsewhere in these listing particulars.

Certain amounts with respect to the year ended December 31, 2022 were restated in the 2023 Audited Financial Statements in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12 (see the 2023 Audited Consolidated Financial Statements for more information). With respect to the consolidated statement of profit and loss, the restatement only impacted the line item “other income or expense, net” and lines below such line item which include such amount in their total. There was no profit and loss impact resulting from the amendment of IAS 12. With respect to the statement of financial position, the restatement resulted in a reclassification from goodwill to other intangible assets, with some deferred tax implications, and a depreciation of goodwill against equity (through the profit and loss restatement disclosed above). The presentation below has been based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements.

On February 29, 2024, we announced the completion of the cash purchase of 100% of Bolloré Logistics, a leading transport and logistics company in France, and one of the main players in the sector worldwide. The results of operations and assets and liabilities of Bolloré Logistics were accounted for in the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the full consolidation method of accounting as from February 29, 2024. For further information, see “—Pro Forma Information” below.

You should read this summary consolidated financial and operating information along with the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements.

Consolidated Income Statement Data (in \$ million)	Year ended December 31,			Six-month period ended June 30,		Twelve months ended June 30,
	2021	2022	2023	2023	2024	2024
Revenue	55,975.7	74,497.9	47,015.8	25,011.1	24,963.9	46,968.7
Operating expenses.....	(32,873.1)	(41,191.2)	(38,006.1)	(18,994.0)	(20,098.6)	(39,110.7)
Adjusted EBITDA⁽¹⁾	23,102.6	33,306.7	9,009.7	6,017.1	4,865.3	7,858.0
Gains / (losses) on disposal of property and equipment and subsidiaries.....	52.4	13.0	37.3	21.4	10.4	26.3
Depreciation and amortization of non-current assets	(3,427.9)	(5,543.1)	(4,819.7)	(2,371.2)	(2,525.6)	(4,974.1)
Other income and expenses.....	(172.9)	(1,577.3)	(299.7)	(123.9)	(339.4)	(515.3)
Operating exchange gain/losses.....	31.4	97.1	51.6	43.5	31.8	39.9
Net present value (NPV) benefits related to assets financed by tax leases.....	70.6	77.2	87.6	35.1	33.6	86.1
Share of income / (loss) from associates and joint ventures.....	(42.9)	(38.9)	(15.5)	(3.7)	0.5	(11.3)
EBIT⁽²⁾	19,613.4	26,334.6	4,051.4	3,618.3	2,076.6	2,509.6
Core EBIT⁽³⁾	19,748.8	27,857.9	4,275.8	3,677.1	2,384.9	2,983.6
Interest expense on borrowings net of interest income on cash and cash equivalents.....	(321.2)	69.6	593.4	335.1	22.8	281.0
Interest expense on leases.....	(763.1)	(909.2)	(868.2)	(442.1)	(433.0)	(859.0)
Other net financial items.....	(214.1)	(24.5)	190.4	68.7	(63.3)	58.4
Income taxes.....	(370.1)	(587.5)	(292.9)	(208.5)	(137.2)	(221.7)

Consolidated Income Statement Data (in \$ million)	Year ended December 31,			Six-month period ended June 30,		Twelve months ended June 30,
	2021	2022	2023	2023	2024	2024
Profit / (loss) for the period	17,944.9	24,882.9	3,674.1	3,371.6	1,465.8	1,768.4
Of which:						
Non-controlling interests	50.9	68.8	36.6	29.2	20.0	27.5
Owners of the parent company	17,893.9	24,814.1	3,637.5	3,342.4	1,445.8	1,740.9

- (1) See the table below for a reconciliation of Adjusted EBITDA to EBIT and “Presentation of Financial and Other Data.”
- (2) EBIT represents a measure equivalent to an operating profit / (loss). See “*Certain Terms and Conventions*” and “*Presentation of Financial and Other Data*.”
- (3) Core EBIT represents EBIT less gains / (losses) on disposal of property and equipment and subsidiaries, less other income and expenses, less operating exchange gain / losses and less impairment / non-recurring items recorded in associates and joint ventures. See the table below for a reconciliation of Core EBIT to EBIT and “Presentation of Financial and Other Data.”

Consolidated Balance Sheet Data (in \$ million)	As of December 31,			As of June 30,
	2021	2022	2023	2024
Goodwill and other intangible assets	4,902.7	9,720.4	12,130.2	17,229.3
Vessels	18,561.3	20,792.6	23,914.4	25,060.6
Containers	4,376.3	4,894.6	4,882.7	4,818.6
Land and buildings	1,946.1	2,836.9	3,066.8	3,632.0
Other property and equipment	1,485.7	3,238.8	4,267.7	4,115.3
Other non-current assets ⁽¹⁾	1,698.6	3,144.5	4,568.9	4,494.8
Inventories	724.1	1,046.9	934.1	987.0
Trade and other receivables	4,504.2	6,223.4	6,564.2	7,145.0
Income tax assets	120.2	251.4	240.2	201.7
Securities and other current financial assets ⁽²⁾	874.5	12,677.1	4,445.1	1,538.8
Cash and cash equivalents	10,130.9	8,913.5	7,133.4	5,425.8
Other current assets ⁽³⁾	2,659.1	1,959.3	1,466.1	2,266.6
Assets classified as held for sale	-	23.5	45.0	193.8
Total assets	51,983.6	75,722.9	73,658.9	77,109.3
Total equity	23,918.0	45,460.7	45,565.3	45,537.9
Non-current borrowings and lease liabilities	14,649.4	13,938.7	12,772.6	14,218.9
Other non-current liabilities ⁽⁴⁾	1,169.6	2,222.5	2,282.2	3,013.4
Current borrowings and lease liabilities	3,552.1	3,356.2	3,162.7	3,816.8
Other current liabilities ⁽⁵⁾	8,694.5	10,720.8	9,876.0	10,463.2
Liabilities associated with assets classified as held-for-sale	-	24.0	0.0	59.1
Total liabilities and equity	51,983.6	75,722.9	73,658.9	77,109.3

- (1) “Other non-current assets” represents deferred tax assets, investments in associates and joint ventures, derivative financial instruments and other non-current assets (financial and operating).
- (2) See Note 6.3.2 to the Audited Consolidated Financial Statements and 6.2.2 in the Unaudited Interim Condensed Consolidated Financial Statements.
- (3) “Other current assets” represents derivative financial instruments, prepaid expenses and contract assets.
- (4) “Other non-current liabilities” represents derivative financial instruments, deferred tax liabilities, provisions and employee benefits obligations and non-current deferred income.
- (5) “Other current liabilities” represents derivative financial instruments, current portions of provisions, employee benefits, trade and other payables, current income tax liability and current deferred income.

Consolidated Cash Flow Statement Data (in \$ million)	Year ended December 31,			Six-month period ended June 30,	
	2021	2022	2023	2023	2024
Cash, cash equivalents and bank overdrafts at the beginning of the period ...	1,849.0	10,073.5	8,871.9	8,871.9	7,117.0
Cash flow from operating activities net of tax	22,230.5	33,466.4	7,745.4	5,646.5	3,516.9
Net cash (used in) / provided by investing activities	(4,127.2)	(23,862.2)	50.6	(812.3)	(2,109.1)
Net cash (used in) / provided by financing activities	(9,851.6)	(10,895.4)	(9,440.2)	(5,469.2)	(3,074.0)
Effect of exchange rate changes on cash and					

cash equivalents and bank overdrafts.....	(27.1)	89.6	(110.7)	(48.8)	(44.2)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts.....	8,224.6	(1,201.6)	(1,754.9)	(683.8)	(1,710.4)
Cash, cash equivalents and bank overdrafts at the end of the period	10,073.5	8,871.9	7,117.0	8,188.1	5,406.6

Other Consolidated Financial Data

The following table sets forth other consolidated financial data for the periods indicated.

(in \$ million)	As of or Year ended December 31,			As of or six-month period ended June 30,		As of or Twelve months ended June 30, 2024
	2021	2022	2023	2023	2024	
EBITDA ⁽¹⁾	23,155.0	33,319.7	9,047.0	6,038.5	4,875.7	7,884.3
EBITDA margin ⁽²⁾	41.4%	44.7%	19.2%	24.1%	19.5%	16.8%
Adjusted EBITDA ⁽¹⁾	23,102.6	33,306.7	9,009.7	6,017.1	4,865.3	7,858.0
Adjusted EBITDA margin ⁽²⁾	41.3%	44.7%	19.2%	24.1%	19.5%	16.7%
Capital expenditures ⁽³⁾	3,294.9	4,871.8	5,127.9	2,699.2	914.9	3,343.5
Core EBIT ⁽⁴⁾	19,748.8	27,857.9	4,275.8	3,677.1	2,384.9	2,983.6
Core EBIT margin ⁽⁴⁾	35.3%	37.4%	9.1%	14.7%	9.6%	6.4%
Interest expense of borrowings net of interest income on cash and cash equivalent ⁽⁵⁾	321.2	(69.6)	(593.4)	(335.1)	(22.8)	(281.0)
Net debt ⁽⁶⁾	7,719.7	7,724.8	8,147.4	n.a.	12,181.3	12,181.3
Economic net debt ⁽⁶⁾	7,719.7	(4,767.2)	3,702.5	n.a.	10,425.9	10,425.9
Spot leverage ratio ⁽⁷⁾	0.33	(0.14)	0.41	n.a.	n.a.	1.33
<i>As adjusted financial information⁽⁸⁾:</i>						
As adjusted cash and cash equivalents, securities and LTV deposits.....						6,672.3
As adjusted net debt.....						12,181.3
As adjusted economic net debt.....						10,425.9
As adjusted net interest expenses.....						316.4
As adjusted spot leverage ratio.....						1.33

- (1) EBITDA, as described in the Audited Consolidated Financial Statements included elsewhere in these listing particulars, is equal to the sum of the following income statement captions: "EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries" and "Gains / (losses) on disposal of property and equipment and subsidiaries." "Adjusted EBITDA" represents EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries. Neither EBITDA nor Adjusted EBITDA is a substitute for EBIT or net cash generated from operating activities as determined in accordance with IFRS. EBITDA and Adjusted EBITDA are presented as additional information because we believe that they are widely used as measures to evaluate a company's operating performance and financial requirements. Because EBITDA and Adjusted EBITDA are not calculated identically by all companies, our presentation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Our discretionary use of EBITDA and Adjusted EBITDA may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. See the table below for a reconciliation of EBITDA and Adjusted EBITDA to EBIT.
- (2) EBITDA margin represents EBITDA divided by revenue. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue.
- (3) Capital expenditures is defined as the sum of the following cash flow statement captions: purchases of intangible assets and the purchases of property and equipment. It does not include outflows for business combinations (i.e., the following cash flow statement captions: the acquisition of subsidiaries and new investments in associates and joint ventures). See Note 5.2.1 to the Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements.
- (4) Core EBIT represents EBIT less gains / (losses) on disposal of property and equipment and subsidiaries, less other income and expenses, less operating exchange gain / losses and less impairment / non-recurring items recorded in associates and joint

ventures. Core EBIT margin represents Core EBIT divided by revenue. See the table below for a reconciliation of Core EBIT to EBIT and “Presentation of Financial and Other Data.”

- (5) Interest expense of borrowings net of interest income on cash and cash equivalent represents interest expense on net financial debt excluding leases, less interest income on cash deposits.
- (6) Net debt represents non-current and current borrowings including lease liabilities less cash and cash equivalents (as per the statement of financial position) and less securities plus restricted cash (which is a component of “cash and & cash equivalents”). Economic net debt represents net debt less deposits not qualified as cash and cash equivalents. See the table below for a reconciliation of economic net debt to net debt.
- (7) Spot leverage ratio represents economic net debt referred to above (note 6) divided by Adjusted EBITDA for the twelve-month period ended as of the date indicated (note 1).
- (8) As adjusted to give effect to the issuance of the (A) Additional Notes offered hereby and the use of the net proceeds therefrom (see “Use of Proceeds”) and (B) Original Notes and the use of the net proceeds therefrom, in each case as if such events had occurred on June 30, 2024.

(in \$ million)	Year ended December 31,			Six-month period ended June 30,		Twelve months ended June 30, 2024
	2021	2022	2023	2023	2024	
Revenue	55,975.7	74,497.9	47,015.8	25,011.1	24,963.9	46,968.7
Of which Container Shipping Segment.....	45,290.2	58,946.3	31,394.8	17,223.1	16,144.5	30,316.2
Of which ⁽¹⁾ Logistics Segment	10,903.1	16,089.4	15,211.2	7,641.3	8,676.6	16,246.5
Of which Other Segment	882.5	1,805.5	2,001.0	898.6	1,201.5	2,303.9
EBIT	19,613.4	26,334.6	4,051.4	3,618.3	2,076.6	2,509.6
Less: Depreciation and amortization of non-current assets	(3,427.9)	(5,543.1)	(4,819.7)	(2,371.2)	(2,525.6)	(4,974.1)
Less: Other income and expenses	(172.9)	(1,577.3)	(299.7)	(123.9)	(339.4)	(515.3)
Less: Net present value (NPV) benefits related to assets financed by tax leases	70.6	77.2	87.6	35.1	33.6	86.1
Less: Share of profit / (loss) of the associates and joint ventures...	(42.9)	(38.9)	(15.5)	(3.7)	0.5	(11.3)
Less: Operating exchange gain / (losses).....	31.4	97.1	51.6	43.5	31.8	39.9
EBITDA.....	23,155.0	33,319.7	9,047.0	6,038.5	4,875.7	7,884.3
Less: Gain on disposal of property and equipment and subsidiaries	52.4	13.0	37.3	21.4	10.4	26.3
Adjusted EBITDA	23,102.6	33,306.7	9,009.7	6,017.1	4,865.3	7,858.0
Of which Container Shipping Segment.....	22,068.9	31,636.7	7,398.3	5,210.2	3,926.7	6,114.8
Of which ⁽¹⁾ Logistics Segment	881.5	1,222.6	1,375.9	687.0	810.9	1,499.8
Of which Other Segment	153.4	447.3	235.5	119.9	127.7	243.3

- (1) For a discussion of the basis of allocation of revenue and Adjusted EBITDA within the Logistics segment, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

CAPITAL EXPENDITURES (\$ millions)	For the year ended December 31,			For the six-month period ended June 30,		For the twelve months ended June 30,
	2021	2022	2023	2023	2024	2024
Ships.....	7,046.1	5,938.9	5,657.8	2,665.0	2,529.8	5,522.6
Containers.....	2,267.2	1,275.0	768.4	232.3	751.5	1,287.6
Aircraft.....	964.4	483.3	631.4	631.4	-	0.0
Terminal & dry port equipment.....	74.6	33.6	72.0	27.2	61.7	106.5
Software.....	103.3	146.0	148.8	70.5	61.9	140.3
Other intangible assets.....	0.3	0.2	3.8	0.1	6.0	9.6
Other tangible assets ⁽¹⁾	853.7	1,164.2	1,111.0	547.0	637.1	1,201.1
Total increase in the balance sheet..	11,309.6	9,041.3	8,393.2	4,173.4	4,047.9	8,267.7
of which vessel right-of use.....	4,889.7	2,789.3	1,933.6	942.7	1,039.5	2,030.4
of which container right-of use..	1,774.2	492.0	355.7	111.6	677.8	921.8

of which land and buildings right-of use.....	638.9	789.9	440.3	217.8	425.9	648.4
of which other right-of-use / non-cash capex.....	712.0	98.3	535.8	202.2	989.8	1,323.5
Total excl. right-of use.....	3,294.9	4,871.8	5,127.9	2,699.2	914.9	3,343.5
Total capital expenditures.....	3,294.9	4,871.8	5,127.9	2,699.2	914.9	3,343.5

(1) Other tangible assets include land, buildings and other property and equipment. See Notes 5.1 and 5.2.1 to the Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements.

(in \$ million)	Year ended December 31,			Six-month period ended June 30,		Twelve months ended June 30, 2024
	2021	2022	2023	2023	2024	
EBIT.....	19,613.4	26,334.6	4,051.4	3,618.3	2,076.6	2,509.6
Less: Gains / (losses) on disposal of property and equipment and subsidiaries		52.4	13.0	21.4	10.4	26.3
Less: Other income and (expenses).....	(172.9)	(1,577.3)	(299.7)	(123.9)	(339.4)	(515.3)
Less: Operating exchange gain / (losses)	31.4	97.1	51.6	43.5	31.8	39.9
Less: Impairment / non-recurring items recorded in associates and joint ventures	(46.5)	(56.1)	(13.7)	0.2	(11.1)	(25.0)
Core EBIT.....	19,748.8	27,857.9	4,275.8	3,677.1	2,384.9	2,983.6

(in \$ million)	As of December 31,			As of June 30,
	2021	2022	2023	2024
Total financial debt (current and non-current borrowings, including lease liabilities).....	18,201.5	17,295.0	15,935.3	18,035.8
Less: Cash and cash equivalents	10,130.9	8,913.5	7,133.4	5,425.8
Less: Securities	530.2	813.3	771.2	610.0
Plus: Restricted cash ⁽¹⁾	179.3	156.7	116.7	181.3
Net debt.....	7,719.7	7,724.8	8,147.4	12,181.3
Less: deposits not qualified as cash and cash equivalents ⁽²⁾	-	12,492.0	4,444.9	1,755.4
Economic net debt.....	7,719.7	(4,767.2)	3,702.5	10,425.9

(1) Restricted cash generally corresponds to some funds held by the Group which cannot be used outside of certain countries (including Algeria) due to the transfer restrictions.

(2) For further details on “deposits not qualified as cash and cash equivalents,” refer to Note 6.3.1 of the Unaudited Interim Condensed Consolidated Financial Statements and Audited Consolidated Financial Statements. Due to their relative short-term maturity, the Group considers such deposits as “financial resources.”

Summary Consolidated Operational Data

The following table sets forth summary consolidated operational data for the periods indicated.

Operational Data	As of or Year ended December 31,			As of or six-month period ended June 30,		As of or Twelve months ended June 30,
	2021	2022	2023	2023	2024	2024
Volumes transported	21,840.0	21,743.0	21,852.0	10,627.0	11,597.4	22,822.4
Total fleet capacity ⁽¹⁾	3,179.0	3,387.4	3,575.3	3,487	3,743	3,743
Container fleet (TEU).....	4,876.1	5,039.0	4,792.6	4,891	4,993	4,993
Number of owned container ships.....	192.0	233.0	249.0	239	267	267
Capacity of owned container ships.....	1,439.3	1,585.1	1,716.1	1,634	1,874	1,874
Number of chartered container ships	374.0	360.0	373.0	384	376	376
Capacity of chartered container ships	1,739.8	1,802.2	1,859.2	1,852	1,869	1,869
Average revenue per TEU⁽²⁾	2,073.7	2,711.0	1,436.7	1,620.7	1 392.1	1,328

(1) Controlled capacity, including vessels chartered out to third parties, as of the end of the period indicated.

(2) Average revenue per TEU represents total revenue of our shipping activity divided by total TEU volumes transported.

Pro Forma Information

Acquisition of Bolloré Logistics

The following tables include certain pro forma information with respect to the Group's acquisition of Bolloré Logistics (the "Pro Forma Information").

The Pro Forma Information has been prepared to illustrate the effect of the acquisition of Bolloré Logistics (which closed on February 29, 2024) on the Group's revenue, Adjusted EBITDA and Adjusted EBITDA margin for the twelve-month period ended June 30, 2024, as if the acquisition of Bolloré Logistics had taken place on July 1, 2023. The Pro Forma Information has been prepared on the basis of, and should be read in conjunction with, the description and notes set out below.

The Pro Forma Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation. As such, it is not intended to represent or be indicative of the revenue, Adjusted EBITDA or Adjusted EBITDA margin that the Group would have reported for the twelve-month period ended June 30, 2024 had the acquisition of Bolloré Logistics occurred on July 1, 2023, nor is it indicative of the results that may, or may not, be achieved by the Group for any future period.

The Pro Forma Information has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act or any generally accepted accounting standards, and should not be relied on as if it had been prepared in accordance with those requirements or standards. In addition, neither the Pro Forma Information nor the assumptions underlying it have been audited or reviewed in accordance with any generally accepted auditing standards (or indeed at all by the Group's auditors).

Investors should note that the Pro Forma Information is subject to greater uncertainty than, and is not directly comparable to, the Group's historical financial information presented elsewhere in these listing particulars. Consequently, potential investors should not place undue reliance on the Pro Forma Information.

Basis of preparation

For each of the Group and Bolloré Logistics, the information for the twelve-month period ended June 30, 2024 represents:

- (i) the sum of results for (x) the year ended December 31, 2023, and (y) the six months ended June 30, 2024;
- (ii) less results for the six months ended June 30, 2023.

Where indicated below, the contribution of Bolloré Logistics to the Group's unaudited revenue and Adjusted EBITDA as from the date of its consolidation by the Group (i.e., February 29, 2024) has been excluded to avoid any double counting.

The Pro Forma Information has been prepared based upon information derived from:

- (i) in the case of the Group, the Audited Consolidated Financial Statements, the Unaudited Interim Condensed Consolidated Financial Statements and information derived from the Group's management accounts and internal accounting records; and
- (ii) in the case of Bolloré Logistics, unaudited carve-out financial information relating to Bolloré Logistics for the relevant periods prepared by Group management.

In the case of Bolloré Logistics, further adjustments have been applied, including:

- (i) Revenue and Adjusted EBITDA derived from the French West Indies Divestment Businesses and the Polynesian Divestment Businesses, which are to be divested pursuant to the European Commission's approval of the Group's acquisition of Bolloré Logistics, have been excluded. The results of Bolloré Logistics Sweden AB are included. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions and Disposals—Acquisitions in Logistics—Acquisition in 2024—Acquisition of Bolloré Logistics*,"
- (ii) EUR-USD currency translations performed by Group management, based on average rates applicable to the relevant periods;
- (iii) certain immaterial non-operational revenues have been excluded; and
- (iv) in order to present the Adjusted EBITDA of Bolloré Logistics on a consistent basis with that of the Group, certain immaterial adjustments have been applied relating to the exclusion of operating exchange gain and loss from Adjusted EBITDA and the inclusion of operational income taxes in Adjusted EBITDA.

The calculations made to present the Pro Forma Information, including (but not limited to) the foregoing adjustments, are based on various assumptions and estimates by Group management and are inherently subject to risks and uncertainties.

In preparing the Pro Forma Information, no account has been taken of, and no adjustments have been made for, any synergies, or related costs, relating to the Group's acquisition of Bolloré Logistics.

Pro Forma Information for the Twelve-Month Period ended June 30, 2024

Pro Forma Revenue, Adjusted EBITDA and Adjusted EBITDA Margin	Twelve-month period ended June 30, 2024				
(in \$ million, except percentages)	Revenue		Adjusted EBITDA		Adjusted EBITDA Margin ⁽⁷⁾
Pro Forma	49,923.7	⁽⁵⁾	8,062.3	⁽⁶⁾	
Of which:					
Shipping.....	30,316.3	58.5%	6,114.8	75.8%	20.2%
Logistics.....	19,201.3	37.1%	1,704.2	21.1%	8.9%
Of which: ⁽¹⁾					
Freight Management ⁽²⁾	3,217.2		169.4		5.3%
Bolloré Logistics ⁽³⁾	4,586.5		320.9		7.0%
Ground Transportation ⁽²⁾	4,492.9		280.2		6.2%
Finished Vehicle Logistics	1,960.6		171.6		8.8%
Contract Logistics ⁽²⁾	4,944.1		762.1		15.4%
Other.....	2,303.9	4.4%	243.3	3.0%	10.6%
Eliminations ⁽⁴⁾	-1,897.9		-		
Pro Forma Leverage Ratio (in \$ million, except ratios)	As of or for twelve-month period ended June 30, 2024				
Economic net debt ⁽⁸⁾	10,425.9				
Adjusted EBITDA	7,857.9				
Pro Forma Adjusted EBITDA.....	8,062.3				
Group spot leverage ratio ⁽⁹⁾	1.33				
Pro Forma spot leverage ratio ⁽¹⁰⁾	1.29				

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- (1) For a discussion of the basis of allocation of revenue and EBITDA within the Logistics segment, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*”
 - (2) Figures exclude the contribution of Bolloré Logistics to the Group’s results as from the date of its consolidation by the Group, i.e., February 29, 2024. This contribution amounts to \$1.6 billion of revenue and \$116.5 million of Adjusted EBITDA.
 - (3) Bolloré Logistics has been included as a separate line item for illustrative purposes only. Figures include the amounts noted in the immediately preceding footnote (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023—EBITDA before gains / (losses) on disposal of property and equipment and subsidiaries*”). Bolloré Logistics does not, and is not expected in the future to, constitute a separate CGU within the Logistics segment. The activities of Bolloré Logistics primarily fall within the same scope as the Group’s Freight Management (Ocean and Air) CGU.
 - (4) The eliminations presented in this line item are derived from the Group’s published financial information only. No account has been taken of, and no adjustments have been made for, (i) any synergies, or related costs, relating to the acquisition of Bolloré Logistics, or (ii) pre-acquisition transactions between the Group and Bolloré Logistics.
 - (5) Expressed as a percentage of Pro Forma Revenue, excluding eliminations.
 - (6) Expressed as a percentage of Pro Forma Adjusted EBITDA, excluding eliminations.
 - (7) Pro Forma Adjusted EBITDA divided by Pro Forma Revenue.
 - (8) Economic net debt is calculated by deducting deposits not qualified as cash and cash equivalents from net debt. See Note 6.3.3 to the Group’s Unaudited Interim Condensed Consolidated Financial Statements. This amount does not reflect the impact of the closing of the acquisition of Altice Media on July 2, 2024, which decreased our cash balance by €1.57 billion (see “*Summary—Recent Developments—Altice Media*”).
 - (9) Economic net debt divided by Adjusted EBITDA.
 - (10) Economic net debt divided by Pro Forma Adjusted EBITDA.

RISK FACTORS

An investment in the Additional Notes involves a high degree of risk. In addition to the other information contained in these listing particulars, you should carefully consider the following risk factors before purchasing the Additional Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware, or that we currently believe are immaterial, could also adversely affect our business, results of operations and financial condition. If any of the possible events described below were to occur, our business, results of operations and financial condition could be materially and adversely affected. If that happens, the trading prices of the Additional Notes could decline, we may not be able to pay interest or principal on the Additional Notes when due and you could lose all or part of your investment.

These listing particulars also contain “forward-looking” statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in these listing particulars. See “Information Regarding Forward-Looking Statements.”

Risks Relating to the Shipping and Logistics Industries

Our businesses are highly sensitive to changes in global political, economic and financial conditions.

As a company involved in the international trade business globally, the Company’s operations and performance depend significantly on global political, economic and financial conditions. Market disruptions, which have recently become more frequent, and significant economic downturns may develop quickly due, among other things, to crises affecting credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt and bank debt rating downgrades, restructurings or defaults, or adverse geopolitical events. Any such disruption or downturn could affect the Company’s business temporarily or durably and have a material adverse effect on our business, financial condition and results of operations. Although in certain cases and depending on the broader circumstances, instability and consequential supply chain disruptions may temporarily tighten industry supply causing an increase in spot freight rates (as well as, with a lag, contract rates) and increase the Company’s profits, any prolonged instability and disruption of supply chains may harm the industries in which we operate and have a material adverse effect on our business, financial condition and results of operations.

The conflict between Israel and Hamas, other conflicts in the Middle East (including the recent escalation of military conflicts between Israel and Hezbollah) and the war between Russia and Ukraine have adversely affected and may continue to adversely affect the global supply chain and the maritime shipping industry. In response to Houthi attacks on shipping in the Red Sea, the Company and several other shipping companies have re-routed some of their services, leading to longer voyage schedules and higher costs of operations. Although such higher costs have so far been offset by an associated increase in spot freight rates, the situation could reverse as carriers regularly deploy newbuild capacity. We constantly monitor the situation and based on our case-by-case assessment of the relevant circumstances we continue to route some of our services through the Red Sea. We incur increased insurance costs in connection with passage through the Red Sea, and although we take precautions, there is no assurance that our vessels and their crews will not be subject to Houthi attacks in the future.

Further, military conflicts (such as Russia’s invasion of Ukraine in 2022) have led and may continue to lead to volatility in the financial markets and to a rise in energy prices. Military conflicts also impede the global flow of goods, result in loss of markets, and could result in product and food shortages, spur inflation and more generally harm economic growth. Furthermore, freight movement and supply chains in the Red Sea, Ukraine and neighboring countries have been, and may continue to be, significantly disrupted. Economic sanctions levied on Russia and Iran and on Russian oil and oil products may contribute to increases in bunker costs. Escalation or expansion of the current conflicts or other geopolitical instabilities may adversely affect global markets, global trade, increase bunker prices and, for these or other reasons, have a material adverse effect on our business, financial condition and results of operations.

Our results of operations and financial condition are sensitive to conditions in the container shipping and logistics industries, which historically have been cyclical and affected by imbalances in supply and demand.

Container shipping and logistics services are affected by prevailing conditions in the world’s economies. Fluctuations in the economic climate have a substantial effect on the container shipping industry, which in turn affects our supply chain management business. The container shipping industry has, therefore, historically been highly cyclical, with high volatility in spot and contract freight rates (a key factor impacting our results of

operations), primarily due to fluctuations in the demand for container shipping services and the global supply of capacity.

Demand for container shipping and in turn logistics services is influenced by, among other factors, global and regional economic growth, the geographic relationship between manufacturing and consumption centers (and in particular the concentration of manufacturing in Asia), the demand for consumer goods in North America and Europe, changes in seaborne and other transportation patterns, consumption and sourcing patterns, prices of commodities as negotiated by major importers and exporters, changes in weather patterns, environmental concerns, health risks (including pandemics), political conditions, trade policies, armed conflicts, canal and port closures, changes in fuel and lubricant prices and changes in the regulatory regimes affecting shipping.

Demand for container shipping is cyclical and has generally correlated with global GDP trends. From 2000 to 2012, the container shipping industry recorded annual growth in transported volumes ranging between 3.9% and 13.2%, with the exception of 2009, when transport volume declined by 8.5% amidst the global financial crisis. The pace of growth in demand for container transport slowed somewhat from 2013 to 2016, with volumes growing between 2.7% and 3.7%, before rebounding to grow 6.5% and 5.7% in 2017 and 2018, respectively. In 2019, the growth rate declined to only 1.9% amid difficult market conditions sparked by tensions in trade between the United States and China. Amid the COVID-19 pandemic, world container traffic in 2020 decreased by 2.0%. Extensive fiscal programs and loose monetary policy in response to the COVID-19 pandemic in many countries led to high levels of consumer spending, especially in goods, and business investment, which in turn significantly increased demand for container shipping. In the aftermath of the COVID-19 pandemic, world container traffic increased by 6.4% for the year ended December 31, 2021, compared to the year ended December 31, 2020. In 2022 and 2023, against the backdrop of an overall challenging macroeconomic environment and inflationary pressure on consumer demand, the container shipping industry entered a period of normalization characterized by stabilizing trade volumes (although these were initially negatively impacted by port congestions), which was exacerbated by significant inventory destocking, in particular in the United States. While the industry's EBIT margin for the full year 2023 was positive, in the fourth quarter of 2023 certain individual liners reported losses, with the EBIT turning negative on an industry level, reporting an EBIT loss margin of 6.2% after 21 consecutive quarters of remaining in black. For the full year 2024, Drewry expects the industry's EBIT margin to reach 13.9%, representing a 10.4% increase compared to 2023 (source: Drewry, June 2024).

In addition, as freight rates and other items can vary significantly from line to line, our profitability for any given period can be affected by the geographic mix of the lines from which we generate revenue during that period. Consequently, regional changes in demand can have a disproportionate impact on our results of operations during any given period. We charge customers on the basis of either spot freight rates or rates fixed by contract (re-negotiated periodically). Contract freight rates have historically tracked spot freight rates with a time lag, with contract rates typically being somewhat below spot rates, as contracts are typically entered into with larger shippers. We cannot immediately revise our contract freight rates to reflect changes in the spot freight rates, as contracts are typically entered into for durations of several months or years. While, in the event of sharp decreases in spot freight rates, as was seen in 2023, we may benefit from contract freight rates remaining at levels significantly higher than spot freight rates, the opposite arises when there are sharp increases in spot freight rates. This was the case during the first half of 2024, during which there was a significant increase in spot freight rates due to the Red Sea crisis (see *"Industry Overview—The International Container Shipping Industry—Overview"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023—Revenue"*). This dynamic can also exacerbate other challenges we face in managing our operating costs arising from short-term charter rates we pay to lease container ships, which have themselves historically tracked spot freight rates (see *"Fluctuations in charter rates could adversely affect our financial performance"*).

Matching capacity with demand has historically been a challenge for the container shipping industry as the market has often experienced oversupply. The global supply of capacity in the container shipping industry is determined by the number and size of container ships in the world (including the charter market), the assignment of these ships to trades, their deployment by shippers (for example, slow steaming or blank sailing, both of which reduce the actual capacity deployed on a given line at a particular time), the delivery of new ships (which are typically ordered two or three years before delivery), the availability of financing for container ships, the conversion of container ships to other uses, the scrapping of older ships, the availability of containers, the impact of port congestion, the regulation of maritime transportation practices by governmental or international authorities (including changes in environmental and other regulations that could limit each vessel's estimated useful life) and the dry docking of container ships for maintenance and retrofitting (including for the purposes of compliance with environmental and other regulations). Supply is also affected prospectively by the size of the industry orderbook,

as described below. Moreover, due to the impact of varying local demand conditions combined with liners' capacity management decisions on a trade-by-trade basis, the supply to demand balance varies from region to region and conditions in a particular region may not be correlated with those in other regions. Finally, the capacity utilization of our container vessels varies depending on the dominant trade flows between different world regions. Vessel capacity utilization is generally higher when transporting cargo from net export regions to net import regions (i.e., the dominant leg). Significant losses result from having to transport empty containers on the non-dominant leg without generating corresponding freight revenues. Furthermore, sharpening imbalances in world trade patterns (i.e., rising trade deficits of net importers *vis-à-vis* net export regions) could exacerbate the imbalances between the dominant and non-dominant legs of our services. There can be no assurance that we will be able to successfully manage and minimize the costs resulting from operating non-dominant leg trades.

A prolonged period of low fleet renewal in the 2010s, the need to decarbonize the fleet in order to comply with new regulatory requirements and elevated spot freight rates in the aftermath of the COVID-19 pandemic that enhanced carriers' financing capacity has led to a sharp rise in the global orderbook since 2021, which reached 29.7% of the active fleet in May 2023 (source: Alphaliner, May 2023), compared to 9.1% in December 2020 (source: Alphaliner, December 2020); it stood at 21.6% in August 2024 (source: Alphaliner, August 2024). As a result, according to Drewry, global container ship capacity is expected to exceed global container ship demand in 2024-2028, with the Drewry global supply-demand index standing at 84.6, 81.0, 73.1, 74.8 and 76.6 for 2024, 2025, 2026, 2027 and 2028, respectively, compared to 105.3 and 101.3 for 2021 and 2022, respectively (where 100 represents equilibrium between supply and demand, a figure below 100 represents excessive supply and a figure above 100 represents excessive demand) (source: Drewry, June 2024). After starting to weigh on spot freight rates in 2023 this situation of excess capacity has been attenuated to date in 2024 by the effect of the unstable situation in the Red Sea causing maritime operators to re-route vessels via the Cape of Good Hope Canal hence increasing the distance travelled by an average of 30% for approximately 30% of global volumes (source: Drewry, March 2024) and tightening the global container ship capacity. This contraction in supply corresponded with growing consumer demand in the second quarter of 2024. In the third quarter of 2024, factors such as lowering demand, easing of operational disruptions like port congestion and equipment shortages, as well as increasing supply have started impacting spot freight rates. Drewry's World Container Index ("WCI") – a composite index of spot rates on eight major East-West trade routes – after reaching a 2024 peak in July fell for seven consecutive weeks between July 25, 2024 and September 5, 2024 (source: Drewry, September 2024). Stabilization of the situation in the Middle East and subsequent re-routing of services back through the Red Sea would lead (absent a strong increase in demand) to the previously existing situation of global vessel overcapacity. Overcapacity can cause the industry to experience downward pressure on spot freight rates and prolonged downward pressure could have a material adverse effect on our business, financial condition and results of operations.

The container shipping, supply chain management and logistics industries are significantly impacted by trade policies which are influenced by many economic, political, and other factors that are beyond our control.

The container shipping and supply chain management businesses are subject to regulations at supranational, national and regional levels that currently provide a generally open framework for the trade of goods. Trade volumes are influenced by many economic, political, regulatory and other factors that are beyond our control. Unfettered free trade and new free trade agreements foster the maintenance of or an increase in trade activity and thus have a positive impact on the container shipping and supply chain industry. Increased or new trade barriers, either political (protectionist measures), physical (border restrictions or controls), administrative (such as declaration formalities and controls) or fiscal (such as customs tariffs, taxes and limits on the repatriation of earnings) can lead to a higher cost of doing business for our shipping customers, lower trade volumes, relocation of production and/or distribution centers, among other factors, which can negatively affect our business. Weakening of global trade arrangements, slower advancement or application of such agreements, increased complexity due to emergence of more bilateral or regional multilateral agreements as well as protective trade policies could significantly impact the development of global trade and therefore, our shipping business. Moreover, our Logistics segment is directly affected by the volume of international trade and domestic and e-commerce activities in the countries in which we operate. Changes in economic, political and regulatory conditions and trade volumes could materially adversely impact our customers, which could in turn impact their demand for our logistics services and the terms on which we provide other services to our customers.

Protectionist developments or the perception that such developments may occur, could have a material adverse effect on global economic conditions and may significantly reduce global trade. As a result, a reduction of global trade could adversely impact companies involved in global transport and logistics operations. A shift towards protectionism would be harmful to the global economy in general, as protectionist measures tend to cause world

trade to shrink and countermeasures taken by protectionist policies' target countries increase the chance for all-out trade tensions, leading to a negative and self-perpetuating cycle. This risk is particularly acute in the current geopolitical context as political pressure against free trade in many countries has increased substantially in recent years, sparking restrictive trade measures. In particular, the shipping industry may be affected by the increased tensions between the United States and China which have developed in recent years. In 2019, global container traffic witnessed the slowest growth since 2009, growing just 1.9% over 2018, mainly due to the trade tensions between the United States and China (source: Drewry, May 2024). Most recently, on May 14, 2024, the White House imposed tariffs ranging from 25 per cent (on items such as steel, aluminum, lithium-ion batteries and ship-to-shore cranes) to 50 per cent (semiconductors, solar cells, syringes and needles) and 100 per cent (electric vehicles ("EV")) on Chinese imports. There have also been proposals for fees to be imposed on vessels built in China that dock at U.S. ports. China is expected to retaliate by imposing additional import tariffs on imports from the United States (see "*Industry Overview—The International Container Shipping Industry—Trade war: Protectionism and friend-shoring and its impact*").

As such, global trade could be adversely affected by the U.S.-China trade tensions, which could in turn have a material adverse effect on the Company's business, financial condition and results of operations. Although world trade is fungible to some extent over time, as demonstrated, for example, by recently growing exports from Vietnam in light of tensions in trade involving China, there can be no assurance that such protectionist trends will not continue or exacerbate and weigh heavily on global trade flows, thus having a material adverse effect on our business, financial condition and results of operations.

In addition, we have considerable operations in the United States, including through our recently acquired FMS terminal, Port Liberty Bayonne and Port Liberty New York, as well as ties with China, including our strategic cooperation with COSCO Shipping through the Ocean Alliance and joint-ventures with CMP. It is difficult to predict in what other forms the U.S.-China trade tensions may manifest and, given our exposure to both countries as noted above, there can be no assurance that any such tensions will not have a material adverse effect on our business, financial condition and results of operations.

Adverse developments during seasonal peak periods could have a disproportionate impact on our financial condition and results of operations for a given year.

Our operating and financial performance is subject to seasonal fluctuations and relies to a significant extent on transported volume and spot freight rates achieved during the peak periods, which are mainly determined by inventory build-up of retail goods for the Christmas season in the United States and Europe (although the peaks may vary both in terms of scale and timing from one year to another). Thus, the third and beginning of the fourth quarters of each calendar year are generally the strongest periods in terms of overall demand for the container shipping industry, which is involved at an earlier stage in the logistics chain for finished goods. The fourth quarter of each calendar year is generally the strongest period for the logistics industry in terms of overall demand as a result of the traditional retail festive season that typically generates a surge in air freight and ground transportation. However, an increase in demand for container shipping in the second quarter and at the beginning of the third quarter of 2024 may, in part, be attributed to shippers bringing forward shipments to avoid rising freight rates and port congestion in the fourth quarter of 2024. This could create a demand lull in what would be the traditional peak seasons in the remainder of 2024. The effect and timing of seasonality also varies significantly between different cargoes; for example, the peak period for citrus fruit generally occurs at the beginning of the year rather than prior to the Christmas season. Any factors that negatively affect our operations during any one or more of the peak periods could have a disproportionate impact on our financial condition and results of operations for a given year, and the demand for different products can be particularly vulnerable to market conditions during the specific typical peak period for such products. The seasonal nature of our business also limits the comparability of our results from one quarter to the next, and as a result, revenue, income and cash flow can vary significantly from quarter to quarter. Failure to effectively respond to the challenges posed by the seasonal nature of our business could have a material adverse effect on our business, results of operations and financial condition.

Increases in the price of fuel have in the past and could in the future significantly increase our operating costs and depress our profitability.

The cost of marine or bunker fuel is one of our major operating costs. Bunkers and consumables expenses represented 7.5%, 9.2%, 12.0% and 11.9% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively. The price of bunker fuel is driven by crude oil prices. Crude oil prices are influenced by a host of economic and geopolitical factors beyond our control, such as political instability, military conflicts in the Middle East, the Russia-Ukraine war, sanctions enacted on seaborne imports of Russian

crude oil and petroleum products, global terrorism, increases or decreases in global demand for oil and the economic development of emerging markets, China and India in particular, as well as the behavior of major OPEC+ countries. Crude oil prices have historically exhibited significant volatility over short periods of time. The Brent crude oil spot price dropped to near \$42 per barrel (“bbl”) in 2020 from \$64/bbl in 2019. The Brent crude oil spot price was near \$71/bbl, \$101/bbl and \$82/bbl in 2021, 2022 and 2023, respectively. In August 2024, the U.S. Energy Information Administration (“EIA”) expected the Brent crude oil spot price to be between \$85/bbl and \$90/bbl by the end of 2024.

We only hedge ourselves against a small percentage of changes in crude oil prices, and we could be unable to pass future increases in crude oil prices on to our customers. Our business model is less profitable during periods of high crude oil and bunker fuel prices, as our operating expenses increase significantly. As an example, this largely drove a nearly two-thirds decrease in our core EBIT in 2018 despite a substantial increase in revenues (with bunker fuel costs rising from approximately \$2.6 billion (13.5% of total operating expenses) in 2017 to \$3.6 billion (16.2% of total operating expenses) in 2018). Conversely, crude oil prices were historically low in the first half of 2020 due to the COVID-19 pandemic-driven demand reductions and supply-side developments (temporary unraveling of cooperation between OPEC+ members) contributing to the increase in our profitability in the period. Future increases in crude oil and bunker fuel prices could materially and adversely affect our business, results of operations and financial condition. For illustrative purposes and assuming no hedges and no passing on to customers, a \$10 per metric ton (“/ton”) average increase in the spot purchase price of bunker fuel would have reduced our EBIT in 2023 and in the first six months of 2024 by \$80 million and \$45 million, respectively, based on consumption of 8,125 tons in 2023 and 4,491 tons in the first six months of 2024.

The effect of crude oil prices on our bunker bill has in the most recent period and will increasingly be less linear and predictable going forward due to the ongoing diversification of our sources of bunker fuel. Since the entry into force of IMO 2020 (see “*Regulatory Matters*”) on January 1, 2020, we have been using low sulfur bunker to an increasing extent. Low sulfur bunker is generally more expensive than high sulfur bunker, so the impact on our profitability depends on our ability to pass the higher cost on to customers. While we have largely succeeded to do so to date, there can be no assurance that we will be able to do so in the future. Our ability to do so will depend in particular on the supply and demand dynamics prevailing in the shipping industry and in the fuel oil industry, at any given time. Both to ensure future compliance with the IMO 2020 and as part of our overall strategy to reduce our environmental impact, we have also been using LNG to fuel an increasing percentage of our vessels, have many LNG and also methanol-powered vessels on order (see “*Business—Segments—Container Shipping—Current Orderbook*”) and have entered into long-term LNG supply agreements with major LNG producers. The LNG price is volatile, and no assurances can be given that we will be able to pass on any increase in the price of LNG to our customers. In January 2024, President Biden’s administration announced a temporary pause on the approval process for new U.S. LNG export facilities in order to consider potential climate change consequences, and this could impact the availability of global LNG supply. Future volatility in the price of LNG could have a significant impact on our profitability, particularly as it is expected to power an increasing number of our vessels in the future.

Fluctuations in charter rates could adversely affect our financial performance.

As of June 30, 2024, our fleet consisted of 643 container ships, of which we chartered 376 vessels, or 49.9% of our fleet by capacity, and owned or had under finance lease or equivalent arrangements 267 vessels, or 50.1% of our fleet by capacity. Among the 376 chartered vessels as of June 30, 2024, (i) 55 vessels, or 31.2% of our chartered fleet by capacity, have a remaining duration of more than 5 years, (ii) 142 vessels, or 44.3% of our chartered fleet by capacity, have a chartering duration ranging between one and five years, and (iii) 179 vessels, or 24.6% of our fleet by capacity, have a remaining charter duration of less than one year.

A ship charter is the lease of a ship for a specified period of time at a fixed price, with the shipowner typically also providing the ship’s crew, insurance and maintenance. As charter rates (and short-term charter rates in particular) tend to fluctuate significantly in response to market participants’ perceptions of supply and demand on the shipping markets, adding additional chartered-in capacity at market rates in times of strong demand, is likely to be significantly more expensive than the cost of capacity on vessels that we own, and the converse is true at times of weak demand. Due to an increase in demand for shipping and port congestion at the time, the Alphaliner Charter Rate Index (the “ACI”) reached a historically high level in March 2022, at 563 points (corresponding to approximately 7x the average 2020 level and 1.8x the average 2021 level) (source: Alphaliner, April 2022), declining to 145 points in December 2022 (down approximately 75% compared to the March 2022 peak) (source: Alphaliner, January 2023) and eroding further in 2023 against the difficult industry backdrop in container shipping. In December 2023, the ACI stood at 93 points (source: Alphaliner, January 2024) and increased to 254

points in July 2024 (source: Alphaliner, August 2024). Generally, higher charter rates leave us exposed to higher operating costs given that 49.9% of our fleet by capacity is comprised of chartered vessels, of which half are chartered on a short-term basis. In addition, we may not be able to pass on such increased operating costs to our customers, which would adversely affect our margins and results of operations. As the current industry orderbook mainly focuses on larger vessels, supply of smaller vessels might be limited and could result in future increases in charter rates for those vessels. Further, large vessels are scarce in the vessel charter market. If we are unable to charter large vessels cost-effectively or at all when we need them, we could be forced to substitute smaller vessels on applicable lines with less competitive running costs, which would negatively affect the profitability of these lines. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

In addition, short-term charter rates have historically tracked spot freight rates but usually with a time lag of several months. These time lags occur because, at any given point in time, ship-chartering companies and carriers are bound by the terms of existing charter agreements which are re-negotiated periodically. Similarly, a carrier is unable to negotiate reduced charter rates immediately in response to falling spot freight rates. As a result, in the event of any future decreases in spot freight rates (for example, due to a failure on the part of liners to manage deployed capacity), carriers, like us, that hold a significant proportion of their vessels under charter agreements, could face a growing differential between the declining spot freight rates they are able to charge their customers and the fixed charter rates they are obligated to pay. This differential can be particularly pronounced after a period of high demand for charter vessels, as owners of such vessels are often able to enter into charter agreements of longer duration and higher fixed charter rates (even if contract freight rates provide a partial hedge against rapidly slowing spot freight rates in this market situation, as observed in the second half of 2022 and 2023 – see “*Our results of operations and financial condition are sensitive to conditions in the container shipping and logistics industries, which historically have been cyclical and affected by imbalances in supply and demand*”). The time lags mean that we could be unable to reduce our charter costs in the future to compensate for declining spot freight rates for a period of up to several months. We have previously experienced this effect in past periods of rapidly falling spot freight rates, such as the 2008 to 2009 period, the early-to-mid-2010 to early 2012 period and the end of 2015 to the second half of 2016 period, and most recently in the second half of 2022 and 2023. This notwithstanding, if we are unable to reduce our charter costs in the event that spot freight rates fail to remain at their current high levels in the future, our business, results of operations and financial condition could be materially and adversely affected.

The considerable time lag between the ordering and delivery of new vessels leads to a heightened sensitivity to intermittent changes in shipping market conditions.

As vessels generally have an economic life of about 25 years and must be ordered two to three years in advance, there can be periods of excess or deficit capacity relative to the demand for shipping transport volumes, and new capacity could enter the market after demand has already peaked. As a result, it can often take several years to correct any market imbalance. We are therefore subject to the inherent industry risk that we will either order too much or too little vessel capacity to cater for future demand, as well as the related risk of misallocation of our capital expenditure. That said, if we do not invest sufficiently in additional shipping capacity, we may not be able to satisfy our customers’ demand for our services when the market recovers (leading to lost revenues and market share and, potentially, strained customer relations or even a loss of customers) or chartering additional vessels via the charter market at higher charter rates during periods of strong demand. The charter market may offer short-term solutions for sudden increases in shipping demand. However, this leads to exposure to inflated charter rates and does not provide a full hedge on changes to the dynamic between the time lag for our orderbook and the general supply and demand in the market. On the other hand, if we over-invest in additional container shipping capacity that we are not able to fully utilize during weaker market conditions, including the current climate, this would increase our costs relative to the development of our revenues. For example, we ordered four TEU 23,000 containerships powered by LNG (see “*Business—Segments—Container Shipping—Current Orderbook*”) in October 2022, which are expected to be delivered in 2025 and 2026. We ordered such new vessels in anticipation of meeting increasing demand and in order to leverage lower per-unit operating costs and move forward with our decarbonization strategy (see “*Risk Factors—Risks Relating to the Shipping and Logistics Industries—Climate change can have a physical impact on the Company’s operations and exposes it to transitional risks*”), and we could not have foreseen the current supply and demand environment in the industry characterized by an increasing capacity. Consequently, there is no guarantee that there will be sufficient future demand on the Asia-Europe trade when such ships are delivered to use them at full capacity or ensure that the investments we make in these new vessels will be profitable at any given time or ultimately. In the past, the container shipping industry has been affected by repeated ordering of excess capacity during periods of strong demand, and the effects of such imbalance combined with market conditions have had significant negative effects on the industry in general and

certain of our competitors in particular (including, in extreme cases, bankruptcy). Increases or decreases in capacity, or lower than anticipated increases in capacity and in the demand for container shipping coupled with a failure to manage deployed capacity can lead to significantly lower spot freight rates, reduced shipping transport volume or a combination of the two. Consequently, such events could severely impact our profitability and have a material adverse effect on our business, results of operations and financial condition. Furthermore, during times of weak demand, we may also be unable to use the full capacity of our vessels or to maintain contract freight rates required to avoid adverse effects on our margins, which may in itself have a material adverse effect on our business, results of operations and financial condition.

The market value of our vessels could fluctuate significantly, and we could incur losses when we sell vessels following a decline in their market value.

The fair market value of our vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, supply and demand for container ships and the types and sizes of container ships we own, alternative modes of transportation, cost of new-built vessels, governmental or other regulations, prevailing level of charter rates and technological advances.

If the fair market value of our vessels declines below their carrying values and such decline is other than temporary, we could incur losses if we were to sell one or more of our vessels at such time or could breach loan-to-value covenants in our financing arrangements, all of which could have a material and adverse effect on our business, results of operations and financial condition.

The container shipping and logistics industries are highly competitive and will likely remain so despite ongoing consolidation.

The container shipping industry is highly competitive. Absolute size is an important competitive factor as it allows for economies of scale. Our two main global competitors, MSC and Maersk, are larger than we are in terms of capacity. We also compete with numerous smaller global and regional shipping companies. Another feature of our industry is operating alliances among shipping companies, whereby companies share ships and slots and thereby achieve economies of scale and cost reductions. We are both a part of and compete against such alliances. See “*Industry—The International Container Shipping Industry—Industry Consolidation*” and “*Business—Segments—Container Shipping—Cooperation with other shipping companies.*” Our competitors, whether individually or in alliances, could be better positioned to achieve, maintain and exploit economies of scale or could invest in technologically more advanced vessels and could thus be able to offer more attractive schedules, services and rates than those we offer.

We compete intensively with other carriers on a line-by-line basis on most of our lines. In particular, we face strong competition on our westbound Asia-Europe lines and on our eastbound Transpacific lines. On a line-by-line basis, we often compete with carriers that are much smaller than we are. Smaller competitors can benefit from different advantages, such as the reliance on cooperation arrangements for sufficient slot availability, thereby avoiding the cost of owning and chartering their own vessels.

Generally, we do not have long-term or exclusive agreements with our shipping customers and many of our customers maintain close relationships with other container carriers. Customers could, depending on overall supply availability on the market, opt for the services of our competitors on all or some trades without facing discernible constraints. Moreover, any of our many competitors could choose to establish lines on the same routes as our established lines and attempt to undercut our contract freight rates on those routes. There are few, if any, competitive barriers for existing container carriers wishing to enter or expand their presence in a regional market or on a particular line. In addition, other or new market participants could be attracted by the opportunity to acquire vessels at comparatively low-price levels and extend their services to additional routes operating such vessels.

The container shipping industry has been through several rounds of consolidation over the last few years, driven by a combination of factors, including the quest for scale, operational efficiencies, enhancement of profitability and regional diversification (see “*Industry Overview—The International Container Shipping Industry—Industry Consolidation*”). As a result of this consolidation or in the event of further consolidation in the container shipping industry, whether through mergers or strategic alliances, our competitors could achieve greater economies of scale as well as financial and market strength, allowing them to withstand price competition and price volatility more successfully than we can and to undercut our contract freight rates across, or gain increased access to, one or more of the major markets in which we operate. Furthermore, the ongoing consolidation in the industry may not result

in a sustainable level for spot freight rates as carriers continue competing against each other as well as against freight forwarders.

In sum, the competitive environment in the container shipping industry could limit our ability to maintain or increase our revenue or profitability, in particular through sufficiently high contract freight rates. This is further exacerbated by the fact that some of the contracts we have with customers are longer-term in nature and, if spot freight rates should rise or our operating costs increase, we may not be able to make the necessary adjustments to the contractually agreed rates to capitalize on such increased spot freight rates or address such increased operating costs until the existing contracts expire. These factors could have a material adverse effect on our business, results of operations and financial condition.

The freight forwarding and contract logistics industries in which we operate are also highly competitive, and we expect them to remain so for the foreseeable future. If we do not have sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete successfully against other logistics companies. We face competition in these businesses from other freight forwarders, integrated carriers, logistics companies, third-party freight brokers and other contract logistics specialists, and we may face competition in the future from participants and new entrants outside our traditional competitors, such as the shipping lines, e-commerce platforms, alternative delivery systems, direct-to-consumer shipping and freight exchanges. Moreover, large industrial or retail consumers and suppliers, such as Amazon, may become players in the logistics market themselves, as they can turn their expertise in managing their own logistics into a profitable business model. Increased competition in the freight forwarding and contract logistics industry may result in loss of market share and market position, reduced revenues and margins, any of which could adversely affect our business, results of operations and financial condition. The competition we face may also increase as a result of the recent consolidation within the freight forwarding and contract logistics industries which we expect to continue (see “*Industry Overview—The International Logistics Industry—Industry Consolidation*”).

Some of our actual and potential competitors in both shipping and logistics have significantly greater financial resources than we do, which may make it difficult for us to compete successfully with them. If, as a result of consolidation, increased digitization, alliances or otherwise, our competitors are able to obtain more favorable terms from suppliers, offer more comprehensive services to customers or otherwise take actions that could increase their competitive strengths, our competitive position and therefore our business, results of operations and financial condition could be materially adversely affected.

Climate change can have a physical impact on the Company's operations and exposes it to transitional risks.

The Company is exposed to risks associated with climate change. These risks comprise both physical and transitional risks. Physical risks derive from the physical effects of climate change such as rise in temperature, sea-level rise, changes in precipitation patterns, fluctuations in water levels or more frequent occurrence of extreme temperatures, droughts or other extreme meteorological phenomena, such as cyclones or hurricanes. Such physical effects of climate change can influence the Company's ability to operate assets and can negatively impact the Company's supply chains and the infrastructures the Company depends on. For example, drought conditions in Panama led to restrictions on canal access, and hence in bottleneck in East-West lines in the second half of 2023. Physical effects of climate change can also add insurance costs to the Company's management of operations.

The Company may also be exposed to certain transition risks. The transition to a low-carbon economy and its associated public policy and regulatory developments may lead to the imposition of new regulations and climate change related policies which are adverse to the Company's interests by potentially impacting its reputation and financial performance, increased costs for energy and for other resources and associated costs, the imposition of levies related to GHG emissions, increased costs for monitoring and reporting related to the Company's carbon footprint, less demand for long haul transportation as a result of the pollution emitted, loss of reputation from not adapting to climate change, declining asset values, potential liabilities, changed consumer behaviours, reputational risks, and changes in physical supply chains. The current strong sentiments around climate change may also lead to radical actions among consumers, customers and politicians which could impact the overall industry. Climate change may also lead to shifts in customer demands or expectations such as customers requiring sustainable practices, more fuel-efficient transportation modes or transparency to carbon emissions in their supply chains.

More specifically in relation to regulatory transitional risk, due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce GHG emissions. These regulatory measures include or may in the future include, among others, adoption

of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. In 2023, the IMO adopted a stricter stance on the decarbonization of shipping which will serve as a catalyst for the transformation of the shipping industry. Related measures are expected to be defined in 2025 and enforced from 2027, and are part of the IMO's GHG strategy to reduce ocean freight carbon emissions, with the goal to reduce emissions by at least 20% (striving for 30%) by 2030 and at least 70% (striving for 80%) by 2040 compared to 2008 levels and to reach net zero around 2050. See *“Regulatory Matters—Environmental Regulations”* and *“Legal, Regulatory and Taxation Risks—Our operations are subject to extensive regulation in various areas including in respect of the environment, compliance with which and changes in which could have a material adverse effect on our business, results of operation and financial condition and non-compliance with which could subject us to substantial liability.”*

After the adoption of the first version of its strategy to reduce greenhouse gas emissions, the IMO adopted important short-term emission-reducing measures, the first of which is the EEXI, a technical measure for existing ships requiring them to attain a certain energy efficiency and the second is the CII, a measure determining the operational carbon performance of vessels via a rating system from A to E. The CII marks the first operational global regulation that aims to curb vessel emissions. These new regulations will require ship owners to invest in new fuel technologies, upgrade fleets to meet these new requirements and adjust operations (e.g., by speed reduction). Compliance with these regulatory changes will result in additional compliance and administration costs.

Furthermore, shipping has become subject to the EU ETS in the EU in 2024, with those ships presently reporting emissions under the EU Monitoring, Reporting and Verification regulation being required to purchase and surrender CO₂ emission credits. All intra-EU emissions, and all emissions at berth, will be included fully, and 50% of the emissions for voyages when arriving in or departing from the EU. Compliance with the EU ETS will result in additional compliance and administration costs for the Company, and there is no assurance that we will be able to continue to pass on these costs to our customers. Additional EU regulations which are part of the EU's Fit-for-55, could also affect the Company's financial position in terms of compliance and administration costs when they take effect. In September 2023, the European Parliament and the Council of the European Union adopted a new regulation which establishes a fuel standard for ships which is intended to steer the maritime industry in the European Union towards the adoption of both renewable and low-carbon fuels as well as decarbonization. The legislation will require large ships (minimum gross tonnage of 5,000) to reduce the GHG intensity content of energy used by vessels by 2% as of 2025, and by 80% as of 2050. Furthermore, container ships and passenger ships at major EU ports will be required to use onshore power supply from 2030 onwards in order to reduce air pollution in ports.

Since 2019, subject to certain conditions, including with respect to the time spent in coastal and inland ports, all vessels calling in China that are equipped with shore power connection systems must use shore power supply facilities. Starting from the end of 2025, 40% of international container liners' ships calling in China must be equipped with shore power connection systems, and we are taking steps to comply with this requirement. Finally, a 2% renewable fuels usage target was set for ships from 2034 onwards.

The increasing regulatory burden on companies operating in countries that adopt strict requirements aimed at tackling climate change, such as the Company, may lead to an uneven playing field in the shipping industry, as compliance costs may place such companies at a disadvantage compared to companies that are not subject to or may circumvent the relevant requirements. Territorial taxonomy regulations in geographies where the Company is operating and is regulatorily liable might jeopardize the level of access to capital. For example, the EU has already introduced a set of criteria that define specific requirements for different economic activities to be 'sustainable', called the EU Taxonomy for sustainable activities. Based on the current version of the EU regulations, vessels that are dedicated to the transportation and storage of fossil fuels are considered as not aligned with the EU Taxonomy. The outcome of such provision might be either an increase in the cost of capital and/or gradually reduced access to financing as a result of financial institutions' compliance with the EU Taxonomy.

In addition, although the emissions of GHGs from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, or the Paris Agreement under the United Nations Framework Convention on Climate Change, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change may affect the propulsion options in subsequent vessel designs and could increase the our costs related to acquiring new vessels, operating and maintaining our existing vessels and require us to install new

emission controls, acquire allowances or pay taxes related to our GHG emissions or administer and manage a GHG emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Furthermore, the Company may encounter legal risks associated with climate change as the maritime industry is considered as one of the most substantial polluters.

In December 2023, our Chairman reiterated the Group's ambition to reduce its carbon emissions by 30% by 2030 and 80% by 2040 compared to 2008 levels (i.e., in line with the high end of the IMO 2030 and 2040 targets) and to reach net zero by 2050. A failure to meet these targets could materially and adversely affect the Company's reputation as a leader in the shipping and logistics industry.

Any of the foregoing could adversely impact our business, financial condition and results of operations.

There are risks in connection with our alliances and cooperation agreements.

The vast majority of our competitors are members of strategic alliances aimed at gaining a competitive edge through cost synergies, joint procurement and joint operations (see "*Industry Overview—The International Container Shipping Industry—Global Alliances*"). We are both a part of and compete against such alliances. We also enter into cooperation agreements with other major carriers, which enable us to provide our customers with a range, geographic scope and departure frequencies that would not be possible solely with our own container vessel fleet. Such alliances and cooperation agreements also allow us to increase the size of the vessels we deploy as we benefit from pooled volumes and assets, and therefore lower unit costs and breakeven levels. The terms and conditions of these agreements may not receive regulatory approval, could change or could be terminated altogether. If this were to happen, we would lose the advantages conferred by them which would have a material adverse effect on the flexibility, scope and depth of our service offering, our ability to optimize freight schedules and capacities and our operating expenses. Any of these effects could lead to a potential loss of customers and have an adverse effect on our results of operations. Should such a scenario materialize, we could seek to enter into other cooperation agreements, but we may not be successful in doing so on similar terms or at all.

In particular, in the event that Ocean Alliance (of which we have been a member since April 1, 2017 and which has recently been extended until 2032) is weakened by the expulsion, termination or otherwise discontinued membership (or non-participation due to internal problems) of one or more members, or in case we were to be expelled from Ocean Alliance or if the dissolution or a material change to the governing structures of Ocean Alliance were to be decreed under antitrust laws or other laws and regulations, we may lose our access to Ocean Alliance's network. We would thus lose the advantages currently conferred by this network and would face a material adverse impact on the flexibility, scope and depth of our service offering and our ability to optimize schedules and capacities. Should such a scenario materialize, we could seek to form a similarly beneficial alliance with other industry members or to accede to a similar alliance, but we may not be successful in doing so on similar terms or at all. Such a scenario could have a material adverse effect on our business, financial condition and results of operations.

Container ship capacities have increased in recent years, leading to overload and congestion in certain ports.

In recent years, container ship capacities have increased globally at a faster rate than the rate at which some container ports have increased their capacities. This has led to longer processing of container shipments in affected ports, many of which (such as in the United States) cannot accommodate larger ships. As a result of longer load and unload times, increases in container ship capacities could lead to further port congestion, which could have a material adverse effect on container shipping traffic on affected services. A rapid increase in trade volumes over 2021 led to considerably increased congestion in certain ports, causing major supply chain disruptions worldwide in 2021/2022, which normalized in 2023. The instability in the Red Sea resulted in ship diversions and caused port congestion, especially in Asia (although congestion has started easing after reaching its yearly high in April and May 2024). Although European ports could generally cope with off-schedule ships coming around the Cape of Good Hope, there is no guarantee that similar disruptions in the future will not lead to increased congestion levels and to deterioration of the quality of service for our clients.

The current industry orderbook is also heavily skewed towards larger vessels; as of August 2024 the industry orderbook comprised 276 vessels exceeding 12,500 TEU capacity, representing 70% of the total orderbook in terms of TEU capacity (source: Alphaliner, August 2024). Should the infrastructure and related port facilities not be adapted accordingly, this could exacerbate issues with congestion as these ultra-large vessels are delivered and replace smaller vessels. Decisions on port expansions are made by national or local governments and are outside our control, determination or influence. Such decisions are made on the basis of local policies and concerns. While

we seek to continue securing port access by directly investing in port terminals where we have significant operations, we could face political and administrative challenges in doing so, as ports are generally considered strategic assets. We may also face competition from other liners that invest in port terminals (see “*Industry Overview—The international container shipping industry—Terminals owned or part-owned by container carriers*”). Furthermore, major ports could close for a shorter or longer period of time due to maintenance works, natural disasters or other reasons beyond our control. We currently have interests in, or agreements related to 58 terminals around the world (55 of which are in operation and three are in development or under acquisition), which allows us to gain “most favored nation” status and preferred access to berths and affords us greater control over port activities. See “*Business—Segments—Other—Terminals*.” Notwithstanding the foregoing, we cannot assure you that our efforts to secure port access by investing in port facilities or otherwise will be successful. Port overload and congestion and otherwise insufficient or delayed access to ports could have a material adverse effect on our business, results of operations and financial condition.

Political, economic, social, natural and other risks in the markets where we have operations could cause serious disruptions to our business.

We operate in many countries around the world, including emerging markets such as the Middle East, and are exposed to risks of political unrest, war, terrorism, piracy, natural disasters, widespread transmission of communicable infectious diseases as well as economic and other forms of instability, which may adversely affect local and regional economies. Each of these and other factors may lead to disruption to our or our customers’ businesses and seizure of, or damage to, our assets or pure economic loss. These events could also cause the destruction of key equipment and infrastructure (including inland infrastructure such as railroads and highways) and the partial or complete closure of ports and sea passages, such as the Suez or Panama canals or other important bottleneck routes, potentially resulting in higher costs, congestion of ports or sea passages, vessel delays and cancellations on some of our lines.

Additionally, we maintain operations in various markets which could be particularly affected by volatile economic or political environments and we are pursuing growth opportunities in certain newly developed and emerging markets. These investments may expose us to heightened risks of economic and geopolitical uncertainty, or other such events, such as restrictive currency exchange or import controls, disruption of operations as a result of systemic political or economic instability, outbreak of war or expansion of hostilities, and acts of terrorism. There can be no assurances that any of the above developments will not occur and these or any other factors giving rise to a significant deterioration in market conditions or international trade activity could reduce demand for our products and services and have a material adverse effect on our business, financial condition or results of operations.

We are subject to the risk of unilateral governmental or quasi-governmental action and regulation in the countries in which we operate. Such risks include sanctions that prohibit trade in particular areas, restrictive actions such as vessel arrest, limitations on vessel operations or local ownership requirements, compulsory acquisition of our assets with no compensation or with compensation below market value, loss of contractual rights and requisition (i.e., situations in which a government takes control, or becomes the owner, of a ship and effectively becomes the charterer at dictated rates).

Risks inherent in the operation of ocean-going vessels could affect our business and reputation.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

- marine disaster;
- environmental accidents, including oil and hazardous substance spills;
- grounding, fire, explosions and collisions;
- accidents resulting from the handling or transport of dangerous or hazardous goods, or the presence of contraband or human trafficking in the vessels;
- cargo and property losses or damages (including total loss of vessels);
- business interruptions caused by mechanical failure, information technology (“IT”) system outages, cyber-attacks, human error, war, sabotage, political action in various countries, or adverse sea or weather conditions;

- work stoppages or other labor problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements;
- piracy and terrorism;
- search and rescue operations, which could lead to business interruption or interfere with the safety and security of a vessel; and
- delays, restrictions or business interruption due to trading in areas affected by disease outbreaks.

Any of the above occurrences could result in death or injury to persons, loss of property or environmental damages, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. The involvement of one or more of our vessels in an environmental disaster could also harm our reputation as a safe and reliable containership owners and operator. Any of these circumstances or events could have a material adverse effect on our business, results of operations and financial condition.

Acts of piracy against ocean-going vessels could adversely affect our business and results of operations.

Acts of piracy have historically affected ocean-going vessels, including container ships, trading in certain regions of the world, such as South East Asia, the Gulf of Aden, the Indian Ocean off Somalia and the Gulf of Guinea. We operate significant lines in these areas. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, particularly in South East Asia and Gulf of Guinea, while it has decreased in the Gulf of Aden and the Indian Ocean since 2012. In the six months ended June 30, 2024, 60 actual and attempted acts of piracy were identified, with the majority of the acts having happened in the Singapore straits, Indonesia, Bangladesh, Somalia and Angola (source: International Maritime Bureau's Piracy & Armed Robbery Against Ships Report for the period from January 1 to June 30, 2024). If any of our vessels are hijacked by pirates, we could be forced to pay significant ransoms to secure their release. In case of ransom, payments would be performed via our insurers, with whom we have dedicated contracts. Furthermore, because our vessels are sometimes deployed in regions characterized by insurers as "additional premium" zones or Joint War Committee or "war and strikes" listed areas or areas of "perceived enhanced risk," such as the Gulf of Aden, the Southern Red Sea and the Indian Ocean (up to southern Sri Lanka), Somalia, the Arabian Sea, the Gulf of Oman and the Gulf of Guinea, we pay significantly higher premiums for insurance coverage in these regions. The list of areas of perceived enhanced risk is subject to continual review and amendment. Both passive measures (such as anti-piracy routing, tracking piracy attacks, minimum transit speeds, razor wires and citadels) and active measures (such as armed guards on board our most vulnerable vessels (below 4,000 TEU)) are implemented on board our vessels transiting in areas known for piracy, which may cause us to incur increased expenditures for the heightened security measures to protect our vessels. Moreover, in spite of our efforts to address the risk of piracy, we cannot guarantee that such measures will be effective in preventing one or more of our ships from being attacked or hijacked by pirates, and, in the case of an increase in the frequency of acts of piracy, we may be unable to obtain adequate insurance to fully cover losses from acts of piracy (including payment of any ransom) or similar incidents. For example, two of our chartered ships, *Turquoise* and *Windhoek*, were attacked in 2016 off the coasts of Nigeria and Guinea, respectively. Acts of piracy disrupt trade flows and impose additional costs on our operations, which could thus have a material adverse effect on our business, results of operations and financial condition.

Labor disturbances could disrupt our business.

We operate in labor-intensive industries, including logistics and media, and some of our business operations have workforces that are unionized or that in the future may become unionized. As of March 31, 2024, we employed 160,838 employees globally through our controlled subsidiaries, including 17,739 in France. Labor in the container shipping industry in most of the jurisdictions in which we operate, and in France in particular, is organized for collective bargaining by maritime trade unions. Future industrial action, or the threat of future industrial action, by labor unions in response to any future efforts by our management to reduce labor costs, restrain wage increases or modify work practices could constrain our ability to carry out any such efforts. Our operations also depend on stevedores and other workers employed by third parties at the ports at which our ships call. Industrial action or labor unrest with respect to outside labor providers could prevent us from carrying out our operations according to our plans or needs. For example, at the end of 2014 and 2015, ports on the West Coast of the United States experienced significant delays due to congestion that was largely caused by labor disputes, which caused operational challenges and increased costs for many companies in the shipping industry. Most

recently, U.S. East Coast port operators and the dockworkers' union failed to reach an agreement and a strike is expected to start on October 1, 2024. The short-term financial impact of this strike is uncertain, and the long-term financial impact will depend on the outcome of negotiations between U.S. East Coast port operators and the dockworkers' union. Any unrest or labor disturbances in the ports, in which we operate could materially and adversely affect our business, results of operations and financial condition.

In some countries or some skill groups, we could face labor shortages.

The continued success of our business is dependent on our ability to hire and retain crews for our vessels. At times, it can be difficult to obtain qualified crew members. There is a small pool of qualified professionals available to crew vessels and we are highly dependent on in-house training and promotion. This risk materialized recently as travel restrictions related to the COVID-19 pandemic affected our ability to rotate crews on schedule. To the extent that limitations on the availability of suitable crew affect our ability to expand our business or take on new contracts this could have a material adverse effect on our business, results of operations and financial condition.

The logistics industry is facing recruitment challenges in several geographies, either because of low labor availability, unattractiveness of the job profiles, insufficient competitiveness of terms and conditions or the effect of an ageing workforce. In particular, the trucking industry in the United States and in Europe is facing a growing shortage of drivers and the industry has struggled to attract new drivers. In other regions, rising labor costs and staff turnover is high as employees leave the Group or the industry if they find more attractive jobs elsewhere. These developments can be acute and chronic and could adversely affect our business, results of operations and financial condition.

The outbreak, or threatened outbreak, of any severe communicable disease, public health crisis, epidemics or pandemics, such as the COVID-19 pandemic, could have a material adverse effect on our business, financial condition and results of operations.

In March 2020, the World Health Organization declared the outbreak of novel coronavirus COVID-19 a global pandemic. During the two years following the outbreak, COVID-19 pandemic spread globally and caused high mortality and morbidity rates world-wide, with some geographic regions affected more than others. The COVID-19 pandemic significantly impacted the global economy, disrupted global supply chains, created significant volatility and disruption in financial markets and increased unemployment levels in some of its phases. In addition, the pandemic resulted in temporary closures of many businesses and the institution of social distancing and sheltering in place requirements in many states and communities, as well as lockdowns and restrictions on travel. During 2022, the outbreak of the COVID-19 pandemic gradually subsided worldwide. However, an outbreak of a new COVID-19 strain or a new pandemic may have a material adverse effect on our business, financial condition and results of operations.

The COVID-19 pandemic resulted in reduced industrial activity in various countries around the world, with temporary closures of factories and other facilities such as port terminals, which led to a temporary decrease in supply of goods and congestion in warehouses and terminals. For example, in January 2020, the government of China imposed a lockdown during the Chinese New Year holiday which prevented many workers from returning to the manufacturing facilities, resulting in prolonged reduction of manufacturing and export. Government-mandated shutdowns in various countries also temporarily decreased consumption of goods, negatively affecting trade volumes and the shipping industry globally during the first half of 2020. In China, many of the COVID-19 restrictions and factory lockdowns persisted until December 2022. If new strains of COVID-19 or new pandemics erupt, we may face risks to our personnel and operations. Such risks include delays in the loading and discharging of cargo on or from our vessels due to severe congestion at ports and inland supply chains, difficulties in carrying out crew changes, off hire time due to quarantine regulations, delays and expenses in finding substitute crew members if any of our vessels' crew members become infected, delays in drydocking if insufficient shipyard personnel are working due to quarantines or travel restrictions, difficulties in procuring new containers due to temporary factories' shutdowns and increased risk of cyber-security threats due to our employees working remotely. Fear of the virus and the efforts to prevent its spread may increase pressure on the supply-demand balance, which could also put financial pressure on our customers and increase the credit risk that we face in respect of some of them. Such events have affected our operations in the past and may have a material adverse effect on our business, financial condition and results of operations.

The international production set up and distribution channels of the Group's customers may change and if it is not able to anticipate such changes and respond quickly to customers' needs, its business and results could be adversely affected.

Globalization, digitalization, growth of e-commerce, increasing levels of outsourcing, changes in demand patterns and the constant re-design of production setups and supply chains with increasing complexity (e.g., supply chains that include mixtures of off- and near-shoring) drive the changing needs of the Group's customers (existing or potential) in terms of logistics services. In this context for example, the Group is increasingly being asked to provide a wide range of solutions, including a range of value-added services, and offer data-driven decisions geared towards optimizing the overall supply chain costs, including through increasing technological capabilities. In addressing growing complexity, some customers are reducing the number of logistics suppliers they use. This offers opportunities but may also lead to customer losses if the Group is not retained as a supplier. In addition, the Group must also be able to anticipate shifts in geographic centers of production (such as from China to Southeast Asia, India or Mexico). Environmental, Social and Governance ("ESG") considerations may also contribute towards a structural shift in customers' supply chain set-up, with the circular economy being one of the key trends, which may have significant implications for trade volumes.

Moreover, several customers are becoming more aware of the vulnerabilities within their supply-chains, especially after the outbreak of the COVID-19 pandemic and the recent disruptions in the Red Sea, which exposed their dependency on China. This may lead to customers exploring supply chain solutions that are less complex, less expensive, and less dependent on China, which may contribute towards a shift to a local/regional supply chain model. Companies have adopted multiple strategies, such as relocating manufacturing to neighboring countries closer to the home market (nearshoring), manufacturing locally and bringing it back home (reshoring), continuing offshoring, but with a wide variety of trading partners, or a combination of all of them.

Over the years, the world has seen the formation of multiple regional trading blocs, customs unions and free trading agreements. Some of the major regional trading blocs include the EU, the United States-Mexico-Canada Agreement ("USMCA"), the Asia-Pacific Economic Cooperation ("APEC"), and the Association of Southeast Asian Nations ("ASEAN"). The latest addition to the list of regional trading blocs is the Regional Comprehensive Economic Partnership ("RCEP"), which came into force in 2022. The growing influence in terms of geographical, population and GDP coverage of various trading blocs may lead to possible fragmentation of trade towards more regionalized flows.

We must understand, react and, where possible, pre-emptively anticipate customer needs in the optimization of their supply chains. Failure to provide these services successfully may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to our Business and Results

We operate in a capital-intensive industry and our financing needs may in the future, as they have in the past, lead to high leverage and liquidity pressure.

We operate in a capital-intensive industry and thus have substantial capital needs, including acquiring, leasing, chartering and maintaining container vessels and containers, airplanes and warehouses. These have been, and are expected to continue to be, increased by the need to modernize our fleet in furtherance of our sustainability ambitions and to comply with climate change regulations (see "*Risks Relating to the Shipping and Logistics Industries—Climate change can have a physical impact on the Company's operations and exposes it to transitional risks*" and "*Legal, Regulatory and Taxation Risks—Our operations are subject to extensive regulation in various areas including in respect of the environment, compliance with which and changes in which could weigh on our results of operation and financial condition and non-compliance with which could subject us to substantial liability.*"). Adverse changes in our operating environment due to the cyclicity of the container shipping and logistics industries may compound the risks of leverage and even cause liquidity pressure, particularly if they coincide with periods of high cash outflows related to inorganic growth (e.g., acquisitions and investments). (See "*Risks Relating to the Shipping and Logistics Industries—Our results of operations and financial condition are sensitive to conditions in the container shipping and logistics industries, which historically have been cyclical and affected by imbalances in supply and demand.*")

We incurred capital expenditures of \$5.1 billion and \$0.9 billion in the year ended December 31, 2023 and the six-month period ended June 30, 2024, respectively (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*"). We have financed these capital expenditures through a combination of cash flow and, to a lesser extent, debt financing and maintain strong relationships with certain banks in relation to obtaining such financing. In particular, with respect

to financing vessels, we have in the past engaged in a variety of financing structures, such as French tax lease arrangements and other secured financing arrangements, including vessel mortgages (see “*Description of Certain Financing Arrangements*”).

There is no guarantee that we will be able to secure any one or more of the financing options that we have used in the past at attractive rates for future expenditure, or at all. There is also no guarantee that we will be able to secure such financing on advantageous terms. Any downgrade of our credit rating would increase our cost of financing and potentially even preclude us from accessing certain financial markets and products and thereby impair our liquidity. We could in certain circumstances be forced to use financing options that are less advantageous, including because they require collateral, greater up-front cash expenditures, higher interest rates, different term commitments or different covenants, or we may be forced to reduce our capital expenditures. It is not certain that we will in the future generate enough free cash flow to enable us to cover all our financing needs without resorting to further debt financing or other financing arrangements. Moreover, it may not be possible, irrespective of the general level of interest rates, to obtain debt financing or to meet the conditions precedent of committed financing, or it could only be possible to do so with difficulty, with delay or on unfavorable commercial terms. Any delays in securing financing or securing financing on favorable terms and a resulting inability to finance our business or pursue our growth strategy could have a material adverse effect on our business, results of operations and financial condition.

Our acquisition of businesses could have a material adverse effect on our business, results of operations and financial condition.

We have made a number of substantial acquisitions in recent years and could complement our organic growth going forward with further acquisitions. Acquisitions involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including, but not limited to, the following, any of which can have a material adverse effect on our business, results of operations and financial condition:

- businesses, technologies, services and products that we have acquired or may acquire have underperformed and may in the future underperform relative to our expectations and the price that we pay, fail to achieve and/or sustain profitability or require additional investments (for example, we made contributions to CEVA’s equity of \$198 million in 2019 and \$485 million in the first six months of 2020 to strengthen its balance sheet and liquidity position);
- acquisitions have caused and may in the future cause our financial results to differ from our expectations;
- we have not been able and may not in the future be able to achieve anticipated cost savings or other synergies;
- we have entered into and may in the future enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which can lead to unexpected pay-outs; and
- we may incur significant debt in connection with our acquisitions hence increasing our debt-servicing requirements and potentially limiting our financial flexibility or even our rating;
- acquisitions have put and may in the future put additional pressure on our management, operational resources and financial and internal control systems;
- we have experienced and may in the future experience difficulty in integrating cultures, personnel, operations and financial and other controls and systems and in retaining key employees and customers of the acquired businesses; and
- we have assumed and may in the future assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions.

In addition, acquisition agreements that we typically enter into require the former owners of the companies we acquire to indemnify us against certain liabilities related to the operation of the acquired companies before we acquired them. We also typically obtain representations and warranties from such former owners with respect to the acquired businesses. We cannot assure you that we will continue to obtain indemnities, representations and warranties or that these indemnities, representations and warranties will be sufficient to cover all losses we could face or will be fully enforceable. In addition, the liability of the former owners is typically limited, and certain former owners may be unable to meet their obligations. There can be no assurance that indemnification

provisions and/or representations and warranties will protect us fully or at all, and as a result we may face unexpected liabilities that can have a material adverse effect on our business, results of operations and financial condition. For example, in the case of the acquisitions of NOL and CEVA, there was no such indemnity because they were listed entities.

On February 23, 2024, in pursuance of its authority to review state aid systems in the EU, the European Commission opened an investigation of certain agreements for the provision of maritime transport services between Corsica and mainland France for 2023-2030 entered into by La Collectivité de Corse, L'Office des transports de Corse and La Méridionale which the Group acquired in May 2023 (the "2023-2030 Maritime Service Agreements"), as well as Corsica Linea (a competing passenger and freight transportation operator). On April 29, 2024, we submitted our comments to the European Commission as an interested third party. The investigation is ongoing and there is no formal deadline for the decision to be taken by the European Commission. If the European Commission concludes that La Méridionale benefits from state aid that is not compatible with the internal EU market, we may face the risk of reimbursing part or all of the subsidies that La Méridionale may have earned (estimated at approximately €30 million per year) and La Méridionale may no longer be eligible for future subsidies, although it would still be permitted to carry on its business, including calling in Corsica.

In addition, Corsica Ferries, a ferry company operating services between Corsica, Sardinia and Elba and the direct competitor of La Méridionale, initiated administrative procedures before the Administrative Court of Bastia, France to challenge (i) the 2023-2030 Maritime Service Agreements and (ii) certain similar agreements for the provision of maritime transport services between Corsica and mainland France for 2021-2022 (the "2021-2022 Maritime Service Agreements"). While the investigations in connection with the 2023-2030 Maritime Service Agreements are still ongoing, those initiated in connection with the 2021-2022 Maritime Service Agreements are now closed, although the date of the decision to be handed down by the Administrative Court of Bastia has yet to be announced.

More generally, acquisitions generate goodwill, which is subject to periodic impairment tests. As of June 30, 2024, we had goodwill of \$8.2 billion and other identifiable intangible assets of \$9.0 billion recorded on our consolidated statement of financial position; \$6.0 billion of the goodwill is allocated to our acquisitions in the Logistics segment, including (preliminarily) \$3.0 billion related to Bolloré Logistics. Our goodwill as of the end of the third quarter of 2024 will increase to reflect the acquisition of Altice Media that was completed on July 2, 2024. In accordance with IFRS, the carrying amounts of goodwill and other identifiable assets are tested for impairment annually, or when objective evidence indicates that the recoverable value of the cash generating unit to which the goodwill or other intangible assets relate may be below its carrying amount. The recoverable amounts are determined on the basis of value in use calculations, which depend on a number of key assumptions based on our business plan. A deterioration in the performance of the underlying business could lead to changes in those assumptions and hence in the recording of impairment charges. While impairment does not affect reported cash flows, the non-cash impairment charge in the income statement could have a material adverse effect on our results of operations and financial condition. For example, in the 2022 Audited Consolidated Financial Statements, we recorded an impairment of \$1.1 billion, comprising \$0.9 billion on Contract Logistics and \$0.2 billion on Ground Transportation, having determined that the value in use of the overall Ground Transportation and Contract Logistics CGUs were below their carrying values (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Presentation of Financial Information; Comparability of Information—Reorganization of Logistics Segment*").

Realization of the above risks, alone or in combination with other factors, could have a material adverse effect on our business, results of operations and financial condition.

We may not successfully implement our plan to increase the scale and improve the profitability of our Logistics segment.

Since 2018 we have been pursuing a strategy of integrating vertically into logistics services, acquiring first CEVA, Ingram CLS, Colis Privé and GEFICO in 2022 and Bolloré Logistics in early 2024. While the more recent acquisitions have substantially increased the scale of our Logistics segment, it has been since inception and remains less profitable than certain industry peers and we have been and continue to be focused on increasing its profitability. In the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024, the Adjusted EBITDA margin of the Logistics segment was 8.1%, 7.6%, 9.0% and 9.3%, respectively. No assurance can be given that the recent trend toward improved profitability of our Logistics segment will continue or accelerate.

In particular, we cannot be certain that our acquisition of Bolloré Logistics will achieve the desired result of improving profitability through increased scale or that the scale benefits will not be offset by integration

difficulties. The integration of Bolloré Logistics, a major undertaking in itself, will occur alongside our continuing integration of the three businesses acquired in 2022 and may present a number of challenges, such as harmonization and optimization of the IT systems across different Logistics businesses and the risk of loss of key employees and customers (see “—*Our acquisition of businesses could have a material adverse effect on our business, results of operations and financial condition*”).

Failure to successfully implement our plan to expand the Logistics segment, integrate Bolloré Logistics, and the realization of any financial, accounting, managerial, operational, legal, compliance and other risks and challenges in connection with the acquisition of Bolloré Logistics could have a material adverse effect on our business, results of operations and financial condition.

Our recent entry into new businesses exposes us to new risks and could divert our management’s time and attention from running our core businesses.

We have developed a dedicated Media business comprising RMC-BFM (formerly, Altice Media, that we acquired in July 2024), La Provence, Corse Matin and La Tribune. In addition, in April 2024, we joined Renault and Volvo as founding member of Flexis SAS, a joint venture for a new generation of electric vans. From time to time we may also seek to invest in other businesses and assets outside our core businesses. We may have limited or no prior experience in such business areas, and we may fail to respond effectively to challenges and risks presented by them. Failure to realize the benefits of amounts we invest in new technologies, products, or services could result in the value of those investments being written down or written off. Diversification and entry into new businesses could divert our management’s time and attention from the ongoing development and operation of our core Shipping and Logistics segments. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

Our entry into the media sector in France has increased the visibility of the Group, especially after our acquisition of Altice Media (one of the largest private-sector media groups operating some of the leading news media – BFM TV, BFM radio, Brut – in France). Negative information or rumours about us, even if unsubstantiated, could harm our reputation. To the extent our response to any negative publicity or our public relations efforts are not effective or result in negative reaction, our ability to establish and maintain a positive reputation may be adversely impacted. This increased focus could also lead to greater regulatory focus or pressure. These factors could have a material adverse effect on our business, results of operations and financial condition.

Our results and financial condition could be affected by recent and future growth initiatives, both organic and inorganic, and by difficulties in managing them.

We have grown, and plan to continue to grow, our business in various ways, as detailed in “*Business—Our Strategy—Leveraging industry dynamics to foster further organic and inorganic growth.*” We plan to achieve further growth both internally as well as through selective strategic acquisitions, which may vary in size, may be significant in scope in relation to our current operations and could occur at any time (including in the near term, as we are regularly and actively monitoring opportunities that meet our acquisition criteria). See “—*Our acquisition of businesses could have a material adverse effect on our business, results of operations and financial condition.*”

The expansion of operations has lead, and could continue to lead to a significant expansion in our workforce. As of March 31, 2024, we had 160,838 employees working across our different businesses worldwide, which represents a 7% increase as compared with December 31, 2022, when we had a total of 150,213 employees. The substantial increase is mainly due to our recent acquisitions. We may not be able to retain and attract qualified management and employees to keep pace with our growth. We may also not be able to scale and adapt our operational and financial systems to keep pace with the increased complexity and expanded geographic scope of our operations.

As part of our growth strategy, we have also undertaken, and intend to continue to undertake, new initiatives such as bolstered intermodal service solutions, as well as expanding the range of services we provide for our customers in the ports where we unload cargo, by providing more value-added services, such as logistics and inter-modal container transportation services. These initiatives involve investment risk, as well as new management challenges. We cannot assure you that we will be able to meet these management challenges successfully going forward. Further, a growing number of our competitors are offering these value-added services. If our efforts to build these services are not successful or our services are not able to compete effectively, we could lose our customers to our competitors.

We have historically invested in terminal facilities, particularly in ports where we have significant liner operations, and have increased our investments in the recent period, including with major investments in the United States (Los Angeles and New York). We may encounter challenges in managing such terminal facilities efficiently, maximizing fulfillment and maintaining or improving their profitability. We have minority stakes in some

terminals and own others through our joint venture Terminal Link, exposing us to risks inherent in non-control or joint-control situations.

If we fail to manage our growth effectively, this could have a material adverse effect on our business, results of operations and financial condition.

We present certain pro forma information in these listing particulars; the data used in calculating this information is unaudited carve-out financial information of an acquired business and involves significant management estimates, assumptions and judgements, and accordingly you should not unduly rely on this information.

The Pro Forma Information presented in these listing particulars is illustrative and presented for information purposes only. The Pro Forma Information has been prepared to illustrate the effect of the acquisition of Bolloré Logistics (which closed on February 29, 2024) on the Group's revenue, Adjusted EBITDA and Adjusted EBITDA margin for the twelve-month period ended June 30, 2024, as if the acquisition of Bolloré Logistics had taken place on July 1, 2023. The Pro Forma Information is subject to significant management assumptions and estimates and has not been audited, reviewed or verified by any independent accounting firm. We present the Pro Forma Information to illustrate the estimated impact of the Bolloré Logistics acquisition, but this information does not necessarily represent the results that we would have achieved had the acquisition occurred on July 1, 2023. We calculated the Pro Forma Information using information derived from unaudited carve-out financial information relating to Bolloré Logistics prepared by Group management, which involved certain adjustments. The preparation of this financial information involved the application of significant management assumptions and estimates. The assumptions and financial information used to derive the Pro Forma Information have not been audited, reviewed or verified by any independent accounting firm, and do not constitute a measure of financial performance under IFRS. You should not consider the Pro Forma Information as a historical performance measure or an indication of future performance. The use of Pro Forma Information is inherently subject to risks and uncertainties and may not give an accurate or complete picture of our results of operations for any historical or future period, may not be comparable to our consolidated financial statements or the other financial information included in these listing particulars and should not be unduly relied upon when making an investment decision. See "Summary Financial and Operating Information—Pro Forma Information."

We could be unable to continue reducing costs sufficiently to support our profitability.

The profitability of containerized shipping lines is driven primarily by supply-side dynamics and the ability to control costs – whilst demand has an influence, supply-side factors and cost control are more influential, as seen in the recent COVID-19 pandemic, where profitability improved across the industry despite a sharp global decline in demand during the first half of 2020 (source: Drewry, May 2024). For several years, we have been, and remain, focused on improving our financial performance and increasing the resilience of our business to cyclical downturns by lowering our cost base. We have implemented, and continue to implement, a broad range of cost reduction and efficiency measures across our organization through the rationalization of some of our lines, greater operational efficiency, lower logistics costs, new partnerships with suppliers, and other initiatives to offset inflationary pressures, and the implementation of innovative on-board technical solutions to reduce our energy consumption and carbon footprint. Our ability to reduce costs is not limitless, however, and our efforts may over time see diminishing returns. Our inability to reduce costs further could have a material adverse effect on our business, results of operations and financial condition.

We have annually implemented comprehensive cost improvement plans, involving a broad range of cost reduction and efficiency measures across our organization aimed at reducing our per-unit costs, thereby improving our profitability and increasing the resilience of our business in cyclical downturns. Implementation of cost improvement plans have contributed significantly to maintaining or improving our profitability in recent periods. There can be no assurance, however, that our current or future cost improvement plans will continue to be effective in supporting our long-term profitability. Despite our experience with previous cost improvement plans, our ability to successfully implement these in the future is subject to numerous risks and uncertainties and business, economic and competitive developments. The actual amount of savings we are able to achieve from cost improvement plans and/or the timing of those savings may differ significantly from those we are targeting. Failure to achieve the expected savings may have a material adverse effect on our profitability, cash flow and financial condition.

The container shipping and logistics businesses in which we operate are highly competitive. We could be unable to retain existing customers, most of whom do not have contracts, and could be unable to attract new customers.

We face substantial competition from a number of experienced companies, including state-sponsored entities. Some of these competitors have greater financial resources than we do and can therefore operate larger fleets and may be able to offer lower freight rates. Any increased competition may cause greater price competition for freight, as well as for the acquisition of vessels and chartered vessels. Further, since the freight rate is generally considered

to be one of the principal factors in a shipper's decision to book a container, the rates offered by our competitors can place downward pressure on rates throughout the freight rate market. As a result of these factors, we may be unable to maintain or expand our relationships with existing customers or to obtain new customers on a profitable basis. Once our existing customer contracts expire, there is no assurance that our customers will renew the contracts on similar terms or that we will be able to attract equivalent new customers. Any negative impact would be magnified if we lost any significant customers, of which our largest ten customers by volume together accounted for approximately 12% and 11.1% of our volumes in the year ended December 31, 2023 and in the six months ended June 30, 2024, respectively. If we lose a significant customer, we might not be able to reduce our fixed costs accordingly.

The logistics business is also highly competitive and its customer base is highly price sensitive. Our competitors may opt to reduce profit margins significantly in order to gain market share, threatening our revenues and margins as a consequence. In some cases, customers of the Group who ship goods in high volumes are simultaneously investing in the development of in-house logistics capabilities, which could result in a loss of revenue, bargaining power and/or market share of the Group. There has been increased consolidation in the logistics industry in recent years, as companies are trending towards becoming end-to-end supply chain services providers. If our competitors are able to offer more attractive pricing options or a wider range of services, we may be unable to maintain or expand our relationships with existing customers or attract new clients. The largest customer in Logistics represented approximately 12% of our Logistics segment revenues for year ended December 31, 2023. If this customer, or other significant customer decides to terminate or not renew existing contracts or arrangements, this could have a material adverse effect on our Logistics business, results of operations and financial condition.

The expansion of our Logistics segment may have an adverse effect on our Container Shipping segment. For example, freight forwarding clients of our Container Shipping segment may compete with our Logistics segment and thus refuse to transact with our Container Shipping segment. On the other hand, freight forwarding clients of our Logistics segment may question our ability to offer best pricing because of dependence (whether actual or perceived) on the Container Shipping segment.

Any of the above developments could have a material adverse effect on our business, results of operations and financial condition.

Any severe damage to our reputation, or if we lose the right to use or fail to protect our brand, trademarks or other intellectual property rights may, limit our ability to operate and grow. We market our services primarily under a variety of brand names, such as "CMA SHIPS," "CMA TERMINALS," "TERMINAL LINK" and "CEVA LOGISTICS" and related trademarks. Our owned or licensed trademarks may be misused by third parties and we may have to incur expenses in protecting these trademarks. Any unauthorized use of our brands, our owned or licensed trademarks or other intellectual property rights could harm our competitive advantage. In the event that we lose the right to use or fail to protect our brands, our owned or licensed trademarks or other intellectual property rights, our business, results of operations, financial condition and prospects could be materially and adversely affected.

In addition, our operations rely to a certain extent on our good reputation. Our reputation may be damaged, for instance, due to misconduct of employees and any respective negative publicity. Furthermore, our reputation could be damaged by misbehavior of, and wrong allegations by, third parties. Negative publicity could, in particular, lead to a reduction of new business or the loss of existing business relationships, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our operations depend on our IT systems, which have in the past experienced and may in the future experience to cyber-attacks; these IT systems may not continue to generate operational efficiencies, we may be unsuccessful in implementing sufficiently strong security measures to protect against future cyber-attacks and we may be unable to develop innovative IT solutions to compete with new developments.

Our ability to quickly and correctly obtain, process and transmit data related to transport volumes, freight rates, transport costs, container locations and vessel schedules is critical to the effective management of our container capacity, our vessel fleet and the handling of empty containers in order to manage and minimize imbalance costs and the provision of high-end customer service. In this context, we rely to a large extent on our IT systems. We expect to continue to commit significant financial resources, time, management expertise, technological know-how and other resources to the maintenance and further modification and enhancement of our IT systems (see "Business—Information Systems and Logistical Processes"). However, there is no guarantee that our IT systems in their present format or any improvements and new developments thereto will yield the desired results and there can be no certainty that costs incurred in this respect will pay off in the form of improved operational efficiency. If we are not successful in achieving additional operational efficiencies through maintaining, improving and continuing to develop our IT systems, our operational efficiency and cost structure relative to our competitors could deteriorate. For example, in recent years, we have introduced a variety of improved systems at our

consolidated fleet center that have contributed to operating efficiency gains. Our real-time monitoring of fleet operational data has allowed us to reduce bunker costs by optimizing the speed and routing decisions of our vessels. In addition, our big data analysis with respect to routing has allowed us to optimize sailing schedules and routes to account for currents, weather and other factors and has improved our network efficiency. Our ability to maintain and build on these efficiency gains is dependent on the availability and effectiveness of this highly advanced system, and any disruptions of the system could have a significant adverse effect on our operations. Furthermore, an important means of communication with both our clients and our vendors is e-commerce, via Web platforms or Electronic Data Interchange (“EDI”). If these systems were to malfunction or be disrupted, it could cause us to lose customers or sales and could disrupt our operations.

We continuously focus on the digitalization of our operations. However, our competitors could at any time develop similar or better systems than ours for a variety of purposes, including controlling and monitoring operations, optimizing routes, streamlining operations and improving quality of services and client interactions. If we are unable to continue to innovate new technology solutions to ensure that our operational IT systems remain as effective or more effective than those of our competitors, it could neutralize or reverse any competitive advantage that we may currently benefit from in optimizing our operations. Further, we could suffer from complications in respect of the deployment of new information systems, such as Cargo Wise, a freight management solution (see *“Business—Information Systems and Logistical Processes”*). Specifically, CEVA has begun its deployment of Cargo Wise while Bolloré Logistics’ deployment is more advanced, accordingly, the Group will apply the latter across its Freight Management (Ocean and Air) business, which may create challenges. As a result, our operational efficiency and cost structure relative to our competitors could deteriorate (see *“Risks Factors—Risks Relating to the Shipping and Logistics Industries—The container shipping and logistics industries are highly competitive and will likely remain so despite ongoing consolidation”*).

Moreover, increases in volume coupled with technological developments, increased automation and use of artificial intelligence (“AI”) may lead to large customers becoming competitors, such as Amazon’s move into shipping services. We might not be agile or resourceful enough to adapt to technological developments of such competitors or might not invest in solutions that will prevail in the future. These technological developments could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, although our IT systems and the relevant backup systems have an identical set-up and are located in separate data center locations, there can be no assurance that both data centers and their systems will not be simultaneously damaged or destroyed in the event of a major disaster. Both the main IT systems as well as relevant backup systems could be vulnerable to damages or interruptions in operation due to fire, power loss, telecommunications systems failures, physical break-ins, hacker break-ins, cyber-attacks, a significant breakdown in internal controls, privacy breaches, fraudulent activities by employees, failure of security and terrorism measures or backup systems, or other events beyond our control.

As we become increasingly digitized, more devices and control systems are connected online. This results in a larger interface across our IT systems, which leaves us more susceptible to data breaches as a result of cyber-attacks. Any breakdown or disruption to our IT systems could materially impact our relationships with customers, our reputation and our operating costs and margins. For example, in late September 2020, we suffered a ransomware-based cyber-attack. The unauthorized access impacted certain of our IT systems, particularly our e-commerce platforms. Consequently, many online customer services (for example, e-booking, bills of lading and invoice printing) were unavailable from the date of the cyber-attack until October 11, 2020. During this period, we were still able to process orders manually as well as through Direct EDI, INTTRA and certain other third-party e-booking portals. However, such alternative solutions did not fully compensate for the bookings that we would usually expect to make on our e-commerce platforms. Ultimately, we were able to recover from this incident with limited business disruption, and its overall impact on the Group was not material. However, there is no assurance that we will not experience similar, or more severe, cyber-attacks in the future, nor as to our ability to withstand such cyber-attacks without suffering a material adverse effect on our business, results of operations and financial condition.

While we believe that we have taken appropriate security measures to protect our data and IT systems, including in advance of the recent cyber-attack, and while we aim to improve further our administrative and technical controls and to implement enhanced preventive actions to protect our IT systems and reduce the risk of cyber incidents with the support of an increased cyber-security budget, there can be no assurance that our efforts will be successful in preventing more breakdowns or breaches in our systems that could have an adverse effect on our business, results of operations and financial condition.

We have in place cyber-liability insurance that provides both third-party liability and first-party insurance coverage. However, our insurance may not be sufficient to protect against all loss and may not cover all costs associated with the consequences of personal and confidential and proprietary information being compromised.

As a result, a cyber-insurance policy notwithstanding, in the event of a material cyber-security breach, our results of operations could be materially and adversely affected.

Administrative and technical controls and other preventive actions we take to reduce the risk of cyber-incidents and protect our IT may be insufficient to prevent physical and electronic break-ins, cyber-attacks or other security breaches to our computer systems. In the event of unauthorized access, computer viruses, malware or other malicious code or cyber-attack, system failures, disruptions and other events, such as unanticipated problems with our disaster recovery systems, could have a material adverse impact on our ability to conduct business and on our results of operations and financial position, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data.

Our IT systems are often directly integrated with our customers' systems (for example, the Matrix™ WMS IT platform for the Contract Logistics business is often integrated with our customers' systems). The rise of digitization has coincided with an increase in the number of cyber-security incidents, including deliberate attacks and unintentional events. As a result, we (and any affiliated entity through acquisition or joint venture) may be subject to further cyber-attacks, either targeted against us or our customers, which may result in cyber-criminals gaining unauthorized access to our IT systems for purposes of misappropriating assets or sensitive information, corrupting data or causing disruptions to our operations and services. The techniques used by cyber-criminals to obtain unauthorized access change frequently, may be difficult to detect and often are not recognized until a security breach. In addition, privacy breaches could occur inadvertently or intentionally by our employees (past or present). The occurrence of any of these events could result in service interruptions, operational difficulties, loss of revenues or market share, liability to customers or others, diversion of resources, injury to our reputation and increased service and maintenance costs. Any of this could result in a loss of customers or a reduction in demand for our services, which could have a material adverse effect on our business, results of operations and financial condition.

Delays in deliveries of our new-built vessels, or our decision to cancel, or our inability to otherwise complete the acquisitions of any new-built vessels we could decide to acquire in the future, could harm our business, financial condition or results of operations.

Our vessels on order could be cancelled or not completed, or their delivery could be delayed, which would accordingly delay or eliminate our expected receipt of revenues from the operation of such vessels. The shipbuilder or third-party seller could fail to deliver the new-built vessels or any other vessels we acquire or order, or we could cancel a purchase or a contract for new-built vessels because the shipbuilder has not met its obligations or due to changing market conditions and our subsequent inability to finance the purchase of the vessel. Our receipt of new-built vessels could be delayed, cancelled or otherwise not completed because of, among other things, quality or engineering problems or failure to deliver the vessel in accordance with the vessel specifications, changes in governmental regulations or maritime self-regulatory organization standards, work stoppages or other labor disturbances at the shipyard, bankruptcy or other financial or liquidity problems of the shipbuilder, a backlog of orders at the shipyard, political or economic disturbances in the country or region where the vessel is being built, weather interference or catastrophic events, shortages of or delays in the receipt of necessary construction materials, such as steel, and our inability to finance the purchase of the vessel.

Our decision to cancel a new-built vessel order, due to commercial or financial reasons, exposes us to the risk of commercial dispute or litigation. For example, the cancellation of orders made during the 2009 market downturn led to losses in respect of prior payments and to ongoing disputes with shipyards and ship owners.

In addition, the ordering of new-built vessels is associated with the risk of default of the shipyard in question and of the shipyard's inability to perform the contracted works and services, in particular due to insolvency. In such cases, despite appropriate precautions (for example, the use of advance payment guarantees and insurance policies covering the amounts prepaid in the event of non-performance), the possibility of a partial or complete loss of the amounts of any prepayments cannot be excluded. As a general matter, a loss of prepayments could also occur in connection with the purchase of used vessels if the seller loses its commercial ability to perform the agreements and falls insolvent. If a loss of prepayment were to occur, this could have a material adverse effect on our business, results of operations and financial condition.

We could also incur financial losses when acquiring used or new vessels when our contract parties are not in a position to deliver the vessels at all, or are only able to deliver them after a period of delay. Furthermore, vessels delivered to us may not be fit for service or could be fit for service only to a limited degree due to defects or after significant, costly repair work. The realization of any such risk could have a material adverse effect on our business, results of operations and financial condition.

In addition, we are subject to the inherent industry risk that we either order too much or too little vessel capacity to cater for future demand – as new vessels must be ordered two to three years in advance, there can be periods

of excess or deficit capacity relative to the demand for shipping transport volumes, and by the time new capacity is ready to be deployed, the predicted demand which gave rise to the original order could have already peaked and/or been replaced by a period of oversupply (see “—*Risks Relating to the Shipping and Logistics Industries* The considerable time lag between the ordering and delivery of new vessels leads to a heightened sensitivity to intermittent changes in shipping market conditions.”).

Changes in our customers’ preferred modes of transportation or in their supply chain management and configuration may materially adversely affect our Logistics business and reduce demand for our services.

There are a variety of modes in which freight can be transported, including by air, sea, road and railroad. We have differing market positions and exposure to various modes of freight, which have differing margin levels and net working capital requirements. While not all of these modes are interchangeable, depending on the origin and destination of freight, our customers have substantial flexibility to choose the mode that best suits their needs in terms of type of freight, cost, speed, certainty of arrival time and other factors. Trends in preferred modes may shift over time as their characteristics change or our customers’ priorities change or because of regulatory requirements (e.g., prohibition to transport Li-ion batteries in passenger aircrafts). In addition, in optimizing their logistics spend, customers might restructure their supply chains, including by near-shoring or other alteration in the flow of goods. For example, during periods of economic contraction and inventory de-stocking, certain customers may find that speed and certainty of arrival time is less important than when inventory levels were tight. If this is the case, such customers may choose ocean freight as a lower-cost but slower alternative to air freight. While in recent years, we experienced a shift in our air freight volumes to ocean freight, particularly in Asia, new business models, in particular related to e-commerce have led to significant increases in demand for air freight that may, especially in some periods, only be met at much higher transportation cost, because of insufficient available capacity on certain routes. These trends may negatively impact our margins and net working capital requirements (although significant increases in demand for air freight may generally benefit our dedicated Air Cargo business). While these trends may to some extent be cyclical in nature, there can be no assurance that the trend may not continue, and we may not be able to prepare for or predict future shifts in demand for particular transportation services, which may have a materially adverse effect on our business, results of operations and financial condition.

Our growth strategy within the logistics industry is partially based on the assumption that outsourcing of supply chain management services will continue. We believe that we are generally able to provide such services more efficiently than they otherwise could be provided “in-house,” primarily as a result of our expertise, technology and lower and more flexible employee cost structure. Nevertheless, our customers may see risks in relying on third-party service providers or they may begin to define these activities as within their own core competencies and decide to perform supply chain operations themselves. If our customers are able to improve the cost structure of their in-house supply chain activities, including in particular their labor-related costs, we may not be able to provide our customers with an attractive alternative for their supply chain needs. If our customers in-source significant aspects of their supply chain operations, or if potential new customers decide to continue to perform their own supply chain activities, our business, results of operations and financial condition may be materially adversely affected.

Reliance on third-party suppliers (in particular for road and air transportation) may negatively impact our ability to serve our supply chain management customers.

We do not generally maintain our own integrated transportation networks within our Logistics segment. Instead, we rely on third-party transportation service providers for most of our contract logistics transport services and substantially all of our air and ground transport services (although from time to time our Logistics segment uses services provided by our Container Shipping segment and Air Cargo business on an arm’s length basis). Our ability to serve some of our customers depends on the availability of air, road and rail transportation cargo space, including space on passenger and cargo airlines, ground carriers and rail operators that service the transportation lanes our customers use. Moreover, our ability to serve some of our customers depends on the availability of a limited number of air freight carriers and adequate third-party land transportation services, including truck drivers, which may be unavailable or insufficient to meet our needs. We cannot assure you that we will be able to obtain access to preferred third-party networks at attractive rates or that these networks will have adequate available capacity to meet our needs. The discontinuation of commercial relationships with our major suppliers, the bankruptcy of a major supplier, significant changes in the scheduling, pricing, payment terms and service policies of our suppliers, or general shortage in available transport capacity or material interruptions in services or stoppage in transportation, whether caused by bad weather conditions, strike, work stoppage, lock-out, slowdown, complete lock-downs due to contagious diseases such as the COVID-19 pandemic or otherwise may adversely affect our business, results of operations and financial condition.

We have certain customers and operate in certain industries that represent a considerable portion of our Logistics segment revenues.

Although we have a relatively diversified Logistics customer base, with our top 20 customers contributing approximately 37% of our Logistics segment revenues for the year ended December 31, 2023, we do have some customers that represent a considerable portion of our Logistics segment revenues (our largest customer represented approximately 12% of our Logistics segment revenues for the same period). If a customer decides to terminate or not to renew existing contracts or arrangements, reduce the services we provide to them, seek to renegotiate the terms of our contracts in ways that are adverse to us or become bankrupt, insolvent or otherwise unable or unwilling to pay for our services, this could have a material adverse effect on our Logistics business, results of operations and financial condition.

In addition, our Logistics services focus on specific industry sectors, and we are therefore directly impacted by market developments and economic conditions in these sectors. In 2023, the key industry sectors contributing to our Logistics segment revenue were automotive (32%), industrials (15%), consumer & retail (14%), technology (9%), e-commerce (8%) and healthcare (4%). Trends in these industries that can affect their supply chains (e.g., near-shoring) or regulatory constraints in these industries as well as future downturns in any of these sectors, or any other sector that we serve, including temporary shutdowns, plant closings, bankruptcies and consolidations, could materially harm our business, results of operations and financial condition.

The structuring of our contractual relationships, as well as our long-term, sometimes multi-year contract logistics contracts may prevent us from passing along increases in our operating costs or from recovering fixed costs and expose us to significant losses and/or write-offs, which could adversely affect the profitability of our Contract Logistics business.

We enter into long-term, sometimes multi-year contracts with many of our customers, particularly in Contract Logistics, but also in Freight Management (Ocean and Air). We also enter into contracts with third parties who provide services or property to us in connection with our provision of services under our supplier contracts. These supplier contracts may provide for fixed pricing and other terms which we negotiate based on our assumptions regarding our customers' products, required scope of services and expected volumes, the operational efficiencies and productivity improvements we expect to achieve and other estimates. In this context, we seek to pass on our fixed costs to our customers by surcharges, but this may not be feasible in all situations. In Contract Logistics specifically, we make assumptions and estimates about the costs of starting-up operations for a new customer, location or service. These assumptions and estimates may prove to be inaccurate as a result of various factors, including insufficient information provided by the customer, changes to economic conditions, reductions in volume, change of scope, costs beyond our control, or early termination of customers' activities with us and other developments, and as a result, our operating margins under these customer contracts may be materially adversely affected under contracts where we bear these risks. Any of this could depress the expected profitability of the contracts in question.

Furthermore, in our Logistics segment, results of operations and financial condition may be materially adversely affected by macroeconomic risks such as inflation, wage increases and currency exchange rates, due to a limited sharing of such risks in certain of our contracts. In Contract Logistics specifically, we make capacity commitments and lease assets in anticipation of contracts, which may be underutilized if we do not anticipate our customers' needs adequately. Although we seek to structure our arrangements with third parties on a back-to-back basis with the related customer arrangements—for example, by entering into lease agreements with durations and termination rights that are coterminous with the duration of the customer contracts that the leased property is used to service—or otherwise seek to require our customers to assume these costs and commitments if they prematurely terminate their contracts with us, certain arrangements require us to contract leases for longer periods than our related customer contracts, or to make investments in property, plant, and equipment and expand our personnel and management, and there may be instances where we are not able to offset or transfer such costs to our customers. For example, some of our customer contracts contain termination clauses for change of control and many of our standard fixed cost contracts are terminable by our customers with limited advance notice periods, and as a result we may have non-recoverable fixed costs and excess capacity.

We may incur contractual liabilities as a result of performance commitments to our Logistics customers, many of whom may expose us to credit risk.

We might not be able to provide services to our customers or execute business strategies as originally anticipated or in the most effective or efficient manners. Most of our customer contracts contain contractual key performance provisions that we are required to meet in our performance under these contracts. A failure to meet these contractual performance provisions, including failure to meet peak demand and other specified terms that vary from contract to contract, could result in the incurrence of significant liabilities and could have a material adverse effect on our business, results of operations and financial condition. For example, where we provide inbound

automotive logistics, we may be liable for performance failures that lead to loss of revenue or profit and consequential damages, which may not be capped or are difficult to quantify, notably for business interruption or line stoppage. Additionally, we provide supply chain solutions to certain of our customers and may commit to achieve a pre-determined reduction of customers' logistics spend by redesigning and optimizing their supply chains. In the event we do not meet agreed savings targets, the contracts might not be profitable or even lead to material payments to customers.

We are exposed to credit risk, which is influenced mainly by the individual characteristics of each customer. Our credit policy determines that each new customer is analyzed individually for creditworthiness before terms and conditions are offered to the customer. The review includes external ratings where available and in some cases bank references. Purchase limits are established for each customer and these limits are reviewed periodically. We establish an allowance for impairment in respect of trade and other receivables. Our credit reviews and the subsequent assignment of payment credit limit terms might be incorrect or not adequately reflect the credit risk related to a customer. Furthermore, the discontinuation of commercial relationships with our customers or the bankruptcy of customers may adversely affect our business, results of operations, financial condition and prospects.

Fluctuations in currency exchange rates and interest rates could have an adverse effect on our results of operations and the hedging derivative instruments we employ involve risks and may not be successful.

We are exposed to several types of foreign currency exchange risk. We face transaction risk, because the currency mix of our revenue is different from that of our operating expenses. While most of our revenues are generated in U.S. dollars, we incur a higher proportion of our expenses in euros than the proportion of our revenues that is generated in euros. Our available cash balances are also subject to devaluations and fluctuations in currency exchange rates. We are also exposed to risks related to the translation of assets and liabilities denominated in currencies other than U.S. dollars (our functional currency) as a portion of our financing is denominated in euros. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Currency Fluctuations." While we may decide to hedge part of our foreign currency exchange exposure, our current policy is to pass on to our customers currency surcharges in times of volatility in foreign exchange rates, but there can be no assurance that we will be able to continue to do so. Should we be unable to pass on the cost of our foreign currency exchange exposure to our customers, this could have a material adverse effect on our business, results of operations and financial condition.

We are also exposed to fluctuations in interest rates, as part of our financial indebtedness is issued at variable rates. As of June 30, 2024, taking into account the interest rate hedges, indebtedness bearing interest at variable rates represented 23% of our total indebtedness. We hedge this risk through interest rate swaps agreements and expect to continue to do so. When we use derivative instruments, we are subject to credit risk, as the counterparties to our hedging transactions could default on an obligation. In addition, we potentially forgo the benefits of otherwise positive variable interest rate movements. There can be no assurance that we will continue to be able to enter into such agreements on commercially reasonable terms, or that our hedging strategy will be successful in the future. Moreover, as certain of our financial derivative instruments are accounted for at fair value, with changes in the fair value being recognized in the profit or loss statement, our statement of income could be significantly exposed to changes in the fair value of these instruments. Furthermore, certain of our derivatives are subject to a margin call mechanism that could adversely affect our liquidity. Should we be unable to mitigate our interest rate risk through our hedging positions, this could have a material adverse effect on our business, results of operations and financial condition.

We are also exposed to the effect of changes in fuel costs, and adverse changes in bunker prices could adversely affect our business, results of operations and financial condition (see "Risk Factors—Risks Relating to the Shipping and Logistics Industries—Increases in the price of fuel have in the past and could in the future significantly increase our operating costs and depress our profitability"). As of June 30, 2024, we had hedged 38% of our expected full year 2024 bunker fuel purchases for the Container Shipping segment, with 35% being covered by swap contracts and 3% by forward physical purchases. Accordingly, we are subject to the risks regarding derivative instruments described above which, if they materialized, could have a material and adverse effect on our business, results of operations and financial condition.

We may not be fully protected from certain liabilities under our insurance coverage and our insurance premiums could increase in the event of global pandemics, war, terrorist attacks or other occurrences.

The operation of large ocean-going vessels and the use of the heavy equipment necessary to load and prepare those vessels for transit involve inherent risks, including those of catastrophic loss, spills, personal injury and loss of life, maritime disaster, mechanical failure, fire, collision, stranding and loss of, or damage to, cargo as well as damage to or loss of vessels. In addition to losses caused by human error and accidents, we could also be subject to losses resulting from, among other things, war, terrorist activities, global pandemics, piracy, political instability,

business interruption, strikes and weather events (including earthquakes, flooding and storms). Furthermore, potential risks from nuclear contamination cannot be insured by primary or re-insurers. If large numbers of containers or several of our vessels were contaminated, this could force us to replace such assets at our own cost and on short notice, prevent us from providing our services as scheduled and lead to costs for medical treatment of crew members who came in contact with contaminated materials. Any of these events could result in our experiencing direct losses and liabilities, loss of income, increased costs, reputational damage and litigation against or by third parties. Our insurance policies could be insufficient to cover the cost of damages suffered from any of these events and we could be unable to renew such insurance on commercially reasonable terms. Additionally, our insurers could refuse to pay particular claims if we were to fail to take certain actions, such as maintaining certification of our vessels with applicable regulations. We also could be responsible for liquidated damages if we do not comply with certain provisions of some of our contracts, which are not covered by our insurance policies.

We do not inspect all our freight comprehensively to guarantee the safety and security of workers and the products being shipped. Hence, we cannot guarantee the security of our containers and related equipment from breaches in security, including due to wrongly declared contents and acts of terrorism, and we cannot be certain that we will be fully insured for the losses we could suffer from such incidents. More stringent security, environmental or other regulations could also come into force, expanding the liability we face under our operations, and insurance for such additional liabilities may not be available at commercially reasonable rates, if at all. If our insurance is insufficient to cover these large claims and liabilities, our assets could be subject to attachment, seizure or other judicial processes, which could have a material adverse effect on our business, results of operations and financial condition.

We face risks associated with our investments in joint ventures and associates.

We have investments in various joint ventures and associates, as described in Note 7.2 to the 2023 Audited Consolidated Financial Statements, including Terminal Link, in which we own 51% (as of June 30, 2024), with the remaining 49% owned by CMP (see “*Business—Segments—Terminals—Terminal Link*”). Certain of these joint ventures and associates are controlled and managed by joint venture or controlling partners. While our relationship with these partners in such joint ventures is governed by contracts with protective clauses (depending on the level of our ownership), such partners may not operate these joint ventures in a manner that complies with our standards, which could lead to higher costs, greater risk of operational disruptions or reputational risks. Such joint venture and controlling partners may also have interests that differ from ours, and in such a case there can be no guarantee that partners will operate such joint ventures or associates in a manner that is advantageous to our business.

In addition, certain of these joint ventures and associates may experience difficult operating conditions and/or incur losses. Difficult operating conditions for joint ventures and associates in which we have invested may expose us to impairments in the book value of our investment or its complete loss, requirements for additional investments or calls on guarantees. See Note 7.2 to the 2023 Audited Consolidated Financial Statements for the carrying value of our principal investments in associates and joint ventures. We may recognize impairment charges on our investments in associates and joint ventures in the future for a variety of reasons, including adverse market conditions, revaluation of assets, operational issues and financial distress. If we are required to make additional investments, provide or make payments in respect of guarantees or recognize impairments in connection with such investments, this could have material adverse effect on our financial condition and results of operations.

We are controlled by the Saadé family, and their interests or the interests of our Board of Directors could conflict with yours.

The members of the late Jacques Saadé’s family directly and indirectly own approximately 73% of our outstanding share capital, and, except for the veto rights described below, they have complete control over our management and strategic direction, as well as other decisions that affect our results of operations and financial condition. If the interests of the Saadé family conflict with your interests, you could be disadvantaged. Additionally, the Saadé family could exercise control over our pursuit of acquisitions, divestitures, financings or other transactions.

Yildirim and BPI currently hold approximately 24% and 3% of CMA CGM’s shares, respectively. Subject to certain limited exceptions, BPI is entitled to appoint one member and one censor to the Company’s Board of Directors, and certain strategic decisions require the vote of the director appointed by BPI (See “*Principal Shareholders*”). Yildirim’s and BPI’s interests could conflict with the interests of the Saadé family or your interests.

The loss of the services of key members of our management, including Rodolphe Saadé, as well as difficulties in recruiting and retaining qualified personnel, could adversely affect our business.

We rely on, and expect to continue to rely on, our CEO Rodolphe Saadé, as well as other key executive officers and employees, to successfully carry out our business strategy and operations. Our ability to compete successfully

and to implement our business strategy depends in part on the effectiveness of our senior management team. We are also dependent on qualified personnel in order to execute our day-to-day business operations, including highly skilled employees such as nautical and engineer officers. These highly skilled employees are scarce, and the employment market for such personnel is very competitive. The loss of the services of any of these individuals for any significant period of time or our inability to attract and retain qualified personnel could have a material adverse effect on our business, results of operations and financial condition.

We present certain forward-looking financial and operating information in these listing particulars, which is based on certain assumptions and expectations that may prove inaccurate or change. Actual results may differ materially.

In these listing particulars, we present certain forward-looking statements of anticipated operating and financial performance for the second half of 2024. The assumptions upon which these statements of expectation are based are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those anticipated. We prepared our statements of expectation on the basis of assumptions that we believe to be reasonable, including management's observations of current operating conditions and shipping industry trends since June 30, 2024, as well as management's expectations for these conditions and trends to continue throughout the second half of 2024. We do not intend to provide any revised or updated statements of expectation or analysis of the differences between such statements and actual operating results. The statements of expectation are not necessarily indicative of future performance and we cannot provide you any assurances that such expectations will be realized. Therefore, no representation is made or intended, nor should any be inferred, with respect to the likely existence of any particular future set of facts or circumstances.

Legal, Regulatory and Taxation Risks

Our operations are subject to extensive regulation in various areas including in respect of the environment, compliance with which and changes in which could have a material adverse effect on our business, results of operation and financial condition and non-compliance with which could subject us to substantial liability.

Our operations are subject to a wide variety of international, national and local laws and regulations in respect of environmental, health, safety, security, trade, customs and other matters. See "*Regulatory Matters*." We incur substantial costs to comply therewith and these costs are rising and expected to continue to rise. These laws and regulations are constantly evolving and will likely continue to evolve in the future. Changes to laws and regulations could entail significant new burdens upon our business, require us to change our business strategy significantly and impact our cost structure. Moreover, we could run afoul of laws and regulations, notwithstanding our policies and procedures in place designed to ensure compliance, and as a result incur substantial liability for civil or criminal penalties, fines and damages (including to our reputation), or even be prohibited from operating in certain geographical areas.

The transition to a low-carbon economy and its associated public policy and regulatory developments have led, and will likely continue to lead, to the adoption of new and more strict regulations and climate change related-policies (see "*Risks Relating to the Shipping and Logistics Industries—Climate change can have a physical impact on the Company's operations and exposes it to transitional risks*"). Reduction of sulfur and nitrogen oxide air emissions from ships, ballast water management, shore power connection at berth, energy efficiency standards, spills and discharges of oil and other hazardous substances, ship dismantling and recycling, and carbon tax and emission trading schemes and other standards to address GHG emissions are various examples of increasingly stringent environmental requirements for shipping, with continued uncertainty in terms of technical/operational requirements and availability of solutions, as well as legal planning and enforcement issues, and there may be conflicting requirements at the local, regional and international levels. Specifically, and as described in "*Regulatory Matters*," the IMO has in recent years been tightening its regulations around sulfur oxide emissions, progressively reducing the permissible sulfur content in container shipping fuel and expanding the zones with the lowest permissible content, and it also established new energy efficiency and carbon emission criteria that came into effect in 2022. Most recently, in 2023, the IMO adopted new emissions reductions targets for the shipping industry: by at least 20% (striving for 30%) by 2030 and at least 70% (striving for 80%) by 2040 compared to 2008 levels and to reach net zero around 2050. We expect the IMO to adopt in 2025 concrete measures in furtherance of these targets and that such measures will apply as from 2027. As a further example, various jurisdictions are applying increasingly stringent regulations regarding vessel operations while at port, such as the use of shore side power (e.g., cold ironing regulations in the United States and China). In addition, the EU has been tightening its environmental regulations in relation to the shipping industry in recent years. In particular, the EU's regulation establishing a system for GHG emission allowance trading extends to maritime transport emissions as from January 1, 2024. See "*Regulatory Matters*" for a detailed discussion of these and other environmental regulations affecting our industry. The changing regulatory landscape is also reflected in the

demands of our customers, many of whom request specific information on the measures we have implemented to reduce our carbon emissions. Failure to meet customers' environmental expectations could result in a potential loss of market share if it is perceived that our competitors' social and environmental performance is more sustainable. Finally, no assurance can be given that we will meet our decarbonization objectives.

We have been taking various measures in recent years to reduce our sulfur and nitrogen oxide emissions, reduce our carbon emissions and increase our energy efficiency and comply with evolving regulations. These measures include, among others, evolving our fleet towards LNG- and methanol-fueled vessels, retrofitting ships to use lower sulfur content fuel, using biofuels and more generally making operational adjustments (e.g., slow sailing). We have also announced our own decarbonization targets: a reduction in emissions by 30% by 2030 and 80% by 2040 compared to 2008 levels (i.e., in line with the upper IMO's 2030 and 2040 targets) and to reach net zero by 2050. The measures we have taken to date have required, and future necessary measures will require, substantial capital expenditure and operational adjustments and no assurance can be given that they will suffice to ensure continued compliance at all times with applicable environmental regulation or that we will be able to fund such capital expenditure. Both the necessary investments (including for retrofitting and newbuilds, the latter at a higher cost) and operational adjustments have weighed on and will likely continue to weigh on our cash flow and profitability as they entail higher operating costs. In addition, both to ensure compliance with the IMO 2020 and as part of our overall strategy to reduce our environmental impact, we have been using LNG and methanol to fuel an increasing percentage of our vessels. LNG and methanol prices are volatile, and no assurance can be given that we will be able at all times to pass on any increase in the price of LNG and/or methanol to our customers. Moreover, future regulatory developments may require us to use alternative fuels to a greater extent or of a different type, and such fuels may be harder to source or more costly.

Under environmental laws and regulations, we could also face substantial liability for penalties, fines, damages and remediation costs associated with lost cargo, oil and other hazardous substance spills or other discharges or technical failures involving our shipping operations, including engine failure that leads to the grounding of one of our vessels along a reef, for example. Such accidents could also expose us to significant reputational damage. Changes in enforcement policies for existing requirements and additional laws and regulations adopted in the future could limit our ability to do business or further increase our operating costs. In addition, we could have to alter existing equipment, add new equipment to, or change operating procedures for, our vessels to comply with any changes in governmental regulations, safety or other equipment standards or to meet our customers' changing needs in this respect. Finally, even if we comply with relevant environmental, health, safety, security and other regulations, the ordinary course of our business involves certain inherent risks to the health, safety and security of our employees and others, and we could incur substantial liability in the event of accidents, environmental contamination, exposure to hazardous substances or other events resulting in their injury or death, even if such an event is not a result of any fault on our part.

Any of the foregoing factors or events could have a material adverse effect on our business, results of operations and financial condition.

Failure to comply with competition laws to which we are subject could lead to the imposition of fines and constraints on our business practices.

Unless covered by special exemptions, the shipping and logistics industries are subject to general competition laws. These general competition laws are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. They generally prohibit agreements or concerted actions among competitors if they adversely affect competition, in particular if they lead to the formation of cartels or anticompetitive foreclosure. The abuse of a dominant position also constitutes a violation of the law. In some of the jurisdictions in which we operate, partnerships (also referred to as "consortia") among shipping companies are generally exempt from the application of antitrust laws, subject to the fulfillment of certain exemption requirements. We are a party to numerous operational partnerships (see "*Business—Segments—Container Shipping Cooperation with Other Shipping Companies*"). Commission Regulation (EC) No 906/2009, as amended by Commission Regulation (EU) No 697/2014 and No 2020/436 ("Commission Regulation (EC) No 906/2009"), which allowed certain joint operation agreements such as vessel sharing agreements and slot swap agreements, expired on April 25, 2024. As a result, the legal framework for the admissibility of consortia is currently subject to general EU antitrust rules, i.e., those agreements are subject to self-assessment, but as a matter of fact are considered lawful on account of their pro-competitive effects. While this has not materialized to date, it is possible that the expiry of Commission Regulation (EC) No 906/2009 could affect our operations and increase the risk of antitrust violation and that the expiry of the specific antitrust regime applicable to the shipping industry could spread to other jurisdictions.

The spike in freight rates and related charges during 2021 and the first half of 2022 resulted in increased antitrust scrutiny around the world, in particular by the FMC and the European Commission. In addition, the COVID-19 pandemic led to the strengthening of regulation in the shipping industry in certain countries. In particular, in the United States, the Ocean Shipping Reform Act of 2022 mandated a series of rulemaking projects by the FMC, and in February 2024 the FMC published a final rule that prohibited the collection of detention and demurrage from some U.S. truckers and consignees on import, which may affect our ability to effectively collect these fees from our customers and heighten the risk of civil litigation against us.

We are currently the subject of or providing information in respect of investigations by antitrust authorities in several jurisdictions, including by South African authorities in connection with alleged price collusion on South Africa lines and by U.S. authorities in connection with the significant increase of market freight rates during the COVID-19 pandemic. See *“Business—Legal Proceedings and Government Investigations—Antitrust matters.”*

In addition, we note that our freight forwarding activities are a potential source of antitrust risk (although there are currently no investigations or proceedings underway). The freight forwarding business, as any asset-light intermediary business, is typically subject to close scrutiny by competition authorities, and there have been a number of proceedings sanctioning collusive practices over the last decade.

Shipping and logistics companies could face fines, ordered remedies and damages claims if they fail to comply with applicable antitrust regulatory regimes. In the event that we are found not to be in compliance with the regulatory regime and sanctions which are imposed on us, this could have a material adverse effect on our business, results of operations and financial condition. Our reputation could also be damaged if allegations of illegal, anti-competitive behavior are made against us.

The smuggling of drugs, weapons or other contraband or unlawful cargo onto our vessels could lead to criminal or administrative actions against us or operational restrictions affecting our business.

We expect that our vessels will call in areas where smugglers may attempt to hide drugs, weapons and other contraband on vessels, with or without the knowledge of crew members. In the past, we have discovered misdeclared cargo, including such contraband, and cooperated with governmental or regulatory authorities, as appropriate. For example, between 2009 and 2011, shipments of weapons were discovered in containers on our vessels. These incidents created adverse publicity and triggered demands by U.S. politicians for an investigation of our operations. More recently, in 2023 we were found to have violated both criminal and civil statutes and fined in relation to contraband cigarettes in containers shipped on our vessels to Antwerp, Belgium in 2017 and 2018. (See *“Business—Legal Proceedings and Government Investigations—Other disputes and potential claims—Turkish Cigarettes.”*). With respect to drug contraband, smugglers are using the so called “rip on rip off” method, which consists of hiding a limited quantity of drugs in legitimate goods. This scheme requires a high level of local complicity and corruption, and we are working in close cooperation with the relevant authorities to tackle this issue. To the extent our vessels are found with contraband, whether with or without the knowledge of any of our crew members, we could face governmental or other regulatory claims or operational restrictions, which could have a material adverse effect on our business, results of operations and financial condition. Our reputation could also be damaged if allegations of illegal behavior are made against us.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.

Our international operations could expose us to risks relating to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including without limitation the United Nations, the UK, the EU and its Member States. In particular, the U.S. Office of Foreign Assets Control (“OFAC”) has issued regulations requiring that companies (including ours) refrain from doing business, or allowing their clients to do business through them, within U.S. jurisdiction in certain countries or with certain organizations, individuals, or vessels on lists maintained by the U.S. government, including restrictions on payments in U.S. dollars involving such countries, organizations, individuals or vessels. Under economic and trade sanctions laws, governments could seek to impose laws and restrictions that would require modifications to business practices and compliance programs, which could increase compliance costs, and could subject companies (including ours) to fines, penalties and other sanctions if they are not able to effectively prevent future violations. In addition, the U.S. government is authorized to impose so-called “secondary sanctions” against individuals, organizations, or vessels for engaging in certain targeted activities, including those relating to Iran, Russia and Syria. We provide maritime transportation of containerized cargo to and from Cuba and Syria in compliance with all relevant regulations applicable to the Group, although this represents a de minimis part of our business. We also operate a

terminal at the port of Lattakia, Syria. We have no direct service to or from North Korea but may provide maritime transportation of containerized cargo to North Korea via Dalian, China, exclusively, under the auspices of the United Nations World Food Programme. We have no current operations involving Iran, Russia, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic and the Kherson and Zaporizhzhia regions of Ukraine. While we have implemented compliance programs to avoid any violations of trade and economic sanctions and other restrictions, given the scope and nature of our international operations and the constant evolution of international sanctions, we may not be able to effectively prevent future violations of such sanctions and restrictions. We have discovered violations of sanctions by us or our affiliates in the past, which may impact the enforcement posture of U.S. authorities in the event of future violations. Any such future violations could have a material adverse effect on our business, reputation, results of operations and financial condition.

We actively monitor developments in the United Nations, the United States, the European Union, the UK and other jurisdictions or organizations that maintain sanctions programs, including developments in their implementation and enforcement. For example, U.S. authorities are currently focused on U.S. sanctions compliance in the maritime industry.

Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling on ports in sanctioned countries or could limit their cargoes and also limit transactions with certain organizations/entities and individuals. Our business may be affected if shippers, consignees, or intermediaries involved in cargo transactions are or become, or are or become affiliated with, persons, entities, or territories that are the subject of sanctions imposed by the United Nations, the United States, the EU, the UK, and/or other governmental or international bodies. We further note that countries that are the target of economic sanctions, are imposing retaliatory sanctions with increasing frequency. If we determine that applicable sanctions require us to terminate existing or future contracts, or if such sanctions affect overall cargo and trade volumes, our business, financial condition, results of operations and cash flows may be adversely affected, or we may suffer reputational harm.

If any worsening or increase of the risks described above materializes, this could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to risks in relation to compliance with anti-corruption laws and regulations.

Our business entails numerous interactions with government authorities, including port authorities, pilots, health, safety, and environmental regulatory authorities, labor and tax authorities and customs and immigration authorities. Furthermore, our vessels call at ports throughout the world, including in some countries where corruption is endemic. We also develop greenfield and brownfield port projects, which require government concessions or authorizations. In certain regions of the world, the shipping business is known to be a high-risk business for corruption and various categories of government officials have been known to demand relatively small payments (e.g., cigarettes, alcohol, modest amounts of cash) to allow ships to enter a port, pass through a canal or obtain customs or other regulatory approvals. We have strict anti-corruption and anti-bribery policies that, among other things, prohibit our employees from offering or promising directly or indirectly anything of value, including "facilitation" payments to any party, including a government official or private party with the intention or appearance of improperly influencing its government or business decision or accelerating an administrative process. Despite our efforts to comply with anti-corruption laws and regulations, including through the application of such policies and regular e-learning and in person training sessions for our employees, we cannot guarantee that such payments will not be made. Any such payments may be deemed to have violated anti-corruption laws, exposing us to potential civil and criminal penalties, costs associated with internal investigations and remediation, as well as reputational damage that could have a material adverse effect on our business, results of operations and financial condition.

More thorough monitoring and inspection procedures aimed at preventing terrorist attacks could have a material adverse effect on our business, results of operations and financial condition.

The international container shipping and logistics industries are subject to various security and customs monitoring and inspection procedures in countries of origin and destination, as well as at transshipment ports. Such procedures can result in the confiscation of containers or their contents, delays in the loading, offloading, handling or delivery of containers and the levying of customs duties, fines or other penalties against exporters, importers and, in some cases, carriers.

In addition, more thorough monitoring and inspection procedures aimed at preventing terrorist attacks could increase our costs and cause disruption to our business. In several countries we face significant security requirements, such as, for instance, the “Advance Manifest Rule” in the United States, which mandates expanded disclosure regarding a ship’s cargo at least 24 hours prior to loading at the foreign port of loading. We have adopted tariff rules apportioning liability to customers that fail to provide timely information and impose surcharges on cargo traveling to or through the United States, which cover most of the U.S. ports, to reflect the increased cost of compliance under this regulation. The current U.S. regulation could be expanded, and similar or more intrusive and costly monitoring and inspection rules could be put in place by the United States or other countries in which we operate. For example, increased security measures imposed at bridges, tunnels, border crossings and other points on key routes may cause delays, require us to re-route shipments and increase the non-driving time of operations, which could have an adverse effect on our results of operations. As another example, currently the contents of our shipments are not required to be verified independently by us if they are delivered to us sealed; however, we may nevertheless be subject to inquiries or investigations if shipments contain illegal goods, which could interfere with our operations and increase our operating costs. In any such case, we could experience disruptions to our business and could be unable to impose further surcharges or otherwise recover from our customers the increased costs incurred due to such measures, which could materially and adversely affect our business, results of operations and financial condition.

We also are subject to various requirements issued in response to the perceived risks to ships from terrorism, the ISPS Code that entails ship modifications, staff training, auditing of vessels and preparation of ship security plans regulations issued by the U.S. Coast Guard requiring shipping companies to adopt vessel security plans and to establish port security plans, and similar EU obligations for shipping companies. See “*Regulatory Matters*.” All our ships and all the ships we operate on long-term charters and operating leases are fully compliant. The vessels we operate on short-term charters comply with the regulations to which they are subject. Because we also transport cargo on vessels that we do not operate ourselves (through cooperation agreements) and through ports over which we exercise little or no control, we could be exposed to increased costs and business disruptions under these requirements if another container shipping company, or port operator, or any other entity covered by the regulations with which we conduct business, fails to comply.

In addition, we participate in certification programs intended to enhance security along supply chains. In the United States, we participate in the C-TPAT initiative, a voluntary agreement between U.S. Customs and the industry requires us to document and validate our supply chain security procedures in relation to existing CBP C-TPAT criteria or guidelines as applicable. Certified companies are subject to re-validation every four years. In the EU, we hold an AEO Certificate “Customs Simplifications/ Security and Safety” that entitles us to benefits in the course of customs clearance. See “*Regulatory Matters*.” Should we fail to maintain either of these certificates, it could mean a higher administrative burden through heightened security screenings and the loss of customers who are increasingly requesting such certificate from their carriers. This could have a material adverse effect on our business, results of operations and financial condition.

An actual or perceived failure on our part to adequately protect personal or customer data could harm our business.

A variety of local, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal or customer data and other information, including the GDPR. The privacy and data protection related laws and regulations are evolving, with new or amended laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. Compliance with these laws and regulations can be costly and disruptive to the operation of our business.

The GDPR strengthens individuals’ rights, such as the right to be forgotten, the right to rectify inaccurate data and the right to object to processing in certain circumstances and restriction of processing rights, and imposes stricter requirements on companies processing personal data. The GDPR also requires that we implement certain processing principles such as data minimization across the organization so that only the appropriate amount of data required for any particular purpose is processed, that we delete any unnecessary datasets, and that we anonymize data wherever possible. The GDPR also provides for significantly increased sanctions and penalties, which requires heightened escalation and notification processes with associated response plans should a serious breach occur. Compliance with the GDPR is an ongoing commitment and despite our efforts, data protection authorities may determine that our practices fail to comply with some GDPR requirements.

The GDPR coupled with the other national and international data protection laws and regulations to which we are subject, could adversely impact our business by increasing our operational and compliance costs and, under certain circumstances, require changes in the way we conduct our business, which, in each case, could adversely impact us. Further, there is a risk that the binding corporate rules are not being implemented correctly through our compliance program and Data Privacy Officer network or that, despite the e-learning and data privacy training received, individuals within the business will not be fully compliant with the new procedures. Additionally, if third parties we work with, such as customers, banking and financial institutions, suppliers or developers, violate applicable laws or our policies, such violations may also put the information in our database or the data flow at risk and could in turn have a material adverse effect on our business. The compliance obligations and penalties to which our third-party vendors could be liable under the GDPR are likely to result in an increase in the cost of the data processing services that we enter into with them. If there is any failure or perceived failure by us to comply with such obligations or our binding corporate rules or any compromise of security that results in the unauthorized processing, release, or transfer of information, we could face significant governmental enforcement, administrative and monetary sanctions, litigation, class actions as well as reputational damage. As a consequence, this could cause our members and customers to lose trust in us, which may have a material adverse effect on our business, results of operations and financial condition.

Compliance with the requirements imposed on our vessels by classification societies could be very costly.

Every vessel must be certified as “in class” by a classification society that has been approved by the vessel’s flag state. Classification societies certify that a vessel complies with the rules of the classification society, international conventions and the applicable laws and regulations of the flag state.

All our vessels currently have the required certifications. In order to maintain certification, however, our vessels must undergo annual, intermediate and class-renewal surveys on a regular basis. Maintaining class certification could require us to incur substantial costs. If any of our vessels fails to maintain the required class certification, we would not be able to deploy that vessel, we could be in violation of covenants in certain of our financing agreements (such as vessel mortgages and related security documents) and costs to obtain insurance for our vessels would increase. This could have a material adverse effect on our business, results of operations and financial condition.

Our vessels could be subject to checks and controls by port authorities or maritime arrests, which could lead to an interruption of our business or require us to make remedy payments.

While in ports, vessels can be subject to checks and controls by port authorities. If the authorities determine that a vessel fails to comply with certain criteria (such as local regulations or standards), they may decide to retain the vessel until any non-compliance issues have been remedied or mitigated. This may cause us to experience delays and may potentially result in fines.

In addition, crew members, suppliers of goods and services to a vessel, shippers of cargo, vessel financing participants and other parties could be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel through foreclosure proceedings. In some jurisdictions, the sister vessel of the vessel for which services have been provided may also be arrested. The arrest or attachment of one or more of our vessels could interrupt our business or require us to pay large sums of money to have the arrest lifted, which could have a material adverse effect on our business, results of operations and financial condition.

We may fail to comply with tax laws and changes in international and individual country tax legislation could impact our ability to deduct certain charges, utilize tax losses carried forward and/or our effective income tax rate in general, and results of tax audits could materially adversely impact our results of operations, cash flows and profitability.

Because we conduct our business in a large number of countries, it is subject to a multitude of tax rules relating to income taxes, VAT, sales taxes, payroll taxes, and other taxes. Although we believe that we comply in all material respects with the tax laws applicable to our operations, there is no guarantee that tax authorities in a country in which we do business will not raise claims against us for failure to comply with applicable tax laws. This risk exists, in particular, with regard to our business model and other related risks such as transfer prices or the fact that we have employees deployed worldwide, as the competent authorities of different countries may have different views on the applicable conditions and respective treatment. Such claims could have a negative impact

on our business, results of operations and financial condition. Furthermore, tax audits could result in additional taxes, higher charges, interest and penalties.

As a global company, we generate taxable income in different countries throughout the world, with different effective income tax rates. Our future effective income tax rate will be impacted by a number of factors, including the geographic composition of our worldwide taxable income, our ability to allocate debt and expenses effectively and our ability to utilize tax losses carried forward. If tax authorities in the jurisdictions in which we operate were to change applicable tax laws, including as a result of new or altered international tax treaties or following joint international initiatives taken by the OECD, the G20 or the European Commission, prohibit certain charges or successfully challenge the manner in which our income taxes are currently recognized or calculated or the transfer pricing policies employed by us, our effective income tax rate could increase, which would adversely impact our cash flow and profitability. Furthermore, in many of these jurisdictions, the tax laws are very complex and are open to different interpretations and application. We are regularly under audit by tax authorities within a number of jurisdictions. Although we believe that our tax estimates are reasonable, the final determination of tax audits could be materially different from our tax provisions and accruals and negatively impact our financial results.

If we are unable to continue participating in the Tonnage Tax Regime or if such regime were to be modified or even abolished, our tax expense could well increase significantly and our results of operations (specifically our after-tax profits and hence cash flow) and (potentially) financial condition could well be materially adversely affected.

We currently benefit from a low effective tax rate due to our participation in the so-called tonnage tax regime in France and similar tax regimes in Singapore, the United States and Germany (the “Tonnage Tax Regime”). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Key IFRS Income Statement Line Items—Operating Expenses—Other Expenses—Income Tax.”

Tax authorities may interpret Tonnage Tax Regime rules differently than we do and could therefore deny all or part of the tax benefits which we have claimed. In addition, any change in or discontinuation of the Tonnage Tax Regime or of other related tax provisions, or any inability on our part to continue to participate in the Tonnage Tax Regime, totally or partially, could well (and a discontinuation would) substantially increase our tax expense, particularly in years where we are more profitable. In each case, this could have a material adverse effect on our business, results of operations and financial condition. It is noteworthy in this respect that the Tonnage Tax Regime has come under increased scrutiny in recent years, particularly in the post-COVID-19 environment of high profitability of shipping companies. Given the current political context in France (snap legislative election in two rounds on June 30 and July 7, 2024 resulting in the lack of a single party having a majority of seats in parliament and uncertainty about the capacity of the new prime minister to pass laws, which could lead to a dissolution of the National Assembly and new snap legislative elections as from June 2025), there is an increasing risk of a change in tax law, including potentially the abolition of the Tonnage Tax Regime. In January 1, 2023, and as part of the Finance Bill for 2024, several amendments were introduced (but not adopted) to modify or abolish the Tonnage Tax Regime, by several political parties then in the opposition. The new government must present its budget by October 9, 2024; there have been press reports and speculation in this context around various tax reforms and initiatives, including the modification of the tonnage tax regime and an additional tax on profits of large corporations.

Tax rules limiting the deductibility of interest expense, rules affecting tax losses carried forward and withholding taxes may increase our effective tax rate and cash taxes paid, especially in periods with losses or low net income.

We have lent significant funds to our subsidiaries and these subsidiaries record interest expense on such intercompany financing. While interest expense is generally deductible for tax purposes, certain countries in which we have operations may disallow the deduction of interest expense for tax purposes either in full or in part. To the extent that those interest expenses (which generally are deductible) are not deductible in a particular instance, we may incur a reduction of our future loss carryforwards or increase the current taxable basis.

In addition, certain non-refundable withholding taxes, interest deduction carryforwards and tax loss carryforwards may no longer be available to us as a direct or indirect result of a past or future change in our (legal) ownership structure. Furthermore, we may be exposed to certain adverse tax consequences as a result of applicable double taxation treaties across the jurisdictions in which we operate. These factors could have a material adverse effect on our cash flows, as well as our business, results of operations, financial condition and prospects.

Our growing Media business makes us subject to a new set of regulations with which we have less experience complying.

We recently entered the media sector and our recent acquisition of Altice Media substantially increased the size and prominence of our Media business. The media sector in France (where ours is concentrated) is subject to a number of regulations covering, among other things, programming content, programming rights and ownership restrictions, licensing requirements and restrictions on the amount or content of advertising. See “*Regulatory Matters—Media*.” Generally speaking, we have much less experience in this field of regulation than in our historical areas of operations and therefore face a higher risk of non-compliance. See “*Risks Relating to our Business and Results—Our acquisition of businesses could have a material adverse effect on our business, results of operations and financial condition.*”

Our operations are subject to the risks of litigation.

We are regularly involved in litigation arising in the ordinary course of business or otherwise. See “*Business—Legal Proceedings and Government Investigations*” for a summary of the principal pending matters. These matters may result in the payment of substantial amounts of damages or fines or to settle claims. They may also expose us to adverse publicity and hence tarnish our brand and reputation. We may also expend substantial amounts in defending against claims. Litigation trends and expenses, as well as the outcome of any litigation proceedings, cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to the Additional Notes, the Offering and Other Financings

Although we have significantly reduced our indebtedness over the last few years, we operate in capital-intensive and volatile industries and could consider re-leveraging unencumbered assets and/or incurring additional indebtedness to address our liquidity needs and growth strategy and, eventually, to rebuild our cash position.

We operate in capital-intensive and volatile industries and thus have substantial capital needs in order to be able to cover our capital and operating expenditures in a downside cycle and/or to cover our growth strategy, including leasing, chartering and maintaining container vessels and containers, and construction or acquisition of port and landside logistics facilities.

We expect to finance our capital expenditures and future growth through a combination of operating cash flow and debt financing, including potentially through re-leveraging of unencumbered assets. It is not certain that we will generate enough free cash flow to enable us to cover all of our financing needs without resorting to further debt financing or that our capital expenditures and other investments will yield the returns that we anticipate. As a result, we may incur substantial additional debt in the future, including debt that is secured or that would mature prior to the Notes. In addition, any debt that we incur at a subsidiary level would be structurally senior to the Notes.

We could incur substantially more debt and make certain restricted payments in the future, which could make it difficult for us to service our debt, including the Notes.

As of June 30, 2024, on an as adjusted basis to give effect to the issuance of the (A) Additional Notes offered hereby and the use of the net proceeds therefrom and (B) Original Notes and the use of the net proceeds therefrom, in each case as if such event had occurred on June 30, 2024:

- our total consolidated indebtedness would have been \$18,672.3 million, of which approximately \$11,578.0 million would have been secured indebtedness of the Issuer (ranking ahead of the Notes to the extent of the value of the assets securing such indebtedness) and \$6,271.3 million would have been secured and unsecured indebtedness of our subsidiaries (which is structurally senior to the Notes);
- our total shareholders’ equity as calculated for the purpose of determination of our total capitalization would have been \$45,537.9 million; and
- our total consolidated indebtedness would have represented 29.08% of our total capitalization.

Although the terms of our financing arrangements, including the Indenture governing the Notes, contain or will contain restrictions on the incurrence of additional indebtedness (See “*Description of Notes—Certain Covenants—Limitation on Debt*” and “*Description of Certain Financing Arrangements—Key Financial Ratios*”), these

restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness, including secured indebtedness, that could be incurred in compliance with these restrictions could be substantial. Under the Indenture governing the Notes, in addition to specified permitted indebtedness (including, without limitation, incurred amounts of productive asset financings limited only to all or a portion of the value of the assets financed), we are able to incur additional indebtedness so long as our fixed charge cover ratio is at least 2.00 to 1.00 and we anticipate also having significant additional borrowing capacity pursuant to various baskets as of the Original Notes Issue Date.

Any debt that we incur at our subsidiary level would be structurally senior to the Notes (See “*—Your right to receive payments under the Original Notes is, and under the Additional Notes will be, structurally subordinated to claims of existing and future creditors of our subsidiaries*”) and any debt incurred at the Issuer’s level could be secured or could mature prior to the Notes (See “*—The Original Notes are, and the Additional Notes will be, unsecured obligations and the Original Notes are and the Additional Notes will be effectively subordinated to claims of existing and future secured creditors of the Issuer, up to the value of the collateral securing such indebtedness*”). The terms of the Indenture governing the Notes permit us to incur future debt that may have substantially the same or more restrictive covenants as those of the Indenture governing the Notes. Borrowings under other debt instruments that contain cross acceleration or cross default provisions may as a result also be accelerated and become due and payable upon the acceleration or occurrence of an event of default under financing arrangements containing more stringent covenants. If we incur any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share ratably in any proceeds distributed in connection with our insolvency, liquidation, reorganization, dissolution or other winding-up. We may be unable to pay the Notes and these debts in full in such circumstances. The incurrence of additional debt would increase the leverage related risks described in these listing particulars.

Moreover, although the terms of our financing arrangements, including the Indenture governing the Notes, contain or will contain restrictions on our ability to make restricted payments, including the declaration and payment of dividends, these restrictions are subject to a number of significant qualifications and exceptions. Any dividends or other restricted payments will reduce our cash available to service our debt, which could increase the risks of payment default.

The incurrence of additional debt could harm our financial condition, constrain our growth and prevent us from fulfilling our obligations under the Notes.

The incurrence of additional debt could:

- make it more difficult for us to satisfy our obligations under our financing arrangements, including the Notes;
- limit our ability to borrow additional funds or raise equity capital in the future and increase the costs of such additional capital;
- place us at a competitive disadvantage compared to our competitors that have lower leverage or greater access to capital resources than we have;
- limit our flexibility in planning for, or responding to, changing conditions in our business and industry;
- increase our vulnerability to, and reduce our flexibility to respond to, economic downturns and adverse developments in our business;
- negatively impact credit terms with our creditors and suppliers;
- restrict us from, or delay us in, exploiting certain business opportunities or making certain capital expenditures; and
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund internal growth through capital expenditures and for other general corporate purposes.

Any of the above-listed factors could have a material adverse effect on our business, results of operations and financial condition, including on our ability to satisfy our debt obligations with respect to the Notes.

We may not be able to generate sufficient cash to service our indebtedness, including as a result of factors outside our control, and could be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make payments on or to refinance our debt obligations (including the Notes) will depend on our future operating performance and ability to generate sufficient cash. This depends, to a large extent, on global demand for container shipping services, available ship and container capacity, prevailing freight rates and prices of propulsion sources for container vessels in the coming years (e.g., bunker fuel, LNG, methanol and/or any other sources of propulsion that may be used in the future), as well as the global demand for logistics services and for the other services we offer. These factors, in turn, are dependent on general economic and financial conditions, as well as competitive, market, regulatory, political and other factors, all of which are largely beyond our control.

Our business may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes. If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we could be forced to:

- reduce our business activities or delay capital expenditures;
- sell assets and/or ancillary activities;
- obtain additional debt or equity financing; and/or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these measures on a timely basis or on satisfactory terms, if at all, or that any of these actions would yield sufficient funds to satisfy our obligations under our indebtedness. The terms of existing or future debt instruments and the Indenture governing the Notes could further restrict us from adopting some of these measures.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time, as well as on many factors outside of our control, including then-prevailing conditions in the international credit and capital markets. Any refinancing of our debt could be at higher interest rates than our current debt and could require us to comply with more onerous covenants, which could further restrict our business operations. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In that event, borrowings under other debt agreements or instruments that contain cross default or cross acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Notes. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a downgrade of our corporate credit rating, which could harm our ability to incur additional indebtedness.

Likewise, the terms of our indebtedness, including the terms of the Indenture governing the Notes, restrict our ability to transfer or sell assets and the use of proceeds from any such disposition. We may not be able to consummate certain dispositions or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due.

We are subject to restrictive debt covenants, which limit our operating flexibility. If we default under these covenants, we may not be able to meet our payment obligations.

Our financing arrangements (including the Indenture governing the Notes) contain covenants which may impose significant restrictions on the way we can operate, including direct or indirect restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including in joint ventures;

- prepay, purchase or redeem subordinated debt or capital stock;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends, repayments of debt, granting of loans or advances or making of any other distributions by our subsidiaries to us;
- sell assets, including stock of restricted subsidiaries, consolidate or merge with or into other companies;
- permit our restricted subsidiaries to guarantee payment of debt;
- enter into unrelated businesses; and
- create or incur certain liens.

Further, loan-to-value ratio requirements provided for in some of our asset financings (See “*Description of Certain Financing Arrangements*”) may prompt us, following a decline of the value of the relevant security, to use available cash resources to (partially) prepay such financing or (subject to the above-mentioned restrictions on creating or incurring certain liens) post additional assets as collateral to such asset financing arrangements.

These covenants could limit our ability to finance our future operations and capital needs, as well as our ability to pursue acquisitions and other business activities that could be in our interest. Our ability to comply with these covenants and restrictions could be affected by events beyond our control. These include prevailing economic, financial, political, sanitary and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the terms of certain of our financing arrangements, which may trigger an early repayment of such financing and/or trigger a cross-default under other financing arrangements, including under the Indenture governing the Notes, and/or prevent us from making further drawdowns under our financing arrangements. We have breached covenants in our financing arrangements on two occasions in the past. In one instance, we suspended making principal payments under some of our financing arrangements but continued to make interest payments thereunder and under our then outstanding senior notes. Although we have not breached our covenants since 2012, there can be no assurance that we will not breach our covenants in the future. If the debt under the Notes or any other material financing arrangement that we have entered into, or may enter into, were to be accelerated, our assets could be insufficient to service our debt in full. Under these circumstances, we cannot give assurance that a refinancing would be possible or that any additional financing could be obtained on acceptable terms or at all and we may be forced to explore other alternatives, which could include a potential reorganization or restructuring.

The Original Notes are, and the Additional Notes will be, unsecured obligations, and the Original Notes are, and the Additional Notes will be, effectively subordinated to claims of existing and future secured creditors of the Issuer, up to the value of the collateral securing such indebtedness.

We are issuing the Additional Notes as senior unsecured obligations. The Original Notes are, and the Additional Notes will be, effectively subordinated in right of payment to all our existing and future secured indebtedness, to the extent of the value of the assets securing such debt. As of June 30, 2024, we had \$11,578.0 million of secured indebtedness on a standalone basis, with security principally consisting of mortgages granted over our vessels, containers and assignments over related insurance and requisition compensation, as well as mortgages over our headquarters. The terms of the Indenture governing the Notes permit us to incur significant additional secured indebtedness in the future, subject to certain limitations. Accordingly, in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting the Issuer, your rights to receive payment will be effectively subordinated to those of secured creditors up to the value of the collateral securing such indebtedness. Holders of the Notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the Notes, and potentially with all our other general creditors, based on the respective amounts owed to each holder or creditor. In addition, if the secured lenders were to declare a default with respect to their loans and enforce their rights with respect to their collateral, there can be no assurance that our remaining assets would be sufficient to satisfy our other obligations, including our obligations with respect to the Notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. As a result, holders of the Notes could receive less, ratably, than holders of secured indebtedness.

Your right to receive payments under the Original Notes is, and under the Additional Notes will be, structurally subordinated to claims of existing and future creditors of our subsidiaries.

The Original Notes are not, and the Additional Notes will not be, guaranteed by any of our subsidiaries on the Additional Notes Issue Date. Unless a subsidiary becomes a guarantor, it does not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. Accordingly, the Original Notes are, and the Additional Notes will be, structurally subordinated to existing and future obligations of our subsidiaries for so long as they do not guarantee the Notes. Our subsidiaries could incur debt in order to finance their operations. Generally, claims of creditors of a subsidiary (including trade creditors) will have priority with respect to the assets and earnings of such subsidiary over the claims of our creditors. As of June 30, 2024, our subsidiaries held a significant portion of the Group's assets and had \$6,271.3 million of indebtedness outstanding, including \$5,780.1 million of secured indebtedness and \$491.2 million of unsecured indebtedness. Our subsidiaries also generate a significant portion of the Group's revenues and Adjusted EBITDA. See "*Corporate and Financing Structure*" for information about the revenues and Adjusted EBITDA generated by our subsidiaries for the twelve-month period ended June 30, 2024. Any right we may have to receive assets of any of our subsidiaries upon the liquidation or reorganization of any such subsidiary (and the consequent right of holders of the Notes to participate in the distribution of, or realize proceeds from, those assets) will be structurally subordinated to the claims of the creditors of such subsidiary.

We may not be able to finance a mandatory prepayment of our financing arrangements and/or a change of control offer on the Notes upon the occurrence of a change of control.

Under the terms of the Indenture governing the Notes, we are required to offer to repurchase all outstanding Notes at 101.0% of the principal amount, plus accrued and unpaid interest, upon the occurrence of a change of control. Likewise, most of our financing arrangements provide for a mandatory prepayment thereof upon the occurrence of a change of control. We expect that we would require third-party financing to make an offer to purchase the Notes and to repay any indebtedness subject to any such mandatory prepayment, upon the occurrence of any such change of control. We cannot assure you that we would be able to obtain such financing on commercially reasonable terms, or at all. Our failure to repurchase any or all of the Notes and/or to repay any indebtedness subject to any such mandatory prepayment would be an event of default and would cause a cross default under our financing arrangements.

Further, except as described under the "*Description of Notes*," the Indenture governing the Notes does not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction. The change of control provisions contained in the Indenture governing the Notes may not protect you in the event of highly leveraged transactions and other important corporate events, including reorganizations, restructurings or mergers that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions. For a complete description of the events that would constitute a "Change of Control," you should read the section entitled "*Description of Notes—Purchase of Notes upon a Change of Control*."

Investors could have difficulty bringing actions or enforcing judgments for U.S. securities law liabilities.

We are a French company and all of the members of our Board of Directors and key management are resident outside of the United States. In addition, the majority of our subsidiaries, the majority of our assets and the source of the majority of our cash flow are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons, us or any of our subsidiaries, or to enforce, in U.S. courts or in courts outside the United States, judgments obtained against these persons, us or any of our subsidiaries. In addition, judgments of U.S. courts, including those predicated on the civil liability provisions of the federal securities laws of the United States, may not be enforceable in French courts. It may also not be possible for you to effect service of process within the United States upon our officers and directors, us or any of our subsidiaries to enforce judgments obtained in the U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States. Actions in the United States under the U.S. federal securities laws could also be affected under certain circumstances by French law of July 16, 1980, which could preclude or restrict the obtaining of evidence in France or from French persons in connection with these actions.

However, it may be possible for the holders of the Notes to effect service of process within France upon those persons or us, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with. To date, the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Affairs of July 2,

2019 has not been ratified by the United States. As a result, the United States and France are not currently bound by a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal Judiciaire*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non ex parte*) proceedings if such U.S. judgment is enforceable in the United States and if the French civil court is satisfied that certain conditions have been met.

Insolvency laws in France could impede your ability to enforce your rights under the Notes.

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to us or our French subsidiaries would likely proceed under the laws of France. French insolvency proceedings affecting creditors include: (i) court-assisted pre-insolvency proceedings (*procédure de mandat ad hoc*) or conciliation proceedings (*procédure de conciliation*), (ii) court-controlled pre-insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*)) and (iii) reorganization or liquidation proceedings (*redressement ou liquidation judiciaire*). Certain provisions of insolvency laws in France are less favorable to creditors than bankruptcy laws in the United States. In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes.

The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Grace periods

In addition to pre-insolvency and insolvency laws discussed below, you could, like any other creditor, be subject to Article 1343-5 of the French Civil Code (*Code civil*). Pursuant to the provisions of this article, French courts may, in any civil proceeding involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. French courts may also decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by decree) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code (*Code civil*) will suspend any pending enforcement measures, and any contractual default interest or other penalty for late payment will not accrue or be due during the period ordered by the court.

Insolvency test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

Court-assisted pre-insolvency proceedings

Pre-insolvency proceedings (i.e., *mandat ad hoc* and conciliation proceedings) may only be initiated by the debtor itself, in its sole discretion, provided that it experiences or anticipates any kind of difficulties (in particular legal, economic or financial) while still being able to pay its debts as they fall due out of its available assets (i.e., the company is not cash flow insolvent (*en état de cessation des paiements*)) in case of *mandat ad hoc* or conciliation, or, in case of conciliation proceedings only, while being cash flow insolvent for less than 45 days.

Mandat ad hoc and conciliation proceedings are informal amicable proceedings carried out under the supervision of the President of the competent commercial court, which do not involve any stay of enforcement against the debtor. The President of the commercial court will appoint a trustee (as the case may be, a *mandataire ad hoc* or a *conciliateur*) and will determine such person's assignment, which usually is to assist the debtor to negotiate on a purely consensual and voluntary basis with all or some of its creditors and/or trade partners with a view to restructuring or rescheduling its indebtedness in order to end its difficulties. Agreements reached through such proceedings are not binding on third parties, and the *mandataire ad hoc* or the *conciliateur*, although reporting to

the court, has: (i) no legal coercive power over creditors; and (ii) no authority to compel the parties to accept an agreement. Two types of contractual provisions are deemed null and void in connection with *mandat ad hoc* or conciliation proceedings: (i) any provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the commencement of *mandat ad hoc* or conciliation proceedings or of a request submitted to this end and (ii) any provision forcing the debtor to bear the fees of the professional advisors whom the creditor shall have retained in connection with these proceedings for the portion exceeding three quarters of the fees of the professional advisors.

Mandat ad hoc proceedings

Such proceedings are confidential (save for their disclosure to statutory auditors if any) and the process is voluntary. Those creditors not willing to take part cannot be bound by the agreement. Creditors are not barred from taking legal action against the debtor to recover their claims but the debtor retains the right to petition the judge having jurisdiction for a grace period, as set forth above. The agreement reached, under the supervision of the *mandataire ad hoc*, between the debtor and all or some of its creditors (if any) will be reviewed by the President of the court but, unlike in conciliation proceedings, French law does not provide for any specific consequences of such review. There is no time limit for the duration of *mandat ad hoc* proceedings except that *mandat ad hoc* proceedings cannot continue once the debtor has been cash flow insolvent for 45 days.

Conciliation proceedings

Conciliation proceedings are also confidential (save for their disclosure to statutory auditors if any) and may last up to five months. During the proceedings, creditors may continue to individually claim payment of their claims but the debtor has the right to petition before the judge having commenced conciliation proceedings for debt rescheduling for a maximum of two years pursuant to Article 1343-5 of the French Civil Code (*Code civil*). (see “—Grace periods” above). In addition, the *conciliateur* can ask creditors to suspend the payment of their claims and, if they do not agree, the judge having commenced the conciliation proceedings can defer or reschedule their claims for the duration of the conciliation proceedings.

If an agreement is reached, under the supervision of the *conciliateur*, between the debtor and all or some of its creditors in the context of conciliation proceedings, such agreement may be either: (i) upon all parties' request, acknowledged (*constaté*) by the President of the court, or; (ii) upon the debtor's request (and provided that certain conditions are satisfied), approved (*homologué*) by the court. The performance of the agreement stops or forbids any action and pending individual proceedings by the creditors party to the agreement against the debtor to obtain the payment of such claims.

In case of recognition (*constatation*) or approval (*homologation*) of the conciliation agreement, the court can, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

The recognition (*constatation*) of the agreement by the President of the court gives immediately the agreement the legal force of a final judgment, which means that it constitutes a judicial title (*titre exécutoire*) that can be enforced by the parties without further recourse to a judge, but the conciliation proceedings remain confidential.

The approval (*homologation*) of the agreement by the court will make the conciliation proceedings public and has the following specific consequences, in addition to the agreement constituting a judicial title (*titre exécutoire*):

- creditors who, in the course of conciliation proceedings or as part of the conciliation agreement, provide new money, goods or services in order to ensure the continuation of the business of the debtor (other than shareholders who provide new equity) will enjoy priority status over all pre-petition and post-petition claims (other than certain pre-petition employment claims and procedural costs) in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; in the event of the adoption of a safeguard plan in the context of safeguard proceedings or of a reorganization plan in the context of judicial reorganization proceedings, in either case commenced subsequently to the approval of a conciliation agreement, claims benefiting from the above priority of payment may not, without the creditor's consent, be subject to a debt reduction or to a payment deferral to a date later than the date on which the plan is adopted (whether such a debt reduction or payment deferral may be imposed by the Bondholders' General Meeting (as defined below) to bondholders having provided new money is the subject of debate); and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date on which the debtor became cash-flow insolvent (*date de cessation des paiements*) cannot be determined by the court as having occurred earlier than the date of the approval (*homologation*) of the agreement, except in the event of fraud.

In case of breach of the conciliation agreement, whether such agreement has been acknowledged or approved, the court (or the President of the court if the conciliation agreement has been acknowledged) will, at the request of any party thereto, rescind the agreement. The Company retains the right to petition for debt rescheduling pursuant to article 1343-5 of the French Civil Code (*Code civil*) as described above.

Court-controlled pre-insolvency and insolvency proceedings

The following pre-insolvency and insolvency proceedings may be initiated by or against a company in France:

1. safeguard proceedings (*procédure de sauvegarde*), if such company, while not being cash flow insolvent (*en état de cessation des paiements*), is facing difficulties which it cannot overcome;
2. accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), if such company: (A) is facing difficulties which it cannot overcome; (B) has already negotiated, in the context of conciliation proceedings, a draft safeguard plan ensuring the continuation of its business as a going concern which is likely to receive sufficiently broad support from the affected parties in respect of whom the opening of the procedure will have an effect, to make its adoption by the classes of affected parties likely within a maximum period of four months from the opening of the accelerated safeguard proceedings; and (C) was not cash-flow insolvent for more than 45 days when it requested the opening of conciliation proceedings; and
3. judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings if such company is cash flow insolvent (*en état de cessation des paiements*).

Safeguard proceedings

A debtor which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided that it is not insolvent (*en état de cessation des paiements*). Creditors of the debtor do not attend the hearing before the court at which the commencement of safeguard proceedings is requested. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is usually appointed to investigate the business of the debtor during an observation period, which may last up to 12 months, and to help the debtor elaborate a draft safeguard plan (*projet de plan de sauvegarde*) that it will propose to its creditors.

Creditors do not have effective control over the proceedings, which remain mainly in the hands of the debtor, assisted by the court-appointed administrator who will, in accordance with the terms of the judgment, either supervise the debtor's management ("*mission de surveillance*") or assist it ("*mission d'assistance*") and, in either case, assist the debtor in preparing a safeguard plan for the company, all under the supervision of the court.

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the plan (debt deferrals or write-offs) prior to the plan being approved by the court.

The rules governing consultation vary according to the size of the business. In the case of large companies or group of companies (at least 250 employees and revenue of €20 million, or at least revenue of €40 million), or with the consent of the *juge-commissaire* in the case of debtors that do not exceed the aforementioned thresholds, classes of affected parties have to be established by the court-appointed administrator on the basis of the debts that arose prior to the initial judgment.

Pursuant to article L.626-30 of the French commercial Code (*Code de commerce*), affected parties include creditors whose rights are directly affected by the draft plan, as well as holders of shares or securities giving access to the share capital if their rights, their equity interest or the by-laws are modified.

The classes are established on the basis of objective and verifiable criteria, and group together creditors who share a sufficient commonality of economic interests. The following principles must be complied with by court-appointed administrator when forming classes of affected parties:

- creditors benefiting from security interests granted over the debtor's assets must be classified separately from other creditors;
- subordination agreements must be respected; and
- shareholders and holders of securities giving access to the share capital must form one or more classes.

The proposed plan:

- may treat affected parties differently if it is justified by their differences in situation – for instance, the proposed plan may not affect certain creditors or shareholders (in such case, the proposed plan has to describe the reasons for this exclusion); and
- may provide for debt rescheduling, debt write-off and/or debt-for-equity swaps.

The classes of affected parties must vote on the safeguard plan within 20 to 30 days of its submission by the debtor (this time period can be reduced or extended by the supervising judge, at the request of the debtor or the court-appointed administrator, but not below 15 days). Approval of the plan by each class requires the affirmative vote of members representing at least two-thirds of the total amount of the claims held by members of such class expressing a vote.

Each affected party of a class must, if applicable, inform the court-appointed administrator of the existence of any subordination agreement. The administrator shall then submit to the affected parties a proposal for the class repartition and the computation of the voting rights. In the event of a disagreement, the affected parties or the administrator may request that the matter be decided by the *juge-commissaire*.

The amounts of the claims secured by a trust (*fiducie*) constituted as a guarantee granted by the debtor are not taken into account; only the amounts not covered by such guarantee are used for the calculation of the voting rights.

Following approval by the classes of affected parties, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all affected parties are sufficiently protected and that relevant shareholder consent, if any is required, has been obtained. Furthermore, the court must verify that where affected parties have voted against the plan, none of those affected parties is in a worse position as a result of the plan than it would be if the order of priority for the distribution of assets in judicial liquidation, or the sale of the business pursuant to Article L.642-1 of the French commercial code, or a better alternative solution were applied. Finally, the plan must also be regularly notified to all affected parties. Once approved by the relevant court, the safeguard plan will be binding on all the members of the classes of affected parties (including those who did not vote or voted against the adoption of the plan).

Article L.626-32,I of the French commercial code provides for the possibility of imposing the plan when it has been rejected by one or more classes of affected parties, subject to several conditions. In particular :

- the plan must have been approved by a majority of classes of affected parties, including at least one class of creditors benefiting from security interests granted over the debtor's assets or ranking higher than unsecured creditors; or by one class of affected parties other than a class of shareholders (or holders of securities giving access to the share capital) or any other class composed of creditors which it may reasonably be assumed would not be entitled to any payment if the order of priority for the distribution of assets in judicial liquidation, or the sale of the business pursuant to Article L.642-1 of the French commercial code, were applied;
- the claims of creditors of a class that voted against the plan shall be paid in full by identical or equivalent means where a lower-ranking class is entitled to a payment or retains an interest under the plan (however, exceptions may be made if necessary to achieve the objectives of the plan, without unduly affecting the rights or interests of affected parties).
- no class of affected parties may, under the plan, receive or retain more than the total amount of its claims or interest.

When it is intended to force the application of the plan to a dissident class of shareholders (or holders of securities giving access to the share capital), additional conditions apply:

- the company must meet the thresholds set out in article R.626-63 of the French Commercial Code (at least 250 employees and revenue of €20 million, or at least revenue of €40 million);
- it must be reasonable to assume that the shareholders (or holders of securities giving access to the share capital) of the dissident class or classes would not be entitled to any payment or to any profit sharing if the order of priority for the distribution of assets in judicial liquidation, or the sale of the business pursuant to Article L.642-1 of the French commercial code, were applied;
- the plan does not provide for the transfer of the rights of the class(es) of shareholders (or holders of securities giving access to the share capital) who voted against the plan; and
- where the plan provides for a capital increase, shareholders are entitled to preferential subscription rights in proportion to their shareholdings.

In the event that the classes of affected parties did not vote on the debtor's proposed plan within the first six months of the observation period, this six-month period may be extended by the court at the request of the court-appointed administrator for a period not exceeding the duration of the observation period, in order for the plan to be approved through the consultation of affected parties. Absent such extension, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the standard consultation rules apply to the consultation of creditors. In particular, the court can only impose a debt rescheduling over a maximum period of 10 years (see "*Standard consultation*" above).

If the court empowers the court-appointed administrator to convene a shareholders' meeting in order to take corporate resolutions with respect to the modification of the debtor's by-laws (including modifications of its share capital) required by a safeguard plan, the court may order that, under certain conditions, the shareholders' decisions be adopted by a majority vote of the shareholders attending or represented, as long as such shareholders own at least half of the shares with voting rights.

If no plan is adopted, the court may, at the request of the debtor, the administrator, the creditors representative (*mandataire judiciaire*) or the public prosecutor, convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is obviously impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent. After conversion, the court may choose to modify the duration of the remaining observation period and extend it, if necessary, by up to six months. The classes of affected parties that have been constituted prior to the conversion are maintained and the constitution of the other classes continues despite the change to insolvency proceedings.

Accelerated safeguard

A debtor in *conciliation* proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*).

Accelerated safeguard proceedings are very similar to safeguard proceedings and have been designed to "fast-track" difficulties of companies. They are available to companies whose accounts are certified by a statutory auditor or established by a certified accountant, but there is no threshold conditions relating to the size of the company.

The debtor may request that the accelerated safeguard only apply to financial creditors (i.e., financing companies, credit institutions and bondholders as well as holders of debts purchased from those creditors). In that case, other creditors will not be directly impacted by the accelerated safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

As with traditional safeguard proceedings, the plan adopted in the context of accelerated safeguard proceedings may notably provide for debt rescheduling, debt write-offs and debt-for-equity swaps.

To be eligible to accelerated safeguard proceedings, the debtor must fulfill three conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of accelerated safeguard proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and

- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern which is likely to receive sufficiently broad support from the affected parties to make its adoption by the classes of affected parties likely within a maximum of two months (extendable to four months) following the commencement of the proceedings.

If a plan is not adopted by the creditors and approved by the court within such deadlines, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the classes of affected parties process meaning that establishing classes of affected parties is mandatory in accelerated safeguard.

The list of claims of creditors party to the *conciliation* proceeding shall be drawn up by the debtor and certified by the statutory auditor or the certified accountant and shall be deemed to constitute the filing of such claims for the purpose of the accelerated safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

Judicial reorganization or liquidation proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*) may be initiated against or by a debtor only if it is insolvent (*en cessation des paiements*) and, with respect to liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for insolvency proceedings (or for conciliation proceedings, as discussed above) within 45 days of becoming insolvent. If it does not, *de jure* managers (including directors) and, as the case may be, *de facto* managers may be exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings which it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate.

In the event of judicial reorganization proceedings, an administrator is usually appointed by the court (*administrateur judiciaire*) to assist the management and to investigate the business of the debtor during the observation period, which may last up to 18 months, and make proposals for the reorganization of the debtor, which proposals may include a reorganization plan and / or the sale of all or part of the debtor's business to a third party. The court may also decide that the administrator will take over the management and control of the debtor.

The classes of affected parties are created in judicial reorganization proceedings and vote under the same conditions as in safeguard proceedings (see above). If classes of affected parties are created, members of those classes have the opportunity to propose alternative draft reorganization plans.

In judicial reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L.626-3 of the French Commercial Code (*Code de commerce*), the administrator may appoint an agent (*mandataire*) to convene a shareholders' meeting and to vote on behalf of the shareholders which refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the share capital to the benefit of a third-party undertaking to comply with the reorganization plan.

In addition, Law No. 2015-990 dated August 6, 2015 (known as "*loi Macron*") has introduced a new provision (Article L. 631-19-2 of the French Commercial Code (*Code de commerce*)) applicable to reorganization proceedings opened on or after August 7, 2015 in the cases where (i) a debtor (a) employs more than 150 employees or (b) controls one or more companies employing together 150 employees, (ii) the disappearance of such debtor is likely to cause serious disturbance to the national or local economy and to local employment, (iii) a share capital modification appears—after review of total or partial disposal plan solutions—the only credible solution to avoid such a disturbance and to allow the debtor's business activities to continue and (iv) at least 3 months have elapsed from the court decision commencing the proceedings. In summary, if, in such event, a reorganization plan provides for a modification of the share capital in favor of one or more person(s) who undertake to execute the plan (e.g., the new majority shareholders) and the existing shareholders refuse to vote such share capital modification, the court may, under certain procedural and substantial conditions and upon request of the court appointed administrator or the public prosecutor, either (a) appoint an agent (*mandataire de justice*) to vote in favor of the share capital increase in place of the dissenting shareholders or (b) order, in favor of the person(s) who have undertaken to execute the plan, the transfer of all or part of the shares owned by the dissenting shareholders who own (directly or indirectly and including as a result of an agreement with other

shareholders) a majority of voting rights or hold a blocking minority in the company. Any approval clause is deemed null and void. The minority shareholders have the right to withdraw from the company and request that their shares be purchased by the transferees. In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by a court-designated expert designated by the court in summary proceedings. In either (a) or (b) above, the reorganization plan shall be subject to the undertaking of the subscribers or the transferees to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the company will recover or if no reorganization plan is proposed, the court, upon the request of the administrator, can order the total or partial sale of the business under a sale plan (*plan de cession*).

At any time during the observation period, the court can order the liquidation of the debtor if its recovery has become obviously impossible.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, who is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings and no maximum time period is provided by law to limit the duration of the judicial liquidation process. As a result of the judgment ordering judicial liquidation, the management of the debtor is removed, and the liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities in accordance with the creditors' ranking).

The outcome of such proceedings, which is decided by the court without a vote of the creditors, may be a sale of the business (*plan de cession*) or a sale of the individual assets of the debtor. If a plan for the sale of the business is considered, the court will usually authorize a temporary continuation of the business for a maximum of three months (renewable once), and appoint an administrator (*administrateur judiciaire*) to manage the debtor and organize such sale.

When either (i) no due liabilities remain, or (ii) the liquidator has sufficient funds to pay off all the creditors (*extinction du passif*), or (iii) continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*), the court terminates the proceedings.

The court may also terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets. The court may also appoint a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

Void or voidable transactions upon insolvency proceedings

The insolvency date (*date de cessation des paiements*) is deemed to be the date of the court decision opening the judicial reorganization or judicial liquidation proceedings unless determined otherwise by the court which may determine that the date when the debtor became insolvent occurred up to 18 months prior to the court decision opening the proceedings. Except in the case of fraud, the date of insolvency may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The date when the debtor became insolvent is important because it marks the beginning of the "hardening period" (*période suspecte*), being the period between the date of insolvency and the court decision commencing the proceedings. Certain transactions entered into by the debtor during the hardening period are, by law, void or voidable.

Void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include notably transfers of assets for no, or nominal, consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, and provisional measures, unless the right of attachment or seizure predates the date of cash flow insolvency, share options granted or sold during the hardening period, the transfer of any assets or rights to a trust estate (*patrimoine fiduciaire*) (unless such transfer is made as a security for debt incurred at the same time), and any amendment to a trust arrangement relating to assets or rights already transferred to a trust estate (*patrimoine fiduciaire*) as security for debts previously incurred. A declaration of non-seizability (*déclaration d'insaisissabilité*) that occurred during the hardening period also qualifies as such a "void transaction."

Voidable transactions include (i) transactions for consideration (*actes à titre onéreux*), (ii) payments made on due debts or (iii) certain attachment measures (notices of attachments to third parties (*avis à tiers détenteur*), seizures (*saisie-attribution*), and oppositions), in each case, if such actions are taken after the debtor was insolvent and the party dealing with the debtor knew that the debtor was insolvent. Transactions relating to the transfer of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the hardening period.

There is no hardening period prior to the opening of safeguard or accelerated safeguard proceedings.

Status of creditors during safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings.

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, precluded from receiving distributions made in connection with the insolvency proceedings. Employees are not subject to such limitations and are preferential creditors under French law. By exception, the proof of claim filing process for the creditors that participated in the conciliation proceedings is simplified in accelerated safeguard proceedings. The debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (failing which, its accountant). Although such creditors may file proofs of claims as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the above time limit). Those creditors who did not take part in the conciliation proceedings would have to file their proofs of claims within the aforementioned deadlines.

From the date of the court decision commencing the insolvency proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year; interest resulting from the latter can no longer be compounded;
- the debtor is prohibited from paying debts which arose prior to this date, subject to specified exceptions which essentially cover the set-off of related debts and payments authorized by the supervising judge to recover assets that are necessary for the continued operation of the business;
- the debtor is prohibited from paying debts arising after the commencement of the proceedings and which relate to expenses that are not necessary for the purposes of the proceedings or the observation period or the debtor's business activities during the observation period (post-commencement non-privileged debts);
- creditors are prevented from initiating or continuing any individual legal action against the debtor with respect to any pre-petition claim or post-petition non-privileged claim if the objective of such legal action is:
 - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due); or
 - to terminate or cancel a contract for non-payment of amounts owed by the debtor;
- creditors are prohibited to initiate or to continue any action against the debtor's assets, including enforcing security interests except (i) in judicial liquidation proceedings, by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset—whether tangible or intangible, movable or immovable—is located in another Member State, in which case the rights in rem of creditors thereon, provided no secondary proceedings are open in such Member State, would not be affected by the insolvency proceedings, in accordance with the terms of article 8 of European Parliament and Council (EU) n°2015/848 Regulation on insolvency proceedings (recast) dated May 20, 2015.

In the context of accelerated safeguard proceedings, the above rules would only apply to the creditors that are subject to the safeguard proceedings. They would not apply to other creditors whose claims, including those that arose prior to commencement of the proceedings, should be paid in the ordinary course of business.

During safeguard, accelerated safeguard and judicial reorganization proceedings, contractual provisions such as those contained in the indentures that would accelerate the payment of the debtor's obligations upon the occurrence of certain insolvency events are not enforceable under French law. The opening of liquidation proceedings does, however, automatically accelerate the maturity of all of the debtor's obligations, unless the court allows the business to continue for a period of no more than three months (renewable once) if it considers that a sale of part or all of the business is possible. In this case, the debtor's obligations are deemed mature on the day the court approves the sale of the business or terminates this temporary continuation of the business.

As from the court decision commencing the proceedings, accrued interest can no longer be compounded.

The administrator may also request the termination (except for employment contracts) or, provided that the debtor fully performs its post-petition contractual obligations, continuation of ongoing contracts (*contrats en cours*). However, as from the court decision commencing the proceedings, in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*) will be required.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period (which cannot exceed the duration of the plan) during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

As soon as insolvency proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

If the court adopts a plan for the sale of the business (*plan de cession*), the court can set a time period during which the assets that it deems necessary for the continuation of the business of the debtor may not be sold without its consent. The proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, post-petition legal costs (essentially fees of the officials appointed by the court), creditors who, as part of an approved conciliation agreement, would have provided new money or goods or services, certain pre-petition secured creditors in the event of liquidation proceedings only, post-petition creditors, and the French Treasury, over other pre-petition secured creditors and pre-petition unsecured creditors.

Creditors' liability

Pursuant to article L. 650-1 of the French Commercial Code (*Code de commerce*), where insolvency proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor if the granting of such facilities was wrongful, in the case of (i) fraud; (ii) wrongful interference with the management of the debtor; or (iii) the security or guarantees obtained for the facilities are disproportionate to such facilities. In addition, any security or guarantees obtained for the facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Fraudulent conveyance

French law contains specific, "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant debtor, or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against third parties if: (i) the debtor performed such act without an obligation to do

so; (ii) the relevant creditor or (in the case of the debtor's insolvency proceedings) any creditor was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Notes involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes and the value of any consideration that holders of the Notes received with respect to the Notes could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer as a result of the fraudulent conveyance.

A trading market for the Notes may not develop, in which case you may not be able to resell the Notes.

There is currently a very limited market history for the Original Notes, and no such market history for the Additional Notes, and a liquid trading market may not develop for the Notes. We have applied to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Professional Segment of the Euro MTF market. We cannot guarantee that the application we made to the Official List of the Luxembourg Stock Exchange for the Additional Notes to be listed and admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange will be approved as of the Additional Notes Issue Date or at any time thereafter, or that the Original Notes will remain so listed and admitted, and settlement of the Additional Notes is not conditioned upon obtaining or maintaining this admission to trading. The liquidity of any market for the Notes will depend upon the number of holders of the Notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the Notes and other factors. While the Initial Purchasers have informed us that they currently intend to make a market in the Notes, they have no obligation to do so and could discontinue market-making activities in their sole discretion at any time without notice.

The trading price of the Notes could be volatile.

Historically, the markets for non-investment grade debt securities such as the Notes have been subject to disruptions that have caused substantial price volatility. The market, if any, for the Notes could be subject to similar disruptions and volatility, and these disruptions could have an adverse effect on the holders of the Notes. In addition, subsequent to their initial issuance, the Notes could trade at a discount from the initial offering price of the Notes depending on the prevailing interest rates, the market for similar Notes, our performance and other factors, many of which are beyond our control.

Changes in respect of our credit rating or the public debt ratings of the Notes could materially and adversely affect the availability, the cost and the terms and conditions of our debt and preclude our access to certain financing market and products, any of which could ultimately limit our liquidity and profitability.

As of the date of these listing particulars, CMA CGM is rated "BB+" (stable outlook) by Standard & Poor's and "Ba1" (stable outlook) by Moody's. Moreover, the Original Notes are, and the Additional Notes will be, and any of our future debt instruments could be, publicly rated.

Any downgrade or loss of our corporate credit rating may adversely impact (x) the minimum Group cash balance requirements applicable under our financing arrangements (See "*Description of Certain Financing Arrangements–Key Financial Ratios–Minimum Group Cash Balance*"), (y) the cost and the terms and conditions of certain of our existing or future financing arrangements, and (z) our ability to access certain financial markets and products, thereby impairing our ability to obtain additional financing or refinancing on economically acceptable terms, or obtain such financing or refinancing at all. This could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, any downgrade of the rating of the Notes could adversely affect the value and trading of the Notes, which may lead the Notes to trade at a discount from the initial offering price or from the price at which the Notes may have been subscribed to by the holders of the Notes, thus affecting their investments. The incurrence of additional secured indebtedness at the level of the Issuer (ranking ahead of the Notes to the extent of the value of the assets securing such indebtedness) may have a greater impact on the rating of the Notes than on our corporate credit rating.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

The ratings of the Notes may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant.

If the Notes are rated investment grade by at least two of S&P, Moody's and Fitch, certain covenants contained in the Indenture governing the Notes will be suspended, and you will lose the protection of these covenants unless or until the Notes subsequently fall back below investment grade.

The Indenture governing the Notes contains certain covenants that will be suspended for so long as the Notes are rated investment grade by at least two of S & P's, Moody's and Fitch. These covenants include:

- Limitation on Debt;
- Limitation on Restricted Payments;
- Limitation on Transactions with Affiliates;
- Limitation on Sale of Certain Assets;
- Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries;
- Certain provisions on Designation of Unrestricted and Restricted Subsidiaries;
- Limitation on Lines of Business; and
- Certain provisions on Consolidation, Merger and Sale of Assets.

As a result, we will be able to incur additional indebtedness and consummate transactions that could impair our ability to satisfy our obligations with respect to the Notes. In addition, we will not have to make certain offers to repurchase the Notes. These covenants will only be restored if the credit ratings later assigned to the Notes later fall below investment grade. See “*Description of Notes—Suspension of Covenants Following Achievement of Investment Grade Rating.*” Any actions taken during the period of suspension will remain in effect despite such a restoration of the covenants.

The Original Notes are, and the Additional Notes will be, held in book-entry form and therefore you must rely on the procedures of Euroclear and Clearstream to exercise any rights and remedies.

The Original Notes have been, and the Additional Notes will be, issued in fully registered form. The Original Notes were issued as Global Notes that were deposited on the Original Notes Issue Date, and the Additional Notes will be issued as Global Notes that will be deposited on the Additional Notes Issue Date, in each case with or on behalf of a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

Ownership of beneficial interests in the global note(s) (the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. Owners of beneficial interests in the global note(s) will not be entitled to receive definitive notes in registered form, except under the limited circumstances described in “*Book-Entry, Delivery and Form—Issuance of Definitive Registered Notes.*” So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of global note(s). The common depository for Euroclear and/or Clearstream or its nominee will be considered the sole holders of global note(s).

Payments of any amounts owing in respect of the global note(s) (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depository or its nominee for Euroclear and Clearstream. The common depository

or its nominee will in turn distribute such payments to participants in accordance with its procedures. After payment to the common depositary or its nominee for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of Euroclear or Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture governing the Notes.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream or, if applicable, from a participant. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until definitive registered notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

You could face foreign exchange risks or adverse tax consequences by investing in the Notes.

The Original Notes are, and the Additional Notes will be, denominated and payable in euros. If you measure your investment returns by reference to a currency other than the currency in which your Notes are denominated, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which you measure the return on your investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which you measure the return on your investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure the return on your investments. Investment in the Notes could also have important tax consequences as a result of any foreign currency exchange gains or losses. See "*Certain Tax Considerations.*"

Purchasers and sellers of the Notes may be subject to taxation.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the Notes. Potential investors cannot rely upon the tax summary contained in these listing particulars but should ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only such advisor is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of these listing particulars.

Changes in tax laws or challenges to our tax position could adversely affect our results and financial condition.

As an international group operating in multiple jurisdictions, we are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. Since tax laws and regulations in the various jurisdictions in which our companies are located or operate or may be located or operate may not always provide clear-cut or definitive guidelines, the tax regime applied to our operations, intra-Group transactions or reorganizations (past or future) is or may sometimes be based on our interpretations of French or foreign tax laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities. Furthermore, tax laws and regulations may change, and there may be changes in their interpretation and application by the relevant authorities, especially in the context of international and European initiatives (e.g., OECD, G20, EU, including the initiatives of the European Commission and the OECD base erosion and profit shifting initiative). More generally, any failure to comply with the tax laws or regulations of the countries in which our companies are located or operate may result in reassessments, late payment interests, fines and penalties. The occurrence of any of the foregoing factors may result in an increase in our tax burden and have a material adverse effect on our business, results and / or financial condition.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted.

On February 14, 2013, the European Commission published a proposal for a Directive (the “Commission’s Proposal”) for a common financial transaction tax (the “FTT”) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the “Participating Member States”) and which, if enacted, could apply under certain circumstances, to transactions involving the Notes. The issuance and subscription of Notes should be exempt. However, Estonia has since stated that it will not participate.

The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Following the lack of consensus in the negotiations on the 2013 European Commission’s Proposal, the Participating Member States (excluding Estonia which withdrew) and the scope of such tax are uncertain. Based on public statements, the Participating Member States (excluding Estonia) have agreed to continue negotiations on the basis of a new proposal based on the French model of the tax that would reduce the scope of the FTT and which would only concern listed shares of European companies with a market capitalization exceeding €1 billion on December 1 of the year preceding the taxation year. According to this revised proposal, the applicable tax rate would be at least 0.2%.

Such proposal remains subject to change until a final approval and it may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw. No agreement has been reached between the Participating Member States (excluding Estonia, which withdrew) on this revised proposal. Subsequently, the European Commission declared that, if there was no agreement between the Participating Member States by the end of 2022, it would endeavor to propose a new FTT (as part of its “own resource” proposal in connection with financing the EU budget), by June 2024 with a view to its introduction by January 1, 2026. Any proposal remains subject to change until a final approval and it may therefore be altered prior to any implementation, the timing of which remains unclear. Notwithstanding the fact that the European Parliament has asked the EU Commission and the Member States involved in the negotiations on the enhanced cooperation to do their utmost to reach an agreement on the FTT, the Commission stated in June 2023 that there was “little expectation that any proposal would be agreed in the short term.”

Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT or any similar tax that could be associated with subscribing for, purchasing, holding and disposing of the Notes.

Transfer of the Notes will be restricted, which could adversely affect the value of the Notes.

The Notes have not been and will not be registered under the Securities Act or any U.S. securities laws and we have not undertaken to effect any exchange offer for the Notes in the future. You may not offer the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The Original Notes and the Indenture contain, and the Additional Notes will contain, provisions that will restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemption available pursuant to Rule 144A or other exceptions under the Securities Act, or in transactions not subject to the registration requirements of the Securities Act pursuant to Regulation S. Furthermore, we have not registered the Notes under any other country’s securities laws. These restrictions may limit your ability to resell the Notes. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See “*Notice to Investors*” and “*Plan of Distribution*.”

DESCRIPTION OF THE ISSUER

The Issuer

The Issuer is a corporation (*société anonyme*) organized under the laws of France with its principal executive registered offices at Boulevard Jacques Saadé, 4 Quai d'Arenc, 13002 Marseilles, France. The Issuer was registered on July 12, 1977 with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Marseille under number 562 024 422.

Pursuant to Article 3 of the Issuer's bylaws, the Issuer's corporate purpose is to carry out any activities relating to maritime transportation, the construction, purchase, sale, repair, fitting out, and chartering of vessels, handling, warehouse operations, the purchase and sale of goods, port and rail services, the exploitation of marine resources and any touristic and hoteliery activities. The Issuer may also carry out maritime postal services. The Issuer may also provide any maritime, inland or aerial transport services and logistical services of whatever nature, as well as perform all transactions and business operations associated with these services. The Issuer may also invest, by any means, in any transactions relating to its corporate purpose, whether by the creation of new companies, the subscription or acquisition of securities or rights, by merger or otherwise, and carry out any transportation activities of any kind and generally any commercial, industrial, real estate, movable and financial activities directly or indirectly relating to its corporate purpose, which may promote its extension or development. The Issuer may also acquire and manage interests or investment securities, real property assets and rights, whether by the investment of its funds or by any loan necessary or instrumental to the realization of its corporate purpose. The Issuer may also lead the Group constituted by the Issuer and its interests, determine and implement its strategy and, in this context, provide specific services of any kind, including financial, accounting, administrative and legal services.

Our Main Subsidiaries

CEVA Logistics S.A.

CEVA is a stock corporation organized under the laws of France with a share capital of €1,762,808,667.39 and registered at Atrium 10.5, Place de la Joliette, 13002 Marseille, France. CEVA is a holding company of a group which provides logistics services. The Issuer directly owns 99.34% of CEVA. The remaining 0.66% is held by the Issuer's wholly owned subsidiaries, CMA CGM Inland Services France, CMA CGM Agencies Worldwide and CMA CGM Participations SAS. For the year ended December 31, 2023, CEVA recorded on a standalone basis €659.3 million of profit out of ordinary activities. As of December 31, 2023, the reserves of CEVA amounted to €(983.2) million and the net outstanding amount owed by CEVA to the Issuer was € 403.6 million.

CEVA Group Ltd

CEVA Group Ltd, previously known as CEVA Group PLC, is a private company limited by shares organized under the laws of England and Wales with a nominal share capital of £0.9 million in ordinary shares and £0.4 million in deferred shares and registered at Ceva House, Excelsior Road, Ashby De La Zouch, Leicestershire, England, LE65 9BA. CEVA Logistics S.A. holds 99.996% of CEVA Group Ltd, with the remaining two shares also held by the Issuer's wholly owned subsidiaries, CEVA UK 1 Limited and CEVA UK 2 Limited. As of December 31, 2023, £(81) million of profit was recorded by CEVA Group Ltd.

USE OF PROCEEDS

The aggregate gross proceeds from the offering of the Additional Notes will be \$217.5 million (using our unaudited consolidated balance sheet exchange rate of \$1.00 = €0.93345 as of June 30, 2024), reflecting an issuance price at 101.500%. We expect to use the net proceeds from the offering for general corporate purposes.

Although we intend to use the proceeds from the offering as set out above, the actual allocation of the net proceeds may vary from that set out above, depending on any unforeseen events.

Sources of Funds		Uses of Funds	
<i>(\$ million)</i> ⁽¹⁾		<i>(\$ million)</i> ⁽¹⁾	
Additional Notes offered hereby ⁽²⁾	217.5	General Corporate purposes	215.3
		Estimated fees and expenses ⁽³⁾	2.2
Total sources	<u>217.5</u>	Total uses	<u>217.5</u>

(1) U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of \$1.00 = €0.93345 (the exchange rate used in our unaudited consolidated balance sheet as of June 30, 2024).

(2) Reflects issuance price at 101.500%.

(3) Represents our estimate of costs, fees and expenses we will incur in connection with or otherwise related to the offering of the Notes, including underwriting fees, accounting and legal fees and other transaction costs. Actual costs, fees and expenses may differ from these estimates.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, securities and LTV deposits and consolidated capitalization as of June 30, 2024 on an actual basis and on an as adjusted basis giving effect to the issuance of the (A) Additional Notes offered hereby and the use of the net proceeds therefrom (see “*Use of Proceeds*”) and (B) Original Notes and the use of the net proceeds therefrom, in each case as if such events had occurred on June 30, 2024). The indebtedness figures set forth below are based on the Unaudited Interim Condensed Consolidated Financial Statements (adjusted as mentioned above). As such, the figures reflect certain accounting adjustments that will cause them to differ from the outstanding nominal amount of such indebtedness, including in particular netting of certain transaction costs in accordance with IFRS, amortization. You should read this table in conjunction with the Unaudited Interim Condensed Consolidated Financial Statements, together with the related Notes thereto, included elsewhere in these listing particulars, as well as “*Summary Financial and Operating Information*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Description of Certain Financing Arrangements*,” and “*Use of Proceeds*.” U.S. dollar equivalents of euro-denominated and Singapore-dollar-denominated amounts have been converted using the Company’s balance sheet exchange rates of \$1.00 = €0.93345 and \$1.00 = S\$1.35540, respectively, as of June 30, 2024.

	As of June 30, 2024	
	Actual	As adjusted
	<i>(in \$ millions)</i>	
Cash, cash equivalents, securities and LTV deposits	6,035.8⁽¹⁾	6,672.3⁽²⁾
Senior Notes		
Additional Notes offered hereby	–	215.3 ⁽³⁾
Original Notes	–	421.2 ⁽⁴⁾
NEU CP Program	214.3	214.3 ⁽⁵⁾
Bank debt		
CMA CGM (excluding CMA CGM Asia Pacific, Logistics and Other Activities sub-groups) ⁽⁶⁾	2,414.6	2,414.6
CMA CGM Asia Pacific sub-group ⁽⁷⁾	342.4	342.4
Logistics sub-group ⁽⁸⁾	205.3	205.3
Other Activities sub-group ⁽⁹⁾	13.8	13.8
Bank overdrafts	19.2	19.2
Securitization programs		
CMA CGM Securitization Program ⁽¹⁰⁾	497.9	497.9
CEVA Securitization Program ⁽¹¹⁾	445.9	445.9
Other financial debt ⁽¹²⁾	434.1	434.1
Total financial debt excluding lease liabilities	4,587.4	5,223.9
Lease liabilities under IFRS 16		
CMA CGM (excluding CMA CGM Asia Pacific, Logistics and Other Activities sub-groups) ⁽¹³⁾	9,302.5	9,302.5
CMA CGM Asia Pacific sub-group ⁽¹⁴⁾	641.3	641.3
Logistics sub-group ⁽¹⁵⁾	2,358.6	2,358.6
Other Activities sub-group ⁽¹⁶⁾	1,145.9	1,145.9
Total financial debt including lease liabilities	18,035.8	18,672.3
Equity attributable to owners of the parent company....	45,375.5	45,375.5
Non-controlling interests.....	162.4	162.4
Total equity	45,537.9	45,537.9
Total capitalization	63,573.7	64,210.2

(1) Composed of \$5,425.8 million of cash and cash equivalents (of which \$181.3 million was restricted cash and \$1,951.2 million was cash equivalents), and \$610.0 million of marketable securities and \$0.0 million of LTV deposits. This amount does not reflect the impact of the closing of the acquisition of Altice Media on July 2, 2024, which decreased our cash balance by €1.57 billion (see “*Summary—Recent Developments—Altice Media*”).

(2) As adjusted to give effect to (i) \$215.3 million in expected net proceeds from the issuance of the Additional Notes offered hereby and (ii) \$421.2 of net proceeds from the issuance of the Original Notes.

(3) Reflects the net proceeds of the issuance of the Additional Notes offered hereby, representing \$217.5 million in gross proceeds less estimated fees and expenses of \$2.2 million. See “*Use of Proceeds*.”

(4) Represents the net proceeds of the issuance of the Original Notes.

- (5) Represents the aggregate amount outstanding under the Company's European commercial paper program. See "*Description of Certain financing Arrangements—Senior Notes—Commercial Paper.*" In August and September 2024, we rolled over the maturity of some of our commercial paper we had issued under our NEU CP so that our program remains drawn at a level of €200 million as of the date of these listing particulars.
- (6) Represents the aggregate amount outstanding of the Group's bank borrowings, excluding bank borrowings from CMA CGM Asia Pacific, Logistics and Other Activities sub-groups. This includes mainly (i) \$2,088.1 million outstanding in respect of 27 vessels under secured loan facilities and French tax leases and other similar financial lease arrangements incurred by the Company, (ii) \$254.4 million outstanding in respect of 12 vessels under secured loan facilities and French tax leases incurred by special-purpose vehicles wholly-owned by the Company, (iii) \$46.2 million outstanding in respect of two vessels under mortgage loan facilities incurred by special-purpose vehicles wholly-owned by Containerships, (iv) \$33.5 million outstanding in respect of financing of CMA CGM's headquarters in Marseille through SCI Tour d'Arenc, and (v) a deduction of \$32.1 million of deferred issuance costs related to our (undrawn) unsecured revolving secured facility agreement. See "*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM (excluding CMA CGM Asia Pacific),*" "*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Real Estate Financing—Tour d'Arenc,*" and "*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Unsecured Revolving Credit Facility (CMA CGM).*"
- (7) Represents the aggregate amount outstanding under the CMA CGM Asia Pacific sub-group's bank borrowings. This includes mainly (i) \$166.8 million outstanding in respect of seven vessels under mortgage facility agreements entered into by CMA CGM Asia Pacific Liner and CNC Line and (ii) \$175.6 million outstanding in respect of two vessels under mortgage facility agreements entered into by CMA CGM Asia Pacific. Since June 30, 2024, (i) \$57.9 million has been repaid at maturity under mortgage facility agreements entered into by CMA CGM Asia Pacific Liner and CNC Line and (ii) an additional amount of \$49 million has been drawn by CMA CGM Asia Pacific under two newly entered into mortgage facility agreements, guaranteed by CMA CGM, in connection with the financing of two dual fuel LNG vessels under construction. See "*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM Asia Pacific.*"
- (8) Represents the aggregate amount outstanding under the Logistics sub-group's bank borrowings. This includes mainly (i) \$29.9 million outstanding in respect of secured and unsecured term loans entered into by Bolloré Logistics, (ii) \$101.7 million outstanding in respect of factoring agreements entered into by Bolloré Logistics, and (iii) \$73.7 million outstanding in respect of unsecured terms loans entered into by GEFCO. See "*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Real Estate Financing—Bolloré Logistics,*" "*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Unsecured term loan facilities—Bolloré Logistics,*" "*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Bolloré Logistics Factoring,*" and "*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Unsecured term loan facilities—GEFCO.*"
- (9) Represents the aggregate amount outstanding under vessel bank borrowing incurred by La Mériidionale for the acquisition of one passengers vessel.
- (10) Represents the outstanding amount under CMA CGM securitization program, pursuant to which certain receivables of the Company and certain of its subsidiaries are assigned to CMA CGM & ANL Securities B.V., as securitization issuer. See "*Description of Certain Financing Arrangements—Securitization Programs—CMA CGM Securitization Program.*"
- (11) Represents the aggregate outstanding amount under CEVA's securitization program, pursuant to which a number of European, U.S. and Australian subsidiaries of CEVA, acting as originators, have agreed to sell on a daily basis their receivables to securitization issuers. See "*Description of Certain Financing Arrangements—Securitization Programs—CEVA Securitization Program.*"
- (12) Includes (i) \$336.6 million outstanding under the shareholder loan granted by Merit to CMA Audiovisual on June 28, 2024, for the acquisition of Altice Media (now renamed RMC-BFM) on July 2, 2024, (ii) \$46.8 million of accrued interest, and (iii) other various debts for \$50.8 million. See "*Description of Certain Financing Arrangements—Bank Borrowings—Unsecured Financing—Loan from Merit in connection with acquisition of Altice Media,*" including for a description of the partial conversion of the shareholder loan granted by Merit into equity in CMA Audiovisual in July 2024.
- (13) Represents the aggregate amount outstanding (including accrued but unpaid interest as of June 30, 2024) under the Group's lease liabilities, excluding lease liabilities from CMA CGM Asia Pacific, Logistics and Other Activities sub-groups, with respect to vessels, containers and IT. This includes mainly (i) an aggregate of \$6,391.0 million outstanding in respect of 253 vessels and, (ii) an aggregate of \$2,817.6 million outstanding in respect of container leases, and (iii) an aggregate of \$93.9 million outstanding in respect of other leases. See "*Description of Certain Financing Arrangements—Lease Liabilities—Vessel Leases—CMA CGM (excluding CMA CGM Asia Pacific Liner),*" "*Description of Certain Financing Arrangements—Lease Liabilities—Container Leases.*"
- (14) Represents the aggregate amount outstanding under the CMA CGM Asia Pacific sub-group's lease liabilities. This includes (i) an aggregate of \$574.7 million outstanding in respect of 44 vessels under lease agreements and (ii) an aggregate amount of \$66.6 million outstanding in respect of equipment lease agreements. See "*Description of Certain Financing Arrangements—Lease Liabilities—Vessel Leases—CMA CGM Asia Pacific Liner.*"
- (15) Represents the aggregate amount outstanding under the Logistics sub-group's lease liabilities. This includes mainly (i) \$250.9 million of essentially real estate lease liabilities incurred by Bolloré Logistics and (ii) \$2,107.7 million of essentially real estate lease liabilities relating to CEVA. See "*Description of Certain Financing Arrangements—Lease Liabilities—Logistics Leases.*"
- (16) Represents the aggregate amount outstanding under the Other Activities sub-group's lease liabilities. This includes \$899.0 million outstanding in respect of terminal concession leases, including \$716.7 million relating to the FMS terminal concession and \$71.0 million relating to the Port Liberty terminal concessions. See "*Description of Certain Financing Arrangements—Lease Liabilities—Terminal concession Leases.*"

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables present selected consolidated financial and operating information for the Company at the dates and for the periods indicated. The selected historical consolidated financial information as of and for the years ended December 31, 2021 (as comparative information), 2022 and 2023 is derived from the Audited Consolidated Financial Statements. The selected historical consolidated financial information as of and for the six-month periods ended June 30, 2023 (as comparative information) and 2024 is derived from the Unaudited Interim Condensed Consolidated Financial Statements. Free English language translations of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements are included elsewhere in these listing particulars.

Certain amounts with respect to the year ended December 31, 2022 were restated in the 2023 Audited Consolidated Financial Statements in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12. With respect to the consolidated statement of profit and loss, the restatement only impacted the line item “other income or expense, net” and lines below such line item which include such amount in their total. There was no profit and loss impact resulting from the amendment of IAS 12. With respect to the statement of financial position, the restatement resulted in a reclassification from goodwill to other intangible assets, with some deferred tax implications, and a depreciation of goodwill against equity (through the profit and loss restatement disclosed above). The presentation below has been based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements.

You should read the selected consolidated financial and operating information along with the sections entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements.

Consolidated Income Statement Data (in \$ million)	Year ended December 31,			Six-month period ended June 30,	
	2021	2022	2023	2023	2024
Revenue.....	55,975.7	74,497.9	47,015.8	25,011.1	24,963.9
Operating expenses.....	(32,873.1)	(41,191.2)	(38,006.1)	(18,994.0)	(20,098.6)
Adjusted EBITDA⁽¹⁾	23,102.6	33,306.7	9,009.7	6,017.1	4,865.3
Gains / (losses) on disposal of property and equipment and subsidiaries	52.4	13.0	37.3	21.4	10.4
Depreciation and amortization of non-current assets	(3,427.9)	(5,543.1)	(4,819.7)	(2,371.2)	(2,525.6)
Other income and (expenses)	(172.9)	(1,577.3)	(299.7)	(123.9)	(339.4)
Operating exchange gain/(losses).....	31.4	97.1	51.6	43.5	31.8
Net present value (NPV) benefits related to assets financed by tax leases.....	70.6	77.2	87.6	35.1	33.6
Share of income / (loss) from associates and joint ventures.....	(42.9)	(38.9)	(15.5)	(3.7)	0.5
EBIT⁽²⁾.....	19,613.4	26,334.6	4,051.4	3,618.3	2,076.6
Core EBIT⁽³⁾.....	19,748.8	27,857.9	4,275.8	3,677.1	2,384.9
Interest expense on borrowings net of interest income on cash and cash equivalents.....	(321.2)	69.6	593.4	335.1	22.8
Interest expense on leases.....	(763.1)	(909.2)	(868.2)	(442.1)	(433.0)
Other net financial items	(214.1)	(24.5)	190.4	104.5	(63.2)
Income taxes	(370.1)	(587.5)	(292.9)	(208.5)	(137.2)
Profit / (loss) for the period	17,944.9	24,882.9	3,674.1	3,371.6	1,465.8
Of which:					
Non-controlling interests.....	50.9	68.8	36.6	29.2	20.0
Owners of the parent company.....	17,893.9	24,814.1	3,637.5	3,342.4	1,445.8

- (1) See “*Summary Financial and Operating Information*” for a reconciliation of Adjusted EBITDA to EBIT and “*Presentation of Financial and Other Data*.”
- (2) EBIT represents a measure equivalent to an operating profit / (loss). See “*Certain Terms and Conventions*” and “*Presentation of Financial and Other Data*.”
- (3) Core EBIT represents EBIT less gains / (losses) on disposal of property and equipment and subsidiaries, less other income and expenses, less operating exchange gain / losses and less impairment / non-recurring items recorded in associates and joint ventures. See “*Summary Financial and Operating Information*” for a reconciliation of Core EBIT to EBIT.

(in \$ million)	As of December 31,			As of June 30,
	2021	2022	2023	2024
Consolidated Balance Sheet Data				
Goodwill and other intangible assets	4,902.7	9,720.4	12,130.2	17,229.3
Vessels	18,561.3	20,792.6	23,914.4	25,060.6
Containers	4,376.3	4,894.6	4,882.7	4,818.6
Land and buildings	1,946.1	2,836.9	3,066.8	3,632.0
Other property and equipment.....	1,485.7	3,238.8	4,267.7	4,115.3
Other non-current assets ⁽¹⁾	1,698.6	3,144.5	4,568.9	4,494.8
Inventories	724.1	1,046.9	934.1	987.0
Trade and other receivables.....	4,504.2	6,223.4	6,564.2	7,145.0
Income tax assets	120.2	251.4	240.2	201.7
Securities and other financial assets.....	874.5	12,677.1	4,445.1	1,538.8
Cash and cash equivalents.....	10,130.9	8,913.5	7,133.4	5,425.8
Other current assets ⁽²⁾	2,659.1	1,959.3	1,466.1	2,266.6
Assets classified as held for sale	-	23.5	45.0	193.8
Total assets	51,983.6	75,722.9	73,658.9	77,109.3
Total equity	23,918.0	45,460.7	45,565.3	45,537.9
Non-current borrowings and lease liabilities	14,649.4	13,938.7	12,772.6	14,218.9
Other non-current liabilities ⁽³⁾	1,169.6	2,222.5	2,282.2	3,013.4
Current borrowings and lease liabilities	3,552.1	3,356.2	3,162.7	3,816.8
Other current liabilities ⁽⁴⁾	8,694.5	10,720.8	9,876.0	10,463.2
Liabilities associated with assets classified as held-for-sale.....	-	24.0	0.0	59.1
Total liabilities and equity	51,983.6	75,722.9	73,658.9	77,109.3

- (1) "Other non-current assets" represents deferred tax assets, investments in associates and joint ventures, derivative financial instruments and other non-current assets (financial and operating).
- (2) "Other current assets" represents derivative financial instruments, prepaid expenses and contract assets.
- (3) "Other non-current liabilities" represents derivative financial instruments, deferred tax liabilities, provisions and employee benefits obligations and non-current deferred income.
- (4) "Other current liabilities" represents derivative financial instruments, current portions of provisions, employee benefits, trade and other payables, current income tax liability and current deferred income.

Consolidated Cash Flow Statement Data (in \$ million)	Year ended December 31,			Six month-periods ended June 30,	
	2021	2022	2023	2023	2024
Cash, cash equivalents and bank overdrafts at the beginning of the period.....	1,849.0	10,073.5	8,871.9	8,871.9	7,117.0
Cash flow from operating activities net of tax	22,230.5	33,466.4	7,745.4	5,646.5	3,516.9
Net cash (used in) / provided by investing activities.....	(4,127.2)	(23,862.2)	50.6	(812.3)	(2,109.1)
Net cash (used in) / provided by financing activities.....	(9,851.6)	(10,895.4)	(9,440.2)	(5,469.2)	(3,074.0)
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts.....	(27.1)	89.6	(110.7)	(48.8)	(44.2)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts.....	8,224.6	(1,201.6)	(1,754.9)	(683.8)	(1,710.4)
Cash, cash equivalents and bank overdrafts at the end of the period	10,073.5	8,871.9	7,117.0	8,188.1	5,406.6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the free English language translations of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements, and in each case the related notes thereto, each of which are included elsewhere in these listing particulars.

The Unaudited Interim Condensed Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim period. Unaudited interim results are not necessarily indicative of the results that may be expected for any other period or for the full year.

Certain information contained in the following discussion and analysis and elsewhere in these listing particulars includes forward-looking statements that involve risks and uncertainties. See “*Information Regarding Forward-Looking Statements*” and “*Risk Factors*” for a discussion of the important factors that could cause actual results to differ materially from the results described or implied by the forward-looking statements contained in these listing particulars.

Overview

We are a leading global player in sea, land, air and logistics solutions. We operate three segments: (i) Container Shipping, (ii) Logistics, including Freight Management (Ocean and Air), Ground Transportation, Contract Logistics and FVL businesses and (iii) Other, including Terminals, Air Cargo, Specialized Maritime Transport and Media businesses. We generated revenue of \$47.0 billion and Adjusted EBITDA of \$9.0 billion in the year ended December 31, 2023, revenue of \$25.0 billion and Adjusted EBITDA of \$4.9 billion in the six months ended June 30, 2024 and revenue of \$47.0 billion and Adjusted EBITDA of \$7.9 billion in the twelve months ended June 30, 2024.

As of August 1, 2024, we are the third largest provider of container shipping services globally based on shipping capacity (source: Alphaliner Monthly Monitor, August 2024). As of March 31, 2024, we are a top five global logistics player in air and ocean freight based on volumes (source: Ti, May 2024). We offer our services in over 160 countries through a global network of more than 425 offices, 900 warehouses (11 million square meters) and over 248 main lines calling at over 400 ports (out of 800 ports worldwide).

Over the past 46 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping and logistics services, operating a fully integrated supply chain with a fleet of 643 container vessels. In May 2018, we initiated a strategic move towards logistics services through our investment in, and subsequent acquisition of, CEVA. Alongside Container Shipping, Logistics is the second pillar of the Group's operations. We have also diversified our business portfolio by investing into port terminal facilities, as well as Air Cargo, Specialized Maritime Transport and Media businesses.

We believe that the stability of our efficient, experienced and adaptable management team, combined with our streamlined organization, enables us to make decisions rapidly and efficiently, allowing us to take early advantage of market opportunities and generate higher profitability in Shipping compared to our European peers.

Presentation of Financial Information; Comparability of Information

The Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union. Changes in accounting policies during the periods presented are disclosed in Note 2.2 to the Unaudited Interim Condensed Consolidated Financial Statements, the 2023 Audited Consolidated Financial Statements and the 2022 Audited Consolidated Financial Statements. No changes in accounting policies materially affected our financial performance or condition during the periods presented. Certain amounts with respect to the year ended December 31, 2022 were restated in the 2023 Audited Consolidated Financial Statements (which are the basis of the below discussion) in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the intervening amendment of IAS 12. With respect to the consolidated statement of profit and loss, the restatement only impacted the line item “other income or expense, net” and lines below such line item which include such amount in their total. The discussion below is based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements. For the avoidance of doubt, the discussion below is also based on the 2021 figures included in the comparative column of the 2022 Audited Consolidated Financial Statements.

Acquisitions

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 Group’s consolidated income statement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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.

In accordance with IFRS 3, there is a 12-month period to finalize purchase price allocation. When there is an update to be performed on the purchase price allocations in the year subsequent to the acquisition, adjustments are reflected through a retrospective adjustment of the preceding year (which is the year of the acquisition). In 2023, the Group made certain adjustments related to the purchase price allocations of Ingram CLS, GEFCO and La Provence which were retrospectively adjusted as at December 31, 2022. See Note 5.1 to the 2023 Audited Consolidated Financial Statements. Additionally, an update of the purchase price allocation of Port Liberty terminals was recognized in the six-month period ended June 30, 2024 and retrospectively adjusted. See Note 5.1.1 to the Unaudited Interim Condensed Consolidated Financial Statements.

With respect to acquisitions, the contribution of an acquired entity from the date of acquisition until the end of the reporting period in which it was acquired is generally presented in the notes to the Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements. In addition, the estimate of the contribution of such entity as if it had been acquired as of the beginning of the reporting period is estimated using the results of the entity from the beginning of the period to the end of the period (rather than from the acquisition date) and adding the effect of the purchase price allocation.

Reorganization of Logistics Segment

Following the acquisitions of Ingram CLS, Colis Privé and GEFCO in 2022, the Group reorganized its business model as part of the integration process. As such, the Logistics segment was organized around four CGUs starting with the 2022 Audited Consolidated Financial Statements. These CGUs include (i) Freight Management (Ocean and Air) (ii) Ground Transportation, (iii) Contract Logistics and (iv) Finished Vehicle Logistics (“FVL”). The acquisition of Colis Privé, operating in a new last mile business for the Group, reinforced the relevance to isolate the net assets and their related cash flows in a dedicated Ground Transportation CGU. GEFCO operates in the Freight Management (Ocean and Air) business but even more significantly in the Ground Transportation business, increasing further its weight within the Logistics segment.

The CGU Contract Logistics was not modified as it remains an independent business with specific assets and cash-flows which were strengthened with the acquisition of Ingram CLS, and to a lesser extent by the GEFCO’s Contract Logistics activities.

The new CGU FVL comes from the acquisition of GEFCO as a new business. This FVL business is an independent business that was monitored as such within GEFCO prior to its acquisition by the Group.

Based on the above CGU allocation and as part of the mandatory year-end impairment test performed based on the latest forecasts, management identified that the value in use of the overall Ground Transportation and Contract Logistics CGUs were below their carrying values. As a consequence, a \$1.1 billion impairment charge was recognized, comprising \$0.9 billion on Contract Logistics and \$0.2 billion on Ground Transportation, in the 2022

Audited Consolidated Financial Statements (see Note 5.3). No impairment charge was recognized in respect of the Freight Management (Ocean and Air) and FVL CGUs.

Debt Repayment Initiatives

As part of our deleveraging strategy, in the first quarter of 2021, we repaid the €950 million facility agreement benefiting from a partial guarantee from the French State, entered into in May 2020 in light of the COVID-19 pandemic's impact on the Group's operations.

Due to strong cash-flow generation, in 2022 we continued our debt repayment initiatives, with a voluntary partial repayment of \$800 million of borrowings under our securitization program, which remains fully available, and an early repayment of bank loans in a total amount of \$849 million. In 2022, we also optimized our liquidity management through cash investments of \$11.6 billion in current risk-free financial assets with a residual average maturity of six months. We also undertook early repayment of various vessel financings in 2021 and 2022.

In 2023, we continued our debt repayment initiatives, with a repayment in February 2023 of the €525 million senior notes, issued by CMA CGM and maturing initially in January 2026. See Note 6.6 to the 2023 Audited Consolidated Financial Statements for more information. In early 2024, we repaid unsecured senior notes outstanding, amounting to \$71.0 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America, maturing in January 2024.

In May 2024, the Group extended the maturity of its securitization program related to shipping receivables from the first quarter of 2026 to the first quarter of 2027.

As of June 30, 2024, the Group's available cash (defined as cash and cash equivalents and bank overdrafts per the statement of financial position, less restricted cash and plus marketable securities) was equal to \$5,835 million (i.e., cash and cash equivalents of \$5,426 million, less bank overdrafts of \$19 million, less restricted cash of \$181 million and plus marketable securities of \$610 million). As of the same date, the Group also had access to \$2,558 million of undrawn committed credit facilities granted by various financial institutions, to \$1.6 billion of additional financing under the Group's receivables securitization programs, and had \$0.8 billion invested in current financial deposits not qualifying as cash or cash equivalents with a residual average maturity of 2.5 months and \$0.9 billion invested in non-current financial assets. See Note 6.3.2 to the Unaudited Interim Condensed Consolidated Financial Statements. In addition, on July 4, 2024, the Group issued €400 million aggregate principal amount of senior notes due 2029, bearing a 5.500% interest rate.

Key Factors Affecting Our Results of Operations

Market Volatility and Industry Trends

Our results are affected by industry trends in the container shipping and logistics industries. The container shipping industry has been characterized by volatility in freight rates, charter rates and bunker prices, accompanied by significant uncertainties in global trade (including the implications of the ongoing military conflicts between Israel and Hamas and Hezbollah and Russia and Ukraine, the rise of inflation in certain countries and the continuing trade restrictions between the United States and China). Spot freight rates are particularly volatile, while contract freight rates are less volatile and subject to negotiations with customers (typically on a three-month to a one-year basis and with the main contracting seasons varying by region (Asia and Europe in the second and fourth quarters; United States in the second quarter) as well as to surcharges. Contract freight rates generally reflect changes (both positive and negative) in spot freight rates, albeit with a time lag due to the negotiation time frame. For a detailed discussion of trends in the container shipping industry, see “—*Industry Overview—International Container Shipping Industry*.”

The logistics industry has also been characterized by volatility, and can be greatly influenced by the demand environment, itself tied to global GDP dynamics, in particular in the manufacturing and consumption components. For a detailed discussion of trends in the logistics industry, see “—*Industry Overview—The International Logistics Industry*.”

Our terminals generate revenue by providing services such as stevedoring, storage and transportation, which depend on the amount of container volumes handled. Therefore, performance in this segment of our business is largely driven by underlying industry dynamics in the container shipping industry.

The air freight industry is influenced by supply / demand dynamics, with demand being correlated to global GDP dynamics. Demand is driven to a large extent by the capacity provided by pure air freight players, such as our

Group's air cargos. However, the largest portion of goods transported by air freight is moved in the belly capacity of passenger airplanes.

The year ended December 31, 2022 was a year of two halves for the container shipping and logistics industries. While industry prospects were positive at the beginning of the year (continuous global economic recovery post the COVID-19 pandemic and dynamic consumer demand), the macroeconomic and geopolitical backdrop started to deteriorate after the Russian invasion of Ukraine, having negative spillover effects on the sector. Global consumer demand for goods softened rapidly during the second half of 2022 in the context of eroding consumer and business confidence due to mounting inflationary pressures across most economies and a severe energy crisis in Europe. Lower demand and flattening global trade volumes, along with the gradual adaptation of global supply chains to the above-mentioned negative supply shocks, allowed us to resolve most disruptions towards year-end. As port congestions eased and bottlenecks in landside transportation and warehousing resolved, transportation capacity was freed up and returned onto the market, driving spot freight rates down, particularly in container shipping.

The container shipping and logistics industries then experienced a generally unfavorable market environment in 2023. After a two-year period of extraordinary consumer demand in the aftermath of the COVID-19 pandemic, the container shipping and logistics industries entered into a normalization cycle characterized by declining volumes and rates, which had accelerated in the last quarter of 2022. Although this normalization was widely expected, it was exacerbated by significant inventory destocking, in particular in the United States. This phenomenon translated into pressure on freight volumes across the board (ocean, air and ground) in the first half of the year and had a negative impact on most of the Group's activities. The pressure on freight volumes also translated into a large drop in spot freight rates. During the second half of 2023, freight volumes stabilized as the drag from destocking faded but the traditional Ocean shipping peak season materialized only marginally as the overall challenging macroeconomic environment (in particular inflationary pressures) continued to weigh on consumer demand and global trade. Market conditions were particularly weak in the fourth quarter of 2023, with certain shipping industry participants experiencing negative margins due to low spot freight rates. As explained above, contract freight rates declined more slowly than spot rates, and, as a result, contract freight rates remained above spot rates for most of 2023, but adjusted to their pre-COVID-19 default level of slightly below spot freight rates towards the end of 2023.

Market conditions in the first half of 2024 represented an improvement compared to the very weak fourth quarter of 2023. The Red Sea crisis that began in December 2023 (and continues) resulted in a supply / demand shock as most vessels were rerouted away from the Red Sea, absorbing most of the oversupply in shipping and driving a sharp increase in spot freight rates. Rising congestion in the second quarter of 2024 prolonged and deepened the initial supply shock linked to the Red Sea crisis and further inflated spot freight rates. The effects of this supply / demand shock are expected to be of a temporary nature, as new vessels are delivered onto the market and to the extent capacity constraints are alleviated. These developments are nonetheless expected to contribute to elevated spot freight rates for most of 2024, and the supply / demand outlook is then expected to be more challenging from 2025 onwards.

In addition, since the beginning of the year, Air and Ocean volumes also experienced a rebound, compared to a low base in the first half of 2023, with restocking particularly in the second quarter of 2024 driven by the cautious approach adopted by shippers in the wake of persistent supply-chain disruptions contributing to ending the destocking cycle experienced during most of 2023. Restocking reflected in particular (i) longer transit time for services affected by the Red Sea crisis leading to concerns around availability of goods, particularly in the run-up to end-of-year celebrations, which was compounded by the lingering psychological effects of the demand shortages during the COVID-19 pandemic and (ii) rise of taxes on Chinese imports, particularly in the North American market in the run-up to the U.S. elections. For the same reasons, the logistics industry is generally experiencing good momentum as well, while the overall resilient macroeconomic environment (with resilient consumption in the United States, signs of recovery in Europe and sustained growth in South Asia, the Middle and Latin America) has come as a support to our various activities and segments since the beginning of the year. Contract freight rates, however, failed to gain the same level of support from the Red Sea crisis, and weighed on industry margin recovery in the first half of 2024; they are now being adjusted upwards as contracts are renegotiated.

In our pricing structure, we seek to strike a balance between spot pricing and contracted freight rates, which can have an impact on both revenues and margins, depending on the ongoing pricing dynamics. Achieving this balance requires precise and continuous control over the capacity provided to shippers, ensuring that in times of high pressure on spot freight rates, shippers are not granted more capacity than their contracted allocation. Notwithstanding this strategy, we also enter into long-term contracts at mutually beneficial rates; we have been

regularly able to sign multi-year contracts with specific shippers and in some instances have selectively dedicated a significant share of a given line's capacity to such shippers.

We actively monitor the profitability of each trade line, and aim to adjust capacity so as to ensure the best possible geographical mix. For example, if at a given time a trade line is slated to deploy 10,000 TEU ships, but is then unable to fill them, while a different trade line deploying 8,000 TEU is overbooked, we will consider swapping capacities to meet the market demand. For example, during the Red Sea crisis, we added more vessels to some of our lines to maintain the same activity level, while we closed and modified other lines.

Management of Vessel and Container Capacity

Our Container Shipping segment revenue is largely the product of market-driven base freight rates and transport volumes over which we have relatively limited control. Accordingly, our day-to-day profitability depends largely on our ability to maintain and manage our fleet in order to further improve our productivity and effectively manage the cost of transportation and materials and other operating costs, in particular in respect of the positioning and transport of containers and the coordination of third-party services, such as inland transportation services.

We have set up ship operating centers in Marseille, Singapore and Miami operating 24 hours a day and staffed by teams of experienced officers that oversee our entire fleet of 643 container vessels as of June 30, 2024. These centers monitor speed and route requirements and have direct access to every officer on board of those vessels so that any deviation from schedule may be immediately challenged and, if need be, rectified. The team is also in charge of improving fuel efficiency and punctuality of all our lines.

We rely on our global IT systems, which integrate operational and financial information throughout our organization, to maintain and increase our profitability and to manage the challenges posed by global trade imbalances and inland transportation costs. These systems have put us in a position to increase our shipping volumes while maintaining stable headcount levels. Furthermore, our IT systems enable us to better forecast and manage changes in the global trade imbalances that characterize and affect the container shipping industry. This allows us to optimize empty container repositioning and thus considerably reduces our repositioning costs.

As is customary in the container shipping industry, to meet the demand for container shipping services from our customers, we rely on a combination of owned vessels and chartered and leased vessels and a combination of owned and leased containers. We seek to optimize the mix of owned, long-term chartered and leased and short- and mid-term-chartered vessels and containers to maintain a stable base capacity and to be able to obtain additional capacity in response to demand peaks, such as those that occurred during 2021 and 2022.

As of June 30, 2024, our fleet consisted of 643 container ships. The capacity of these 643 ships ranged from 120 TEU to 23,112 TEU. Of these 643 container vessels, we owned or had under finance lease or equivalent arrangements 267 vessels, or 41.5% of our fleet, chartered 376 vessels, or 58.5% of our fleet. Of the 376 chartered vessels, as of June 30, 2024, 51 vessels were chartered from financial institutions and 325 from non-operating owners ("NOOs"). See "*—Industry Overview—International Container Shipping Industry—Type of Owners.*" Among these 376 vessels, 55 vessels, or 15.5 % of our total fleet by capacity have a remaining charter duration of more than five years, 142 vessels, or 22.1% of our total fleet by capacity, have a remaining charter duration ranging between one and five years and 179 vessels, or 12.3% of our total fleet by capacity, have a remaining charter duration of less than one year.

In recent years, the shipping industry has increasingly invested in fleet renewals to support the transition to clean fuels, with over half of the industry's recent orderbook being for vessels capable of accommodating alternative fuels such as LNG, biomethane, methanol or ammonia. As at June 30, 2024, our container vessel orderbook included 78 owned container vessels. This orderbook is in line with our strategy to accommodate market growth with an efficient and environmentally sustainable fleet in order to meet our environmental targets and comply with all regulatory standards. For further details, see "*—Green Transition.*" There has also been a pronounced change in scrapping behavior in the shipping industry. Due to supportive market conditions in 2021 and 2022 scrapping of container vessels remained at historically low levels, with 19 units (16,500 TEU) disposed of in 2021 and 5 units (10,900 TEU) disposed of in 2022. Although scrapping picked up in 2023 with 87 vessels totaling 167,000 TEU reaching recycling facilities, figures remained far below expectations and the 2010-2020 yearly average of 290,000 TEU. Scrapping levels continued to remain at low levels during the first half of 2024, with 41 units totaling 70,714 TEU reaching recycling facilities.

Short-term charters provide us with flexibility to adjust our capacity rapidly in response to changes in demand, although we are exposed to increases in charter rates. Since short-term charter rates, in particular, tend to fluctuate

significantly in response to supply and demand in the market, we are able to reduce our costs on a significant part of our fleet while maintaining operational flexibility to release ships in case of market deterioration. This has allowed us to reduce our costs significantly in the past years, as well as during the recent COVID-19 pandemic. The effect of changes in charter rates on our operating expenses tends to lag behind the real-time movements in charter rates, as charter contracts are typically entered into at fixed rates for specified periods of time.

Container vessel fleet

As of June 30, 2024

	Ships	TEU	Average	Tenor
<i>Owned</i> (1)	267	1,874,088	7,019 TEU	N/A
<i>Long-term chartered</i> (2)	55	582,113	10,513 TEU	9.95 years
<i>Total owned and long-term chartered</i>	322	2,456,201	7,616 TEU	N/A

(1) Owned vessels including vessels financed through finance lease or equivalent arrangements.

(2) Vessels governed by a charter agreement with a remaining term longer than five years.

As of June 30, 2024, we owned and leased a container fleet of 4,993 million TEU. We owned 25% of such containers and leased or rented the remainder.

Terminal and logistics management

As part of our strategy to manage our global shipping network and ensure sufficient port and storage capacity at key locations in our logistics chain, we also invest in port terminal facilities in areas where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities. In recent years, we have increased these operations as part of our growth strategy and entered into several key ventures to support our operations on various lines. For further details, see “*Business—Segments—Other—Terminals—CMA CGM Terminals*.”

Cooperation Arrangements

We cooperate with other carriers in various ways with a view to increasing utilization levels of our vessel and container fleet, thus decreasing slot costs, and extending the range and geographic scope of our services. We are party to an array of cooperation agreements and also members of several operational alliances. We have placed increased emphasis on such arrangements in recent years in order to better adjust our capacity and control our costs in light of difficult market conditions. These arrangements cover only the operation of our vessels and related assets. Under all of these arrangements, we continue to market and sell our services and to serve our customers independently.

We operate most of our lines in varying degrees of cooperation with other carriers, such as COSCO Shipping, OOCL, Evergreen, Maersk, MSC, Hapag-Lloyd and Pacific International, pursuant to vessel-sharing agreements, swap agreements or slot purchase agreements. Under these agreements, one carrier makes available to another a fixed number of slots per voyage on specified trade route for an agreed period of time. We compensate the other carrier for slots made available to us either by providing the carrier with slots on our vessels (vessel-sharing agreements and swap agreements) or by purchasing the slots directly (slot purchase agreements). Our cooperation agreements consist of the following:

- Vessel-sharing agreements, whereby each carrier contributes vessels to a particular line, and each carrier is entitled to a number of slots on each vessel traveling the line, proportionate to its vessel contribution. In these cases, we record revenue related to the slots utilized by us on the other carrier’s vessel, but we do not record revenue with respect to slots that are utilized by the other carrier on our vessels. The costs of operating the vessel (e.g., vessel charter, capital lease or purchase expenses, supply expenses and port costs and canal expenses) are borne by the operator of the vessel. Costs associated with the shipment of the container (e.g., stevedoring expenses) are billed by the supplier of the related services to each carrier individually. It is customary, however, for carriers to purchase these services from the same service provider.
- Swap agreements, whereby carriers exchange slots on vessels traveling different trade routes, allow each carrier to establish a line on a trade route where it does not operate vessels. Revenue received and costs incurred are borne in the same manner as under vessel-sharing agreements.

- Slot purchase agreements, whereby carriers purchase slots on vessels of another carrier. When we purchase slots under slot purchase agreements, our only costs are payments made to the other carrier for the purchase of slots. We do not bear any of the costs associated with the vessel or shipment of the container. These agreements are not necessarily reciprocal, unlike vessel-sharing and swap agreements, and our slot purchases are not netted against our slot sales.

Operational Alliances

Alliances are agreements that cover vessel-sharing and operational matters such as the use of certain terminals, where carriers can take advantage of favorable terms for berthing. These alliances allow us to make more frequent departures, reach more ports, improve slot utilization and increase reliability while reducing slot costs, which helps us to drive revenue growth and control our costs on alliance lines. We are currently party to a variety of alliances with different carriers, the principal one being Ocean Alliance, which launched on April 1, 2017 and initially had a five-year term that was further extended to ten years. In February 2024, the Group, COSCO Shipping, Evergreen and OOCL renewed the operations of Ocean Alliance for a further five year period until 2032. See “*Business—Segments—Container Shipping—Cooperation with other shipping companies—Ocean Alliance.*” We believe Ocean Alliance, as well as the other main alliances, are positively impacting structural dynamics in the shipping industry, as evidenced by favorable industry trends during and in the aftermath of the COVID-19 pandemic.

Under the Ocean Alliance, we have agreed to make available for purchase by alliance partners a specified number of slots on our ships that set out each week and our alliance partners have agreed to make available to us an equivalent number of slots on their ships that set out each week. When we sell slots to an alliance partner, we recognize revenue from the payment made by the partner for the slot. We bear the full hull-related costs associated with the vessel and shipping the container. When we purchase slots from an alliance partner, our only costs for the shipment are payments made to the other carrier for the purchase of slots. We do not bear any of the hull-related costs associated with the vessel but support the rest of the variable costs (such as handling and stevedoring costs). Although the number of slots purchased and sold are intended to be generally equivalent, in practice there is typically some variation between the two due to differences in the number of ships of each partner scheduled to depart during a given week and failures of some ships to depart when originally scheduled. As a result, in any given period, the amount we receive from alliance partners for slot purchases may exceed the amount we pay for slot purchases on partner vessels, or vice versa.

The presentation of Ocean Alliance transactions in our financial statements is based on IAS 18.12, which states that “when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue.” Ocean Alliance partners exchange services of a similar nature (slot sales and purchases) and similar value (each partner takes out the equivalent allocation of what the partner puts into the alliance, at a similar price for both sales and purchases). Accordingly, in our financial statements, Ocean Alliance slot sales and purchases are presented on a net basis and the net income or expense is included in the line item “slot purchases.” For further details on Operational Alliances, see “—*Industry Overview—International Container Shipping Industry—Global Alliances*”).

Seasonal Fluctuations

We experience a number of factors that cause seasonal fluctuations in transport volumes, including increased demand for shipping services in the third and beginning of fourth quarters of the year in advance of the major western holidays and weaker demand at the beginning of the year, reflecting the decrease in consumer spending in western countries, as well as restrained manufacturing activities in China due to Chinese New Year celebrations. As a result of these seasonal fluctuations, our cash flows from operations and revenue have historically not been evenly distributed throughout the year, though the industry has struggled to return to traditional seasonality patterns since the COVID-19 pandemic. Furthermore, significant disruptions such as the Red Sea crisis may blur the seasonal impact, as reflected by the cautious approach of shippers mentioned above, which may have smoothed out the usual annual peak in demand.

Currency Fluctuations

We operate on a worldwide basis and are exposed to currency exchange rate fluctuations as a result of differences in the currency mix of our revenue and operating expenses. For example, average revenue per TEU will be impacted by currency fluctuation as not all our ocean revenue is priced in U.S. dollars, as well as the Group’s logistics activities which are conducted mostly in local currencies. We estimate that approximately 24% of our

revenue for the year ended December 31, 2023 was invoiced in euros. See “*Market-related risks—Foreign currency exchange rate risk*” and Note 6.1.1 to the 2023 Audited Consolidated Financial Statements.

A portion of our financing arrangements are denominated in euro and may expose us to foreign exchange risk. In addition, to the extent the proportion of revenue denominated in U.S. dollars, or euro differs from the proportion of operating expenses denominated in U.S. dollars, or euro, our operating results are subject to foreign exchange risk. We are not exposed to material foreign exchange risks on our capital commitments, since vessel and container financing arrangements are usually U.S. dollar-denominated and our vessels and containers are principally purchased in U.S. dollars, including those vessels acquired under the terms of long-term capital leases or other similar arrangements. Our terminal capital commitments are usually in local currencies and hence may expose us to some foreign exchange risks.

As a consequence of recent deleveraging initiatives, the Group no longer has euro senior notes on its balance sheet (other than the Notes, subject to completion of this offering). Additionally, a part of the Group’s financial resources is held in euro. Hence, the Group currently holds a long position in euro (euro-denominated assets exceeding liabilities) whereby an increase (or conversely, a decrease) of the euro against the dollar during a period positively (or conversely, negatively) affects our financial result.

Green Transition

We are committed to a decarbonization path. In December 2023, during COP28, our Chairman announced our ambition of reducing GHG emissions, targeting (i) a decrease of 30% by 2030, (ii) a decrease of 80% by 2040 and (iii) net zero carbon by 2050, compared to 2008 emissions. For further details, see “—*Environment, Quality, Safety and Sustainability—Climate Change*.”

Furthermore, we are subject to an increasing number of gradually tightening global and regional regulations. For example, the EU ETS, has been extended to include shipping from January 1, 2024. We will have to surrender allowances corresponding to the total amount of the emissions of our vessels falling under the EU scope, which means 100% of our emissions at berth, 100% of emissions that occurs between two EU ports and 50% of emissions from voyages starting or ending outside of the EU. The EU ETS Regulations require us to purchase and surrender allowances according to a phase-in period, equal to a percentage of our emissions that gradually increases over time, from 40% of reported emissions in 2024 to 100% of reported emissions in 2026. We are subject to the scheme as from FY2024, hence generating additional costs which we will seek to pass through to customers. For the six months ended June 30, 2024, these costs totaled \$59 million.

As another example, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce GHG emissions. Specifically, after several initiatives restricting the use of high sulfur content fuels that substantially affected the industry, in 2023, the IMO adopted an agreement on the decarbonization of shipping which will serve as a catalyst for the transformation of the shipping industry. We expect the adoption of concrete measures by the IMO in 2025 to ensure that the international fleet will reduce GHG emissions, with the goal to reduce them by at least 20% by 2030 and at least 70% by 2040 compared to 2008 levels. These new measures are expected to apply from 2027. We expect that compliance with these regulatory changes will result in additional compliance and administrative costs. To the extent possible, the anticipated impact of the green transition has been taken into account, as management has based its estimates on the assumption that the implied costs will be mostly charged to customers over time.

Acquisitions and Disposals

From time to time we pursue strategic acquisitions and combinations with a view towards reinforcing our position as one of the leaders in the container shipping market and logistics market by capturing market opportunities in a volatile environment. Our acquisitions are intended to help us to maintain our scale advantages to support an efficient cost base and to diversify our service offerings both geographically and through expansions into new service areas as well as reinforcing our asset base, while at the same time maintaining a strong financial profile and a sustainable liquidity position. We expect to continue to consider acquisitions in the container shipping market and logistics market, both regional “bolt-on” ones and larger “transformational” ones, while maintaining financial discipline and a strong liquidity position and being consistent with our deleveraging roadmap.

Acquisitions in Logistics

Acquisition in 2024

Acquisition of Bolloré Logistics

On February 29, 2024, we acquired 100% of Bolloré Logistics. As a leading transport and logistics company in France, and one of the main players in the sector worldwide, for the year ended December 31, 2023 Bolloré Logistics transported 738,000 TEU of ocean freight and 347,000 tons of air freight and has a storage capacity of 927,700 square meters. This is our largest acquisition since our creation in 1978 and constitutes a major step in our logistics development strategy, strengthening our Freight Management (Ocean and Air) activities by adding new and reinforcing existing verticals and consolidating our geographic footprint in Europe, the Middle East and Africa (“EMEA”) and Americas. The purchase price was €4.85 billion (\$5.26 billion), on the basis of the estimated debt and cash on the completion date. In the first quarter of 2024, since the date of acquisition, Bolloré Logistics contributed \$394 million to Group revenue and \$7 million to Group net income.

The preliminary purchase price allocation resulted in the recognition of a preliminary goodwill of \$2,983 million, allocated to Freight Management (Ocean and Air) for \$2,707 million and Contract Logistics for \$276 million. The main intangible asset recognized other than goodwill is customer relationships for \$2,341 million, calculated using the excess earnings valuation method. These customer relationships are amortized on a 25-year linear basis and generated a deferred tax liability.

It should be noted that the relevant antitrust authorities conditioned their approval of our acquisition of Bolloré Logistics on divestment of all of the French West Indies Divestment Businesses, as well as divestment of the Polynesian Divestment Businesses. The divestments of both the French West Indies Divestment Businesses and the Polynesian Divestment Businesses were completed on July 31, 2024. In April 2024, we acquired 80% of shares in Bolloré Logistics Sweden AB, with the acquisition of the remaining 20% completed in July 2024.

Acquisitions in 2022

Acquisition of Ingram CLS

On April 4, 2022, we acquired Ingram CLS.

The acquisition price amounted to \$3.1 billion. With approximately \$1.8 billion in annual sales in 2021 and more than 11,500 employees across 59 sites worldwide, Ingram Micro’s CLS business was mostly specialized in contract logistics with exposure to e-commerce clients. The acquired perimeter also encompassed Shipwire, an order fulfilment platform that provides flexible e-commerce logistics solutions for small and medium-sized companies. Overall, this transaction complemented our e-commerce offering and our offering in key market segments such as technology and fashion.

In 2022, since the date of acquisition, Ingram CLS contributed \$1,249 million to Group revenue and a loss of \$5 million to Group net income.

Acquisition costs related to Ingram CLS were considered minimal at the Group level and have been recognized as operating expenses.

The purchase price allocation resulted in the recognition of a provisional goodwill of \$1,895 million, mainly representative of future economic benefits from assets that are not capable of being individually identified and separately recognized. These assets include in particular future customer contracts and relationships, certain future technological developments, assembled workforce, and synergies expected to arise from the acquisition.

Acquisition of Colis Privé

On April 7, 2022, we acquired Colis Privé group for a total consideration of €646 million (\$716 million).

Colis Privé focused on small package deliveries for B2C e-commerce companies and was supported by a technology platform focused on both the delivery process and the customer interaction. Colis Privé had built a large customer portfolio consisting of more than 200 e-commerce companies, including international market leaders.

In 2022, since the date of acquisition, Colis Privé contributed \$206 million to Group revenue and a loss of \$1 million to Group net profit.

Acquisition costs related to Colis Privé were considered minimal at the Group level and have been recognized as operating expenses.

The purchase price allocation resulted in the recognition of a provisional goodwill of \$509 million, mainly representative of future economic benefits from assets that are not capable of being individually identified and separately recognized. These assets notably include future customer contracts and relationships, certain future technological developments, assembled workforce, and synergies expected to arise from the acquisition.

Acquisition of GEFCO

On April 8, 2022, we acquired 99.99% of GEFCO, a European leader in automotive logistics. The acquisition of GEFCO and its integration within CEVA aims to create the world's leading automotive logistics provider and reinforce CEVA's leadership position in contract logistics.

In 2022, since date of acquisition, GEFCO contributed \$1,864 million to Group revenue and \$25 million to Group net income.

Individual acquisition costs related to GEFCO were considered minimal at the Group level and have been recognized as operating expenses.

Acquisitions in the "Other" segment

Acquisition in 2024

Acquisition of Altice Media

On July 2, 2024, upon the clearance from the relevant regulatory authorities, and pursuant to the put option agreement entered into on March 15, 2024, the Group and a subsidiary of Merit France jointly acquired Altice Media for 80% and 20%, respectively, for a total purchase price of €1.57 billion.

Altice Media is the third-largest private media group in France and the leading French news channel, with flagship brands BFM TV and the RMC radio station. Altice Media generated revenue of €362 million in 2023 and employs 1,700 people, of which more than 900 are journalists. This transaction is intended to enable our Media Division to offer high-quality news, sports and entertainment content, with an editorial vision based on pluralism, independence, and work ethic and geared towards economic, social, and regional themes.

Acquisitions in 2023

Acquisition of Global Container Terminals

On August 31, 2023, the Group completed its acquisition of the Global Container Terminals ("GCT") Bayonne and New York terminals, subsequently renamed Port Liberty Bayonne LLC and Port Liberty New York LLC. The port of New York is a key entry point serving the Northeastern U.S. supply chain areas and represents our largest gateway to the U.S. East and Gulf Coasts. The acquisition price amounted to \$2.8 billion, subject to post-closing price adjustment.

In 2023, since the date of acquisition, the acquired entities contributed \$97 million to Group revenue and a loss of \$29 million to Group net income.

Acquisition costs related to Port Liberty terminals were considered minimal at the Group level and have been recognized as operating expenses.

The purchase price allocation resulted in the recognition of a residual preliminary goodwill of \$197 million. As at June 30, 2024, the purchase price allocation of Port Liberty terminals has been retrospectively updated resulting in (i) an increase of the concession-related intangible asset for \$187 million to \$2,386 million (\$2,199 million as at December 31, 2023) and (ii) a decrease of the residual goodwill to \$2 million.

Investment in Spain terminals

On September 29, 2023, we finalized the acquisition of 49% in CSP Iberian Valencia Terminal, S.A.U. (“CSP Iberian Valencia”), one of the biggest container terminals in Spain with a total capacity of TEU 3.5 million and 38% in CSP Iberian Bilbao Terminal, S.L. (“CSP Iberian Bilbao”), the biggest terminal in northern Spain, with a capacity of TEU 950,000 and which connects Spain to the main ports of Northern Europe via the Atlantic Ocean. These two investments are reported in associates and joint ventures with a carrying value of \$311 million.

La Méditerranée

On May 30, 2023, we finalized the acquisition of La Méditerranée, a combined freight and passenger shipping company established in Marseille deploying a fleet of four freight and passenger ships servicing ports in Corsica.

Orders have been placed for two new LNG-powered vessels, which can also run on biomethane or e-methane. The acquisition price amounted to \$133 million.

In 2023, since the date of acquisition, La Méditerranée contributed \$75 million to Group consolidated revenue and a profit of \$7 million to Group net income.

Acquisition costs related to La Méditerranée were minimal at the Group level and have been recognized as operating expenses.

The preliminary purchase price allocation resulted in a non-material difference between the purchase price and the net assets acquired.

Media

In April 2023, we acquired a minority stake in Brut, a French online media business which is mainly distributed on social networks and in video or podcast format.

In July 2023, we acquired 100% of the share capital of HIMA Group, which owns La Tribune. La Tribune is a leading digital business and finance media platform with a presence across France and Africa. The transaction continued the expansion of our Media business around local and national media outlets.

In 2023, since the date of acquisition, HIMA Group contributed \$8 million to Group revenue and a loss of \$1 million to Group net income.

These businesses were included, along with the Group’s interest in La Provence (acquired in 2022, as noted below) and Corse Matin, for management purposes in a new Media division.

Acquisitions in 2022

Acquisition of FMS

On January 4, 2022, we closed the acquisition of 90% of the FMS terminal in Los Angeles from the investment fund EQT Infrastructure III for a purchase price of \$1,651 million and therefore became the sole owner (having previously held a 10% stake).

The purchase price allocation resulted in the recognition of a goodwill of \$1,079 million, mainly explained by the contract-related assets with CMA CGM which constitute a pre-existing relationship which is not to be recognized in accordance with IFRS 3, and remains part of goodwill.

Other acquisitions

In October 2022, the Group acquired the newspaper La Provence. This transaction is considered as non-material.

Adjustments to 2022 purchase price allocations

In accordance with IFRS 3, certain updates of purchase price allocation related to the acquisition of Ingram CLS, GEFICO and La Provence were retrospectively adjusted as at December 31, 2022 in the 2023 Audited Consolidated Financial Statements. For further details, see Note 5.1.1 to the 2023 Audited Consolidated Financial Statements.

Impairment charges

In 2022, we recorded significant impairment charges as management identified that the value in use of the overall Ground Transportation and Contract Logistics CGUs were below their carrying values. As a consequence, a \$1.1 billion impairment charge was recognized, including \$0.9 billion in respect of Contract Logistics and \$0.2 billion in respect of Ground Transportation (see Notes 3.1.4 and 5.3 to the 2022 Audited Consolidated Financial Statements). Additional impairment charges related to (i) the impairment of certain capitalized costs (in turn related to the development of information systems) and (ii) in the restated 2022 information included in the 2023 Audited Consolidated Financial Statements, the retrospective adjustment of the purchase price allocation of La Provence amounting to \$65 million.

In 2021, we recorded impairment charges as part of (i) the write-off of the APL trademark of \$191 million following the full implementation of the trade and brand rationalization exercise initiated in 2020, (ii) a partial impairment of an IT development amount to \$58 million and (iii) certain individual vessels intended to be sold for scrapping.

Explanation of Key IFRS Income Statement Line Items

The following explanation of our key income statement line items is based upon and relates solely to our consolidated financial statements prepared in accordance with IFRS.

Revenue

Revenue includes revenue from Container Shipping, revenue from Logistics and revenue from Other activities. Revenue recognition principles are presented in Note 4 of the 2023 Audited Consolidated Financial Statements.

Container Shipping Segment Revenue

Container Shipping segment revenue includes all revenue related to maritime transportation of containers. It is principally driven by freight rates and shipped volumes, but also includes revenue from other activities related to maritime container transportation, such as sales of slots, demurrage and storage (the fees we charge an importer for making use of our containers on our terminals or container yards beyond the customary grace period), as well as revenue related to the handling of containers (such as terminal handling charges) and to the coverage of bunker fuel or currency valuation (evaluated through the Bunker Adjustment Factor (“BAF”)). Revenue from our Container Shipping segment constitutes the largest proportion of our revenue and represented 79.4%, 76.7%, 64.6%, and 62.0% of total consolidated revenue before eliminations in 2021, 2022, 2023 and in the six months ended June 30, 2024, respectively. See “—Year ended December 31, 2023 compared with year ended December 31, 2022,” “Year ended December 31, 2022 compared with the year ended December 31, 2021” and “Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023.”

Freight rates are market-driven and greatly impacted by supply / demand dynamics; carriers have some but limited flexibility to establish rates independently of the freight market. Our rates for freight shipping services are generally based upon a Group-wide pricing structure tailored for the origin and destination points selected by the shipper, the volume being shipped and any applicable surcharges. However, we also charge higher freight rates for more complex journeys, as the costs related to these journeys are generally greater. Base freight rates differ depending upon whether the container utilized is a standard container or a specialized container, such as a reefer. Base freight rates also increase in certain circumstances due to company-determined surcharges for shipments of dangerous cargo, special equipment, overweight containers, break bulk and open-top cargo, as these containers require more complex handling and services and are generally subject to greater risk of damage.

We establish base freight rates on a line-by-line basis and these rates vary widely depending upon the line and the direction of the voyage. The following table shows average freight rates for various lines in 2021, 2022 and 2023 and the six-month periods ended June 30, 2024 and 2023.

	Year ended December 31,						Six-month period ended June 30,			
	2021		2022		2023		2023		2024	
Average freight rate (\$/TEU)	Headhaul	Backhaul	Headhaul	Backhaul	Headhaul	Backhaul	Headhaul	Backhaul	Headhaul	Backhaul

East-West Lines.....	2,991.6	1,001.8	4,107.2	1,137.4	1,721.1	853.2	1,959.4	945.3	1,812.4	794.4
North-South Lines.....	2,812.5	1,385.5	3,526.3	2,060.5	1,782.4	1,601.7	2,041.6	1,767.4	1,624.8	1,331.9
Short Sea Lines.....	1,231.8	979.5	1,658.3	1,323.2	1,184.2	1,041.4	1,266.3	1,106.7	1,087.9	919.7
Total.....	2,603.1	1,112.2	3,501.1	1,453.7	1,638.7	1,125.0	1,848.9	1,434.4	1,624.0	990.3

The level of base freight rates for a particular line, however, does not necessarily have a direct relation to the contribution of that line to our EBIT, as line-specific EBIT is affected by fixed and variable costs, as well as the capacity utilization of vessels deployed, all of which differ among lines. Because freight rates can vary significantly from line to line, the mix of our lines in any given period can have a significant effect on the average freight rate (and revenue and profitability) during that period.

We also charge our customers various surcharges to reduce our exposure to certain market-related risks and extraordinary events. We periodically establish surcharges to our base rates in accordance with certain adjustment factors consistent with industry practice. In connection therewith, we review bunker fuel rates, currency exchange rates, port congestions, and war risks and other extraordinary risks, and determine the related applicable rate-adjustment factors. For example, the security crisis in the Red Sea that began in December 2023 and the targeted attacks on container vessels caused us to route our container ship fleet via the Cape of Good Hope instead of using the Suez Canal, causing an increase in the distance traveled by these vessels. Our ability to achieve profitable freight rates depends largely on general market conditions on a particular trade route, on the perceptions of market participants with regard to the level of structural imbalance between the dominant and non-dominant legs and on the service offered. Typically, the freight rates for special and individualized services are comparatively higher and we negotiate on an ad hoc basis cargo-specific charges related to shipments of hazardous cargo, shipments requiring special equipment (such as reefers) or overweight or oversized containers requiring special handling. Beyond a certain allowance, we also charge our clients for the number of days they retain our containers outside or within their premises in the form of detention and demurrage charges.

We generally have greater pricing power on the dominant legs of a trade than on the non-dominant legs. Our ability to select profitable cargoes and our ability to rely on contracted volumes at a pre-agreed rate, combined with our diversified geographical mix of trades, are critical to allow us to reduce the impact of freight rate volatility.

Logistics Segment Revenue

Beginning with the 2022 Audited Consolidated Financial Statements, the Logistics segment is organized around four CGUs: (i) Freight Management (Ocean and Air), (ii) Ground Transportation, (iii) Contract Logistics and (iv) FVL. We also provide brokerage and value-added services.

- Our Contract Logistics revenue is derived from the provision of 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. Our 2022 acquisitions of Ingram CLS and Colis Privé strengthened our Contract Logistics activities.
- Our Freight Management (Ocean and Air) revenues are primarily derived from acting as an indirect carrier for international and domestic air and ocean services. As an indirect carrier, we obtain shipments from our customers, consolidate shipments bound for a particular destination, determine the routing, select the direct carrier and tender each consolidated lot as a single shipment to the direct carrier for transportation to a distribution point. We also act as an authorized cargo sales agent for airlines and ocean shipping lines and receive a commission from the airline or ocean shipping line for arranging the shipments or earn net revenue for the excess of amounts billed to the customer over amounts paid to the direct carrier. The acquisition of Bolloré Logistics strengthened our Freight Management (Ocean and Air) activities.
- Our Ground Transportation activities revenue is derived from our road and multi-modal transport solutions and our dedicated rail transport services. We offer ground transportation services covering more than 81 countries in multiple geographies, including the United States, Europe, the Middle East, Latin

America and Asia. We also provide additional customs related services at origin and destination, helping customers clear their shipments by preparing required documentation, calculating and paying duties and taxes on behalf of customers and arranging for any associated services such as warehousing, ground transportation and required inspection.

- FVL revenues include revenues from the movement of finished vehicles from the factory floor to the point of sale as well as from a range of value-added services such as storage, post production operations, vehicle customization, pre-delivery inspection, and fleet management, accomplished through our seamless multimodal network by road, rail and sea. Our 2022 acquisition of GEFCO strengthened our FVL activities.

Revenue from the Logistics segment represented 19.1%, 20.9%, 31.3% and 33.3% of total consolidated revenue before eliminations in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively. See “—*Year ended December 31, 2023 compared with year ended December 31, 2022*,” “*Year ended December 31, 2022 compared with the year ended December 31, 2021*” and “*Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023*.”

Revenue from the Other Segment

Revenue from other activities primarily consists of revenue from (i) our Terminal business, which are complementary to our Container Shipping segment; (ii) full freighters transportation through our Air Cargo business; (iii) our Specialized Maritime Transport business, mixing passenger, car carrier and goods transportation, boosted by the acquisition of La Méridionale in May 2023; and (iv) our Media business.

Revenue from the Other segment represented 1.5%, 2.3%, 4.1% and 4.6% of total consolidated revenue before eliminations in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively. See “—*Year ended December 31, 2023 compared with year ended December 31, 2022*,” “*Year ended December 31, 2022 compared with the year ended December 31, 2021*” and “*Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023*.”

Operating Expenses

The principal components of our operating expenses under IFRS are described below.

Bunkers and Consumables

Bunkers and consumables expenses consist of the costs of purchasing bunker fuel and costs of other supplies, such as lashing material for on-board containers, fuel for on-board diesel generators and auxiliary motors, and paint for our vessels. Bunkers and consumables expenses represented 7.5%, 9.2%, 12.0% and 11.9% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

The primary component of bunkers and consumables during the period under review was the purchase of bunker fuel, which amounted to \$2,742 million, or 92.0% of our bunkers and consumables expenses in the six-month period ended June 30, 2024, \$5,248 million, or 93.2% of our bunkers and consumables expenses in 2023, \$6,510 million or 95.1% of our bunkers and consumable expenses in 2022, and \$3,988 million or 94.4% of our bunkers and consumables expenses in 2021.

The price of marine or bunker fuel fluctuates largely in line with crude oil prices, which are subject to a number of economic and political factors. For example, crude oil prices are influenced by a host of economic and geopolitical factors that are beyond our control, such as the Russian-Ukraine conflict, the military conflicts in the Middle East and sanctions enacted on seaborne imports of Russian crude oil and petroleum product, concerns related to the global recession and financial turmoil, rising inflation, interest rates fluctuations, policies of OPEC and other oil producing countries and production cuts. Bunker prices (including the impact of hedging) increased by 65.5% on average in 2022 compared to the average in 2021, and then decreased by 19.0% on average in 2023 compared to the average in 2022. Reflecting this market volatility, our average bunker price (including the impact of hedging)/ton was \$479/ton, \$793/ton, \$642/ton and \$596/ton in 2021, 2022, 2023, and the first six months of 2024.

The principal factors that determine the amount of bunker fuel we purchase during a given period are the number, size and speed of our vessels. In 2021, we consumed 8,296 kilotons of bunker fuel at an average price of \$479/ton. In 2022, we consumed 8,125 kilotons of bunker fuel at an average price of \$793/ton. For further details, see “—*Year ended December 31, 2022 compared with year ended December 31, 2021*.” In 2023, we consumed 8,013

kilotons of bunker fuel at an average price of \$642/ton. For further details, see “—Year ended December 31, 2023 compared with year ended December 31, 2022.” In the first six months of 2024, we consumed 4,491 kilotons of bunker fuel at an average price of \$596/ton. For further details, see “—Six-month period ended June 30, 2024 compared with six-month period ended June 30, 2023.”

Our contracts often include BAF mechanisms and similar surcharges designed to allow us to offset increases in bunker prices. However, we may not always be able to recover the full amount of bunker price increases through such mechanisms, and in periods of rising bunker prices, there may be lags between the increase in prices and the implementation of related surcharges. For further details, see “—Risks Relating to the Shipping and Logistics Industries—Increases in the price of fuel have in the past and could in the future significantly increase our operating costs and depress our profitability.”

In order to mitigate the risk of fluctuation in bunker fuel prices, we partially hedge our exposure to bunker prices through physical forward purchases or derivatives on a rolling three, six or twelve-month basis. As of December 31, 2023, 3% of our expected full year 2024 bunker fuel consumption was hedged through fixed price forward purchases with delivery and 29% was hedged through derivatives products.

For illustrative purposes and assuming no hedges and no passing on to customers, a \$10/ton average increase in the spot purchase price of bunker fuel would have reduced our EBIT in 2023 and in the first six months of 2024 by \$80 million and \$45 million, respectively, based on consumption of 8,125 tons in 2023 and 4,491 tons in the first six months of 2024.

We have utilized a number of measures to improve our efficiency in terms of bunker fuel consumption, including reducing the speed and optimizing route management for our ships via a central real-time supervision center, increasing the size of our vessels where possible and retrofitting and maintaining our ships with a view to minimizing bunker fuel consumption. These measures have reduced our average consumption of bunker fuel from 379.9kg per transported TEU in 2021, to 373.7kg per transported TEU in 2022, to 366.7kg per transported TEU in 2023. This reduction trend was however significantly reversed due to the Red Sea Situation and the impact of longer voyages round the Cape of Good Hope, as a consequence of which our average consumption went up to 387kg per transported TEU in the six-month period ended June 30, 2024. As part of our ambition to reduce GHG emissions and in anticipating of stringent EU regulations, (see “—Green Transition”), we have evaluated the economic viability and efficiency of some of our older vessels, which are likely to be most affected by the regulation changes. We aim to continue our efforts to further reduce bunker fuel consumption and costs through these techniques.

Since January 1, 2024, we are subject to EU directives aimed at capping emissions from shipping activities. We are also committed to reducing our GHG emission, targeting net zero carbon by 2050. We expect these actions to generate significant additional costs. For more information, see “—Industry Overview—International Container Shipping Industry—EU ETS and FuelEU.”

Chartering and slot purchases

Chartering and slot purchases expenses represented 2.9%, 2.6%, 3.7% and 2.8% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively. Chartering expenses consist of costs of chartering our vessels from third parties. Slot purchases consist of the costs associated with slot purchasing resulting from some of our cooperation agreements. The cost of chartering our vessels is the primary component of chartering expenses. Our chartering expenses are principally driven by a combination of three factors: market charter rates, changes in the size and composition of our fleet and the time at which and duration for which a given charter rate is set. Ship charter rates have historically fluctuated significantly. We generally seek to own or charter on a long-term basis strategic vessels, i.e., larger (post-Panamax) or specially designed vessels, which are difficult to obtain at cost-effective rates in the charter market, and to charter on a short-term basis our smaller vessels, i.e., with capacity below 5,000 TEU or less, which are more readily available. However, beginning in 2023, our chartering costs have increased due to new leases being negotiated for shorter durations (less than one year). As of June 30, 2024, we chartered 376 vessels, or 49.9% of our fleet by capacity, of which we chartered 51 from financial institutions and 325 from NOOs. Out of these 376 chartered vessels, 55 vessels had a remaining charter duration of more than five years, or 15.5% of our total fleet by capacity, 142 vessels had a charter duration of less than five years and more than one year, or 22.1% of our total fleet by capacity, and 179 vessels had a remaining charter duration of less than one year, or 12.3% of our total fleet by capacity, and owned or had under finance lease or equivalent arrangements 267 vessels, or 50.1% of our fleet by capacity.

We do not incur additional costs for crew provisioning, maintenance, repair or hull insurance with respect to vessels we charter except for the 51 vessels we charter from financial institutions on the basis of a bareboat contract. Chartering expenses do not include the costs of our owned vessels. In certain circumstances, we purchase slots on vessels of other carriers in order to establish a line where we are not present and where we do not believe it is cost-effective to deploy our own vessels. We generally do not purchase more than approximately 500 TEU per scheduled sailing, as we believe that above this volume level it is likely to be more cost-effective to deploy our own vessel.

Handling and stevedoring

Handling and stevedoring expenses, which are charges by terminal operators for the loading and unloading of containers and related services, represented 14.7%, 10.4%, 14.2% and 14.7% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

We contract stevedoring services principally from third parties. We generally hire these services under two-to three-year contracts on a port-by-port basis. Where possible, we attempt to lower stevedoring costs per TEU by negotiating volume discounts, by leveraging our size in our negotiations with port service providers and by increasingly utilizing 40 and 45-foot containers. These larger containers permit us to ship cargo with fewer container movements, resulting in lower stevedoring expenses. In addition, we also invest in terminals; when we own the terminal, the costs are no longer included in “handling and stevedoring” but in other applicable line items (such as employee benefits and depreciation).

Inland, ocean and other third party transportation expenses

Transportation expenses relate to on-carriage or pre-carriage of full containers loaded on our vessels and purchases of air cargo capacity, vessel and truck capacity when it relates to our logistics activities. Containers can be loaded on trucks, barges or rail. Transportation expenses represented 15.9%, 15.7%, 20.9% and 21.7% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

Port and canal

Port and canal expenses consist of charges we pay to ports, on a per-call basis, for a variety of services, including berthing, tug services, sanitary services and utilities, and payments made to canal operators, on a per-passage basis, for use of the canal. Canal expenses are primarily attributable to passages through the Suez Canal and the Panama Canal. Port and canal expenses represented, 2.9%, 2.4%, 4.7% and 3.4% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

Container equipment and repositioning expenses

These expenses relate mainly to the cost of our fleet of containers and include such items as container and chassis rental, container and chassis maintenance and repairs as well handling in depots, empty container transportation and storage. Container equipment and repositioning expenses represented 2.4%, 2.2%, 3.0% and 3.0% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

Employee benefits

Employee benefits expenses consist of the salaries and other employee benefits, including social security payments and pension costs, of our administrative personnel, our navigating staff, the personnel of our consolidated shipping agencies and stevedores at our port terminal operations, the cost of personnel employed in warehouses for our logistics activities as well as the cost of our airplane crews. Employee benefits represented 8.7%, 8.8%, 15.4% and 16.1% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively. Our employee benefit costs related to our owned vessels that are staffed by French officers and French crew are generally higher than our personnel costs related to vessels where we hire officers and crew from a third-party employment agency. Our employee benefits do not include the costs of the crew of our chartered vessels as those crew are provided for by the chartering party and their resulting costs are included in the charter rates.

General and administrative expenses

General and administrative expenses include third-party agency and forwarder commissions, auditor fees, legal, consultancy, IT and other professional services, rental and non-operating lease expenses, operational taxes, communication costs, insurance and other miscellaneous costs. General and administrative expenses represented

3.0%, 2.6%, 4.8% and 5.0% of our consolidated revenue in 2021, 2022, 2023 and the six-month period ended June 30, 2024, respectively.

Adjusted EBITDA and Core EBIT

Please see “Presentation of Financial and Other Data—Use of Non-IFRS Financial Measures” and “Summary—Summary Financial and Operating Information” for a description of these measures and a reconciliation of Adjusted EBITDA and Core EBIT to the relevant measure defined in accordance with IFRS.

Operating exchange gain / (loss)

Operating exchange gain / (loss) include the foreign exchange result linked to our operations, mainly resulting from working capital transactions.

Net present value (“NPV”) benefits related to assets financed by tax leases

We frequently use lease financings to acquire our vessels. Several of our subsidiaries have entered into lease financing structures designed to take advantage of certain benefits under the tax laws of the UK, France or Singapore. Under these leveraged tax leases, a tax benefit is granted to the lessor, but also passed on in part by the lessor to our subsidiaries that are parties to the lease agreements, either at inception, or over the lease term through lower lease payments, or at the end of the lease term through the recovery of a cash amount (or a more favorable final purchase price). In such cases, we recognize the tax benefits as follows:

- when we receive a tax benefit from such financings either upfront or through lower lease payments, the excess of the amount recorded as an asset with respect to the ship to which these payments relate over the NPV of the corresponding lease payments is recorded as a liability on our balance sheet under the heading “Deferred income” (allocated between current and non-current portion depending on twelve month maturity). This benefit is then credited to the consolidated statement of profit & loss on a vessel-by-vessel basis over the tax financing period, which ranges from five to eight years, under the heading “Net present value (NPV) benefits related to assets financed by tax leases.” This income is presented within EBIT because we consider this benefit as, in effect, a reduction of the operational running cost of the vessel; and
- when we benefit from the tax advantage at the end of the lease term, a financial asset is recognized within “Other financial assets” progressively over the tax financing period and the corresponding income is recorded under the heading “Net present value (NPV) benefits related to assets financed by tax leases.”

The lease payments we make to the lessor with respect to a ship are recorded according to the character of the payment. Principal payments on capital leases are recorded as a cash outflow on our cash flow statement under the heading “Cash payments related to principal portion of leases.” Interest payments on capital leases are recorded as a cash expense item on our income statement and allocated under the heading “Cash payments related to interest portion of leases.”

Financial result

Financial result reflects the net result of the total cost of net debt and other net financial items, both of which are explained below.

Total cost of net debt

The total cost of net debt includes interest expense on borrowings, interest income on cash and cash equivalents, interest expense on leases and the impact related to deleveraging initiatives. Deleveraging initiatives may trigger the payment of certain redemption fees or the recognition of accelerated amortization of debt issuance costs (non-cash).

Other net financial items

Other financial items consist of changes in the fair value of derivative instruments that do not qualify for hedge accounting, changes in fair value of financial investments, and foreign currency exchange gains and losses on financial debt as well as dividends received from related parties and hyperinflation impacts.

Income tax

We are subject to the French tonnage-based taxation (the “French Tonnage Tax Regime”) pursuant to Article 209-0 B of the French Tax Code. Comparable tax regimes exist in several other countries including European countries. The French Tonnage Tax Regime was approved by the European Commission on May 13, 2003.

For French corporate income tax purposes, our taxable income in respect of our shipping activities is calculated by reference to a notional profit based on the net tonnage of our operated vessels, irrespective of actual income earned.

- The taxable amount of shipping activities is calculated based on net tonnage and is increased notably by: debt waivers and subsidies from related parties, transparent subsidiaries’ s tax result, capital gains deriving from the sale of vessels in some cases.
- Income derived from non-shipping activities such as inland carriage are determined as per standard French corporate income tax rules.

We made an initial election in 2003 to benefit from the French Tonnage Tax Regime, renewed in 2013 and 2023 (the election is made for an irrevocable ten-year period and is renewable at the term of such period).

At the level of the company, in order to benefit from the French Tonnage Tax Regime, the company must derive at least 75% of its turnover from the operation of vessels. In addition, we commit ourselves, at the level of the French tax group, to respect a threshold of vessels sailing under EU flags. This threshold is currently above 60%.

At the level of vessels, in order to benefit from the French Tonnage Tax Regime, the vessels we operate must be strategically and commercially managed in France pursuant to the French Tax Administration guidelines (BOI-IS-BASE-60-40-10, § 170). Moreover, these vessels must be (i) owned, jointly owned or leased by the company or (ii) bareboat or time chartered by us. Vessels that we charter out on a bareboat basis to non-related companies or to related companies that have not opted for the French Tonnage Tax Regime do not benefit from the French Tonnage Tax Regime.

Should we fail to respect our EU flag commitment, we will have to exclude from the French Tonnage Tax Regime the proportion of the non-EU flagged vessels we operate that cause us to fall below the minimum, unless an exception applies.

More generally, failure to comply with the other requirements of the French Tonnage Tax Regime may result in this regime being terminated, in which case we would have to add-back to our taxable income of the fiscal year during which the regime is so terminated an amount equal to the sum of the notional profit based on the net tonnage of operated vessels during the tonnage tax period.

The French Tonnage Tax Regime has come under increased scrutiny in recent years and bills have been introduced in the French parliament to modify or abolish it; its continuation is subject to risks, particularly in the current French political context. See *“Risk Factors—If we are unable to continue participating in the Tonnage Tax Regime or if such regime were to be modified or even abolished, our tax expense could well increase significantly and our results of operations (specifically our after-tax profits and hence cash flow) and (potentially) financial condition could well be materially adversely affected.”*

Results of Operations

Six-month period ended June 30, 2024 compared with the six-month period ended June 30, 2023

Revenue

The components of consolidated revenue by segment during the periods under review are set out below:

	Six-month period ended June 30,				Change	
	2023		2024		2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Container Shipping.....	17,223.1	66.9%	16,144.5	62.0%	(1,078.6)	(6.3)%
Logistics.....	7,641.3	29.7%	8,676.6	33.3%	1,035.3	13.5%
Other.....	898.6	3.5%	1,201.5	4.6%	303.0	33.7%
Eliminations.....	(751.9)		(1,058.7)			
Total revenue.....	25,011.1		24,963.9		(47.2)	(0.2)%

(1) Expressed as a percentage of consolidated revenue excluding eliminations (as set forth in Note 4.1 to the Unaudited Interim Condensed Consolidated Financial Statements).

Consolidated revenue decreased by \$47 million, or 0.2%, from \$25,011 million in the six-month period ended June 30, 2023 to \$24,964 million in the six-month period ended June 30, 2024, primarily due to a 6.3% decrease in Container Shipping segment revenue, offset by a 13.5% increase in Logistics segment revenue and a 33.7% increase in Other segment revenue.

Container Shipping segment revenue

Container Shipping segment revenue decreased by \$1,079 million, or 6.3%, from \$17,223 million in the six-month period ended June 30, 2023 to \$16,145 million in the six-month period ended June 30, 2024. This decrease primarily reflected a decline in contract freight rates, as compared to the six-month period ended June 30, 2023 which had benefited from elevated contract freight rates supported by tailwinds inherited from the sector's post-pandemic highs, with the increase in volumes in the six-month period ended June 30, 2024 insufficient to compensate for these lower rates. More specifically, the lower revenues were driven by:

- lower average Container Shipping segment revenue per TEU, which decreased by \$299 per TEU, or 14.1%, from \$1,620 per TEU in the six-month period ended June 30, 2023 to \$1,392 per TEU in the six-month period ended June 30, 2024, due to: (i) protracted exposure to low contract freight rates, which failed to recover despite the recent Red Sea crisis having led to a sharp increase in spot freight rates in recent months due to the renegotiation periods of our contracts (Asia-Europe traditionally occurring in the fourth quarter and the United States occurring in the second quarter); thus, a number of contracts had already been negotiated before the spike in spot freight rates and did not reflect such increase, and (ii) a decrease in detention and demurrage revenue, which had previously been elevated due to congestion delaying the time for customers to return our containers;

partially offset by

- an increase in volumes, which increased by 970 thousand TEU, or 9.1%, from 10,627 thousand TEU in the six-month period ended June 30, 2023 to 11,597 thousand TEU in the six-month period ended June 30, 2024, mostly due to a low base effect as volumes in the six-month period ended June 30, 2023 were depressed by persistent inventory destocking. Volumes increased on our East-West line, increasing 8.4% from 5,320 thousand in the six-month period ended June 30, 2023 to 5,766 thousand TEU in the six-month period ended June 30, 2024. Volumes increased on our North-South line, up 10.9%, from 3,305 thousand in the six-month period ended June 30, 2023 to 3,665 thousand in the six-month period ended June 30, 2024, and on our Intra-Regional line, up 8.2%, from 2,003 thousand in the six-month period ended June 30, 2023 to 2,167 thousand in the six-month period ended June 30, 2024.

The following table shows the volumes by line for the six-month periods ended June 30, 2023 and 2024:

(in thousand TEU)	Six-month period June 30,		Change	
	2023	2024	2024 vs 2023	
East-West lines.....	5,319.8	5,765.8	446.0	8.4%
United States	2,554.4	2,794.7	240.3	9.4%

Asia / Europe & Med.....	1,750.1	1,780.6	30.4	1.7%
Asia & Europe to gulf / ISC	1,015.3	1,190.6	175.3	17.3%
North-South lines.....	3,304.5	3,664.9	360.4	10.9%
Latam inc. West Indies & Guyana.....	1,591.9	1,833.7	241.8	15.2%
Oceania.....	725.4	781.7	56.3	7.8%
Africa	987.2	1,049.4	62.3	6.3%
Intra-Regional.....	2,002.7	2,166.7	164.0	8.2%
Total volumes.....	10,627.0	11,597.4	970.3	9.1%

Logistics segment revenue

Logistics segment revenue increased by \$1,035 million, or 13.5%, from \$7,641 million in the six-month period ended June 30, 2023 to \$8,677 million in the six-month period ended June 30, 2024. This increase resulted primarily from the Bolloré Logistics acquisition (which contributed \$1,633 million to Logistics revenue, \$116 million to Logistics Adjusted EBITDA and \$17.3 million to Group net income, for the period from the acquisition closing on February 29 to June 30). Excluding the contribution of Bolloré Logistics, revenues declined by nearly 7.8% year-on-year, due to (i) a 26.8% decline in Freight Management (Ocean and Air) revenues from \$2,086 million in the six-month period ended June 30, 2023 to \$1,526 million in the six-month period ended June 30, 2024, which was affected by both deteriorated rates and volumes as well as a negative mix impact (due to a strong switch to trades with lower revenues on Ocean), (ii) a 0.8% decline in Ground Transportation revenue from \$2,211 million in the six-month period ended June 30, 2023 to \$2,192 million in the six-month period ended June 30, 2024 and (iii) a 2.0% decline in Contract Logistics revenue from \$2,422 million in the six-month period ended June 30, 2023 to \$2,373 million in the six-month period ended June 30, 2024. This was partially offset by a 3.2% increase in FVL revenue from \$923 million in the six-month period ended June 30, 2023 to \$953 million in the six-month period ended June 30, 2024, driven by product diversification and new business wins, despite a slowdown in the automotive industry leading to a decrease in transported volumes.

Other segment revenue

Other segment revenue increased by \$303 million, or 33.7%, from \$899 million in the six-month period ended June 30, 2023 to \$1,202 million in the six-month period ended June 30, 2024. This increase in revenue was mostly driven by (i) the intervening – as from August 31, 2023 – integration of Port Liberty Bayonne and Port Liberty New York (contributing \$158 million to revenues in the six-month period ended June 30, 2024) and (ii) good performance in the FMS terminal, in turn due to higher volumes despite several blank sailings in May and June.

Operating Expenses

Consolidated operating expenses during the periods under review are broken down as follows and also shown as a percentage of consolidated revenue:

	Six-month period ended June 30,				Change	
	2023		2024		2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables.....	2,951.7	11.8%	2,979.2	11.9%	27.5	0.9%
Chartering and slot purchases.....	887.3	3.5%	707.1	2.8%	(180.2)	(20.3)%
Handling and stevedoring.....	3,249.5	13.0%	3,658.3	14.7%	408.8	12.6%
Inland, ocean and other third party transportation.....	5,080.0	20.3%	5,407.1	21.7%	327.1	6.4%
Port and canal.....	1,063.5	4.3%	853.6	3.4%	(209.9)	(19.7)%
Container equipment and repositioning..	646.9	2.6%	742.9	3.0%	96.0	14.8%
Employee benefits.....	3,491.0	14.0%	4,020.3	16.1%	529.3	15.2%
General and administrative other than employee benefits.....	1,136.7	4.5%	1,258.9	5.0%	122.2	10.8%
Additions to provisions, net of reversals and impairment of inventories and trade receivables.....	23.5	0.1%	33.8	0.1%	10.30	43.8%
Other operating expenses.....	463.9	1.9%	437.3	1.8%	(26.60)	(5.7)%
Total consolidated operating expenses	18,994.0	75.9%	20,098.6	80.5%	1,104.50	5.8%

(1) Expressed as a percentage of consolidated revenue.

General

Consolidated operating expenses increased by \$1,105 million, or 5.8%, from \$18,994 million in the six-month period ended June 30, 2023 to \$20,099 million in the six-month period ended June 30, 2024.

The largest components of the increase were a \$529 million, or 15.2%, increase in employee benefits costs; a \$409 million, or 12.6% increase in handling and stevedoring; a \$327 million increase in inland, ocean and other party transportation; a \$122 million, or 10.8%, increase in general and administrative other than employee benefits expenses; a \$96 million, or 14.8%, increase in container equipment and repositioning costs; a \$28 million, or 0.9%, increase in bunkers and consumables; and a \$10 million, or 43.8%, increase in additions to provisions, net of reversals and impairment of inventories and trade receivables.

The effect of the above items was partially offset a \$210 million, or 19.7%, decrease in port and canal expenses; by a \$180 million, or 20.3%, decrease in chartering and slot purchases; and a \$27 million, or 5.7%, decrease in other operating expenses.

Below is a discussion of operating expenses by segment.

Container Shipping operating expenses

Container shipping operating expenses increased by \$205 million, or 1.7%, in the six-month period ended June 30, 2024 compared to the six-month period ended June 30, 2023, driven by handling and stevedoring and container equipment and repositioning expenses. Container Shipping segment operating expenses were, however, down on a TEU basis from \$1,130 per TEU in the six-month period ended June 30, 2023 to \$1,054 per TEU in the six-month period ended June 30, 2024, driven mainly by (i) a decrease in energy prices, (ii) lower chartering costs and (iii) lower port and canal costs (mostly Suez Canal, due to the re-routing).

The following table provides a breakdown of operating expenses for the Container Shipping segment by main component for the six-month periods ended June 30, 2023 and 2024 and expressed as a percentage of Container Shipping segment revenue.

	Six-month period ended June 30,				Change	
	2023		2024		2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables.....	2,830.4	16.4%	2,838.0	17.6%	7.6	0.3%
Chartering and slot purchases.....	873.6	5.1%	690.6	4.3%	(182.9)	(20.9)%
Handling and stevedoring.....	3,408.1	19.8%	3,871.6	24.0%	463.5	13.6%
Inland and feeder transportation.....	1,364.5	7.9%	1,363.8	8.4%	(0.7)	0.0%
Port and canal.....	1,063.5	6.2%	852.9	5.3%	(210.6)	(19.8)%
Container equipment and repositioning	578.1	3.4%	669.0	4.1%	90.9	15.7%
Employee benefits.....	954.9	5.5%	1,013.6	6.3%	58.7	6.2%
General and administrative other than employee benefits.....	616.0	3.6%	658.6	4.1%	42.6	6.9%
Other operating expenses.....	324.0	1.9%	259.7	1.6%	(64.3)	(19.9)%
Container Shipping operating expenses.....	12,012.9	69.7%	12,217.8	75.7%	204.9	1.7%

(1) Expressed as a percentage of Container Shipping segment revenue.

Bunkers and consumables

Bunkers and consumables expenses for the Container Shipping segment were broadly stable, increasing by 0.3%, or \$8 million, from \$2,830 million in the six-month period ended June 30, 2023 to \$2,838 million in the six-month period ended June 30, 2024. Bunkers and consumables expenses represented 17.6% of the Container Shipping segment revenue for the six-month period ended June 30, 2024, as compared to 16.4% for the six-month period ended June 30, 2023.

Bunkering costs increased \$62 million or 2.4%, from \$2,635 million for the six-month period ended June 30, 2023 to \$2,697 million for the six-month period ended June 30, 2024. The increase mainly related to a reduction in bunker prices as the price per ton of our bunkers decreased by \$93/ton from \$689/ton in the six-month period ended June 30, 2023 to \$596/ton in the six-month period ended June 30, 2024 while in the same period our consumption increased from 370 kilos per TEU in the six-month period ended June 30, 2023 to 387 kilos in the

six-month period ended June 30, 2024, and overall, from 3,932 thousand tons in the six-month period ended June 30, 2023 to 4,491 thousand tons in the six-month period ended June 30, 2024. The deterioration was a result of the re-routing of most of our vessels through the Cape of Good Hope during the period due to the Red Sea crisis.

	Six-month period ended June 30,		Change	
	2023	2024	2024 vs 2023	
			Amount	%
Consumption, in tons '000.....	3,931.8	4,491.2	559.5	14.2%
Consumption per TEU, in kg per TEU.....	370.0	387.3	17.3	4.7%
Bunker price per ton, in \$ per ton.....	688.8	596.0	(92.8)	(13.5)%

Chartering and slot purchases

Chartering and slot purchases for the Container Shipping segment decreased by \$183 million, or 20.9%, from \$874 million in the six-month period ended June 30, 2023 to \$691 million in the six-month period ended June 30, 2024. Chartering and slot purchases represented 4.3% of Container Shipping segment revenue for the six-month period ended June 30, 2024, as compared to 5.1% for the six-month period ended June 30, 2023.

Chartering decreased by \$37 million, or 6.4%, from \$587 million for the six-month period ended June 30, 2023 to \$550 million for the six-month period ended June 30, 2024, reflecting the reduction in average charter rates as compared to the end of the COVID-19 pandemic.

Slot purchases and other fixed expenses decreased by \$145 million, or 50.8%, from \$286 million for the six-month period ended June 30, 2023 to \$141 million for the six-month period ended June 30, 2024, reflecting mainly a reduction in net slot purchases from Ocean Alliance.

Handling and stevedoring

Handling and stevedoring expenses for the Container Shipping segment increased by \$464 million, or 13.6%, from \$3,408 million for the six-month period ended June 30, 2023 to \$3,872 million for the six-month period ended June 30, 2024. Handling and stevedoring expenses represented 24.0% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 19.8% for the six-month period ended June 30, 2023.

The increase in handling and stevedoring expenses was due to (i) the increase in volumes from 10.6 million TEU for the six-month period ended June 30, 2023 to 11.6 million TEU for the six-month period ended June 30, 2024, a 970 thousand TEU or 9.1% increase, (ii) year-on-year tariff increases, (iii) extra costs due to port congestions and (iv) a degradation of transshipment ratio.

Inland and feeder transportation

Inland and feeder transportation expenses for the Container Shipping segment were broadly flat at \$1,364 million for the six-month period ended June 30, 2023 and 2024. Inland and feeder transportation expenses represented 8.4% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 7.9% for the six-month period ended June 30, 2023.

The broadly flat expenses reflected an increase in expenses primarily driven by higher volumes, offset by a signing bonus in the amount related to a contract with a rail operator, which was recognized during the second quarter of 2024.

Port and canal

Port and canal expenses for the Container Shipping segment decreased by 19.8% or \$211 million, from \$1,064 million for the six-month period ended June 30, 2023 to \$853 million for the six-month period ended June 30, 2024. Port and canal expenses represented 5.3% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 6.2% of Container Shipping segment revenue for the six-month period ended June 30, 2023.

The decrease was mainly due to a \$239 million, or 48.0%, decrease in canal expenses, from \$498 million for the six-month period ended June 30, 2023 to \$259 million for the six-month period ended June 30, 2024, as a consequence of the Red Sea situation, which resulted in the re-routing of most of our East-West mainliners from a Suez transit to a transit via the Cape of Good Hope, partially offset by a \$28 million, or 5.0%, increase in port costs, from \$566 million for the six-month period ended June 30, 2023 to \$594 million for the six-month period ended June 30, 2024.

Container equipment and repositioning

Container equipment and repositioning expenses for the Container Shipping segment increased by \$91 million, or 15.7%, from \$578 million for the six-month period ended June 30, 2023 to \$669 million for the six-month period ended June 30, 2024. Container equipment and repositioning expenses represented 4.1% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 3.4% for the six-month period ended June 30, 2023.

This increase was mainly due to the increase in volumes from 10.6 million TEU for the six-month period ended June 30, 2023 to 11.6 million TEU for the six-month period ended June 30, 2024, a 970 thousand TEU or 9.1% increase. The pressure on logistics costs generated by the increased volumes was further strengthened by the lengthening of sea passages related to the re-routing of our East-West mainliners from Suez to the Cape of Good Hope resulting in an additional two to three weeks in transit times.

Employee benefits

Employee benefits for the Container Shipping segment increased by \$59 million, or 6.2%, from \$955 million for the six-month period ended June 30, 2023 to \$1,014 million for the six-month period ended June 30, 2024, mainly due to a 20.2% or \$33 million increase in crew salaries from \$164 million for the six-month period ended June 30, 2023 to \$197 million for the six-month period ended June 30, 2024, following the increase in the number of owned-vessels between June 30, 2023 and June 30, 2024, along with increases in social charges, sedentary salaries and other expenses relating to employee benefits.

Employee benefits represented 6.3% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 5.5% for the six-month period ended June 30, 2023.

General and administrative expenses other than employee benefits

General and administrative expenses other than employee benefits for the Container Shipping segment increased by \$43 million, or 6.9%, from \$616 million for the six-month period ended June 30, 2023 to \$659 million for the six-month period ended June 30, 2024. General and administrative expenses other than employee benefits represented 4.1% of Container Shipping segment revenue for the six-month period ended June 30, 2024, compared to 3.6% for the six-month period ended June 30, 2023.

General and administrative expenses other than employee benefits is comprised of two main items – commissions and general and administrative expenses. Commissions increased by \$9 million, or 13.1%, from \$79 million for the six-month period ended June 30, 2023 to \$89 million for the six-month period ended June 30, 2024. General and administrative expenses other than employee benefits and commissions increased by \$33 million from \$537 million for the six-month period ended June 30, 2023 to \$571 million for the six-month period ended June 30, 2024.

Other operating expenses

Other operating expenses for the Container Shipping segment decreased by \$64 million, or 19.9%, from \$324 million for the six-month period ended June 30, 2023 to \$260 million for the six-month period ended June 30, 2024 due to a significant reduction in overall other operating expenses. Other operating expenses are comprised of vessel maintenance, repair and insurance costs, provisions for bad debt allowances as well as other miscellaneous expenses.

Logistics segment operating expenses

The following table provides a breakdown of operating expenses for the Logistics segment by main component for the six-month periods ended June 30, 2023 and 2024 and expressed as a percentage of Logistics segment revenue.

	Six-month period ended June 30,				Change	
	2023		2024		2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables	53.4	0.7%	45.8	0.5%	(7.6)	(14.2)%
Handling and stevedoring	79.3	1.0%	70.5	0.8%	(8.8)	(11.1)%
Inland and feeder transportation	3,972.5	52.0%	4,524.9	52.2%	552.4	13.9%
Container equipment and repositioning	73.0	1.0%	76.8	0.9%	3.8	5.2%
Employee benefits	2,108.4	27.6%	2,415.8	27.8%	307.4	14.6%
General and administrative other than employee benefits	546.5	7.2%	613.8	7.1%	67.3	12.3%
Other operating expenses	121.2	1.6%	118.0	1.4%	(3.2)	(2.6)%
Logistics operating expenses	6,954.4	91.0%	7,865.6	90.7%	911.2	13.1%

(1) Expressed as a percentage of Logistics segment revenue.

Inland and feeder transportation expenses

Inland and feeder transportation expenses for the Logistics segment increased by \$552 million, or 13.9%, from \$3,973 million for the six-month period ended June 30, 2023 to \$4,525 million for the six-month period ended June 30, 2024, driven by the integration of Bolloré Logistics. Inland and feeder transportation expenses represented 52.2% of Logistics segment revenue for the six-month period ended June 30, 2024, compared to 52.0% for the six-month period ended June 30, 2023.

Employee benefits

Employee benefits expenses for the Logistics segment increased by \$307 million, or 14.6%, from \$2,108 million for the six-month period ended June 30, 2023 to \$2,416 million for the six-month period ended June, 2024, mainly due to the integration of Bolloré Logistics. Employee benefits expenses accounted for 27.8% of Logistics segment revenue for the six-month period ended June 30, 2024 as compared to 27.6% for the six-month period ended June 30, 2023.

General and administrative expenses other than employee benefits

General and administrative expenses other than employee benefits for the Logistics segment increased \$67 million, or 12.3%, from \$547 million for the six-month period ended June 30, 2023 to \$614 million for the six-month period ended June, 2024, mainly due to the integration of Bolloré Logistics. General and administrative expenses other than employee benefits accounted for 7.1% of Logistics segment revenue for the six-month period ended June 30, 2024, compared to 7.2% for the six-month period ended June 30, 2023.

Other segment operating expenses

Other segment operating expenses increased by \$295 million compared to the six-month period ended June 30, 2023 mainly due to employee benefits and general and administrative costs as part of the integration of acquired entities within the Group, notably Port Liberty terminals, La Méridionale and La Tribune.

Adjusted EBITDA

As a result of the factors mentioned above (i.e., the evolution of revenue and operating expenses explained above), Adjusted EBITDA decreased by \$1,152 million, or 19.1%, from \$6,017 million in the six-month period ended June 30, 2023 to \$4,865 million in the six-month period ended June 30, 2024. Adjusted EBITDA margin (i.e., as a percentage of revenue) also deteriorated, from 24.1% in the six-month period ended June 30, 2023, to 19.5% in the six-month period ended June 30, 2024, primarily due to lower Container Shipping profitability and the increasing share of the Logistics segment, which has lower margins relative to the Container Shipping segment. See “Summary—Summary Financial and Operating Information” for a reconciliation of Adjusted EBITDA to the relevant IFRS measure.

The following table provides a breakdown of Adjusted EBITDA and Adjusted EBITDA margin by segment for the six-month periods ended June 30, 2023 and 2024:

	Six-month period ended June 30,				Change	
	2023		2024		2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Adjusted EBITDA	6,017.1		4,865.3		(1,151.8)	(19.1)%
As a percentage of consolidated revenue	24.1%		19.5%			
Of which Container Shipping segment .	5,210.2	86.6%	3,926.7	80.7%	(1,283.5)	(24.6)%
As a percentage of segment revenue	30.3%		24.3%			
Of which Logistics segment	687.0	11.4%	810.9	16.7%	123.9	18.0%
As a percentage of segment revenue	9.0%		9.3%			
Of which Other segment	119.9	2.0%	127.7	2.6%	7.8	6.5%
As a percentage of segment revenue	13.3%		10.6%			

(1) Expressed as a percentage of consolidated Adjusted EBITDA.

Container Shipping segment

Container Shipping Adjusted EBITDA declined by 24.6%, or \$1,284 million, from \$5,210 million in the six-month period ended June 30, 2023 to \$3,927 million in the six-month period ended June 30, 2024, as revenues declined significantly and operating expenses increased marginally. As a result, Adjusted EBITDA margin (i.e., as a percentage of revenue) also deteriorated, from 30.3% in the six-month period ended June 30, 2023 to 24.3% in the six-month period ended June 30, 2024. The decline in Container Shipping segment Adjusted EBITDA reflects unfavorable base effects (supercycle tailwinds and much higher contract freight rates having supported first half of 2023 performance).

Logistics segment

The below breakdown also includes an amount of the Logistics segment Adjusted EBITDA which was unallocated by product and was then manually allocated to each of the products based on the share of revenue of such product compared to total segment revenue.

Adjusted EBITDA improved by 18.0%, or \$124 million, from \$687 million in the six-month period ended June 30, 2023 to \$811 million in the six-month period ended June 30, 2024, supported by profitability improvements across all products on the CEVA legacy scope, except Freight Management. As a result, Logistics segment Adjusted EBITDA margin also improved, from 9.0% in the six-month period ended June 30, 2023 to 9.3% in the six-month period ended June 30, 2024. This performance reflected widely divergent results depending on products and regions. Bolloré Logistics contributed \$116 million to Adjusted EBITDA since its consolidation (representing an Adjusted EBITDA margin of 7.1%). Excluding Bolloré Logistics, Logistics segment Adjusted EBITDA was up 1.1% due to:

- A 64.3% decline in Freight Management (Ocean and Air) Adjusted EBITDA from \$155 million in the six-month period ended June 30, 2023 to \$55 million in the six-month period ended June 30, 2024, as a result of lower volumes and yields, and in particular with respect to Air activities (driven by yield shortfall and lower export volumes, with a strong decrease in TPWB, Intra Asia and FEEB due to fierce competition, as well as contract renegotiations). The Group is in the process of implementing a cost reduction plan for this business. Adjusted EBITDA margin deteriorated from 7.4% in the six-month period ended June 30, 2023 to 3.6% in the six-month period ended June 30, 2024.
- A 29.1% increase in Ground Transportation Adjusted EBITDA from \$107 million in the six-month period ended June 30, 2023 to \$138 million in the six-month period ended June 30, 2024 driven by good performance in Europe, pricing and procurement actions across regions as well as cost control. Adjusted EBITDA margin improved from 4.8% in the six-month period ended June 30, 2023 to 6.3% in the six-month period ended June 30, 2024.
- A 35.6% increase in FVL Adjusted EBITDA from \$99 million in the six-month period ended June 30, 2023 to \$134 million in the six-month period ended June 30, 2024, also driven by good performance in Europe. Adjusted EBITDA margin improved from 10.7% in the six-month period ended June 30, 2023 to 14.1% in the six-month period ended June 30, 2024.
- A 12.5% increase in Contract Logistics Adjusted EBITDA from \$326 million in the six-month period ended June 30, 2023 to \$367 million in the six-month period ended June 30, 2024 driven by good performance in automotives and ongoing improvement initiatives on low margin contracts. Adjusted

EBITDA margin improved from 13.5% in the six-month period ended June 30, 2023 to 15.5% in the six-month period ended June 30, 2024.

Other segment

Adjusted EBITDA improved by \$8 million, or 6.5%, from \$120 million in the six-month period ended June 30, 2023 to \$128 million in the six-month period ended June 30, 2024. Other segment Adjusted EBITDA margin slightly deteriorated, from 13.3% in the six-month period ended June 30, 2023 to 10.6% in the six-month period ended June 30, 2024, despite an improvement in FMS performance, with difficulties in Air Cargo negatively impacted by lower (although improving) levels of production in air cargo airliners.

Operating exchange gains/(losses), net

Operating exchange gains/losses, net decreased by \$12 million, from a gain of \$44 million in the six-month period ended June 30, 2023 to a gain of \$32 million in the six-month period ended June 30, 2024. This is due to the impact of the fluctuation of foreign exchange rates on our working capital denominated in foreign currencies.

Gains / (losses) on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries decreased by \$11 million, or 51.4%, from a gain of \$21 million for the six-month period ended June 30, 2023 to a gain of \$10 million for the six-month period ended June 30, 2024. See Note 4.3 to the Unaudited Interim Condensed Consolidated Financial Statements.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased by \$154 million, or 6.5%, from \$2,371 million for the six-month period ended June 30, 2023 to \$2,526 million for the six-month period ended June 30, 2024, relating to:

- asset right-of-use amortization decreasing by \$53 million, notably on vessel leases;
- owned vessel depreciation expenses increasing by \$78 million;
- owned container depreciation increasing by \$16 million; and
- other depreciation increasing by \$113 million, notably due to the impacts of purchase price allocation as well as assets acquired through business combination between both periods.

The overall increase reflects higher depreciation and amortization in the Logistics and Other segments, mainly due to business combinations, as well as higher owned assets in the Container Shipping segment.

Other income and expense, net

Other income and expense, net increased by \$216 million, or 174%, from a net expense of \$124 million for the six-month period ended June 30, 2023 to a net expense of \$339 million for the six-month period ended June 30, 2024. This mainly includes \$373 million recognized as an expense in relation to non-profit initiatives, of which \$35 million has been disbursed at June 30, 2024 (see Note 3.8 to the Unaudited Interim Condensed Consolidated Financial Statements). During the six-month period ended June 30, 2024, other income and expense, net also included the reversal of a provision related to litigation, M&A transaction and integration fees as well as other variations of provisions for risks, including tax risks and restructuring. See Note 4.4 to the Unaudited Interim Condensed Consolidated Financial Statements.

Net Present Value (NPV) benefit related to assets financed by tax leases

NPV benefits decreased by \$1.5 million, from \$35 million for the six-month period ended June 30, 2023 to \$34 million for the six-month period ended June 30, 2024.

Share of profit/(loss) of associates and joint ventures

Share of profit (or loss) of associates and joint ventures improved by \$4 million, from a loss of \$4 million for the six-month period ended June 30, 2023 to a profit of \$0.5 million for the six-month period ended June 30, 2024.

EBIT and Core EBIT

As a result of the factors described above, our consolidated EBIT decreased by \$1,542 million, or 42.6%, from \$3,618 million for the six-month period ended June 30, 2023 to \$2,077 million for the six-month period ended June 30, 2024. Core EBIT decreased by \$1,292 million, or 35.1%, from \$3,677 million for the six-month period ended June 30, 2023 to \$2,385 million for the six-month period ended June 30, 2024. See “Summary—Summary Financial and Operating Information” for a reconciliation of Core EBIT to the relevant IFRS measure.

The following table provides a breakdown of EBIT, EBIT margin, Core EBIT and Core EBIT margin by segment for the six-month periods ended June 30, 2023 and 2024:

	Six-month period ended June 30,		Change	
	2023	2024	2024 vs 2023	
(\$ millions, except percentages)		(1)		(1)
EBIT	3,618.3	2,076.6	(1,541.7)	(42.6)%
EBIT margin	14.5%	8.3%		
Of which Container Shipping segment....	3,420.2	1,856.8	(1,563.4)	(45.7)%
Container Shipping Segment EBIT margin	19.9%	11.5%		
Of which Logistics segment	192.7	186.7	(6.0)	(3.1)%
Logistics EBIT margin	2.5%	2.2%		
Of which Other segment	5.2	(70.5)	(75.7)	(1,455.8)%
Other segment margin	0.6%	(5.9)%		
Of which Eliminations	0.2	103.6		
Of which Reconciling Items	0.0	0.0		
Core EBIT	3,677.1	2,384.9	(1,292.2)	(35.1)%
Core EBIT margin	14.7%	9.6%		
Of which Container Shipping segment....	3,473.1	2,206.5	(1,266.6)	(36.5)%
Container Shipping Segment Core EBIT margin	20.2%	13.7%		
Of which Logistics segment	210.9	239.5	28.6	13.6%
Logistics segment Core EBIT margin ...	2.8%	2.8%		
Of which Other segment	(7.0)	(61.2)	(54.2)	n.a.
Other segment Core EBIT margin	(0.8)%	(5.1)%		

(1) Expressed as a percentage of consolidated Core EBIT.

Container Shipping segment. Container Shipping segment Core EBIT decreased to \$2,207 million (13.7% Core EBIT margin) compared to \$3,473 million in the six-month period ended June 30, 2023 (20.2% Core EBIT margin). However, Core EBIT increased relative to the last quarter of 2023, which had a negative Core EBIT margin.

Logistics segment. Logistics segment Core EBIT increased to \$240 million (2.8% Core EBIT margin) compared to \$211 million in the six-month period ended June 30, 2023 (2.8% Core EBIT margin). Bolloré Logistics contributed \$42 million to Core EBIT in 4 months of consolidation (representing a Core EBIT margin of 2.6%).

Other segment. Other segment Core EBIT decreased to \$61 million (5.1% Core EBIT margin) compared to \$7 million in the six-month period ended June 30, 2023 (0.8% Core EBIT margin).

Financial result

The financial result amounted to expenses of \$474 million in the six-month period ended June 30, 2024 compared to expenses of \$38 million in the six-month period ended June 30, 2023. The following table provides a breakdown of the financial result for the six-month periods ended June 30, 2023 and 2024:

(\$ millions, except percentages)	Six-month period ended June 30,	
	2023	2024
Interest expense on net financial debt excl. leases.....	(134.7)	(160.0)
Income on cash deposits.....	469.8	182.8
Interest expense on leases.....	(442.1)	(433.0)
Cost of net debt, including settlement of interest rate derivatives	(107.0)	(410.2)
Non-recurring impact related to deleveraging initiatives.....	(35.8)	(0.1)
Total cost of net debt	(142.8)	(410.3)
Settlements and change in fair value of derivative instruments.....	2.5	(0.4)
Foreign currency income and expense, net.....	50.7	(139.3)
Other financial income and expense, net.....	51.3	76.5
Other net financial items	104.5	(63.2)
Financial result.....	(38.3)	(473.5)

Total cost of net debt

The total cost of net debt (cost of borrowings net of interest income on cash and cash equivalents) increased by \$268 million, or 187.3%, from \$143 million for the six-month period ended June 30, 2023 to \$410 million for the six-month period ended June 30, 2024, reflecting:

- a decrease in interest income on cash deposits of \$287 million, or 61.1%, from \$470 million for the six-month period ended June 30, 2023 to \$183 million for the six-month period ended June 30, 2024 due to the sharp decrease in the amount of cash and financial assets deposits (mainly due to the closing of the acquisition of Bolloré Logistics); and
- an increase in interest expense on net financial debt excluding leases of \$25 million, or 18.8%, from \$135 million for the six-month period ended June 30, 2023 to \$160 million for the six-month period ended June 30, 2024. This includes a loss of \$10 million corresponding to the amortization of past issuance costs recognized using the effective interest method (a \$14 million loss for the six-month period ended June 30, 2023);

partially offset by:

- a slight decrease in interest expense on leases of \$9 million, or 2.1%, from \$442 million for the six-month period ended June 30, 2023 to \$433 million for the six-month period ended June 30, 2024; and
- non-recurring expenses relating to deleveraging decreasing by \$36 million as there were no such expenses in the first six months of 2024.

Other net financial items

Other net financial items decreased by \$168 million from gain of \$105 million for the six-month period ended June 30, 2023 to a loss of \$63 million for the six-month period ended June 30, 2024, mainly as a result of foreign currency income and expenses decreasing by \$190 million, from a gain of \$51 million for the six-month period ended June 30, 2023 to a loss of \$139 million for the six-month period ended June 30, 2024 due to the depreciation of the euro, which had a negative impact as we have a net assets position in euro. This was partially offset by other financial income and expenses net increasing by \$25 million, from a gain of \$51 million for the six-month period ended June 30, 2023 to a gain of \$77 million for the six-month period ended June 30, 2024, mainly relating to interest and gains related to financial instruments.

Income tax

Income tax expense decreased by \$71 million, or 34.2%, from \$209 million for the six-month period ended June 30, 2023 to \$137 million for the six-month period ended June 30, 2024. The income tax expense decrease is related to the lower performance, among others, of operations not subject to tonnage tax and some income taxes incurred abroad.

Profit / (loss) for the period

As a result of the factors described above, profit decreased by \$1,906 million, from a profit of \$3,372 million for the six-month period ended June 30, 2023 to a profit of \$1,466 million for the six-month period ended June 30, 2024.

Non-controlling interests

Net income attributable to non-controlling interests decreased by \$9 million, from an income of \$29 million for the six-month period ended June 30, 2023 to an income of \$20 million for the six-month period ended June 30, 2024.

Profit / (loss) for the period attributable to the owners of the parent

Profit / (loss) for the period attributable to the owners of the parent decreased by \$1,897 million, from a profit of \$3,342 million for the six-month period ended June 30, 2023 to a profit of \$1,446 million for the six-month period ended June 30, 2024.

Year ended December 31, 2023 compared with year ended December 31, 2022

The below discussion is based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements. See “Presentation of Financial Information; Comparability of Information” above.

Revenue

The components of consolidated revenue by segment during the periods under review are set out below:

	Year ended December 31,				Change	
	2022		2023		2023 vs 2022	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Container Shipping.....	58,946.3	76.7%	31,394.8	64.6%	(27,551.5)	(46.7)%
Logistics	16,089.4	20.9%	15,211.2	31.3%	(878.2)	(5.5)%
Other.....	1,805.5	2.3%	2,001.0	4.1%	195.5	10.8%
Eliminations	(2,343.3)		(1,591.1)			
Total revenue.....	74,497.9		47,015.8		(27,482.0)	(36.9)%

(1) Expressed as a percentage of consolidated revenue excluding eliminations (as set forth in Note 4.1 to the 2023 Audited Consolidated Financial Statements).

Consolidated revenue decreased by \$27,482 million, or 36.9%, from \$74,498 million in 2022 to \$47,016 million in 2023, primarily due to a 46.7% decrease in Container Shipping segment revenue and 5.5% decrease in Logistics segment revenue, slightly offset by a 10.8% increase in Other revenue.

Container Shipping segment revenue

Container Shipping segment revenue decreased by \$27,552 million, or 46.7%, from \$58,946 million in 2022 to \$31,395 million in 2023. This decrease primarily reflected:

- lower average Container Shipping segment revenue per TEU, which decreased by \$1,274 per TEU, or 47.0%, from \$2,711 per TEU in 2022 to \$1,437 per TEU in 2023. The decrease in revenue per TEU primarily reflected (i) the strong decrease in spot freight rates, which accelerated as from the fourth quarter of 2022, due to the decline in world container traffic and newbuild capacity being delivered onto the market resulting in a supply / demand imbalance, and (ii) contract renewals occurring at lower rates than in previous years. Conversely, on a number of trades, contract freight rates inherited from 2022 before the market correction remained above spot freight rates for much of the year, providing some support to container shipping liners’ performance; and
- relatively flat carried volumes, which increased by 109 thousand TEU, or 0.5%, from 21,742 thousand TEU in 2022 to 21,852 thousand TEU in 2023, reflecting declining demand and significant inventory destocking in the United States, starting in the fourth quarter of 2022 and continuing through the first half of 2023. Volumes declined on our East-West line, decreasing 2.7% from 11,121 thousand in 2022 to 10,822 thousand TEU in 2023. Volumes increased on our North-South line, up 4.2%, from 6,677

thousand TEU in 2022 to 6,957 thousand TEU in 2023 and on our Intra-Regional line, up 3.3%, from 3,944 thousand TEU in 2022 to 4,073 thousand TEU in 2023.

(in thousand TEU)	Year ended December 31,		Change	
	2022	2023	2023 vs 2022	
East-West lines	11,121.4	10,822.0	(299.4)	(2.7)%
United States	5,569.1	5,170.4	(398.7)	(7.2)%
Asia / Europe & Med.....	3,555.3	3,487.3	(68.0)	(1.9)%
Asia & Europe to gulf / ISC	1,997.0	2,164.2	167.2	8.4%
North South lines	6,677.2	6,956.9	279.7	4.2%
Latam inc. West Indies & Guyana.....	3,202.6	3,427.3	224.7	7.0%
Oceania.....	1,507.3	1,487.1	(20.2)	(1.3)%
Africa	1,967.2	2,042.5	75.3	3.8%
Intra-Regional	3,943.8	4,072.8	129.0	3.3%
Total volumes	21,742.4	21,851.7	109.3	0.5%

Logistics segment revenue

Logistics segment revenue decreased by \$878 million, or 5.5%, from \$16,089 million in 2022 to \$15,211 million in 2023. This decrease was mainly a result of rates pressure on Freight Management (Ocean and Air) activities (impacted by overall market normalization, especially in air freight) and the drop in volumes, partly compensated by the full year effect of the acquisitions that closed in 2022.

Freight Management (Ocean and Air) revenue declined by 50% to \$3,773 million in 2023 as a result of lower volumes and yields. However, FVL, Ground Transportation and Contract Logistics benefited from strong market dynamics supported by high demand and the full-year effect of the 2022 acquisitions. In 2023, Contract Logistics segment revenue increased by 15% to \$4,994 million, Ground revenue increased by 36% at \$4,512 million, while FVL revenue increased by 131% to \$1,932 million.

Other segment revenue

Other segment revenue increased by \$196 million, or 10.8%, from \$1,806 million in 2022 to \$2,001 million in 2023. This increase in revenue was mostly driven by (i) the consolidation of Port Liberty Bayonne and Port Liberty New York as from August 31, 2023, (ii) the consolidation of La Méridionale as from May 30, 2023 and (iii) the full-year effect of La Provence consolidated as from the end of 2022. The revenues of the Other segment are mainly driven by the Terminals activity, which in 2023 faced a difficult market environment, with pressures on global trade leading to a decrease in volumes and revenues. Air Cargo similarly faced difficult market conditions in 2023.

Operating Expenses

Consolidated operating expenses during the periods under review are broken down as follows and also shown as a percentage of consolidated revenue:

(\$ millions, except percentages)	Year ended December 31,				Change	
	2022		2023		2023 vs 2022	
		(1)		(1)	Amount	%
Bunkers and consumables	6,844.6	9.2%	5,629.8	12.0%	(1,214.8)	(17.7)%
Chartering and slot purchases.....	1,904.1	2.6%	1,727.7	3.7%	(176.4)	(9.3)%
Handling and stevedoring.....	7,718.3	10.4%	6,662.1	14.2%	(1,056.2)	(13.7)%
Inland and feeder transportation	11,724.6	15.7%	9,840.1	20.9%	(1,884.5)	(16.1)%
Port and canal	1,775.2	2.4%	2,190.3	4.7%	415.1	23.4%
Container equipment and repositioning....	1,652.4	2.2%	1,403.0	3.0%	(249.4)	(15.1)%
Employee benefits	6,526.2	8.8%	7,255.7	15.4%	729.5	11.2%
General and administrative other than employee benefits.....	1,963.5	.6%	2,250.3	4.8%	286.8	14.6%
Other operating expenses	1,082.3	1.5%	1,047.1	2.2%	(35.2)	(3.3)%
Total consolidated operating expenses	41,191.2	55.3%	38,006.1	80.8%	(3,185.1)	(7.7)%

(1) Expressed as a percentage of consolidated revenue.

General

Consolidated operating expenses decreased by \$3,185 million, or 7.7%, from \$41,191 million in 2022 to \$38,006 million in 2023.

The largest components of the decrease were a \$1,215 million, or 17.7%, decrease in bunkers and consumable costs; a \$1,884 million, or 16.1%, decrease in inland and feeder transportation costs; a \$249 million, or 15.1%, decrease in container equipment and repositioning costs; a \$1,056 million, or 13.7%, decrease in handling and stevedoring costs; a \$176 million, or 9.3%, decrease in chartering and slot purchases costs; and a \$35 million, or 3.2% decrease in other operating expenses. Most Container Shipping driven costs, such as handling and stevedoring, transportation and container equipment decreased significantly mainly due to lower congestion as well as other reasons discussed below, while bunkers and consumables benefited from lower energy prices.

The effect of the above items was partially offset by a \$415 million, or 23.4%, increase in port and canal expenses; a \$287 million, or 14.6%, increase in general and administrative other than employee benefits expenses; and a \$730 million, or 11.2%, increase in employee benefits expenses. In particular, the decrease in costs at the Container Shipping segment was partially offset by an increase in SG&A costs, notably due to the effect of acquisitions that closed in 2022, in the Logistics segment, and to the increase in port and canal costs mainly due to higher tariffs.

Employee benefit expenses increased by 11.2%, or \$730 million, from \$6,526 million in 2022 to \$7,256 million in 2023, reflecting increases in all components (see Note 4.2.2 to the 2023 Audited Consolidated Financial Statements).

Below is a discussion of operating expenses by segment.

Container Shipping operating expenses

The following table provides a breakdown of operating expenses for the Container Shipping segment by main component for the years ended December 31, 2022 and 2023 and expressed as a percentage of Container Shipping segment revenue.

	Year ended December 31,				Change	
	2022		2023		2023 vs 2022	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables	6,633.7	11.3%	5,366.4	17.1%	(1,267.3)	(19.1)%
Chartering and slot purchases	1,865.1	3.2%	1,698.7	5.4%	(166.4)	(8.9)%
Handling and stevedoring	8,077.4	13.7%	6,989.2	22.3%	(1,088.2)	(13.5)%
Inland and feeder transportation	3,473.0	5.9%	2,650.9	8.4%	(822.1)	(23.7)%
Port and canal	1,775.1	3.0%	2,187.7	7.0%	412.6	23.2%
Container equipment and repositioning	1,528.0	2.6%	1,249.9	4.0%	(278.1)	(18.2)%
Employee benefits	2,058.8	3.5%	1,961.0	6.2%	(97.8)	(4.8)%
General and administrative other than employee benefits	1,070.8	1.8%	1,236.4	3.9%	165.6	15.5%
Other operating expenses	827.5	1.4%	656.4	2.1%	(171.1)	(20.7)%
Container Shipping operating expenses....	27,309.5	46.3%	23,996.5	76.4%	(3,313.0)	(12.1)%

(1) Expressed as a percentage of Container Shipping segment revenue.

Container Shipping segment operating expenses decreased by \$3,313 million, or 12.1%, in 2023, from \$27,310 million in 2022 to \$23,997 million in 2023.

Container Shipping operating expenses per carried TEU decreased by \$158 per TEU, or 12.6%, from \$1,256 per TEU for 2022 to \$1,098 per TEU for 2023, mainly due to cost reductions (in particular lower energy costs and improved transportation costs) exceeding the slight volume increase.

Bunkers and consumables

Bunkers and consumables expenses for the Container Shipping segment decreased by 19.1%, or \$1,267 million, from \$6,634 million in 2022 to \$5,366 million in 2023 due to lower energy prices. Bunkers and consumables expenses represented 17.1% of the Container Shipping segment revenue for 2023, as compared to 11.3% for 2022.

Bunkering costs decreased \$1,398 million or 21.7%, from \$6,429 million for 2022 to \$5,031 million for 2023. The decrease mainly related to a decrease in consumption (both overall and per TEU) along with favorable price effect. The price per ton of our bunkers decreased by \$152/ton from \$792/ton in 2022 to \$640/ton in 2023 while in the same period our consumption was reduced by 2 kilos per TEU, from 372 kilos per TEU in 2022 to 370 kilos in 2023. Overall consumption was 8,125 thousand tons in 2022, as compared to 8,041 thousand tons in 2023, a 84 thousand ton reduction.

	Year ended December 31,		Change	
	2022	2023	2023 vs 2022	
Consumption, in tons '000	8,125.1	8,040.6	(84.4)	(1.0)%
Consumption per TEU, in kg per TEU	371.8	369.8	(2.0)	(0.5)%
Bunker price per ton, in \$ per ton	792.3	640.1	(152.2)	(19.2)%

Chartering and slot purchases

Chartering and slot purchases for the Container Shipping segment decreased by \$166 million, or 8.9%, from \$1,865 million for 2022 to \$1,699 million for 2023. Chartering and slot purchases represented 5.4% of Container Shipping segment revenue for 2023, as compared to 3.2% for 2022.

Chartering increased by \$139 million, or 13.5%, from \$1,034 million for 2022 to \$1,173 million for 2023, reflecting the normalization of the chartering market with new leases being negotiated for shorter durations (less than one year). This has led to the reclassification of some IFRS 16 leases with the corresponding right-of-use depreciation moving to operating expenses. This is a reversal of the trend observed in 2021 and 2022 when tensions on the chartering market had led to longer durations and a reclassification of a number of charts from operating expenses to IFRS 16 leases.

Slot purchases and other fixed expenses decreased by \$306 million, or 36.8%, from \$831 million for 2022 to \$525 million for 2023.

Handling and stevedoring

Handling and stevedoring expenses for the Container Shipping segment decreased by \$1,088 million, or 13.5%, from \$8,077 million for 2022 to \$6,989 million for 2023. Handling and stevedoring expenses represented 22.3% of Container Shipping segment revenue for 2023, compared to 13.7% for 2022.

The decrease in handling and stevedoring expenses was primarily due to:

- a reduction in costs linked to congestion due to the normalization of the market; and
- a significant change in the mix of containers as illustrated by the strong decrease in volumes loaded and discharged to and from the United States from 5,569 thousand TEU in 2022 to 5,170 thousand TEU in 2023, a 399 thousand TEU or 7.2% decrease, with the United States being by far the most expensive country in terms of handling and stevedoring. The decrease was partially offset by increases in tariffs and the negative impacts of the growing share of stevedoring of empty containers.

Stevedoring of full containers decreased by 16.1%, or \$1,098 million, from \$6,824 million for 2022 to \$5,725 million for 2023, while stevedoring of empty containers increased by 0.8%, or \$10.2 million, from \$1,254 million for 2022 to \$1,264 million for 2023.

Inland and feeder transportation

Inland and feeder transportation expenses for the Container Shipping segment decreased by \$822 million, or 23.7%, from \$3,473 million for 2022 to \$2,651 million for 2023. Inland and feeder transportation expenses represented 8.4% of Container Shipping segment revenue for 2023, compared to 5.9% for 2022.

The decrease in inland costs was primarily driven by a more favorable geographical mix in terms of inland activity with a 10.8% decrease in land volumes in the United States where costs of transporting a TEU inland are higher compared to other regions and a 4.5% increase in land volumes in Asia where costs are much lower. The significant reduction in inland volumes in the United States led to slight decrease in the overall volumes of inland activity in 2023 compared to 2022.

Port and canal

Port and canal expenses for the Container Shipping segment increased by 23.2% or \$413 million, from \$1,775 million for 2022 to \$2,188 million for 2023. The increase was mainly due to the increase in tariffs, particularly in the Suez and Panama canals, and the significant rise in the number of vessel transits and calls.

Port and canal expenses represented 7.0% of Container Shipping segment revenue for 2023, compared to 3.0% for 2022.

Container equipment and repositioning

Container equipment and repositioning expenses for the Container Shipping segment decreased by \$278 million, or 18.2%, from \$1,528 million for 2022 to \$1,250 million for 2023. This decrease was mainly due to an improvement in the turnaround time and a significant decrease in operational expenses, particularly in (i) empty repositioning costs (due to drops in fuel surcharges and tariff renegotiations) and (ii) chassis (due to tariff renegotiations), which is specific equipment mostly used in North American ports to move the containers from ships to the container yard or to warehouses (and vice versa). In North America, this is generally considered equipment provided by the shipping company to the transporters, whereas in other geographies they generally belong to the truckers.

Employee benefits

Employee benefits for the Container Shipping segment decreased by \$98 million, or 4.8%, from \$2,059 million for 2022 to \$1,961 million for 2023, due to decreases in variable compensation such as bonuses. Employee benefits represented 6.2% of shipping segment revenue for 2023, compared to 3.5% for 2022.

General and administrative expenses other than employee benefits

General and administrative expenses for the Container Shipping segment increased by \$166 million, or 15.5%, from \$1,071 million for 2022 to \$1,236 million for 2023. This was mainly due to increased external fees related to IT and M&A transactions. General and administrative expenses represented 3.9% of operating revenue for 2023, compared to 1.8% for 2022.

Other operating expenses

Other operating expenses for the Container Shipping segment decreased by \$171 million, or 20.7%, from \$828 million for 2022 to \$656 million for 2023. This was due to lower provisions of receivables for \$59 million, lower risk provisions for \$56 million and a decrease of various other operating expenses for \$56 million.

Logistics segment operating expenses

The following table provides a breakdown of operating expenses for the Logistics segment by main component for the years ended December 31, 2022 and 2023 and expressed as a percentage of Logistics segment revenue.

	Year ended December 31,				Change	
	2022		2023		2023 vs 2022	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables	90.9	0.6%	101.1	0.7%	10.2	11.2%
Handling and stevedoring	164.0	1.0%	158.2	1.0%	(5.8)	(3.5)%
Inland and feeder transportation	9,720.4	60.4%	7,703.9	50.6%	(2,016.5)	(20.7)%
Container equipment and repositioning	100.7	0.6%	154.9	1.0%	54.2	53.8%
Employee benefits	3,703.2	23.0%	4,337.8	28.5%	634.6	17.1%
General and administrative other than employee benefits	833.9	5.2%	1,102.6	7.2%	268.7	32.2%
Other operating expenses	253.7	1.6%	276.7	1.8%	23.0	9.0%
Logistics operating expenses	14,866.8	92.4%	13,835.3	91.0%	(1,031.5)	(6.9)%

(1) Expressed as a percentage of Logistics segment revenue.

Logistics segment operating expenses decreased by \$1,032 million, or 6.9%, in 2023, from \$14,867 million in 2022 to \$13,835 million in 2023, mainly due to the decrease in inland and feeder transportation expenses, partially offset by increases in other expenses, in particular employee benefits.

Inland and feeder transportation expenses

Inland and feeder transportation expenses for the Logistics segment decreased by \$2,017 million, or 20.7%, from \$9,720 million for 2022 to \$7,704 million for 2023, in line with the decline in Freight Management (Ocean and Air) revenue. Inland and feeder transportation expenses represented 50.6% of Logistics segment revenue for 2023, compared to 60.4% for 2022, due to the comparatively faster increase in Logistics segment revenue for 2023 as compared to the Logistics segment operating expenses for 2023, notably in the Freight Management (Ocean and Air) business.

Employee benefits

Employee benefits expenses for the Logistics segment increased by \$635 million, or 17.1%, from \$3,703 million for 2022 to \$4,338 million for 2023, mainly due to the full year effect of acquisitions made in 2022. Employee benefits expenses accounted for 28.5% of Logistics segment revenue for 2023 (versus 23.0% for 2022).

General and administrative expenses other than employee benefits

General and administrative expenses other than employee benefits for the Logistics segment increased by \$269 million, or 32.2%, from \$834 million for 2022 to \$1,103 million for 2023, mainly due to the full year effect of acquisitions closed in 2022.

General and administrative expenses other than employee benefits accounted for 7.2% of Logistics segment revenue for 2023, compared to 5.2% for 2022. This was due to the comparatively faster increase in Logistics segment revenue for 2023 as compared to the Logistics segment operating expenses for 2023.

Other segment operating expenses

Operating expenses for the Other segment increased by \$407 million, or 30.0%, from \$1,358 million for 2022 to \$1,765 million for 2023, mainly resulting from our Terminals business for \$73 million, our Media business for \$88 million and our new Specialized Maritime Transport business for \$90 million. Operating expenses represented 88.2% of Other segment revenue for 2023, compared to 75.2% for 2022.

Adjusted EBITDA

As a result of the factors mentioned above (i.e., the evolution of revenue and operating expenses explained), Adjusted EBITDA declined by \$24,297 million, or 72.9%, to \$9,010 million in 2023, compared to \$33,307 million in 2022. Adjusted EBITDA margin (i.e., as a percentage of revenue) also deteriorated, from 44.7% in 2022 to 19.2% in 2023, primarily due to the decreased contribution of the higher margin Container Shipping segment to the overall Adjusted EBITDA margin. See “*Summary—Summary Financial and Operating Information*” for a reconciliation of Adjusted EBITDA to the relevant IFRS measure.

The following table provides a breakdown of Adjusted EBITDA and Adjusted EBITDA margin by segment for the years ended December 31, 2022 and 2023:

	Year ended December 31,		Change	
	2022	2023	2023 vs 2022	
(\$ millions, except percentages)			Amount	%
Adjusted EBITDA	33,306.7	9,009.7	(24,296.9)	(72.9)%
As a percentage of consolidated revenue	44.7%	19.2%		
Of which Container Shipping segment	31,636.7	7,398.3	(24,238.5)	(76.6)%
As a percentage of segment revenue	53.7%	23.6%		
Of which Logistics segment	1,222.6	1,375.9	153.2	12.5%
As a percentage of segment revenue	7.6%	9.0%		
Of which Other segment	447.3	235.5	(211.7)	(47.3)%
As a percentage of segment revenue	24.8%	11.8%		

(1) Expressed as a percentage of consolidated Adjusted EBITDA.

Container Shipping segment

Adjusted EBITDA declined to \$7,398 million in 2023, compared to \$31,637 million in 2022. This decline reflected the significant decline in unit revenue, while unit costs improved as a result of lower energy prices and

improved transportation costs and volumes remained relatively flat. EBITDA margin (i.e., as a percentage of revenue) also decreased substantially, from 53.7% in 2022 to 23.6% in 2023.

Logistics segment

The below breakdown also includes an amount of the Logistics segment Adjusted EBITDA which was unallocated by product and was then manually allocated to each of the products based on the share of revenue of such product compared to total segment revenue. Adjusted EBITDA improved by 12.5%, or \$153 million, from \$1,223 million in 2022 to \$1,376 million in 2023, reflecting higher volumes, increased sales prices and improved saturation rates in compounds for FVL activities, only partially offset by a deterioration of market conditions with lower Air and Ocean rates for Freight Management activities. Contract Logistics was broadly stable year-on-year (with improved performance in Europe) and Ground was still under pressure (although it benefited from improved volumes and contracts in Europe).

Freight Management (Ocean and Air) activities generated \$254 million of Adjusted EBITDA in 2023 corresponding to a 6.7% margin; Ground Transportation activities generated \$235 million of Adjusted EBITDA in 2023 corresponding to a 5.2% margin; FVL activities generated \$173 million of Adjusted EBITDA in 2023 corresponding to a 9.0% margin; and Contract Logistics activities generated \$714 million of Adjusted EBITDA in 2023 corresponding to a 14.3% margin. Due to the reorganization of the Logistics segment in 2022 and related perimeter changes, breakdowns for the year-ended December 31, 2022 are unavailable and we therefore do not present 2023/2022 comparative information.

Adjusted EBITDA margin (i.e., as a percentage of revenue) also improved slightly, from a 7.6% in 2022 to 9.0% in 2023.

Other segment

Adjusted EBITDA decreased by \$212 million, or 47.3%, from \$447 million in 2022 to \$236 million in 2023, reflecting

- a difficult market environment in 2023 for the Terminals activity, with a decrease in volumes and yard revenues as congestions normalized (FMS (Los Angeles terminal) had particularly benefited from congestion in 2022), as well as a mainly fixed cost base for the Terminals activity (partially mitigated by the implementation of a cost cutting plan to support Adjusted EBITDA margin);
- difficult market conditions for the Air Cargo activity, with deteriorating market conditions and higher fuel cost and low yields and sluggish demand for much of 2023, although the final quarter did show some demand recovery; and
- lower performance of Media activities.

Other segment Adjusted EBITDA margin also deteriorated, from 24.8% in 2022 to 11.8% in 2023.

Operating exchange gains/losses, net

Operating exchange gains/losses, net decreased by \$46 million, or 46.8%, from a gain of \$97 million for 2022 to a gain of \$52 million for 2023. This is due to the effect of currency fluctuations on our working capital.

Gains / (losses) on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries increased by \$24 million, or 187%, from a gain of \$13 million for 2022 to a gain of \$37 million for 2023. See Note 4.3 to the 2023 Audited Consolidated Financial Statements.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets decreased by \$723 million, or 13.1%, from \$5,543 million for 2022 to \$4,820 million for 2023, relating to:

- asset right-of-use amortization decreasing by \$163 million, notably on vessel leases;
- owned vessel depreciation expenses decreasing by \$734 million;

- container depreciation increasing by \$37 million; and
- other depreciation increasing by \$137 million, notably due to M&A transactions generating additional depreciation on acquired assets, as well as the impact of purchase price allocations.

Other income or expense, net

Other income and expense, net decreased by \$1,278 million, or 81%, from a net expense of \$1,577 million for 2022 to a net expense of \$300 million for 2023. In 2022, impairment losses of \$1,430 million were recorded, mainly relating to (i) the impairment loss recognized on Ground Transportation and Contract Logistics CGUs in the Logistics segment, (ii) the impairment of some capitalized costs related to the development of information systems and (iii) the retrospective adjustment of the purchase price allocation of La Provence for a charge of \$65 million. See Note 4.4 to the 2023 Audited Consolidated Financial Statements.

Net Present Value (NPV) benefit related to assets financed by tax leases

NPV benefits increased by \$10 million, from \$77 million for 2022 to \$88 million for 2023.

Share of profit / (loss) of associates and joint ventures

Share of profit (or loss) of associates and joint ventures improved by \$23 million, from a loss of \$39 million for 2022 to a loss of \$16 million for 2023.

EBIT and Core EBIT

As a result of the factors described above, our consolidated EBIT decreased by \$22,283 million, or 84.6%, from \$26,335 million for 2022 to \$4,051 million for 2023. Core EBIT decreased by \$23,582 million, or 84.7%, from \$27,858 million for 2022 to \$4,276 million for 2023. See “*Summary—Summary Financial and Operating Information*” for a reconciliation of Core EBIT to the relevant IFRS measure.

The following table provides a breakdown of EBIT, EBIT margin, Core EBIT and Core EBIT margin by segment for the years ended December 31, 2022 and 2023:

(\$ millions, except percentages)	Year ended December 31,		Change	
	2022 ⁽²⁾	2023	2023 vs 2022	
	(1)	(1)	Amount	%
EBIT	26,334.6	4,051.4	(22,283.2)	(84.6)%
<i>EBIT margin</i>	35.3%	8.6%		
Of which Container Shipping segment .	26,927.6	3,847.2	(23,080.4)	(85.7)%
<i>Container Shipping segment EBIT margin</i>	45.7%	12.3%		
Of which Logistics segment	(731.4)	285.1	1,016.5	139.0%
<i>Logistics EBIT margin</i>	(4.5)%	1.9%		
Of which Other segment	138.3	(35.1)	(173.4)	(125.4)%
<i>Other segment margin</i>	7.7%	(1.8)%		
Of which Eliminations	-	(45.8)		
Of which Reconciling Items	(1,523.3)	(178.6)		
Core EBIT	27,857.9	4,275.8	(23,582.1)	(84.7)%
<i>Core EBIT margin</i>	37.4%	9.1%		
Of which Container Shipping segment .	27,172.3	3,946.4	(23,225.9)	(85.5)%
<i>Container Shipping segment Core EBIT margin</i>	46.1%	12.6%		
Of which Logistics segment	439.3	376.0	(63.3)	(14.4)%
<i>Logistics segment Core EBIT margin</i>	2.7%	2.5%		
Of which Other segment	246.4	(46.6)	(293)	(118.9)%
<i>Other segment Core EBIT margin</i>	13.6%	(2.3)%		

(1) Expressed as a percentage of consolidated Core EBIT.

(2) The figures presented for the year ended December 31, 2022 have been restated in accordance with the retrospective adjustments of purchase price allocations. See “*Presentation of Financial Information; Comparability of Information*.”

Container Shipping segment

Shipping segment EBIT decreased by \$23,080 million, or 85.7%, from \$26,928 million for 2022 to \$3,847 million for 2023, as a result of the factors described above. Shipping segment Core EBIT decreased to \$3,946 million in 2023 (12.6% Core EBIT margin) compared to \$27,172 million in 2022 (46.1% Core EBIT margin).

Logistics segment

Logistics segment EBIT increased by \$1,017 million, from a loss of \$731 million in 2022 to a profit of \$285 million for 2023 mainly due to non-core items such as the \$1.1 billion impairment charge recognized in 2022 on Ground Transportation and Contract Logistics' CGUs. Logistics segment Core EBIT decreased to \$376 million in 2023 (2.5% Core EBIT margin) compared to \$439 million in 2022 (2.7% Core EBIT margin).

Other segment

Other segment EBIT decreased from a profit of \$138 million for 2022 to a loss of \$35 million for 2023, despite the retrospective adjustments of purchase price allocations negatively impacting 2022 EBIT by \$65 million. Other segment Core EBIT decreased from a profit of \$246 million in 2022 (13.6% Core EBIT margin) to a loss of \$47 million in 2023 (minus 2.3% Core EBIT margin). This was the result of Adjusted EBITDA performance discussed above, as well as purchase price allocation impacts generating additional depreciation expenses, notably on terminal concessions.

Financial result

The financial result amounted to expenses of \$84 million in 2023 compared to expenses of \$864 million in 2022. The following table provides a breakdown of the financial result for the years ended December 31, 2022 and 2023:

(\$ millions, except percentages)	For the year ended December 31,	
	2022	2023
Interest expense on net financial debt excl. leases.....	(210.9)	(286.4)
Income on cash deposits.....	280.5	879.8
Interest expense on leases.....	(909.2)	(868.2)
Cost of net debt, including settlement of interest rate derivatives	(839.6)	(274.8)
Non-recurring impact related to deleveraging initiatives.....	(19.7)	(36.0)
Total cost of net debt.....	(859.4)	(310.8)
Settlements and change in fair value of derivative instruments.....	(5.5)	4.0
Foreign currency income and expense, net.....	122.5	139.9
Other financial income and expense, net.....	(121.9)	82.6
Other net financial items	(4.8)	226.4
Financial result.....	(864.2)	(84.4)

Total cost of net debt

The total cost of net debt (cost of borrowings net of interest income on cash and cash equivalents) decreased by \$549 million, or 63.8%, from \$859 million for 2022 to \$311 million for 2023, reflecting:

- an increase in interest income on cash deposits of \$599 million, or 213.7%, from \$281 million for 2022 to \$880 million for 2023, due to our increased cash and financial assets balance, along with the higher interest rate environment;
- a decrease in interest expense on leases of \$41 million, or 4.5%, from \$909 million for 2022 to \$868 million for 2023; and
- non-recurring expenses relating to deleveraging increased by \$16 million;

partially offset by:

- an increase in interest expense on net financial debt excluding leases of \$76 million, or 35.8%, from \$211 million in 2022 to \$286 million in 2023. The increase in interest expenses between 2022 and 2023 was mainly driven by increasing variable interest rates.

Other net financial items

Other net financial items increased by \$231 million from a loss of \$5 million for 2022 to a gain of \$226 million for 2023, mainly as a result of:

- other financial income and expenses net increasing by \$205 million, from a loss of \$122 million for 2022 to a gain of \$83 million for 2023. Other financial income and expenses mainly relates to dividends received from related parties as well as fair value changes on our financial investments and hyperinflation impacts. In 2022, other financial expense mainly related to the depreciation of funds deposited or invested in Lebanon, driven by the continued economic depression in the country;
- foreign currency income and expenses increasing by \$17 million, from a gain of \$123 million for 2022 to a gain of \$140 million for 2023 due to the appreciation of the euro, which had a positive impact as we have a net assets position in euro; and
- the settlement and change in fair value of derivative instruments increasing by \$10 million, from a loss of \$6 million for 2022 to a gain of \$4 million for 2023.

Income tax

Income tax expense decreased by \$295 million, or 50.1%, from \$588 million for 2022 to \$293 million for 2023, due to our lower performance in 2023, particularly in operations not subject to tonnage tax.

Profit / (loss) for the period

As a result of the factors described above, profit decreased by \$21,209 million, from a profit of \$24,883 million for 2022 to a profit of \$3,674 million for 2023.

Non-controlling interests

Net income attributable to non-controlling interests decreased by \$32 million, from income of \$69 million for 2022 to income of \$37 million for 2023.

Profit / (loss) for the period attributable to the owners of the parent

Profit / (loss) for the period attributable to the owners of the parent decreased by \$21,177 million, from a profit of \$24,814 million for 2022 to a profit of \$3,638 million for 2023.

Year ended December 31, 2022 compared with year ended December 31, 2021

As discussed above, the below discussion is based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements. See "Presentation of Financial Information; Comparability of Information" above. The below discussion is also based on the 2021 figures included in the comparative column of the 2022 Audited Consolidated Financial Statements. See "Presentation of Financial Information; Comparability of Information" above.

Revenue

The components of our consolidated revenue during the periods under review are set out below:

	Year ended December 31,				Change	
	2021		2022		2022 vs 2021	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Container Shipping.....	45,290.2	79.4%	58,946.3	76.7%	13,656.1	30.2%
Logistics	10,903.1	19.1%	16,089.4	20.9%	5,186.3	47.6%
Other.....	882.5	1.5%	1,805.5	2.3%	923.0	104.6%
Eliminations	(1,100.1)		(2,343.3)		(1,243.2)	113.0%
Total revenue.....	55,975.7		74,497.9		18,522.2	33.1%

(1) Expressed as a percentage of consolidated revenue excluding eliminations (as set forth in Note 4.1 to the 2022 Audited Consolidated Financial Statements).

Consolidated revenue increased by \$18,522 million, or 33.1%, from \$55,976 million in 2021 to \$74,498 million in 2022, primarily due to a \$13,656 million, or 30.2%, increase in Container Shipping segment revenue, itself primarily driven by a significant increase in freight rates on the back of high levels of demand, particularly in the first nine months of 2022, and a \$5,187 million, or 47.6%, increase in Logistics segment revenue supported by strong performance in Freight Management (Ocean and Air) activities and scope effects from acquisitions.

Container Shipping segment revenue

Container Shipping segment revenue increased by \$13,656 million, or 30.2%, from \$45,290 million in 2021 to \$58,946 million in 2022. This increase primarily reflected:

- an increase in average Container Shipping segment revenue per TEU of 31.9%, from \$2,055 per TEU for 2021 to \$2,711 per TEU for 2022, mainly due to a significant increase in spot freight rates on the back of high levels of demand in the context of capacity constraints and congestions (particularly over the first nine months of 2022 and peaking in the second quarter of 2022, with a deterioration starting in the third quarter of 2022 and leading to declining unit revenues year on year in the fourth quarter of 2022 due to an accelerated drop in freight rates over the quarter). The impact on contract freight rates was more gradual, due to the time lag dynamics discussed above; partially offset by marginally lower carried volumes, which decreased by 1.4%, or 299 thousand TEU, from 22,042 thousand TEU in 2021 to 21,742 thousand TEU in 2022. The decrease was mainly driven by:
 - broadly flat volumes in our East-West lines, with an increase of 23 thousand TEU, or 0.4%, on U.S. trade being offset by a decrease of 37 thousand TEU, or 1.0%, on Asia / Europe & Med trade and a slight decrease of 4 thousand TEU, or 0.2%, in Asia & Europe to Gulf / ISC trade;
 - a 58 thousand TEU, or 0.9%, increase in volumes loaded on our North-South lines, in relation to a 97 thousand TEU increase in Latin America and the West Indies and Guyana trades, a 50 thousand TEU increase in Oceania trade, partially offset by a 90 thousand TEU decrease in Africa trades; and
 - a 335 thousand TEU, or 7.8%, decrease in volumes on our Intra-Regional line, mainly impacted by the cancellation of journeys to and from Russia and Ukraine and the reduction of intra-Asia volumes following the COVID-19 lockdown in China.

	Year ended December 31,		Change	
	2021	2022	2022 vs 2021	
East-West lines	11,143.7	11,121.4	(22.3)	(0.2)%
United States	5,545.8	5,569.1	23.3	0.4%
Asia / Europe & Med.....	3,597.2	3,555.3	(41.9)	(1.2)%
Asia & Europe to gulf / ISC	2,000.7	1,997.0	(3.7)	(0.2)%
North-South lines	6,619.4	6,677.2	57.8	0.9%
Latam inc. West Indies & Guyana.....	3,105.7	3,202.6	96.9	3.1%
Oceania.....	1,456.9	1,507.3	50.4	3.5%
Africa	2,056.7	1,967.2	(89.5)	(4.4)%
Intra-Regional	4,278.7	3,943.8	(334.9)	(7.8)%
Total volumes	22,041.8	21,742.4	(299.4)	(1.4)%

Logistics segment revenue

Logistics segment revenue increased by \$5,186 million, or 47.6%, from \$10,903 million in 2021 to \$16,809 million in 2022. This increase was mainly a result of the following dynamics:

- a very significant increase in Freight Management (Ocean and Air) revenue ((CEVA “legacy”) in turn driven by higher air freight volumes and yields combined with higher ocean freight rates (despite a decrease in ocean volumes negatively impacted by lower activity out of China and lower demand)),
- modest revenue growth in Contract Logistics (CEVA “legacy”) as good performance in the Consumer & Retail sector, new business wins, up-trading on certain contracts, notably with leading e-commerce clients and the recovery in Automotive following the COVID-19 pandemic and the semi-conductor crisis were partially offset by certain operational challenges in North America and headwinds related to the market conditions in Europe.

- the integration of recently acquired businesses (Ingram CLS, Colis Privé and GEFECO) (with the first two integrated in the second quarter of 2022 and the last in the third quarter of 2022), contributing \$3,319 million to Logistics segment revenue in 2022.

Other segment revenue

Other segment revenue increased by \$923 million, or 104.6%, from \$883 million in 2021 to \$1,806 million in 2022. This increase was mostly driven by the integration of the FMS port terminal acquired in January 2022 and the ramp-up of Air Cargo activity, launched in the second quarter of 2021.

Operating Expenses

Operating expenses during the periods under review are broken down as follows and also shown as a percentage of consolidated revenue:

	Year ended December 31,				Change	
	2021		2022		2022 vs 2021	
(\$ millions, except percentages)	(1)		(1)		Amount	%
Bunkers and consumables	4,225.7	7.5%	6,844.6	9.2%	2,618.9	62.0%
Chartering and slot purchases	1,610.2	2.9%	1,904.1	2.6%	293.9	18.3%
Handling and stevedoring	8,223.1	14.7%	7,718.3	10.4%	(504.8)	(6.1)%
Inland and feeder transportation	8,893.3	15.9%	11,724.6	15.7%	2,831.3	31.8%
Port and canal	1,631.1	2.9%	1,775.2	2.4%	144.1	8.8%
Container equipment and repositioning	1,357.4	2.4%	1,652.4	2.2%	295.0	21.7%
Employee benefits	4,859.8	8.7%	6,526.2	8.8%	1,666.4	34.3%
General and administrative other than employee benefits	1,667.4	3.0%	1,963.5	2.6%	296.1	17.8%
Other operating expenses ⁽²⁾	405.3	0.7%	1,082.3	1.5%	677.0	167.0%
Total consolidated operating expenses	32,873.1	58.7%	41,191.2	55.3%	8,318.1	25.3%

(1) Expressed as a percentage of consolidated revenue.

(2) This line is the sum of the lines "Additions to provisions, net of reversals and impairment of inventories and trade receivables" and "others" presented in note 4.2.1 of the 2022 Audited Consolidated Financial Statements.

Consolidated operating expenses increased by \$8,318 million, or 25.3%, from \$32,873 million for 2021 to \$41,191 million for 2022. The largest components of the increase were a \$2,619 million, or 62%, increase in bunker and consumables; a \$2,831 million, or 31.8% increase in inland and feeder transportation; a \$1,667 million, or 34.3% increase in employee benefits; a \$677 million, or 167%, increase in other operating expenses; a \$295 million, or 21.7%, increase in container equipment and repositioning, a \$294 million, or 18.3%, increase in chartering and slot purchases and a \$296 million, or 17.8%, increase in general and administrative other than employee benefits expenses. This was partially offset by a \$505 million, or 6.1%, decrease in handling and stevedoring expenses.

Employee benefit expenses increased by 34.3%, or \$1,666 million, from \$4,860 million in 2021 to \$6,526 million in 2022, reflecting an increase in the number of employees, mostly related to the acquisitions of Ingram CLS, Colis Privé and GEFECO in the Logistics segment (see Note 4.2.2 to the 2022 Audited Consolidated Financial Statements) and to FMS to a lesser extent.

Below is a discussion of operating expenses by segment.

Container Shipping segment operating expenses

The following table provides a breakdown of operating expenses for the Container Shipping segment by main component and expressed as a percentage of Container Shipping segment revenue for the years ended December 31, 2021 and 2022.

	Year ended December 31,				Change	
	2021		2022		2022 vs 2021	
(\$ millions, except percentages)	(1)		(1)		Amount	%
Bunkers and consumables	4,112.5	9.1%	6,633.7	11.3%	2,521.2	61.3%

	Year ended December 31,				Change	
	2021		2022		2022 vs 2021	
Chartering and slot purchases	1,625.8	3.6%	1,865.1	3.2%	239.3	14.7%
Handling and stevedoring	8,150.2	18.0%	8,077.4	13.7%	(72.8)	(0.9)%
Inland and feeder transportation.....	3,002.3	6.6%	3,473.0	5.9%	470.7	15.7%
Port and canal	1,631.0	3.6%	1,775.1	3.0%	144.2	8.8%
Container equipment and repositioning	1,270.5	2.8%	1,528.0	2.6%	257.6	20.3%
Employee benefits	1,971.8	4.4%	2,058.8	3.5%	87.0	4.4%
General and administrative other than employee benefits .	1,046.2	2.3%	1,070.8	1.8%	24.6	2.4%
Other operating expenses	411.0	0.9%	827.5	1.4%	416.5	101.3%
Container Shipping operating expenses	23,221.3	51.3%	27,309.5	46.3%	4,088.2	17.6%

(1) Expressed as a percentage of Container Shipping segment revenue.

Container Shipping operating expenses increased by \$4,088 million, or 17.6%, from \$23,221 million (or 51.3% of Container Shipping segment revenue) for 2021 to \$27,310 million (or 46.3% of Container Shipping segment revenue) for 2022. This increase resulted primarily from a 61.3% increase in bunker and consumables and a 15.7% increase in transportation.

Container Shipping operating expenses per carried TEU increased by \$202 per TEU, or 19.2%, from \$1,054 per TEU for 2021 to \$1,256 per TEU for 2022 as costs increased significantly, affected by congestion extra costs and an expensive chartering market, while volumes declined marginally. Unit costs increased particularly in the fourth quarter of 2022, driven by volume effects, inflationary pressures and higher energy prices, despite an improvement in extra costs (e.g., handling and stevedoring) as a result of easing of congestion.

Bunkers and consumables

Bunker and consumables for the Container Shipping segment increased by 61.3%, or \$2,521 million, from \$4,113 million (or 9.1% of Container Shipping segment revenue) for 2021 to \$6,634 million (or 11.3% of Container Shipping segment revenue) for 2022.

The increase in bunker and consumables expenses for the Container Shipping segment was mainly driven by an increase in the average bunker rate of \$318/ton, or 66.8%, from \$475/ton in 2021 to \$792 ton in 2022, partially offset by a decrease in consumption (mainly due to marginally lower volumes and a small improvement in efficiency) of 171 thousand tons, or 2.1%, from 8,296 thousand tons in 2021 to 8,125 thousand tons in 2022.

	Year ended December 31,		Change	
	2021	2022	2022 vs 2021	
Consumption, in tons '000.....	8,296.0	8,125.1	(171.0)	(2.1)%
Consumption per TEU, in kg per TEU.....	376.5	373.7	(2.8)	(0.7)%
Bunker price per ton, in \$ per ton.....	475.2	792.8	(317.6)	66.8%

Chartering and slot purchases

Chartering and slot purchases expenses for the Container Shipping segment increased by \$239 million, or 14.7%, from \$1,626 million for 2021 to \$1,865 million for 2022. Chartering and slot purchases accounted for 3.6% of Container Shipping segment revenue for 2021, as compared to 3.2% for 2022.

Chartering decreased by \$25 million, or 2.3%, from \$1,059 million for 2021 to \$1,034 million for 2022 mostly due to a number of short-term leases being renewed at higher rates and for a longer durations (above one year). Expenses related to new agreements with a duration longer than 12 months were reclassified outside of operating expenses, as required by IFRS 16.

Slot purchase and other fixed expenses increased by \$264 million, or 46.6%, from \$567 million for 2021 to \$831 million for 2022. This was due to the evolution of the chartering market discussed above and higher bunker costs.

Handling and stevedoring

Handling and stevedoring expenses for the Container Shipping segment decreased by \$73 million, or 0.9%, from \$8,150 million for 2021 to \$8,077 million for 2022. Handling and stevedoring expenses accounted for 18.0% of Container Shipping segment revenue for 2021, as compared to 13.7% of Container Shipping segment revenue for 2022.

The decrease was primarily due to the EUR depreciation and lower volumes, partially offset by (i) a significant increase in extra costs (storage, overtime, reefer monitoring) related to port and supply chain congestions leading to a loss of efficiency in container moves. However, there was a sharp decrease in extra costs in the last quarter of 2022 in the context of a normalizing industry backdrop, which offset the increase in costs experienced over the first nine months of 2022, and (ii) the annual increase in stevedoring tariffs, most notably in the United States and China.

Stevedoring of full containers decreased by \$95 million, or 1.4%, from \$6,918 million for 2021 to \$6,824 million for 2022. Stevedoring of empty containers increased by \$22 million, or 1.8%, from \$1,232 million for the 2021 to \$1,254 million for 2022.

Inland and feeder Transportation

Inland and feeder transportation expenses for the Container Shipping segment increased by \$471 million, or 15.7%, from \$3,002 million for 2021 to \$3,473 million for 2022. Inland and feeder transportation expenses accounted for 5.9% of operating revenue for 2022, as compared to 6.6% of operating revenue for 2021.

The increase primarily resulted from:

- higher inland costs primarily driven by higher trucker tariffs due to congestion, trucker shortages and fuel surcharges; and
- higher feeder costs negatively impacted by the evolution of the chartering market, fuel surcharges and congestion.

Port and canal

Port and canal expenses increased by 8.8%, or \$144 million, from \$1,631 million for 2021 to \$1,775 million for 2022. Port and canal expenses accounted for 3.0% of Container Shipping segment revenue for 2022, as compared to 3.6% of Container Shipping segment revenue for 2021.

The increase was mainly driven by higher tariffs, partly compensated by the depreciation of the euro and line rationalization efforts to reduce the number of port calls.

Container equipment and repositioning

Container equipment and repositioning expenses for the Container Shipping segment increased by \$258 million, or 20.3%, from \$1,271 million for 2021 to \$1,528 million for 2022. Container equipment and repositioning expenses represented 2.6% of Container Shipping segment revenue for 2022, as compared to 2.8% for 2021.

This increase was mainly due to a significant deterioration in container turnaround time due to congestion issues.

Employee benefits

Employee benefits for the Container Shipping segment increased by \$87 million, or 4.4%, from \$1,972 million for 2021 to \$2,059 million for 2022. Employee benefits represented 3.5% of Container Shipping segment revenue for 2022, as compared to 4.4% of Container Shipping segment revenue for 2021.

General and administrative expenses other than employee benefits

Container Shipping segment general and administrative expenses other than employee benefits increased by \$25 million, or 2.4%, from \$1,046 million for 2021 to \$1,071 million for 2022. General and administrative expenses

other than employee benefits accounted for 1.8% of Container Shipping segment revenue for 2022, compared to 2.3% for 2021.

Other operating expenses

Container Shipping segment other operating expenses increased by \$417 million from \$411 million for 2021 to \$828 million for 2022, mainly driven by additional provisions of receivables and risks for \$124.4 million, increased vessel maintenance costs for \$67 million, increased vessel insurance costs for \$26 million and the effect of newly integrated entities.

Logistics operating expenses

The following table provides a breakdown of operating expenses for the Logistics segment by main component and expressed as a percentage of Logistics segment revenue for the years ended December 31, 2021 and 2022.

	Year ended December 31,				Change	
	2021		2022		2022 vs 2021	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Bunkers and consumables	56.5	0.5%	90.9	0.6%	34.4	60.9%
Handling and stevedoring	98.2	0.9%	164.0	1.0%	65.8	67.0%
Inland and feeder transportation	6,597.8	60.5%	9,720.4	60.4%	3,122.6	47.3%
Container equipment and repositioning	61.3	0.6%	100.7	0.6%	39.4	64.3%
Employee benefits	2,612.7	24.0%	3,703.2	23.0%	1,090.5	41.7%
General and administrative other than employee benefits	547.6	5.0%	833.9	5.2%	286.3	52.3%
Other operating expenses	47.4	0.4%	253.7	1.6%	206.3	435.2%
Logistics operating expenses	10,021.6	91.9%	14,866.8	92.4%	4,845.2	48.3%

(1) Expressed as a percentage of Logistics segment revenue.

Logistics segment operating expenses increased by \$4,845 million, or 48.3%, from \$10,022 million in 2021 to \$14,867 million in 2022.

Inland and feeder transportation services

Inland and feeder transportation expenses for the Logistics segment increased by \$3,123 million, or 47.3%, from \$6,598 million for 2021 to \$9,720 million for 2022, in line with revenue growth, tariffs increases and external growth. Inland and feeder transportation expenses accounted for 60.4% of Logistics segment revenue for 2022, compared to 60.5% for 2021.

Employee benefits

Employee benefits expenses for the Logistics segment increased by \$1,091 million, or 41.7%, from \$2,613 million for 2021 to \$3,703 million for 2022. The increase was mainly related to acquisitions such as Ingram CLS, Colis Privé and GEFCO.

Employee benefits accounted for 23.0% of Logistics segment revenue for 2022, compared to 24.0% for 2021.

General and administrative expenses other than employee benefits

General and administrative expenses other than employee benefits for the Logistics segment increased by \$286 million, or 52.3%, from \$548 million for 2021 to \$834 million for 2022. General and administrative expenses other than employee benefits account for 5.2% of Logistics segment revenue for 2022, compared to 5.0% for 2021.

Other operating expenses

Other operating expenses for the Logistics segment increased by \$206 million, or 435.2%, from \$47 million in 2021 to \$254 million in 2022, due to the costs of integrating the 2022 acquisitions.

Other segment operating expenses

Operating expenses for the Other segment increased by \$629 million, or 86.3%, from \$729 million for 2021 to \$1,358 million for 2022, driven mainly by the integration of the FMS terminal in Los Angeles and the launch of the Air Cargo activity in the second quarter of 2021. Operating expenses represented 75.2% of Other segment revenue for 2022, compared to 82.6% for 2021.

Adjusted EBITDA

As a result of the factors mentioned above, Adjusted EBITDA amounted to \$33,307 million in 2022, compared to \$23,103 million in 2021. Adjusted EBITDA margin (i.e., as a percentage of revenue) also improved, from 41.3% in 2021 to 44.7% in 2022. See “Summary—Summary Financial and Operating Information” for a reconciliation of Adjusted EBITDA to the relevant IFRS measure.

The following table provides a breakdown of Adjusted EBITDA by segment for the years ended December 31, 2021 and 2022:

	Year ended December 31,				Change	
	2021		2022		2021 vs 2022	
(\$ millions, except percentages)		(1)		(1)	Amount	%
Adjusted EBITDA	23,102.6		33,306.7		10,204.1	44.2%
As a percentage of consolidated revenue	41.3%		44.7%			
Of which Container Shipping segment	22,068.9	95.5%	31,636.7	95.0%	9,567.8	43.4%
As a percentage of segment revenue	48.7%		53.7%			
Of which Logistics segment	881.5	3.8%	1,222.6	3.7%	341.1	38.7%
As a percentage of segment revenue	8.1%		7.6%			
Of which Other segment	153.4	0.7%	447.3	1.4%	293.9	191.6%
As a percentage of segment revenue	17.4%		24.8%			
Of which Eliminations	(1.2)		-		1.2	n.a.

(1) Expressed as a percentage of consolidated Adjusted EBITDA.

Container Shipping segment

Adjusted EBITDA increased by \$9,568 million, or 43.4%, to \$31,637 million in 2022, from \$22,069 million in 2021, reflecting the exceptional market conditions experienced in Container Shipping in 2021 and that continued throughout the first half of 2022, despite the deteriorating industry backdrop that began in the third quarter of 2022. As a result, Adjusted EBITDA margin (i.e., as a percentage of revenue) also significantly improved, from 48.7% in 2021 to 53.7% in 2022.

Logistics segment

The below breakdown also includes an amount of the Logistics segment Adjusted EBITDA which was unallocated by product and was then manually allocated to each of the products based on the share of revenue of such product compared to total segment revenue. Adjusted EBITDA improved by \$341 million, or 38.7%, from \$882 million in 2021 to \$1,223 million in 2022, driven by strong yields in Air and Ocean, performance improvements on Ground Transportation and Contract Logistics and the contribution of the 2022 acquisitions. Adjusted EBITDA margin (i.e., as a percentage of segment revenue) deteriorated slightly from 8.1% in 2021 to 7.6% in 2022, due in particular to the impact of integration costs related to the acquisitions (which were recorded as operating expenses).

Other segment

Adjusted EBITDA improved, reflecting the expansion of margin accretive Terminal activities, integration of FMS and an exceptional year for Terminals performance. Other segment Adjusted EBITDA margin also improved, from 17.4% in 2021 to 24.8% in 2022.

Gains / (losses) on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries decreased by \$39 million, or 75.2%, from a gain of \$52 million for 2021 to a gain of \$13 million for 2022, mostly relating to the disposal of our 50% stake in Ameya (logistics platform) in 2021.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased by \$2,115 million, or 61.7%, from \$3,428 million for 2021 to \$5,543 million for 2022, relating to:

- asset right-of-use amortization related to IFRS 16 increasing by \$890 million, from \$2,415 million for 2021 to \$3,305 million for 2022, mainly driven by the increase of vessel fleet in sync with the recent evolution of the chartering market;
- owned vessel depreciation expenses increasing by \$955 million, from \$657 million for 2021 to \$1,612 million for 2022, mainly due to the shortening of the remaining useful lives of some of our older vessels, which are likely to be most affected by IMO 2020, leading to an accelerated depreciation profile;
- container depreciation increasing by \$50 million, from \$27 million for 2021 to \$77 million for 2022; and
- other depreciation increasing by \$221 million, from \$328 million for 2021 to \$549 million for 2022, mainly driven by the amortization of intangible assets following (i) the recognition of the concession related asset as part of the acquisition of FMS and (ii) other intangible assets driven by purchase price allocations performed in Ingram CLS, Colis Privé and GEFCO.

Other income or expense, net

Other income or expense, net increased by \$1,404 million, from a net expense of \$173 million for 2021 to a net expense of \$1,577 million for 2022, mostly due to an impairment loss in 2022 for \$1.1 billion recognized in the Logistics segment (on the Contract Logistics and Ground Transportation CGUs) and the impairment of certain capitalized costs related to information systems.

In 2021, impairment losses of \$336 million were recorded, including the write-off of the APL trademark for \$190.7 million following the full implementation of the trade rationalization exercise initiated in 2020 and partial impairment of an IT development for \$58.2 million. "Others" totaled income of \$163.4 million and included the positive reevaluation of the 10% ownership in FMS for \$113.4 million, the earn-out to be received upon closing of the FMS transaction for \$105.9 million and various items such as transaction fees and other non-recurring items for an aggregate amount of \$55.9 million.

Operating exchange gains / losses, net

Operating exchange gains/losses, net increased by \$66 million, from a gain of \$31 million for 2021 to a gain of \$97 million for 2022. This was mainly due to the impact of currency fluctuations on our working capital, primarily the increase in value of the euro against the U.S. dollar.

Net Present Value (NPV) benefit related to assets financed by tax leases

NPV benefits increased by \$7 million, or 9.3%, from \$70 million for 2021 to \$77 million for 2022.

Share of profit / (loss) of associates and joint ventures

Share of profit (or loss) of associates and joint ventures decreased by \$4 million, from a loss of \$43 million for 2021 to a loss of \$39 million for 2022. The loss in 2022 included a \$56 million impairment charge recorded in 2022 of our shares in an inland joint venture in Russia and a terminal joint venture in Ukraine triggered by the geopolitical context, while a \$47 million non-recurring expense was recognized in 2021, including the impairment of a terminal investment for \$10.6 million and an impact related to the guaranteed dividend mechanism of Terminal Link.

EBIT and Core EBIT

As a result of the factors described above, our consolidated EBIT increased by \$6,721 million, or 34.3%, from \$19,613 million for 2021 to \$26,335 million for 2022. Core EBIT increased by \$8,109 million, or 41.1%, from \$19,749 million for 2021 to \$27,858 million for 2022. See “*Summary—Summary Financial and Operating Information*” for a reconciliation of Core EBIT to the relevant IFRS measure.

The following table provides a breakdown of EBIT, EBIT margin, Core EBIT and Core EBIT margin by segment for the years ended December 31, 2021 and 2022:

	Year ended December 31,		Change	
	2021	2022 ⁽²⁾	2021 vs 2022	
(\$ millions, except percentages)	(1)	(1)	Amount	%
EBIT	19,613.4	26,334.6	6,721.2	34.3%
EBIT margin	35.0%	35.3%		
Of which Container Shipping segment .	19,089.5	26,927.6	7,838.1	41.1%
Container Shipping segment EBIT margin	42.1%	45.7%		
Of which Logistics segment	399.3	(731.4)	(1,130.7)	(283.2)%
Logistics EBIT margin	3.7%	(4.5)%		
Of which Other segment	125.7	138.3	12.6	10.0%
Other segment margin	14.2%	7.7%		
Of which Eliminations	(1.2)	-	1.2	n.a.
Of which Reconciling items	(135.4)	(1,523.3)		
Core EBIT	19,748.8	27,857.9	8,109.1	41.1%
Core EBIT margin	35.3%	37.4%		
Of which Container Shipping segment .	19,341.2	27,172.3	7,831.1	40.5%
Container Shipping segment Core EBIT margin	42.7%	46.1%		
Of which Logistics segment	341.8	439.3	97.5	28.5%
Logistics segment Core EBIT margin ..	3.1%	2.7%		
Of which Other segment	67	246.4	179.4	267.8%
Other segment Core EBIT margin	7.6%	13.6%		

(1) Expressed as a percentage of consolidated Core EBIT.

(2) The figures presented for the year ended December 31, 2022 have been restated in accordance with the retrospective adjustments of purchase price allocations. See “*Presentation of Financial Information; Comparability of Information.*”

Container Shipping segment

Container Shipping segment EBIT increased by \$7,838 million, or 41.1%, from \$19,090 million for 2021 to \$26,928 million for 2022. Container Shipping Core EBIT increased to \$27,172 million (46.1% Core EBIT margin) in 2022 compared to \$19,341 million in 2021 (42.7% Core EBIT margin).

Logistics segment

Logistics segment EBIT decreased by \$1,131 million, from a profit of \$399 million for 2021 to a loss of \$731 million for 2022. The Logistics Core EBIT increased to \$439 million in 2022 (2.7% Core EBIT margin) compared to \$342 million in 2021 (3.1% Core EBIT margin).

Other segment

Other segment EBIT increased by \$13 million, or 10.0%, from profit of \$126 million for 2021 to profit of \$138 million for 2022. Other segment Core EBIT increased to \$246 million in 2022 (13.6% Core EBIT margin) from \$67 million in 2021 (7.6% Core EBIT margin).

Financial result

The financial result amounted to expenses of \$864 million in 2022 compared to expenses of \$1,298 million in 2021. The following table provides a breakdown of the financial result for the years ended December 31, 2021 and 2022:

(\$ millions, except percentages)	For the year ended December 31,	
	2021	2022
Interest expense on net financial debt excl. leases.....	(338.1)	(210.9)
Income on cash deposits.....	16.9	280.5
Interest expense on leases.....	(763.1)	(909.2)
Cost of net debt, including settlement of interest rate derivatives	(1084.3)	(839.6)
Non-recurring impact related to deleveraging initiatives.....	(35.6)	(19.7)
Total cost of net debt	(1,119.9)	(859.4)
Settlements and change in fair value of derivative instruments.....	(14.2)	(5.5)
Foreign currency income and expense, net.....	39.9	122.5
Other financial income and expense, net.....	(204.1)	(121.9)
Other net financial items	(178.5)	(4.8)
Financial result	(1,298.4)	(864.2)

Total cost of net debt

The total cost of net debt (cost of borrowings net of interest income on cash and cash equivalents) decreased by \$261 million, or 23.3%, from \$1,120 million for 2021 to \$859 million for 2022, reflecting:

- a \$127 million decrease in interest expense, from \$338 million for 2021 to \$211 million for 2022, mainly resulting from the reduction of our average gross debt between the two periods triggered by our debt repayment initiatives in sync with the recent exceptional profitability;
- a \$146 million increase in interest expense on leases from \$763 million for 2021 to \$909 million for 2022, driven by an increase in the number, average cost and duration of leases, in particular in our Container Shipping segment, and the inclusion of the concession lease following the acquisition of FMS as well as leases inherited from the integration of Ingram CLS, Colis Privé and GEFECO;
- a \$264 million increase in interest income on cash deposits from \$17 million for 2021 to \$281 million for 2022 as a result of the sharp increase in the Group's cash and financial assets combined with higher remuneration rates; and
- a \$16 million decrease in non-recurring items related to our voluntary debt repayment initiatives (including redemption premiums and the accelerated amortization of issuance costs related to borrowings).

Other net financial items

Other net financial items decreased by \$174 million from a loss of \$179 million for 2021 to a loss of \$5 million for 2022, mainly as a result of:

- an \$82 million improvement in other financial income and expenses net, from a loss of \$204 million for 2021 to a loss of \$122 million for 2022. In 2022 and 2021, the loss was mainly driven by the depreciation of funds deposited or invested in Lebanon;
- a \$83 million increase in foreign currency income and expenses, from a gain of \$40 million for 2021 to a gain of \$123 million for 2022. Historically, such caption was primarily driven by the variation of the euro (versus U.S. dollar) on the euro-denominated portion of our debt. The recent voluntary debt repayment initiatives led to a reduction of the portion of the Group's indebtedness in EUR currency. At the same time, new investments in deposits denominated in EUR have led to a reversed exposure to EUR exchange rates fluctuations in 2022 as compared to previous periods; and
- a \$9 million decrease in the settlement and change in fair value of derivative instruments, from a loss of \$14 million for 2021 to a loss of \$6 million for 2022.

Income tax

Income tax expense increased by \$217 million, or 58.7%, from \$370 million for 2021 to \$588 million for 2022. This resulted primarily from the effect of an increase of current income tax expense by \$146 million, mainly due to taxable results in our shipping activities not subject to tonnage tax, as well as in our Logistics segment in line with increased profitability.

Profit / (loss) for the period

As a result of the factors described above, profit increased by \$6,938 million, from a profit of \$17,945 million for 2021 to a profit of \$24,883 million for 2022.

Non-controlling interests

Net income attributable to non-controlling interests increased by \$18 million, from a profit of \$51 million for 2021 to a profit of \$69 million for 2022.

Profit / (loss) for the period attributable to the owners of the parent

Profit / (loss) for the period attributable to the owners of the parent increased by \$6,920 million, from a profit of \$17,894 million for 2021 to a profit of \$24,814 million for 2022.

Liquidity and Capital Resources***Cash flows***

As discussed above, the below discussion is based on the 2022 figures included in the comparative column of the 2023 Audited Consolidated Financial Statements. See “Presentation of Financial Information; Comparability of Information” above.

Cash flow from operating activities (net of tax)

Cash flow from operating activities (net of tax) amounted to \$22,231 million, \$33,366 million and \$7,745 million in 2021, 2022 and 2023, respectively, and \$3,517 million in the six-month period ended June 30, 2024.

(\$ millions, except percentages)	For the year ended December 31,			For the six-month period ended June 30,	
	2021	2022 ⁽¹⁾	2023	2023	2024
Profit / (loss) for the period	17,944.9	24,882.9	3,674.1	3,371.6	1,465.8
Depreciation and amortization.....	3,427.9	5,543.1	4,819.7	2,371.2	2,525.6
Net present value (NPV) benefits related to assets financed by tax leases.....	(70.6)	(77.2)	(87.6)	(35.1)	(33.6)
Other income and expense.....	172.9	1,577.3	299.7	135.2	339.4
Increase/(decrease) in provisions.....	41.6	172.4	(177.3)	(104.9)	(20.8)
Loss/(gains) on disposal of property and equipment and subsidiaries.....	(52.4)	(13.0)	(37.3)	(21.4)	(10.4)
Share of income / (loss) from associates and joint ventures.....	42.9	38.9	15.5	3.7	(0.5)
Interest expenses on net borrowings and lease liabilities.....	1,075.5	826.4	275.5	104.6	412.2
Income tax	370.1	587.5	292.9	208.5	137.2
Other non-cash items.....	171.6	58.2	(169.1)	(47.9)	(75.5)
Changes in working capital	(614.3)	606.3	(722.4)	(166.1)	(1,052.5)
Cash flow from operating activities before tax.	22,510.0	34,202.9	8,183.6	5,819.4	3,687.0
Income tax paid	(279.5)	(736.5)	(438.2)	(172.9)	(170.1)
Cash flow from operating activities, net of tax.	22,230.5	33,466.4	7,745.4	5,646.5	3,516.9

(1) The figures presented for the year ended December 31, 2022 have been restated in accordance with the retrospective adjustments of purchase price allocations. See “Presentation of Financial Information; Comparability of Information.”

Cash flow from operating activities, net of tax, in the first six months of 2024

In the six-month period ended June 30, 2024, we generated cash flow from operating activities (net of tax) of \$3,517 million. Cash flow from operating activities primarily reflected our profit of \$1,466 million in the six-month period ended June 30, 2024, plus depreciation and amortization of \$2,526 million, less \$34 million of NPV

benefits related to assets financed by tax leases, plus \$339 million of other income and expenses, less a decrease in provisions of \$21 million, mainly related to litigation cases, less \$10 million in gains on disposals of property and equipment and subsidiaries, plus \$0.5 million in loss from associates and joint ventures, plus \$412 million in interest expenses on net borrowings and lease liabilities, less \$137 million in income tax expenses recognized, less other non-cash items for \$76 million, less a negative change in net working capital (i.e., an investment in working capital) of \$1,053 million and less \$170 million in income taxes paid.

The investment in net working capital for the period primarily reflected the increase in trade and other receivables of \$1,380 million, due to the current operational context generating significant spot freight rate increases, and a decrease in trade and other payables of \$178 million, due to decreasing operating expenses over the quarter, partially offset by an increase in deferred income and other current liabilities of \$604 million, due in part to an increase in deferred freight at the cut-off date on uncompleted voyages, in line with spot freight rate increases.

Cash flow from operating activities, net of tax, in 2023

In 2023, we generated cash flow from operating activities (net of tax) of \$7,745 million. Cash flow from operating activities in 2023 primarily reflected our profit of \$3,674 million in 2023, plus depreciation and amortization of \$4,820 million, less \$88 million of NPV benefits related to assets financed by tax leases, plus \$300 million of other income and expenses, less a decrease in provisions of \$177 million, mainly due to tax litigation and restructuring, less \$37 million in gains on disposal of property and equipment and subsidiaries, plus \$16 million in income from associates and joint ventures, plus \$276 million of interest expenses on net borrowings and lease liabilities, plus \$293 million in income tax expenses recognized, less other non-cash items for \$169 million, less a negative change in net working capital (i.e., an investment in working capital) of \$722 million and less \$438 million in income taxes paid.

The change in net working capital for the period primarily reflected a decrease in trade and other payables of \$999 million, a decrease in deferred income of \$212 million, partially offset notably by a decrease in trade and other receivables of \$240 million, a decrease in inventories of \$125 million due to the effects of inventory destocking and a decrease in prepaid expenses of \$111 million. The net change was primarily driven by lower receivables due to sector normalization and declining freight rates, offset by lower payables and some supplier prepayments.

Cash flow from operating activities, net of tax, in 2022

In 2022, we generated cash flow from operating activities (net of tax) of \$33,466 million. The level of net cash generated primarily reflected our net profit of \$24,883 million in 2022, plus depreciation and amortization of \$5,543 million, less \$77 million of NPV benefits related to assets financed by tax leases, plus \$1,577 million of other income and expenses, less an increase in provisions of \$172 million, mainly related to provisions of receivables, litigation and tax risks, less \$13 million in gains on disposal of property and equipment and subsidiaries, plus \$39 million in loss from associates and joint ventures, plus \$826 million of interest expenses on net borrowings, plus \$588 million in income tax expenses recognized, less other non-cash items for \$58 million, plus a positive change in working capital of \$606 million and less \$737 million in income taxes paid. The positive change in working capital for the period primarily reflected a decrease in contract assets of \$635 million, as well as an increase in trade and other payables of \$477 million, partially offset by an increase in inventories of \$261 million, an increase in trade and other receivables for \$189 million and a decrease in deferred income of \$95 million. The change in working capital was driven by sector normalization at the end of 2022, resulting in lower freight rates and hence a working capital inflow.

Cash from operating activities, net of tax, in 2021

In 2021, we generated cash flow from operating activities (net of tax) of \$22,231 million. The level of net cash generated primarily reflected our profit of \$17,945 million in 2021, plus depreciation and amortization of \$3,428 million, less \$71 million of NPV benefits related to assets financed by tax leases, plus \$173 million of other income and expenses, plus an increase in provisions of \$42 million, less \$52 million in gains on disposal of property and equipment and subsidiaries, less \$43 million in income from associates and joint ventures, plus \$1,076 million of interest expenses on net borrowings, plus \$370 million in income tax expenses recognized, plus other non-cash items for \$172 million, less a negative change in working capital of \$614 million and less \$280 million in income taxes paid. The negative change in working capital was due to the persistent increase in freight rates at the end of 2021, which resulted in higher trade receivables.

Net cash (used for) / provided by investing activities

We generated net cash from investing activities of \$51 million in 2023, while we used net cash from investing activities of \$4,127 million in 2021 and \$23,862 million in 2022. In the first six months of 2024, we used net cash from investing activities of \$2,109 million.

(\$ millions)	For the year ended December 31,			For the six-month period ended June 30,	
	2021	2022 ⁽²⁾	2023	2023	2024
Purchases of intangible assets.....	(98.5)	(134.3)	(144.3)	(69.7)	(64.5)
Disposals of subsidiaries, net of cash divested.....	74.8	3.2	-	-	(9.2)
Acquisition of subsidiaries, net of cash acquired.....	(33.6)	(5,778.0)	(3,386.5)	(96.9)	(4,820.3)
New investments in associates and joint ventures....	-	-	(330.7)	-	-
Purchases of property and equipment.....	(3,196.4)	(4,737.5)	(4,983.6)	(2,629.6)	(850.4)
Purchases of non-consolidated investments.....	(29.0)	(480.8)	(153.6)	(173.2)	(66.7)
Proceeds from disposal of property and equipment..	56.1	131.4	181.3	77.3	504.6
Dividends received.....	13.6	31.6	22.7	15.5	23.4
(Increase) / Decrease in other financial assets.....	(400.8)	(12,779.2)	7,836.9	1,431.3	2,753.9
Interest received on financial assets ⁽¹⁾	-	178.8	901.0	335.5	257.7
Variation in securities.....	(513.5)	(297.4)	107.2	297.4	162.4
Net cash (used for) / provided by investing activities	(4,127.2)	(23,862.2)	50.6	(812.3)	(2,109.1)

(1) Beginning in the 2023 Audited Consolidated Financial statements, we have classified interest received on financial assets as an financing cash flow (and not as an investing cash flow).

(2) The figures presented for the year ended December 31, 2022 have been restated in accordance with the retrospective adjustments of purchase price allocations. See “Presentation of Financial Information; Comparability of Information.”

Net cash used in investing activities in the first six months of 2024

In the six-month period ended June 30, 2024, net cash used in investing activities amounted to \$2,109 million. This primarily related to a cash outflow of \$4,820 million related to the acquisition of Bolloré Logistics, capital expenditures from purchasing property and equipment as well as intangible assets, representing a cash outflow of \$915 million, mainly related to prepayments paid as part of our vessel orderbook for \$162 million, vessels delivery installments of \$298 million and \$122 million of drydocks and other costs related to vessel fleet, as well as various other tangible assets. The cash outflows were partially offset by the net cash flows resulting from the variation of other financial assets for \$2,754 million due to the release of financial deposits, a cash inflow of \$258 million in interest received on financial assets, and a variation in our securities portfolio leading to a cash inflow of \$162 million and the proceeds from disposal of properties and equipment for \$505 million.

Net cash provided by investing activities in 2023

In 2023, net cash provided by investing activities amounted to \$51 million. This primarily reflected an inflow from other financial assets of \$7,837 million, mainly relating to the release upon maturity of certain financial investments which do not qualify as cash equivalents as well as from an inflow of \$181 million in proceeds from the disposal of property and equipment, an inflow of \$901 million in interest received on financial assets due to the higher interest rate environment, along with a \$107 million cash inflow generated from a variation in our securities portfolio based on the purchase and sale of our securities. The increase was offset by capital expenditures from purchasing property and equipment as well as intangible assets, representing a cash outflow of \$5,128 million. The main component of the purchase of property and equipment was the prepayments of installments in relation to the vessel orderbook of vessels under construction and the investments in scrubbers to be fitted on vehicles amounting to \$2,947 million, along with prepayments related to aircrafts for \$631 million. The \$3,387 million cash outflow for acquisitions of subsidiaries, net of cash acquired, was mainly linked to the acquisitions of Port Liberty terminals, CSP Iberian Valencia and CSP Iberian Bilbao, La Méridionale, La Tribune and Stellar (Logistics segment) and the early repayment of the financing of Terminal Link (see Note 3.1 to the 2023 Audited Consolidated Financial Statements).

Net cash used in investing activities in 2022

In 2022, net cash used in investing activities amounted to \$23,862 million. This primarily reflected a cash outflow in other financial assets of \$12,779 million mainly relating to certain financial investments which do not qualify as cash equivalents, an increase in capital expenditures from purchasing property and equipment as well as

intangible assets, representing a cash outflow of \$4,872 million. The main component of the purchase of property and equipment was the prepayments of installments in relation to the vessel orderbook of vessels under construction and the investments in scrubbers to be fitted on vehicles amounting to \$1,823 million, along with investments into second-hand vessels for \$1,258 million, into containers for \$710 million and prepayments related to aircrafts for \$483 million. This was also due to an outflow for the acquisition of subsidiaries, net of cash, representing \$5,778 million mainly linked to acquisitions in the Logistics segment and of FMS and a variation in our securities portfolio resulting in a cash outflow of \$297 million.

Net cash used in investing activities in 2021

In 2021, net cash used in investing activities amount to \$4,127 million. This primarily reflected capital expenditures from purchasing property and equipment as well as intangible assets, representing a cash outflow of \$3,295 million, reflecting mainly the prepayments of installments in relation to the vessel orderbook of vessels under construction and the investments in scrubbers to be fitted on vehicles amounting to \$740 million, along with investments into second-hand vessels for \$893 million, into containers for \$352 million and prepayments related to aircrafts for \$964 million and a \$34 million outflow for the acquisition of subsidiaries. The net cash used in 2021 also reflected a \$401 million outflow resulting from investments in various financial assets, along with a cash outflow of \$514 million related to investments in our securities portfolio.

Net cash used in financing activities

We used net cash in financing activities of \$9,852 million, \$10,895 million and \$9,440 million in 2021, 2022 and 2023, respectively, and \$3,074 million in the six-month period ended June 30, 2024.

(\$ millions, except percentages)	For the year ended December 31,			For the six-month period ended June 30,	
	2021	2022 ⁽²⁾	2023	2023	2024
Dividends paid to the owners of the parent company and non-controlling interest	(869.0)	(3,029.4)	(3,517.6)	(2,007.3)	(1,263.2)
Proceeds from borrowings.....	924.9	472.8	73.0	11.5	719.3
Repayments of borrowings.....	(5,632.1)	(2,048.3)	(1,073.8)	(869.2)	(312.5)
Cash payments related to principal portion of leases.....	(2,249.2)	(3,658.7)	(2,822.3)	(1,390.0)	(1,419.7)
Interest paid on borrowings ⁽¹⁾	(287.5)	(176.8)	(272.1)	(139.6)	(141.9)
Cash payments related to interest portion of leases.....	(743.2)	(822.3)	(879.8)	(449.8)	(435.6)
Other cash flow from financing activities...	(995.5)	(1,632.7)	(920.7)	(605.7)	(220.5)
Acquisition of non-controlling interests	-	-	(26.9)	(19.0)	-
Net cash (used in) / provided by financing activities	(9,851.6)	(10,895.4)	(9,440.2)	(5,469.2)	(3,074.0)

(1) Beginning in the 2023 Audited Consolidated Financial statements, we have classified interest received on financial assets as an financing cash flow (and not as an investing cash flow). In 2021 and 2022, this line item was entitled "Interest (paid) / received on financial assets and liabilities."

(2) The figures presented for the year ended December 31, 2022 have been restated in accordance with the retrospective adjustments of purchase price allocations. See "*Presentation of Financial Information; Comparability of Information.*"

Net cash used in financing activities in the first six months of 2024

In the six-month period ended June 30, 2024, we used \$3,074 million of cash for financing activities. This primarily reflected:

- \$313 million for repayment of borrowings and \$1,420 million of outflows for repayments of the principal portion of leases, as described in more detail below, partially offset by \$719 million in inflows from new borrowings;
- payment of dividends for \$1,263 million;
- payment of interest expenses on borrowings for \$142 million;
- payment of interest expenses on leases for \$436 million; and

- other cash flow from financing activities for \$221 million, mainly related to the exercise of vessels and containers' purchase options for \$191 million of which \$147 million related to vessels and \$44 million related to containers.

The \$313 million of cash outflow mainly included the repayment at maturity of the bond originally issued by APL Limited and transferred to APL Investments America for \$71 million, the repayment of commercial paper for \$48 million as well as vessel debt financing for \$137 million. Inflows from new borrowings mainly included a loan from Merit France for \$337 million in advance of the Altice Media acquisition that closed in early July, representing the funding of the 20% shareholding of the related party, as well as commercial paper drawdowns for \$265 million.

Net cash used in financing activities in 2023

In 2023, we used \$9,440 million of cash for financing activities. This primarily reflected:

- \$1,074 million for repayment of borrowings and \$2,822 million of outflows for repayments of the principal portion of leases, as described in more detail below, partially offset by \$73 million in inflows from new borrowings;
- payment of dividends for \$3,518 million;
- payment of interest expenses on borrowings for \$272 million;
- payment of interest expenses on leases for \$880 million;
- other cash flow from financing activities for \$921 million, mainly relating to the exercise of vessels and containers' purchase options for \$828 million, of which \$670 million related to vessels and \$158 million related to containers; and
- acquisition of non-controlling interests for \$26.9 million.

The \$1,074 million of cash outflow related to the repayments of borrowings mainly reflected our deleverage initiatives, notably the repayment of senior notes for \$565 million, issued by us and initially maturing in January 2026, while the repayment of bank borrowings mainly related to early repayment of vessel debts for \$44 million and the payment related to the Bergé-GEFCO joint venture for \$86 million, apart from recurring maturities.

The \$73 million in cash inflows from new borrowings, net of issuance costs, mainly relates to vessel bank debt drawn for \$41 million.

Net cash used in financing activities in 2022

In 2022, we used \$10,895 million of cash for financing activities. This primarily reflected:

- \$2,048 million of outflows for repayment of borrowings and \$3,659 million of outflows for repayments of the principal portion of leases, partially offset by \$473 million in inflows from new borrowings;
- payment of dividends of \$3,029 million;
- payment of interest expenses on net borrowings for \$177 million;
- payment of interest expenses on leases for \$822 million; and
- other cash flow from financing activities for \$1,633 million, mainly related to the exercise of vessels and containers' purchase options for \$856 million, of which \$733 million related to vessels and \$123 million related to containers.

Excluding lease repayments, the \$1,576 million in net repayment of borrowings during 2022 mainly reflected our deleveraging initiatives, which primarily consisted of early repayment of bank loans related to the FMS acquisition for a total amount of \$420 million, repayment of bank debts related to vessel financings for \$333 million and a decrease in the securitization programs of \$779 million.

Net cash used in financing activities in 2021

In 2021, we used \$9,852 million of cash for financing activities. This primarily reflected:

- \$5,632 million of outflows for repayment of borrowings and \$2,249 million of outflows for repayments of principal under finance leases, partially offset by \$925 million in inflows from new borrowings);
- payment of dividends of \$869 million;
- payment of interest expenses on net borrowings for \$288 million;
- payment of interest expenses on leases for \$743 million; and
- other cash flow from financing activities for \$996 million, mainly related to of the exercise of vessels and containers' purchase options for \$775 million, of which \$346 million related to vessels and \$429 million related to containers.

Excluding lease repayments, the \$4,707 million in net repayment of borrowings during 2021 mainly reflected, apart from recurring debt maturities, our deleveraging initiatives, which primarily consisted of early repayment of senior notes for \$1,655 million (mainly corresponding to €650 million maturing in 2022 and €750 million maturing in 2025), \$1.1 billion early repayment of the facility partially guaranteed by the French State, the residual outstanding portion of CEVA's Revolving Credit Facility ("RCF") for \$219.4 million and vessel secured borrowings for \$1,049 million.

Capital Expenditures

We have made significant investments during the period under review, mainly in new vessels, containers, aircrafts, terminals, IT, other tangible and intangible assets, including pursuant to leases, tax leases and other similar arrangements. We define capital expenditures as the sum of the following cash flow statement captions: purchases of intangible assets and the purchases of property and equipment. It does not include outflows for business combinations (i.e., the following cash flow statement captions: the acquisition of subsidiaries and new investments in associates and joint ventures). See Note 5.2.1 to the Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements.

The following is a summary of our historical capital expenditures for the periods indicated:

	For the year ended December 31,			For the six-month period ended June 30,		For the twelve months ended June 30,
(\$ millions)	2021	2022	2023	2023	2024	2024
Ships	7,046.1	5,938.9	5,657.8	2,665.0	2,529.8	5,522.6
Containers	2,267.2	1,275.0	768.4	232.3	751.5	1,287.6
Aircraft	964.4	483.3	631.4	631.4	-	0.0
Terminal & dry port equipment.....	74.6	33.6	72.0	27.2	61.7	106.5
Software	103.3	146.0	148.8	70.5	61.9	140.3
Other intangible assets.....	0.3	0.2	3.8	0.1	6.0	9.6
Other tangible assets ⁽¹⁾	853.7	1,164.2	1,111.0	547.0	637.1	1,201.1
Total increase in the balance sheet	11,309.6	9,041.3	8,393.2	4,173.4	4,047.9	8,267.7
of which vessel right-of use	4,889.7	2,789.3	1,933.6	942.7	1,039.5	2,030.4
of which container right-of use	1,774.2	492.0	355.7	111.6	677.8	921.8
of which land and buildings				217.8	425.9	648.4
right-of use	638.9	789.9	440.3			
of which other right-of-use /				202.2	989.8	1,323.5
non-cash capex.....	712.0	98.3	535.8			
Total excl. right-of use	3,294.9	4,871.8	5,127.9	2,699.2	914.9	3,343.5
Total capital expenditures.....	3,294.9	4,871.8	5,127.9	2,699.2	914.9	3,343.5

(1) Other tangible assets include land, buildings and other property and equipment. See Notes 5.1 and 5.2.1 to the Audited Consolidated Financial Statements.

In addition to a cash outflow of \$914.9 million for capital expenditures from intangible assets and property and equipment as per the consolidated statement of cash flows for the six-month period ended June, 30 2024, the Group made the following investments in its operating assets:

- \$191.1 million financing cash outflow related to the exercise of purchase options of vessels and containers; this resulted in a reclassification of the carrying values of the related tangible assets from leased to owned categories for a net book value of \$132.7 million for vessels and \$67.3 million for containers;
- \$862.5 million non-cash capex related to financed prepayments of vessels with no immediate cash impact for the Group; and
- \$83.7 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.

As a result total gross capital expenditures (excluding non-cash capex related to new leases entered into) for the six months ended June 30, 2024 stood at \$2,052 million. Our capital expenditures for the first six months of 2024 were generally consistent with our capital expenditure plan as detailed above.

We expect gross capital expenditures (as defined above, i.e., excluding amounts related to business combinations such as the acquisition of Bolloré Logistics) of approximately \$6.7 billion in the full year 2024, of which approximately \$6.2 billion is committed at the date of these listing particulars. The following is a summary of our main expected capital expenditures in 2024:

- for our shipping business: approximately \$5.2 billion, of which:
 - approximately \$3.9 billion in capital expenditures relating to newly-built vessels that were in our orderbook at the beginning of the year (58 LNG vessels (including two passengers vessels) to be delivered between 2024 and 2028, 24 methanol vessels to be delivered between 2025 and 2027 and 10 standard fuel vessels to be delivered between 2024 and 2025) and those added to it during the year;
 - approximately \$450 million of expenditures relating to the maintenance of our existing fleet such as drydocking, retrofits and scrubber equipment; and
 - approximately \$540 million of expenditures related to containers.

Financings in relation to these capital expenditures are expected to total approximately \$1.9 billion in 2024. We have already secured most of these financings (mainly for vessels, see “*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing*”), resulting in an expected net cash outlay for shipping-related capital expenditures of approximately \$3.3 billion in 2024. This excludes approximately \$100 million of asset disposals in 2024, mostly containers disposed of as part of the recurring renewal of our container fleet and \$400 million in container sale and lease-back transactions. As a result, the net cash outlay for shipping-related capital expenditures, including divestments, is estimated to be approximately \$2.8 billion in 2024.

- For our Logistics segment, we expect cash paid out for capital expenditures in 2024 to be approximately \$500 million, mostly consisting of payments for CEVA’s IT expenditures and other tangible assets, for which no external financing is considered at this stage.
- We expect approximately \$650 million of investments related to terminals, inland projects and real estate.
- For our air freight business, we expect capital expenditures in 2024 to be approximately \$50 million, for the purchase of 1 newly-built aircrafts in our orderbook to be delivered in 2024, to be offset by the disposal of 2 used aircrafts leaving our fleet (approximately \$100 million of proceeds).

As a result, net capital expenditures in 2024 for the Group are expected to be approximately \$4.4 billion.

In addition to the abovementioned expenditures, we expect \$2,430 million of lease-related capital expenditures (i.e. “right-of-use” assets associated with commitments recognized on our balance sheet in accordance with IFRS 16) for our Container Shipping segment and \$720 million for our Logistics segment. For our shipping business,

this is mostly linked to (i) long-term charter bareboat agreements for newly-built vessels to be delivered in 2024 and (ii) other commitments related to vessels, containers and real estate leases with a contract duration over one year. For our Logistics segment, this mostly consists of real estate leases with a contract duration of over one year.

We expect gross capital expenditures in 2025 to be approximately \$4.5 billion, of which approximately \$3.0 billion is committed at the date hereof. The following is a summary of our main expected capital expenditures in 2025:

- Approximately \$3.3 billion related to our Container Shipping segment, including:
 - Payments relating to newly-built vessels that are already in our orderbook and additional ones anticipated to be added to it, to be delivered (in the case of the former) between 2025 and 2028;
 - Expenditures relating to the maintenance of our existing fleet such as drydocking, retrofits and compliance equipment; and
 - Cash outlays in connection with container purchases.
- Approximately \$460 million related to our Logistics segment mainly with respect to CEVA's IT expenditures and other tangible assets.
- Some investments in terminals assets, inland assets and IT investments.
- In addition to that, we expect \$2,100 million of lease-related capital expenditures for 2025, of which:
 - Approximately \$1,500 million is for our shipping business, including commitments relating to vessels under long-term charter bareboat agreements; and
 - \$600 million is for our Logistics segment, primarily consisting of long-term contract renewals.

We have already secured financing with respect to part of our capital expenditures (see “*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing*”), so our net cash paid out for such expenditures in 2025 for our shipping business is expected to be approximately \$2.6 billion. The capital expenditures described above include both committed and non-committed capital expenditures. Our capital expenditures and investment plans are subject to change based on a variety of factors. See “*Risk Factors—Risks Relating to Our Business and Results.*”

Contractual Obligations and Commercial Commitments

The following table shows our contractual obligations and commercial commitments as of June 30, 2024 as adjusted for the issuance of the Original Notes and the Additional Notes offered hereby.

	Due December 31,						Total
	2024	2025	2026	2027	2028	After 2028	
(\$ in millions)							
Senior notes	-	-	-	-	-	-	-
Commercial papers	214.3	-	-	-	-	-	214.3
Bank borrowings	327.5	451.7	304.4	331.1	283.3	1,278.1	2,976.1
Lease liabilities under IFRS 16	1,449.5	2,307.2	1,765.8	1,470.5	1,299.0	5,156.5	13,448.4
Bank overdrafts	19.2	-	-	-	-	-	19.2
Securitization program	(0.6)	(1.2)	445.9	499.7	-	0.0	943.8
Other borrowings.....	256.8	41.1	3.7	3.8	4.4	124.2	434.1
Out of which accrued interests	-	34.9	-	-	-	-	34.9
Original Notes	-	-	-	-	-	421.2	421.2
Additional Notes offered hereby	-	-	-	-	-	215.3	215.3

	Due December 31,						Total
	2024	2025	2026	2027	2028	After 2028	
Total debt obligations excluding bank overdraft securitization and accrued interests.....	2,248.1	2,765.2	2,073.8	1,805.4	1,586.7	7,195.3	17,674.5
Total debt obligations	2,266.7	2,798.9	2,519.7	2,305.1	1,586.7	7,195.3	18,672.3
Vessel purchase commitments							
-financed.....	1,391.2	94.4	-	-	-	-	1,485.6
Vessel purchase commitments-non-financed.....	625.7	2,260.3	2,624.0	1,616.8	318.4	-	7,445.1
Lease commitments related to vessels to be delivered	30.6	88.7	87.1	82.5	80.5	268.8	638.2
Total commitments	2,047.5	2,443.4	2,711.1	1,699.3	398.9	268.8	9,569.0
Total debt obligations and commitments.....	4,314.2	5,242.2	5,230.8	4,004.4	1,985.5	7,464.2	28,241.3

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist of the commitments disclosed in Note 8.2 of the 2023 Audited Consolidated Financial Statements. These off-balance sheet arrangements primarily relate to:

- Commitments relating to vessels and containers:
 - *Short-term leases on vessels.* At December 31, 2023, the Group was obligated to pay time charters (including running costs) in relation to 66 vessels under leases with a residual lease term of 12 months or less, representing an amount of \$110 million to be paid in the year ended December 31, 2024;
 - *Short-term leases on containers.* At December 31, 2023, the Group was obligated to pay container rents in relation to container leases with a residual lease term of 12 months or less, representing an undiscounted amount of \$39 million to be paid in the year ended December 31, 2024;
 - *Commitments relating to ordered vessels.* These commitments represented a total of \$9,569.0 million as of June 30, 2024 (for which we had committed financings at that date totaling \$1,485.6 million), \$9,727 million as of December 31, 2023 (for which we had committed financings at that date totaling \$1,212 million), \$5,628 million as of December 31, 2022 (for which we had committed financings at that date totaling \$1,317 million) and \$3,271 million as of December 31, 2021 (for which we had no committed financings at that date); and
 - Guarantees issued relating to the payment of concession fees by certain of the Group's associates or joint ventures under stevedoring concession contracts. We issued guarantees for the payment of concession fees amounting to \$118 million as of December 31, 2023, \$123 million as of December 31, 2022 and \$888 million as of December 31, 2021.
 - *Commitments relating to airplanes.* The Group has ordered eight Airbus A350F and three additional Boeing 777F airplanes for which the Group has committed to pay the remaining purchase price under certain conditions at delivery, for a total amount of \$611 million as at December 31, 2023.
 - *Other financial commitments.* Financial commitments relating to guarantees or pledges granted to third parties in addition to recognized liabilities amounted to \$1,183 million at December 31, 2023.

Market-related risks

In connection with our business operations, we are exposed to fluctuations in bunker fuel rates, currency exchange rates and interest rates. We believe the following financial risks constitute our primary market-related risks.

Risk arising from bunker fuel price fluctuations

A large part of our cost is related to bunker fuel. In the years ended December 31, 2021, 2022 and 2023, we spent \$3,988 million, \$6,510 million, and \$5,248 million, respectively, as costs associated with bunker fuel.

Our risk management policy with respect to bunker fuel costs is to partially hedge with physical forward purchases on a rolling twelve-month basis and also with “over-the-counter” derivative instruments such as short-term commodity swaps and options, when there are market opportunities, as long as they qualify for hedge accounting. As of December 31, 2023, 3% of our expected full year 2024 bunker fuel consumption was hedged through fixed price forward purchases with delivery and 29% was hedged through derivatives products.

Foreign currency exchange rate risk

We operate on a worldwide basis and our revenue and operating expenses are denominated in various currencies, although U.S. dollar and euro are predominant, depending upon which businesses are concerned. In addition, some of our financing arrangements may not be denominated in U.S. dollar. Due to our headquarters being domiciliated in France, we may incur a higher proportion of our expenses denominated in euro compared to the proportion of our revenue we generate in euro, although to a limited extent. This imbalance can negatively impact our results of operations when the euro appreciates in value against the U.S. dollar.

We are not exposed to material foreign exchange risks on our capital commitments, since vessel and container financing arrangements are usually U.S. dollar-denominated and our vessels and containers are principally purchased in U.S. dollar, including those vessels acquired under the terms of long-term capital leases or other similar arrangements.

Our current policy is not to hedge our foreign currency exchange exposure except the exposure of our borrowings to movements in the Singapore dollar. In addition, we may enter into derivative financial transactions from time to time to hedge specific risks.

In line with industry practice and subject to market conditions, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates.

Interest rate risk

We are exposed to cash flow interest rate risk as some of our borrowings (including obligations under capital leases) are issued at variable rates. In order to minimize the interest rate risk, we hedge this risk through derivatives interest rate swaps agreements.

As of December 31, 2023, taking into account the interest rate hedges, indebtedness bearing interest at variable rates represented 19% of total indebtedness. This ratio was 23% as of June 30, 2024.

Significant Recently-Issued Accounting Pronouncements

New IFRS accounting pronouncements applicable to the Company’s business and operations are presented in further detail in Note 2.2 to the 2023 Audited Consolidated Financial Statements, a free English translation of which is presented elsewhere in these listing particulars.

The implementation of the international tax reforms introducing a global minimum top-up tax as from January 1, 2024 did not result in a significant impact on the Group’s income tax expense. This is notably due to the fact that the OECD exempted most of shipping tonnage tax activities from the reform. As the Group operates in certain countries in which the standard corporate income tax rate is below 15.0% (e.g. United Arab Emirates), additional top-up tax may be triggered although it is not anticipated to be material at Group level.

Critical Accounting Policies and Significant Accounting Estimates

The Unaudited Interim Condensed Consolidated Financial Statements and Audited Consolidated Financial Statements detail the accounting policies deemed to be significant by management. Critical accounting policies include, among others:

- revenue recognition and related expenses;
- leases;

- impairment of non-financial assets; and
- derivative instruments and hedging activities.

The preparation of financial statements under IFRS also requires the use of judgments, best estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities as of the reporting date. Actual developments and outcomes may differ from those assumed when making these judgments and estimates. Note 2.3 to the 2023 and 2022 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements detail accounting estimates deemed significant by management. These include, among others:

- Valuation methods used to identify and measure intangible assets acquired through business combinations;
- Assessment of impairment indicators and impairment testing of non-financial assets;
- Determination of useful lives and residual values of owned assets, mainly for vessels and containers;
- Assessment of the lease term and the payments to be included in the measurement of the lease liability, mainly for vessels, containers and warehouses;
- Demurrage & detention revenues and receivables, accruals for port call expenses, transportation costs and handling services;
- Risks related to cargo and corporate claims and related accounting provisions; and
- Measurement of the deferred tax assets related to tax losses carried forward.

INDUSTRY OVERVIEW

THE INTERNATIONAL CONTAINER SHIPPING INDUSTRY

All the information and data presented in this section has been provided by Drewry. Drewry has advised us that the statistical and graphical information contained herein is drawn from its database and other third-party sources. In connection therewith, Drewry has advised us that: (a) certain information in Drewry's database is derived from estimates or subjective judgments; (b) the information in the databases of other maritime data collection agencies may differ from the information in Drewry's database; (c) while Drewry has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is by definition subject to limited audit and validation procedures.

Overview

The maritime industry is fundamental to international trade because it is the only practical and cost-effective way of transporting large volumes of many essential commodities and semi-finished/finished goods over long distances. According to the IMO, approximately 80% of the global trade in terms of volume is transported by sea and global seaborne trade has grown every year over the last three decades, except in 2009, 2020 and 2022. Seaborne cargo is broadly categorized as either liquid or dry cargo. Dry cargo includes dry bulk cargo, containerized cargo, and non-containerized cargo, which is often referred to as general cargo. Liquid cargo includes crude oil, refined petroleum products, vegetable oils, gases and chemicals.

Cargo ships are classified into various categories based on purpose, size, type of cargo, etc. A container shipping line is a company that operates the ships that actually carry the containers (owned or leased) and cargo from load port to discharge port according to a schedule. Bulk carriers are a type of ship that transports cargoes (generally dry cargo) in bulk quantities. Cargo transported in such ships is loose cargo (i.e. without any specific packaging) and generally contains items such as food grains, ores, coals and even cement. Tanker ships are specialised vessels for carrying a large amount of liquid cargo and are further sub-divided into different types based on the cargo they carry. Examples of tankers include crude tankers, product tankers, LNG tankers and Liquefied Petroleum Gas ("LPG") tankers. LPG is a mix of propane and butane gas which is extracted from the natural gas production or is produced during oil refining process, and is used by households as well as for petrochemical plants. There are many other variants of vessel type, including passenger ships and roll-on/roll-off ships designed to carry wheeled cargo.

Demand for shipping is a product of the physical quantity of the cargo to be shipped (measured, depending on the cargo, in terms of standard container sizes, tonnes, barrels, or cubic meters) and the distance the cargo needs to be carried. Generally, demand cycles move broadly in line with developments in the global economy and other factors, such as changes in regional raw material prices and availability of the cargo. Volumes on specific trade routes can also be affected by trade agreements between countries and currency exchange rates.

Container shipping is vital for global trade, with containerships constituting the principal channel to transport/ship finished and semi-finished goods. Container trade volumes have increased every year since long-haul containerised shipping lanes were introduced in the late 1960s, except in 2009, 2020 and 2022. Although container trade fell in terms of volume for the first time in history in 2009, it quickly recovered in 2010 as a result of renewed growth in the world economy and inventory re-building. Between 2011 and 2019, container trade traffic grew steadily from 165 million TEU to 222 million TEU, respectively. This represents an overall increase on a TEU basis at a compound annual growth rate ("CAGR") of 5.0% between 2009 and 2019.

In 2019, the global container traffic grew at the slowest rate since 2009, at just 1.9% over 2018, mainly due to the trade war between the United States and China. With the COVID-19 pandemic disrupting the world economy, consumer activity and supply chains globally, the demand for container trade was adversely affected during the first half of 2020. Although loaded container traffic remained strong in the fourth quarter of 2020 as retailers in the United States, Europe and Latin America continued to replenish inventories ahead of the year-end holidays and the Chinese New Year, the full year container traffic in 2023 was 1.9% lower than in 2019. The COVID-19 pandemic restricted leisure activities like international travel and dining out, resulting in a rise in household savings. This, in turn, led to increased expenditure on consumer goods. With brick-and-mortar shops closed, people shifted to e-commerce toward the end of 2020, and this trend continued in 2021. Consequently, container traffic rebounded in 2021 and grew by 6.4% compared to 2020 in line with strong GDP growth of 5.2% as economies opened up and trade flows increased. However, container trade remained flat in 2022-23 amid higher-than-usual inflation and a growing preference for services such as travel. Nonetheless, the global fleet capacity continued to increase in 2022-23 and weakened freight rates, which had peaked in 2021.

Historically, the relationship between incremental supply and demand for shipping services has varied across various shipping sectors as each is impacted by different drivers. This means that at any point in time different sectors of the seaborne transportation industry may be at different stages of their respective supply and demand cycle. However, in 2020 most of the shipping segments were disrupted by the COVID-19. Port congestion and other supply chain inefficiencies reduced the productivity of ships and containers and reduced capacity while demand was increasing. This led to a sharp increase in freight rates. Accordingly, container shipping companies performed very well during the pandemic. The container shipping industry reported record high profitability with the industry's EBIT margin rising above 45% in 2021 and 2022 compared to 3.6% in 2019. However, freight rates had started to weaken in 2022, falling 14.9% compared to 2021 as the fleet grew significantly by 8.1% while demand was flat. In 2023 freight rates declined sharply with some carriers reporting negative quarterly EBIT margins in the fourth quarter of 2023. Nonetheless, the industry's annual EBIT margin remained in the black at 10.8% due to the contract rate coverage with average annual contract rates being 1.7x that of spot rates in 2023. More recently, in the first quarter of 2024, the industry's EBIT margin rose to 9.2% and contract rates marked a small uptick of 3.3%, both due to spot rates being 2.4x higher than the fourth quarter of 2023 (as a result of the Red Sea crisis). In the second quarter of 2024, spot rates strengthened further and were 2.6x higher than in the fourth quarter of 2023 (as a result of port congestion being added to the mix). This boosted the industry's quarterly EBIT margin to 18.2% in the second quarter of 2024.

Container shipping has several advantages compared to other shipping methods, including less cargo handling, efficient port turnaround, highly developed intermodal network and reduced shipping time. The profitability of containerised shipping lines is driven primarily by supply-side dynamics and the ability to control costs – while demand also influences profitability, supply-side factors and cost control are more influential, as seen during the COVID-19 pandemic, where profitability improved across the industry despite a sharp global decline in demand during the first half of 2020. In 2023, out of these two levers (supply management and cost control), the lowering costs was the main factor keeping the industry profitable. The operating cost per TEU fell 22.4% in 2023 partially offsetting the 55.7% slump in revenue per TEU. While blank sailings were high in the first two months in 2023, they were on a declining trend and not nearly enough to reduce the overcapacity in the market.

At the start of the pandemic the container shipping industry had benefited from the trend of consolidation in the industry, low orderbook-to-fleet ratio, a much better freight rate than previous years, and cost savings arising from reduced bunker prices, lower vessel costs and terminal / canal fees. The tables quickly turned as the low orderbook-to-fleet ratio of 10.1% increased to more than 20% in 2021-23 and in the first four months of 2024 coupled with a sharp rise in bunker prices between April 2020 to May 2022 and high canal fees amid draft restrictions in the Panama Canal in 2023.

Container freight rates have been volatile since 2011. Drewry's World Container Index (WCI) – a composite index of spot rates on eight major East-West trade routes remained largely below \$1,250 per TEU levels between 2011 and 2020. They reached a five-year low in 2016 as carriers could not manage the overcapacity caused by lines' pursuit of vessel economies of scale. Greater concentration in the liner sector and a much lower orderbook created conditions conducive to much more effective capacity management in 2020 making conditions ripe for the freight market to explode in 2021 amid the surging demand. Drewry's composite WCI surged to \$5,000 per TEU in October 2021. In 2022 due to fleet capacity growing 4.2% in the face of contracting demand (-0.8%) spot rates normalised downwards and the average annual WCI reading fell 14.9%. While the average fall was not out-of-ordinary given the unexpectedly high climb earlier, the WCI fell from \$4,704 per TEU at the start of 2022 to \$1,060 per TEU by the end of 2022. In 2023, the supply-demand imbalance deepened further with an 8.1% growth in the fleet as opposed to a 0.4% growth in demand pushing spot rates down further. The muted demand growth outlook and high number of scheduled deliveries dampened the outlook for the industry with spot rates touching \$671 per TEU in October 2023 as carriers aimed to secure higher market share to improve unit costs. Nevertheless, container shipping rates are making a comeback in 2024. This is on account of several unexpected events. Disruptions in the Red Sea forced ships to take longer routes, reducing the number of available ships. At the same time, consumer demand has surged, putting pressure on ports and the availability of shipping containers. As a result, there is congestion at ports and a shortage of containers, keeping shipping rates high in the short term. As of September 5, 2024, the WCI was at \$4,775 per TEU, 2.8x times higher than a year ago.

Container shipping may be affected by the increased tension between the United States and China (which started in 2018) following the latest round of tariff hikes announced by the United States in May 2024. However, there is nothing yet statistical to prove that deglobalisation in its many forms (either friend-shoring, nearshoring or reshoring) is happening to any significant degree. There is, however clear evidence of more diverse supply chains due to the so-called China +1 movement which has led the countries in Southeast Asia and South Asia to be seen as alternative low-cost production hubs. Additionally, the growing influence of various trading blocs has led to scepticism about globalisation and the possible fragmentation of trade towards more regionalised flows.

Since 2019, the push for digitalisation has been increasing with technologies relating to asset tracking and cargo monitoring, vessel monitoring, port operations, route optimisation and automation. This will help liners in increasing the quality of their services. Additionally, carriers are pushing to increase their ancillary capabilities in order to provide door-to-door delivery. To this end, all major companies have invested heavily to develop their intermodal offerings largely via acquisitions with some major players like CMA CGM and Maersk also venturing into end-to-end logistics services.

Key players

The top 10 container shipping liners operate about 84.1% of global TEU ship capacity. Container liners both own vessels and have the ability to charter vessels for varied duration from non-operating vessel owners. Hence, container liners have the flexibility to adjust the size of their operating fleet to fit their needs. Container liners' operating fleet usually comprises a significant portion of chartered vessels.

Top 5 largest shipping lines are MSC, Maersk, CMA CGM, COSCO Shipping and Hapag-Lloyd in terms of current total capacity. MSC is the biggest container liner company, with an operated fleet capacity, including the orderbook, of around 7.1 million TEU. CMA CGM is ranked third, when including vessels on order, with a capacity of around 4.9 million TEU. Asia-Europe/Med, Transpacific, Transatlantic and North-South are the principal routes on which these liner companies employ their vessels. Below is a list of the top 10 liner companies – in terms of the operated fleet capacity – as of July 31, 2024

TOP TEN OCEAN CARRIER OPERATED FLEETS, JULY 31, 2024 ('000 TEU)

Sl. No.	Company	Country	< 4,000	4,000-7,999	8,000-9,999	10,000-17,999	18,000+	Total	Ave age	On order	
			TEU	TEU	TEU	TEU	TEU	TEU	(yrs)	No.	'000 TEU
1	MSC	Switzerland	665	1009	1205	1930	1120	5929	16	95	1150
2	Maersk	Denmark	775	1074	799	994	592	4234	14	30	356
3	CMA CGM	France	595	779	597	1498	270	3739	12	93	1166
4	COSCO Shipping	China	228	746	462	854	830	3120	14	30	571
5	Hapag-Lloyd	Germany	212	438	391	831	255	2128	13	13	199
6	ONE	Japan	121	420	310	768	266	1884	12	45	581
7	Evergreen Marine	Taiwan	212	161	259	538	485	1655	9	63	707
8	HMM	South Korea	21	136	35	372	287	850	9	17	165
9	ZIM Integrated Shpg	Israel	89	318	99	229	0	734	11	12	76
10	Yang Ming	Taiwan	62	123	76	450	0	711	11	5	78
Total			2,979	5,204	4,233	8,463	4,104	24,983		403	5,049

Notes - COSCO Shipping includes OOCL; orders based on all known contracts including long-term leases and vessels not yet delivered until July 2024

Source: Drewry

CMA CGM has a balanced portfolio, with one of the most extensive networks of direct services covering the four major East-West trade lanes: Asia-Europe, Transpacific (Asia-North America), Transatlantic (Europe-North America), and Asia-Middle East, in addition to a significant presence on other trades, such as Asia-Red Sea and niche markets such as the Caribbean, Black Sea, Africa and intra-Asia markets. CMA CGM is present in 160 countries, serves 420 of the world's commercial ports, has stakes in 55 container terminals (plus three under development), owns 90 inland facilities through 43 legal entities and manages 750 warehouses across the world. CMA CGM has a more flexible cost base relative to industry average due to a high proportion of chartered vessels. While a typical ratio of chartered-to-owned vessels for a company is 44-56% (based on TEU capacity), CMA CGM owned about 53% of the operated vessels as of September 9, 2024, thus closer to the average range. CMA CGM is the first maritime shipping company to choose LNG to power nine of its new ultra large containerships in order to comply with emission control regulation of IMO.

Industry Consolidation

The liner industry has been through several rounds of consolidation over the last few years, driven by a combination of factors, including the quest for scale, operational efficiencies, enhancement of profitability and regional diversification.

Since 2015, about half of the top 20 players have been either absorbed by mergers or have exited the industry (Hanjin Shipping, for example, fell into bankruptcy in 2016). The gap between the small and large players, as measured by their total carrying capacity, has widened markedly. Significant merger and acquisition transactions include the acquisition of Hamburg Süd by Maersk, United Arab Shipping Company (“UASC”) by Hapag-Lloyd, Neptune Orient Lines by CMA CGM, the amalgamation of China Shipping Group and COSCO Shipping’s liner businesses as well as the merger of K Line, MOL and NYK’s liner businesses under a new entity called Ocean Network Express (“ONE”). Hapag-Lloyd, being a pure-play container shipping player completed two acquisitions to boost its liners capabilities (NileDutch in July 2021 and the container shipping business of Deutsche Afrika-Linien GmbH & Co KG (“DAL”) in March 2022), both with a major focus on Africa in line with the carrier’s strategy of focusing on emerging markets. Following these acquisitions, the leading 10 carrier groups (i.e., inclusive of all subsidiaries) control 84.2% of the active containership fleet (as of April 2024).

Horizontal acquisitions have slowed down, with the only recent example being HMM’s stake sale. State-owned agencies Korea Development Bank (“KDB”) and Korea Ocean Business Corp (“KOBIC”) had announced compatriot conglomerate Harim Holdings Co., Ltd, in partnership with the private equity firm JKL Partners, as their preferred bidder to buy the authorities’ combined stake in the South Korean container shipping company HMM. KDB and KOBIC combined 57.9% stake in the carrier comprises 198.8 million regular shares, convertible bonds and warrants converted into 200 million common shares (as of November 10, 2023). Previously, there were competing bids from entities such as Dongwon Group, LX Group, and Hapag-Lloyd. However, the sale fell through as consensus could not be reached between state authorities and Harim Holdings and recently the Korean authorities announced their plan of increasing investments in the nation’s shipping lines.

HHI values (Herfindahl Hirschman Index, a commonly accepted measure for the level of concentration in markets) of less than 1,500 during 2021-23 show that the container shipping market is moderately fragmented and therefore a competitive market. The level of market concentration remained stable from 2021 to 2023.

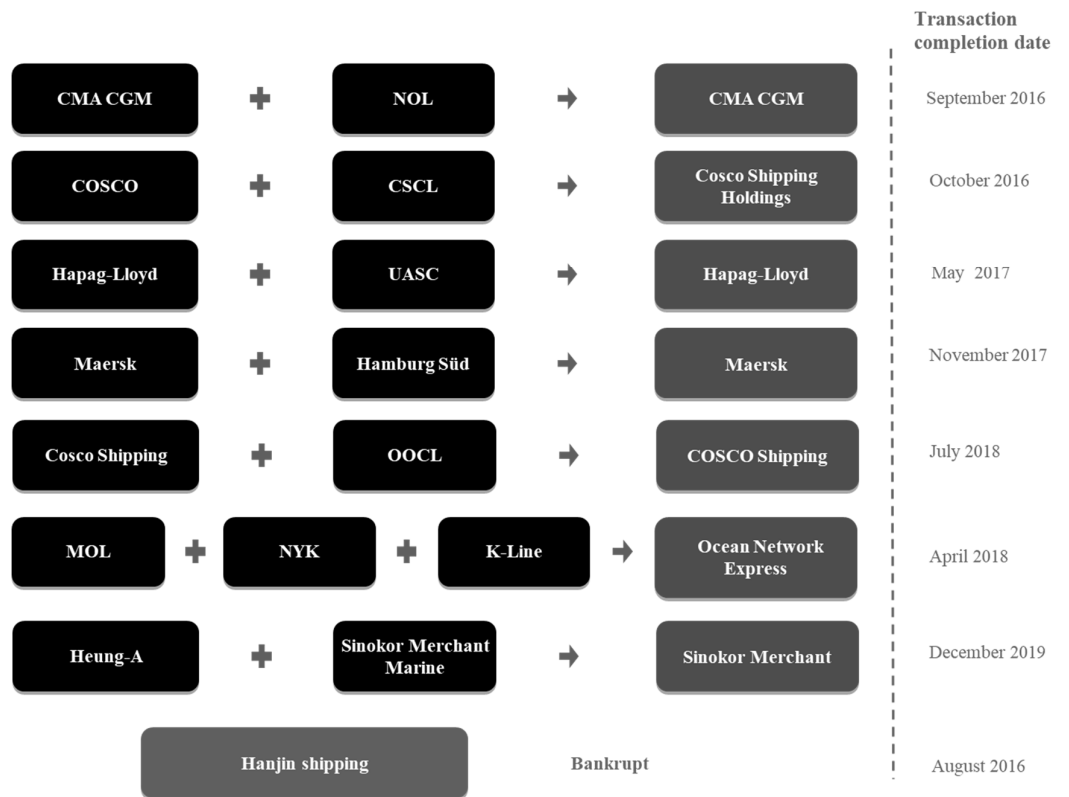
Container Shipping Industry HHI

Year	HHI
2021	1,029.4
2022	1,009.4
2023	1,026.4

Note: Market share (in TEU) of the top 20 container shipping companies used for calculating HHI

Source: Drewry, Clarksons Research

Consolidation in the Liner Industry (since 2015)



Source: Drewry

Vertical integration on the rise

The horizontal consolidation between 2015 and 2019 has provided carriers with an upper hand in rate negotiations, while also facilitating more prudent capacity management. A more concentrated industry theoretically tends to foster higher profitability for all the players involved. After a slew of horizontal consolidations, the container shipping industry, in recent years, has witnessed a growing interest in vertical integration, especially in expanding its end-to-end logistics capabilities. This is due to logistics being less cyclical than the container liners sector, thus, aiding in de-risking of profitability of the carriers. Since 2019, certain carriers, including Maersk and CMA CGM, have been focusing more on vertical integration strategy as a means to grow, e.g. acquiring third-party logistics providers. The reason behind this shift is the narrowing window of opportunity for horizontal M&A with fewer “free” liner operators to absorb. The accelerated diversification of container lines into the logistics sector was supported by the windfall profits earned by carriers during the period of 2020-2022 and the subsequent strengthening of their liquidity. Operating cash flows surged from \$16.1 billion in 2019 to \$169.7 billion in 2022 for the top ten container shipping lines. Consequently, total cash for the ten largest carriers increased from \$21.7 billion at the end of 2019 to \$140.2 billion at the end of 2022. Another reason for the M&A wave was carriers’ need to establish a presence on routes on which they had limited or no presence, the pursuit of scale and global reach by reinforcing the acquirer’s network through a combination of increased capacity and market share. Additionally, the minor players were highly leveraged and faced challenges in servicing their debt due to recurrent operating losses, and hence were more inclined to be acquired by competitors. That said, the overall debt situation of the industry has improved dramatically aided by the colossal gains from the high freight rates during the period from 2020 to 2022.

Now that horizontal consolidation is no longer feasible, carriers have turned to vertical integration to increase the sources of their earnings. They are also acquiring port and terminal assets to diversify revenue streams and shield themselves from the volatility of container shipping cash flows. During the period from 2020 to 2022, Maersk acquired Performance Team (a U.S.-based warehousing and distribution company), KGH Customs Services (a pan-European customs services provider), Visible Supply Chain Management (a U.S. based leading B2C/e-

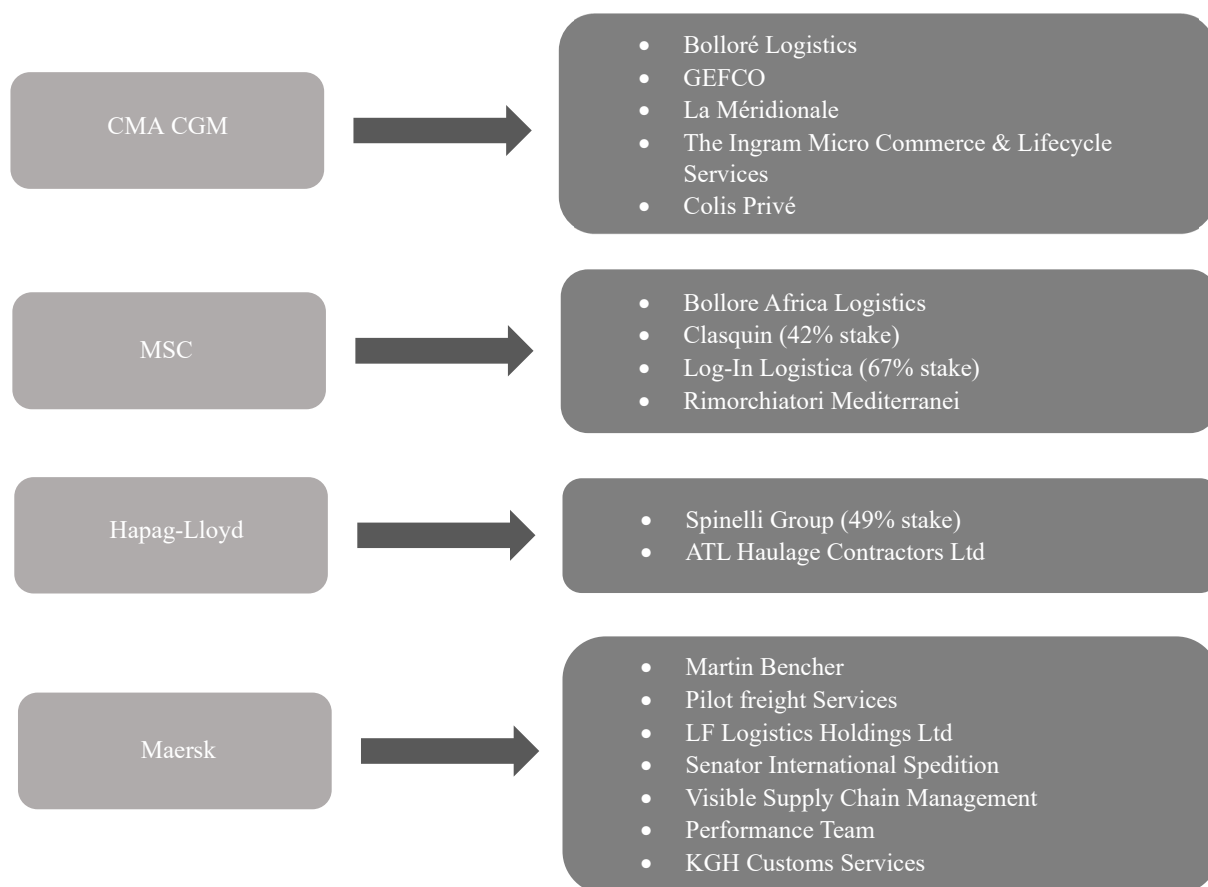
commerce logistics and parcel delivery company), Senator International (a German air-based freight carrier company), Pilot Freight Services (a U.S.-based first, middle and last mile cross-border solutions provider) and LF Logistics Holdings Limited (an omnichannel fulfilment contract logistics company in Asia Pacific). CMA CGM acquired two major logistics firms – The Ingram Micro Commerce & Lifecycle Services and Colis Privé – in addition to the acquisition of European automotive logistics provider – GEFICO. Meanwhile, MSC also grew its logistics arm, MedLog, acquiring Log-In Logistica Intermodal, a Brazilian company, and the Bolloré Group Africa division. Hapag-Lloyd acquired a 30% stake in Container Terminal Wilhelmshaven (“CTW”) and a 50% stake in Rail Terminal Wilhelmshaven (“RTW”) as well as a 49% stake in Spinelli Group, a leading Italian logistics group.

In 2023, Maersk acquired contract logistics player Martin Bencher and a 49% stake in South African player Grindrod Logistics Group. CMA CGM completed the acquisition of two American Terminals – GCT Bayonne and New York. Furthermore, Hapag-Lloyd completed the acquisition of SM SAAM’s terminal business and related logistics services and Japanese company ONE acquired a 49% stake in NYK Ports LLC and a 20% stake in Rotterdam World Gateway.

In 2024 and as of the date of these listing particulars, the scale of acquisitions slowed down, as carriers look to conserve cash. Regarding the latest acquisitions, CMA CGM acquired France’s Bolloré Logistics. Hapag-Lloyd also completed the acquisition of a 40% stake in India-based JM Baxi, expanding its total terminal portfolio to 20.

On September 22, 2024, the Group and certain funds managed by Opportunity entered into a share purchase agreement, whereby the Group agreed to acquire a 47.55% stake in Santos Brasil, a leading terminal operator in Brazil (see “*Summary—Recent Developments—Santos Brasil*”).

Key acquisitions by container shipping companies – Vertical Integration in the past few years



Note: The percentage stake acquired is 100% wherever it is not explicitly mentioned. Only completed acquisitions have been included.

Source: Drewry, LSEG

Global Alliances

In the container shipping industry, alliances are agreements between major shipping companies encompassing vessel sharing, slot exchanges and other forms of cooperation. Their primary goal is to provide shippers with a robust network of services, including frequent sailings, access to a wide range of ports, and efficient vessel integration. The creation of global alliances emerged as a solution to an industry plagued by imbalances between global supply and demand, causing issues for carriers and shippers.

Since the formation of alliances, the industry has witnessed improved capacity management and, until the vessel order surge in 2021, better alignment of future vessel orders with projected demand. This enhanced coordination allows alliance members to explore new ports and capitalise on emerging routes.

Currently, the focus of global alliances lies primarily on the East-West corridor, driven by the ability to deploy large ships on these routes. Utilising these larger vessels optimises costs for carriers operating on trade lanes with significant cargo volumes, allowing them to operate at a lower cash break-even point.

As far as the evolution of alliances is concerned, in April 2017, the industry underwent a reshuffling of carrier alliances, wherein the total number of alliances reduced from four to three. The three alliances currently in operation are called 2M, Ocean Alliance and THE Alliance. The vessel-sharing agreement within the 2M remained largely unchanged compared to the prior operational alliance landscape, but for the addition of HMM for selected services. HMM sub-let some of its largest vessels to 2M and chartered several slots across various routes from Maersk and MSC as part of its alliance agreement. The Ocean Alliance expanded its cumulative capacity compared with its predecessor Ocean 3 Alliance with the addition of COSCO Shipping, OOCL, NOL (acquired by CMA CGM) and Evergreen, despite losing UASC volumes when the latter agreed to merge with Hapag-Lloyd.

From April 2018, shippers had to register even more changes in the configuration of ocean partnerships as Japanese shipping groups K Line, MOL and NYK merged their businesses into Ocean Network Express or ONE. Furthermore, OOCL was acquired by COSCO Shipping, and as a result the latter obtained greater pricing-power and influence over other carriers/alliances.

On April 1, 2020, after three years as a strategic partner of the 2M Alliance, HMM joined the rival, THE Alliance, which also includes Yang Ming, Hapag-Lloyd and ONE, adding 12 new 23,000 TEU Ultra large vessels to the agreement. On the other hand, ZIM and SM Line forged a coalition with the 2M Alliance as their new strategic partners.

The alliance landscape remained stable until January 2023 when Maersk and MSC announced the end of the 2M Alliance, effective February 2025. The unexpected termination of the 2M Alliance happened due to the conflicting strategies of Maersk and MSC. While Maersk's focus is on delivering end-to-end logistics services, MSC's primary focus lies in expanding its fleet to secure maximum market share.

In an unexpected twist, in January 2024, Hapag-Lloyd and Maersk announced the commencement of their operational alliance – Gemini, starting in February 2025, immediately after the termination of the 2M Alliance and Hapag-Lloyd's exit from THE Alliance. This move was due to Hapag-Lloyd's expansion of non-ocean supply chain facilities, which complemented Maersk's strategy, making it an ideal match.

As per Maersk and Hapag-Lloyd's press statements 'Gemini Cooperation' will operate on a hub and spoke model, comprising 290 vessels, with a combined capacity of 3.4 million TEU, and will cover seven trades and 26 mainline services. Out of the total capacity, 60% will be deployed by Maersk and 40% by Hapag-Lloyd. As part of the agreement, the two companies set the goal of delivering schedule reliability of 90% or more and will be backed by contractual obligations once the network is fully phased in. Both partners will be free to adjust their operations outside the network to scale capacity in line with their customers' needs. The cooperation will leverage the global networks and extensive logistics expertise of both companies to offer fast connections with flexible capacity between hubs and ports served by shuttle services.

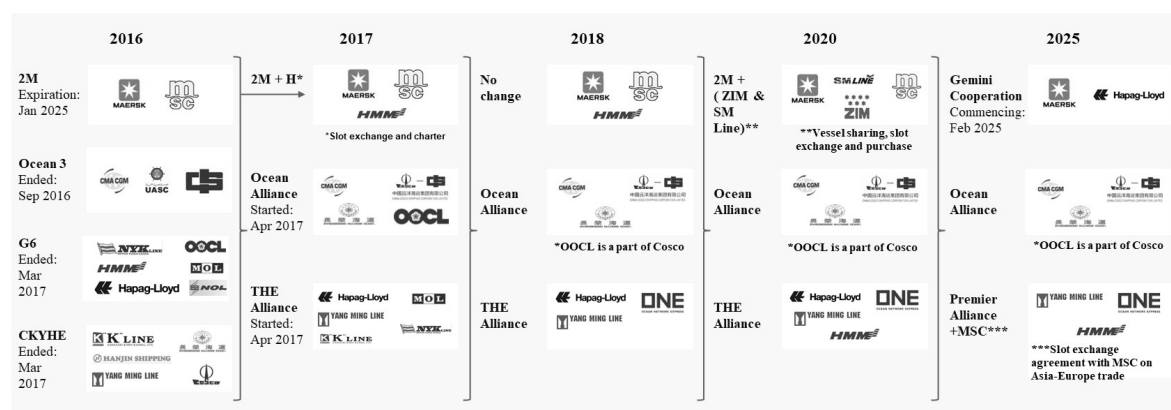
The remaining members of THE Alliance, having lost Hapag-Lloyd, have announced in September 2024 to enter into a slot-exchange agreement with MSC. The tri-partite alliance has announced a rebrand in February 2025 to become the "Premier Alliance" as well as enter into a slot-exchange agreement with the largest carrier MSC on

nine Asia-Europe tradelanes to compensate for the capacity loss from Hapag-Lloyd's departure. This new slot-exchange agreement will help the Premier Alliance to better service to provide better port coverage with frequent sailings in the Asia – North Europe and Mediterranean trade lanes. Additionally, ONE, which has the highest capacity committed to THE Alliance has unveiled plans to expand its fleet to a targeted 3 million TEU by the end of the decade, a significant increase from the current combined active capacity of 1.9 million TEU and orderbook of 603,072 TEU (as of September 9, 2024).

Notably, the landscape of shipping alliances has been a constantly shifting scene for decades, with memberships changing hands frequently. However, the period between 2017 and 2024 witnessed a unique situation as all of the top 10 container carriers were part of an alliance, either directly or through associations like those of HMM and ZIM. This era of alliance dominance is set to conclude in 2025, ushering in a return to a more dynamic environment where established alliances will once again battle it out for market share with major independent carriers. However, amid the reshuffle, the members of the Ocean Alliance extended their agreement through 2032 in February 2024.

Despite facing criticism from some shippers and governments, alliances persist because they offer high frequency services to shippers and to carriers the undeniable benefit of shared resources. This trend is likely to continue, even if the exact structure of alliances continues to morph and evolve periodically.

Operational Consolidation



*Slot exchange and Charter arrangement

**Vessel sharing, slot exchange and purchase

***Additionally, "THE Alliance" is to be rebranded as the "Premier Alliance" and enter into a slot-exchange agreement with MSC on 9 Asia-Europe services from February 2025.

Note - The Gemini Cooperation is a vessel sharing operational agreement between Maersk and Hapag-Lloyd to be implemented from February 2025 once the 2M alliance dissolves in January 2025.

Source: Drewry

The capacity share of each alliance on different routes is shown in the table below. As shown, the Ocean Alliance leads capacity share on most of the major trade routes such as Asia-Europe (36%), Transpacific route (37%) and Asia-Middle East / South Asia (16%), while ranking third in Transatlantic (14%). THE Alliance is the third major alliance in terms of total capacity deployed and it holds a meaningful capacity share on the Transpacific (22%) and Asia-Europe (23%) Transatlantic routes. However, their share is expected to reduce once Hapag-Lloyd exits in 2025 and the Gemini Cooperation comes into place.

Trade Route Capacity Share for Each Alliance (April 2024)

Trade route	Carrier	Total Weekly Capacity	No. of Ships	% Share	Largest Vessel Deployed
Transpacific	2M+ ZIM	104,571	111	19%	15908
	Ocean Alliance	203,305	211	37%	16020
	THE Alliance	119,945	116	22%	145100
	Others	124,204	143	22%	16020
	Total	552,025	581	100%	16,020
Asia-Europe	2M+ ZIM	136,605	108	30%	24,346
	Ocean Alliance	163,998	128	36%	24,188
	THE Alliance	104,872	98	23%	24,136
	Others	44,314	64	10%	16,616
	Total	449,789	398	100%	24,346
Transatlantic	2M+ ZIM	30,994	35	22%	9,640
	Ocean Alliance	19,422	16	14%	13,208
	THE Alliance	25,436	19	18%	8,749
	Others	63,176	103	45%	12,119
	Total	139,027	173	100%	13,208
Asia-Middle East/South Asia	Ocean Alliance	43,972	34	16%	20,988
	THE Alliance	21,401	16	8%	16,010
	Others	203,298	239	76%	15,413
	Total	268,671	289	100%	20,988

Notes:

1) Above list is based on dedicated loops only, and the sum of weekly TEU includes multi-trade services.

2) Fleet of below services counted twice in above table because of multi-trade dedicated routings

a) Ocean Alliance - Columbus Loop/PE1/SEAP/AWE5

b) Ocean Alliance - CMX6JDX/TPA/AAS4

c) Ocean Alliance - AE6CC4/CII PDM

d) 2M - AE1/Shogun-TP6/Pearl

e) 2M - AE6/Lion-TP2/Jaguar

f) THE Alliance - FP1 PDM

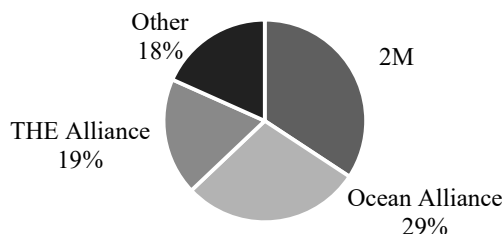
g) THE Alliance - FP2 PDM

h) THE Alliance - PS3.

Source: Drewry

Three major alliances of container shipping companies together operate 82% of the container capacity.

Share of Three Major Alliances, April 30, 2024 (%)



Note: The description of alliances in container shipping is mentioned in 'Industry Consolidation' Section.

Source: Drewry

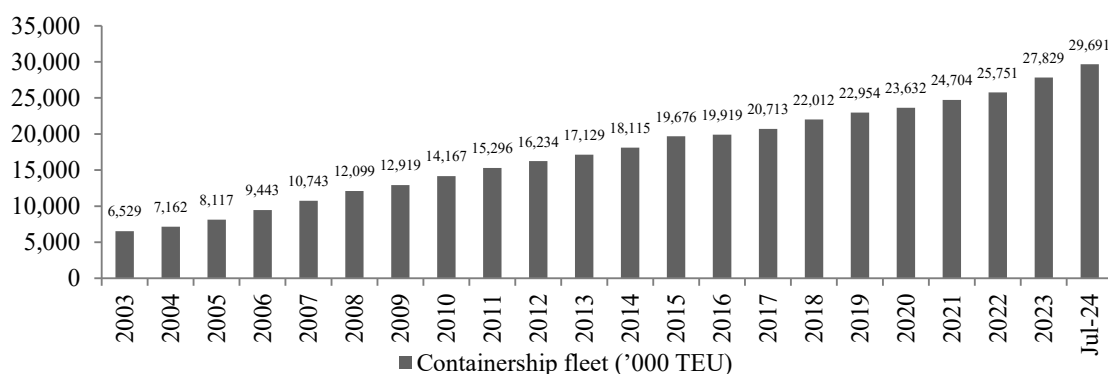
Alliances are generally vessel-sharing agreements or slot swap agreements. As such, being a partner in one of the key alliances does not prevent a line from entering into agreements on other trades with members of other alliances. Many carriers work with other liner companies in the intra-Asia market and agree to operate a service together, with each liner company providing a certain number of ships. Other operational agreements are also prevalent in the Asia to East and West Coast South America lanes.

The Containership Fleet

Between 2003 and 2023, the annual loaded container volumes grew at a CAGR of 4.6% to 234.2 million TEU, expanding 2.5x. The fleet expanded in tandem with container shipping traffic albeit at a much higher CAGR of 7.5% to 28.9 million TEU, expanding 4.3x. In the last decade, growth in volume and fleet decreased a bit, with CAGR slowing to 2.7% and 5.0%, respectively.

Capacity-wise, the peak year for new orders was 2021 (4.5 million TEU) amid a boom in freight rates (2020-22), surging demand and the push for vessels compliant with evolving environmental regulations. New orders during 2022 were comparatively lower than 2021 but still significant being 1.6x times higher than the rolling 10-year average annual orders for the decade. Orders in 2023 (1.5 million TEU) were lower than the rolling 10-year average annual orders (1.7 million TEU), only behind the capacity ordered in 2021, 2022 and 2015. Overall, global fleet capacity rose from 6.5 million TEU at the end of 2003 to 29.7 million TEU in July 2024 with 1.8 million TEU being added in the first seven months of 2024.

Containership Fleet Development (2003 – July' 2024)



* 2024 data is as of 31 July

Source: Drewry, Clarksons Research

While the fleet grew to meet robust trade, another noteworthy feature is that carriers increased vessel sizes to reduce unit costs, with the average ship size more than doubling (2.3x) between 2003 and 2023. Therefore, in tandem with the growth in capacity of the overall fleet, average ship capacity increased steadily to 4,589 TEU in July 2024, compared to 3,474 TEU in 2014, given the increasing preference for large-sized containerships as well as the continued scrapping of the sub-4,000 TEU fleet. Recently, on September 3, 2024, the world's largest container ship received an Approval-in-Principle (AiP) at the SMM Hamburg Maritime Exhibition. The 27,500 TEU LNG dual-fuel container ship, Green Sealion, will be developed by the China State Shipbuilding Corporation (CSSC). With optimized hull design and LNG dual-fuel propulsion, the vessel meets IMO Phase III carbon reduction requirements and achieves zero emissions in port through shore power.

In recent years, container shipping lines have ordered larger and more efficient vessels to reduce unit costs and maintain their profitability, while retaining competitive freight rates. The largest containerships are used on the trade lane between the Far East and North Europe, whereas the average ship size on other trade lanes is lower. However, larger ships can present challenges to ports as they may not be designed to serve bigger ships. As ship sizes increase on the main trade lanes, the replaced ships shift to secondary trade lanes. Therefore, the development of ever-larger ships not only impacts the trade lanes in which the large ships are used, but also the entire maritime transport chain. The fleet composition is increasingly tipping toward larger-sized vessels with small neo-Panamax vessels (5,300-10,000 TEU) comprising the highest share in the global fleet (25.5% of the total fleet capacity). The second largest share of the fleet are the ULCVs (18,000+ TEU) forming 13.8% of the total fleet capacity, with the lowest average age of five years compared to the average age of the fleet being 14 years. Wide beam Panamax vessels (4,500-5,500 TEU), introduced in late 2013, continue to be popular as well, comprising on par fleet capacity share as ULCVs. Since its introduction to the fleet in late 2013, the latter has been commanding higher charter rates over traditional narrow-beam vessels. For example, in April 2024, the average daily one-year charter rate of about \$36,000 for a 4,500-5,500 TEU wide-beam TEU modern vessel was significantly higher than rates of \$26,800 per day for 4,250 TEU narrow-beam vessels, reflecting the two-tier charter market. Similarly, ships with newer designs featuring a shallow draught, fuel-saving

specifications, high reefer intake or wide beam design command a premium over older ships, especially during periods of high bunker prices. However, in periods of high demand, for example during 2021 and 2022, the price difference reduces. For example, in the period between October 2013 and April 2024, the charter rates of the 4,500-5,500 TEU vessel were on average 42.0% higher than the rates commanded by the 4,250 TEU vessels, but the premium slumped to an average of 4.3% between July 2021 and September 2022.

Containership Orderbook

New orders were relatively low from 2016 to 2020 (except for 2018), protecting the favourable supply-demand balance. However, in 2021, demand for containerised goods surged due to higher household savings and the government injected COVID-19 stimuli in the advanced economies, boosting demand for container shipping vessels. Due to conservative ordering in preceding years, the fleet grew 4.5% in 2021 compared to a strong 7.0% growth in container traffic, leading to very high utilisation (with the Drewry Supply-Demand Index already shooting into the short-supply region since 2020). Utilisation was further increased by the effects of port congestion in 2021-22 which reduced vessel productivity. Freight rates were already at historic highs in this period, infusing liquidity into container shipping companies. This dual combination of healthy demand and cashflows propelled liners to continue ordering new vessels. Thus, orderbook expanded from 5.7 million TEU at the end of 2021 to 7.3 million TEU at the end of 2022. However, at the end of 2023, the orderbook contracted slightly to 6.9 million TEU as new orders fell 44.5% due to a decline in demand. However, the orderbook-to-fleet ratio remained high at 24.7% (the second-highest ratio in the past decade after the peak of 28.3% in 2022).

144 container ships with a total capacity of 1.6 million TEU were ordered from January 1, 2024 through July 31, 2024, slightly higher than (in terms of capacity) 146 vessels of 1.4 million TEU ordered from January 1 through July 31, 2023. As of July 2024, the global containership newbuilding orderbook was 6.6 million TEU, equivalent to 22.3% of the existing containership fleet, lower compared to the average orderbook-to-fleet ratio of 26.4% between 2006 and 2023. However, the container market remains heavily oversupplied, with some capacity being temporarily absorbed by the longer routings via the Cape of Good Hope amid the Red Sea disruption. According to the orderbook in July 2024, nearly 67% of the capacity on order is scheduled to be delivered by 2026.

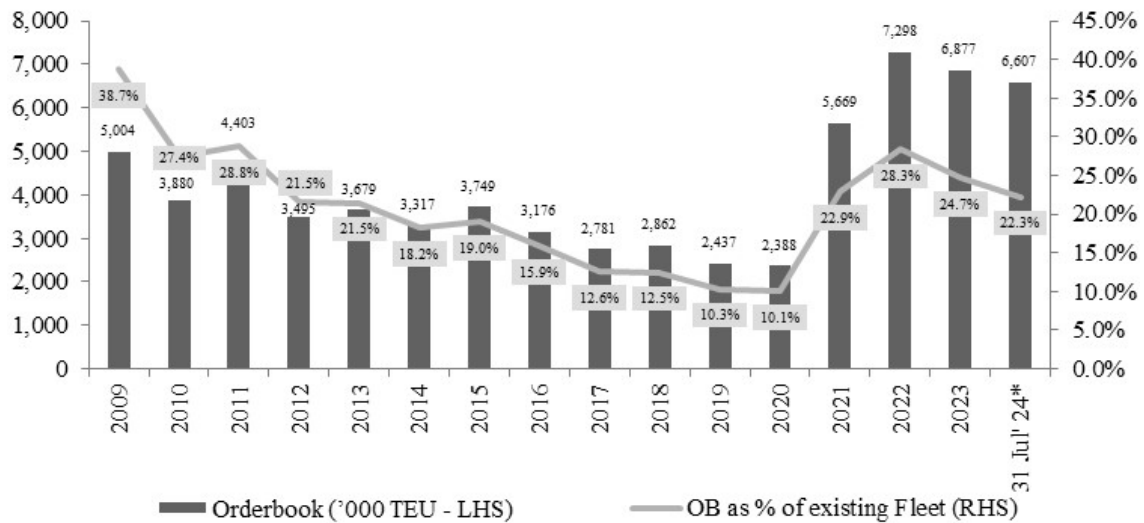
While new orders were low in the first four months of 2024, compared to the first four months of 2023, the newbuilding momentum has rapidly picked up pace after May, with orders in the first seven months of 2024 being higher than a year ago. Amid the continuous quest for higher market share, Hapag-Lloyd, ONE, HMM and ZIM have announced their ambitious fleet expansion plans for 2024-2030.

Containership Orderbook Delivery Schedule, July, 2024

Vessel Size		Scheduled Year of Delivery										All Ships on Order		% of existing fleet
		2024 '000		2025 '000		2026 '000		2027 '000		2028 '000		Total		
Type	Size(TEU)	No	TEU	No	TEU	No	TEU	No	TEU	No	TEU	No	TEU	by TEU
Small Feeder	100-2,000	74	81	55	58	21	21	0	0	0	0	150	160	5.4%
Large Feeder	2,000-3,000	18	43	11	27	3	7	2	5	4	10	38	92	4.1%
Classic Panamax & wide beam	3,000-5,300	14	49	19	64	2	7	7	29	7	30	49	180	4.5%
Small neo-Panamax	5,300-10,000	50	349	37	287	32	260	21	180	3	28	143	1,104	14.6%
Large neo-Panamax	10,000-12,500	2	24	12	137	10	112	11	115	3	33	38	422	21.1%
Large post-Panamax#	10,000-12,500	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
VLCV - Maxi neo-Panamax	12,500-18,000	31	450	52	768	34	491	32	469	26	390	175	2,569	62.7%
VLCV - Neo post-Panamax#	12,500-18,000	10	155	25	398	12	192	8	128	0	0	55	872	33.5%
ULCV#	18,000+	5	119	6	142	8	192	17	374	19	382	55	1,209	29.4%
Total		204	1,270	217	1,882	122	1,283	98	1,300	62	872	703	6,607	22.3%

Source: Drewry, Clarksons Research

The Containership Orderbook ('000 TEU) – Ratio to Existing Fleet



Note: Fleet data is net of vessels scrapped

Source: Drewry, Clarksons Research

Deliveries & Slippages

Slippage was high in 2020, as carriers tried to delay deliveries from yards amid muted demand and various supply chain issues. However, in the following two years slippage slumped as the container shipping market became red hot from high demand and supply chain restrictions tightening supply which pushed up spot rates tremendously. Following which, slippage climbed to historic highs in 2023 to 44.8% compared to typically less than 10% historically. This was driven by the reversed dynamics in the broader container shipping industry where carriers were hesitant to take further deliveries in an oversupplied market. Additionally, with the record number of orders placed in 2022-23, yards also pushed for delayed deliveries. Drewry expects negligible slippage in 2024 as carriers struggle to maintain schedule reliability in a disrupted operating environment due to the Red Sea crisis.

Containership Deliveries ('000 TEU)

Deliveries (in '000 TEU)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Small Feeder (<2k Teu)	51	53	53	52	70	47	105	84	81	123	193	144
Large Feeder (2-3k Teu)	22	17	46	43	55	112	59	98	104	75	164	110
Panamax (3-5k Teu)	259	142	73	8	27	37	25	22	21	42	147	80
Small neo-Panamax (5.3-10k Teu)	524	475	610	195	72	0	-	-	-	-	209	391
Large neo-Panamax (10-12.5k Teu)	0	170	133	133	223	199	47	85	200	190	12	-
VLCV - Maxi neo-Panamax (12.5-18k Teu)	376	366	210	170	242	324	333	160	335	371	666	656
VLCV - Neo post-Panamax (12.5-18k Teu)	32	32	212	74	119	60	-	-	-	-	187	233
ULCV (18k+ Teu)	73	221	339	230	388	549	501	403	330	168	699	192
Total	1,337	1,476	1,678	904	1,196	1,330	1,070	851	1,070	969	2,276	1,805

Note: 2024 YTD data is for January-July 2024

Source: Drewry, Clarksons Research

Actual Deliveries and Slippage ('000 TEU)

	2017	2018	2019	2020	2021	2022	2023
Due delivery as of 1 Jan	1,540	1,462	1,128	1,139	1,180	977	2,501
sub 8,000 TEU	338	318	313	353	243	233	775
8,000+ TEU	1,202	1,145	815	786	938	744	1,726
Actual delivery							
sub 8,000 TEU	159	197	192	210	205	268	704
8,000+ TEU	1,037	1,133	881	644	865	743	676
	1,196	1,330	1,074	854	1,070	1,011	1,380
Year slippage	345	133	54	286	111	-34	1,121
Delivery rate							
sub 8,000 TEU	47.0%	62.0%	61.4%	59.5%	84.4%	115.2%	90.9%
8,000+ TEU	86.2%	98.9%	108.2%	81.9%	92.2%	99.8%	39.1%
Net delivery rate	77.6%	90.9%	95.2%	74.9%	90.6%	103.5%	55.2%
Slippage %	22.4%	9.1%	4.8%	25.1%	9.4%	-3.5%	44.8%

Source: Drewry, Clarksons Research

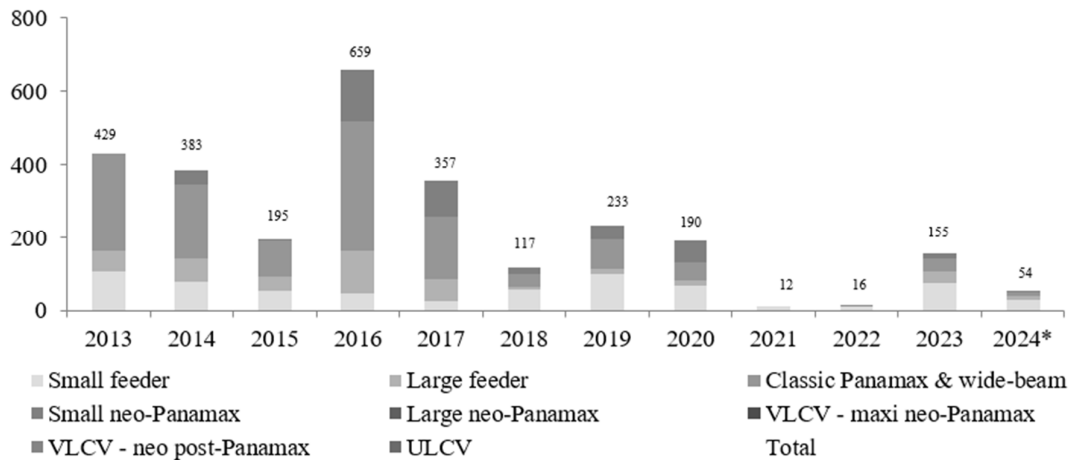
Scrapping

In the past decade (2013-2023), scrapping was the highest in 2016, when 659,000 TEU were demolished, with the scrapped tonnage weighing towards independently-owned and sub-4,000 TEU segments due to the prevailing overcapacity, weak charter market and high scrapping prices. All these factors prompted carriers to scrap their older tonnage, which would have required costly drydocks, with the average age of scrapped vessels being 18.6 years. In the next two years (2017 and 2018), scrapping decelerated as demand for feeder vessels increased amid a rebound in the charter market for the segment and the EU enacting the Ship Recycling Regulation by the end of 2018, banning EU companies from sending hazardous ship waste to Asian beaching yards thereby increasing demolition costs. Additionally, low steel prices and a shortage of open non-feeder units also reduced the pace of demolitions in 2018. In 2019, demolitions rebounded slightly as imminent IMO 2020 regulations prompted scrubber retrofits in the industry, tempting owners to drag out the lifespan of the ageing assets. From there on, demolitions slumped to decadal lows in 2021-22 as the charter market strengthened for all segments and owners found higher value in chartering out their vessels as opposed to scrapping. As the charter market softened in 2023 and demand dwindled, scrapping again picked up pace in 2023.

The average age of the vessels scrapped, ranged between 20 years and 30 years, with the lower bound reported in 2016 when scrapping momentum was high and the higher bound of the range achieved in 2024, indicates that carriers are still hesitant to ramp up demolitions in 2024, only scrapping the older portions of their fleet amid tightening regulatory scrutiny in the form of the EU ETS and FuelEU Maritime regulations. Another observable caveat is liners' reluctance to demolish vessels larger than 5,000 TEU, with larger-sized vessel scrapping featuring mostly in periods of high demolition (like in 2016).

From January to July 2024, close to 54,308 TEU of capacity was scrapped compared to 74,200 TEU during the same period for 2023. At the start of the year, higher demolitions were expected due to the looming overcapacity challenges. However, demolitions have been lower than expected due to improved demand and temporary absorption of capacity amid the longer routings via the Cape of Good Hope due to the Suez Canal being out of commission. Once the Red Sea crisis resolves, Drewry expects demolitions to pick up pace amid stricter environmental regulations and customers' push for greener shipping options.

Containership Scrapping ('000 TEU, 2009-2024*)



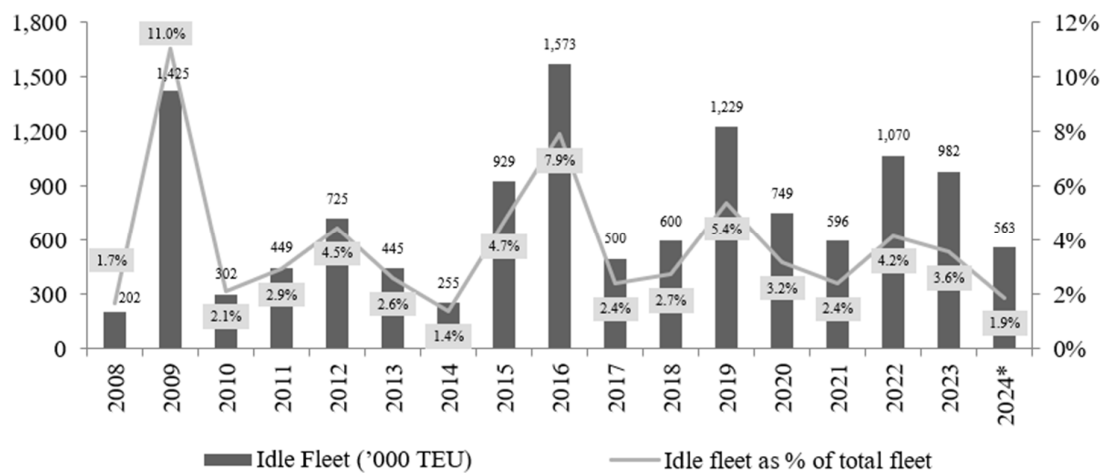
*Jan- July 2024

Source: Drewry, Clarksons Research

Idle Tonnage

At any point in time, a proportion of the fleet can be idle or inactive, and the volume of idle capacity varies depending on wider market conditions. The idle tonnage was the highest in 2009 and 2016, with 11.0% and 7.9%, respectively, of total fleet capacity out of employment amid widely imbalanced supply and demand. By the end of 2019, a substantial number of container vessels headed for scrubber retrofits to become IMO 2020 compliant and thus, the idle fleet as a proportion of total fleet increased to 5.4%. Following which the idle fleet rapidly shrunk for the next two years as demand picked up. However, as demand cooled in 2022 with fleet continuing to grow by 4.2% in 2022 after growing 4.5% in 2021, the idle tonnage increased to 4.2% in 2022. While idle tonnage increased in 2023, idle tonnage in proportion to total fleet lowered to 3.6% amid a net capacity addition of 2.1 million TEU in 2023, resulting in an annual total fleet growth rate of 8.1%. As of July 31, 2024, 562,595 TEU tonnage was idle compared to 982,384 TEU idle in 2023. Accordingly, the idle fleet as a percentage of total fleet reduced further to 1.9%. The idle capacity lowering in 2024 is rooted in the higher requirement of tonnage amid the longer voyages around the Cape of Good Hope instead of going directly through the Suez Canal. Moreover, increased waiting times at congested ports reducing effective capacity is another contributing factor.

Idle Capacity ('000 TEU) as a Percentage of Fleet



Note: * As of 31 July 2024

Source: Drewry

Slow Steaming

Historically, excess shipping capacity and rising fuel prices have prompted liners to reduce vessel operating speeds and thus reduce fuel costs, while at the same time requiring more ships to provide the same level of shipping capacity on a particular trade and, in doing so, absorbing excess capacity within the market.

The impact of reducing sailing speeds on the number of days required to complete a round voyage on the three main trades is shown below.

Typical Assumptions Regarding Vessel Sailing Times (Sailing Days – Round Voyage)

Route	19.4 Knots	17.6 Knots	16.1 Knots	15 Knots	23.0 Knots	17.7 Knots
Asia-Europe.....	70	77	84	91	-	-
Transpacific	-	-	-	-	23.4	30.4
Transatlantic	-	-	-	-	23.4	30.4
Typical No of Vessels						
Deployed	10	11	12	13	4	5

Source: Drewry

An Asia-North Europe string presently (as of April 2024) has between 14 and 15 vessels of 16,000 to 24,000+ TEU capacities operating with average speed between 15.5 knots to 17.6 knots, assuming the vessels are navigating via the Cape of Good Hope rather than transiting through the Suez Canal. By reducing the sailing speed of the vessels, an additional ship would be required to provide the same level of service. The cost savings associated with slow steaming are more important in times when bunker prices are high, as was the case in 2013 and 2014. The savings associated with slow steaming are calculated taking into account the additional vessels for the entire loop. The exact savings depend on the technical specifications of the ship, the level of speed reduction and the prevailing fuel price, but a typical 16,000 TEU vessel sailing at 19 knots consumes approximately 145 tons of fuel a day. If the speed is reduced to 16 knots, consumption is reduced by 35% to approximately 94 tons a day.

Type of Owners

Containerships are owned by two types of ship owners: (i) liner companies which own and operate their own and chartered-in ships and (ii) independent NOOs, which do not operate ships, but instead charter them out to container shipping companies. As of July 31, 2024, in TEU terms, 57% is owned by liner companies and 43% is owned by independent NOOs compared to the 54%:46% split in 2020. One of the reasons why the share of NOO-owned fleet is decreasing is the implementation of IFRS16, post which there is no incentive for operators to have their ships on NOO's balance sheets as they will be considered as owned by the former. While chartering in tonnage provides a degree of flexibility to the liner companies to adjust shipping capacity to market conditions, the historic highs achieved by charter rates between 2020 and 2022 resulted in carriers increasing their owned fleet to avoid higher chartering-in costs. Nonetheless, the NOO share of vessels in the global fleet remains significant as it still provides carriers with the option to redeliver / not renew maturing charters to adapt its fleet to demand rather than idle their owned vessels.

Historically, to ensure the best chances of securing and renewing charter contracts with liners, NOOs have tended to invest in the most standard sizes or types of container ships and have generally stayed away from investing in route-specific ships or in the large ships, unless backed by long-term charter contracts for such ships with major shipping lines. Historically, NOOs have tended to own a higher proportion of small and average size containerships, whereas liner companies have tended to own a higher proportion of above-average size containerships. Liners are deploying the largest ships possible in each trade route to gain competitive advantages through economies of scale. The deployment of larger ships results in lower slot costs and leads to the cascading of larger ships in feeder routes. However, certain limitations arise from the deployment of large ships, including the physical infrastructure restraints such as shallow draught. The global fleet as of July 31, 2024 showcased carriers' and NOOs' preference for the 10,000-17,999 TEU segment with 26.9% and 33.5% capacity of the global carrier-owned and NOO-owned fleets, respectively. Notably, carriers own a larger chunk of vessel capacity in the latter segment (5.3% more than NOO-owned fleet). In the 18,000+ TEU segment NOO-owned fleet is 63% lower than carrier-owned tonnage, clearly showing carriers' preference for larger vessels.

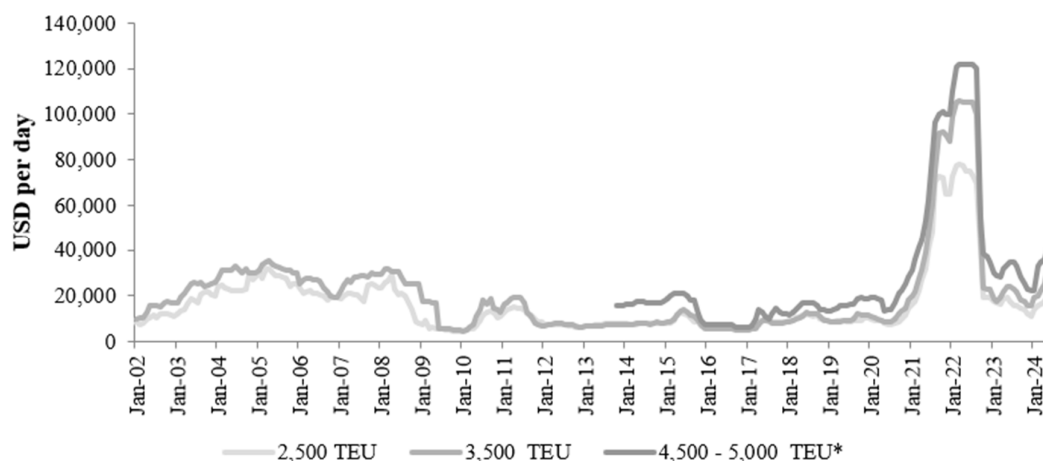
Containership Time Charter Rates

Two options for temporary vessel employment are time charters and bareboat charters. Time charters, typically spanning several months to a few years, offer a more structured approach. The charterer assumes responsibility for all voyage-related expenses, including fuel costs. Conversely, the vessel owner receives a predetermined daily rate, while remaining accountable for the vessel's upkeep and maintenance. Bareboat charters, often extending over several years, provide a greater degree of operational control for the charterer. Under this arrangement, the charterer assumes full responsibility for all operational costs, encompassing fuel, crew wages, port charges, maintenance, and insurance. The vessel owner, in this scenario, receives a daily rate and is solely responsible for major costs related to vessel ownership itself.

Charter rates are determined by several key factors. First, the prevailing market dynamics of supply-demand exert a significant influence, particularly for shorter-term contracts. Periods of high demand or limited vessel availability can lead to elevated rates. Second, the technical specifications of the vessel itself play a role. Newer, more fuel-efficient ships equipped with specialised features like cranes or refrigerated containers will command higher charter rates compared to older or less-equipped vessels. Finally, the duration of the charter agreement also impacts rate. Longer charters, typically ranging from three to ten years, tend to offer greater stability and less volatility in terms of pricing.

The following chart indicates one-year time charter rates ("TC rates") for select vessel sizes between January 2010 and July 2024.

One-Year Containership Charter Rates, (Period averages USD per day)



Note: *4,500 – 5,500 TEU wide beam

Source: Drewry

Charter rates rose after a weak period in 2013-14, then dipped in 2016 due to the large number of vessel deliveries in 2016. Rates surged in the first quarter of 2017 on the back of strong demand and from the re-ordering of many global services in 2017 caused by the new alliance structure (container shipping alliances reduced from four in 2016 to three in 2017), but the revival weakened from May 2017. In 2018, rates increased in the first half of the year due to limited availability of tonnage in the charter market, but decreased in the second half of the year due to various factors like stable newbuild deliveries, high bunker prices and uncertainty over the U.S.-China trade war. In 2019, the IMO 2020 regulations prompted mass scrubber-retrofits of ships, creating a temporary supply shock, supporting the charter market with the annual average TC rates increasing 9.8% for 4,500-5,500 TEU vessels. However, smaller vessels saw their average annual TC rates decline 7.6% (3,500 TEU) and 12.4% (2,500 TEU), reflecting the growing preference for larger vessels with higher cost efficiencies. Following the outbreak of COVID-19, as lockdowns set in, the sudden collapse in demand and utility for containerships inevitably resulted in time charter rates plummeting, only to revive in the second half of 2020 as lockdowns were lifted and carriers reintroduced ships back to some markets, particularly on the Transpacific. Charter rates continued to move up due to rising demand and increasing supply chain log jams, hindering trade flows, which hiked up the required capacity. After peaking in July 2023, charter rates slumped in the second half of 2023 as demand dwindled and congestions eased, freeing up latent capacity. In the first seven months of 2024,

charter rates reversed their momentum and were on an uptrend for largely all segments. Charter rates for the 4,500-5,500 TEU segment increased to \$56,000 per day in July 2024 compared to \$22,000 per day in December 2023 due to tight capacity caused by longer voyages, avoiding the Red Sea. Additionally, vessel bunching arising from port congestion disrupted vessel schedules further, tightening supply and boosting charter rates rapidly since April 2024. However, charter rates have started softening with rates declining to \$41,400 per day for the 4,500-5,500 TEU segment in August 2024, due to a combination of easing congestion freeing up latent capacity, slower demand growth rate, and a continuous stream of vessel deliveries mitigating the need for additional chartered-in tonnage by carriers. We expect charter rates to continue softening in 2H24 and 2025 as new ships join the fleet.

Impact of Red Sea on freight rates and short-term supply-demand balance

Shipping companies make money by charging shippers and receivers freight rates. Lines are price takers with rates set by the balance of supply and demand in the market. The exact cost of shipping varies depending on the company, the route, and current economic conditions.

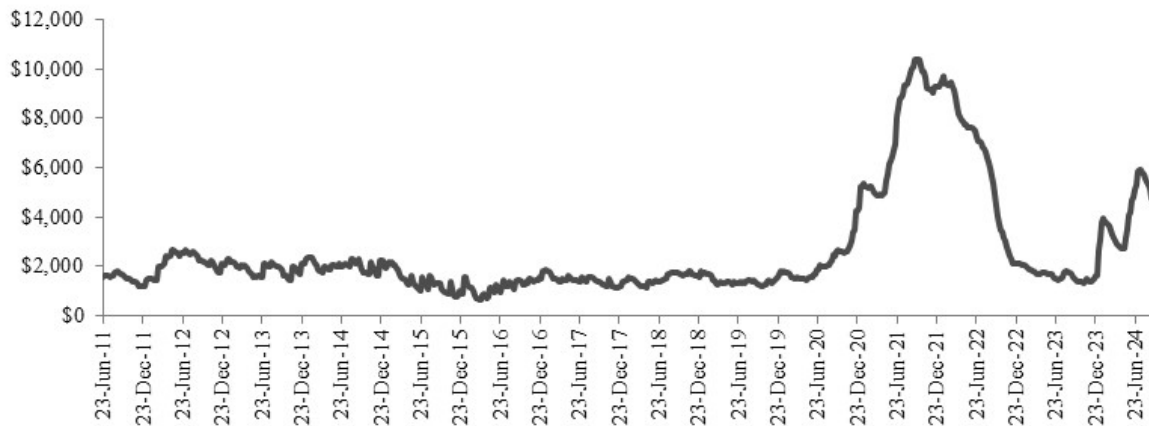
Drewry publishes a composite WCI covering spot freight rates on eight main East-West trade routes. Drewry's composite WCI has reversed its trend of falling between 2021 and 2023 and surged 187.5% between January 1, 2024 and September 5, 2024. The WCI reached its 52-week high at USD 5,937 per FEU by mid-July 2024. This was also 111% higher than its 10-year average.

This uptick in rates is due to the Red Sea disruption, forcing liners to take longer routes via the Cape of Good Hope, effectively mitigating persisting oversupply challenges, albeit temporarily. In addition to the crisis in the Red Sea, higher than expected demand is also boosting spot rates. This unexpected rise in demand is putting pressure on ports, schedules, and equipment availability, contributing towards the surge in freight rates in 2024. Worldwide port handling volumes have jumped an impressive 8.2% YoY and 5.5% YoY in the first and second quarters of 2024, respectively. This surge is likely fuelled by a combination of factors, including continued consumer spending and potentially some cautious over-ordering by shippers. To meet this rising demand, deliveries of new container ships are happening at a faster pace than anticipated. Roughly 1.8 million TEU of new ship capacity have already arrived in the first seven months of the year. While this helps maintain effective trade capacity overall, it does not fully address the demand surge and despite the influx of new ships, the situation is far from ideal due to the continuous requirement for liners to rearrange their schedules to cater to the altered routing via the Cape of Good Hope and maintain schedule reliability. The Suez Canal crisis has thrown service schedules into disarray, with many carriers forced to cancel voyages due to a lack of suitable tonnage in the charter market. This, combined with longer round trips caused by diversions has led to worsening congestion in Asian ports. The congestion, in turn, has triggered equipment shortages, as containers get stuck in ports and do not flow back to Asia efficiently. Given this, the supply-demand is presently mis-matched despite the huge global fleet capacity.

Nonetheless, this situation has started to mitigate, with congestion easing amid softening demand, as evidenced by a 4.1% MoM decline in the Drewry Global Throughput Index in July 2024. While congestion has started easing after reaching its yearly high in April and May 2024, it has not been fully resolved. The Drewry Port Congestion Z-score indicator is based on the Z-score deviation from 2019 averages of the number of ships waiting outside selected ports, grouped by size and region, considering waiting events longer than 4 hours. For high-volume ports, the Drewry Port Congestion Z-score indicator touched its 2024 high in April and May 2024 (34.1% higher than seen in December 2023) and post that softened to 26.4% higher in July 2024 (compared to December 2023). Therefore, while port congestion is easing, it remains high enough to continue impacting effective supply, and thus, underpin freight rates. Additionally, if demand continues to perform above expectations in 2024, the pressure on liner networks and container availability will likely remain high.

However, factors such as lowering demand, easing of operational disruptions like port congestion and equipment shortages and increasing supply have started impacting freight rates; the WCI, after touching its 2024 peak in July fell for seven consecutive weeks between July 25, 2024 and September 5, 2024. However, as of September 5, 2024, the WCI remained 69.2% higher than its 10 year average (September 2014 to September 2024). Nevertheless, another 1.3 million TEU of ship capacity is scheduled to be delivered between August 1, 2024 and December 31, 2024, before accounting for slippage. This will likely lead to some easing in spot rates in the second half of 2024, although the extent depends on the resolution of port congestion and equipment shortage. In addition, another supply chain disruption could emerge in the form of labor strikes on the U.S. East Coast, which could aggravate the prevailing port congestion once again and lead to another spike in freight rates. Although disruptions are easing off, the volatility persists.

World Container Index (WCI) - Assessed by Drewry (USD per 40 ft container)



Note: WCI is developed by Drewry. It is a composite freight rate index of 40" container of eight trade routes (Shanghai – Rotterdam, Rotterdam – Shanghai, Shanghai – Genoa, Shanghai – Los Angeles, Los Angeles – Shanghai, Shanghai – New York, New York – Rotterdam, Rotterdam – New York)

Source: Drewry

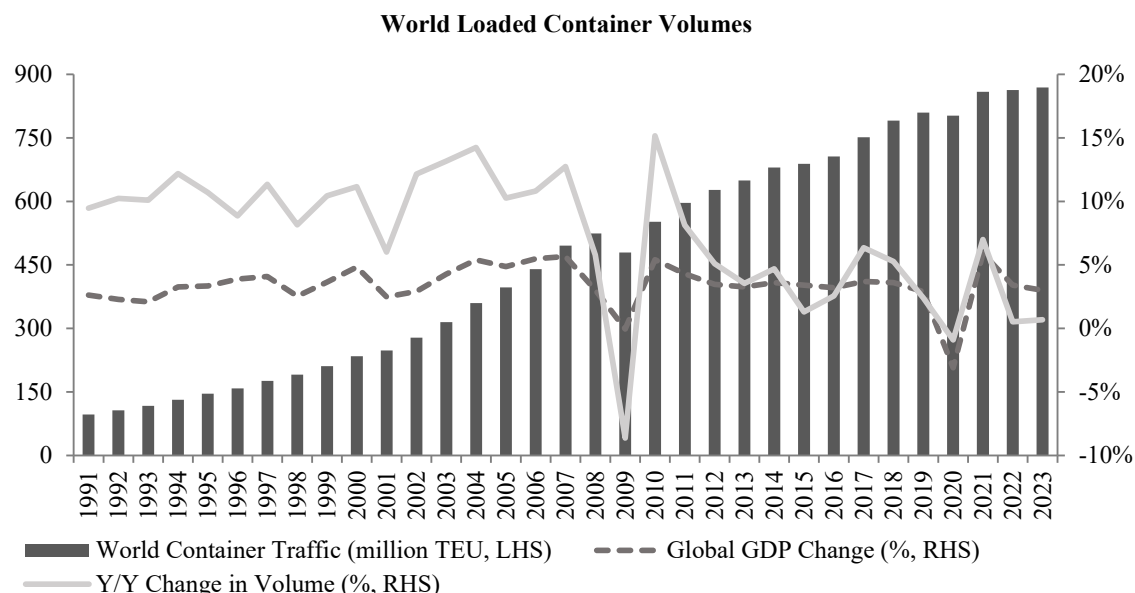
Containership Demand

Trends in seaborne trade are influenced by the underlying demand for bulk commodities, raw materials, semi-finished goods and finished goods, which, in turn, are influenced by the level of worldwide economic activity. The world container trade growth is thus primarily driven by the growth in economic output, consumption, and changes in global sourcing and patterns of world trade. Generally, growth in GDP and industrial production correlate with changes in the demand for international container shipping and GDP is one of the key indicators of prospective container volumes. Historically, between 1980 and 2007, container trade TEU volumes grew at a multiple of approximately three times the GDP growth. This GDP-TEU growth multiple has been lower since 2008 and 2009 in part due to market changes, as noted below. The GDP-TEU growth multiple rebounded somewhat in 2010 on the back of a recovery in container volumes, but this improvement did not continue in subsequent years and the GDP-TEU growth multiple declined to 0.4x in 2015 and remained below 1x in 2016.

However, it swung back to 1.7x in 2017, pointing to a significant turnaround in global container trade. The 2017 global recovery, which exceeded expectations, was broad-based, with all regions experiencing growth. The year 2017 was a year of correction when restocking and recovery plays in some previously depressed markets produced a temporary fillip to container handling, boosting it by 6.4% YoY (vs. 3.8% in 2016 and 2.8% in 2015). Some of the recovery impetus, however, blew out in the subsequent years as the industry had to deal with many headwinds, including, *inter alia*, IMO 2020 fuel regulations and related investments in scrubbers, the trade war between the United States and China and a general slowdown in the world economy.

In 2018 and 2019, the GDP-TEU growth multiple again decreased to 1.5x in 2018 and further to 0.8x in 2019, as protectionism and a global slowdown took a toll on container trade. While container traffic was adversely affected during the first half of 2020 due to the COVID-19 pandemic, it recovered sharply in the second half of 2020, buoyed by e-commerce sales and restocking by retailers in the United States and Europe. Nonetheless, for the full-year 2020, volumes shrunk slightly, 0.9% lower than 2019. In 2020, the global GDP also contracted 3.4% YoY. This significant decline was primarily caused by the impact of the COVID-19 pandemic. Consequently, GDP-TEU growth multiple slumped to 0.3x. The lockdowns, travel restrictions, and disruptions to supply chains that followed the outbreak severely hampered global economic activity around the world. The global GDP rebounded in 2021 as lockdowns lifted and restrictions eased boosting economic activity. Simultaneously, container traffic also surged, with volumes growing 7.0% YoY, pushing up the GDP-TEU growth multiple to 1.2x. As global economic growth came down in 2022 and 2023 coupled with rising inflation, container traffic remained essentially flat in 2022 (+0.5% YoY) and

2023 (+0.7% YoY). This muted container traffic led the GDP-TEU growth multiple to achieve a new low in 2022 at 0.15x to edge up slightly to 0.23x in 2023.



Source: Drewry

Note – Drewry has reported global container throughput based on 800+ ports.

One of the reasons for the decline from the long-term average GDP-TEU growth multiple is that the outsourcing trend to China is reaching a stage of maturity. When China joined the World Trade Organization in 2001, the outsourcing of manufacturing to China led to a huge boom in trade and a large orderbook for big container ships. However, outsourcing to China has reached a plateau, in part because wage and production costs have increased significantly in China over the last decade. As a result, companies have also shifted their manufacturing activity to new low-cost production centres which are closer to the final point of consumption such as Eastern Europe, Mexico, South East Asia and the Indian Subcontinent. Outsourcing had run its course by the time of the global financial crisis in 2008 and 2009, and subsequently the GDP-TEU growth multiple slowed to an average of about 1.4x in the 2010-2019 window.

The rising share of services as a percentage of GDP, notwithstanding the temporary retreat during the peak of the pandemic, is also having a dampening impact on the GDP-TEU growth multiple. The shrinking of the GDP-TEU growth multiple over time has, therefore, increased the likelihood of the two indicators pointing in different directions statistically. It becomes even more likely during especially volatile periods, such as we are currently experiencing at the tail end of the pandemic's exaggerated boom-and-bust cycle. The relationship between GDP and TEU has only been temporarily disconnected, in our view, and Drewry believes that 2022 and 2023 will eventually stand out as exceptions to the rule. They will be remembered as part of the long hangover from the consumer spending splurge of 2020-21. The further we get from the pandemic the GDP-TEU growth multiple is expected to gradually settle back to having its usual positive, but reduced, influence.

In addition to the levels of economic growth, there are several structural factors that also positively impacted the growth of the global container trade. One important structural factor is the continuing penetration in traditional shipping sectors by container shipping services. These include general cargo and refrigerated cargo markets and, to a limited extent, some dry and wet bulk commodities, which traditionally have been the preserve of the dry bulk carrier and oil tanker markets. Container operators have made significant inroads into the specialized refrigerated market in the last 5 to 10 years, assisted by the lack of investment by general shipping companies in new reefer ships that has provided an opportunity for container operators to invest in the market to help meet demand.

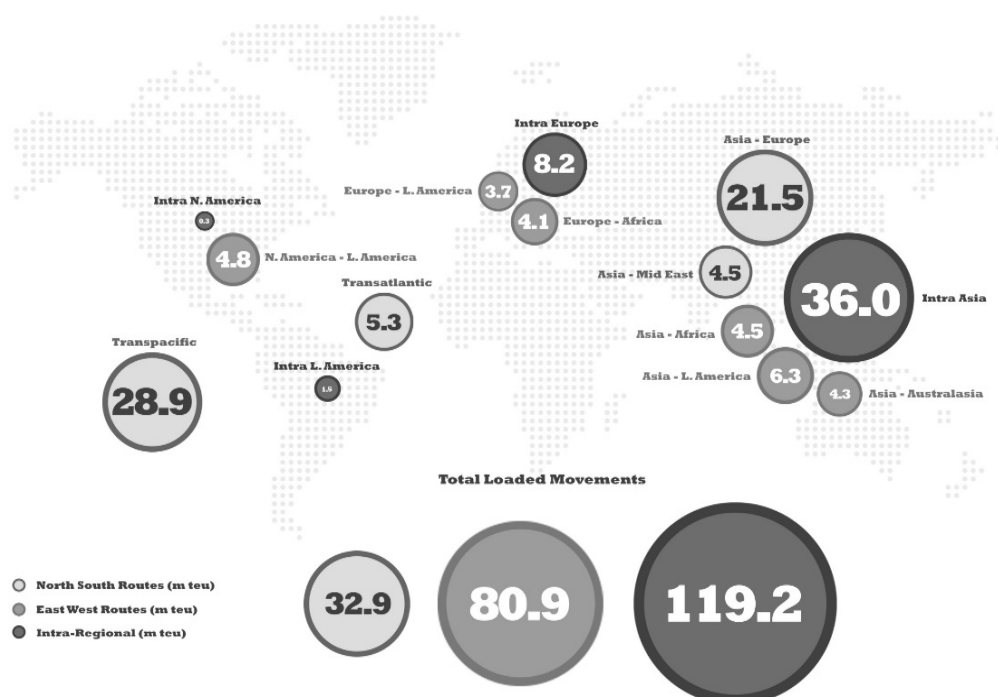
Main Container Trades

The container shipping industry has four East-West trade routes: Transpacific, Transatlantic, Asia-Europe, and Asia-Middle East. These routes primarily serve consumer demand in the United States and Europe for Asian-made goods. Historically, the Transpacific and Asia-Europe routes handle the most cargo, followed by the Transatlantic and Asia-Middle East routes. In the afore-mentioned order, volumes moved on the latter routes in 2022 were 28.9 million TEU, 21.5 million TEU, 5.2 million TEU and 4.5 million TEU, respectively. The Asia-South Asia is also a significant route where 6.2 million TEU was moved in 2022, higher than those on the Transatlantic and Asia-Middle East routes. However, trade on the latter takes place on Panamax vessels and larger vessels are generally avoided, unlike the above-mentioned four trades where larger vessels are also deployed to achieve lower unit costs to compensate for higher operating costs amid longer distances. Panamax vessels are used on the Asia-South Asia routes due to smaller berth sizes and draft concerns.

Trade flows rose strongly in 2021, driven by higher household savings and increased preference for goods over services, which was led by social-distancing pandemic norms discouraging travel and group activities, therefore diverting excess consumer cash towards online retail. After the growth in 2021, trade normalised and impacted East-West and North-South routes. While intra-regional trade grew slightly (1.4% YoY), it was led by the 9.2% YoY growth in the China domestic volumes; East-West trade slumped 5.7% YoY on aggregate led by a 7.5% YoY and 10.9% YoY decline in Transpacific and Asia-Europe volumes, as demand for durable goods fell due to higher living costs and reduced post-lockdown spending.

Western nations are diversifying import sources, and China is finding new export markets. China's share of U.S. container imports from Asia dropped dramatically since the two countries' trade war erupted in 2018, going from 69% in 2017 to 59% after five months of 2024. Based on a selected sample of China's major container export partners, Drewry believes that the lowest five-year CAGRs are generally reserved for the G7 countries (Canada being an exception). China's fastest export CAGR from 2017 through 2022 was to South Korea, Malaysia, Brazil and Vietnam – all still relatively low-volume partners, for now at least. This shift may not necessarily decrease eastbound Transpacific volumes, as exports might simply be rerouted to other Asian countries or enter the United States indirectly through Canada or Mexico.

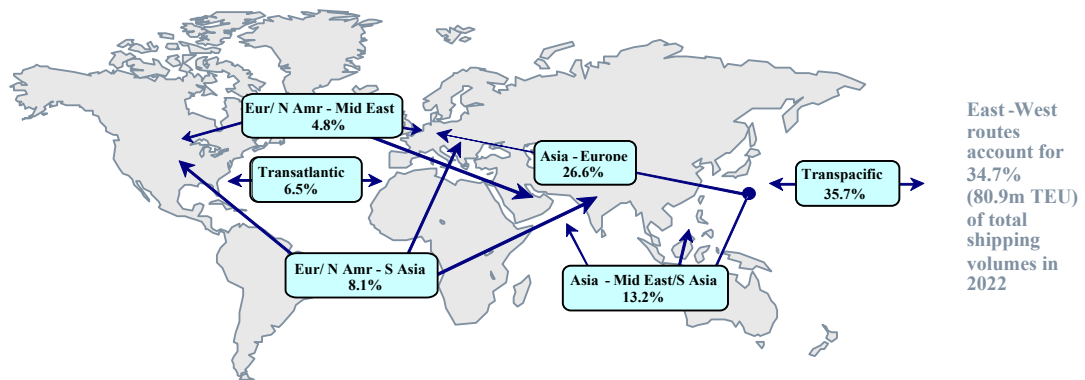
The Main Container Trades⁽¹⁾
(Million TEU)



¹Based on 2022 numbers

Source: Drewry

Containerized Seaborne Trade – Main East-West Routes⁽²⁾

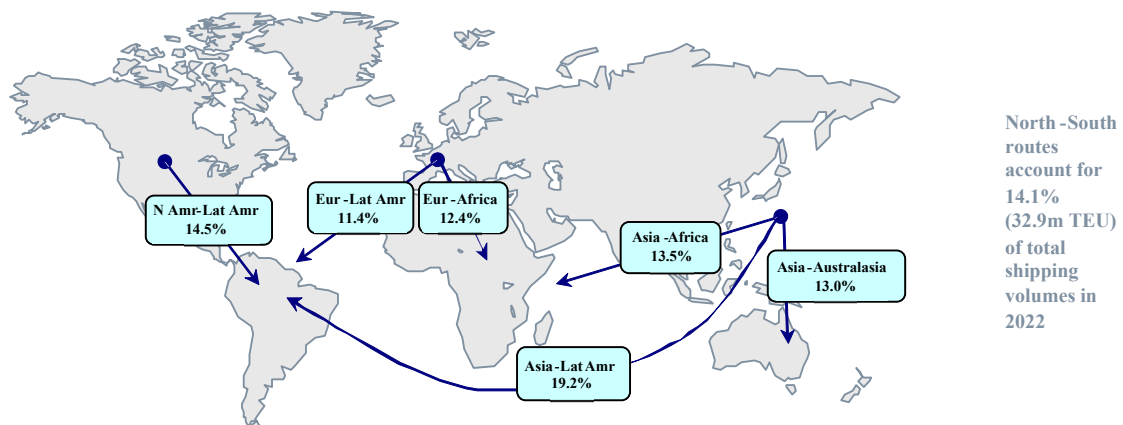


²Based on 2022 numbers

Source: Drewry

North-South trades are generally independent of East-West trades and are a network of regional trades, of which the largest is the Asia-Latin America market. Other regional trades include the Europe-Mediterranean, Caribbean-U.S., Asia-Australia and North America-South America trades. The North-South trades are generally served by the Panamax and post-Panamax containerships although, in the last two to three years, ships of even 14,000 TEU have been deployed in the North-South routes, albeit on only fewer routes. Typically, vessels are cascaded from East-West to North-South as part of the general global process of vessel upsizing, barring 2020 when the industry witnessed reverse-cascading, i.e., vessels were taken out of secondary North-South trades to service the booming Asia-North America market. The North-South trade comprises the smallest share (14.1% in 2022) of the global loaded container volumes and ultimately, ships will go where the cargo/demand is.

Containerized Seaborne Trade – Main North-South Routes⁽³⁾

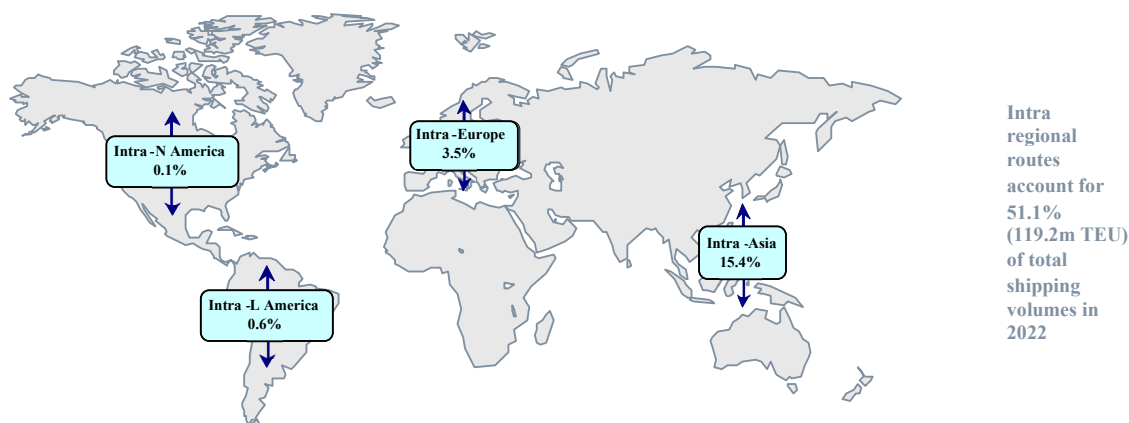


³Based on 2022 numbers

Source: Drewry

In recent years, intra-regional trades, particularly the intra-Asia trade, have continued to experience stronger growth than the rest of the industry. Regional trades are generally served by feeder and Handysize containerships, but lately, larger ships up to the Panamax size have been introduced. The intra-regional trade has been consistently beating the growth in global loaded volumes since 2021, but this growth is mostly due to growth in domestic China-related traffic.

Containerized Seaborne Trade – Main Intra-Regional Routes⁽⁴⁾



⁴Based on 2022

Source: Drewry

The following table shows the trades on which different sizes of containerships are deployed.

Containerships -Typical Deployment by Size Category

Trades	Routes	Ship Size TEU							
		<1,000	1,000-1,999	2,000-2,999	3,000-4,999	5,000-7,999	8,000-9,999	10,000-13,999	14,000+
East-West	Asia-Europe			X	X		X	X	X
	Transatlantic	X	X	X	X	X	X	X	
	Transpacific	X	X	X	X	X	X	X	X
	Far East-Mid East		X	X	X	X	X	X	X
	Asia-Red Sea					X	X	X	X
	Asia-Africa		X	X	X	X	X	X	X
Other	Intra-Asia	X	X	X	X	X	X		
	North-South Routes	X	X	X	X	X	X	X	
	Other Intra-Regional Routes	X	X	X	X				

* All trade routes contain dedicated loops only

Source: Drewry

Costs and Profitability

Container liner profitability took a wild ride between 2019 and 2023. In 2019, the industry recorded its best performance at the time with a 3.5% EBIT margin, due to lower fuel costs and a well-managed fleet size. However, a perfect storm emerged in 2020-2022, when profits soared due to record-high freight rates. Fuel costs were at decadal lows in 2020 (barring 2016), with the Rotterdam IFO 380 averaging \$247 per ton; however, they did increase consecutively with Rotterdam IFO 380 averaging \$515 per tonne in 2022. Surging demand due to lockdowns and supply chain disruptions, allowed liners to charge high freight rates. The yearly average of spot rates rose from \$710 per TEU in 2019 to \$1,076 per TEU in 2020. The average further increased and peaked in 2021 (\$3,753 per TEU) and came down slightly to \$3,195 per TEU in 2022 (albeit still at record highs) as demand started stagnating. Therefore, EBIT margins soared to record highs from 12.1% in 2020 to 49.0% in 2022.

This boom, however, proved unsustainable. Overenthusiastic ordering in the boom years led to a rapid fleet expansion that outpaced demand in 2023. As a result, in 2023, spot rates tumbled 73.9% YoY and averaged \$835

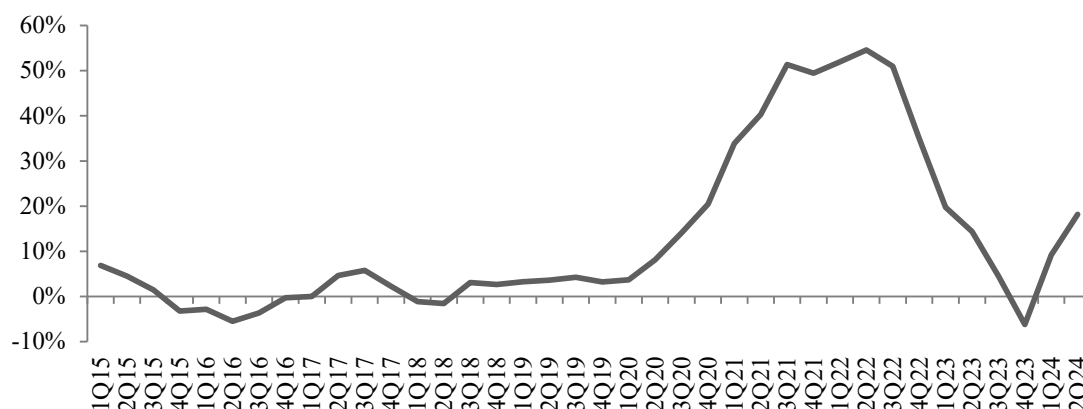
per TEU, only to be saved by contract rates, which also fell to half their 2022 levels to \$1,427 per TEU. As most large carriers have a certain mix of contracted cargo, in 2023, the average unit revenue reported by the industry was \$1,156 per TEU, only slightly above unit operating costs of \$1,031 per TEU, which also fell 22.4% YoY led by the downward normalization of the charter market. For instance, the annual average TC rates for 8,500 TEU vessels crashed 64.9% to an average of \$44,375 per day for 2023. Bunker prices also lowered in 2023, with the average price falling 7.8% YoY to \$475 per tonne. Consequently, the industry's EBIT margin dropped significantly to 10.8% in 2023. While the industry's EBIT margin for the full year was positive, individual liners reported quarterly losses, with the EBIT turning negative on an industry level in the fourth quarter of 2023, reporting an EBIT loss margin of 6.2% after 21 consecutive quarters of remaining in the black. The industry's EBIT margin made a sharp recovery in the first quarter of 2024 and turned positive (+9.2%), mainly driven by the strengthening of the spot rates due to the Red Sea crisis. The improvement picked up pace in the second quarter of 2024, with the industry's EBIT margin marking its first YoY increase to reach 18.2% (versus 14.4% a year ago) after six consecutive quarters of YoY decline. This improvement in the industry's margin in the second quarter was driven by a steeper YoY rise in spot rates compared to the first quarter as well as and strong demand in the quarter.

Development of Average Industry Revenue and Operating Cost per TEU

Year	Revenue per TEU (USD)	Operating Cost per TEU (USD)
2015	846	823
2016	712	733
2017	783	758
2018	793	786
2019	802	773
2020	932	820
2021	2,026	1,108
2022	2,608	1,329
2023	1,156	1,031

Source: Drewry

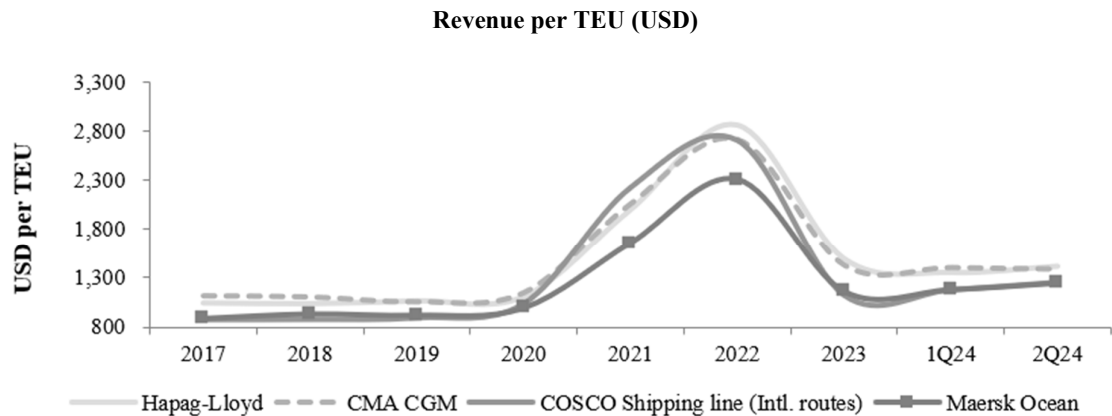
Estimated Container Shipping Industry Operating Margins



Note: EBIT margins based on average of sample carriers after currency conversion to U.S. dollars when necessary. Sample consists of APL -excluded post 4Q15; COSCO Shipping (container shipping) - from 1Q19; CMA CGM; Eimskip (Liner services); Evergreen; Hanjin Shipping (container) - excluded post 2Q16; Hapag-Lloyd; HMM (container unit only); Maersk - excluded post - 4Q17; Matson (ocean transportation); Regional Container Lines; Samudera Container Lines; Wan Hai; Yang Ming; ZIM; MOL (containerships), NYK (liner) and K-line (containerships) - excluded post 1Q18

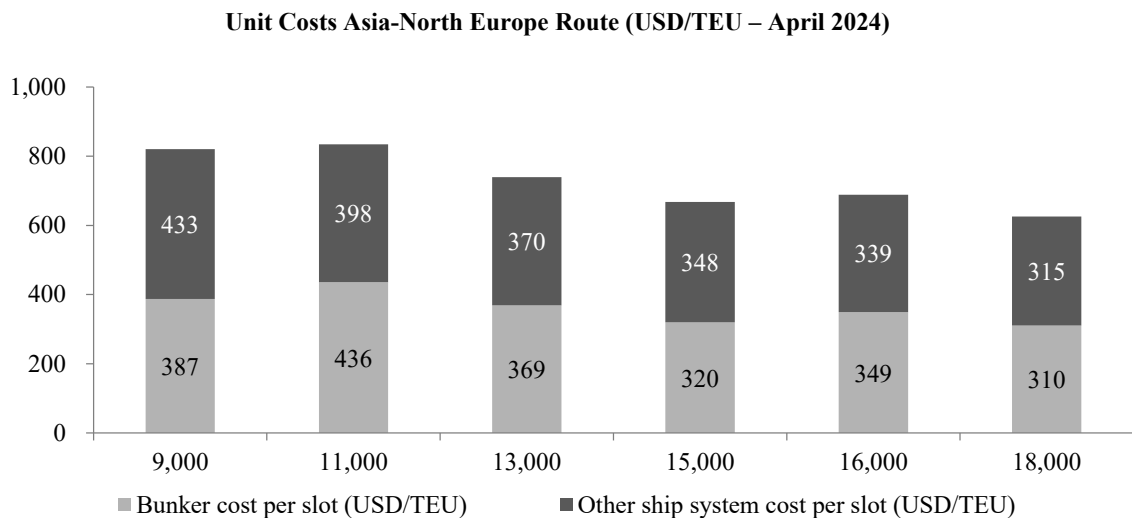
Source: Drewry

Among larger players, Hapag-Lloyd and CMA CGM have been consistently generating higher unit revenue compared to its peers.



Source: Drewry

One of the many ways in which liner companies have been able to reduce costs is by deploying larger, more efficient containerships, not only on the high-volume East-West trades, but also on the North-South routes. In this respect, the bunker fuel cost per TEU for a new 18,000 TEU new-generation containership is estimated to be about 19.9% lower than the equivalent costs for an older 9,000 TEU ship operating on the same route. Total costs per TEU (including non-fuel costs) are also more competitive for the larger ships, as shown in the chart below.



*Slot cost includes charter-in costs, and specific to Asia-North Europe route, which is not comparable with the industry average

Source: Drewry

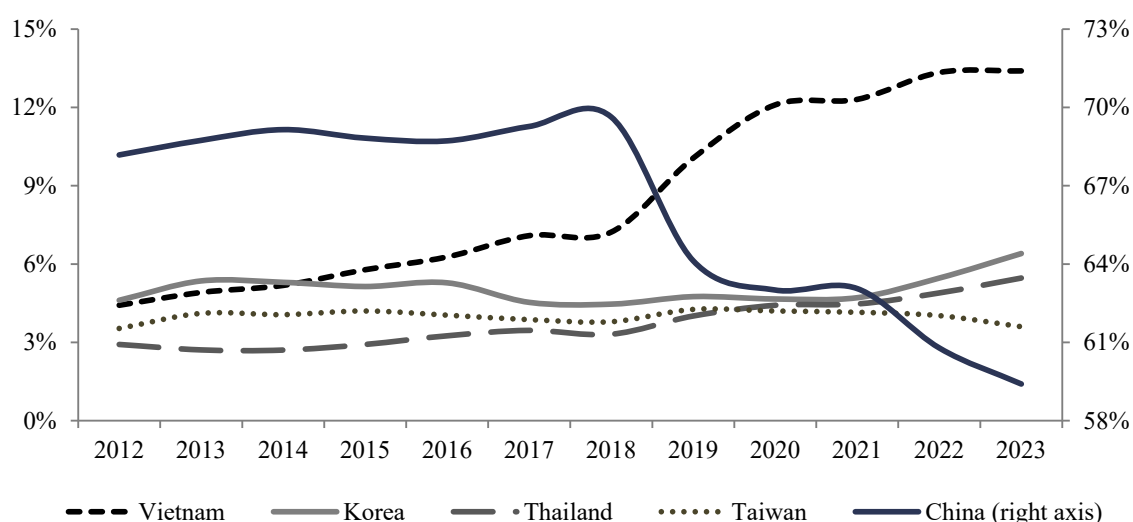
Trade war: Protectionism and friend-shoring and its impact

Container shipping is in the crosshairs of a superpower tussle that could divide the world and reshape trading networks. Since mid-2018, a trade war has been ongoing between the United States and China. It was temporarily put on hold after the two superpowers inked the 'Phase One' agreement on January 15, 2020, with China promising to boost imports of U.S. goods by \$200 billion. However, the Phase One deal has proven unsuccessful, as China has failed to meet the agreed import targets of specified goods. Therefore, there has been an escalation in the U.S.-China trade war, resulting in the latest round of tariff hikes announced by the United States in May 2024. The new tariffs will impact \$18 billion in imports, including steel, aluminium, computer chips, solar cells, cranes and EVs.

China is expected to retaliate by imposing additional import tariffs on imports from the United States. The escalating trade war may hamper the Transpacific container trade volumes. Any dispute between the two countries, the world's two largest economies, has far wider ripple effects, particularly if the United States and China use their influence over their allies to adopt a similar protectionist approach and countries are forced to pick a side. The EU has shared its concerns regarding China's state support to EVs, steel, solar, and wind sectors and the adverse impact of low-cost imports from China on the European economy and its job market. Anticipating new tariffs after the EU probe into China's EV subsidies results are announced, China has hinted at retaliatory action and increasing the tariff rate to 25% on imports of cars with engines larger than 2.5 litres.

Since 2018, the United States has been increasingly sourcing from Vietnam, Korea and Thailand in an effort to reduce its reliance on China. Meanwhile, China's share of U.S. container imports from Asia has slumped since the trade war erupted in 2018- volumes declined from 69.6% in 2018 to 59.4% in 2023. Nonetheless, they remain tied to one another through the sheer volume of bilateral container trade that far outweighs any other partnership.

Share of U.S. container imports from Asia (2012-2023)



Source: Drewry

A dilution of trade between China and the United States does not necessarily mean that eastbound Transpacific volumes will be reduced. Instead, one available option is that some of the export trade will be substituted for another country within Asia. Another option is that, instead of going directly to the United States, cargoes are first sent to either Canada or Mexico, before making their way across the border stateside. Therefore, while China might not be directly serving the United States as before, it would still be doing so indirectly. Furthermore, Chinese companies are also shifting their manufacturing base to Vietnam, Mexico and East Europe to circumvent higher tariffs. The latest addition to this list is BYD's proposed EV factory in Hungary. This will help BYD avoid the higher taxation in the European Union had it imported the cars from China.

The ongoing trade war, coupled with heightened geopolitical volatility, has now led to a new trade buzzword – friend-shoring, which basically means prioritising trade with highly trusted countries that share common values. This is primarily being pushed to reduce reliance on countries where geopolitical tensions could disrupt supply, and therefore, to have a more diversified group of suppliers. Friend-shoring is not really a new concept, as countries have always tended to trade more with partners that share commonalities, whether it be language, culture, or other historical ties.

Since the pandemic, close attention has been paid to how to best build resilience into supply chains to protect against future disruptions. Companies have adopted multiple strategies, such as relocating manufacturing to neighbouring countries closer to the home market (nearshoring), manufacturing locally and bringing it back home (reshoring), continuing offshoring, but with a wide variety of trading partners, or a combination of all of them.

There is nothing yet statistical to prove one way or another that deglobalisation in its many forms (either friend-shoring, nearshoring or reshoring) is happening to any significant degree; however, there is clear evidence of more diverse supply chains, the so-called China +1 movement and the countries in Southeast Asia and South Asia are seen as an alternative low-cost production hub. In the emerging geopolitical dynamics, the corporates may now not only be guided by cost and geographic proximity when looking for diverse offshoring options. The risks arising due to conflicts and political friction could force companies to give increasing weightage to friend-shoring. The future of diversification of the supply chain and its impact trade network will depend on how intense the trade war between China and the United States gets. Moreover, increasing potential for automation coupled with ESG concerns are likely to support nearshoring and reshoring as companies look to reduce the lead times and supply chain carbon footprint.

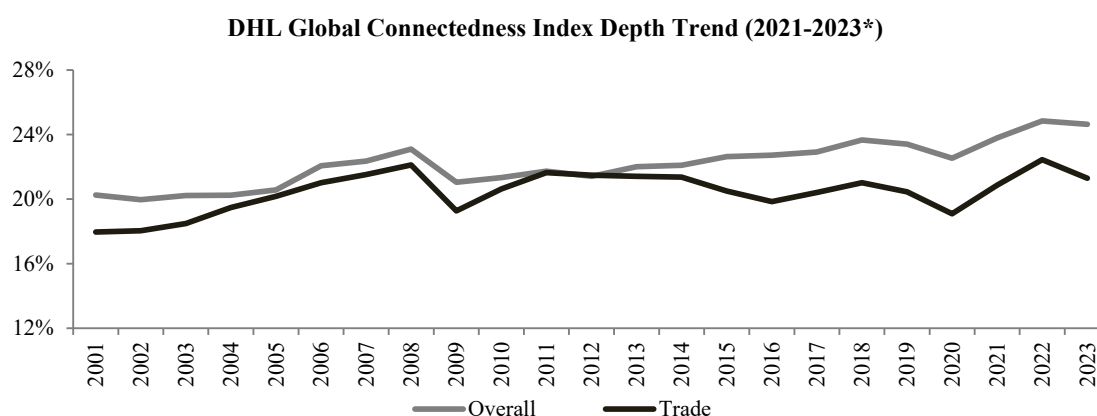
It may not be easy for some countries to replicate the scale at which China currently operates and develop the required logistics infrastructure over the short and medium term. Therefore, companies will have to assess the production and supply chain capability and capacity of countries that are being targeted for diversification of offshoring. This may result in fragmentation of production and trade as some countries may have a competitive advantage in some sectors, depending on the availability of the local resources and expertise and could lead to a flow of intermediate and semi-finished goods, in turn, boosting intra-regional trade.

Impact of regionalisation on trade patterns and container shipping demand

It is evident that increasing trade and reducing trade barriers have promoted globalisation and acted as a catalyst for sustained economic growth. However, along with increasing focus on globalisation, countries and regions have also formed regional trading blocs, which are seen as a tool to promote regional economic growth. The main objective of the trading blocs is to promote cooperation among member countries by removing tariff and non-tariff barriers and facilitating the flow of goods, services and investments.

There has been an ongoing discussion about whether regional trading blocs and agreements are increasing trade barriers for non-members and slowing down the process of globalisation. Over the years, the world has seen the formation of multiple regional trading blocs, customs unions and free trade agreements. Some of the major regional trading blocs include the EU, USMCA, APEC, and ASEAN. The latest addition to the list of regional trading blocs is the RCEP, which came into force in 2022.

The growing influence in terms of geographical, population and GDP coverage of various trading blocs has led to scepticism about globalisation and the possible fragmentation of trade towards more regionalised flows. The trend towards regionalisation was expected to gain pace after COVID-19 caused severe supply chain disruptions and led to higher logistics and shipping costs and lead time. However, the latest trade data and flows provide no clear evidence of rising regionalisation. DHL Global Connectedness Index Depth Trend (2021-2023*) shows that there has been no significant increase towards domestic activity and the trend rose to around 25% in 2002, and a similar trend is estimated for 2023 as well.



*Note: * 2023 is projected. The depth index trend (Overall) summarises the global balance of international versus domestic activity across 13 types of trade, capital, information and people flows.*

Source: DHL Global Connectedness Report 2024

Post-COVID-19, a surge in demand led the Global Connectedness Index Depth Trend for trade in 2022 to a record high of 22.4%. In 2023, this is expected to move down marginally to 21.3%, closer to pre-COVID-19 levels but cannot be seen as a reversal of globalisation. However, there are some indications of shifts in trade flows due to geopolitical tensions and conflicts, which is reflected in the declining share of China in U.S. merchandise imports. Similarly, the EU's share in Russian imports has fallen drastically since the start of the Ukraine-Russia conflict. As per the DHL Global Connectedness Report 2024, the distance covered in international flows (trade, capital, information and people) steadily moved up from around 4,850 kms in 2021 to around 5,000 kms in 2022.

While globalisation has not been overtaken by regionalisation, but there are some specific trading regions, such as North America, which are ahead of others in nearshoring or friend-shoring. The choice of where to spread the cargoes will be determined by traditional factors, such as labor costs, manufacturing and logistics capability but moral and cultural commonalities will also play a role in sourcing decision-making. The momentum of a shift towards regionalisation will depend on how the U.S.-China trade war heats up and geopolitical conflicts intensify. From the container shipping perspective, this could mean a reduction in long-haul trade and competition from overland transportation i.e. road and rail.

Supply-Demand Balance

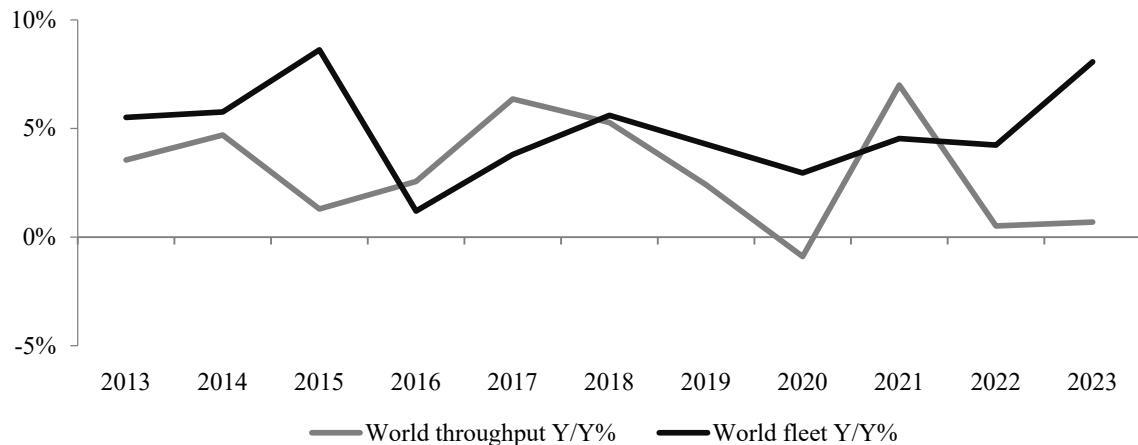


Source: Drewry

The container shipping industry's low pre-pandemic supply-demand balance rose due to the supply chain inefficiencies during the COVID-19 pandemic. Drewry's Global Supply-Demand Index started to move up to 96.5 in 2020 and stayed above the 100-point threshold in 2021 and 2022. As the world recovered from the pandemic and the market-boosting factors dissipated, the Supply-Demand Index declined sharply to 79.0 in 2023.

However, the index recovered to 95.2 in July 2024, its highest value in a year after averaging 86.5 in the first six months of 2024. This occurred due to an interplay between operational disruptions, decreasing supply and rapid new deliveries increasing supply. The change in effective capacity arising from Red Sea diversions masks the structural overcapacity within the sector. Effective capacity has broadly been maintained at pre-Red Sea crisis levels. However, service schedules have been extremely inconsistent with a large number of blanked voyages, mainly because carriers have not been able to find suitable tonnage in the charter market to plug the weekly gaps. Longer round voyages, broken schedules, port congestion and increased blank sailings tightened supply in July 2024. This, in combination with the still robust demand, has led to continued shortages of equipment, which has triggered a spike in spot rates in July. An index reading of 100 represents a balanced market, while anything below it is a sign of overcapacity and anything above represents undersupply.

World Port throughput and containership fleet growth, % change on the previous year



Source: Drewry

Pandemic-induced lockdowns in the first half of 2020 reduced manufacturing output in Asia, which led the world container port throughput to contract 0.9% in 2020. However, throughput surged 7.0% in 2021 supported by strong demand then fell to 0.5% in 2022 due to bottlenecks in the global supply chain. Lockdowns also resulted in consumer spending switching from services to goods including consumer durables which increased the volumes of e-commerce. Fiscal stimulus further drove up consumer demand. On the supply side, container shipping companies implemented capacity management measures at the beginning of the pandemic to support the freight rates. In addition, effective handling capacity of container terminals reduced as a result of staff shortage and COVID-19 social distancing practices, which led to port congestion and lowered effective shipping capacity (the number of slots available to the market) by around 21% in 2021 as well as in 2022. Higher consumer demand and lower effective shipping capacity pushed the freight rates to record high levels.

As the world recovered gradually from COVID-19 and movement restrictions were lifted, consumers shifted back their spending from the pandemic-induced expenditure on physical goods to services. The United States phased out expenditure on stimulus and relief measures in 2021, with the Federal Reserve starting quantitative tightening from early 2022 to combat the record inflation. All these factors reduced the shipping demand in 2023.

The world container port throughput grew only 0.7% in 2023 even though the congestion had eased greatly. On the supply side, as COVID-19 social distancing practices were lifted and staff came back to work, congestion at ports and container terminals reduced gradually, despite some regional labor disputes. Improved port productivity thereafter increased the effective shipping capacity to the market. The weakened cargo volume growth and increased effective supply drove the freight rate correction from early 2022.

Houthi attacks on commercial ships in the Red Sea from the fourth quarter of 2023 forced most container vessels on routes from Asia to Europe and the East Coast of North America to transit via the Cape of Good Hope from mid-December and avoid the Suez Canal. Routing via the Cape of Good Hope increased the sailing distance and thereby the sailing time and bunker costs for destinations in Europe. Assuming a 30% increase in trade distance for the roughly 30% of container ship capacity that previously transited the Suez Canal, Drewry estimates that if the canal has to be avoided for the entirety of 2024, the effective global capacity would reduce by about 9%. The Red Sea diversions coincided with the pre-Lunar New Year cargo rush in January 2024, which drove up the spot rates. In the first quarter of 2024, the market gradually adapted to the initial supply shock and spot rates started to normalise.

In May 2024, spot rates started to surge again with possible linkage to (1) stronger-than-expected demand for consumer imports into the United States, (2) pre-emptive ordering or shipping due to concerns over prolonged lead times, (3) continuous geopolitical uncertainty in the Middle East, (4) constrained capacity supply from Asia to Europe, (5) adverse weather conditions, (6) congestion at key Asian ports, and (7) container equipment shortage in major export regions.

Supply-demand dynamics on different trade routes can vary at any given time and are reflected in utilisation rates, which in turn, influence freight rate trends. Major carriers that maintain a diversified portfolio of services in North-

South, East-West and intra-regional trade lanes will be better positioned to manage downturns in individual trade lanes. The demand for headhaul East-West routes boomed in 2021 with a significant 11.1% increase. More capacities were mobilised from other routes to East-West routes in pursuit of high freight rates and profitability. The average utilisation rates for East-West trade headhaul rose to 90.6% in 2020 and 89.3% in 2021, from 87.0% in 2019. With demand contracting in 2022 and 2023, the average utilisation rates dropped to 80.3% and 78.5% respectively. In the first quarter of 2024, the Red Sea diversion led to significantly longer transit times for Europe-destined cargoes. Despite carriers adding more ships to the Asia-Europe trade, the overall East-West headhaul capacity dropped 2.4% QoQ in the first quarter of 2024, which pushed up the utilisation to 81.2%.

East-West Trades Headhaul Supply-Demand Balance and Utilisation Factors 2018-1Q24

	Capacity* (’000 TEU)	Change	Demand (’000 TEU)	Change	Supply- demand gap	Utilisation	Slot/ TEU	TEU /slot
1Q18	11,508		9,612			83.5%	1.20	0.84
2Q18	12,039	4.6%	10,166	5.8%	-1.1%	84.4%	1.18	0.84
3Q18	12,046	0.1%	10,926	7.5%	-7.4%	90.7%	1.10	0.91
4Q18	11,776	-2.2%	10,613	-2.9%	0.6%	90.1%	1.11	0.90
2018	47,369	6.4%	41,317	5.3%	1.1%	87.2%	1.15	0.87
1Q19	11,790	0.1%	9,822	-7.4%	7.6%	83.3%	1.20	0.83
2Q19	12,329	4.6%	10,489	6.8%	-2.2%	85.1%	1.18	0.85
3Q19	12,173	-1.3%	11,135	6.2%	-7.4%	91.5%	1.09	0.91
4Q19	11,673	-4.1%	10,279	-7.7%	3.6%	88.1%	1.14	0.88
2019	47,965	1.3%	41,726	1.0%	0.3%	87.0%	1.15	0.87
1Q20	11,196	-4.1%	9,054	-11.9%	7.8%	80.9%	1.24	0.81
2Q20	10,704	-4.4%	9,569	5.7%	-10.1%	89.4%	1.12	0.89
3Q20	12,264	14.6%	11,867	24.0%	-9.4%	96.8%	1.03	0.97
4Q20	12,552	2.4%	11,821	-0.4%	2.7%	94.2%	1.06	0.94
2020	46,715	-2.6%	42,311	1.4%	-4.0%	90.6%	1.10	0.91
1Q21	12,389	-1.3%	11,138	-5.8%	4.5%	89.9%	1.11	0.90
2Q21	12,998	4.9%	11,544	3.6%	1.3%	88.8%	1.13	0.89
3Q21	13,635	4.9%	12,203	5.7%	-0.8%	89.5%	1.12	0.90
4Q21	13,605	-0.2%	12,135	-0.6%	0.3%	89.2%	1.12	0.89
2021	52,628	12.7%	47,021	11.1%	1.5%	89.3%	1.12	0.89
1Q22	13,299	-2.2%	11,312	-6.8%	4.5%	85.1%	1.18	0.85
2Q22	14,106	6.1%	11,429	1.0%	5.0%	81.0%	1.23	0.81
3Q22	13,562	-3.9%	11,015	-3.6%	-0.2%	81.2%	1.23	0.81
4Q22	13,099	-3.4%	9,686	-12.1%	8.6%	73.9%	1.35	0.74
2022	54,066	2.7%	43,442	-7.6%	10.3%	80.3%	1.24	0.80
1Q23	12,743	-2.7%	9,569	-1.2%	-1.5%	75.1%	1.33	0.75
2Q23	14,345	12.6%	10,744	12.3%	0.3%	74.9%	1.34	0.75
3Q23	13,981	-2.5%	11,618	8.1%	-10.7%	83.1%	1.20	0.83
4Q23	13,807	-1.2%	11,131	-4.2%	2.9%	80.6%	1.24	0.81
2023	54,876	1.5%	43,063	-0.9%	2.4%	78.5%	1.27	0.78
1Q24	13,477	-2.4%	10,948	-1.6%	-0.7%	81.2%	1.23	0.81

Trade routes include Asia-N Europe, Asia-Med, Transpacific and N Europe & Med-N America

*Capacity is the deployed capacity and refers to total available slots on a particular trade route

Source: Drewry

The demand for North-South headhaul trade grew a moderate 5.8% in 2021, much slower than in the East-West headhaul trade. However, the demand for North-South trade strengthened in 2023 with a 10.0% increase, which made up for the 0.9% demand decrease in the East-West headhaul trade. In the first quarter of 2024, North-South headhaul supply decreased 5.8% QoQ mainly due to the lengthened transit time for some Red Sea routes such as Europe-Middle East/South Asia, as well as the relocation of some capacity to the East-West routes.

The global utilisation rate for the industry moved up in 2020 and 2021, driven by the strong demand and constrained supply, but thereafter dropped in 2022 and 2023 mainly due to weakened cargo demand as well as increased capacity from easing port congestions and new ship deliveries.

North-South Headhaul Supply-Demand Balance and Utilisation Factors, 2018 – 1Q24

	Capacity (⁰⁰⁰ TEU)	Change	Demand (⁰⁰⁰ TEU)	Change	Supply- demand gap	Utilisation	Slot/ TEU	TEU/ slot
1Q18	7,183		4,718			65.7%	1.52	0.66
2Q18	7,299	1.6%	4,736	0.4%	1.2%	64.9%	1.54	0.65
3Q18	7,108	-2.6%	4,759	0.5%	-3.1%	67.0%	1.49	0.67
4Q18	6,857	-3.5%	4,593	-3.5%	0.0%	67.0%	1.49	0.67
2018	28,447	4.6%	18,806	0.4%	4.2%	66.1%	1.51	0.66
1Q19	6,542	-4.6%	4,501	-2.0%	-2.6%	68.8%	1.45	0.69
2Q19	6,719	2.7%	4,866	8.1%	-5.4%	72.4%	1.38	0.72
3Q19	6,810	1.4%	4,966	2.1%	-0.7%	72.9%	1.37	0.73
4Q19	6,629	-2.7%	4,917	-1.0%	-1.7%	74.2%	1.35	0.74
2019	26,701	-6.1%	19,251	2.4%	-8.5%	72.1%	1.39	0.72
1Q20	6,545	-1.3%	4,374	-11.1%	9.8%	66.8%	1.50	0.67
2Q20	6,417	-1.9%	3,938	-10.0%	8.0%	61.4%	1.63	0.61
3Q20	6,916	7.8%	4,798	21.8%	-14.1%	69.4%	1.44	0.69
4Q20	7,021	1.5%	5,174	7.8%	-6.3%	73.7%	1.36	0.74
2020	26,899	0.7%	18,283	-5.0%	5.8%	68.0%	1.47	0.68
1Q21	7,260	3.4%	4,767	-7.9%	11.3%	65.7%	1.52	0.66
2Q21	7,110	-2.1%	4,786	0.4%	-2.4%	67.3%	1.49	0.67
3Q21	6,821	-4.1%	4,880	2.0%	-6.0%	71.5%	1.40	0.72
4Q21	7,194	5.5%	4,912	0.7%	4.8%	68.3%	1.46	0.68
2021	28,385	5.5%	19,345	5.8%	-0.3%	68.2%	1.47	0.68
1Q22	7,187	-0.1%	4,676	-4.8%	4.7%	65.1%	1.54	0.65
2Q22	7,386	2.8%	4,662	-0.3%	3.1%	63.1%	1.58	0.63
3Q22	7,199	-2.5%	4,926	5.7%	-8.2%	68.4%	1.46	0.68
4Q22	7,280	1.1%	4,755	-3.5%	4.6%	65.3%	1.53	0.65
2022	29,052	2.3%	19,019	-1.7%	4.0%	65.5%	1.53	0.65
1Q23	7,522	3.3%	4,654	-2.1%	5.4%	61.9%	1.62	0.62
2Q23	8,079	7.4%	5,217	12.1%	-4.7%	64.6%	1.55	0.65
3Q23	8,072	-0.1%	5,552	6.4%	-6.5%	68.8%	1.45	0.69
4Q23	8,358	3.6%	5,494	-1.0%	4.6%	65.7%	1.52	0.66
2023	32,031	10.3%	20,917	10.0%	0.3%	65.3%	1.53	0.65
1Q24	7,875	-5.8%	5,399	-1.7%	-4.0%	68.6%	1.46	0.69

Capacity and demand is annualised for the full year and quarterly figure per quarter; trade routes include Asia-ECSA; Europe-ECSA, Asia-West Africa; Asia-South Coast Africa; Asia-Oceania; Asia-Mid-East; Asia-S Asia; Europe-Mid-East; Europe-S Asia.

**Capacity is the deployed capacity and refers to the total available slots on a particular trade route*

Source: Drewry

Global Headhaul Supply-Demand Balance and Utilisation Factors, 2018- 1Q24

	Capacity ('000 TEU)	Change	Demand ('000 TEU)	Change	Supply-demand gap	Utilisation
1Q18	18,691		14,330			76.7%
2Q18	19,339	3.5%	14,901	4.0%	-0.5%	77.1%
3Q18	19,154	-1.0%	15,686	5.3%	-6.2%	81.9%
4Q18	18,632	-2.7%	15,205	-3.1%	0.3%	81.6%
2018	75,816	5.7%	60,123	3.7%	2.0%	79.3%
1Q19	18,332	-1.6%	14,324	-5.8%	4.2%	78.1%
2Q19	19,049	3.9%	15,355	7.2%	-3.3%	80.6%
3Q19	18,983	-0.3%	16,101	4.9%	-5.2%	84.8%
4Q19	18,301	-3.6%	15,196	-5.6%	2.0%	83.0%
2019	74,666	-1.5%	60,976	1.4%	-2.9%	81.7%
1Q20	17,741	-3.1%	13,428	-11.6%	8.6%	75.7%
2Q20	17,121	-3.5%	13,507	0.6%	-4.1%	78.9%
3Q20	19,180	12.0%	16,664	23.4%	-11.4%	86.9%
4Q20	19,573	2.1%	16,996	2.0%	0.1%	86.8%
2020	73,615	-1.4%	60,594	-0.6%	-0.8%	82.3%
1Q21	19,649	0.4%	15,905	-6.4%	6.8%	80.9%
2Q21	20,109	2.3%	16,330	2.7%	-0.3%	81.2%
3Q21	20,456	1.7%	17,083	4.6%	-2.9%	83.5%
4Q21	20,800	1.7%	17,047	-0.2%	1.9%	82.0%
2021	81,013	10.1%	66,365	9.5%	0.5%	81.9%
1Q22	20,486	-1.5%	15,988	-6.2%	4.7%	78.0%
2Q22	21,492	4.9%	16,091	0.6%	4.3%	74.9%
3Q22	20,761	-3.4%	15,941	-0.9%	-2.5%	76.8%
4Q22	20,379	-1.8%	14,441	-9.4%	7.6%	70.9%
2022	83,118	2.6%	62,461	-5.9%	8.5%	75.1%
1Q23	20,265	-0.6%	14,223	-1.5%	1.0%	70.2%
2Q23	22,425	10.7%	15,961	12.2%	-1.6%	71.2%
3Q23	22,052	-1.7%	17,170	7.6%	-9.2%	77.9%
4Q23	22,165	0.5%	16,626	-3.2%	3.7%	75.0%
2023	86,907	4.6%	63,979	2.4%	2.1%	73.6%
1Q24	21,352	-3.7%	16,347	-1.7%	-2.0%	76.6%

Capacity and demand are annualized for full year and quarterly figure per quarter; Trades include Europe-ECSA, Asia-ECSA, Asia-West Africa, Asia-South Coast Africa, Asia-Oceania, Asia-Mid-East, Asia-S Asia, Europe-Mid-East, Europe-S Asia, Asia-N Europe, Asia-Med, Transpacific, Europe-N America.

*Capacity is the deployed capacity and refers to total available slots

Source: Drewry

Impact of COVID-19 on container demand and Container line's response

Growth in global container traffic volume declined sharply in early 2020 due to COVID-19 as the pandemic caused a sharp contraction in demand. However, the global merchandise trade volume recovered sharply in the latter part of 2020 and 2021 and grew 6.4% in 2021 compared to the year ended December 31, 2020 mainly fuelled by the pandemic-related demand surge.

Social distancing and the requirement to work from home during the pandemic benefitted the e-commerce industry as consumer demand for online shopping increased significantly. Consumer behaviour changed from the consumption of travel/ leisure services to buying consumer goods, which further benefitted the e-commerce industry. Grounding of aircraft as a result of travel restrictions led to a shortage of belly capacity on planes, which created a shift towards ocean services for goods transportation. Generous social support packages and inventory building resulted in a surge in demand on select routes.

The disruption to supply chains and ports led to port congestion that absorbed, at the peak, approximately 20% of global container shipping capacity (both vessels and containers). This led to severe shortages of capacity on key routes and to a very rapid rise in freight rates. Despite this rise, volumes grew in 2021, demonstrating the inelasticity of global container shipping demand to freight prices. For many cargoes moving in containers, shipping costs are a small proportion of the value of the goods. As a result, changes in freight rates have little impact on end-market demand for many types of goods moved in containers

Supply chain disruption also created a premium service market, which the carriers cashed in on quickly during the second half of 2020.

The container shipping sector's strong performance extended into 2021 and 2022, with the best financial results in a decade. Shipping revenues of the key container shipping companies increased between 65.3% and 113% in 2021 and revenues continued to increase in 2022. In line with revenues, operating profits surged. A high proportion of container shipping line costs are fixed. As a result, increases in freight rates and volume growth tend to have a large impact on margins, as seen in 2021 and 2022.

Financials of Selected Companies – 2019 to 2023

Figures in USD million unless stated	Shipping Revenue					Operating Profit					Operating margin				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Maersk	28,782	29,175	48,232	64,299	33,653	na	na	17,963	29,149	2,227	na	na	37%	45%	7%
COSCO Shipping	21,011	22,696	48,339	57,412	23,379	960	2122	19786	24031	4101	5%	9%	41%	42%	18%
Hapag-Lloyd	14,115	14,577	26,356	36,380	19,210	908	1,501	11,111	18,365	2,717	6%	10%	42%	50%	14%

Note: Figures for respective companies' container shipping segments. COSCO Shipping's figures include OOCL numbers

Source: Company data, Drewry

Other influencing factors & trends

Digitalization and its impact on container shipping

Technological advancements led by digitalization, artificial intelligence, blockchain, the Internet of things ("IoT") and automation, are of increasing relevance to maritime trade and transport and this trend is affecting container shipping as well. The key objective of adopting new technology is to optimize the existing process, create business opportunities and increasing transparency and supply chain visibility. Technology and digital solutions can assist container shipping lines to achieve sustainability targets and comply with new emission norms.

In April of 2019, MSC, Maersk, CMA CGM, Hapag-Lloyd, ONE, Evergreen, Yang Ming, HMM and ZIM founded the Digital Container Shipping Association ("DCSA") to establish IT standards that would enable interoperability of technology solutions across the industry. DCSA is being seen equivalent to International Air Transport Association ("IATA") which has led the digital transformation in the airline industry.

Shipping lines have also started focusing on end-to-end supply solutions. Some liner companies have identified logistics as their growth drivers which involves services such as inland transportation and freight management. Pursuing its integrated logistics strategy, CMA CGM acquired CEVA in 2019 followed by takeover of Bolloré Logistics from the Bolloré Group in 2024.

Liner companies have taken multiple initiatives to leverage the digital medium to manage the operational complexities arising due to end-to-end solutions. Digital platforms and tools can help in differentiating the services offered as it could lead to reduced turnaround time, costs and improved visibility of cargo for its customers. Maersk has invested heavily in digital platforms to simplify container shipping and transport, in this regard, Maersk launched 'Maersk Spot' in June 2019, which promised guaranteed bookings on their ships with a fixed price. Since then, Maersk Spot has gained traction in the market. By the end of 2019, Maersk spot accounted for 24% of total loaded short-term volume which rose to 66% by the end of the second quarter of 2022.

In addition to the developments at company levels, digitalization in container shipping is making some progress with digital platforms such as the New York Shipping Exchange ("NYSHEX"). The platform, whose members include Maersk, Hapag-Lloyd, CMA CGM, ONE, MOL, OOCL and COSCO Shipping, connects shippers with ocean carriers and is based on enforceable contracts. It enables shippers to lock in a price and guaranteed space and ensures that carriers secure payments for all bookings from shippers, i.e., addressing the issue of customers failing to show up despite a reservation. It can potentially lead to better utilization of capacity.

New technology has also led to innovations in the container shipping industry. It provides more reliable data on the location and condition of containers, offering the visibility, data and analytics to optimize the supply chain, monitor the quality of cargo, ensure compliance with hazardous cargo regulations, monitor cargo's carbon footprint throughout the journey and adhere to vendor compliance policy by tracking the sourcing locations. The IoT is used in (a) asset tracking and cargo monitoring, (b) vessel monitoring, port operations, and route optimization, and (c) automation by linking IoT / other technologies. Smart container technology allows the management of inventory/working capital by analysing the flow of shipments throughout the journey milestones, including transshipment points, anticipating supply shortages, executing emergency sourcing without disrupting the supply chain and facilitating trade financing with near real-time and reliable data. The electronic device transmits data in near-real time, recording the movements and status of goods during transportation. This means our clients benefit from maximum visibility of their cargo and complete traceability. They are notified rapidly if there is an incident and can act immediately. The data recorded also helps them to adapt better, provide additional information if an insurance claim is needed and simplify the customs process. By analysing this data, they can also assess the efficiency of their logistics chain and quickly put operational improvements in place.

Meanwhile, blockchain aims to disentangle the administrative processes between different parties within the supply chain and to provide a centralized platform where all parties can submit paperwork. Some of the recent trends are to develop blockchain platforms for the shipping sector (two main initiatives, involving shipping lines, terminal operators and IT companies, are currently under development), to open new processes for regulatory bodies, and to generate global standards for the shipping sector. However, the adoption of blockchain technology has been slow due to multiple factors like trust deficit, low level of digitalization and skill gap.

Terminals owned or part-owned by container carriers

Lines invest in terminals to secure container handling capacity in key markets, to exert control over terminal operations (particularly in transshipment hubs), and to make money. The stability of port cash flow patterns makes the industry financially attractive for container shipping companies. These companies are actively seeking diversification opportunities across the entire shipping value chain, particularly in response to post-COVID-19 challenges in their core shipping operations. Although the ongoing geopolitical issues have benefited their shipping operations, the attractiveness of port assets remains strong.

In the recent past, the industry faced a few unforeseen strategic manoeuvres that significantly reshaped its structure. The first was the termination of the 2M alliance, effective from January 2025 (announced in January 2023), which resulted from conflicting strategies between the alliance partners. Maersk is committed to delivering end-to-end logistics services, while MSC focuses on expanding its fleet to maximise market share. In another surprising development, Maersk partnered with Hapag-Lloyd to form the Gemini Cooperation, effective February 2025 (announced in January 2024). Previously, the 2M Alliance and THE Alliance (of which Hapag-Lloyd was a member) controlled about 64.4% of the liner capacity, and the formation of the Gemini Cooperation significantly altered this competitive landscape. Following the announcement of its break-up with Maersk, MSC announced its acquisition of 49% of HHLA in September 2023 (due to be completed in the second quarter of 2024), which would provide the Swiss carrier with a financial interest across a network of European rail terminals.

Despite these structural changes, nearly all carriers within these alliances continue to maintain terminal portfolios of varying sizes and complexities, with a natural desire to see their terminals called at. Carriers generally prefer to use terminals in which they have stakes, but alliance membership necessitates compromise since each carrier in an alliance has its own interests. Thus, individual shipping lines are not in complete control of port or terminal choices due to the conflicting interests of other members in these alliances. Regardless of how extensive a shipping line's (or alliance's) terminal portfolio is, there will always be many locations worldwide where they do not have terminals, necessitating the use of terminals operated by independent operators or other shipping lines.

The top five liner companies own or control 220 terminals worldwide (see table below). While some carriers consider terminals to be a standalone business, others have taken advantage of synergies between container shipping and container terminals; this has been particularly the case for transshipment terminals, where ownership secures favorable, well-timed slots, enabling more efficient use of vessels and faster connections.

Terminals Owned or Part-Owned by Container Carriers	Number of Owned/Part-Owned Terminals	Main-Owned/Part-Owned Transshipment Terminals
APM Terminals	59	Yokohama, Qingdao, Shanghai, Guangzhou (Nansha), Tanjung Pelepas, Colombo, Salalah, Bremerhaven, Rotterdam, Barcelona, Valencia, Algeciras, Miami, Lazaro Cardenas, Buenos Aires, Santos, Callao, Cartagena, Port Said, Abidjan, Tema, Tanger Med, Pipavav, Wilhelmshaven, Castellon
MSC-TIL	54	Ningbo, Singapore, Mundra, Abu Dhabi, King Abdullah, Valencia, Sines, Ambarli, Asyaport, Las Palmas, Gioia Tauro, Le Havre, Antwerp, Bremerhaven, Rotterdam, Lome, Port Everglades, Freeport Bahamas, Santos, Buenos Aires, Callao, Rodman, Tanger Med, Bilbao, La Spezia, Busan, Khalifa Port, Iskenderun, Ashdod, Pointe Des Galets
CMA CGM/Terminal Link	55	Busan, Marsaxlokk (Malta Freeport), Le Havre, Antwerp, Miami, Tanger Med, Algeciras, Abidjan, Rotterdam, Zeebrugge, Kingston, Singapore, Mundra, Yokohama, Kaohsiung, Qingdao, Pointe Des Galets, Dunkerque
COSCO Shipping	48	Shanghai, Ningbo, Lianyungang, Shenzhen, Guangzhou (Nansha), Hong Kong, Kaohsiung, Busan, Khalifa Port, Jeddah, Singapore, Zeebrugge, Rotterdam, Bilbao, Piraeus, Valencia, Port Said, Antwerp, Ambarli
Evergreen	12	Busan, Kaohsiung, Taichung, Osaka, Colombo, Colon, Tokyo
Hapag-Lloyd	4	Hamburg, Wilhelmshaven, Tanger Med
NYK	9	Kobe, Tokyo, Kaohsiung, Yokohama
K Line	4	Kobe, Osaka, Tokyo, Antwerp, Yokohama
Yang Ming	5	Kaohsiung, Antwerp
MOL	8	Tokyo, Yokohama, Osaka, Kobe, Rotterdam
Wan Hai	7	Kaohsiung, Taichung, Tokyo

Note: COSCO Shipping includes OOCL terminals

**Subsequent important deal – In August 2023, Hapag-Lloyd completed the acquisition of SM SAAM's ports and logistics business. At the time of acquisition, SM SAAM, through its wholly-owned subsidiary SAAM Ports S.A, operates 10 terminals in six countries (The United States, Mexico, Costa Rica, Colombia, Ecuador and Chile).*

Source: Drewry

Generally, the terminal portfolios affiliated with shipping lines exist primarily to serve the shipping line (rather than operating as a standalone business). However, some carriers' terminal portfolios can be categorised as hybrids. For example, APM Terminals' positioning has shifted from being a clear stevedore (independent) business to one more closely aligned with Maersk's Ocean segment, given Maersk's global integrator strategy.

Intermodal services as a service differentiator

Historically, providers of container shipping services have been divided between port-to-port transport providers and door-to-door transport providers. Shipping lines such as CMA CGM and Maersk offer intermodal and inland services as global integrators of container logistics. The extent of inland service, whether it is up to ramp, depot, or door, depends on location and infrastructure, as this requires more complex rail connections and inland operations along with increased risk. Efficient inland rail container transport connections (in the United States in particular) are a clear differentiator among shippers between top-tier and low-tier liner companies. More and more carriers among the top 10 are offering intermodal services to increase customer stickiness and acquisition.

Several liners are trying to widen the scope of services, becoming global integrators of container logistics, connecting and simplifying customers' supply chains. The container shipping freight market is volatile and container shipping companies have been looking to diversify away from the core shipping business to freight forwarding and other aspects of the supply chain. This is driven by their high liquidity and strong balance sheet, due to the record high profitability in 2020-22. Leading players now provide door-to-door delivery (seller's

warehouse to the buyer's warehouse) and connectivity with global inland commercial centres. Among the top 10 largest players, all players have some network of intermodal service infrastructure and operations under their belt, but MSC, CMA CGM, Maersk, COSCO Shipping and Hapag-Lloyd have the most extensive and global networks.

In the fiercely competitive world of container shipping, where ocean freight capacities seem to reach new heights every year, differentiation is the key. While traditional port-to-port services may appear standardised, the true competitive edge lies in a company's intermodal capabilities. Carriers are increasingly integrating technology into their intermodal offerings. Most carriers now provide online platforms for booking, shipment tracking, and even documentation management, intermodal visibility tools offering real-time data on container location and estimated arrival times in addition to value-added services like container packing and unpacking.

While providing intermodal offerings increases carriers' value-proposition for their consumers, the barrier to entry is significant in terms of laying out the required infrastructure and the costs and time associated with it. Therefore, to secure the early mover advantage, cash-rich liners have been rapidly acquiring logistics, supply chain management, e-commerce or project cargo companies to increase their intermodal offerings and differentiate themselves in a wildly competitive market. Acquisitions such as CMA CGM buying logistics firms like GEFCO, Bolloré Logistics, Colis Privé and Ingram CLS or Maersk acquiring LF Logistics, Pilot Freight Service, Martin Bencher and Visible SCM are some examples. Similarly, MSC acquired Bolloré Africa Logistics, Alis Cargo and Clasquin. The top three liners have specific departments or subsidiaries catering to their logistics/intermodal offerings due to the scale of their operations like the Logistics and Services segment of Maersk, CMA CGM's subsidiary - CEVA and MSC's subsidiary – Medlog. Other mid-size carriers are also expanding their offerings in the end-to-end delivery segment. Examples include COSCO Shipping with its COSCO Shipping Logistics Supply Chain Co Ltd, which was acquired in 2022 and Hapag-Lloyd acquiring the logistics business of SM SAAM, ATL Haulage Contractors, 50% stake in Rail Terminal Wilhelmshaven and a 49% stake in Spinelli.

Traditionally, liners held the contract of carriage and were served by ports, terminals, and inland transport operators. The relationship between liners and Beneficial Cargo Owners ("BCOs") is increasingly managed via forwarders. Port authorities combine the role of infrastructure provider, regulator, and granter of concessions with a unique ability to act as a coordinator of a range of stakeholders. The existing relationships are:

- Contract of carriage is between BCOs and liner or Non-Vessel Operating Common Carrier (NVOCC); or between liner and NVOCC. Off late, carriers are slashing the share of NVOCCs' contracted cargo on their vessels in a bid to increase the share of BCOs to boost the chargeable freight rate. Typically, NVOCCs have higher bargaining power than BCOs and as such reducing NVOCC share should give carriers higher flexibility in this tough market.
- Liners are served by ports, terminals, and inland transport operators.
- Port authorities provide infrastructure to liners (channels), terminal operators (quays and other landside infrastructure, and BCOs and various Logistics Service Providers (LSP) (land, warehousing).
- Port authorities provide services to liners in the form of tugs, pilots, and Vessel Traffic Systems.
- Rail and haulage operators provide services to liners, BCOs, and logistics providers.
- Terminal operators and liners are the key customers for port authorities.

Currently, all main players are seeking to develop direct relationships with BCOs to secure volume and revenue. IT is catalysing new services and relationships and port authorities are using IT to expand their coordinating role. Evolving relationships are:

- Terminal operators are extending the service offering to BCOs through the development of inland transport capability and supply chain management IT.
- Liners and forwarders are using IT to bind BCOs closer in total supply chain services.
- Port authorities are becoming coordinators and enablers through the use of IT in various forms of Port Community Systems

IMO 2020 regulation on low-sulphur fuel

The second IMO regulation, which came into force on January 1, 2020, and impacted vessel supply, particularly in 2020, is the one on the use of low-sulphur fuels. For many years, high sulphur fuel oil (“HSFO”) has been the main fuel of the shipping industry as it is relatively inexpensive and widely available. However, it is ‘dirty’ from an environmental point of view as its sulphur content is extremely high and is the reason that maritime shipping accounted for 8% of global emissions of sulphur dioxide (“SO₂”), a significant source for acid rain as well as respiratory diseases. According to the IMO, sulphur oxide emissions have declined 77% (annual reduction of about 8.5 million metric tonnes) since the implementation of the IMO 2020 regulations.

The IMO, the governing body of international shipping, has made an effort to shift the industry away from HSFO to cleaner fuels with less harmful effects on the environment and human health. Effective 2015, ships operating in the ECAs (see “*Regulatory Matters—Environmental Regulations—International*”) covering the Economic Exclusive Zone of North America, the Baltic Sea, the North Sea, and the English Channel, are required to use marine gas oil with allowable sulphur content up to 1,000 parts per million (“ppm”). In the lead-up to 2020, when the shipping industry started to prepare for a new low-sulphur norm, two factors were considered: (i) the spread between (expensive) very low-sulphur fuel and (cheaper) high-sulphur fuel, and (ii) scrubber retrofitting activity. Starting 2020, high and low sulphur fuel demand from the marine sector reported significant variation. The HSFO and low sulphur fuel oil price spread largely oscillated between \$300 and \$350 per tonne during the initial days and hovered around USD190-200 per tonne in February 2020. Despite the initial speculation, the shipping industry did not see any systemic shortage of the new low-sulphur fuel oil. The premium commanded by low-sulphur fuel reduced to around \$60 per tonne by December 2020 as the availability of compliant fuel was not an issue due to reduced demand and increased supply across major bunkering ports. Overall, the installation of scrubbers and new fuel regulations turned out to be a non-event against the backdrop of COVID-19 and low bunker prices. However, the recent increase in crude oil prices since June 2021 and corresponding widening in the spread, improved the economic rationale for scrubber investment.

EU ETS and FuelEU

In addition to the IMO regulation, the EU has introduced a set of proposals including the EU ETS and FuelEU Maritime Initiative. Shipping emissions will be phased into the EU ETS gradually, starting in 2024, resulting in obligations to surrender allowances covering 40% of in-scope emissions in 2024, 75% in 2025 and 100% in 2026. The EU ETS will include 100% emissions from voyages and port calls within the EU and 50% emissions from voyages between an EU port and a non-EU country. In addition, methane (“CH₄”) and nitrous oxide (“N₂O”) will be included from 2026. The EU ETS provides rules regarding greenhouse gas GHG intensity with respect to energy used onboard all ships arriving in the EU. It aims to reduce net GHG emissions by at least 55% by 2030 and makes climate neutrality by 2050 legally binding. All shipowners trading in European waters will need to comply with these regulations.

The European Union’s FuelEU Maritime Regulation, which will come into effect on January 1, 2025, establishes a framework for decarbonizing the maritime industry within the EU and EEA. It dictates mandatory reductions in the yearly average GHG intensity of energy used aboard ships operating in these regions. This reduction is measured as grams of CO₂ equivalent per Megajoule (“gCO₂e/MJ”) and applies to the vessel’s entire energy lifecycle, encompassing “well-to-wake” emissions. This comprehensive approach includes emissions associated with fuel extraction, cultivation, production, transportation, and onboard usage.

Ships will be required to undertake a combination of initiatives to comply with the upcoming environmental regulations. These may range from switching to low- / zero-carbon alternative fuels, paying carbon taxes, retrofitting energy-saving devices, propulsion improvement devices, as well as voyage optimization techniques. The emission control regulations could slow the speed of the vessels in the next few years, reducing the supply of ships. Therefore, in the short-to-mid-term, this will benefit shipowners as the fleets are younger since charter rates should potentially increase with lower vessel supply.

Besides the IMO regulations, the decarbonization of shipping is being propelled by various state and non-state stakeholders of the shipping industry. In recent years, there have been several developments such as the Sea Cargo Charter, Poseidon Principles for ship finance banks and Poseidon Principles for Marine Insurance. In addition, there have been several industry-led initiatives to facilitate movement towards low- / zero-carbon shipping such as Getting to Zero Coalition, The Castor Initiative for Ammonia, the Global Centre for Maritime Decarbonization, and the Mærsk Mc-Kinney Møller Centre for Zero Carbon Shipping.

IMO GHG Strategy and impact on container shipping

At the Marine Environment Protection Committee 80 (“MEPC 80”) session in July 2023, the IMO revised its GHG emission reduction targets in line with the Paris Agreement, setting more ambitious targets compared to its 2018 initial GHG strategy. The organization now aims for net-zero emissions from the shipping industry by 2050. The IMO has added two indicative checkpoints for GHG reduction – (i) To reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30% in 2030, compared to 2008, and (ii) To reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80% by 2040, compared to 2008. In addition, targets have been set for 2030: (i) reduction of CO₂ emission per transport work by at least 40% compared to 2008, and (ii) uptake in zero or near-zero GHG emission fuels by at least 5% and striving for 10%.

Achieving these targets will require a combination of energy efficiency requirements and energy-saving technologies, in addition to encouraging shipowners to use alternative fuels such as biofuels and electro-/synthetic fuels such as hydrogen or ammonia. It may also include limiting the speed of ships. Currently, there is uncertainty regarding the exact measures that the IMO will undertake to achieve these targets. IMO-related uncertainty is a key factor preventing shipowners from placing new orders, as the vessels with conventional propulsion systems may have a high environmental compliance cost and possibly faster-depreciating asset values in the future. Some shipowners have decided to manage this risk by ordering LNG- / methanol-fuelled ships to comply with stricter regulations that may be announced in the future.

The IMO concluded MEPC 80, addressing the current GHG measures and an additional basket of mid-term measures, including an economic and technical measure. Details on these measures will be discussed further in the upcoming inter-sessional meetings held by the IMO. The economic measure is expected to come in the form of a GHG levy and the technical measure will introduce a Goal Based Fuel Standard (“GFS”), which will assess the fuels that are used onboard on a life cycle basis according to the life cycle GHG intensity of marine fuels (“LCA”) guidelines. Both measures are expected to be implemented in 2027.

EEXI and CII

In June 2021, the IMO adopted amendments to the International Convention for the Prevention of Pollution from ships that will require vessels to reduce their GHG emissions. These amendments are a combination of technical and operational measures and came into force on 1 November 2022, with the requirements for EEXI and CII certification, effective January 1, 2023. These will be monitored by the flag administration and corrective actions will be required in the event of constant non-compliance. A review clause requires the IMO to review the effectiveness of the implementation of the CII and EEXI requirements by January 1, 2026 at the latest.

EEXI is a technical measure and applies to ships above 400 GT. It is a design parameter that assesses the potential carbon intensity of the vessels. It indicates the energy efficiency of the ship compared to a baseline and is based on a required reduction factor (expressed as a percentage relative to the EEDI baseline). As per Drewry’s analysis, most vessels will have to undergo Engine Power Limitation (“EPL”) to comply with the design parameter required by EEXI regulation. EPL will cap the maximum speed at which the vessel can operate. Since the vessel operating speeds in 2022 were lower than the maximum speed after EPL, it is unlikely that the EEXI regulation will have a significant impact on vessel operations.

CII is an operational measure which specifies carbon intensity reduction requirements for vessels with 5,000 GT and above. The CII determines the annual reduction factor needed to ensure continuous improvement of the ship’s operational carbon intensity within a specific rating level. The operational carbon intensity rating would be given on a scale of A, B, C, D, or E indicating a major superior, minor superior, moderate, minor inferior, or inferior performance level, respectively. The performance level would be recorded in the ship’s Ship Energy Efficiency Management Plan (“SEEMP”). A ship rated D for three consecutive years or E would have to submit a corrective action plan to show how the required index (C or above) could be achieved. To reduce carbon intensity, ship owners can switch from oil to alternative fuels such as LNG or methanol. Some marine fuels such as ammonia and hydrogen have zero-carbon content. Other options to improve energy efficiency include propeller upgrading/polishing, hull cleaning/coating and retrofitting vessels with the wind-assisted propulsion systems. Reducing ship speeds also helps in complying with the regulations as it lowers fuel consumption, and it is easy to implement.

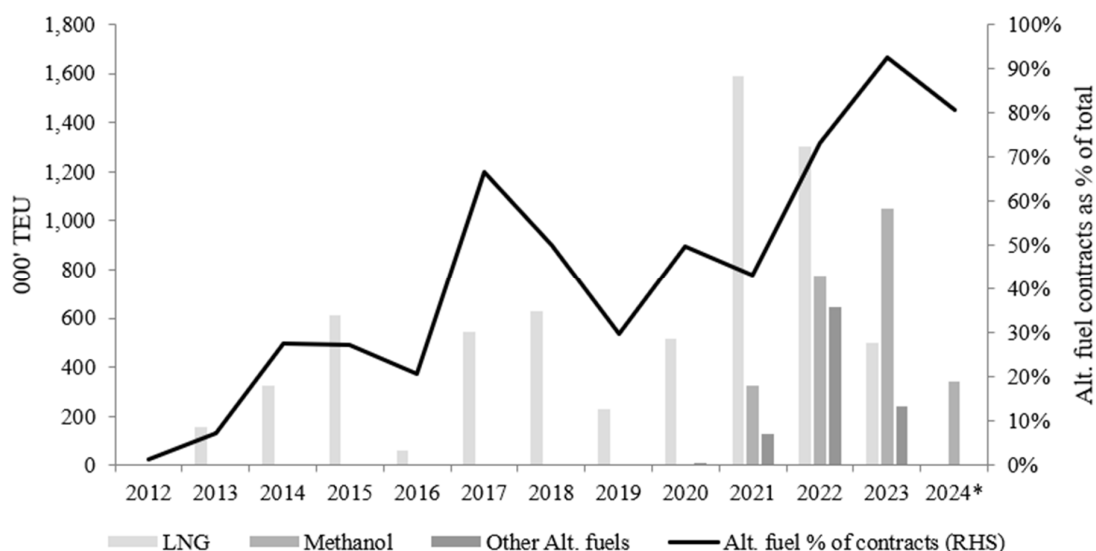
As CII ratings for 2023 will be declared after March 31, 2024, which is the deadline for the submission of emission data, a lag is expected in the effect of the CII rating and major changes in operations are not expected until 2023 CII ratings are declared. These regulations may squeeze tonnage availability as shipowners may have to modify

engines and slow steam to comply. In addition, these regulations may also lead to increased scrapping and fleet renewal. Meanwhile, the share of alternative-fuel-capable vessels in the orderbook continues to increase as shipowners aim for a more efficient fleet.

Alternative fuels for shipping – current container shipping orderbook and proportion of alternative fuelled containerships

The IMO has set a target for net-zero emission from the shipping industry by 2050, which cannot be achieved with low-sulphur fuel and so has encouraged innovation in alternative fuels. The IMO has also been planning other technical and operational measures to meet emission targets. Alternative fuels like LPG and methanol are mainly used on vessels carrying these as cargo while LNG is used as a fuel in LNG vessels and also in other vessels. Since hydrogen and ammonia are in the initial stages of development as marine fuel, LNG is expected to remain the preferred alternative fuel in the near-to-medium term due to its availability. However, LNG is still a fossil fuel and is unable to meet the IMO 2050 decarbonization target. Another drawback is that LNG propulsion requires an LNG-capable engine which would need additional capex and increased fuel storage space. Biofuel is another potential alternative because it requires no major modification of the engine, and therefore, no significant additional capex. There is growing interest in methanol with methanol-based alternative fuel container ship orders even outpacing LNG-based alternative fuel container ship orders in 2023 and in the first six months of 2024. In the container shipping orderbook, the green-shift is clearly visible. As of June 20, 2024, only about 19.4% (in capacity terms) of the orderbook is of conventional fuel. The charts below show that the preferred transition fuels of the immediate future are methanol and LNG. While there is no clear consensus yet – even less so for potential longer-term solutions such as ammonia, hydrogen or nuclear – it appears that methanol-ready containerships are becoming the preferred technology for greener containerships, and are rapidly catching up with LNG containerships (the latter emit more carbon). The orderbook provides evidence of the substantial investment already made in greener ships.

Contracting for alternative fuel containerships (capable and ready)



*Note: Data is subject to change. Includes both capable and ready ships; some double counting as some units are ready for more than one alternative fuel type; Other Alt. fuels include ammonia and hydrogen; *2024 is up to 20 June 2024*

Source – Drewry, Clarksons Research

Considering the orderbook as of September 5, 2024 of the top ten largest carriers, MSC, CMA CGM, Maersk and Yang Ming have the highest share of alternative-fuelled vessels in their respective orderbooks.

Top ten container lines - percentage of alternative fuelled vessels in orderbook

Company	LNG	Methanol	Other Alternative fuel	Ammonia Ready	Ammonia Ready, Methanol Ready	LNG Ready	LNG Ready, Methanol Ready	Methanol Ready	Only conventional fuel
MSC	98.0%	0.0%	NA	27.6%	20.9%	0.0%	0.5%	0.5%	1.0%
CMA CGM	69.4%	26.5%	NA	0.5%	0.0%	0.0%	0.0%	0.0%	3.7%
COSCO Shipping	0.0%	71.8%	NA	0.0%	0.0%	0.0%	0.0%	0.0%	28.2%
Evergreen Marine	0.0%	58.0%	NA	0.0%	0.0%	0.0%	0.0%	0.0%	42.0%
ONE	0.0%	47.5%	NA	0.0%	47.5%	0.0%	0.0%	2.6%	2.4%
Maersk	20.0%	68.0%	NA	0.0%	0.0%	0.0%	0.0%	9.2%	2.8%
Hapag-Lloyd	67.0%	0.0%	NA	0.0%	0.0%	0.0%	0.0%	33.0%	0.0%
HMM	11.1%	58.7%	NA	0.0%	0.0%	28.8%	0.0%	0.0%	1.3%
Yang Ming	100.0%	0.0%	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wan Hai Lines	0.0%	0.0%	NA	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
ZIM Integrated Shpg	72.5%	0.0%	NA	0.0%	0.0%	0.0%	0.0%	0.0%	27.5%

Note: Classifications for alternative-fuel-ready categories include some double counting from alternative-fuel share categories (LNG and Methanol), e.g., an LNG dual fuel vessel might be ammonia ready and hence feature in both categories. Data is as of September 5, 2024.

Source – Drewry, Clarksons Research

Energy transition

Traditionally, fossil fuel-based energy sources such as oil, natural gas and coal have propelled the global economy, but their share has been declining over the past few years from 86.9% in 2011 to 81.8% in 2022 with the share of oil declining from about 33% in 2011 to 31.6% in 2022. However, the energy transition from fossil fuel-based energy to renewable sources of energy is currently underway which has received a boost from the accelerated sales of EVs. As the cost of EVs becomes competitive against internal combustion engine vehicles, and charging infrastructure is developed across the world, sales of EVs are expected to gain momentum, reducing the demand for gasoline and diesel in the long run. Increasing focus on decarbonization will impact global oil demand going forward but the demand for naphtha and jet fuel is likely to remain robust and will be a key driver of global trade in crude and refined petroleum products.

Liner's response to decarbonization

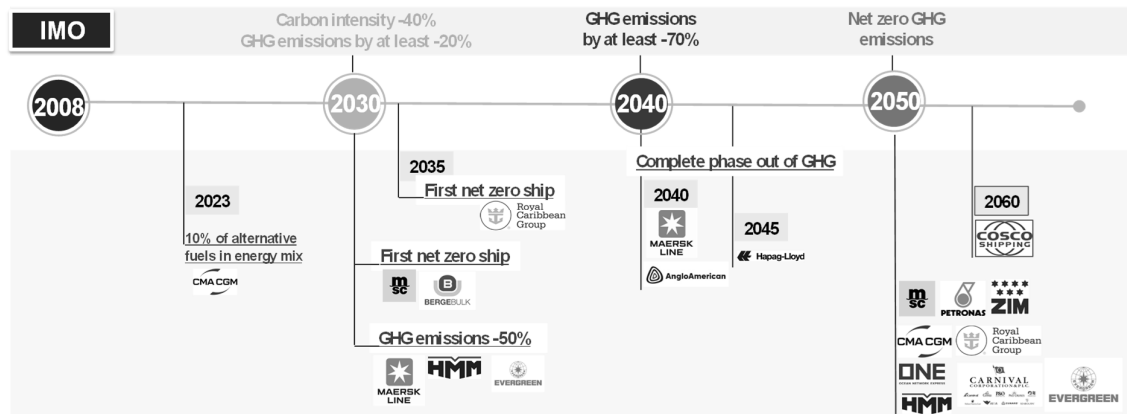
Following the publication of IMO GHG emission reduction targets, most of the shipping companies have come out with their decarbonization targets, which is either in line with targets set by the IMO or are more ambitious. From the leading 10 carriers – collectively operating approximately 85% of the active containership fleet – eight have confirmed net zero targets by 2050 at the latest, while COSCO Shipping is aiming for 2060, in line with all Chinese state-owned entities. Taiwanese carrier Yang Ming has not explicitly said that it will aim for net zero by a specific date. It has, though, committed to the IMO's targets. While the net zero target dates, interim goals and methods do vary between carriers, the common thread is a commitment to buying more fuel-efficient and less polluting ships to replace the dirtier units that have been the workhorses of global trade for decades.

There is currently a 20-year high-low spread (Maersk to COSCO Shipping) for net zero targets among the leading carriers. In our view, decarbonization targets will only get more ambitious over time as lines battle it out in a game of eco-marketing one-upmanship. However, Drewry does not expect carriers to announce more ambitious net-zero targets in the short-mid-term until they get a better handle on short-term progress. More aggressive targets by carriers are unlikely until a time when there is more certainty on alternative fuel sourcing and pricing.

In December 2023, The Chief Executive Officers (“CEOs”) of leading global container shipping companies (Maersk, CMA CGM, Hapag-Lloyd and MSC), issued a joint declaration at COP28 calling for an end date for fossil-only powered newbuilds and urged IMO to create regulatory conditions, which will help accelerate the

transition for green fuels. In our view, this highlights the container shipping companies' closer collaboration and commitment to the IMO GHG reduction objectives for 2030, 2040, and 2050. The joint declaration suggested the establishment of four regulatory cornerstones: 1) an end date for the new building of fossil fuel-only vessels and a clear GHG intensity standard timeline 2) an effective GHG pricing mechanism 3) a vessel pooling option, and 4) a well-to-wake or lifecycle GHG regulatory basis.

Decarbonization target benchmarking – leading container shipping companies



Source – Drewry

THE INTERNATIONAL LOGISTICS INDUSTRY

All the information and data presented in this section has been provided by Ti. Ti has advised us that the statistical and graphical information contained herein is drawn from its database and other third-party sources. In connection therewith, Ti has advised us that: (a) certain information in Ti's database is derived from estimates or subjective judgments; (b) the information in the databases of other maritime data collection agencies may differ from the information in Ti's database; and (c) while Ti has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is by definition subject to limited audit and validation procedures.

Some of the characteristics of the outsourced logistics industry in which the Group operates make it an attractive environment for the Group. It is a large market with an intrinsic growth dynamic, strengthened by further outsourcing trends among customers. In addition, the fragmented nature of the provider landscape gives integrated global players like the Group the opportunity to increase their market share.

Scale

The transportation and logistics industry, in which the Group operates, was estimated by Ti in 2023 to amount to over \$8.4 trillion. The breakdown of the total logistics market in terms of size can be viewed as follows:

Figure 1: Breakdown of Total Logistics Market in 2023 (Ti, 2024)

Ocean freight (managed by forwarders)	1.4%
Ocean freight (managed by container shipping lines)	2.0%
Air freight (managed by forwarders)	1.1%
Air freight (managed by airlines)	0.2%
Express	6.7%
Contract logistics	3.7%
Road transport (outsourced)	43.6%
Warehousing (outsourced)	31.9%
Customs	1.8%
Other	7.7%

Of the various segments of the logistics market, the total global air and ocean freight forwarding market outsourced to forwarders was estimated at approximately \$209 billion in 2023 (actual figure published by Ti in July 2024 based on average 2023 prices), of which approximately \$92 billion was air freight and approximately \$117 billion was ocean freight. Ti estimated the global contract logistics market to amount to approximately \$3.0 trillion in 2023 (estimate by Ti published in July 2024). Contract Logistics outsourced to 3PL suppliers amounted to \$307 billion in 2023 (estimate by Ti published in July 2024).

Growth

Growth within logistics is firstly driven by intrinsic factors. Because the logistics industry is an enabler of economic development, the industry has experienced steady growth guided by global GDP growth, in particular the manufacturing and consumption components. During the historic phase of fast globalization of supply chains, logistics experienced growth that was a several fold multiple of the growth in the underlying industrial sectors. In an already globalized world and with the service component of overall economic growth dominating, the pace of growth of logistics had slowed down but during the COVID-19 pandemic the pace of growth rose again, largely driven by a temporary shift in spending by consumers from services to goods. In terms of revenues this growth in demand was reinforced by increased transport prices, driven by supply chain disruption and limited access to capacity for shippers. Through 2023 the lower demand environment led to a fall in freight volumes. This fall in

volumes resulted in a more balanced capacity conditions which led to transport prices normalising. Consequently, the value of the market adjusted back to what Ti considers more normal operating conditions.

The outlook for logistics growth is still strong and Ti expects contract logistics to continue to grow at a rate above the world GDP growth rates published by the International Monetary Fund (the “IMF”). Ti forecasts, made in May 2024, show that the average annual growth rate in contract logistics between 2023 and 2028 will be 4.1%.

Ti expects the global freight forwarding market to grow by 3.3% between 2023-2028. The air freight forwarding market is forecasted to expand by 3.6%, whilst the sea freight forwarding market is expected to expand at a similar rate of 3.0% over the same period.

Some key drivers of this anticipated growth include:

- Strong economic development in emerging markets with significant infrastructure developments, including a growing middle-class with an appetite for consumption and mobility;
- Urbanization with the logistics of mega-cities becoming a differentiator in supply chains;
- Increasing consumer expectations in terms of new distribution channels (e-commerce), product customization (as is the case in the technology and automotive industries), and immediate availability;
- Reduction in time-to-market (as is the case in the fashion industry);
- Increase in supply chain resilience leading to diverse sourcing locations and higher inventory levels
- Increasing outsourcing of supply chains; and
- Adjustments to globalization and constant re-design of supply chains with increasing complexity (mixtures of off- and near-shoring, among others).

Although it is possible to expect that near-shoring could reduce trade flows, especially from emerging countries towards mature markets, the dynamics are more complex as industries, facing proliferation of stock-keeping units, redesign their supply chains to ensure greater sustainability, resilience and security. These changes in configuration and shorter delivery times require more integration and demanding logistics solutions.

The IMF’s latest forecasts published in July 2024 predict that global import and export trade would grow 3.2% and 3.3%, respectively, in 2024 and 2025. Growth was stated as being primarily driven by emerging markets, though the growth of those countries is slowing, while growth in developed economies is expected to recover as demand returns. Therefore, the 3PL industry will have to adjust its geographical network footprint.

Outsourcing Trend

In this context, outsourcing to third-party supply chain managers is an ongoing trend. Of the referenced \$3.0 trillion size of the contract logistics market in 2023, Ti approximated that only 10%, or \$307 billion, was outsourced to third-party contract logistics providers in 2023, evidencing considerable headroom for growth.

In July 2024, Ti estimated that approximately 85.3% of the air freight and 40.6% of the ocean freight markets in 2023 were managed by third-party market providers, such as CEVA. On that basis, growth opportunities remain, although to varying extents. There remain considerable opportunities for growth in ocean freight with over half of all market volumes not yet controlled by the third-party service providers. In air freight, the 14.7% not currently controlled by third-party service providers is managed directly by airlines. This business may prove difficult for third-party service providers to access.

The levels of outsourcing vary significantly between countries. Generally, activities are more highly outsourced in the UK and the U.S. In terms of growth and outsourcing, China and India offer significant potential going forward, in terms of growth and outsourcing. The chart below, based on data from Ti / Global Supply Chain Intelligence, gives an indicative understanding of the relative positions.

Figure 2: Contract Logistics outsourcing rates by geography

Country	Contract Logistics outsourcing rate 2022
China	8%
India	13%
UK	33%
United States	17%

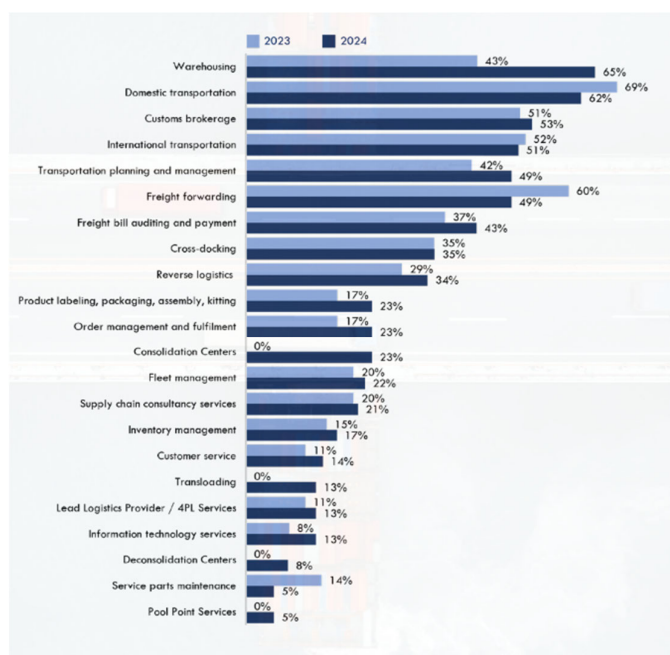
While manufacturers concentrate on their core capabilities in design and production of new devices and products, they tend to outsource further components of their supply chains. Ti distinguishes them as follows:

- (1) Transport;
- (2) Warehousing;
- (3) Postponed manufacturing;
- (4) Inventory management;
- (5) Carrier management;
- (6) Inventory ownership; and
- (7) Customer relationship.

In the current market, many manufacturers outsource stages 1, 2 and 3 of the above spectrum. As a logistics service provider, the Group is equipped to accommodate postponed manufacturing, inventory management and carrier management, possibly taking it to stage 5. This puts the Group among the few providers with such a breadth of service offerings.

The table below from NTT Data's 2024 Annual Third-Party Logistics Study (which represents percentages of respondents to a survey and not overall market proportions) is further evidence to corroborate the large potential in logistics outsourcing that is available to be captured by third-party logistics providers such as CEVA.

Figure 3: Shippers continue to outsource a wide variety of logistics services



Source: NTT Data's 2024 Annual Third Party Logistics Study

Note: The year's shown describe which year the survey results were collected in.

The outsourcing of further services requires the ability of providers to offer integrated solutions with high levels of service quality on a scale. Ti believes only few providers, including the Group, can offer these solutions and services consistently.

In addition, there is a tendency among larger global customers to reduce the number of their logistics service providers in order to reduce complexity, ensure consistency of service provision and performance management across geographies, and to benefit from further supply chain optimization opportunities. This tendency benefits larger integrated providers like the Group.

Industry Fragmentation—Competition

The high level of industry fragmentation gives strong global players ample opportunity to grow within the market, notably against a multitude of smaller-scale local providers with limited scope of service offerings. According to Ti's Global Freight Forwarding 2024 report, published in August 2024, the top ten players in outsourced freight management in terms of 2023 revenue represent 42.2% of the total outsourced market. According to Ti's estimates for 2023, the Group ranked as the 12th largest freight forwarder by revenue with 2% market share. The Group also ranked as the 10th largest ocean freight forwarder by volume with 2.6% market share, and was the 7th largest air freight forwarder by volume with a 4.1% market share. Following the acquisition of Bolloré Logistics in February 2024, as of March 31, 2024, the Group (CEVA plus Bolloré Logistics) ranked 5th in air freight based on 2023 volumes and 5th in ocean freight based on 2023 volumes, according to a May 28, 2024 estimate by Ti. Similarly, according to Ti estimates from September 2024, in 2023 the Group (with 2.3% market share) is the 3rd largest worldwide player in contract logistics in terms of revenue, where the top ten players overall only represent 21.7% of the outsourced market.

Global logistics is still a mostly European-dominated market; however, there are a growing number of Asian and North American providers that are becoming increasingly important and quickly gaining territory in the market. Within the spectrum of logistics players, the Group tends to recognize major global generalist 3PL and 4PL companies as its peers, including DSV, Kuehne + Nagel, DB Schenker (part of Deutsche Bahn), DHL (part of Deutsche Post DHL) and XPO. The Group also competes against pureplay logistics players like GXO, ID Logistics and FM Logistic. In addition, in specific products and segments, the Group competes with Maersk

Logistics & Services (part of Maersk), Geodis (part of SNCF, the French railway), Expeditors, Ryder, Nippon Express and others.

In addition to the global companies mentioned above, there are several regional or specialized players that have a strong market presence in certain geographies or products. Among these, the Group competes most often with, KWE, SF Express, Yusen Logistics and CH Robinson. Despite new players emerging within the logistics market, it is difficult for these larger regional or specialized players to gain meaningful global-level market share. More established European providers still have a significant advantage through their existing networks and operations and are therefore well-placed to compete globally.

Despite the presence of several large players, the global logistics industry has historically been highly fragmented. In a 2016 report, “Shifting patterns: the future of the logistics industry,” PricewaterhouseCoopers recognized that competition was intensifying as large industrial or retail consumers and suppliers become players in the logistics market themselves, not just managing their own logistics but turning that expertise into a profitable business model. This trend has continued at pace with Amazon’s provision of air, road and last mile transportation for third-party retailers being a prime example. Another example is the model of shipping lines like CMA CGM and Maersk investing to build end-to-end supply chain solutions and to capture more of the logistics value chain.

Supply Chain Segmentation

The following four layers of supply chain service integration are commonly recognized in the logistics industry: 1PL, 2PL, 3PL and 4PL. According to the Dictionary of International Trade, 9th Edition, “1PL” denotes: “the logistics handled internally by a company.” For example, a manufacturer that owns warehouses for storage and trucks that deliver products to customers. A “2PL” refers to “basic domestic and international transport and warehouse management logistics handled for a company by an outside contractor.”

Typically, 2PLs include asset-based carriers/transportation providers, including shipping lines, trucking companies and rail operators. In contrast to carriers, 3PL companies offer “integration and management of all logistics services of a complex supply chain.” This includes storage, transshipment and other value-added services as well as the services of subcontractors. 3PL companies usually purchase bulk transportation capacity/services from carriers and resell them to their customers in smaller allotments, giving the customer the (partial) benefit of the volume purchase. Finally, a 4PL is an “integrator that assembles the resources, capabilities and technologies of its own organization and other organizations to design, build and run comprehensive supply chain solutions.” 4PL companies are also called “supply chain solutions” (“SCS”) providers or “lead logistics” providers. They usually organize supply chains and flows and tender the various components to 3PLs or carriers through a “control tower” approach.

CEVA has an asset-light 3PL model, providing both third-party logistics services through Freight Management (Ocean and Air) (or freight forwarding) and Contract Logistics businesses. In addition, CEVA also offers SCS/4PL services. Freight forwarding is typically used when the 3PL provider buys the capacity and the transport services from the carrier and freight management is typically used when the customer buys the transport capacity and the 3PL provider only manages the flow of goods in exchange for a fee. Unless specified otherwise, throughout these listing particulars we use both terms interchangeably to describe both activities.

Freight Forwarding

Freight forwarding providers serve their customers by arranging and overseeing the transportation of products and materials by air, ocean and ground. Freight forwarding providers organize and consolidate shipments, procure and track transportation, and provide ancillary value-added services, such as preparation and submission of documentation, oversight of customs and other clearance processes, short-term warehousing and auditing of shipments. Ti believes the main market drivers in freight forwarding are global trade volume developments, carrier capacities and oil/fuel prices.

Freight forwarders charge their customers a fee that is accounted for as revenue. The difference between revenue and the transportation costs the forwarder pays to the transportation carriers is the freight forwarder’s “gross profit” or “net revenue.” Such net revenue reflects the value of the services rendered by the freight forwarder. There is considerable range in the profitability of the leading freight forwarders, ranging from 2% to 15% operating profit margins in 2023. This is driven in part by the reliance on management and staff to buy and sell capacity effectively. An auxiliary factor contributing to this is buying power. For example, a freight forwarder with large volumes is able to acquire better rates from a shipping line/airline/ground transporter. In addition, specific trade lane exposure

can affect profitability, as some trade lanes face heavy competition whereas others accommodate a built-up customer base or specialty services.

Freight forwarding is a trading business that requires a global network approach, a characteristic usually difficult to replicate by new entrants or players lacking critical size. Typical contractual relationships between a 3PL and a shipper are the result of tenders with a high focus on pricing. These contracts provide a pricing and service level framework, are short-term in nature, and are based on the allocation of transport management on certain trade lanes, often without volume guarantees. Large shippers will allocate their volumes to several 3PLs, to manage their exposure. There is limited system integration between shippers and 3PLs and low barriers to switch providers.

Ti believes the key success factors in freight forwarding include:

- A global air and ocean network with stations in key gateways and appropriate (regular) services/capacities between the nodes of such networks;
- Trade lane focus to ensure sufficient volumes and strong procurement and relationships with core carriers to achieve bargaining power;
- Robust and standardized processes, supported by technology;
- Detail-oriented execution and seamless flows with real-time tracking and tracing leading to high reliability and timeliness of deliveries;
- Strong focus on performance management (key performance indicators (“KPIs”)) and focus on operational efficiencies and productivity improvement;
- Balanced customer mix comprising large multinational clients and small- and medium-sized enterprises, with adapted pricing strategies to increase profitability; and
- The right volume/density and cargo type mixes in order to succeed in consolidating shipments from various cargo owners in air freight, as well as developing less-than-container load activities in ocean freight.

Contract Logistics

Contract logistics providers manage their clients’ supply chain operations, typically under contracts in which the contract logistics company’s systems and employees are integrated into their clients’ supply chain operations and take over responsibility of critical logistics functions. Responsibilities in contract logistics include organizing and optimizing warehousing, transport routes and providers—whether inbound, outbound or dealing with secondary market returns—kitting and sequencing unassembled parts, managing vendor inventory, providing support during manufacturing, picking and packing finished goods and providing quality control and other value-added services.

Typically, these are two-to-five year contracts with a high probability of renewal due to the significant system integration developed between the customer and the contract logistics provider that creates obstacles to switching providers. In addition, warehouse automation capex required by some clients (e.g. in the case of mono-client warehouse), is usually pre-paid by a 3PL provider, which also prevents the client switching to another provider before the end of the contract and full repayment of the capex.

As a result, given the relationship focus of this sector, longer-term contracts afford a host of opportunities unavailable in the short-term, purely transactional relationship. The relatively long-term contracts (up to 5 years plus) in the contract logistics industry (compared to the shorter-term based freight forwarding industry), also provide visibility on future cash flows. It is thus a major strategic goal of many providers to increase their engagement with clients and deliver the spectrum of integrated solutions.

Deeper engagement allows a contract logistics provider to better understand the needs of its clients and develop bespoke solutions, thereby de-commoditizing their services to enhance margins.

Ti believes the market drivers in contract logistics are industrial production indices, consumer purchasing and overall economic growth as measured by GDP growth. Ti believes the market share attributable to third party

contract logistics providers will continue to increase as companies look to outsource contract logistics services to specialists.

Ti believes the key success factors in contract logistics include:

- Operational capabilities in operating warehouses and providing various services with the flexibility in offering the right space with the right features and equipment with a focus on continuous improvement to bring benefits to the customer;
- Solution design capabilities to develop and implement adaptive solutions tailored to the customer's need and evolving with its growth, with the ability to replicate solutions in various geographies;
- Strong distribution network design and optimization capabilities with a solid mix of experienced internal capacity, supplemented by a flexible subcontractor network;
- Strong processes and KPI-driven performance management with high levels of inventory accuracy and timely delivery;
- Strong labor management capabilities;
- Expertise in the design of contracts with appropriate pricing mechanisms and abilities;
- Versatile and robust IT solutions with integration in the supply chain and enterprise resource planning ("ERP") systems of the customer; and
- Integration in the supply chain of the customer, providing operational improvement benefits to the customer through process improvements and automation.

The typical contractual relationships between a Contract Logistics provider and a customer are location based and are the result of outsourcing tenders with a high focus on service levels, continuous improvement and pricing. Typically, these are two-to-five year contracts with a high probability of renewal due to the significant system integration developed between the customer and the Contract Logistics provider that creates obstacles to switching providers. In addition, smaller customers usually share the benefits of multi-user facilities, notably in terms of personnel, management and sometimes mutualized distribution. The contractual relationships in this sector can take several forms. On the one hand, contracts can be open book, whereby all costs encountered by the provider are disclosed and a fixed profit margin is set. These contracts are often low margin given the low risk assumed by the logistics provider. Alternatively, contracts can be closed book, whereby a price is set and the provider has to manage the costs. There are also hybrid contracts between open and closed book.

Selected Industry Themes

In addition to the outsourcing trend addressed above, the logistics industry is further confronted with several trends and themes which offer significant opportunities for global integrated providers: (i) Evolution of Customer Demand; (ii) Changing Consumer Demand and E-commerce; (iii) Digitalization and Technology Disruption Innovation in the Supply Chain; (iv) Sustainability; (v) Supply Chain Risk and Resilience; and (vi) Consolidation in the Industry. Some of them nevertheless challenge existing business models and provide new, potentially competing, solution models. This section does not assume to be exhaustive but merely gives a flavour of developments to watch.

Evolution of Customer Demand

Political, economic, social and technological factors have facilitated major changes in the way in which multinational manufacturers supply global consumer markets and how retailers source their goods.

The logistics industry was once characterized by single-function transactional relationships; network coverage was largely regional and providers were asset heavy and focused on process execution. The providers were offering a set of logistics services and customers were looking for price optimization of individual services.

As a result of a confluence of demand-side and supply-side trends, the outsourced logistics industry is evolving towards the provision of integrated solutions geared towards optimizing overall supply chain costs. More

and more, customers require their logistics suppliers to be lean providers, covering the full scope of services and having a broad geographical coverage, providing improvements and innovation.

Ti's latest logistics procurement survey (published in November 2023) demonstrated that the most important benefit of outsourcing the supply chain is reduced overall logistics costs, followed by increased competitiveness and access to expertise. The survey also demonstrates that the top three most important criteria when selecting a logistics partner are reliability/accuracy, price, and geographic coverage.

The impact of geopolitical instability and events like COVID-19 are accelerating the need for digital transformation. Businesses want a logistics partner which will facilitate supply chain visibility and assist in data-driven supply chain decisions. Customers are therefore increasingly demanding that their logistics partners are committed to investing in innovation and technology.

Supply chain resilience is also high on the agenda for many businesses. Ti's logistics procurement survey shows that 95% of respondents were looking to implement some form of supply chain strategies in the next 12 months to improve resilience and diversification. 30% of respondents were planning on dual/multi-sourcing (sourcing from multiple locations), whilst 27% of respondents were looking at dual-multi-shoring (setting up production in multiple locations). 17% were looking to near-shore (bring production closer to the end market) in the next 12 months. It is critical for those looking to create more resilient supply chains that they have a logistics partnership that understands the dynamics of logistics in the clients chosen market, and has the necessary infrastructure and network to support an effective supply chain operation. This trend creates enormous opportunities for logistics partners like CEVA which can offer customers the expertise and the scale needed for this shift.

Ultimately, successful providers will evolve from being suppliers of largely commoditized services to strategic partners and will be able to demonstrate the ability to reduce supply chain costs and accompany customers on their growth journey.

Changing Consumer Demand and E-commerce

Generally, consumers (and business customers) increasingly require customized products to be delivered "instantly," flexibly (in terms of location, timing, etc.) and at an ever-reducing delivery cost, transforming standardized mass-oriented supply chains to agile, always-adapting models. This sets new requirements in terms of optimizing capacity allocation, consolidation, traceability and pricing.

Global, integrated providers like the Group are compelled to have the speed to embrace these increased requirements. E-commerce is attractive for logistics providers, as it shows a higher total logistics spend of 12-25% of sales value than traditional retail and a high need for end-to-end solutions integrating several modes of transport.

In 2022, the e-commerce logistics market experienced a notable contraction, as estimated by Ti. However, the market size for e-commerce logistics amounted to \$487 billion in 2023, a yearly increase of 7.5%, as e-commerce sales continue to outpace traditional retail markets. While the pandemic-induced spike in e-commerce activity brought about an extraordinary peak in 2020 and 2021, the market has since adjusted, reflecting a more sustainable growth rate post-pandemic.

North America (\$189 billion) is the largest e-commerce logistics market, followed by Asia Pacific (\$185 billion) and Europe (\$92 billion).

According to data from eMarketer, worldwide retail e-commerce sales will make up a fifth of total retail sales in 2024. As such, the global e-commerce logistics market is expected to grow by 10.5% in 2024.

According to Ti's State of Logistics Survey (published in March 2024), 58% of logistics providers expect that online retailers will outsource more logistics functions over the next five years. 79% expect that multi/omni-channel retailers are most likely to outsource logistics functions, given the complexity of these supply chains. Outsourcing to a 3PL which offers both scale and expertise will be an increasingly attractive option to meet consumer demands without committing large amounts of resources and capital expenditure on updating in-house supply chains, particularly in the face of rising costs.

This is increasingly compelling logistics providers to add services to their portfolios, notably in fulfilment, and will benefit players that can show global coverage and appropriate solutions and IT systems. In addition, the

growth of e-commerce leads to a significant increase in air freight demand throughout the year and reinforces certain “peak season” effects.

The Group, as an integrated provider, has the ability to provide logistics services and optimization to e-commerce platforms and integrate, accompany and shape the e-commerce strategies of its clients in an omni-channel approach. In addition to the growth factors outlined earlier, a significant transformation of consumer demand is taking place, driven by new generations and concepts like the “sharing economy.”

With the ownership of assets shifting, the requirements are also changing in nature (functionality, personalization, robustness, versatility, among others), which impact the volumes of products, their design and therefore their supply chains. In the “sharing economy,” new asset owners can become customers of logistics providers and develop new partnership models.

Looking ahead to the next five years, there are some important e-commerce logistics trends that are starting to impact the market, including social shopping, increasing cross-border sales, automation, growth of direct-to-customer (“DTC”) sites and sustainability.

Digitalization and Technology Disruption Innovation in the Supply Chain

The impact of technology on the logistics and supply chain management sector has been profound. Appropriate software and services can amplify the capabilities of smaller organizations into credible players, as well as provide a competitive advantage for larger, more established enterprises. The adoption of newer technological advancements promises lower costs, improved operations and efficiencies and the possibility of transforming the business model and operations of logistics providers. A few examples are listed below. They cover short and longer-term developments.

Automation of the physical and decision processes and robotics: robotics have become the standard within fulfilment centers, even in low labor cost countries. Solutions such as ‘robotics as a service’ (“RaaS”) have enabled the cost of robotics in the warehouse more feasible as the technology has developed to become more flexible, adaptable and self-learning, used within a multitude of contexts. Similarly, decision processes in air and ocean freight (e.g., pricing) are moving towards Robotic Process Automation (“RPA”), many freight forwarders are exploring the building of “Control Towers” to monitor and manage supply chain activity. Transport technologies, including self-driving vehicles on land, sea and air (drones), can reduce costs and reliance on drivers.

The IoT allows for continuous real-time traceability of shipments and goods and therefore increases the safety and predictability of supply chains. Combined with blockchain-based secured ledgers, this can support the full digitization of supply chain documentation with the potential to make more secure and trustable trades of collaborative business throughout a supply chain. Smart contracts can be used to compose the entire transaction process and automatically executed in a cost-effective, transparent, and secure manner for the delivery of products, especially in sensitive industries (pharma, aerospace, among others).

AI combined with IoT technologies allows for better prediction of volumes and flows, the development of adaptive routings, smarter and faster pricing, as well as improved price/time optimizations and more generally, further automation processes, improves the efficiency of the supply chains.

3D printing is widening the scope of potential materials and applications and the technology is stepping forward in reducing printing time and cost. For many industry sectors, the use of 3D printing is already widespread, although largely confined to certain specialist parts of the manufacturing process, thus reducing warehousing space and inventories. These technologies could also drive a possible disintermediation as the value-add of a logistics provider who does not embrace these developments could be limited. As logistics providers operate on a very large and extensive base of data related to their shipments or the flows in or out of their warehouses, the data and the knowledge generated from it could itself turn into new business opportunities.

In addition to these and other developments, new entrants with niche technologies or products have emerged and are seeking to expand their application or footprint. As a result, in recent years large, established logistics providers have made notable progress in the integration of advanced technology solutions into their offers. Those best able to succeed are placing an increased emphasis on customer service and engagement, while also implementing solutions that leverage technical capabilities with truly global network coverage. Technology has become a key differentiator for logistics companies and many providers sought to form partnerships with technology companies initially to help them compete, for example the abandoned Maersk-IBM joint venture or

the ongoing FedEx Microsoft collaboration. However, these partnerships have not been as successful as initially expected and the trend now is for logistics providers to invest in their own technology capabilities, either by developing their own internal systems or through acquisitions.

Increasingly, major logistics players understand the value of supply chain data. This is observed both in terms of using pure innovation to gain new business as well as working with existing customers to create business opportunities in new areas. According to Ti's State of Logistics Survey (published in March 2024), over 54% of logistics service providers surveyed are currently focusing on investing in warehouse automation technologies. However the survey showed that investments in AI and machine learning were still only being made by relatively few companies, with only 15.8% of respondents reporting these investments in 2024. However, AI offers huge upside potential for logistics efficiencies and the companies leading on these technologies are likely to become dominant future players.

It is to be noted that standardization of protocols as well as the establishment of industry-recognized norms are required for many of the technology-driven developments to up-scale from experimentation to global breakthroughs. Building on robust IT systems and processes, with its agile mindset focused on continuous improvement and a pragmatic approach, CEVA is venturing into technological innovation; for example, through blockchain-based processes, generally in partnership with customers and on very specific business opportunities, enable innovation to be coupled with sound business cases which, if successful, can scale to other operations.

Sustainability

The logistics industry has been embracing sustainability principles over the past few years and many of the largest 3PLs are now setting up their sustainability goals and strategies to offer more environmentally friendly services.

The drive towards sustainability and carbon reduction is disruptive for 3PLs, yet it also offers further opportunities to provide value adding services to help shippers improve their overall sustainability performance to meet government targets and consumer expectations. Much of global emissions are embedded in supply chains, within which 3PLs are key actors with enormous scope to reduce emissions and to enable sustainable practices. At the simplest level, 3PLs can of course invest in lower emission transport options, like EVs, alternative fuels or lower emission modal choices, as well as using renewable energy in warehouses. But 3PLs can also develop new services which help enable more sustainable sourcing strategies, in the form of more nearshoring and regionalisation of supply chains. 3PLs are also able to provide high value services to develop more circularity in supply chains, lowering materials consumption and transport emissions.

The variety of 3PLs' long-term goals reflects the multitude of approaches and how each one of them is tackling the issues facing them. Some companies have set themselves more ambitious goals and targets than others. For instance, DHL, UPS and Logisteed (Japan only) and are aiming to be carbon-neutral by 2050, whereas other companies are less ambitious and set smaller goals. Ryder seeks to reduce fleet emission by 10% by 2024, without committing to longer term aims. UPS's targets for emissions decreases are centred mainly on its U.S. Domestic Express activities, as these operations are where the most emissions occur. Logisteed's main emissions target is to reduce Scope 1 and Scope 2 emissions in Japan (only) by 50% by 2030.

As for the forwarders, Kuehne + Nagel, DHL Global Forwarding, Kerry Logistics and Sinotrans, all saw a reduction in their total emissions (Scopes 1, 2 & 3) in 2022, while the rest experienced an increase in their total emissions in 2022. The reduction of emissions across all scopes is a priority at Kuehne + Nagel and translates as a target of 33% absolute reduction of total emissions (Scopes 1, 2 & 3) against a 2019-baseline, comprising a 5.5 million tonnes emission reduction. Among the 10 largest freight forwarders, DHL (air and ocean freight forwarding segments) has the largest carbon footprint due to its global reach in 190 countries.

The Group itself has an ambitious target to reach net zero by 2050 and sought to reach 10% usage of alternative fuels in its operations in 2023. The Group has committed to have 1,450 alternative fuel vehicles on the road in 2025. Finally, the Group has also set a target to use 100% renewable energy in its warehouses by 2025 by installing 1.8 million square meters of solar panels on its warehouses. Since 2020, the Group has carried out an environmental reporting exercise with all of its sites. This enabled the company to define the energy consumption of its warehouses and trucks fleet. For 2023, Scope 1 and 2 emissions totalled 104,965 tonnes CO₂e for the warehouses and 215,708 tonnes CO₂e for the truck fleet. The Group's Scope 3 emissions are mainly related to air, sea and land freight and these amounted to 5,611,762 tonnes in 2023. The Group is therefore positioned among the market leaders in terms of its sustainability offering.

Supply Chain Risk and Resilience

The experience of the COVID-19 pandemic followed by conflicts in Ukraine, and more recently in Gaza and the Red Sea, has brought concerns about supply chain risk and resilience to prominence in the logistics industry. Supply chain risk is also becoming more apparent from sources such as extreme weather events, natural disasters or industrial unrest. The Federal Reserve Bank of New York's Global Supply Chain Pressure Index, which measures disruption to supply chains, peaked at a score of 4.36 in December 2021, having shown scores that only ranged between -1.65 to +1.55 in the whole period between 1997 and 2019. The latest score from the Index registers at -0.09 for July 2024, up from -0.33 points in June 2024. The Index shows that disruption and volatility in supply chains has markedly increased since 2019.

Building resilience to help deal with ever increasing risks is now crucial for shippers to ensure they can minimise operational disruption from global events. Ti's 3PL procurement survey (published in November 2023) showed that 95% of shippers were pursuing strategies to build more supply chain resilience. Therefore, 3PLs that can help to build resilience in their customers' supply chains will differentiate themselves from the wider market.

In response to rising disruption and shippers' demands for greater resilience in their supply chains, 3PLs have increased the services they offer to help shippers improve their resilience. Resilience in supply chains can be improved by technological developments and by structural changes to networks. In the first instance many 3PLs have leveraged their technology to help shippers manage risk and build resilience with better data on their supply chains, giving them more visibility over their freight and inventory and more flexibility about how their freight is managed. This applies both to air and ocean freight, so shippers can better manage their inbound flow of goods and orders; and to more local warehousing and distribution operations, showing the location of trucks and granting overall visibility on inventory across as shipper's business. The use of technology in this way helps shippers manage risks on a tactical level. At a more strategic level, 3PLs can also help shippers by enabling changes to their sourcing networks.

Shippers may have logistics expertise and capabilities in markets in which they are operating or from which they have been sourcing, but as they seek to diversify sourcing locations shippers often lack knowledge of potential new sourcing locations. 3PLs with their global networks and experience can help shippers move in to new markets smoothly to minimise potential set up problems and risks. Enabling the diversification of sourcing locations also helps to minimise overall risk to shippers' supply chain in the long term. 3PLs can also support near-sourcing or near-shoring strategies for shippers seeking shorter lead times or production from more stable geographies.

Consolidation in the Industry

Consolidation is taking place in the industry at various levels and is expected to continue in the medium term. Firstly, there has been substantial consolidation in the liner industry, leading to strengthening in the negotiating power of carriers which could adversely affect the profitability of freight forwarders. See "*Industry—International Container Shipping Industry*."

Consolidation is lower in the air freight market, as of 2022, the top 10 airlines controlled approximately 34% of the freight market by cargo tonne-kilometres (source: IATA) and the consolidation dynamics are slower.

In terms of third party logistics companies, Kuehne + Nagel, DSV and CMA CGM (CEVA) have been the most acquisitive forwarders in the past 10 years. Kuehne + Nagel has grown inorganically in the Asia Pacific rim and North America through acquisitions, most significantly with Apex International in 2021, but with a range of other smaller transactions in individual countries. Following its acquisition of Panalpina in 2019, DSV moved on to acquire Agility's Global Integrated Logistics ("GIL") business, which housed the forwarder's air and sea operations. These deals increased DSV's presence across the world. CMA CGM has acquired a number of large forwarders to build an integrated logistics competitor in a run of acquisitions from CEVA in 2019, to GEFCO in 2022 and Bolloré Logistics in 2024, creating a significant air and ocean freight forwarding and 3PL business. Maersk has also followed this trend to build up an integrated logistics operation, notably with the acquisitions of LF Logistics in Asia, Pilot Freight Services in North America and KGH Customs Services in Europe. In terms of Asia Pacific players, Nippon Express acquired a number of European forwarders, particularly Cargo-Partner in 2023, to expand its European business. SF Express also purchased Kerry Logistics to build a strong Asia based air freight forwarder.

Ti expects further consolidation in response to changing customer needs outlined above and to increase bargaining power against strengthening liners. Global scale, integrated solutions as well as a critical mass with customers and

suppliers (pressure to increase buying power) are driving further consolidation to see additional market leaders emerge and increase their market share.

Many segments within the logistics industry are commoditized. Some of the larger companies have sought to address this challenge by making targeted “bolt-on” acquisitions, increasing their exposure to vertical sectors or supply chain segments in which there is less competition. For example, Kuehne + Nagel has been pursuing a series of smaller transactions to establish their position in the perishable logistics market, while UPS has embarked on an acquisition spree to expand its pharmaceutical logistics network. At the same time, they can also leverage their own competitive advantages, such as access to finance, intellectual capital, IT capabilities and global scale. Finally, there is also consolidation happening among the logistics industry’s customers, who are becoming larger, more global and reducing their logistics supplier base. For example, the automotive sector has experienced significant restructuring via acquisitions over the past 12 months. We believe this usually benefits global integrated logistics suppliers like CEVA.

The Group’s air and ocean freight market position following the Bolloré Logistics acquisition

According to data compiled by Ti, the table below shows the volume evolution in both air and ocean freight for us and the market during the last four years:

	Air Freight				Ocean Freight			
	Global Volumes (tons)	YoY Volume Growth	Group Volume (tons)	Group Volume Growth	Global Volumes (TEU)	YoY Volume Growth	Group Volume (TEU)	Group Volume Growth
2024 (f) + Bolloré Logistics	19,628,435	0.70%	911,820	102.6%	48,375,173	2.50%	2,018,040	55.2%
2023	19,491,991	-2.10%	450,000	-13.5%	47,195,291	-0.60%	1,148,000	-11.7%
2022	19,910,103	-7.30%	520,000	21.2%	47,480,172	-1.60%	1,300,000	21.2%
2021	21,477,997	14.80%	428,908	13.3%	48,252,207	6.50%	1,072,165	5.1%
2020	18,709,057	-12.50%	378,560	-	45,307,237	-3.80%	1,020,600	-

Source: Ti estimates

As of December 31, 2023, the Group ranked 10th in air freight based on volumes and 9th in ocean freight based on volumes, according to a May 28, 2024, estimate by Ti. Following the acquisition of Bolloré Logistics in February 2024, as of March 31, 2024, the Group ranked 5th in air freight based on volumes and 5th in ocean freight based on volumes, according to a May 28, 2024 estimate by Ti.

The Group’s total logistics market position following the Bolloré Logistics acquisition

Company	2022	2023	Currency
DHL	55.6	46.1	\$ billion
Kuehne + Nagel	42.5	26.4	\$ billion
DSV	33.3	21.9	\$ billion
DB Schenker	29.1	20.7	\$ billion
CEVA + Bolloré Logistics	24.5	20.0	\$ billion
C.H. Robinson	24.7	17.6	\$ billion
Nippon Express	19.1	16.8	\$ billion
CEVA	17.3	15.9	\$ billion
GXO	9.0	9.8	\$ billion
Expeditors	17.1	9.3	\$ billion
XPO	7.7	7.7	\$ billion

Source: Ti estimates

The table above shows a ranking of the top 10 global logistics companies by their total logistics revenue, including all freight and logistics revenues. The table shows the Group's market position following the acquisition of Bolloré Logistics in February 2024 based on the combined revenues of CEVA and Bolloré Logistics from 2022 and 2023. It also shows CEVA's revenues individually on a separate line. As of March 31, 2024, the Group ranked 5th in global logistics based on 2023 revenue, according to a June 18, 2024 estimate by Ti.

BUSINESS

Our Company

We are a leading global player in sea, land, air and logistics solutions. We operate three segments: (i) Container Shipping, (ii) Logistics, including Freight Management (Ocean and Air), Ground Transportation, Contract Logistics and FVL businesses and (iii) Other, including Terminals, Air Cargo, Specialized Maritime Transport and Media businesses. We generated revenue of \$47.0 billion and Adjusted EBITDA of \$9.0 billion in the year ended December 31, 2023, revenue of \$25.0 billion and Adjusted EBITDA of \$4.9 billion in the six months ended June 30, 2024 and revenue of \$47.0 billion and Adjusted EBITDA of \$7.9 billion in the twelve months ended June 30, 2024.

As of August 1, 2024, we are the third largest provider of container shipping services globally based on shipping capacity (source: Alphaliner Monthly Monitor, August 2024). As of March 31, 2024, we are a top five global logistics player in air and ocean freight based on volumes (source: Ti, May 2024). We offer our services in over 160 countries through a global network of more than 425 offices, 900 warehouses (11 million square meters) and over 248 main lines calling at over 400 ports (out of 800 ports worldwide).

Over the past 46 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping and logistics services, operating a fully integrated supply chain with a fleet of 643 container vessels. In May 2018, we initiated a strategic move towards logistics services through our investment in, and subsequent acquisition of, CEVA. Alongside Container Shipping, Logistics is the second pillar of the Group's operations. We have also diversified our business portfolio by investing into port terminal facilities, as well as Air Cargo, Specialized Maritime Transport and Media businesses.

We believe that the stability of our efficient, experienced and adaptable management team, combined with our streamlined organization, enables us to make decisions rapidly and efficiently, allowing us to take early advantage of market opportunities and generate higher profitability in Shipping compared to our European peers.

Container Shipping

In Container Shipping, we transported approximately 21.9 million (including slots sold to partners) TEU in the year ended December 31, 2023 on behalf of a globally diversified base of approximately 52,400 customers. Our customer base includes a mix of retailers and manufacturers from various industries, such as Samsung, Ikea, GM, BASF, Nike, Michelin and Nestlé. Our Container Shipping segment generated revenue of \$31.4 billion and Adjusted EBITDA of \$7.4 billion in the year ended December 31, 2023, which accounted for 64.6% of our revenue and 82.1% of our Adjusted EBITDA for the same period, revenue of \$16.1 billion and Adjusted EBITDA of \$3.9 billion in the six months ended June 30, 2024, which accounted for 62.0% of our revenue and 80.7% of our Adjusted EBITDA for the same period, and revenue of \$30.3 billion and Adjusted EBITDA of \$6.1 billion in the twelve months ended June 30, 2024.

As of June 30, 2024 our fleet consisted of 643 container ships, of which we chartered 49.9% and owned or had under finance lease or equivalent arrangements 50.1%, in each case in terms of capacity. Our fleet had a combined capacity of 3.74 million TEU, an average size of 5,821 TEU and a weighted average age, based on total TEU, of 10.0 years. The market value of our 217 unencumbered container vessels (excluding right-of-use and in-progress vessels) is estimated at \$9.1 billion as of June 30, 2024.

As of June 30, 2024, we also maintained a 5.0 million TEU fleet of containers. As of June 30, 2024, the book value of our owned containers was \$2.0 billion.

Our size and leading market position enable us to take advantage of economies of scale. We have a large and flexible fleet, and we work to manage effectively the allocation and cascading of our operated tonnage across all trade lanes. This enables us to optimize the size of vessels we are using on most of our routes and take advantage of the lower average slot costs incurred by larger vessels. This contributes to significant cost savings and higher profitability.

We are one of the few liners to operate a truly global network and specifically one of the most extensive networks of direct services covering the four major East-West trades: Asia-Europe, Transpacific (Asia-North America), Transatlantic (Europe-North America), and Asia-Middle East but also other trades such as North-South lines (Latin America and Africa). We have also developed a complementary regional network of intra-regional lines in Europe, Asia, Oceania and South America. Our extensive and diversified network allows us to focus both on high-

volume markets, such as Asia-Europe, Asia-North America and intra-Asia and niche markets, such as the Caribbean, Baltic Sea and Black Sea.

Our extensive network is further supported by a strategic alliance with other carriers, which allows us to extend the scope and improve the quality of our services while reducing our cost base. We are a founding member (alongside COSCO Shipping, Evergreen and OOCL) of Ocean Alliance, one of the three major alliances in the container shipping industry. We believe Ocean Alliance, as well as the other main alliances, are positively impacting structural dynamics in the shipping industry. Ocean Alliance started operations on April 1, 2017 and initially had a five-year term that was further extended until April 1, 2027. In February 2024, the Group, COSCO Shipping, Evergreen and OOCL renewed the operations of Ocean Alliance for a further five-year period until 2032. Ocean Alliance enables members to provide customers with agile and innovative solutions through a robust network covering major East-West routes and connecting mainly Asia to Northern Europe, the Mediterranean, the Middle East, and North America's East and West Coasts.

Through our main lines, which are supported by our extensive short sea and feeder lines, and in conjunction with our alliances with other carriers, we have established a diversified market mix, with no single line accounting for more than 4% of our annual volumes transported in 2023. We believe that our broad network and the variety of ports served by our deep and short sea lines provides us with a competitive advantage in our key areas of operation and reduces our exposure to declines in demand for container shipping services that are limited to certain regions or certain trades.

Logistics

We are a leading global player in air and ocean freight. Our strategic move towards logistics services started in May 2018 through our investment in, and subsequent acquisition of CEVA in May 2019. In April 2022, we acquired Ingram CLS and Colis Privé, and in July 2022 we acquired GEFECO, which boosted the Group's capabilities in e-commerce, contract logistics and automotive logistics. In February 2024, we acquired Bolloré Logistics, a provider of transport and logistics solutions for the luxury goods, fragrances and cosmetics, healthcare, aerospace and defense sectors. The acquisition of Bolloré Logistics strengthened our Freight Management (Ocean and Air) business through adding new and reinforcing existing verticals and consolidating our geographic footprint in EMEA and Americas. The acquisition of Bolloré Logistics made us a top five global logistics player based on combined revenue of CEVA and Bolloré Logistics for 2023 (source: Ti, June 2024) and a top five global logistics player in air and ocean freight based on volumes as of March 31, 2024 (source: Ti, May 2024). Our move towards logistics services and the further development of this business are an essential part of our development strategy in adjacent, less volatile and less capital intensive industries.

Logistics generated revenue of \$15.2 billion and Adjusted EBITDA of \$1.4 billion in the year ended December 31, 2023, which accounted for 31.3% of our revenue and 15.3% of our Adjusted EBITDA for the same period, revenue of \$8.7 billion and Adjusted EBITDA of \$810.9 million in the six months ended June 30, 2024, which accounted for 33.3% of our revenue and 16.7% of our Adjusted EBITDA for the same period, and revenue of \$16.2 billion and Adjusted EBITDA of \$1.5 billion in the twelve months ended June 30, 2024.

Other

Our Other segment includes Terminals, Air Cargo, Specialized Maritime Transport and Media businesses. We invest in port terminal facilities where we have significant operations. We currently have interests in or agreements related to 58 terminals around the world, including the FMS terminal in Los Angeles which we acquired in January 2022 and the GCT Bayonne and New York terminals which we acquired in August 2023. In addition, we have developed an Air Cargo business following the acquisition of freighter aircraft in 2021, as well as a Specialized Maritime Transport business following the acquisition of La Méridionale, a combined local freight and passenger shipping company based in Marseille, in May 2023, which was subsequently reinforced by the creation of the car carrier business. We also have a dedicated Media business comprising renowned media sources La Provence and La Tribune. In addition, on July 2, 2024, the Group completed the acquisition of Altice Media, a leading live news player (in particular the BFM TV channel) in France. This transaction enables the Group to shape a long-term Media business of high-quality news, sports and entertainment content.

Our Competitive Strengths

We operate in an industry that is critical for the resilience of global value chains and world trade.

Container shipping occupies an increasingly important position in world trade, with containerships constituting the principal channel to transfer finished and semi-finished goods. According to the IMO, approximately 80% of

world trade in terms of volume is transported by sea. Global container trade traffic represents close to 60% of seaborne transported cargo by value (see “*Industry Overview—The International Container Shipping Industry*”). Container trade volumes have increased every year since the introduction of long-haul containerized shipping lanes in the late 1960s, apart from 2009 and 2020.

Trade in goods, container transport as well as overall supply chain and logistics services have shown resilience despite sudden and unexpected events affecting both demand and supply, demonstrating the remarkable plasticity of the globalization process and the agility of container carriers to navigate such events. Since the global financial crisis, the ratio of goods traded to GDP has been relatively stable, fluctuating between 41% and 48% (source: IMF, May 2024). Trade and investment flows are nevertheless being redirected. According to the IMF (May 2024), while China’s share in U.S. imports declined by 8% between 2017 and 2023 following rising trade tensions, and, during the same period, the U.S.’s share in China’s exports dropped by about 4%, the impact of this decline in U.S. – China trade has been limited, since part of this trade and investment has been re-routed instead through third-party countries (particularly in South East Asia). Our extensive global network as well as the sheer size of our fleet (see below) allow us to adapt to these evolutions in trade patterns. Moreover, our ability to offer alternative transportation such as air cargo has allowed our clients to reduce supply chain disruptions. Our portfolio of terminals is also strategically important for us, as it supports the growth of our Shipping segment and secures our clients’ supply chains, which is particularly valuable when disruptions arise. For example, during the COVID-19 pandemic when access to certain terminals was particularly constrained due to congestion, having interests in terminals helped us minimize interruptions to our operations.

This plasticity of the globalization process evolved during the COVID-19 pandemic, the ongoing conflicts in the Middle East and Ukraine and the Red Sea crisis, each of which provides concrete recent examples of resilience due to expertise and prudent management of carriers, which have demonstrated the strategically important nature of the industry. The corollary of this is that, immediately following such unexpected events, the industry has benefited, and may in the future benefit, from periods of high profitability characterized by elevated freight rates. Elevated freight rates in the aftermath of the COVID-19 pandemic demonstrated this.

Our position as a global leader in both the shipping and logistics industries, in which scale is critical, is underpinned by our extensive network and comprehensive commercial offering.

We are a global leader in the container shipping industry, operating one of the largest global container shipping networks. We are the third largest provider of container shipping services in the world in terms of capacity (total fleet capacity of 3.7 million TEU as of June, 2024) and could become the second largest based on the current orderbook (see “*Industry Overview—International Container Shipping Industry—Key Players*”). Our operating fleet of 643 container vessels represented approximately 12.4% of the total capacity of the world fleet of fully cellular container ships as of August 1, 2024 (source: Alphaliner Monthly Monitor, August 2024). We deploy vessels across 248 lines, comprised of 115 deep sea lines and 133 short sea and feeder lines, and call at over 400 ports in 160 countries. We have a fleet of 12 ULCVs, 9 of which are propelled with LNG. This ultra-large container vessel fleet will be further strengthened between 2025 and 2028 by deliveries of 14 vessels in the range of 23,000 to 24,000 TEU, all equipped with LNG propulsion. Our shipping network combines the benefits of global breadth and local depth. We operate one of the most extensive global and local networks of direct shipping services covering the four major East-West trade lanes: Asia-Europe, Transpacific (Asia-North America), Transatlantic (Europe-North America), and Asia-Middle East, which accounted for 9.8%, 23.7%, 5.5% and 5.0% of our shipping volumes for the twelve months ended June 30, 2024, respectively. We also service other trade lanes, such as Asia-Red Sea and intra-Asia, and niche markets, such as the Caribbean, Black Sea and Africa. In addition, we have substantially expanded our intra-regional lines organically and through targeted acquisitions, including those of Mercosul (intra-Brazil) in 2017 and Containerships (intra-Europe) in 2018, increasing significantly our long-standing presence on short sea trades where we also operate in intra-Asia via our brand CNC. We believe the scale and reach of our network is a key factor in our customers choosing to work with us.

Our global leadership in the container shipping industry is bolstered by our membership in Ocean Alliance, which serves to increase our market reach. Our membership in Ocean Alliance allows us to build on our comprehensive and customer-focused service network by allowing our customers to take advantage of higher sailing frequencies, better transit times and greater coverage in terms of loops, ports of call and port pairs to more efficiently and reliably transport their goods. Ocean Alliance operates 35 services on the East-West trades, which makes it the leading operating alliance in terms of services and overall coverage. Ocean Alliance operates a highly efficient fleet of 324 vessels, with approximately 4.4 million TEU in total annual capacity, 29% of the total market share by capacity, and the largest market share of any shipping alliance on the Transpacific trade and on the Asia-Europe trade. We are the main contributor in terms of deployed capacity to Ocean Alliance, deploying a fleet of 121 vessels with a 35.5% capacity share

We believe that the size of our Container Shipping activities enables us to take advantage of the significant economies of scale that characterize the liner industry. Being able to efficiently deploy optimized tonnage and achieve a lower cost base, coupled with the ability to react quickly and flexibly, and having in place the proper commercial tools and IT systems means that, across the industry, larger liners are more profitable than smaller players. The scale of our operations, together with the flexibility of our fleet and effective management of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes. When we replace our ships serving main lines with new larger ships, we are usually able to cascade replaced ships to lines where they will in turn replace smaller tonnage. Cascading of ships therefore provides economies of scale down the chain of lines. We expect that the ongoing replacement of vessels in our major markets, and the subsequent transfer of the replaced vessels to main lines of a lesser capacity, will further improve the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships. Optimizing tonnage is a key advantage, as operating costs can differ significantly depending on the size of the vessel deployed along the same route. For example, the bunker fuel cost per TEU for a 14,000 TEU containership is estimated to be about 40% lower than the equivalent costs for a 9,500 TEU ship operating on the same route, so our ability to cascade larger vessels helps us to reduce our operating costs per unit. Our size also strengthens our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, financings, and any negotiations with respect to rebates and discounts with various terminals.

We have cultivated a number of higher value niche business lines that support our profitability. For example, we have a fleet of reefer containers, which allows us to address a distinct customer base that needs transportation of perishable goods, pharmaceuticals, frozen food and wines and spirits. Since our acquisition of NOL in 2016, we have maintained a contractual relationship with U.S. authorities and have the certification to carry U.S. governmental cargo with nine of our vessels sailing under the U.S. flag.

In addition, we continue to identify and cultivate ancillary revenue streams for activities related to our core container shipping business, such as pre- and post-shipping intermodal transportation, charges for detention and demurrage in the case of delays and documentation fees. These revenues are not dependent on vessel freight rates, and thus provide sources of revenue that help to reduce our revenue volatility and exposure to changes in freight rates.

The acquisition of Bolloré Logistics accelerated our growth in freight forwarding, making us a top five global logistics player in air and ocean freight based on volumes as of March 31, 2024 (source: Ti, May 2024). The increased size of our freight forwarding activities, both in air and ocean, allows us to optimize the cost of freight purchasing as the best tariffs are usually provided to clients with larger volumes. Further, our global logistics network complements our shipping network and the integration of the various companies that we have acquired in recent years in the logistics sector (Ingram CLS, Colis Privé, GEFCO and Bolloré Logistics) provides us with opportunities across the whole value chain. In addition, we operate a fleet of five car carrier vessels leveraging our shipping expertise and are hence in a position to offer to OEM clients of the FVL business of CEVA custom rotations to meet their needs to transport cars from their overseas production lines towards their final consumer destination in combination with ancillary services such as final preparation, battery charging, cleaning and client delivery. This comprehensive service portfolio has positioned us to become the provider of choice for complex, integrated, end-to-end supply chain solutions.

We believe our broad market reach, route diversity and flexibility position us as a global leader in our industry.

Our diversified customer base and offering strengthened by our logistics business position us well to weather market volatility.

Our diversified and loyal customer base is founded on dedicated commercial services and a strong reputation. We have a global shipping customer base of over 52,400 active customers. Our customer portfolio in our shipping business is highly diversified by both geography and industry sector and includes stable important customer relationships with both direct shippers, such as Samsung, Ikea, GM, BASF, Coca-Cola, Renault and Nestlé, and leading freight forwarders, such as DHL, Kuehne + Nagel, DB Schenker (part of Deutsche Bahn), and Expeditors. We also benefit from low customer concentration: in 2023, the volumes transported for our top 20 shipping customers by volume represented 16.6% of total volumes carried and no customer accounted for more than 2.7% of total volume. Our top 20 shipping customers in 2015 all remain significant customers in 2023, and a large majority of them are still in the top 20, which highlights the strong, long-term customer relationships that we have built in the shipping industry. Our operations are supported by an extensive global network of 187 shipping agencies operating through more than 425 offices worldwide. These agencies act as our local sales, marketing and customer service representatives. The profitability and the resilience of our business model is also supported by

our diversified revenue base, with no single trade representing more than 11% of our annual volumes transported in 2023.

CEVA has a diverse client base of more than 15,000 customers. CEVA's top 20 customers accounted for approximately 37% of its revenue for the year ended December 31, 2023, with its single largest customer accounting for 12% in the same period. CEVA has a strong presence in automotive, industrial and the consumer and retail industry, which accounted for approximately 32%, 15% and 14% of standalone revenues in 2023, respectively, and is showing particularly promising growth in e-commerce and healthcare. CEVA's top 20 customers in 2012 all remain significant customers in 2023, again highlighting the customer loyalty that exists in our logistics business. Due to its recent acquisitions, CEVA has also reinforced its presence on the e-commerce segment with clients such as Zalando, Bol.com, Bestseller and AboutYou, while Bolloré Logistics has a strong presence in beauty and luxury (LVMH, Kering), healthcare (Sanofi) and aircraft manufacturing (Airbus).

Our Logistics segment covers a portfolio of various activities with different dynamics. In particular, we engage in Freight Management (Ocean and Air), Contract Logistics, Ground Transportation and FVL. This breadth of expertise increases the resilience of our Logistics segment revenue and profitability: while the main driver for freight forwarding is global trade, which could be volatile, contract logistics is more stable due to multi-year contracts. The FVL business is highly dependent on automotive prospects, including the rapid development of EVs.

We believe our reputation for quality and reliability, our ability to offer clients tailor-made and innovative transportation solutions, together with our global reach and leading market position, give us a competitive advantage.

Our business model is built around a modern, valuable and largely unencumbered asset base of vessels and containers, suited to decarbonization, as well as strategic logistics and infrastructure assets.

We have a comprehensive, modern and diverse asset base that is highly integrated and complementary, with our terminal and logistics assets providing valuable support services and allowing us to optimize the use of our vessel and container assets. This diversified, but complementary, asset base also increases our revenue diversification, helping to reduce volatility and our reliance on freight rates, and enhances our operational and financial performance.

We operate a large and flexible fleet of modern vessels. As of June 30, 2024, our fleet consisted of 643 container ships with a total capacity of 3.7 million TEU, of which we owned or operated under financial lease or equivalent arrangements 267 vessels, or 50.1% of our fleet by capacity, and chartered the remaining 376, or 49.9% of our fleet by capacity. The market value of our owned vessels, which is assessed every six months by calculating the average of four independent ship brokers' valuations, was \$15.3 billion as of June 30, 2024. We also maintain a large and diverse fleet of containers, totaling 5.0 million TEU as of June 30, 2024, of which we leased 75% and owned the remainder.

Our financial deleveraging has allowed us to increase the share of unencumbered vessels and containers on our balance sheet. The market value of our 217 unencumbered container ships (excluding right-of-use and in-progress vessels) is estimated at \$9.1 billion as of June 30, 2024.

The composition of our fleet provides us with a significant degree of flexibility in our operations, allowing us to adapt the size of our vessels in accordance with demand on our various trades. Moreover, the increasing efficiency of our vessel fleet as a result of increasing size (49% of our fleet capacity was comprised of vessels larger than 10,000 TEU as of June 30, 2024), age (the average age of our vessels was 10.0 years as of June 30, 2024), technological advancements, retrofitting and our operational efficiency efforts (47.6% of our total capacity is either equipped with scrubbers or runs on LNG) have helped us to control our operating costs and improve our profitability.

We are also growing in line with our sustainability strategy and efficiency targets, with existing orders benefitting from the latest technology and powered by environmentally friendly energy sources. In 2020 and 2021, we took delivery of nine 23,000 TEU vessels, which benefit from new technology and are powered by LNG. These vessels are equipped with the latest technology, including a smart system to manage ventilation for the reefer containers carried in the hold. As of June 30, 2024, we had 48 dual-fuel LNG container ships for a total capacity of 620,000 TEU in our fleet. We have 47 dual-fuel LNG container ships that are scheduled to be delivered from 2024 to early 2028, with a total capacity of approximately 591,100 TEU and we will also take delivery of 24 methanol-propelled vessels with a total capacity of 336,000 TEU between early 2025 and the end of 2027. These vessels are expected

to replace smaller vessels on our Asia-Europe trade, allowing us to take advantage of the per-unit cost savings associated with larger vessels and ensure that we have sufficient capacity to accommodate future growth in demand on this trade. We will then be able to cascade the vessels that they replace to other trades, which will thereby increase the average size of vessels in use and the cost efficiency across our network. We will continue to deploy such vessels in accordance with demand fluctuations. See *“Business—Segments—Container Shipping—Current Orderbook.”*

Our asset base also includes important strategic and complementary terminal and logistics assets, the importance of which has been particularly illustrated by their availability during the recent period of supply chain congestion to secure capacity and access for our customers. We have invested in a number of port terminal facilities around the world where we have significant operations. We currently have interests in, or agreements related to, 58 terminals around the world with a total capacity of approximately 50 million TEU as of March 31, 2024, of which 55 are in operation and three are in development or under acquisition. These facilities include two critical infrastructure assets in the USA (for which we are the sole owner): the FMS terminal in the Los Angeles/Long Beach port area, which allows us to secure services for our vessels in the busiest gateway in the western world, and our two terminals in the New York harbor: Port Liberty Terminals in New York and Bayonne, which provide us a distinctive advantage on the East Coast, one of the most important population concentrations in the western world. In 2022, we were the eighth largest port operator in terms of handled throughput before accounting for the acquisition of the two GCT Terminals in New-York (source: Drewry, Global Container Terminal Operators Annual Review and Forecast 2023/24). During periods of high congestion, priority access to quality infrastructure has proven to be a competitive advantage in developed countries. This advantage may become more critical over time, considering that the number of new ports/terminals providing alternative access to these gateways is expected to be limited. We also maintain a portfolio of 90 inland terminals.

We are able to extract value quickly from our terminal and logistics assets while keeping a part of the ownership (majority or minority) stake to secure operational needs. Leveraging our shipping volumes, we have proven our ability to turn greenfield or underperforming brownfield assets into mature and profitable terminals representing significant potential for cash proceeds in case of potential disposals. We have also shown a consistent ability to refinance our fleet of containers and vessels, illustrating continued market appetite for our prime assets, such as large vessels, niche vessels with high reefer capability and reefer containers. Modern port terminals, especially in mature markets, attract infrastructure investors as demonstrated in 2017 when we sold the FMS terminal to EQT.

Our ability to capitalize on industry trends and drive improvements in our cost base are key structural drivers of improved profitability.

We have successfully capitalized on industry trends, such as demand for value-added services, to drive revenue growth and diversification, while at the same time continuously improving our cost base in order to drive improved profitability. As the third largest container shipping company worldwide, we benefit from significant economies of scale, increased bargaining power when negotiating contracts, rebates and discounts. We have the resources to serve large customers requiring global coverage and the means to meet their specific needs by transferring perishable goods in reefers, for example, and we also have the ability to optimize the use of our assets, all of which positively contribute to our operating margin. We have invested in ULCVs that enable us to serve trade lines, predominantly the major East-West trade lanes, more efficiently than fleets that use smaller vessels. For example, the bunker fuel cost per TEU for a 14,000 TEU containership is estimated to be about 40% lower than the equivalent costs for an older 9,500 TEU ship operating on the same route, so our ability to cascade larger vessels helps us to reduce our operating costs per unit. When we replace our ships serving main lines with ULCVs, we expect to cascade replaced ships to secondary trade lines where they will in turn replace smaller tonnage.

We have successfully implemented initiatives to improve our cost base, including both cost savings and margin improvement measures. Since 2016 (except in 2021 and 2022), we have annually implemented a comprehensive plan, which we call “Agility,” involving a broad range of cost reduction and efficiency measures across our organization aimed at reducing our per-unit costs, thereby improving our profitability and increasing the resilience of our business in cyclical downturns. We are continuing systematically to implement further cost savings and margin improvement measures. We have demonstrated that substantial structural improvements can lead to improved profitability, as evidenced by decreasing cost per unit (excluding bunker) in recent periods in spite of depressed volumes, from \$1,130 per TEU in the six months ended June 30, 2023 to \$1,054 per TEU in the six months ended June 30, 2024, alleviating the strong decrease in revenue per unit (revenue/TEU) over the same period from \$1,620 per TEU to \$1,392 per TEU. CEVA has also put in place its own cost reduction initiatives as part of the IMPACT 2020 turnaround plan, designed to help CEVA to make positive contributions to Group profitability in the future.

We have a strong capital structure with significant liquidity position and balanced financial strategy.

We benefit from a strong, deleveraged balance sheet with a strong liquidity. During 2021 and 2023, we used our high cash flow to voluntarily repay the majority of our financial debt (including partial repayment of \$800 million of borrowings under our securitization program which remains fully available and repayment of the €525 million senior notes due January 2026). We also used cash generated from operations to finance our acquisitions of FMS and Port Liberty Terminals, Ingram CLS, Colis Privé, GEFECO and Bolloré Logistics. Our remaining debt as of June 30, 2024 has a balanced maturity profile with no significant needs for refinancing in the coming years (see “Description of Certain Financing Arrangements”).

As of June 30, 2024, we have financial resources consisting of cash on the balance sheet and liquid financial investments of \$10.1 billion (including \$2.6 billion of undrawn committed credit facilities). In addition, we have access to \$1.6 billion of additional financing under the Group’s receivables securitization programs.

Our financial deleveraging has allowed us to increase the share of unencumbered vessels and containers on our balance sheet. The market value of our 217 unencumbered container ships (excluding right-of-use and in-progress vessels) is estimated at \$9.1 billion as of June 30, 2024.

Our financial policy has historically involved limited distributions to our shareholders: on average, over 2021, 2022 and 2023, we paid out 18.0% of our net income to our shareholders. This limited payout enables us to prioritize financing development of our business and the repayment of our financial commitments and to invest in order to improve the business risk profile of the Group. Going forward, our shareholders target a payout policy of 10 to 20% of profit for the year.

We have access to diversified sources of financing, including capital markets, secured and unsecured asset financing and long-term leases provided by a wide range of suppliers, including international and regional banks, financial institutions, governmental agencies, shipyards and various lessors. At the same time, we have developed strong and confident relationships with a group of core banks that allow us to optimize our financings. All of our debt financing arrangements benefit from a covenant package well-suited to the industry’s volatility, based on minimum available cash and a leverage ratio. In addition, we have been successful in seizing financing opportunities and managing our leverage covenants to maintain our strong liquidity position. Examples of our ability to implement attractive financing opportunities include the government-guaranteed bank financing made available at the outset of the COVID-19 pandemic, which we swiftly obtained in 2020, as well as the 2020 financing of Terminal Link, which was repaid early (in 2023). We also seek to secure dedicated asset financing for our vessels in advance of their delivery in order to optimize financing conditions and avoid having liquidity pressures.

Our financial policy focuses on maintaining a strong liquidity position to provide security and flexibility in an uncertain and cyclical market, which has historically enabled us to maintain a strong liquidity position even during more difficult operating environments, such as 2016, both as a result of the positive cash we generated through operations and various financing transactions. The Group’s available cash position as of June 30, 2024 was \$5.8 billion (net of bank overdrafts).

Our management benefits from a long experience in aptly navigating market cycles and successfully integrating acquisitions to support the diversification of our business with a distinctive entrepreneurial spirit.

We benefit from what we believe to be one of the most highly qualified and experienced management teams in the container shipping industry. Mr. Rodolphe Saadé is our Chairman and CEO and is supported by an experienced senior management team. Our five most senior operational executives have on average over 20 years of experience within the industry. They have weathered previous challenging industry troughs as well as turned around loss-making acquired companies such as NOL. In addition to promoting managers from within, we also selectively hire senior managers from outside the Company to provide our management team with new views, ideas and skills. Following the acquisition of CEVA in 2019, we hired an experienced team of logistics executives to help support our plan to fully integrate the acquired companies.

We believe that our ability to react quickly gives us a significant strategic advantage over our competitors. For example, our management team demonstrated an entrepreneurial and flexible decision-making process through its acquisition of CEVA in 2019. Furthermore, our management team showed dexterity in navigating the Company through the COVID-19 period. The quick decision-making process has enabled us to adapt our capacity to evolving market demand, including with respect to acquiring assets, and enhance our profitability.

We are focused on operational excellence, sustainability and digital innovation, particularly with respect to the implementation of AI.

We believe our operational excellence, focus on sustainability and digital innovation are key drivers of the success of our business.

Our sustainability investments, together with our investments in digitalization, are key components of our commitment to operational excellence. These investments have optimized our trade lines, routing and bunker fuel consumption and improved our overall operational efficiency. For example, the use of a central, real-time supervision center and retrofitting and maintenance initiatives have helped us to reduce our bunker fuel consumption from 413kg per transported TEU in 2017 to 367kg per transported TEU in 2023. Our three navigation and port operations centres in Singapore, Marseille (France) and Miami (United States) further ensure the safety of our seafarers, fleet and customers' cargo worldwide by leveraging data (such as on currents, waves, weather and vessel positions) from various third parties as well as using in-house data (such as live vessel feeds). The expert teams in each of our operations centres are empowered to assess, anticipate and mitigate any navigation related risks to our vessel operations.

Our Strategy

Our key strategic objectives are as follows:

Maximize the total addressable pool of customers across our shipping and logistics businesses, while allowing for high levels of flexibility in our service offering.

Our shipping business has global scale and a leading market position. We are one of the few liners to operate a truly global network, with one of the most extensive networks of direct services covering the four major East-West trade lanes. We also hold a market-leading position in the Transpacific trade route, which has not only proven to be resilient in a volatile market, but also represents a significant growth opportunity. Our acquisition of CEVA in 2019, and the subsequent acquisitions of Ingram CLS, Colis Privé, GEFECO and Bolloré Logistics in 2022-2024, expanded and diversified our commercial offering by growing our logistics business.

Our core strategy is to develop each of our shipping and logistics businesses on a standalone basis, providing high quality, reliable and cost-effective services to as many customers as possible. We operate our shipping and logistics businesses separately and maintain them at arm's length in order to guarantee the best service and pricing to the customers of each business, especially with regards to freight management activities. We believe that this differs from the strategy of other liners, and has the aim of maximizing our total addressable pool of customers, be they beneficial cargo owners or freight forwarders.

The development of our logistics business has also enabled us to have broader discussions with customers seeking an integrated offering, to target a larger share of wallet of their global logistics spend while simultaneously generating greater customer loyalty. We believe that we are positioned well to service the end-to-end needs of our customers in comparison to competitors that offer more commoditized, standalone shipping services. We seek to leverage the logistics capabilities of CEVA and Bolloré Logistics, and their diversified customer portfolios, to upsell our expanding logistics service offering.

We also aim to grow the share of non-freight related revenues in our total revenue mix by further developing value-added services that often command premia, such as pre- and post-shipping intermodal transportation, detention and demurrage in the case of delays and priority handling at origin or destination and guaranteed availability of container equipment. More recently, we created CMA CGM Air Cargo operating a fleet of five cargo planes (and expect to take possession of one additional new Boeing B777F aircraft in November 2024). We are also able to offer add-on solutions to our shipping clients for urgent shipments while also allowing CEVA and Bolloré Logistics to source some of their air freight needs from CMA CGM Air Cargo.

Seize all market opportunities to grow organically while meeting clients' needs.

Our flexible business strategy enables us to adapt both to our customers' supply chain and sourcing needs as well as emerging trends in global trade and the geopolitical climate. One such emerging and growing trend is an increase in intra-regional trades in response to growing demand for supply chain diversification and changing consumer behaviour toward local consumption. For example, the intra-Asia trade has evolved as manufacturers and importers adopt a "China plus one" supply chain strategy in response to the maturing Chinese manufacturing market (e.g. rising wages) and ongoing trade tensions between the United States and China. We have adapted to align our business to these trends by consolidating and rebranding our intra-Asia shortsea service, "CNC," with

positive results. We intend to continue to leverage this strong brand to satisfy evolving client demand in this market.

We will continue to carefully evaluate our operations in order to allocate resources towards the services that are most valuable to our clients, which we believe will contribute to improved profitability. For example, starting in the COVID-19 pandemic which led to reduced air freight capacities, we have reinforced our pre-existing express service, EXX, with another express service to offer our clients direct services with minimal transit time and, for a premium fee, guaranteed delivery time.

Furthermore, our e-commerce strategy is under constant evaluation as a key component to grow our business and facilitate exchanges with our clients and their end-users. Our e-commerce solutions currently include a comprehensive digital ecosystem offering customers the ability to interact with CMA CGM in the most practical way for them, whether this is online on our Digital Agency or via EDI and Application Programming Interfaces (API). In 2023, our e-commerce channels accounted for 94.5% of our bookings with more than 54% performed on our website. We continuously invest and adapt our range of solutions to satisfy the needs of our customers and our industry via new products and features, and ensure that our service offering tracks the latest developments in technology and digital security.

More generally, we have rationalized our brand to offer enhanced visibility to our clients, resulting in: (i) a unique global carrier for intercontinental routes under the CMA CGM brand; (ii) regional specialists for short-sea and/or door-to-door offers (Mercosul, CNC and ANL); and (iii) shipping experts for niche markets (e.g., the APL brand being used solely for U.S. government cargo).

Leveraging industry dynamics to foster further organic and inorganic growth.

We plan to continue to grow organically by increasing the frequency and depth of the container shipping services that we offer on existing lines, expanding into new lines and new geographic regions and expanding our business into related markets and services. We will continue to reinforce our Logistics activities both through organic growth and selective acquisitions in the logistics sector, including both contract logistics and freight management to keep supporting our clients' international supply chains and continue our diversification. We will also continue to invest in selected strategic assets throughout the end-to-end shipping and logistics chain, such as the largest vessels, dry ports, terminals (for example, during the last five years, our acquisitions of FMS, GCT Bayonne and New York terminals) and various logistics assets. We believe that continuing to invest strategically in the logistical chain, with investments that may be structured in the form of wholly-owned subsidiaries, majority stakes, or strategic minority positions, will help us maintain our cost structure while supporting revenue diversification.

In terms of fleet management, owned versus chartered vessels composition and the timing profile of our chartered-in fleet, we will continue to invest in new vessels as well as take advantage of chartering arrangements to secure new vessels (see "*Business—Segments—Container Shipping—Current Orderbook*"). Our new shipbuilding orders will continue to focus on strategic and sustainable assets such as ULCVs to take advantage of economies of scale and maintain competitive unit costs in the context of industry trends towards increasing volumes and scale or small vessels with unique features and providing a competitive advantage to the fleet, as well as preparing for the energy transition of ageing vessels, an activity which has seen limited investment in recent years.

In terms of inorganic growth more broadly, we will remain attentive to opportunities that present a strategic fit or a diversification potential, as demonstrated by our acquisitions of Ingram CLS, Colis Privé, GEFECO, Bolloré Logistics and Altice Media in 2022-2024. Our key evaluation criteria for any acquisition proposal, which may include substantial acquisitions as well as "bolt-on" transactions, will include growth potential, financial attractiveness and manageable execution risks, while maintaining a balanced financial policy. We are regularly and actively monitoring potential acquisition targets that may fit the criteria noted above. As a result, we could seize opportunities at any time. See "*Risk Factors—Our results and financial condition could be affected by recent and future growth initiatives, both organic and inorganic, and by difficulties in managing them.*"

Continuously implementing efficiency and cost improvement measures to enhance overall profitability.

We will continue our approach in recent years to focus on systematically reducing costs to increase the profitability of our operations while enhancing our financial strength. We have implemented, and continue to implement, a broad range of cost reduction and efficiency measures across our organization aimed at reducing our per-unit costs, thereby improving our profitability and increasing the resilience of our business in cyclical downturns. Implementation of cost improvement plans have contributed significantly to maintaining or improving our profitability in recent periods. These measures include the rationalization of some of our lines, greater operational

efficiency, lower logistics costs, new partnerships with suppliers, and other initiatives to offset inflationary pressures, as well as the implementation of innovative on-board technical solutions to reduce our energy consumption and carbon footprint.

We believe that the size of our Container Shipping activities enables us to take advantage of the significant economies of scale that characterize the liner industry (see “*Our Competitive Strengths—Our position as a global leader in both the shipping and logistics industries, in which scale is critical, is underpinned by our extensive network and comprehensive commercial offering*”). In our Logistics segment, we seek to leverage the increased size of our freight management operations due to the recent addition of Bolloré Logistics in order to benefit from optimized costs of freight. The increased size of our Logistics segment also enables us to amortize the investments into efficient operational IT systems such as Cargo Wise and more generally investments into digital and state of art technologies such as robotics within warehouses.

Reinforcing our digital presence to improve our service offering and foster cost reduction.

We aspire to remain at the forefront of the industry by providing innovative digital solutions in order to meet the needs of our customers, who are increasingly seeking more transparency, speed, interaction and visibility. Our level of investment demonstrates our commitment; for example, in 2023, 55% of the budget dedicated to digital projects was allocated to customer-focused initiatives.

The ability to process information quickly and accurately, using the latest technology (including AI), is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes. We have developed and deployed a global information system that consolidates information from across all our operations using real-time internet-linked technologies and a common software platform, allowing all our employees access to the most up-to-date shipping information available. These systems have enabled us to increase our shipping volumes while maintaining stable headcount levels. Furthermore, our IT systems enable us to better forecast and manage changes in the global trade imbalances that characterize and affect the container shipping industry. This allows us to optimize empty container repositioning and thus considerably reduces our repositioning costs. We are interested in how future technologies may shape the shipping and logistics industries; for example, we are using blockchain to offer secure and paperless bills of lading, which is a crucial document in the shipping industry that will help to make the shipping administrative process far more efficient for our customers. We are also exploring augmented reality as a team training aid and as a predictive maintenance tool to anticipate problems on our ships.

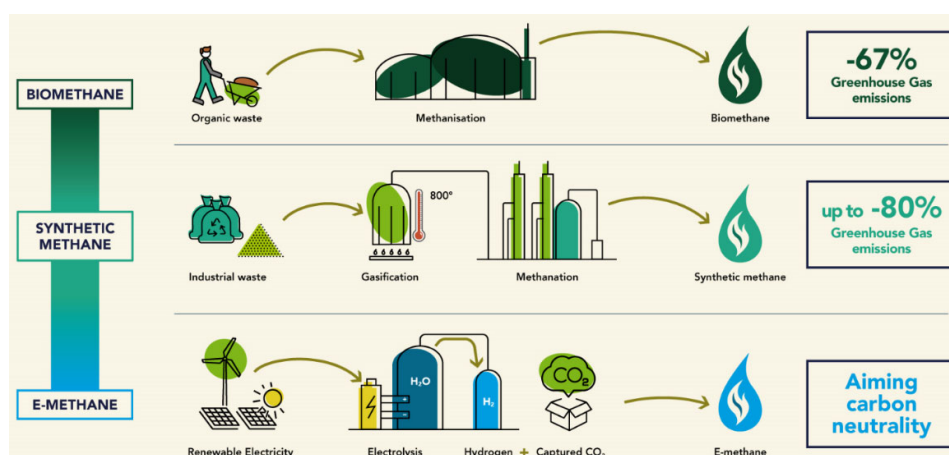
As part of our strategy, we will continue improving our technological infrastructure to support our shipping agencies, individual lines, logistics activities and various head office departments. We hope to leverage the effects of digitization to identify and exploit opportunities to spread best practices across our operations and streamline our operations to reduce overall costs. We will seek to use AI and big data to improve operating efficiency, identify and capture opportunities for growth and provide access to valuable information for our customers to provide a differentiated service. We have developed and deployed a global information system that consolidates data from across all our operations using real-time internet-linked technologies and a common software platform, allowing our employees access to the most up-to-date shipping information available. We created a department responsible for digital transformation, innovation, and AI. Among others, this department is responsible for coordinating our digital transformation, AI and innovation projects and the AI roadmap.

Reducing our environmental footprint with an ambitious investment strategy in our fleet.

We have a sustainable and environmentally friendly growth plan to support new requirements of various government regulations and of our clients as well as to ensure corporate social responsibility. Besides meeting the emission requirements set by the IMO and the EU regulations, we are committed to an ambitious decarbonization path. In December 2023, during COP28, our Chairman announced our ambition of reducing GHG emissions, targeting (i) a decrease of 30% by 2030, (ii) a decrease of 80% by 2040 and (iii) net zero carbon by 2050, compared to 2008 emissions. In addition, CEVA targets having 1,450 alternative fuel vehicles on the road in 2025 and using 100% renewable energy in its warehouses by 2025 by installing 1.8 million square meters of solar panels on its warehouses.

With respect to Container Shipping, our decarbonization strategy combines (i) the use of modern, efficient fleet using less carbon-intensive fuels, (ii) improvement of the environmental footprint due to retrofitting of our existing vessels and (iii) operational optimization due to projects such as “Smart Ships.” In particular, we are intent on developing one of the most efficient and environmentally friendly fleets in the shipping industry with a balanced consumption of LNG, HSFO (with retrofitting), low sulfur fuel oil and methanol. CMA CGM was the first

container liner in 2017 to order 23,000 TEU LNG-propelled vessels which will be able to be replaced by bio methane and e-methane in the future without any change on the vessels. Indeed, although zero emission technology is not in existence yet for large container vessels, we have decided to invest in vessels propelled with transition energies, such as methane and methanol. Over time, these vessels could be operated with synthetic or green molecules (such as e-methane and e-methanol) hence giving a clear advance to our fleet. This is further evidenced by the fact that 71 of the 78 container vessels in our current orderbook as of June 30, 2024 are equipped with engines able to burn conventional marine fuels as well as either LNG (dual fuel LNG) or methanol (dual fuel methanol), allowing (in the case of LNG or methanol) for a significant reduction in carbon dioxide, sulfur, fine particles and nitrogen oxides emission. As of June 30, 2024, we operated 48 dual fuel LNG vessels, either owned or chartered, and our orderbook through 2028 will plan to have included 119 vessels that can be powered by bio/e-methane or bio/e-methanol, with a capacity between 2,000 and 24,000 TEU. We will continue to regularly order newbuild vessels and commit meaningful part of our capex in order to gradually shift our fleet towards a more carbon efficient fleet and contribute to achieving our decarbonization strategy.



Operational optimization is also key in reducing our carbon emissions. In this respect, we have developed new tools to enhance the efficiency of our operations, through the “Smart Ship” project, which seeks to collect real time data from vessels through electronic sensors and to subsequently discover inefficient operations through data analysis. Three CMA CGM fleet centers covering all time zones 24/7 are dedicated to assisting ships and performing intelligent maritime routing that minimizes fuel consumption. By analyzing multiple internal and external data sources, they define the best route for each of our vessels and provide optimized weather assistance in real-time. They work in close collaboration with the Operations Department, which optimizes all our operations (nautical and operational management of vessels, security of crews, reduction of port congestion, optimization of CMA CGM maritime and land network).

Since 2008, we have halved the carbon intensity of our maritime activities. For shipping activities (excluding specialized transport), well-to-wake CO₂ emissions (including direct emissions from combustion onboard “tank-to-wake” as well as upstream emissions linked to extraction, transport and supply of fuel “well-to-tank”) have decreased by almost one million tons of CO₂ in 2023 (to 29.2 million tons of CO₂ compared to 30.1 million tons in 2022 and 30.5 million tons in 2021), due, in particular, to an improvement in performance through speed optimizations, retrofits and entry of more efficient ships into the fleet (see “*Business—Environment, Quality, Safety and Sustainability*”).

We are equally committed to improving our carbon footprint in our logistics business. While CO₂ emissions increased by 2.4 million tons in 2023, this was mainly due to the extension of the integration of acquired entities (accounting for 1.6 million tons of CO₂ emissions) and the inclusion of subcontracted road transport not reported previously (accounting for 1.2 million tons), offsetting our efforts to decarbonize operations (photovoltaic panels and LED in warehouses, low carbon vehicles).

In September 2022, we announced the creation of the PULSE fund with a €1.5 billion budget in order to accelerate the decarbonization of the Group and the entire transport and logistics sector. As of December 31, 2023, a total of 41 projects representing a commitment of €460 million were approved. This includes internal projects as well as external investments (e.g. methanol retrofits, electrification of rubber-tired gantry cranes (RTGs) and the “Flexis” joint venture with Renault and Volvo to build electric vans), as well as an endowment fund called “Endowment

Fund for the Decarbonization of the French Maritime Sector” managed by BPI. We also invest in new technologies and concepts (e.g., wind assistance).

We are committed to cultural and gender diversity throughout our organization. One of our key strategies is the continued promotion of cultural and gender diversity of our employees and giving everyone equal opportunities. Our workforce comprises over 168 nationalities, of whom 37% are women (including 34% within management).

Preserving a balanced financial policy, maintaining a strong liquidity position and financial flexibility

Notwithstanding recent trends in the shipping industry (consolidation and alliances in particular and capacity management initiatives more generally) tending to foster lower volatility in freight rates in the shipping market and intrinsically more stable or predictable earnings of the logistics business, we will continue to focus on improving our balance sheet profile and maintaining a strong liquidity position while also ensuring we have flexibility to invest in strategic assets to improve our long-term profitability and growth perspectives. We will also continue to seek greater centralization of assets within our Group, which provides us with the support of a strong balance sheet and facilitates potential leveraging of these assets in financial transactions. Our management team has a proven ability to implement an agile and efficient financing strategy, to mobilize and leverage our assets and to maintain flexibility throughout the business cycle, including in the recent turbulent period marked by the COVID-19 pandemic.

In particular, our management team has a sharp focus on cash flow generation with cautious cash management and has instilled a culture of cash preservation and generation across the organization in order to reinvest in our business and fully capitalize on our orderbook. Our positive cash flow generation, driven by improving profitability, supports our robust liquidity position. Our free cash flow before cash flow from investing activities (calculated as operating cash flow minus lease payments, minus interest payments) for the first six months of 2024 was \$1,520 million, compared with \$4,003 million for the first six months of 2023. This is particularly due to laser focus on maintaining and increasing liquidity. As an example, we have long had and will maintain a policy to have our subsidiaries distribute as much of their net income as possible up to the parent company in order to strengthen our financial position. We will also continue to explore a variety of funding sources to support our liquidity position, including through debt capital markets transactions and leasing transactions, leveraging our strong relationship with our core banks and our securitization program reinforced by the addition of CEVA.

History

CMA (*Compagnie Maritime d’Affrètement*), our predecessor company, was founded in 1978 by Mr. Jacques R. Saadé, when he initiated a regular line between the west Mediterranean, Lebanon and Syria from CMA’s base in Marseille. Subsequently, CMA began regular services between North Europe and the Middle East, thereafter making inroads into Asia and particularly into China, where we are now established as one of the largest container carriers in terms of capacity. On June 25, 2018, Mr. Jacques R. Saadé passed away, months shy of CMA CGM’s 40th anniversary. Our history is a testament to his pioneering spirit, innovation and vision.

In November 1996, CMA acquired CGM S.A., a state-owned French operator. The two companies contributed complementary routes to the newly formed CMA CGM, as CMA historically operated within the Asia-Europe and Transatlantic markets and CGM S.A. focused on selected lines between France and its former and current territories in Africa, the Caribbean and South America.

Over 1998-2016 we expanded our business through a number of acquisitions, including Australian National Line Singapore in 1998, MacAndrews in 2002, Delmas in 2006, Taiwan’s Cheng Lie Navigation (a majority interest) and Compagnie Marocaine de Navigation (“Comanav”) in 2007, OPDR and LCL Logistix (a strategic stake) in 2015 and NOL in 2016.

In November 2016 the Company, COSCO Shipping, Evergreen and OOCL signed agreements to form the Ocean Alliance for an initial period of five years. In January 2019, the term was extended to 10 years (i.e., until 2027). In February 2024, the operations of Ocean Alliance were extended for a further five-year period (i.e., until 2032). Together, the members operate 35 services using 324 container ships representing a capacity of around 4.4 million TEU, allowing the alliance to comply with the requirements of global supply chains in providing higher sailing frequencies, better transit times and greater coverage.

In November 2017, the Company announced its decision to equip nine of its future 23,000 TEU vessels with engines using LNG, embarking on the journey of transitioning towards alternative fuels. CMA CGM was the first shipping company in the world to equip giant containerships with this type of motorization, thus enhancing its firm commitment to the protection of the environment and to ocean conservation.

In December 2017, the Company completed the acquisition of Mercosul, one of the leading players in Brazil's domestic container shipping market.

In May 2018, we initiated a strategic move towards expanding our logistics services through the acquisition of a 25% stake in CEVA at the time of its initial public offering. Through various transactions, we gained control of CEVA as of January 4, 2019, and we consolidate it in our financial statements as from such date. We caused CMA CGM Logistics to merge into CEVA in May 2019. Through additional transactions, we acquired nearly all of CEVA's share capital and effected the cancellation of the remaining shares and their delisting as of October 2019.

In October 2018, the Company completed the acquisition of Containerships, a Finnish full-service container-transportation and logistics company, operating primarily in the Baltic Sea. This acquisition enhanced our presence in the intra-European short-sea market and reinforced our door-to-door abilities. On December 30, 2019, we merged MacAndrews and former OPDR activities into Containerships to forge a new leading intra-European short sea operator.

In January 2022, we completed the acquisition of 90% of the FMS terminal in Los Angeles, one of the largest port terminals in the United States based on capacity with around 2.5 million TEU (source: Drewry, Global Container Terminal Operators Annual Review and Forecast 2023/24), bringing our stake in the terminal up to 100%. This furthered our strategy of developing our terminal business to support the growth and efficiency of our shipping lines.

In April 2022, we acquired Ingram CLS, a group specializing in contract logistics (with acquisition of certain businesses of Ingram CLS having been completed in September 2022). The acquired perimeter also encompassed Shipwire, an order fulfilment platform that provided flexible e-commerce logistics solutions for small and medium-sized companies. The acquisition of Ingram CLS allowed us to accelerate growth in key market segments such as technology and fashion.

In April 2022, we acquired Colis Privé, an operator of an asset-light last-mile parcel delivery network in France, Morocco and Belgium. With the acquisition of Colis Privé, we continued to build compelling DTC networks to serve our e-commerce customers' needs.

In April 2022, we acquired 99.99% of GEFCO, a European leader in automotive logistics. The acquisition strengthened the range of logistics services (in particular by adding FVL services) that we provide to our customers, especially in France and the rest of Europe.

In May 2023, we acquired La Méridionale, a combined freight and passenger shipping company established in Marseille.

In July 2023, we acquired 100% of HIMA Group, which owned La Tribune, a leading digital business and finance media platform with a presence across France and Africa.

In August 2023, we acquired the GCT Bayonne and New York terminals. The acquisition expanded our U.S. East Coast footprint, strengthening the Group's position as a global terminal operator.

In February 2024, we acquired Bolloré Logistics, a transport and logistics company based in France. This is our largest acquisition since the Company's creation in 1978 and constitutes a major step in our logistics development strategy.

In April 2024, we joined Renault and Volvo as founding member of Flexis SAS, a joint venture for a new generation of electric vans. In the same month, together with BPI we announced the launch of a fund aimed at facilitating transition to cleaner energies.

In July 2024, we completed the acquisition of Altice Media, a leading live news player in France. This transaction enables the Group to shape a long-term Media business of high-quality news, sports and entertainment content.

On September 22, 2024, the Group and certain funds managed by Opportunity entered into a share purchase agreement, whereby the Group agreed to acquire a 47.55% stake in Santos Brasil, a leading terminal operator in Brazil (see "*Summary—Recent Developments—Santos Brasil*").

Segments

We operate three segments: (i) Container Shipping, (ii) Logistics, including Freight Management (Ocean and Air), Ground Transportation, Contract Logistics and FVL businesses and (iii) Other, including Terminals, Air Cargo, Specialized Maritime Transport and Media businesses.

Container Shipping

Container Shipping is our core business, generating revenue of \$31.4 billion and Adjusted EBITDA of \$7.4 billion in the year ended December 31, 2023, which accounted for 64.6% of our revenue and 82.1% of our Adjusted EBITDA for the same period, revenue of \$16.1 billion and Adjusted EBITDA of \$3.9 billion in the six months ended June 30, 2024, which accounted for 62.0% of our revenue and 80.7% of our Adjusted EBITDA for the same period, and revenue of \$30.3 billion and Adjusted EBITDA of \$6.1 billion in the twelve months ended June 30, 2024.

We ship a variety of containerized products such as low/middle market consumer goods, raw materials and agricultural products, luxury goods or temperature-controlled products through an extensive and diversified network serving both high-volume markets, such as the Asian-European, Asian-North America and intra-Asian markets and niche markets, such as the Caribbean, Black Sea, intra-European, Oceania and Brazilian markets.

Typically, the journey of a container will start at the sender's designated address, when an empty container is delivered to our customer's premises. Once the sender has filled the container with cargo, the container is transported by truck, rail, barge, or a combination of the three, to a container port, where it is loaded onto a container ship. The container is shipped either directly to the destination port or via a hub, where it is transferred, or "transshipped," to another ship. When the container arrives at the final destination port, it is off-loaded from the ship, and delivered to the recipient's premises via truck, rail or barge or a combination of the three.

When our service consisted of solely providing container shipping activities, our responsibility was generally limited to the ocean leg of the container's journey, with customers or intermediaries arranging and executing the inland legs. However, with our offering of a wide range of value-added services and the development of our logistics services business through our acquisition of CEVA, Ingram CLS, Colis Privé, GEFICO and Bollore Logistics, we are able to offer integrated end-to-end supply chain management model. See "*Segments—Logistics*."

Our Network

We believe we are one of the few liners to operate a truly global network and specifically one of the most extensive networks of direct services covering all four major East-West trades: Asia-Europe/Mediterranean, Transpacific (Asia-North America), Transatlantic (Europe-North America), and Asia-Middle East but also other trades such as North-South lines (Latin America, Africa and Oceania) and several intra-regional lines. Our extensive and diversified network allows us to focus both on high-volume markets, such as the Asian-European, Asian-North America and intra-Asian markets and niche markets, such as the Caribbean, Black Sea, intra-European, Oceania and Brazilian markets.

We operate our container shipping services through various lines that we classify into two categories:

- *deep sea lines*, which represent services operating intercontinentally; and
- *short sea lines*, which represent regional end-to-end services transporting their own cargo between smaller ports, as well as feeder lines, which represent small non-intercontinental services that operate for purposes of connecting with main lines for most of their cargo and only to a very limited extent for their own purpose on regional routes.

The chart below illustrates the volumes we transported in our principal markets, as well as through our two line categories, for the year ended December 31, 2023 (excluding slots sold to partners).

Volume per Market in 2023 (TEU)

Market	Deep Sea Lines	Short Sea Lines	All Lines
Gulf & ISC	1,825,054	72,533	1,897,587
Asia Europe & Intra	2,084,086	490,295	2,574,381
Asia Med & Intra	1,251,916	1,067,566	2,319,482
United States	5,130,807	19,111	5,149,918
Africa	1,920,546	21,413	1,941,959
Latin America	2,884,517	300,353	3,184,870
Oceania	1,295,506	201,434	1,496,940
Intra-Asia	0	1,900,244	1,900,244
Total	16,392,432	4,072,949	20,465,381

Deep sea lines

Our deep sea lines cover the four major East-West trades: Asia-Europe, Transpacific, Transatlantic and Asia-Middle East, as well as the following North-South lines: Latin America, Africa and Oceania.

Our strong position on the Transpacific and Asia-Middle East trades was reinforced by our acquisition of Singapore-based NOL in June 2016, which was Southeast Asia's largest container shipping company and the twelfth-largest liner globally in terms of transport capacity at the time of the acquisition. This acquisition substantially increased our scale and reinforced our geographic coverage, allowing us to become the leader in Transpacific trade in terms of volumes carried.

Short sea lines

Short sea lines are regional end-to-end services calling at smaller ports and operating for their own purpose for most of their cargo.

Short sea lines are an important component of our Container Shipping segment and we continue to pursue a strategy aimed at expanding and densifying our regional networks with an ability to offer containerized door-to-door transport by short sea, rail, road and inland waterway to our clients, including through the addition of multi-modal logistics solutions to support and supplement such networks. See “—Segments—Logistics.”

We entered the short sea lines business in 2002 by acquiring MacAndrews, and then we acquired CNC in 2007. We accelerated our expansion into this business with the acquisitions of OPDR in 2015 (which we merged with MacAndrews in January 2018), Mercosul (in 2017), Sofrana (in 2017) and Containerships (in October 2018, into which we merged MacAndrews in 2019).

We are a leading player in the intra-European, intra-Asian, Brazilian and Pacific Islands regional transport services markets.

Vessel Fleet

As of June 30, 2024, our container vessel fleet consisted of 643 container vessels for a combined capacity of 3.74 million TEU (an increase of 7.3% on a year-on-year basis) and an average size of 5,821 TEU per vessel (an increase of 4.1% on a year-on-year basis), of which (i) we owned or operated under financial lease or equivalent arrangements 267 vessels for a combined capacity of 1.87 million TEU, or 50.1% of our container vessel fleet by capacity (with an average size of 7,019 TEU) (hereinafter, the “Owned Vessels”), and (ii) we chartered 376 vessels for a combined capacity of 1.87 million TEU, or 49.9% of our container vessel fleet by capacity (with an average size of 4,970 TEU) (hereinafter, the “Chartered Vessels”). Our fleet also includes four cruise vessels and five car carriers operated by our Specialized Maritime Transport division (see “Business—Segments—Other—Specialized Maritime transport”). The average age of our total containership fleet (Owned Vessels and Chartered Vessels) is 10.0 years.

As of June 30, 2024, the capacity of our Owned Vessels increased by 14.7% on a year-on-year basis and the average vessel size of our Owned Vessels increased by 2.7% on a year-on-year basis. As of June 30, 2024, the capacity of our Chartered Vessels increased by 0.9% on a year-on-year basis and the average vessel size of our Chartered Vessels increased by 3% on a year-on-year basis.

Among the 267 Owned Vessels, as of June 30, 2024, (i) 31 vessels, or 25.8% of our owned fleet by capacity (with an average size of 15,586 TEUs and a weighted average age of 4.56 years (based on total TEUs) per vessel), were financed under French tax lease or other finance lease arrangements, (ii) 19 vessels, or 8.1% of our owned fleet by capacity (with an average size of 7,984 TEUs and a weighted average age of 7.7 years (based on total TEUs) per vessel), were financed through bank debt, and (iii) 217 vessels, or 66.1% of our owned fleet by capacity (with an average size of 5,711 TEUs and a weighted average age of 13.7 years (based on total TEUs) per vessel), were owned free of any encumbrance (and are hence potentially available for re-leveraging operations).

Among the 376 Chartered Vessels, as of June 30, 2024, (i) 51 vessels, or 31.0% of our chartered fleet by capacity, were chartered from financial institutions, and (ii) 325 vessels, or 69% of our chartered fleet by capacity, were chartered from charter companies. Among the 376 Chartered Vessels as of June 30, 2024, (i) 55 vessels, or 31.2% of our chartered fleet by capacity, have a remaining duration of more than 5 years, (ii) 142 vessels, or 44.3% of our chartered fleet by capacity have a chartering duration ranging between one and five years, and (iii) 179 vessels or 24.6% of our fleet by capacity have a remaining charter duration of less than one year.

We generally utilize our larger vessels on our deep sea lines to achieve greater operational efficiencies and economies of scale, whereas we operate smaller and more flexible vessels on our short sea lines. For large vessels, we are currently focused on purchases or long-term financed charter arrangements. For smaller vessels, we favor chartering as the offer of smaller vessels is significant in the chartering market. Chartering also allows us greater flexibility in the management of our fleet to rapidly adjust our fleet capacity to prevailing market conditions. We sometimes charter or sub-charter our vessels to other parties.

We have significant relationships with a number of different charter companies. The ability to enter into chartering agreements with different maturities provides us with greater flexibility in the management of our capacity. Our principal charter counterparties are Eastern Pacific, Seaspan and Danaos Shipping. While charter rates had peaked in 2021 and 2022 owing to the significant increase in demand for capacity, normalization of charter rates took place in 2023 but was eventually stopped by renewed pressure on capacity generated by the situation in the Red Sea since late 2023 and the resulting need for additional vessels to go round the cape of good hope.

The following chart sets out both the capacity of our Owned Vessels and of our long-term chartered vessel fleet as of June 30, 2024, as well as the projected capacity of our Owned Vessels and long-term chartered vessel fleet by the end of 2024, based on the expected date for delivery of some of the vessels under our existing ship acquisition program and charter plans as set out above

	Container vessel fleet as of June 30, 2024		Projected container vessel fleet as of December 31, 2024 (3)	
	Ships	TEU	Ships	TEU
<i>Owned</i> (1).....	267	1,874,088	289	2,029,888
<i>Long-term chartered</i> (2).....	55	582,113	59	608,132
<i>Total owned and long-term chartered</i>	322	2,456,201	348	2,638,020

(1) Owned Vessels including vessels financed through finance lease or equivalent arrangements.

(2) Vessels governed by a charter agreement with a remaining term longer than five years.

(3) Illustrative only and subject to change. Based on orderbook as of the date of these listing particulars.

When we replace our ships serving main lines with new larger ships, we are usually able to cascade replaced ships to lines where they will in turn replace smaller tonnage. Cascading of ships therefore provides economies of scale down the chain of lines. We expect that the ongoing replacement of vessels in our major markets, and the subsequent transfer of the replaced vessels to main lines of a lesser capacity, will have the effect of improving the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships.

Current Orderbook

Purchases

As of June 30, 2024, our orderbook comprised 78 container vessels, ordered between 2021 and 2023 from shipyards in Korea and China, and to be delivered between 2024 and 2028, for an aggregate purchase price of approximately \$11.8 billion of which approximately \$8.1 billion remains payable upon satisfaction of certain milestones up to delivery of said vessels. Seventy-one of these container vessels are equipped with engines able to burn conventional marine fuels as well as either LNG (dual fuel LNG) or methanol (dual fuel methanol), allowing for a significant reduction in carbon dioxide, sulfur, fine particles and nitrogen oxides emission. For further information on vessels ordered since June 30, 2024 and the deliveries of vessels in the orderbook since June 30, 2024, see “*Summary—Recent Developments*.” Our orderbook also includes two dual fuel LNG passenger carrier vessels (Ropax), to be delivered in 2027 (See “*Business Segments—Other—Specialized Maritime Transport*”).

No	Size	Units	Delivery	Shipyard
Dual Fuel LNG Container Vessels				
1.	2,000 TEU	6	2024 (x5) 2025 (x1)	Hyundai Mipo Dockyard Co., Ltd., Ulsan
2.	7,300 TEU	6	2024 (x5) 2025 (x1)	Samsung Heavy Industries Co., Ltd.
3.	7,900 TEU	3	2024 (x2) 2025 (x1)	Hyundai Samho Heavy Industries
4.	8,000 TEU	6	2024 (x1) 2025 (x5)	Hyundai Samho Heavy Industries
5.	9,200 TEU	8	2027 (x5) 2028 (x3)	Shanghai Waigaoqiao Shuilbuilding
6.	13,000 TEU	1	2024	CSSC Hudong–Zhonghua Shipbuilding
7.	15,000 TEU	3	2024	CSSC Jiangnan Shipyard
8.	23,000 TEU	4	2025 (x2) 2026 (x2)	CSSC Hudong–Zhonghua Shipbuilding
9.	24,000 TEU	10	2026 (x3) 2027 (x6) 2028 (x1)	Jiangsu New Yangzi Shipbuilding Co, Ltd
Dual Fuel Methanol Container Vessels				
10.	13,000 TEU	12	2025 (x7) 2026 (x5)	Hyundai Samho Heavy Industries
11.	15,000 TEU	6	2026 (x4) 2027 (x2)	CSSC Jiangnan Shipyard
12.	15,000 TEU	6	2026 (x5) 2027 (x1)	CSSC Dalian Shipbuilding Industry Company
Conventional Engine Container Vessels				
13.	5,500 TEU – VLSFO widebeam	7	2024 (x5) 2025 (x2)	Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd

The estimated date of delivery for the above vessels may vary depending on external factors such as yard construction delay or weather conditions.

As of June 30, 2024, we have entered into financing arrangements for 16 of the container vessels in the orderbook, for an aggregate principal amount of \$1.49 billion and an average maturity of 12 years. Since June 30, 2024, (x)

CMA CGM Asia Pacific entered into two mortgage facility agreements for an aggregate amount of \$371.5 million, guaranteed by CMA CGM, in connection with the financing of two dual fuel LNG vessels under construction that were in the orderbook as of June 30, 2024 (see “*Description of Certain Financing Arrangements—Bank Borrowings—Secured Financing—Vessel Bank Debt Financing—CMA CGM Asia Pacific*”); and (y) we have initiated preliminary discussions for the financing, through French tax lease arrangements, of 12 container vessels in the orderbook.

Some of our competitors have announced ambitious fleet expansion plans for the coming years (see “*Industry Overview—The International Container Shipping Industry—Containership Orderbook*”). We will likely also continue to expand and renew our fleet along the size curve (albeit with a continued focus on medium to large-size vessels) and informed by our sustainability objectives (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*”). Decisions to place newbuild orders will factor in our assessment of market conditions and prospects, will be taken opportunistically, may represent substantial amounts and may be announced at any time.

New Chartered Tonnage

We are also committed to receiving new chartered tonnage. As of the date of these listing particulars, our chartered tonnage orderbook includes 17 container vessels, for an aggregate 260,000 TEU capacity, and one car carrier vessel. Seventeen out of the 18 vessels are to be chartered on a long-term basis (between five and fifteen years). The vessels are to be delivered between October 2024 and 2029.

Container Fleet

As of June 30, 2024, we operated a container fleet of 5.0 million TEU. We transported approximately 21.9 million TEU in 2023 and 6.0 million TEU in the six-month period ended June 30, 2024 (including slots sold to partners).

Our container fleet consists of conventional containers and reefer containers, designed for the transport of perishable goods in temperature-controlled environments, are equipped with the latest technologies and allow the transport of various products such as fresh produce, pharmaceuticals, frozen food, wines and spirits and cut flowers at temperatures ranging from -35°C to +35°C within a humidity-controlled environment. Our reefer container fleet includes, among other things, (i) the Reeflex line of containers, which uses new technologies for the transportation of beverages, (ii) the Pharma Premium package, which is dedicated to the pharmaceutical industry, (iii) Climactive, which uses advanced technologies for the transportation of highly sensitive fruits, vegetables and flowers and (iv) containers with smart reefer technology allowing monitoring of temperature all along the voyage. Because reefer goods require use of specific containers, expertise coupled with additional oversight throughout the journey (including timely management of the logistic chain) are essential. The gross margin of reefer containers is usually higher than that of dry containers.

Our dry and reefer containers fleet includes different sizes ranging between 20’, 40’ and 45’, which allows us to transport a wide variety of goods. In addition to conventional containers (standards, reefers, open top), we offer specialized containers adapted to specific goods such as autotainers for the transportation of vehicles and GOH containers for the transport of garments on hangers.

As of June 30, 2024, 75.0% or approximately 3.7 million TEU of our container capacity, was obtained through operating leases. We owned the remaining 25.0% of our container capacity, corresponding to 1,246,751 TEU. While we believe that owning containers is generally less expensive than hiring them under operating leases, operating leases enable us to adjust our container fleet in response to changing market conditions or changing requirements of specific lines.

Cooperation with other shipping companies

Alliances and other cooperation agreements are vital for us in order to provide a global network of client services. Introduced in the mid-1990s, global alliances have now become a major feature of container shipping, with around 82% of global container capacity being operated by three global alliances: Ocean Alliance (of which we are a member), 2M Alliance and THE Alliance. Alliances are considered tools that allow carriers to achieve economies of scale as well as offer a more comprehensive global shipping network to their customers.

Ocean Alliance

In September 2016, we signed a master agreement along with COSCO Shipping, Evergreen and OOCL to establish the main terms of the Ocean Alliance. The agreement provided for an initial period of five years as from

April 1, 2017; in January 2019, the term was extended to 10 years (i.e., until 2027). In February 2024, the Group, COSCO Shipping, Evergreen and OOCL renewed the operations of Ocean Alliance for a further five- year period (i.e., until 2032). Ocean Alliance enables members to provide customers with agile and innovative solutions through a robust network covering major East-West routes and connecting mainly Asia to Northern Europe, the Mediterranean, the Middle East, and North America's East and West Coasts.

Each member of the Ocean Alliance provides ships for the services covered by the Ocean Alliance's operating agreement and agrees to share capacity on its ships with the other members of the Ocean Alliance, while each member continues to own or charter and operate the vessels deployed. Ships are matched to routes on a "best ship for the loop" rationale, which considers a number of factors of each vessel to determine which vessel is best suited for each service. In return, each member of the Ocean Alliance is allocated slots on vessels contributed by other members of the Ocean Alliance.

With approximately 4.4 million TEU in total capacity, the Ocean Alliance complies with the requirements of global supply chains while providing higher sailing frequencies, better transit times and greater coverage in terms of loops, ports of call and port pairs. We are the main contributor to the Ocean Alliance (35.5% of its total capacity). Our participation in the Ocean Alliance allows us to lower our cost base by improving slot utilization, expand our use of slow steaming and expand our service without requiring us to make additional investments in vessels. Below are some of the main benefits we derive from being a member of the Ocean Alliance:

- the service and deployment of a large and far-reaching network;
- capacity sharing and adjustment in line with the carriers' demand;
- unused capacity may be sold or sub-chartered to third parties;
- substitution of containerships for regular and ad-hoc maintenance and repair;
- capacity adjustment during slack periods;
- financial compensation schemes (e.g., for void voyages during slack periods); and
- joint terminal selection and negotiation where legally permissible and focus on productivity gains in ports, shore/yard operations and inland rail operations.

See *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Operational Alliances."*

Cooperation Agreements

We operate most of our main lines in cooperation with other carriers, and in some cases, the services we offer are provided entirely on the vessels of another carrier. The carriers with whom we have cooperation arrangements include COSCO Shipping, OOCL, Evergreen, Maersk, MSC, Hapag-Lloyd and Pacific International. These cooperation agreements allow us to enhance our service on the applicable lines, maintain our flexibility and reduce costs associated with establishing new lines while preserving autonomy in non-core activities such as sales and marketing. Where the economic benefits justify the capital investment, we generally prefer contributing owned or chartered ships into vessel-sharing agreements, rather than use slot purchase or swap agreements, as we believe that lower costs can be achieved by operating our own ships compared to chartering space from other carriers. Moreover, we aim to enter into vessel-sharing agreements only where our position in the relevant market enables us to have a decisive influence on the operation of the service, such as investments in new ships and service schedules. Generally, under the terms of vessel-sharing, slot purchase and swap agreements, carriers are permitted the additional benefit of using any space on their own vessel allocated to, but unused by, the other party. Most of our cooperation agreements have a term ranging from three months to two years, except for the Ocean Alliance, which expires in 2032.

Customers and Goods

We have two types of customers: direct shippers, comprising exporters and importers; and intermediaries, also known as freight forwarders.

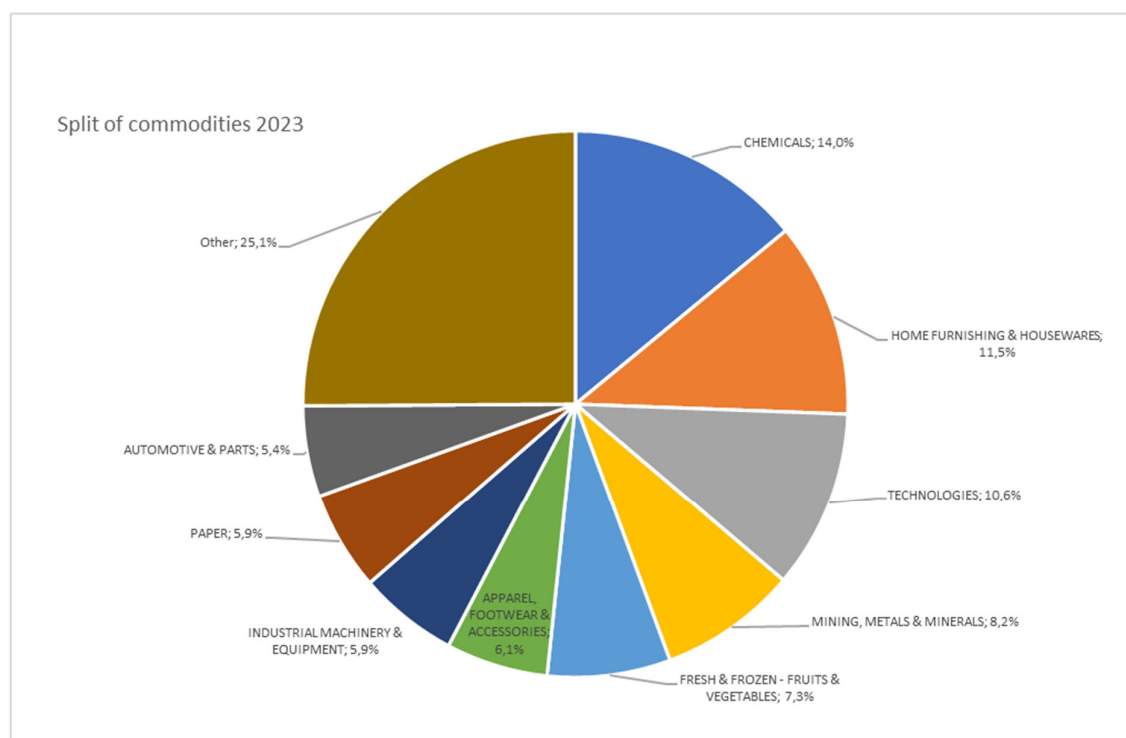
Exporters include a wide range of enterprises, from global manufacturers to small family-owned businesses that may ship just a few TEU each year. Importers are usually the direct purchasers of goods from exporters but may

also comprise sales or distribution agents and may or may not receive the containerized goods at the final point of delivery.

Freight forwarders act as agents for direct shippers, performing a range of duties that would otherwise be part of our door-to-door service, such as documentation processing, insurance, customs clearance, inland transportation, warehousing and container tracking. Alternatively, freight forwarders may independently purchase transport services from carriers and sell them bundled with other services. Our top ten freight forwarder customers, including, for example, Kuehne + Nagel, DB Schenker (part of Deutsche Bahn), DSV, DHL, Geodis, CEVA and Bolloré, accounted for approximately 10.4% of our volume during the year ended December 31, 2023. Freight forwarders usually receive fees from their customers and commissions and volume discounts from the third-party carriers they use. Following our own expansion into logistics services, including via CEVA, GEFECO and Bolloré Logistics, we have a significant freight forwarding businesses, which helps us to offer a fully integrated supply chain service to our customers. Our freight forwarding business includes the provision of international and domestic air and ocean freight management, international and domestic ground transportation, customs brokerage and other value-added services. See “—Segments—Logistics—Freight Management (Ocean and Air).”

We carry a diverse range of goods for our different types of customers. We had approximately 52,400 customers in 2023, including 221 companies we consider strategic customers, such as Samsung, Ikea, GM, BASF, Nike, Michelin and Nestlé. In 2023, the percentage of volumes transported for our top 20 customers by volume represented 16.6% of total volumes carried, and we had no customer that accounted for more than 2.7% of total volume.

The diagram below shows Shipping volume split by TEU for the year ended December 31, 2023.



Since our acquisition of NOL in 2016, we have maintained a contractual relationship with the U.S. government through APL Marine Services, Ltd and participated in the U.S. Maritime Security Program (the “MSP”), administered by the Department of Transportation through the Maritime Administration. Participants in the MSP are committed to making their covered U.S. flag vessels available to the U.S. Department of Defense during national emergencies. In addition to receiving funding that helps to partially offset the higher cost of operating U.S. flag vessels, participants also receive compensation for any vessels or vessel capacity furnished to the U.S. Department of Defense when required. We currently operate nine ships under our contract with the U.S. government

Due to price competition, to the extensive geographical needs of large-scale shipping customers, and to the focus of our large customers on diversifying their supply chain risks, our customers generally do not enter into exclusive

shipping relationships with us. Instead, customers maintain relationships with several carriers, although customers who ship large amounts of freight are increasingly consolidating their supply relationships to focus on a few core carriers, which benefits carriers such as us. Large customers will sometimes invite several carriers to tender for their business. If our response to a tender is accepted, the terms we offered in the tender serve as standards for each individual shipment carried out under the tender. These terms become part of the bill of lading for the particular shipment of cargo. Customers' primary criteria in selecting a carrier, depending on the cargo, include amongst other factors geographic coverage, price, a carrier's punctuality, frequency of service, length of transit times and its ability to offer door-to-door and other value-added services. More recently, customers have been giving additional weight to a carrier's ability to demonstrate its willingness to develop digitalization and new technologies. Most of our customers are already extensively using our <http://www.cma-cgm.com> website to place their orders, track the status of their shipments and/or deal with subsequent documentation.

We have written service contracts with our customers in limited circumstances. In certain regions and with our key clients, the use of contracts to guarantee at least fixed price terms is prevalent and, in some cases, mandated by regulation. In the United States, for example, liner cargo must be rated at either (i) the carrier's applicable tariff rate or (ii) the rate contained in an applicable service contract that has been filed with the FMC, and such contracts must contain minimum quantity commitments by shipping customers. For more information on this requirement, see "*Regulatory Matters—Maritime, Safety and Competition Regulations*." We have limited counterparty risk in the Container Shipping Segment, as we generally either require prepayment for our services or release cargo upon payment.

Management and Operations

Line Management

Each of our lines is administered by a line manager, along with four deputy managers: the trade manager, the operation manager, the cargo flow manager and the business controller. Each line manager works to optimize the mix of loads from the various ports on a line. The trade manager primarily manages the balance of cargo to maximize the line's commercial benefit, the operation manager ensures that the vessels remain on schedule, the cargo flow manager ensures that containers move seamlessly from their origin to their destination, with the right succession of ships and transshipment ports while balancing the filling of the vessels, and the business controller ensures both compliance with our procedures and controls and the correct profitability vision. Together, this team is responsible for ensuring that quality and profitability targets are met for its line. Our policy is to ensure that there is a large degree of overlap in the capability of our management team. As a result, with relatively few exceptions, we believe we could operate our business without significant disruption despite the loss of any particular line or deputy line manager.

Shipping Agencies

Our operations are supported by a network of 187 shipping agencies worldwide with more than 425 offices. We rely on our shipping agencies, which we staff primarily with local residents, to perform most of our sales and marketing functions and to manage customer relationships on a day-to-day basis. These shipping agencies are responsible for soliciting cargo within their defined area of representation, promoting our services within the guidelines set by our Marseille-based Communication Department, preparing and processing bill payments and acting as customer service representatives handling complaints and queries. In addition, our shipping agencies are generally responsible for supervising port operations with respect to the import, export and transshipment of containers, monitoring the status of containers en route, managing the storage, maintenance and logistical movements of containers, documenting shipments and obtaining local permits and other necessary authorizations. Shipping agencies are also generally responsible for bill collection on the transactions they have conducted.

Ship Management

The ship management of most of our owned vessels is performed by our wholly-owned French subsidiary, CMA Ships SAS, either directly or through subcontracting agreements with our subsidiaries, CMA CGM International Shipping Company, CMA Ships Singapore and CMA Ships Germany. Our U.S. flag vessels are managed independently by APL Maritime Ltd, USA, whereas our Brazilian vessels are managed by Mercosul; both benefit from the support and expertise of CMA Ships SAS. In addition to the foregoing, for purposes of flexibility and benchmarking, some of our vessels (but not more than 20%) are managed by independent ship managers. In addition to ship management, CMA Ships SAS performs several other services for CMA CGM, including new building supervision, dry dock supervision (including maintenance and retrofit operations), research & development for the fleet and energy efficiency optimization.

Competition

The container shipping industry is highly competitive. Although, as of June 17, 2024 the world's top 20 carriers by capacity controlled approximately 90.5% of global container capacity, with the top ten controlling approximately 84.0% and the top five approximately 64.5% (source: Alphaliner, June 17, 2024), there are numerous smaller participants. Globally, market shares (based on capacity) remain widely dispersed. As of June 17, 2024, the largest single carrier (MSC) had a market share of 19.6% of global container capacity and the second largest single carrier (Maersk) had a market share of 14.5%. CMA CGM was the third largest single carrier in the world as of June 17, 2024, with a market share of 12.5%. The fourth, fifth, sixth and seventh largest carriers had a market share of 10.7%, 7.2%, 6.3% and 5.6%, respectively, whereas the market share of the eighth to twentieth largest carriers in terms of capacity ranged from 2.8% to 0.4% (source: Alphaliner, June 2024).

We compete with a wide range of global, regional and niche carriers on the lines we serve. Global carriers generally deploy significant capacity and operate extensive networks of lines in the major markets. These carriers typically organize their networks using a hub-and-feeder system and participate in operating alliance systems, mainly on East-West routes. Global carriers that compete with us include MSC, Maersk, COSCO Shipping, Hapag-Lloyd, ONE and Evergreen. Regional carriers generally focus on a number of smaller lines within the major markets. These carriers tend to offer direct services to a wider range of ports within a particular market than global carriers. Niche carriers are similar to regional carriers but tend to be even smaller in terms of the amount of slot capacity and the number and size of the markets they cover. Also see *“Industry Overview—The International Container Shipping Industry—Key players.”*

The container shipping industry has been through several rounds of consolidation over recent years, driven by a combination of factors, including the quest for scale, operational efficiencies, enhancement of profitability and regional diversification. Since 2015, about half of the top 20 players have been either absorbed by mergers or have exited the industry. With the horizontal consolidation slowing down since 2019, certain carriers, including Maersk, have (like us) instead been pursuing a vertical integration strategy (i.e., acquisition of third-party logistics providers) as a means to grow. See *“Industry Overview—The International Container Shipping Industry—Industry Consolidation”* and *“Industry Overview—The International Container Shipping Industry—Vertical integration on the rise.”*

The competitive environment also reflects the existence of cooperation agreements (or alliances) between shipping companies, involving the sharing of container vessel capacity among alliance members, across specific or multiple trades, but especially on East-West lines (see *“Industry Overview—The International Container Shipping Industry—Global Alliances”*).

Logistics

In the below section data is provided as of December 31, 2023 and as of June 30, 2024 following the acquisition of Bolloré Logistics on February 29, 2024. For a discussion of our results for the six months ended June 30, 2024 and the impact of the acquisition of Bolloré Logistics, see *“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”*

Overview

Logistics generated revenue of \$15.2 billion and Adjusted EBITDA of \$1.4 billion in the year ended December 31, 2023, which accounted for 31.3% of our revenue and 15.3% of our Adjusted EBITDA for the same period. It generated revenue of \$8.7 billion and Adjusted EBITDA of \$810.9 million in the six months ended June 30, 2024, which accounted for 33.3% of our revenue and 16.7% of our Adjusted EBITDA for the same period, and revenue of \$16.2 billion and Adjusted EBITDA of \$1.5 billion in the twelve months ended June 30, 2024.

In addition to our container shipping services, we offer freight management and contract logistics services. These services allow our customers to outsource non-core activities and improve their supply chain management. Historically we had carried out logistics and supply chain activities to complement transportation services and generate additional revenue for the Group as well as to provide additional services to clients through our subsidiary, CMA CGM Logistics, which was present in more than 70 countries and operated through a combination of its own offices and third-party suppliers. In May 2018, we initiated a strategic move to establish ourselves as a leading provider of a comprehensive offer of freight management and contract logistics services through the acquisition of a 25% stake in CEVA at the time of its initial public offering. Through various transactions, we gained control of CEVA as of January 4, 2019 and we consolidate it in our financial statements as from such date. CMA CGM Logistics merged into CEVA in May 2019. Through additional transactions, we

acquired nearly all of CEVA's share capital and effected the cancellation of the remaining shares and their delisting as of October 2019.

In April 2022 CEVA acquired Ingram CLS and Colis Privé, and in July 2022 it acquired GEFCO. These acquisitions boosted the Group's capabilities in e-commerce (with such clients as Zalando, Bol.com, Bestseller and AboutYou), contract logistics and automotive logistics, respectively. In February 2024, we acquired Bolloré Logistics, a provider of transport and logistics solutions for the luxury goods, fragrances and cosmetics, healthcare, aerospace and defense sectors. The acquisition of Bolloré Logistics strengthened our Freight Management (Ocean and Air) business and made us a top five global logistics player in both air and ocean freight based on volumes as of March 31, 2024 (source: Ti, May 2024). See "*Bolloré Logistics*" below.

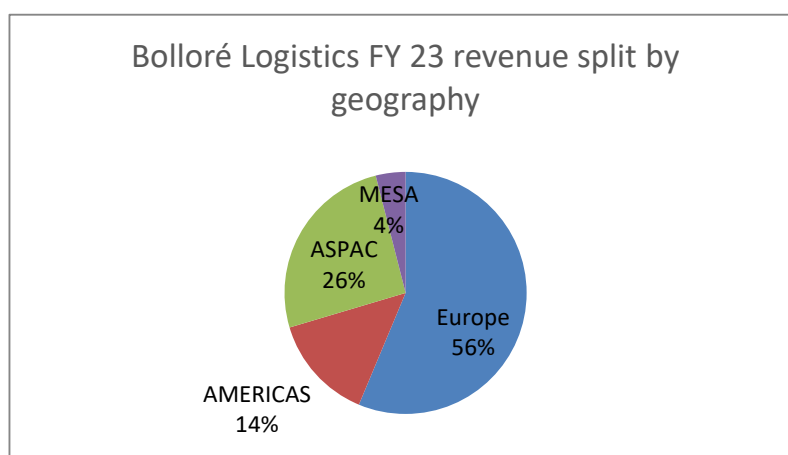
We design, implement and operate end-to-end integrated supply chain solutions for multinational, medium and small-sized companies on a national, regional and global level, using a combination of domestic and international air, ocean and ground freight forwarding as well as contract logistics services, which we classify into four principal businesses: Freight Management (Ocean and Air), Ground Transportation, Contract Logistics and FVL. Our comprehensive service portfolio and skilled workforce position us to achieve our goal of being the provider of choice for complex, integrated, end-to-end supply chain solutions. We have strong, long-term relationships with our diversified blue-chip customer base across key industry sectors, including consumer and retail, automotive, industrial and aerospace, technology, healthcare and energy. Our flexible, asset-light business model with low capital intensity allows us to scale our operations and adapt to changing conditions quickly.

Bolloré Logistics

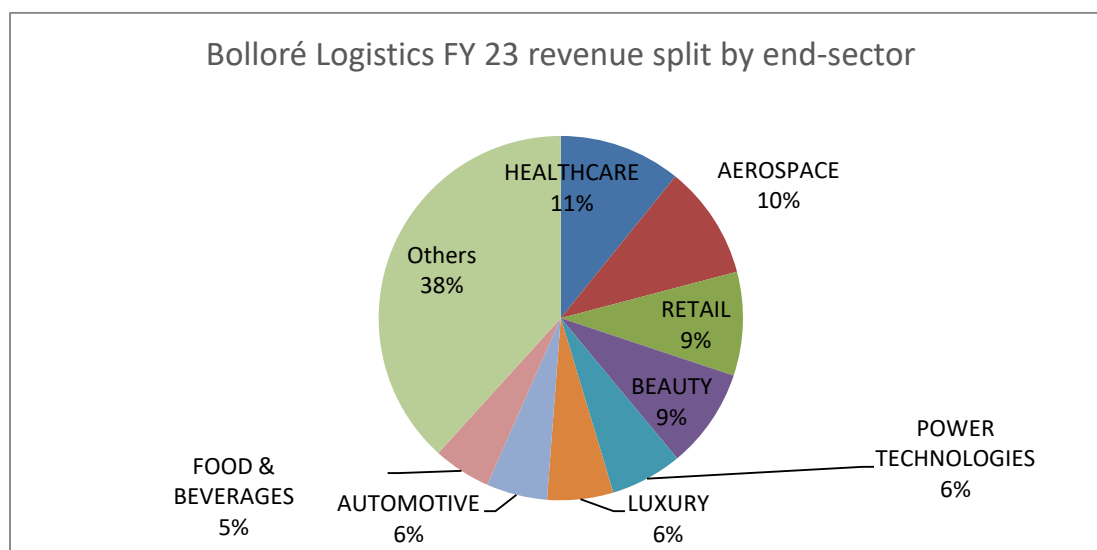
In February 2024, we acquired Bolloré Logistics, a transport and logistics company based in France. The acquisition of Bolloré Logistics strengthened our Freight Management (Ocean and Air) business. The integration of Bolloré Logistics is expected to double the size of our air freight business and increase the size of our ocean freight business by over 50% in 2024.

As of December 31, 2023, Bolloré Logistics operated through a network of 115 warehouses with a total capacity of approximately 930,000 square meters with presence in 240 countries. In the year ended December 31, 2023, Bolloré Logistics handled 347,000 tons of international air freight and 738,000 TEU of ocean freight. As of December 31, 2023, Bolloré Logistics had 14,673 employees.

The diagram below shows Bolloré Logistics' revenue split by geography for the year ended December 31, 2023.



The diagram below shows Bolloré Logistics' revenue split by end-sector for the year ended December 31, 2023.



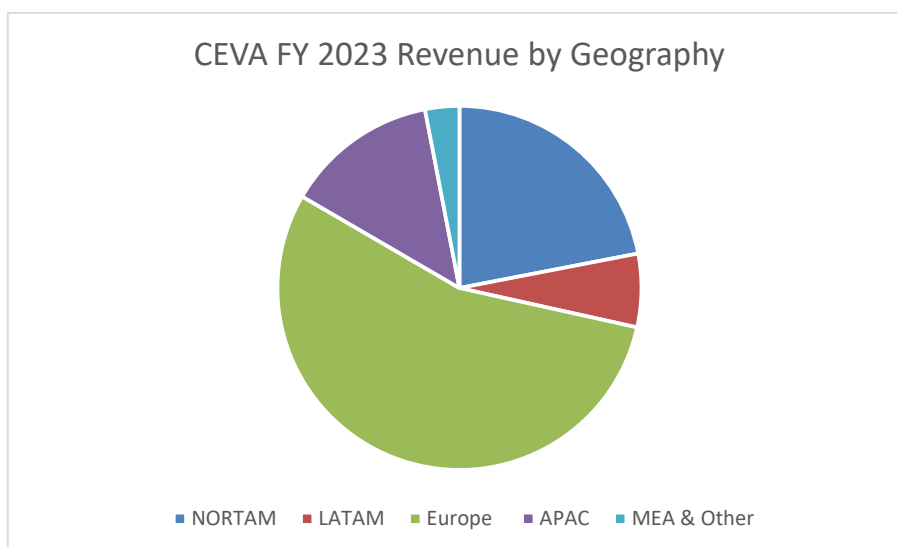
The acquisition of Bolloré Logistics accelerated our positioning as a worldwide leader in freight forwarding, making us a top five global logistics player in both air and ocean freight based on volumes as of March 31, 2024 (source: Ti, May 2024). This acquisition provided us with access to key customers in premium verticals, such as luxury/cosmetics/beauty. It also complemented our geographical footprint, especially in France, unlocking new large clients and SMEs, and provided us with access to Bolloré Logistics' transportation hubs in key locations in France and Asia-Pacific. The integration of Bolloré Logistics with the Group is expected to generate significant synergies by bringing together commercial forces, merging back-office support functions and global/regional management, rationalizing real estate and streamlining our IT and procurement systems. See *"Risk Factors—Risks Relating to our Business and Results—We may not successfully implement our plan to increase the scale and improve the profitability of our Logistics segment."*

Service Offering

We have a broad logistics service offering, which we organize around four principal businesses: (i) Freight Management (Ocean and Air) which includes the transport of goods domestically and/or internationally by ocean and air, (ii) Ground Transportation which includes the transport of goods domestically and/or internationally by ground, (iii) Contract Logistics which includes the provision of inbound logistics, warehousing, manufacturing support, outbound, distribution and aftermarket logistics and (iv) FVL which includes transport of finished vehicles from the factory floor to the point of sale, as well as compound (i.e., storage sites) management.

For the year ended December 31, 2023, 24.8% of the revenue of our Logistics segment was generated by Freight Management (Ocean and Air), 29.7% by Ground Transportation, 32.8% by Contract Logistics, and 12.7% by FVL. For the six months ended June 30, 2024, 17.6% of the revenue of our Logistics segment was generated by Freight Management (Ocean and Air), 25.3% by Ground Transportation, 27.3% by Contract Logistics, 11.0% by FVL and 18.8% was generated by Bolloré Logistics following its acquisition on February 28, 2023. Together, Freight Management (Ocean and Air, excluding Bolloré Logistics), Ground Transportation, Contract Logistics and FVL have a resilient portfolio in terms of geographies covered, as well as industry verticals, balancing the exposure to cyclical and less cyclical sectors.

The charts below depict our 2023 Logistics segment revenue by geography.



Freight Management (Ocean and Air)

Freight management, also called “freight forwarding” in the industry, consists of arranging and overseeing the transportation of products and materials. Freight forwarding providers organize and consolidate shipments, procure and track transportation, and provide ancillary value-added services, such as preparation and submission of documentation, oversight of customs and other clearance processes, short-term warehousing and auditing of shipments. We believe the main market drivers in freight forwarding are global trade volume developments, carrier capacities and oil/fuel prices. Our most important customer sector in ocean freight is consumer & retail, followed by automotive. Our ocean freight services are predominantly focused in the trans-Pacific eastbound and Asia to Europe trade lanes.

In air freight management, we offer a broad range of services from expedited to more economical multi-modal solutions, coordinating the door-to-door journey of the cargo. We have a strong position in the trans-Pacific and the eastbound trans-Atlantic trade lanes and a growing position in intra-Asia, with the Asia-Europe trade lanes representing a significant opportunity. We serve air freight customers in all industry verticals, notably technology and consumer & retail, the latter having seen strong growth recently, driven by e-commerce. Through a core carrier procurement strategy and attention to volume/density optimization, we have been able to increase the quality of the air freight service while offering more competitive solutions to our customers.

In our Freight Management (Ocean and Air) business we arrange and oversee transportation solutions that optimize for cost, speed, reliability and security. Key services include international and local air- and ocean-freight, customs brokerage and lead logistics services. The average term of our Freight Management (Ocean and Air) contracts is approximately one year, and such contracts may impose volume commitments on the customer.

Our global coverage and comprehensive solutions portfolio position us to address complex customer requirements. We are among the leading global providers of air and ocean freight services, providing seamless end-to-end solutions to customers in 90 countries as of December 31, 2023. As of December 31, 2023, we ranked 10th in air freight based on volumes and 9th in ocean freight based on volumes. Following the acquisition of Bolloré Logistics in February 2024, as of March 31, 2024, we ranked 5th in air freight based on volumes and 5th in ocean freight based on volumes (source: Ti, May 2024).

As of December 31, 2023, our Freight Management (Ocean and Air) business employed 7,368 employees and temporary workers, including specialists from various industry sectors in each geography in order to offer appropriate products, taking into account industry-specific requirements and regulations.

Freight management contracts with customers are usually annual rate agreements in which we commit to service levels and rates for estimated volumes on selected routes with some criteria that can lead to the adaptation of the rates during the year (e.g., peak season surcharges or fuel surcharges) under certain conditions. Customers may commit to volumes, but usually purchase the transportation services in the context of the contract with individual

purchase orders. Sometimes the annual rate agreements are set in the context of multiannual or evergreen framework arrangements. In turn, we acquire transport capacity from air or ocean carriers with a mix of long-term (annual) block space agreements with variable levels of flexibility as well as medium-term commitments (three to six months) and purchases on the spot market. When required, we also purchase air charter capacity.

Freight volumes are highly seasonal and driven, among other factors, by the festive seasons for consumer & retail goods, as well as investment cycles in the industry. Cost of transportation services that carriers provide to us is further impacted by fuel price and freight rate fluctuations. Due to these seasonal and cyclical characteristics of supply and demand, driving profitability throughout the year requires highly skilled and experienced trade lane managers. A close relationship with the customer and the analysis of patterns drives the planning accuracy, which is crucial for us to offer solutions to optimize the customer's supply chain, notably by adapting the routings or the mode of transport.

In the year ended December 31, 2023, we handled 1,148,000 TEU of ocean freight and 450,000 tons of international air freight. Revenue in each of ocean freight management and air freight management was \$1.9 billion for the year ended December 31, 2023. In our Freight Management (Ocean and Air) business, our key customer sectors based on 2023 revenue were industrial (24%), automotive (20%), technology (16%), consumer & retail (12%), e-commerce (6%) and healthcare (4%); by geography, our Freight Management (Ocean and Air) revenue was accounted for as follows: APAC (32.5%), North America (27.2%), Europe (26.8%), LATAM (9.5%) and Middle East and Africa (4.0%).

Both air and ocean freight shipments are operated worldwide on a standardized basis through our global Transport Management System ("TMS") platform, which offers tracking visibility and data exchange/system integration with our customers and carriers. In both ocean and air freight, we are able to provide competitive end-to-end solutions for cargo owners with high service quality and reliability. By connecting to MyCEVA portal, our customers can obtain quotes and get access to freight management at any time.

As a freight forwarder, we typically carry full loads, but also partial loads where we act as a freight consolidator, which means we obtain shipments from our customers, consolidate shipments bound for a particular destination, determine the best route for the shipments to their destination, select the carrier on which the consolidated lot is to move, and then tender each consolidated lot as a single shipment to the carrier for transportation to a destination. Carriers are selected for a shipment based on route, service capability, available cargo capacity and cost. We purchase capacity in the belly of passenger flights, on cargo aircraft and vessels depending upon seasonality, freight volumes and other factors either through medium or long-term contracts with or without volume commitments or on the spot market. At the destination, we or our agent receive the consolidated lot, break it into its component shipments and distribute the individual shipments to the consignees. Whether acting as a consolidator or agent, we leverage our scale, global network and local knowledge to provide our customers with optimal transportation execution in terms of cost, speed, reliability and security.

The table below shows the volume evolution in both air and ocean freight for us and the market during the last four years:

	Air Freight				Ocean Freight			
	Global Volumes (tons)	YoY Volume Growth	Group Volume (tons)	Group Volume Growth	Global Volumes (TEU)	YoY Volume Growth	Group Volume (TEU)	Group Volume Growth
2024 (f) + Bolloré Logistics	19,628,435	0.70%	911,820	102.6%	48,375,173	2.50%	2,018,040	55.2%
2023	19,491,991	-2.10%	450,000	-13.5%	47,195,291	-0.60%	1,148,000	-11.7%
2022	19,910,103	-7.30%	520,000	21.2%	47,480,172	-1.60%	1,300,000	21.2%
2021	21,477,997	14.80%	428,908	13.3%	48,252,207	6.50%	1,072,165	5.1%
2020	18,709,057	-12.50%	378,560	-	45,307,237	-3.80%	1,020,600	-

Source: Ti, May 2024.

We manage our Freight Management (Ocean and Air) business with a comprehensive set of KPIs, of which the most important are volumes, net revenue per unit of volume or shipment, EBITDA and total full-time equivalents (FTE), Freight Management (Ocean and Air) EBITDA conversion rate (EBITDA before specific items and share

based compensation divided by net revenue before specific items). Other indicators we monitor include direct operating expenses per shipment (files), and volumes (shipments or files) per FTE.

Key to the success in air and ocean freight is a robust procurement strategy, where we have established a core carrier program with strong relationships using joint scorecards and global incentive schemes.

As part of our Freight Management (Ocean and Air) business, we also provide worldwide customs brokerage and a variety of other ancillary services (approximately 6.0% in terms of global Freight Management (Ocean and Air) revenue in 2023 such as the preparation and submission of documentation, packing / repacking and cross-docking. In our capacity as a customs broker, we provide key services that include preparing and filing formal documentation, facilitating customs bonds and facilitating the payment of duties and collection of refunds. Our customs brokers and support staff have substantial knowledge of the complex tariff laws and customs regulations in their respective jurisdictions.

Ground Transportation

Our Ground Transportation business comprises road transport solutions that are organized according to an asset-light model, with the actual provision of services outsourced to third-party providers working for the Group on an exclusive or non-exclusive basis using their own equipment. We own a limited portion of the fleet of trucks and trailers that we operate. This segment comprises the Europe and North America ground networks (approximately 63% and 22% of the total ground revenue in 2023, respectively), other ground business outside Europe and North America represents approximately 14% in terms of global ground revenue in 2023. In addition, we coordinate multi-modal transport solutions, and offer dedicated rail transport services, notably between China and Europe.

We offer ground transportation services in several countries and regions, in particular in the United States where we have been managing our own network since 1994, which covers domestic services but also cross-border transportation to and from Mexico and Canada. We believe we are among the largest heavyweight forwarders in the United States with a unique, expedited network offering speed, flexibility and value through 5 hubs and 60 stations, fully linked with the international air and ocean freight in and out of the United States. In 2023, the North America ground network transported more than 4.7 million shipments. The U.S. ground network carries full truckloads and less than truckloads, offers specialty services like final mile distribution and some white-glove delivery services, reverse logistics, consolidation and cross-docking solutions. Approximately 64% of the volumes are related to business-to-business transactions. In addition to the ground network in North America, we operate ground transportation networks in Turkey (where we are a leading provider of ground transport services), the UK and China, notably through our joint venture with Shanghai Automotive Industry Sales Corporation (the ANJI-CEVA joint venture). We also offer ground transportation services covering more than 80 countries in multiple geographies, including Europe, the Middle East, Latin America and Asia, where we have developed innovative cross-border solutions (for example, our leading ASEAN-China lines). Our ground transport volumes reached approximately 16 million shipments in 2023 and generated revenue of \$4.5 billion in 2023.

The acquisition of Colis Privé, a leading last-mile logistics player in France with a customer portfolio of more than 200 e-commerce companies, in July 2022 strengthened our Ground Transportation business by enlarging our DTC networks.

Contract Logistics

Contract logistics providers manage their clients' supply chain operations, typically under contracts in which the Contract Logistics company's systems and employees are integrated into their clients' supply chain operations and take over responsibility of critical logistics functions.

Our Contract Logistics services can be categorized as follows:

- *Inbound Logistics*, which involves optimization of our customers' collection routes, reduction of their inventory through warehouse management and consolidation and enhancement of their production efficiency by kitting and sequencing their unassembled parts, along with quality control and other value-added services.
- *Manufacturing Support*, which involves management of our customers' inventory to maintain optimal stock levels for manufacturing and supporting product line replenishment and feeding procedures. We also provide customized solutions to package finished goods and to facilitate their safe transport.

- *Outbound/Distribution Logistics*, which involves dedicated warehousing tailored to individual customer needs and management of multi-user solutions focused on industry-specific requirements. It also includes arranging transport between customer locations and coordinating the distribution of our customers' finished products to end customers, typically using third-party local operators as well as related services such as picking and packing, home delivery and installation of large items.
- *Aftermarket/Reverse Logistics*, which involves providing spare parts warehousing and forward stock locations to support aftermarket activities such as swaps, returns and repairs. We also manage call centers that perform diagnostics and coordinate distribution and collection services.

Naturally, given the relationship focus of this sector, longer-term contracts afford a host of opportunities unavailable in the short-term, purely transactional relationships. It is thus a major strategic goal of many providers to increase their engagement with clients and deliver a full spectrum of integrated solutions. Deeper engagement allows a contract logistics provider to better understand the needs of its clients and develop bespoke solutions, thereby increasing the value-add of their services to enhance margins.

In our Contract Logistics business (ranked third globally for 2023 based on revenue (source: Ti, September 2024)), we provide inbound logistics, manufacturing support, outbound distribution logistics and aftermarket as well as reverse logistics. We rely on proprietary information systems, industry knowledge, and a culture of operational excellence to deliver what we believe are best-in-class supply chain solutions to our customers. Our asset-light business model operates almost exclusively using leased or customer-owned facilities. We generally seek to structure our arrangements with third parties on a back-to-back basis with the related customer arrangements – for example, by entering into lease agreements with durations and termination rights that are coterminous with the duration of the customer contracts that the leased property is used to service – or otherwise seek to require our customers to assume these costs and commitments if they prematurely terminate their contracts with us. We are recognized as a global leader in contract logistics, in particular for the automotive sector, offering a full spectrum of product services and integrated solutions to address complex customer requirements.

While we manage more than 660 locations in over 43 countries and territories worldwide and approximately 51,000 employees and temporary workers were involved in the Contract Logistics business in almost all regions of the world as of December 31, 2023, our business is primarily considered local as most of the operations are bound to the location of the particular warehouse(s). Nevertheless, our customers require global expertise to provide the right solutions, which we meet by leveraging a centralized operational and functional support team with specialists in each of our largest industry sectors. We believe that our strength across multiple geographies is a critical advantage in winning new business, given the increasingly global nature of our industry.

Our Contract Logistics business generated revenue of \$5.0 billion in 2023. In 2023, the key industry sectors contributing to this revenue are consumer & retail (24%), technology (12%), industrial (13%), e-commerce (13%), automotive (10%), healthcare (6%) and other (22%). Europe accounted for 58% of revenue, the Americas 26%, Asia-Pacific 8%, LATAM 7% and Middle East and Africa 1%. The acquisition of Ingram CLS in April 2022 complemented our existing e-commerce business and accelerated its growth in key market segments, such as technology, retail and fashion.

Our contracts are typically large with 15% of the revenue generated from contracts with over \$5 million in annual revenue. The table below shows the distribution of contracts for the provision of Contract Logistics services as of December 31, 2023.

Above \$5 million	15%
Between \$1 million and \$5 million	58%
Below \$1 million	27%

In addition, our contracts are typically for multiple years, usually two to five, but ranging up to ten years, with high retention rates (above 90% for Contract Logistics as of December 31, 2023).

We deliver services mainly through the provision of people, technology and systems and we typically work on leased or customer-owned premises with modest capital expenditures tied to new contract wins. Approximately 22% of our Contract Logistics facilities were dedicated to a single customer as of December 31, 2023. The majority of the locations dedicated to a specific customer is leased on a concurrent basis with our customer contracts. We endeavor to maintain long-term engagement with clients in order to deliver the entire spectrum of integrated solutions.

We seek to establish a culture of operational excellence and a disciplined approach to performance management with modern IT tools (including a comprehensive, easy-to-implement and robust suite of warehousing management tools, to enhance efficiency and deliver customer benefits (see “*Business—Information Systems and Logistical Processes*”), allowing us to provide our customers with process excellence and effective solutions. Our Contract Logistics organization is based on industry verticals to take into account specificities. We have deployed a Business Process Excellence (“BPE”) team of senior lean experts with global reach driving operational performance improvements and ensuring best practices are applied across the platform. Among the metrics we monitor are on-time performance, productivity measured by number of labor hours, safety and margins.

In order to win and operate large and complex contracts, we rely on our pool of senior solution design engineers, combining strong institutional and operational knowledge with the newest techniques for innovative and cost-competitive customer solutions. These engineers have in-depth sector expertise and work together with the BPE teams to ensure continuous learning and improvement. Continuous improvement serves the strengthening of profitability on a contract-by-contract basis, but is also accompanied by global procurement and management initiatives.

Process excellence involves continuous improvement of existing operations, which requires efficient development and low investment. Increasingly, we introduce revenue share agreements with the customers, where the customers share the economic benefits of our operational improvement.

FVL

Our FVL business stems from our acquisition of GEFCO in July 2022. Our FVL business moves finished vehicles from the factory floor to the point of sale and provides a growing range of value-added services. We are one of the leading FVL providers in Europe, Latin America, Asia Pacific and Middle East Africa. Our FVL business works in cooperation with our Specialized Maritime Transport business (see “*Business—Segments—Other—Specialized Maritime Transport—Car Carrier Business*” below).

We handle significant flows of vehicles on a constantly shifting multimodal basis (rail, road and sea). For example, in 2023 we managed approximately 3.7 million cars. We also offer time critical, tailor-made or crisis handling services. In addition to short-term storage and flow control, the FVL business also provides a range of value-added services, such as post production operations (“PPOs”) and pre-delivery inspection (“PDI”). PPOs include bespoke services such as car preparation, installation of accessories, customization and branding. PDI involves services such as dynamic testing, the removal of protective covers, washing, interior preparation, the testing of mechanical, electrical and aesthetical controls, and final quality control. These services are performed at dedicated facilities and workshops located within the compounds. The FVL business serves most of the world’s major car manufacturers in some capacity, including Stellantis, Renault Nissan Mitsubishi Alliance, Toyota Group, Hyundai Motor Corporation, Volkswagen Group, SAIC, Tesla, BMW, Ford and Emil Frey. It has also developed a more tailored offering to address EVs for manufacturers such as Tesla, which require specialized capabilities including connected compounds to update vehicle software or the ability to keep the car batteries fully charged while being stored or serviced.

Through our global network of 90 compounds, including our dense pan-European network (60 compounds in Western Europe), we are well positioned to serve the requirements of the automotive supply chain. We have a proven ability to leverage our position as an end-to-end service provider to support car manufacturers in such international localization as our scale and global network allows to limit empty runs thereby further optimizing flow.

We use highly specialized and strategic assets such as compounds and railcars, for which we believe ownership offers a competitive edge. We deploy, through owning or leasing, Europe’s largest fleet of automotive railcars, comprising over 2,733 units. These railcars are fully adaptable to a wide variety of vehicles (from ultra-compact city cars to larger, heavier SUVs and vans) and to the constraints of the various railway gauges around the world, making the FVL business one of the few players able to serve all markets with its own fleet. We also design and develop tailor-made railcars and continuously enhances its existing units to meet customers’ demands of loading capacity, quality of transport (low damage rates) and safety. Flexible platforms are a proprietary design and technology, which enhance productivity as they are able to handle all types of car models in the same wagon. This allows the transport of sedan cars during the first leg of a trip while returning with SUVs. We also secure railway transportation capacity by entering into contracts with railway operators.

Our FVL business generated revenue of \$1.9 billion in 2023.

Customers

We enjoy a largely blue-chip but well diversified customer portfolio in our Logistics segment (including Amazon, Walmart, Medtronic, Apple, Johnson & Johnson, General Motors, and Dell). Our top 100 customers accounted for 55% of 2023 revenue, with no single customer accounting for more than 12% of 2023 revenue. Our top 100 customers accounted for 59.8% of revenue in the first six months of 2024, with no single customer accounting for more than 11% of revenue in the first six months of 2024.

We believe we have strong, long-term relationships with our diversified blue-chip customer base across key industry sectors, including automotive, technology, consumer & retail, industrial & aerospace, healthcare and energy. Traditionally anchored in the automotive and technology sectors, we have achieved gradual diversification. The acquisition of Bolloré Logistics in February 2024 strengthened our Logistics services through adding new and reinforcing existing verticals.

Our top 20 customers, who represented 37% of 2023 revenue included companies such as Stellantis, Amazon, General Motors, Dell, 3M, Zalando and Bosch. The acquisition of Bolloré Logistics expanded our client base with new key clients, in particular, with French blue chip clients such as LVMH, Kering, Airbus, L'Oréal, Safran and Valeo. As of June 30, 2024, we serve 26 out of our top 30 customers in both Freight Management (Ocean and Air) and Contract Logistics, which evidences our ability to expand with our customers globally.

Our go-to-market approach includes a differentiated account management strategy for our largest multinational accounts. We service these accounts with executive sponsorship through a dedicated single point of contact that can offer both Contract Logistics and Freight Management (Ocean and Air) services, enhancing our ability to provide comprehensive solutions to complex logistics challenges.

Large customers have very high competencies in supply chain and logistics, often deploying 3PL or 4PL activities themselves, and a global deployment that reflects their global needs and expectations. The solutions offered to these customers are often highly integrated and include a network dimension where value is created through responsiveness, agility and the ability to manage overall flows and offer proactive solutions (such as ahead of a new product launch or seasonal peaks in demand). Consistently high service levels and flawless execution (in routine processes, but also in new project launches) are preconditions to being eligible to serve such customers.

In addition, the globalization of the world economy in the 20th and early 21st centuries has significantly widened the geographical footprint of smaller enterprises. From being synonymous with “local,” it is now common that they have suppliers on various continents and serve customers all over the world. Especially in Freight Management (Ocean and Air), smaller customers complement our key account customers as they offer us the limited, flexible volumes that bring consolidation and volume/density mix to fruition, thus enhancing the yield on the various trades. We offer executional assistance to our customers in dealing with shipments and supporting customers' service centers where, as much as possible, we allocate contact respondents who know their customers' businesses and their needs.

Competition

The logistics industry is highly competitive. We face competition from other freight forwarders, integrated carriers, logistics companies and third-party freight brokers, and we may face competition in the future from participants and new entrants outside our traditional competitors, such as the shipping lines, e-commerce platforms, alternative delivery systems, direct-to-consumer shipping and freight exchanges. Moreover, large industrial or retail consumers and suppliers, such as Amazon, may become players in the logistics market themselves, as they can turn their expertise in managing their own logistics into a profitable business model. The competition we face may also increase as a result of consolidation in the logistics industry. Consolidation is taking place at various levels and is expected to continue in the medium term. In particular, there has been substantial consolidation in the liner industry, leading to strengthening in the negotiating power of carriers which could adversely affect the profitability of freight forwarders. In addition, certain carriers, including Maersk, have been focusing more on vertical integration strategy as a means to grow.

According to Ti's Global Freight Forwarding 2023 report, published in July 2023, the top ten players in outsourced freight management in terms of 2022 revenue represent 40.9% of the total outsourced market. Within the spectrum of logistics players, we recognize major global generalist 3PL and 4PL companies as our peers, including Kuehne + Nagel, DB Schenker (part of Deutsche Bahn), DHL (part of Deutsche Post DHL), XPO, GXO and DSV. In addition, we compete with such global players as Maersk Logistics & Services (part of Maersk), Geodis (part of SNCF, the French railway operator), Expeditors, Ryder and Nippon Express and such regional or specialized

players as KWE, SF Express, Yusen Logistics and CH Robinson. See *“Risk Factors—Risks Relating to the Shipping and Logistics Industries—The container shipping and logistics industries are highly competitive and will likely remain so despite ongoing consolidation,” “Industry Overview—International Logistics Industry—Industry Fragmentation—Competition” and “Industry Overview—International Logistics Industry—Industry Consolidation.”*

Other

The Other segment includes Terminals, Air Cargo, Specialized Maritime Transport and Media businesses. The Other segment generated revenue of \$2.0 billion and Adjusted EBITDA of \$0.2 billion in the year ended December 31, 2023, which accounted for 4.1% of our revenue and 2.6% of our Adjusted EBITDA for the same period. It generated revenue of \$1.2 billion and Adjusted EBITDA of \$127.7 million in the six months ended June 30, 2024, which accounted for 4.6% of our revenue and 2.6% of our Adjusted EBITDA for the same period, and revenue of \$2.3 billion and Adjusted EBITDA of \$0.2 billion in the twelve months ended June 30, 2024.

Terminals

We are a global port operator with a strong presence in the United States and Asia and direct investments in more than 50 assets, most of which are either controlled or jointly controlled by us. In 2022, we were the eighth largest port operator in terms of handled throughput before accounting for the acquisition of the two GCT Terminals in New York (source: Drewry, Global Container Terminal Operators Annual Review and Forecast 2023/24). We have long-term contractual arrangements, mainly with port authorities, to operate terminal facilities in the ports that we use around the world. Among other things, investments into port facilities allow us to gain “most favored nation” status at these multi-users’ terminals, which in turn provides preferred access to berths, limits any increases in our port charges and affords us greater control over port activities and laborers, including stevedores. Historically, our Terminals business has primarily focused on supporting our Container Shipping segment by securing and operating terminal capacity in every location where the Group benefits from significant volumes or where it risks having limited access to berths or can be adversely affected by high stevedoring tariffs. As such, the Container Shipping segment remains the main client of the Terminals business, accounting for 58% of the volumes handled at our facilities, with other shipping lines accounting for the remaining 42%. Access to controlled port terminal capacity proved critical during the congestion amid the COVID-19 pandemic, especially on the West Coast of the United States. Moreover, in certain developed areas, the absence of shore surface combined with environmental regulations does not allow creation of new facilities to accommodate market growth. As such, we believe that having access to controlled facilities allowing for expansion and accommodation of increased volumes is a competitive advantage for our lines. Modern port terminals are a class of assets appealing not only to specialized port operators and container liners, but also to financial investors (such as private equity funds and infrastructure funds). In the recent years we have been able to extract significant value from our terminal assets through monetization of minority or majority holding in our terminal assets.

Our investments in port facilities are mainly held by CMA Terminals Holding (“CMATH”) or CMA Terminals, its wholly-owned subsidiary, and Terminal Link, a joint venture with CMP. We own 51% of Terminal Link, with the remaining 49% being owned by CMP. We currently have interests in, or agreements related to 58 terminals (with approximately 50 million TEU capacity) around the world, 55 of which are in operation and three are in development. Of these, interests in 37 terminals are held through CMATH and CMA Terminals or other affiliates of the Group, and interests in 21 terminals are held through Terminal Link. We own 100% of 22 of these terminals.

On September 22, 2024, the Group and certain funds managed by Opportunity entered into a share purchase agreement, whereby the Group agreed to acquire a 47.55% stake in Santos Brasil, a leading terminal operator in Brazil (see *“Summary—Recent Developments—Santos Brasil”*).

CMA CGM Terminals

CMATH and CMA Terminals hold interests in the following ports: Marseille (France), Lattakia (Syria), New York, Bayonne, Long Beach, Los Angeles and Dutch Harbor (United States), Zeebrugge (Belgium), Guadeloupe and Martinique (French Antilles), Degrad des Cannes (French Guyana), Longoni (Mayotte), Pointe des Galets (Réunion), Kribi (Cameroon), Kaohsiung (Taiwan), Yokohama (Japan), Seville, Algeiras, Bilbao and Valencia (Spain), Fortaleza (Brazil), Helsinki and Kotka (Finland), Tripoli and Beirut (Lebanon), Nouadhibou and Nouakchott (Mauritania), Lekki (Nigeria), Cai Mep (Vietnam), Mundra and Nava Sheva (India), Port Lafito (Haiti) and Alexandria (Egypt). In the context of the war between Ukraine and Russia, in 2022 we divested our two facilities in Saint Petersburg (Russia).

Significant terminal investments and developments in recent years within the current CMA CGM Terminals portfolio are described below.

FMS Terminal

In January 2022, we completed the acquisition of 90% of the FMS terminal, bringing our stake in the terminal up to 100%. FMS is the third-largest terminal in the Los Angeles / Long Beach port area and one of the largest in North America in terms of capacity (around 2.5 million TEU). The terminal also benefits from a long-term concession agreement (through 2043). The FMS terminal has a strategic deep-water location and extensive infrastructure, including four berths (each more than 1,000 meters long and with a draft of 50 feet), 16 cranes, eight of which are capable of serving very large ships, eight rail tracks located within the terminal, ensuring first-class rail connectivity, a 292-acre container yard and more than 700 reefer plugs with 24/7 reefer monitoring. The acquisition of the FMS port furthered our strategy of developing our terminal business to support the growth and efficiency of our shipping lines.

GCT Bayonne and New York Terminals

In August 2023, we acquired the GCT Bayonne and New York terminals which we then renamed Port Liberty Bayonne and Port Liberty New York, respectively.

The Bayonne terminal has a 1.2 million TEU capacity over a 200 acre area with a quay of 2,700 feet allowing for ships of up to 18,000 TEU to berth. The Bayonne terminal is the terminal with the highest level of automation among the ports overseen by the Port Authority of New York and New Jersey (“PNYNJ”) and has an exceptional location close to the entrance to the Port of New York and New Jersey. It enjoys connectivity to rail for hinterland transportation with modern equipment including 12 ship to shore (“STS”) quay cranes, 19 RTGs and 20 railmounted gantry cranes (“RMGs”). The Group intends to redevelop Bayonne’s Berth 3, which when completed, will be one of the most capacious berths on the U.S. East Coast at a depth of 55 feet with a 18,000 TEU vessel handling capability. The concession expires in 2047, and the Group has the right of first offer to extend it up to 2067.

The New York terminal is one of the most productive terminals among the ports overseen by PNYNJ with the highest vessel productivity in the harbor over the last 17 years. It is immediately close to major road connectivity (I-278, NJ Turnpike) while benefiting from intermodal facilities and Class I rail network (CSX, NS). The terminal has an 872,000 TEU capacity over a 187 acre area. Its three berths are 3,012 feet with ability to serve 10,000 TEU ships. It is leased until 2047 with ongoing projects to invest in wharf replacement. The concession expires in 2047.

The acquisition expanded our U.S. East Coast footprint, strengthening the Group’s position as a global terminal operator. The Group intends to create additional yard and berth capacity allowing improved operational fluidity at Bayonne and New York, improve direct access to major highways and railways to and from the terminal facilities and to reduce emissions and GHGs at the ports with a goal of becoming net zero by 2050.

Terminal Link

We own 51% of Terminal Link; the remaining 49% is owned by CMP, one of the largest public port operators in China in terms of handled throughput as of 2022 (source: Drewry, Global Container Terminal Operators Annual Review and Forecast 2023/24). We account for Terminal Link under the equity method. This ownership results from a 2013 transaction in which we sold 49% of Terminal Link to CMP. On March 26, 2020, we sold our equity interest in eight terminals (Kingston Freeport Container Terminal (Jamaica), Brooklyn Kiev Port Terminal (Ukraine), CMA CGM PSA Lion Terminal (CPLT) (Singapore), Rotterdam World Gateway (RWG) (the Netherlands), Umm Qasr Terminal (Iraq), Qingdao Qianwan United Advance Container Terminal (QQCTUA) (China), Vietnam International Container Terminal (VICT) (Vietnam) and Laem Chabang International Terminal

(Thailand)) to Terminal Link for an aggregate amount of \$814.8 million. Part of this acquisition was financed by Terminal Link via a \$420.9 million non-amortizable loan granted by CMP (the “CMP Loan”). On September 25, 2023, the Group transferred \$434 million to Terminal Link via a capital injection for the purposes of an early repayment of the CMP Loan, including accrued interest, in exchange for enhanced cooperation between us and CMP pursuant to a memorandum of understanding dated July 19, 2023.

Terminal Link seeks to invest in and secure access to terminal facilities in ports where we have significant operations. Effective management of the loading, off-loading and transshipment of cargo requires a high level of coordination among the various port terminal actors, including ship schedulers, stevedores and haulers of containers pre- and post-journey. Terminal Link invests in facilities within ports pursuant to joint venture arrangements with partners that have experience in operating port facilities and that contribute necessary on-shore equipment.

Terminal Link holds investments in the following ports: Antwerp (Belgium), Dunkirk, Le Havre, Fos, Montoir de Bretagne (France), Malta, Thessaloniki (Greece), Casablanca, Tangier (Morocco), Abidjan (Ivory Coast), Pusan (South Korea), Miami and Houston (United States), Umm Qasr (Iraq), Rotterdam (the Netherlands), Odessa (Ukraine), Kingston (Jamaica), Ho Chi Minh City (Vietnam), Laem Chabang (Thailand), Qingdao (China) and the PSA Lion Terminal CPLT (Singapore).

Inland Facilities

In light of structural port congestion in emerging market countries and the growing needs of our clients for flexible logistics solutions, since 2015 we have been developing CMA CGM Inland Services (“CCIS”), a fully owned subsidiary of CMA CGM dedicated to (i) the development and management of inland facilities worldwide and (ii) providing inland transportation services for container via trucks, rail and barges. CCIS is a container logistics operator with a developed infrastructure, offering reliable inland services around the world through a network of logistics platforms and transportation networks. CCIS acts as an agent/supplier of CMA CGM Lines (40% of CCIS revenues for the year ended December 31, 2023) or other shipping lines and servicing merchants. The services provided include container depot (transfer, storage, stuffing, un-stuffing, dressing, etc.), inland transportation (rail, road, barge, combined) and container services (port formalities, customs clearance, container trading and repair). CCIS holds interests in numerous inland facilities and operates 90 sites, including in Spain, Portugal, France, Germany, Belgium, the Netherlands, Finland, Ireland, UK, Egypt, Iraq, Morocco, Algeria, Brazil, Chile, Ecuador, Mexico, Costa Rica, Turkey, China, India, Malaysia, Indonesia, Thailand, Australia and Vietnam.

Air Cargo

In response to the growing demand from our customers for agile logistics solutions, in March 2021 we created an Air Cargo business. This complemented all the solutions (maritime, intermodal and logistics) that we already provided for our customers, enabling us to support their entire transportation and logistics chain. Just three years after its launch, the Air Cargo business has developed recognized expertise in the three main air transport solutions: regular flights (12 departures per week from Paris to Greater China and India), charter flights, and chartering for third-party companies.

The Air Cargo business, with its own booking system and dedicated commercial teams, offers a complete range of solutions for the transportation of sensitive products, such as hazardous goods, temperature-controlled cargo, perishables, live animals and high-value products.

Currently, the Air Cargo business fleet consists of three B777F and one A330F aircraft, which are based at the Paris-Charles de Gaulle (CDG) hub. The first two B777F aircraft operate connections between Europe and Greater China: five flights per week to Hong Kong and four flights per week to Shanghai, and the third one operates on the transpacific route. Our A330F aircraft operates connections between Paris-Charles de Gaulle, Mumbai, and Guangzhou three times a week.

By the end of 2024, the Air Cargo business will open two new services on the transpacific route connecting Asia to North America. To ensure service to new destinations, the Air Cargo business took delivery of a new Boeing B777F aircraft in August 2024, and expects to take delivery of another Boeing B777F aircraft in November 2024. This additional capacity will be operated by a third party airline, as we currently do not have the relevant traffic rights.

In the first quarter of 2025, the Air Cargo business expects to take delivery of a another B777F, which will strengthen our fleet by extending its reach and available capacity for its customers.

In 2026-2027, the expected delivery of eight Airbus A350F aircraft will enable the Air Cargo business to operate a global network, meeting the global logistics needs of air freight customers. As the first airline customer for the cargo version of the A350, the Air Cargo business opted for the most environmentally efficient aircraft on the market, reinforcing our commitment to sustainable transport. The A350F model stands out for a 20% reduction in CO2 emissions compared to its direct competitor (Boeing B777F). The A350F will also be the only large freighter capable of meeting the CO2 standards established by the International Civil Aviation Organization, which will come into effect as from 2028.

The estimated date of delivery for the above aircraft may vary depending on external factors such as construction delay. The aggregate purchase price for the three Boeing B777F and eight Airbus A350F is \$1.8 billion, of which \$459 million remains payable upon satisfaction of certain milestones prior to the delivery of the aircraft. No third-party financing arrangement has been entered into to date with respect to these aircraft.

By 2027, the Air Cargo business expects to have the fleet of 13 aircraft: five Boeing B777F and eight Airbus A350F. We expect to phase out our Airbus A330F aircraft, in line with our strategy to focus on long-haul services. The new composition of our fleet will enhance operational efficiency and sustainability, and will also better position the Air Cargo business to compete in the global air cargo market.

On April 3, 2023, the Company and Air France-KLM launched a strategic cooperation in air cargo pursuant to an agreement signed in May 2022. Regulatory constraints in certain important markets (especially North America), however, prevented the cooperation from functioning optimally. As a result, on January 16, 2024, the Company and Air France-KLM announced their decision to terminate the existing agreements as of March 31, 2024. CMA CGM remains a reference shareholder of Air France-KLM with a 8.8% shareholding.

Specialized Maritime Transport

La Mériidionale

On May 30, 2023, the Group finalized the acquisition of La Mériidionale, a combined freight and passenger shipping company based in Marseille. The acquisition price amounted to approximately \$133 million. As a leading shipping company running scheduled services to Corsica, La Mériidionale currently has four ro-pax vessels (i.e., passenger ships which have roll-on/roll-off cargo space on board), which operate up to 13 weekly crossings between Marseille, Porto Vecchio and Ajaccio, in addition to connections between Marseille and Morocco.

Our vision for La Mériidionale is to provide one of the first “green corridors” in the Mediterranean. To that end, we plan to invest in modernizing La Mériidionale’s fleet to improve its energy efficiency and reduce its environmental impact. The Group intends to continue expanding in the Mediterranean, with orders having been placed for two new LNG-powered vessels for delivery in 2027. These ships will be able to use methane or e-methane as a fuel source and deliver some of the best environmental performances in the sector. They will also be able to carry out operations with zero CO2 emissions during port calls and are set to replace the oldest vessels on services between Corsica and Marseille, contributing to the preservation of the environment between the island and the mainland.

Car Carrier Business

Our car carrier business offers tailor-made service for finished vehicles in cooperation with our FVL business (see “*Business—Segments—Logistics—Service Offering—FVL*” above). Our car carrier business currently operates five pure car, truck carriers (“PCTCs”). Two PCTCs are servicing a contract with General Motors (between Mexico and the United States) with a total capacity of 4,000 CEU (car equivalent unit), and three PCTCs are servicing a contract with Hyundai Glovis (between Korea and Europe), with a total capacity of 21,150 CEU. We took delivery of one additional PCTC in July 2024, and another one is expected in October 2024 (both to be deployed under the contract with Hyundai Glovis). Following the delivery of this additional PCTC, the total capacity of the car carrier business will reach 39,250 CEU.

Brittany Ferries

In September 2021, the Group and Brittany Ferries, a ferry company operating eight ships under the French flag, formed a partnership that, among other things, allowed the Group to use available cargo space on board Brittany Ferries’ services to the UK, Ireland and the Iberian Peninsula in exchange for a €25 million investment in Brittany Ferries, including €10 million in quasi-equity. The transportation of goods aboard Brittany Ferries’ roll-on, roll-off (“ro-ro”) ships expanded the Group’s offering in the ro-ro sector for the Atlantic and northern coast of France to destinations in the UK. The Group holds 12% of Brittany Ferries’ shares.

Media

The business currently comprises the following media sources: RMC-BFM (formerly, Altice Media), La Tribune, La Provence and Corse Matin. The Group acquired RMC-BFM in July 2024 (see “—*Altice Media*” below), La Tribune in July 2023 and La Provence and Corse Matin in October 2022. Our Media business is held by our subsidiary CMA Media.

La Provence and Corse Matin are French regional newspapers covering Marseille and the Provence Alpes Côte d’Azur region for the first and the Corsica region for the second. La Tribune is a leading digital business and finance media platform with a presence across France and Africa. The Group’s expansion into media, where it is now present in several segments, with investments in digital, broadcasting and regional daily press, is driven by its strategy of diversification and the aim to further enhance the Group’s local and national presence. We aim to be a decisive player in innovation and transformation in the media sector.

Through the development of its Media business, the Group pursues its diversification strategy beyond Container Shipping, following its launch into Logistics with the acquisition of CEVA in 2019 and subsequent acquisitions between 2022 and 2024. This strategy aims at improving our financial stability by reducing exposure to the cyclical container shipping industry. The recent acquisition of Altice Media strengthens the Group’s presence in an attractive and innovative sector with growth potential in light of the ongoing digital innovation and new technologies, including AI.

Altice Media

On July 2, 2024, the Group completed the acquisition of Altice Media, a leading live news player in France, from Altice France. Altice Media was acquired by an entity owned by the Group (80%) and Merit (20%) for a total purchase price of €1.57 billion.

Altice Media, founded 20 years ago, is one of the largest private-sector media groups and one of the reference news brands in France. Altice Media gathers a young audience through BFM and RMC, its two iconic brands, and a differentiated offer focused on news. Over the last three years, Altice Media has developed a content-centric and multiformat distribution strategy across three national, ten local TV channels, three radio stations, a replay platform and an online news platform (BFM TV, RMC Story, RMC Découverte, BFM Régions, BFM Business, BFM Radio, RMC Info Talk Sport, RMC BFM Play, BFMTV.com). Altice Media currently employs around 1,700 people, including more than 900 journalists.

The acquisition of Altice Media is a major milestone in the Group’s strategic move to shape a long-term Media business offering high-quality news, sports, and entertainment content, addressing the needs of a constantly growing audience with diversified consumption patterns. Through Altice Media’s iconic brands, mainly BFM and RMC, and with La Provence, Corse Matin and La Tribune, our Media business is now present across all distribution channels: digital, broadcasting, video, print and B2B editorial events. Following the acquisition of Altice Media, as a result of an enhanced editorial capacity gathering more than 1,200 journalists overall, our Media business is able to cover a wide range of topics and reach various audience segments.

Portfolio of Minority Stakes

We hold minority stakes in a variety of companies, including the following (for listed companies, market values are shown as of June 30, 2024):

- 10.3% stake in M6 Group, one of the largest private TV networks in France (market value: €152 million);
- 15.0% stake in Brut, a French online media which is mainly distributed on social networks and in video or podcast format;
- 5.5% stake in Eutelsat, an operator of commercial satellites (market value: €98 million); and
- 8.8% stake in Air France-KLM (market value: €190 million) (see “*Business— Segments—Other—Air Cargo*”).

Information Systems and Logistical Processes

CMA CGM's shipping information systems remain separate from CEVA's equivalent systems due to the differing nature of activity and business processes. However, some joint initiatives have been undertaken with respect to information systems in order to reinforce synergies between CMA CGM and CEVA.

Group Cybersecurity

In light of increasing cybersecurity threats, in 2019 the Group launched a 3-year strategic plan based on the National Institute of Standards and Technology's Cyber Security Framework, one of the most recognized cybersecurity standards in the industry. Since then, the Group has allocated a major cyber-budget to support our rapidly growing team of experts, services and solutions, with a review to reaching the cybersecurity maturity level of industry leaders.

In the fall of 2020, the Group was targeted by a cyberattack. As the Group was deploying a range of cybersecurity controls at the time, we managed to swiftly recover from the incident and ensure the business continuity. This event contributed to the strengthening of the Group's cyberculture and reinforced the understanding of the strategic importance of cybersecurity.

The deployment of cybersecurity controls helps the Group reduce cyber-risk and reach a high level of cybersecurity maturity. In 2019, the Group established a Cybersecurity Department to support its global strategy for all business units, including offices, ships, terminals, warehouses, and agencies. Over 2019-2023, the Group created four cyber-hubs worldwide for 24/7 security operations. Due to its increased visibility, as well as geopolitical tensions, evolving cyberthreats and compliance needs, the Group is dedicated to investing in cybersecurity and building strong relationships within the cybersecurity community.

CMA CGM (Container Shipping)

Our information systems and logistical processes are key operational and management assets that support many of our business units (including shipping agencies, individual lines and various head office departments) through a mixture of purchased software packages, third-party providers and systems developed in-house.

The ability to process information quickly and accurately using the latest technology (including AI) is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes. We have developed and deployed a global information system that consolidates information from across all of our operations using real-time internet-linked technologies and a common software platform, allowing all our employees access to the most up-to-date shipping information available. The following are the major applications of the shipping information system:

- *LARA*: Through Lines and Agents Real Time Application, or "LARA," our core system for the management of shipping agency activities, most of our shipping agencies are connected in real time to the relevant departments in our Marseille headquarters, sharing the same database that has been designed to manage all the different aspects of sales administration and shipping documentation management. For example, LARA provides customers with information on all our lines, schedules and calls, handles bookings, processes documentation and invoicing, tracks the movement of containers, handles customs-related matters for the release of containers upon their arrival. Shipping agencies covering more than 98.0% of our volume are deployed with LARA. We are continuously modernizing this platform by integrating best-in-class technology and AI capabilities into these core processes.
- *AQUA*: a custom-made application designed to manage shipping pricing activity. It leverages the latest technology and architecture to offer the most optimized prices to our customers. The key driving force behind AQUA's performance is its robust data and AI capabilities.
- *LISA Shipping and DATAWAYS*: based on the ERP (enterprise resource planning solution) of SAP (a multinational software company), LISA Shipping manages a comprehensive range of line operations, including sophisticated schedule management, partnership agreement coordination, customer allocation, and cargo flow oversight. It also encompasses intermodal planning and execution, as well as equipment management processes, such as depot operations and container fleet forecasting. Within the next two years, we intend to replace LISA Shipping with a new bespoke solution known internally as DATAWAYS. This new tool will be centered around a unified data layer, enhanced with AI technology.

- *NOVA*: Customer service management and Customer Relationship Management (CRM) tool based on the Salesforce.com application, currently being deployed globally. This application is a communication and collaboration tool for all brands and all departments (for example, shared service centers and agencies), which improves customer communication, reduces customer effort, improves our overall customer management process (through better root cause identification and actionable plans) and provides strong and consistent analytics tools.
- *E-Commerce*: We are making regular investments in our e-commerce platform to consistently offer new value-added services to our customers. Our goal is to digitize all customer interactions to the greatest extent possible and provide additional benefits, such as CO2 reporting, loyalty programs, and more. 80% of the Group's TEU is managed via the e-commerce platform.
- *Finance applications*: *LISA Finance (SAP)* and *SAGE* (a system developed by Sage, an accounting software provider) are centralized accounting systems based on a unified core model utilized by all carriers and agencies. We are gradually migrating the entities on Ocean (Oracle E-Business Suite) to either SAP or SAGE within the next two years. This move will complete the full rationalization of our landscape.
- *OneStream*: This Corporate Performance Management system is utilized for several crucial financial processes at the Group level including the creation of consolidated financial statements.

Data

CMA CGM has built a cloud data architecture centered around a data lake and data warehouses. The objective is to build a single source of truth enabling our operational managers to efficiently analyze and derive insights from vast amounts of diverse data sources while leveraging scalable and flexible cloud infrastructure. A data governance team oversees the quality of democratized data to ensure it is suitable for general use. An ongoing transformation is being carried out to involve data owners to ensure this quality.

Key providers

CMA CGM works closely with Infosys to accelerate the simplification and modernization of our application portfolio, support our operations with guaranteed service continuity and leverage next-generation IT solutions. In addition, this partnership allows us to further streamline our IT systems and to generate savings by reducing ongoing operating costs. Kyndryl is our partner for the management of on-premise and cloud services and infrastructure and application support. Our infrastructure is hosted according to a multi-cloud strategy with Amazon Web Services as the primary partner and Azure (Microsoft) as a secondary operator.

AI & Data Science

In 2017, the Group established a Data Science Department aimed at delivering machine learning-based solutions and optimization solutions for multiple business units, in order to streamline strategic Group pain points. Those products range from empty container forecasting, routing optimization, vessel performance optimization to customer experience customization with recommendation engines. In addition, a department responsible for digital transformation, innovation, and AI has been created. Among others, this department is responsible for coordinating the Group's digital transformation, AI and innovation projects and the AI roadmap.

Several AI partnerships and projects have been launched, including an AI personal assistant, based on Mistral AI, a large language model, was created to improve employee's daily productivity, as well as an AI tool, based on OpenAI, dedicated to customer relations was also tested with certain customers and agents in Europe to initiate a transformation towards a more digital and efficient customer relations model.

CEVA (Logistics)

CEVA's information systems landscape is tailored to the main businesses within CEVA: Freight Management (Ocean and Air), Ground Transportation and Contract Logistics, which are supported by the corporate functions. CEVA's information systems are "branded" under the CEVA Matrix suite. CEVA Matrix offers customers a suite of supply chain tools, which are either custom developed or are purchased third-party applications that have been tightly integrated into the suite. Through CEVA's Matrix technology and its underlying architecture, we offer a common platform for the efficient function of key business processes across CEVA's supply chain, fulfilling the purpose of creating value for customers and stakeholders across the globe. The following are the major applications of the logistics information system.

Freight Management (Ocean and Air):

- CSP (Customer Service Portal) is the main source of operational tasks for booking, service and status.
- OFS (One Freight Solutions) drives the operational control of shipment execution, gateway management, invoicing and job costing.
- RMS (Rate Management System) controls available services, charge lines and rates for a quote, booking or shipment.
- CWO (Cargo Wise One) Brokerage, solutions integrated with the full freight management solution stack design to provide customer visibility.
- TWMS (Transit Warehouse Management System) receives, processes and dispatches packages through air transit facilities.
- CWO for Control Tower (4PL) solution for certain key customers.
- Service Apps (i.e., Workflow, Docgen, OneID, ONEScan, Reporting) are mostly hidden from the end user but provide particular needs in the freight management value chain.
- OneTMS (One Transport Management Solution) solution added from the acquisition of Bolloré Logistics, comprising the CWO solution and inhouse solutions to support the front, middle and back-office functions for freight management.

CEVA has begun its deployment of CWO / Cargo Wise while Bolloré Logistics' deployment is more advanced, accordingly, the Group will apply the latter across its Freight Management (Ocean and Air) business, which may create challenges (see *“Risk Factors—Risks Relating to our Business and Results—Our operations depend on our IT systems, which have in the past experienced and may in the future experience to cyber-attacks; these IT systems may not continue to generate operational efficiencies, we may be unsuccessful in implementing sufficiently strong security measures to protect against future cyber-attacks and we may be unable to develop innovative IT solutions to compete with new developments”*).

Ground Transportation

The Ground Transportation product line is supported by a variety of business solutions (TMS, i.e., Transport Management Solutions) across our geographies, resulting from various consecutive acquisitions. The largest solution in terms of managed revenue and shipments is INES-PFS (Information Network System – Plateforme de Service), a product built in-house, supporting multiple customers across Europe. Its core capabilities cover order management, trip planning, rating, shared network transportation (LTL, i.e., “Less than Truckload” groupage), FTL (i.e., Full Truckload), as well as billing. The platform is undergoing a technical uplift to extend its lifecycle. Other platforms include Matrix TMS and Worldport, both built in-house. As a standalone platform, Matrix TMS is also deployed in shared-customers countries or deployed as a dedicated solution for customers, handling order management, trip planning, rating and billing for forwarding and dedicated activities. A streamlined version of Matrix TMS called Core+, designed to support small-country freight management LTL/FTL and cross-border flows, was also created in 2023. For the Lead Logistics product line, Matrix SCM (Supply Chain Management) is an additional component of Matrix TMS that provides the operational infrastructure, processes, global control towers for our Lead Logistics product line with other key customers.

Contract Logistics

The Matrix WMS (Warehouse Management System) solution covers all aspects of warehouse planning and operations, providing all functionalities required to run a business. This system can be configured upon customer needs. It is based upon world-wide consistent best practices and processes embedded managing all aspects of warehouse planning and operations powered by Blue Yonder's (formerly JDA Software Group) world class warehouse management technologies.

End-to-end solution templates and pre-defined building blocks are based on CEVA's warehousing know-how for rapid, best practice solutions. Currently over more than 400 customers have been implemented on Matrix WMS. In 2024 we aim to deploy additional sites and customers in Matrix WMS. Matrix WMS is the main strategic product supporting multiple sectors. We also use other IT solutions to meet the specific needs of certain industries, such as automotive or luxury and cosmetics.

Data & Digital Capabilities

CEVA's digital capabilities continue to advance, aligning with our strategic goals to support and enhance business operations. myCEVA is a digital tool and platform which is considered as the central hub for all activities. Since 2023, myCEVA has provided an end-to-end customer journey for Freight Management (Ocean and Air), featuring instant quotes, bookings, and real-time tracking. Supported by our 24/7 customer service options, including C-View (based on Salesforce.com), chatbot, and live chat functionalities, the platform enhances customer interactions efficiently.

myCEVA leverages microservices architecture and a data lake, called CFAST (CEVA Fast). CFAST establishes a unified integration layer that standardizes data from various sources. CFAST is gradually becoming our single source of truth for all operational needs, and Customer EDI (electronic data interchange) will be centralized through CFAST to maintain data consistency across all customer interactions. Additionally, business rules are being aligned with our analytical platform, CEVA Big Data (CBD), to streamline data usage and enhance analytical capabilities.

A global initiative has kicked off to move towards a fully data centric organization. The goal is to have a dedicated and unified Data Marketplace (based on AWS and Snowflake technologies aligned with the Group) to ingest all internal and external data from business information systems to enable fast, efficient and qualitative decision-making processes and performance management in all product lines and areas of business.

Shared Service Centers

We consolidate certain transactional and operational support functions, such as booking, customer orders (order to cash activity), documentation (record to report process), and certain aspects of logistics, at our captive shared service centers mainly in India, China, Estonia, Lebanon, with the objective of standardizing processes and reducing operating expenses across all of our business segments.

Employees

As of March 31, 2024, we had 160,838 employees working across our different segments worldwide (Shipping, Logistics, Air Cargo and Terminals including our JVs). This represents a 7% increase as compared with December 31, 2022, when we had a total of 150,213 employees. The substantial increase is due to the acquisition of Bolloré Logistics and recruitments within our Media and Specialized Maritime Transport businesses, partially offset by rationalization operations within CEVA.

The following table shows the breakdown of our employees by segment as of March 31, 2024:

Segment	Number of employees
Container Shipping*	47,853
Logistics**	111,276
Other	1,709
Total	160,838

*Including CCIS & Terminals

**Including Bolloré Logistics

The following table shows, for our two main segments (Container Shipping and Logistics), the breakdown of our employees by geographical location as of March 31, 2024:

Geographical location	Container Shipping*	Logistics**	Total
APAC	7,013	15,452	22,465
EUROPE***	4,542	38,514	43,056
France	6,455	11,284	17,739
IMEEA	7,065	12,549	19,614
LATAM	5,208	24,529	29,737
LEVANT	4,003	7,253	11,256
NORTAM	115	1,068	1,183
WAF NAF	3,072	628	3,700
Seafarers	10,380		10,380
Total	47,853	111,276	159,129

*Including CCIS & Terminals

**Including Bolloré Logistics

***Excluding France

Our employees in France and some of our employees in other countries are employed under collective bargaining agreements. We have not recently encountered any material labor difficulties or strike actions involving our employees and believe that our relations with our employees and the unions of which our employees are members continue to be solid.

Container Shipping segment

Within the Container Shipping segment (including CCIS & Terminals), as of March 31, 2024, 37,473 employees, or approximately 23% of our total workforce, performed land-based functions across our global network and at our corporate headquarters in our sales and marketing, operations, documentation, finance, legal, human resources and other administrative departments, and 10,380 employees, or approximately 6% of our total workforce, were seagoing staff employed on our vessels. We do not directly employ any agency staff other than the staff of our owned agencies. The employees of these owned agencies are generally supervised by the central management of their respective shipping agencies on a country-by-country basis.

The following table shows the breakdown of our employees in the Container Shipping segment (including CCIS & Terminals) by geographical location as of March 31, 2024:

Geographical Location	Land-based Functions	Seafarers	Total
APAC	7,013		7,013
EUROPE*	4,542		4,542
France	6,455		6,455
IMEEA	7,065		7,065
LATAM	5,208		5,208
LEVANT	4,003		4,003
NORTAM	115		115
WAF NAF	3,072		3,072
Seafarers		10,380	10,380
Total	37,473	10,380	47,853

*Excluding France

Logistics segment

As of March 31, 2024, the Logistics segment (including Bolloré Logistics) employed a total of 111,276 employees covering contract logistics operations, freight management operations over air, ocean and ground, and support functions across the network and at our corporate headquarters in our product operations, sales and marketing, finance, human resources and other administrative departments.

The following table shows the breakdown of our employees in the Logistics segment (including Bolloré Logistics) by geographical location as of March 31, 2024:

Geographical location	Bolloré Logistics	CEVA	Total
APAC	5,759	9,693	15,452
EUROPE*	1,955	36,559	38,514
France	4,844	6,440	11,284
IMEEA	943	11,606	12,549
LATAM	1,094	23,435	24,529
LEVANT	88	7,165	7,253
NORTAM	460	608	1,068
WAF NAF	31	597	628
Total	15,174	96,102	111,276

*Excluding France

In addition to our full-time employees, we hire temporary employees (including on a daily or hourly basis), particularly for warehousing and delivering activities as part of our Contract Logistics business. As of March 31, 2024, our temporary staff in the Logistics segment represented a total of 31,054 full-time equivalent employees (excluding Bolloré Logistics temporary employees where we counted 226 temporary staff as at the same date).

Properties

As of March 31, 2024, we have, in the Container Shipping segment, more than 394 offices around the world (29 of which are owned by us).

We have two flagship properties in Marseille, France, and in Norfolk, Virginia (USA). The CMA CGM headquarters building in Marseille, known as the “Tour Jacques SAADE” (previously known as “CMA CGM tower”), consists of a modern-glazed building designed by architect Zaha Hadid. The tower is 147 meters high with 33 floors, with capacity for 2,700 people and a gross floor area of 64,000 square meters. The building is at the core of the development plan for Marseille’s international business district. The construction of this building was financed through a secured credit facility, of which \$33.5 million continued to be outstanding as at June 30, 2024. The Norfolk building houses office facilities for our U.S. operations and is owned by our subsidiary CMA CGM (America) Inc. It consists of 90,000 square feet of office space.

In September 2019, we sold our initial headquarters building in Marseille, a 1970’s-era seven-story building with a gross floor area of 7,056 square meters, to a company owned 60% by CMA CGM and 40% by a third party. The building, which has been reconstructed, is owned by a consortium of banks which granted a finance lease on this property (with an option to purchase) to a wholly-owned subsidiary of Merit.

We also carry out operations from another office building that we own in Le Havre, France. The building has a gross floor area of approximately 9,704 square meters with capacity for 600 to 620 people.

We believe that our properties are in good condition and are adequate for our current needs. We evaluate our needs periodically and relocate or acquire additional facilities when considered necessary or when cost-cutting or commercial opportunities arise and we do not consider any specific leased location to be material to our operations.

CEVA uses more than 13.5 million square meters of warehousing, yard and manufacturing space for contract logistics, freight management and ground logistics operations in more than 1,000 different locations. The vast majority of them, around 1,000 locations for approximately 10.8 million square meters, are leased while the remaining locations (comprising approximately 3 million square meters) are customer-owned or third-party sites with a right of use as part of a logistics service agreement. Only a few locations are owned by CEVA, of which the most significant are: Sausheim in France (32,600 square meters), Pila in Poland (21,236 square meters) and Seseña in Spain (5,604 square meters).

Following the acquisition of Bolloré Logistics by CMA CGM in February 2024, the warehousing capacity of the Group increased by approximately 900,000 square meters, to a total of 14.4 million square meters.

Insurance

The Group’s head office manages insurance policies for its subsidiaries all over the world. Purely local insurance policies are managed at the local level (such as motor fleet insurance policies).

We maintain insurance policies to cover risks related to our specific activities, such as Container Shipping, Logistics, Terminals, Air Cargo and Media, as well as general insurance policies applying to the whole Group.

Container Shipping

We maintain insurance policies to cover risks related to:

- 1 Loss and physical damages (Hull & Machinery / H&M and Increased Value covers), including war, piracy and acts of terrorism (War Policy) to our owned ships and ships’ equipment (such as containers and carrying equipment). We also subscribe to an “extra war risk” insurance coverage for our owned ships transiting through high risk areas excluded from basic war policy.

- a. We insure each owned ship for at least its market value and, for financed ships, up to the value stipulated in the financing agreement if higher than the market value.
 - b. Since December 28, 2023, we have been subject to “extra war risk” premiums for all ships transiting via the Gulf of Aden.
 - c. Damage to chartered ships are covered by their owners’ insurance policies unless we are responsible for such damage under the charter-party, in which case such damage would be covered under the CMA CGM Charterers Liability/Damage to Hull & Machinery cover, as set out in paragraph (2) below.
 - d. Starting from February 20, 2024, our charterer’s liability insurer has been excluding the war risk for all ships transiting via the Gulf of Aden. We had to buy an “extra war risk” coverage for these voyages.
- 2 All our owned fleet is insured through Group insurance programs, including but not limited to protection and indemnity policies – “P&I” policies, through P&I Clubs (member of the IG Group) which cover the following liabilities:
- a. third-party and contractual liability claims arising from the carriage of goods, including loss or damage to cargo;
 - b. claims arising from the operation of our owned ships and shore side equipment, including injury, illness or death to crew, passengers, or other third parties;
 - c. excess collision liabilities (primarily covered under H&M cover) and wreck removal costs;
 - d. costs incurred resulting from the quarantine of the vessels;
 - e. pollution arising from oil and other substances and salvage; and
 - f. other related costs.

For chartered ships, we take out a liability insurance policy, which notably covers our liability as ship charterer for any loss to cargo or other damages for which we would be found liable, such as damages to the chartered ships, damages to a third party or pollution risks.

We also maintain insurance cover called “shipowner’s liability” (“SOL”), covering the Company for liability arising from (i) loss of or damage to “rare and valuable cargoes;” (ii) a contractual agreement that exceeds our liability as per the standard CMA CGM bills of lading terms and conditions and/or the applicable laws; or (iii) an accidental breach of a warranty contained in the P&I policy causing such claim to fall outside the scope of P&I cover. It should be noted that carriage of “rare and valuable cargo” may be subject to the customer agreeing to take out an “all risks insurance” policy, which includes a waiver of subrogation against Group entities.

In addition to the foregoing policies, we currently maintain loss of hire insurance for some of our owned ships. This insurance covers loss of earnings for ships that are taken out of service for repairs or detained by pirates. Some affiliated companies do not purchase such cover (APL, Comanav, CNC, Mercosul).

Logistics

We have taken out a comprehensive Freight Service Liability Insurance covering the following risks for all subsidiaries (including CEVA and Bolloré Logistics):

- liability as freight forwarder and or carrier (air, road, land or combined);
- liability as customs clearing agent;
- liability as warehouse operator;
- liability incurred resulting from the provision of integrated freight management services;

- damage to finished vehicles; and
- liability as ship agent.

Terminals

We have taken out a combined liability, property damage and business interruption insurance policy for all CMA CGM Terminals and Terminal Link managed terminals, covering the following main risks:

- Terminal activity liability;
- damage to declared handling equipment and property (including accidental cause, mechanical and electrical breakdown and natural catastrophes); and
- business interruption (loss of profit and increased cost of working and agreed investigating costs) which results in inability to provide the insured services wholly or partly following a claim for loss of or damage to an insured equipment or blockage of insured berth.

Air Cargo

We have taken out a combined hull, liability and war insurance policy for all aircraft operated by CMA CGM Air Cargo and covering the following main risks:

- damage to hull, spares;
- cargo liability;
- third-party liability; and
- war risks (damage and liability).

The aircraft owned, but not operated by CMA CGM Air Cargo are insured through their respective operators.

Media

We have taken out a professional liability insurance policy dedicated to the media activities, covering the following main risks:

- general liability; and
- professional liability

General coverage

We also maintain various other insurance policies to cover a number of additional risks related to the different businesses. These policies are covering the whole Group, including all subsidiaries worldwide. These policies are:

- directors' and officers' liability insurance;
- chassis, containers and carrying equipment cover;
- property damage and business interruption worldwide insurance program;
- general liability insurance program;
- chassis road liability cover for our operations in the United States;
- inland environmental risks cover;
- political violence insurance policy;
- crime;

- cyber insurance policy, it being specified that such cyber insurance does not cover physical loss caused to assets and/or vessels as this is a standard market exclusion;
- employers' liability; and
- auto liability (cover managed from head office for France and overseas regions, otherwise taken at local level).

For the avoidance of doubt, all our subsidiaries are coinsured under all of the insurance policies referred to above, although Group policies may only intervene in case of difference in conditions or in limits of local policies implemented in some countries due to local regulations.

We renew most of these policies annually. Most of our insurance expenses are denominated in either U.S. dollars or euros, and our insurance programs are mainly managed through our main insurance brokers Diot-Siaci and Marsh, with WTW and JDG Courtage managing a smaller part of our portfolio.

Our premiums under these policies are directly linked to the number and amount of claims that we and other carriers suffered during preceding periods. As a member of P&I Clubs, we could sometimes be subject to supplementary calls for additional payments that may not be connected to our own loss records (mutuality principle).

We believe that the types and amounts of insurance coverage that we currently maintain are consistent with our risks, the customary practice in the international container shipping industry and are adequate for the conduct of our business. All our insurance programs are reviewed annually to verify the adequacy between the cover and the risks evolution.

All insurance policies are placed through insurers rated by S&P with A or above. As a matter of policy, underwriters with a S&P rating lower than BBB are not permitted to subscribe or renew one of our policies. In case an underwriter is downgraded in the course of a policy year to a S&P rating below BBB, such underwriter will be replaced at the earliest possible opportunity.

Environment, Quality, Safety and Sustainability

Our commitment to sustainability is underpinned by our corporate social responsibility, and is integrated into our business strategy. Our corporate social responsibility ("CSR") strategy is based on a collaborative approach, in which we conduct a dialogue throughout the year on CSR issues and goals with various stakeholders, including employees and employee representatives, customers, suppliers, investors, financial and non-financial rating agencies, partners, academics, NGOs and non-profit organizations. Senior management is committed to sustainability principles and plays a pivotal role in defining the Group's sustainability objectives and strategies, integrating our corporate responsibility principles into all of our activities and applying them to the entire value chain. Our CSR is based on three pillars: Acting for People, Acting for the Planet and Acting for Fair Trade. These three pillars cover the 19 material CSR topics identified in 2021 based on a materiality assessment, and are aligned with the United Nations' Sustainable Development Goals. As a global company, we also apply the highest standards in relation to ethics and compliance, and always strive to have a positive influence throughout our entire value chain.

In this respect, the Group has been awarded a score of "A-" by the Carbon Disclosure Project ("CDP") in its 2023 climate index (compared to "B" in 2022), highlighting the progress made by the Group in the decarbonization of its shipping activities, including strategy, targets, results and governance. In addition, in 2023, the Group received the *"Label Relations Fournisseurs & Achats Responsables"* from the French Ministry of Economy and Finance, recognizing French companies which have demonstrated sustainable and balanced relationships with their suppliers. Positive results were obtained from various ESG rating agencies: 71/100 from Ecovadis, BBB from MSCI, 51/100 from Moody's, 19.5/Low risk from Sustainalytics.

Our CSR strategy uses an objective approach and is measured by KPIs, which are evaluated each quarter and regularly presented, together with their associated target, to the Energy Transition Committee. This committee, which is chaired by our Chairman and CEO, adopts major decisions on CSR and decarbonization issues. Topic owners then coordinate action plans and consolidate information collected from all Group businesses, with support from the Group CSR Department, in order to guide and advise management and operational staff on implementing

roadmaps by business and geographic area. They are assisted by a network of regional CSR officers, who translate CSR policies into pragmatic action plans and work with local stakeholders to identify key local opportunities.

Acting for the Planet

Environmental protection is a key focus of our Group's commitment to sustainable and responsible development. Our environmental policy aims at addressing the following focus areas: reducing our energy consumption by pursuing operational excellence and optimizing assets, using less carbon-intensive energy, developing the Group's decarbonization partnerships and projects and protecting biodiversity.

Climate Change

Although maritime transport remains by far the transport method that produces the lowest amounts of GHG emissions per ton and distance of merchandise transported (e.g., maritime transport is 4.4x and 108x less CO₂ intensive than train and airplane transport, respectively), reducing energy consumption has always been a core focus of the Group. In this respect, our objective is to be carbon net zero by 2050.

In recent years, the Group has conducted several initiatives to reduce energy consumption, by pursuing operational excellence and optimizing assets. The optimization of assets includes renewing the fleet, reducing fuel consumption, diversifying fuel sources towards cleaner ones, reducing speed, improving propulsion and hydrodynamic technology (through, for example, the retrofit of our ships' bulbous bow and propeller), improving the equipment of terminals and depots. In 2023, we also tested and validated several decarbonization technologies (see also "*Decarbonization partnerships*" below), such as a windshield which reduces CO₂ emissions, the "part-load optimization" software which adjusts fuel injection parameters to optimize engine operation to the vessel's actual load and GHG optimization, which reduces methane slip from auxiliary engines. These solutions are currently deployed by CMA CGM ships, while other innovative solutions are currently in the test phase.

Operational optimization is also key in reducing carbon emissions. In this respect, we have developed new tools to enhance efficiency of its operations, through the "Smart Terminal" project, which seeks to use data analysis to discover inefficient operations. Three CMA CGM fleet centers covering all time zones 24/7 are dedicated to assisting ships and performing intelligent maritime routing that minimizes fuel consumption. They define the best route for each of the Group's vessels and provide optimized weather assistance in real-time. They work in close collaboration with the Operations Department, which optimizes all of the Group's operations (nautical and operational management of vessels, reduction of port congestion, optimization of CMA CGM maritime and land network).

Since 2008, we have halved the carbon intensity of our maritime activities. For shipping activities (excluding specialized transport), well-to-wake CO₂ emissions (including direct emissions from combustion onboard "tank-to-wake" as well as upstream emissions linked to extraction, transport and supply of fuel "well-to-tank" fell by almost 1 million tons of CO₂ in 2023 (29.2 million tons of CO₂ compared to 30.1 in 2022 and 30.5 in 2021), due to, in particular, an improvement in performance through speed optimizations, retrofits, entry of more efficient ships into the fleet.

As for the logistics activities, the increase in CO₂ emissions by 2.4 million tons in 2023 is mainly due to the extension of the reporting scope: the integration of acquired entities (1.6 million tons of CO₂ emissions) and the inclusion of subcontracted road transport not reported previously (1.2 million tons), offsetting efforts to decarbonize operations (photovoltaic panels and LED in warehouses, low carbon vehicles).

Air quality

We have adapted our vessel fleet to comply with the IMO 2020 regulation that came into effect on January 1, 2020. In addition, we increasingly use LNG, currently the best option on the market for air pollutants reduction (for LNG, 99% reduction in sulfur oxides, 92% reduction of nitrogen oxides and 91% reduction in fine particles emissions), to power our vessels. Our LNG technology also allows us to comply with regulations such as IMO Tier III NO_x and ECA (see "*Regulatory Matters—Environmental Regulations—International*"). As of December 31, 2023, CMA CGM operates 36 dual fuel LNG vessels, either owned or chartered. It is also planned that, by 2028, 119 vessels that can be powered by bio/e-methane or bio/e-methanol, with a capacity between 2,000 and 24,000 TEU, will be operated in our fleet.

In addition, we are implementing the cold ironing system, which consists of plugging vessels into onshore power supplies to reduce exhaust emissions, thus enabling vessels calling at ports to shut down their auxiliary engines while still getting the power they need, particularly to maintain controlled temperatures in reefers. This results in enhanced air quality in port areas, as well as reduced GHG emissions. Our vessels practice cold ironing in California, in compliance with local regulations, and on a voluntary basis in various ports that offer cold ironing services, mainly in China and Europe, and all newly-built ships are pre-equipped with shore power connection systems. As of December 31, 2023, 67 of our owned vessels are adapted and equipped for shore power connection.

Decarbonization partnerships

The New Energies Coalition, which CMA CGM initiated in 2019, is made up of key players in international supply chains that do business in a variety of sectors and industries. It aims to accelerate the development of the energies and technologies of the future, to support new models of sustainable mobility, and thus to reduce the impact of transport and logistics on climate change. Due to the mobilization of its over 120 experts, the New Energies Coalition is able to explore the full range of solutions that will contribute to more sustainable transport and logistics. Since it was launched, 18 working groups have been set up.

The creation of the PULSE fund was announced in September 2022, with a €1.5 billion budget over five years in order to accelerate the decarbonization of the Group and the entire transport and logistics sector. The investments of such fund are oriented towards four priorities: developing low-carbon energy production, decarbonizing inland transport and infrastructure, supporting and stimulating innovation and developing soft mobility and energy efficiency solutions. As of December 31, 2023, a total of 41 projects representing a commitment of €460 million were validated. This includes internal projects as well as external investments (e.g. methanol retrofits, electrification of rubber-tired gantry cranes (RTGs), Flexis joint venture involving Renault and Volvo groups to build electric vans) as well as an endowment fund called the “Endowment Fund for the Decarbonization of the French Maritime Sector.” BPI has been appointed to manage it in its name and on its behalf. (See “*Summary—Recent Developments.*”)

In addition, we have established certain partnerships, such as a coalition with other key shipowners, which was announced at CPO 28 in December 2023, in order to ensure a level playing field and access to greener fuels for the industry, or the European Clean Transport Network Alliance, created in 2023 by CEVA, ENGIE and SANEF in order to promote the decarbonization of long-distance road transport in Europe.

CEVA is also member of Clean Air Transport (formerly Sustainable Airfreight Alliance), a buyer-supplier collaboration between shippers, freight forwarders, and air freight carriers to track and reduce carbon dioxide emissions from air freight and promote responsible freight transport.

Biodiversity Protection

Preserving ocean biodiversity is also one of our key priorities. To this end, we have put in place a set of operational and inspection procedures to prevent marine pollution:

- *Preventing Marine Pollution.* Spills, particularly oil spills from Group vessels or terminals, are one of the greatest environmental risks we face. To mitigate such risk, we have implemented a set of measures in connection with our fleet maintenance, routine drills and simulations (both onboard and onshore), and have adopted a strong crisis management policy. In addition, 72 vessels of our fleet (including seven vessels to be delivered) are equipped with the Fast Oil Recovery System (“FORS”), a reliable safe system for managing oil spills, which makes it possible to quickly recover bunker oil through a system of standardized connectors.
- *Abandoning the Northern Sea Route.* At the G7 summit in Biarritz in August 2019, our CEO Rodolphe Saadé announced the historic decision that none of the Group’s vessels would use the Arctic sea route that has opened up to traffic recently due to the melting of polar ice, in order to help preserve the Arctic’s unique and fragile ecosystems. Since 2019, none of our vessels have used this route despite the competitive advantage it could have offered.
- *Protecting marine biodiversity from invasive species.* Since 2015, we began equipping our vessels with an innovative ballast water treatment system using UV light, a system which filters out any living organisms that might impact marine biodiversity locally. Currently, 78% of our fleet is equipped with this technology.

- *Reducing vessel speeds in whale breeding areas.* On the East Coast of the United States and Canada, our vessels reduce their speed to 10 knots when navigating in the breeding areas of cetaceans and marine mammals, in order to reduce the risk of collision. We apply similar measures during our journeys on the West Coast, which has resulted in an award from the port of Long Beach, California, for reducing the speed of our container vessels with nearly 100% compliance.
- *Implementing high standards for dismantling vessels.* We use dismantling sites that comply with international and local health, safety and environmental standards. The Group audits these dismantling sites itself and uses third-party organizations to monitor procedures on a daily basis. In 2023, the Group sent one vessel to be dismantled. In addition, the Group joined the Ship Recycling Transparency Initiative (“SRTI”) in 2019.
- *Plastic waste transport ban.* Since June 2022, the Group has ceased to transport plastic waste on board its ships.

Trainings and Customer Solutions

We invest in training courses designed to make environmental protection an integral part of business activities. Upon hiring, all the Group’s new employees receive safety and environment training for their particular job. Depending on the job, every employee then has to attend specific training modules for their field. For example, in response to the increasing number of customer questions about our CSR strategy, the Group’s CSR Department and the CMA CGM Academy have developed a dedicated “CSR for Sales” module, the pilot session of which was held at the head office. It provides sales teams with simple, easy-to-use basics, answers first-level questions, and allows them to gain greater autonomy during customer meetings.

We have also developed solutions and services for our customers to aid in their efforts to monitor their carbon footprints and reduce their GHG emissions, including carbon calculator software and personalized carbon reduction, reporting and monitoring. Carbon data are calculated according to the Clean Cargo methodology.

Certifications and Environmental Initiatives

Both our ship management activity and our logistics activity are certified according to the ISO 14001 standard on Environmental Management. We have extensive procedures designed to ensure that our fleet of owned vessels complies with all applicable international, regional and local environmental regulations, and we deploy state-of-the-art technology in the design of our new build vessels.

We are also a member of the Clean Cargo Working Group (“CCWG”), a business-to-business initiative that consists of multinational manufacturers, retailers as well as ocean carriers and logistics service providers representing over 80% of container shipping capacity. The Group develops and promotes the use of tools and methods to address the environmental and social impacts of transporting products.

In order to measure and reduce the environmental impact of its activities against a unifying benchmark framework, CMA CGM renewed its “Green Marine Europe” certification in October 2023. This environmental certification for the European maritime industry is a voluntary initiative of Surfrider Foundation Europe. Its aim is to provide shipping companies with a detailed framework for measuring and reducing their environmental footprint.

Acting for People: Human Resources, Health, Safety, Security

Commitment to our Employees

We consider our employees as our most important asset. As a result, we constantly strive to improve the quality of their working conditions, and to enable them to find fulfilment and training throughout their professional career. One of our key strategies lies in the continued promotion of cultural and gender diversity of our employees and thus we strive to give everyone equal opportunities. Our Group’s workforce consists of people from over 168 nationalities, of which 37% are women (34% within management). Kyutai, the first European private-initiative laboratory dedicated to open research in AI, was founded in 2024 jointly by the Iliad Group, the Group and Schmidt Futures. The Iliad Group and the Group have each contributed €100 million to funding the research laboratory. Its objective is to tackle the main challenges of modern AI, particularly by developing large multimodal models and by inventing new algorithms to enhance their capacities, reliability and efficiency. (See “Summary—Recent Developments.”)

Programs are deployed within the Group to promote diversity and gender equality, such as our “WE – Women’s Empowerment” program (previously known as “We are Shipping” program) which is devoted to the development of female leadership and aims to support women in their professional development through training workshops and networking opportunities. In addition, in March 2023 the Group launched a Diversity, Equity and Inclusion action plan in order to consolidate all its initiatives on diversity and inclusion.

We have also taken several steps to ensure better quality of life at the workplace, work-life balance and health and financial support for our employees. Working time arrangements and remote working have been instituted in some areas to enhance the work-home life balance and best meet the needs of customers.

Our people have access to top level medical treatment and financial protections in case of unexpected life events. As of December 31, 2023, 98% of our employees have access to primary health care either offered by the Group or the public authorities where they are located.

Safety and Security

Our safety policy is designed to ensure the protection of human lives and the preservation of material assets. As a global leader in maritime transport and logistics, our commitment to safety is fundamental to meeting the strictest regulatory standards and maintaining our reputation for operational excellence and social responsibility. By implementing effective preventive measures, we reduce the risk of accidents and ensure the safety of our employees, both at sea on our ships and during operations at terminals and warehouses. This is achieved through the implementation of prevention strategies to improve safety levels, involving all actors, from management to seafarers and operational staff, under as example the guidance of the Accident Prevention Committee. This committee enables us to oversee and promote our safety measures to prevent accidents and injuries. This expert committee identifies potential hazards, assesses risks, develops and implements our safety policies and procedures, and ensures compliance with safety regulations. Furthermore, the Group regularly conducts sea drills with the authorities to concretely improve safety. This allows the crews to effectively prepare for emergency situations such as fires, pirate attacks, navigation failures, or pollutant spills. A quick and well-coordinated response can save lives and minimize material and environmental damage. By conducting these drills, our crews familiarize themselves with safety procedures and emergency equipment. This strengthens their ability to manage crisis situations and reduces the risk of human error. These drills help identify opportunities for improvement in safety plans and emergency procedures. The lessons learned from these drills are used to enhance our protocols and crew training.

Our proactive approach to safety is also reflected in the development of our Safety Vision, which is a cornerstone of our commitment to safety issues. This internal safety strategy applies to all hierarchical levels and all areas, translating its principles into concrete measures with the primary goal of minimizing risk of accidents. Our top priority remains risk prevention. However, we recognize the importance of adequately preparing for potential crisis situations. This recognition is reflected in our commitment to a comprehensive approach to risk management. That is why we have implemented a comprehensive Business Continuity Plan (“BCP”), which plays a central role in our overall risk management strategy. This meticulously crafted plan enables us to respond immediately, promptly, and effectively once a crisis occurs, through dedicated tools distributed across the four major strategic axes: Facility Unavailability, Human Resources, our IT System, and our Suppliers, to restore operational stability. This is done after activation and decision-making in accordance with the directives established by the Group's crisis management plan. Our BCP is designed to address a variety of crisis scenarios. Its gradual deployment internationally ensures that our subsidiaries and agencies are equipped to respond consistently and cohesively to any emergency situation. This plan not only addresses crises but also aims to minimize their potential impact and ensure the continuity of our operations even in the worst-case scenarios. Therefore, it is not just about protecting our operations and assets, but also about ensuring the safety and well-being of our employees and preserving the trust of our stakeholders. The BCP is more than just a procedural document; it is an essential tool that strengthens our ability to tackle challenges and maintain our commitment to operational excellence and social responsibility.

The very nature of our business leads the Group to transport a wide variety of goods ranging from consumer products to dangerous materials, whether manufactured or not. Some goods can pose a danger during transport, which is why the Group has established a dedicated organization to inspect, analyze, and prevent risks related to the carriage of goods. To this end, the Group divides goods into three categories: (i) goods classified as dangerous by international regulations (IMDG Code - International Maritime Dangerous Goods Code) or national laws (CFR49 - Code of Federal Regulations) that impose strict regulations on transport (packaging, segregation, temperature, stowage, etc.); (ii) potentially dangerous goods that require recommendations: chemicals in reefer containers, loading and admissibility of heavy goods, etc.; and (iii) controlled goods subject to regulations on

stopping or limiting motion (including waste and protected species). To manage dangerous goods, the Group has a dedicated department (Dangerous Goods) providing support to our global organization 24 hours a day, seven days a week. We also have a dedicated computer application connected to the global booking IT system, which electronically incorporates applicable international regulations to help determine how dangerous goods are declared, then packaged and stowed in the container. Additionally, we are one of the founding members of the Cargo Incident Notification System Network (CINSNET), which currently includes around fifteen shipping companies. This network comprises approximately ten major shipping lines, representing about half of the global container traffic, enabling its members to share information on incidents related to dangerous goods.

Further, 46 of our Logistics segment facilities globally are certified according to the Transported Asset Protection Association (“TAPA”) certification, including 27 in Europe, 2 in Latin America, 12 in North America, 3 in the Asia-Pacific region and 2 in the Middle East. To enhance the security of the supply chain, the Group has fully committed to the U.S. Customs Trade Partnership Against Terrorism (“CTPAT”) certification. The Group undergoes regular audits by CBP agents to ensure that our internal procedures comply with the latest sea-carrier criteria for U.S. CTPAT. This certification demonstrates our commitment to security, cybersecurity, data protection, risk assessment, physical security, and more, benefiting our customers by ensuring smooth commercial operations in the United States and reinforcing the Group's reliability.

Acting for Fair Trade: Ethics, Compliance, Quality, Procurement, Global and Local Societal Engagement

Ethics and Compliance

We strive to be exemplary and to adopt the highest standards in terms of integrity in the way we conduct business and through strict compliance with applicable laws and regulations. As such, we have made continuous efforts to strengthen our anti-corruption compliance program (especially following the French “Sapin II” law), and to revise or create specific compliance procedures within the Group. For instance, an Ethics and Compliance Helpline is available which allows Group employees and third parties to address questions to the Compliance Department as well as report acts of fraud, corruption, human rights violation, unfair practices or any other breach of the Group’s policies, in particular the Code of Ethics applicable to all Group employees (alongside a Logistics segment-specific One CEVA Code) and the Anti-corruption Code of Conduct. The Group has also established a Third-Party Code of Conduct (alongside a Logistics segment-specific Sustainable Procurement Charter), which defines the minimum non-negotiable standards (in terms of human rights, labor standards and business integrity, amongst other factors) required of our third-party contractors when entering into a contractual relationship with us or acting on our behalf. The Group’s policy commitment to respect internationally recognized human rights is reflected in the Code of Ethics, the One CEVA Code, the Third-Party Code of Conduct and the Sustainable Procurement Charter and, in 2023, as part of our strategy of ongoing improvement as regards human rights due diligence, the Group hired a Human Rights Officer (based in the Compliance Department) and commissioned a global sustainable business consultancy to conduct a human rights impact assessment covering the Group’s own operations and supply chain, the output of which has deepened our understanding of our potential and actual adverse impacts in this area and is informing subsequent due diligence actions (further details of the Group’s actions as regards human rights feature in our annually published Sustainability Report (issued in compliance with the French “Commercial Code”)), Duty of Vigilance Plan (issued in compliance with the French “Duty of Vigilance” law) and two types of Modern Slavery Statement (issued in compliance with the UK and Australian Modern Slavery Acts respectively). Furthermore, we have implemented a personal data protection policy within our information systems, which extends to subcontractors and subsidiaries, to guarantee compliance with the European personal data protection standard worldwide.

In addition, we take part in joint initiatives with other shipping companies to promote ethical conduct in our line of business. For example, we are a long-standing member of the Maritime Anti-Corruption Network (“MACN”), a global business network working towards the development of a maritime industry free of corruption.

Quality and customer relationship

We strive to add value across the entire value chain. Customer satisfaction is the key driver in our vision of quality, and we also place fundamental importance on establishing a stable and long-lasting relationship with our suppliers.

Our ship management activities are certified according to the International Standards Organization’s ISO 9001 standard on quality management since 2016, and some of our business units and affiliates have developed their own quality management system according to applicable international standards.

In addition, CEVA has defined a Global Quality Vision in line with the company's values, making customer satisfaction a priority. In this respect, a three-year strategy was launched, including the set-up in 2023 of a Global Quality Management Framework, which was shared and applied in all regions through close monitoring to ensure optimal levels of compliance.

The structure of our quality management system enables effective performance monitoring of our targets and implements the continuous improvement principle. Senior management is responsible for ensuring that the demands of our quality management system are met. Internal and external audits are regularly performed on board and ashore to verify the effectiveness of our quality management system.

We adopt a "customer-centric" approach by working closely with our customers and providing them innovative solutions tailored to their needs. Several times each year, CMA CGM conducts a global survey of its customers. This survey enables the Group to monitor its Net Promoter Score ("NPS"), a benchmark indicator on the likelihood that respondents would recommend it, and to identify key areas for improvement. In 2023, the questionnaire was sent to over 410,000 different customer contacts, the vast majority of which gave the Group a positive NPS. In parallel to this survey, the Customer Satisfaction survey, which was initiated in 2019, was conducted once again this year and will be continued in 2024. It consists of two questions asked of each person who has been in contact with customer service. 872,000 questionnaires were sent out and 46,000 responses were received. Like CMA CGM, CEVA conducts an annual Net Promoter Score survey to help determine the main areas in which it can improve.

Procurement practices

On the procurement side, we created a Supplier Risk Committee to enhance the coordination of procurement risks within the Group and monitor the actions put in place. In addition to all operational representatives from the purchasing departments, the Committee aggregates key stakeholders working in the relevant area of expertise (legal, compliance, audit and risk, finance, human resources and CSR departments). Mapping of "procurement risks" at the Group level using the risk assessment methodology developed by our Group's Risk Management Department is regularly updated. This mapping exercise has allowed us to (i) outline the purchasing areas and regions, (ii) assess the risks in terms of, among others, corruption, economic sanctions, human rights, health and safety, environment, etc. (iii) classify the risks into segments associated with a given category of suppliers and intermediaries, and (iv) determine the action plans to reduce risk levels.

"The Way to Buy" is CMA CGM's internal responsible procurement policy. This describes the fundamental principles of responsible purchasing and supplier relations, applicable to all its employees involved in any part of the supplier engagement process. It sets out the mandatory steps to take in supplier qualification and includes a progress-focused approach to vetting based on environmental and social criteria. Notably, in 2023 CMA CGM obtained the French National Responsible Purchasing and Supplier Relations (RFAR) certification, confirming the incorporation of sustainability criteria in its supplier qualification process as well as the training provided to its procurement teams on ethical issues.

In 2021, the Group launched the Accelerate program in order to facilitate supplier assessments and fortifying risk management. In 2023, in connection with this program, the Group implemented a supplier risk management tool aiming at streamlining their assessment, coordinating corrective action plans and monitoring risks, based on compliance, finance and CSR criteria, and risk databases from third-party rating agencies. We completed the assessment of 59% of our eligible suppliers in 2023, accounting for approximately 85% of maritime business expenditures.

In 2023, CEVA also created its specific Responsible Procurement Charter which sets out CEVA's environmental, ethical, social and human rights commitments to its suppliers. CEVA insists that its suppliers meet the same high standards in their own operations

In April 2023, CMA CGM signed the Responsible Purchasing and Supplier Relationships Charter and the shipping activity obtained Responsible Purchasing and Supplier Relations label from the French Ministry of Economy and Finance.

Global and Local Societal Engagement

As a global business, we put our industrial facilities and the expertise of our employees at the service of major humanitarian causes. We are strongly committed to advancing the social and economic growth of the countries

where we do business by making investments to create jobs and new opportunities. We are also actively engaged in improving local communities through the provision of financial and in-kind support to NGOs and local associations, via the CMA CGM Foundation, as well as through employee initiatives. For instance, the CMA CGM Foundation launched the “Containers of Hope” campaign in 2012, which provides NGOs with maritime transport for around 100 containers per year on the Group’s ships to deliver aid to populations in conflict zones or areas exposed to health and humanitarian threats. Since the launch of this campaign, more than 35,000 tons of humanitarian equipment have been shipped through partner organization programs to 70 countries, including 15,000 tons in 2023.

In addition, we seek to help improve local communities through voluntary initiatives (one-off or recurring) that are carried out by our Group entities and/or employees in relation to various environmental, social or societal themes. Actions in this respect vary in scope and purpose. We are proud to have been involved in 744 local initiatives in 2023, improving the life of 170,000 beneficiaries in almost all of the 160 countries where the Group operates.

We also take part in solidarity initiatives during natural or other calamities through the implementation of emergency actions. For instance, following the earthquake that struck Turkey in February 2023, the CMA CGM Foundation mobilized the logistics expertise of the Group, in partnership with the Crisis and Support Center of the French Ministry for European and Foreign Affairs. A field hospital able to treat up to 100 patients a day was flown, free of charge, in a CMA CGM Air Cargo A330-200F aircraft to Gaziantep airport in Turkey.

Intellectual Property

CMA CGM has an extensive intellectual property program and takes all appropriate measures to protect and defend its intellectual property rights throughout the world. As a leading international player in its field of activity, CMA CGM owns a wide variety of intellectual property rights, including copyrights on its websites and advertising materials, patents, trademarks, trade and corporate names and domain names. Its main intellectual property assets consist of the “CMA CGM” trademarks and trademark applications, and related trademarks and trademark applications such as “CMA TERMINALS,” “TERMINAL LINK,” “CCIS,” colors and logos in the field of maritime transportation and related activities, including logistic activities and maritime terminal and ship management, and “CMA CGM AIR CARGO” for its Air Cargo business. CMA CGM has registered these trademarks with the relevant intellectual property offices in all the countries in which it operates under its brand. In addition, through its subsidiaries, CMA CGM owns, among others, (i) the “APL,” “CNC,” “ANL” trademarks, colors and logos in the field of maritime transportation, (ii) the “CEVA” brand name and related trademarks in the logistics sector (including the rights owned since the acquisition of Bolloré Logistics, which have been, or are about to be, rebranded under the “CEVA” brand name and related trademarks), (iii) the “LA MERIDIONALE” trademarks for freight and passenger shipping and (iv) the “LA PROVENCE,” “CORSE MATIN,” “LA TRIBUNE,” “BFM TV” and “RMC” brand names and related trademarks in the Media business.

Legal Proceedings and Government Investigations

Antitrust matters

South Africa

The Competition Commission of South Africa (“CCSA”) carried out in September 2016 unannounced inspections at the Durban office of CMA CGM South Africa and other carriers’ local offices in order to investigate customer complaints about alleged anti-competitive practices. The investigation remains ongoing and CMA CGM continues to cooperate with the CCSA, in particular as regards information requests received as recently as March 2024. The maximum exposure for cartel conduct is a fine of up to 10% of the South African derived turnover of the firm concerned, together with a criminal fine of R500,000 (approximately \$30,000) maximum and/or 10 years of imprisonment maximum (for possible involved individuals). No provision is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

Korea

On June 30, 2020, the Korean Fair Trade Commission (“KFTC”) conducted an unannounced investigation at the premises of CMA CGM’s South Korean shipping agent, CMA CGM Korea. This investigation is an extension of a previous investigation of carriers launched in 2018 by the KFTC, to which CMA CGM was not subject, for alleged cartel activities with respect to the operation of scheduled shipping services on the Southeast Asia line. On April 17, 2022, KFTC notified CNC (the wholly-owned subsidiary of CMA CGM, in charge of intra-Asia

short sea lines) of a violation of antitrust laws in relation to price-fixing in the context of the Intra-Asia Discussion Agreement. KFTC imposed a fine of 1,169 million KRW (approximately \$975,000) on CNC; it also fined 22 other shipping companies.

CMA CGM has brought an appeal, which is ongoing, before the High Court of Seoul to seek to have the KFTC decision annulled. CMA CGM considers the prospects on appeal to be positive, in light of intervening judgments issued under similar circumstances. A provision (for legal fees) is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

United States of America

On February 17, 2022, CMA CGM America was served with a subpoena from the antitrust division of the Department of Justice (“DoJ”), in the context of the significant increase of market freight rates during the COVID-19 period. On July 2022, CMA CGM America received a second subpoena to produce additional information. CMA CGM understands that the DoJ is conducting an investigation into possible cartel activities between the major international shipping companies active in the United States. CMA CGM has cooperated fully to date, in particular by responding to the two subpoenas received and responding to a clarification request in April 2023. No provision is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

Asbestos work-related matters

We have historically been party to two types of legal actions in respect of asbestos work-related matters:

Compensation for emotional distress

Claims have historically been filed against us in France by seafarers with various local administrative authorities (*Directions Départementales du Territoire et de la Mer*) alleging emotional distress over the possible consequences of past asbestos exposure. These claims are not for actual physical illness but rather the fear of becoming ill due to prior asbestos exposure. No such claims are currently pending. As a result, no provision is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

Compensation for illness and wrongful death

Vessels built in the 1970’s and 1980’s often used asbestos in the construction process. Until 2011, seafarers could not, under French law, bring asbestos-related claims against shipping companies. This changed in 2011 due to decisions of the French Constitutional Court (*Conseil Constitutionnel*) and Supreme Court (*Cour de Cassation*) making it possible for seafarers to sue their employers based on a theory of gross negligence (*faute inexcusable*). To obtain compensation in asbestos related matters, a French seafarer must first make a declaration of a work-related illness to the relevant French social security authority, the ENIM (*Etablissement National des Invalides de la Marine*). The ENIM then investigates and determines the amount of disability compensation, if any, to be paid by social security. Such compensation indemnifies the employee solely for economic losses by increasing the invalidity quotient used by social security to determine the amount of the pension. In addition, under certain circumstances, the claimant may also bring an action before a specialized tribunal against its employer (based on gross negligence (*faute inexcusable*)) to obtain damages for the prejudice suffered and the additional costs incurred due to the illness. Five such cases are currently pending against us by French seafarers formerly employed by shipping companies that we acquired in the past (such as CGM or DELMAS) seeking compensation for asbestos exposure in excess of the amounts already paid by French social security. The French Supreme Court (*Cour de cassation*) issued several decisions in October 2017 to the effect that claims for compensation on the ground of CMA CGM’s alleged gross negligence (*faute inexcusable*) must be brought within two years of the date of a medical statement or certificate establishing that the disease is work-related. CMA CGM applies this jurisprudence to many of the asbestos-related cases brought against it. CMA CGM is also defending three proceedings brought by stevedores alleging that they came into contact with asbestos in cargo carried onboard CMA CGM-operated ships; the judgments in the first instance courts were favorable to CMA CGM in each of these cases.

In addition, there are six petitions from former seafarers or shore-based personnel of CMA CGM or its subsidiaries pending before both the general and marine branches of the social security administration (CPAM & ENIM) to recognize their diseases as work-related. CMA CGM regularly defends against these claims before the social security administrations including in court to reject the imputation of those diseases to CMA CGM.

APL asbestos matters

APL was previously named as a defendant in over 67 lawsuits alleging injuries caused by asbestos exposures on or around APL vessels. Those cases were consolidated before a U.S. federal court in Ohio. In those proceedings APL was joined by co-defendants that included other vessel owners and asbestos manufacturers. Most of the cases were eventually dismissed for lack of personal jurisdiction over APL, based on the issue of time-bar, or for some other reason. Some appeals from those dismissals are still pending.

APL is also named as a defendant in a body of other lawsuits (pending in other U.S. jurisdictions) brought by longshoremen, shipyard workers, shore side sailors and others claiming to have been injured by asbestos exposures on or around APL vessels. The majority of these suits consist of low-level asbestosis claims, but there are also some cases involving more serious alleged injuries such as lung cancer or mesothelioma. Most cases are negotiated to settlement by APL's defense counsel, after the completion of some discovery and motion practice, but in the relatively rare instances where no reasonable settlement is obtainable, cases are litigated to final judgment. APL had 18 such lawsuits open and pending with a reserve balance of approximately \$2.28 million as of August 29, 2024.

Other disputes and potential claims

Algerian Monetary Foreign Exchange Control

CMA CGM is potentially exposed to liability arising out of two separate investigations by the Central Bank of Algeria (the "CBA") of the accounts held by CMA CGM Algeria ("CCA") as agent of CMA CGM with respect to vessels calling in Algerian ports (a) between 2000 and 2010 (an action brought in 2011) and (b) in 2013 and 2014 (an action brought in 2014). The CBA alleges that CCA infringed the Algerian foreign exchange control laws when transferring to CMA CGM the funds related to the *compte d'escale* (i.e., money collected and paid on behalf of CMA CGM in relation to its vessels' calls in Algeria). CCA is accused (in the first procedure relating to the 2000-2010 period) of having produced false declarations when establishing *comptes d'escale* (first procedure) and (in the second procedure relating to the 2013/2014 period) of having made illegal offsets between *comptes d'escale*, and of having thus made illegal transfers of income to CMA CGM SA.

The amount of the financial exposure in the first procedure is \$327 million, as the infringement alleged by the CBA is around \$82 million for the 2000 to 2010 period and in theory the penalty could amount to four times the infringement amount. The case was referred to the public prosecutor and an investigating judge is conducting an investigation. CCA is cooperating with the ongoing investigation and believes it has strong defenses against the allegations. Between 2022 and 2023, three reports were issued at the request of the investigating judge. The first two were considered unfavorable to CMA CGM's position; the third, by a different marine surveyor, was considered more favorable. Following a hearing held on August 18, 2024, the court issued a decision on August 18, 2024 rejecting the case against CCA as the statute of limitations had expired. The public prosecutor has not appealed this decision to date, but remains entitled to do so during a two-month period as from the date of the judgement.

In the second procedure, CCA was found liable to pay a fine of \$2.4 million by the Court of First Instance of Algiers, and such ruling was confirmed on appeal on October 2, 2016. On October 19, 2023, the Supreme Court rejected the cassation appeal lodged by CCA. CCA was ordered to pay the criminal fine while its former manager was acquitted of the charges against him. A procedure for the review of the dismissal ruling before the Supreme Court was initiated in December 2023 and was rejected in May 2024. CCA paid the fine of \$2.7 million on July 11, 2024.

As a result, the provision recorded in this respect as of December 31, 2023 was reversed in the Unaudited Interim Condensed Consolidated Financial Statements.

Turkish Cigarettes

In 2017 and 2018, bookings were made by a freight forwarder with CMA CGM's agency in Turkey for the carriage of 14 containers from Gebze to Rotterdam, under two bills of lading said to contain "glasswares" in accordance with shipping instructions. At the freight forwarder's request, CMA CGM amended the place of delivery from Rotterdam to Antwerp. In February 2018, CMA CGM was informed by the Belgian customs authorities that contraband cigarettes had been found in containers shipped under one of the bills of lading. The goods were seized before leaving the terminal in Antwerp. Subsequently, an investigation was launched by the European Anti-Fraud Office ("OLAF") which revealed that a previous shipment of cigarettes had not been identified by the Belgian customs authorities. That shipment would have been effected under the other bill of lading.

CMA CGM filed an action against the Belgian State seeking to nullify the official report of the Belgian customs authorities. An investigating magistrate was appointed in November 2019 to carry out the necessary investigations and proceedings were brought by Belgian customs authorities before a tax magistrate seeking to hold CMA CGM and its agents CMA CGM Belgium (“CC Belgium”) and CMA CGM Turkey (“CC Turkey”) liable for illegal import pursuant to the EU Customs Code that had recently entered into force. Specifically, on January 8, 2020, the Belgian customs authorities commenced an action against CC Belgium, CC Turkey and CMA CGM seeking (i) the payment of criminal fines amounting to between around €625 million and €1.25 billion, (ii) the payment of customs fees and import dues amounting to approximately €40 million plus interest, and (iii) confiscation for the value of the cargo which was not seized, amounting to €4.4 million.

On October 16, 2023, the Antwerp Court of Appeal found CMA CGM and CC Turkey guilty under criminal law and condemned each of them to a fine of €5 million and to confiscation (with a circa €3 million fine in case of no restitution), and found CMA CGM, CC Belgium, and CC Turkey guilty under civil law and condemned them jointly and severally circa €13 million (plus interest) for excise duty. CMA CGM has lodged an appeal to the Supreme Court. The parties are currently engaged in settlement discussions.

A provision is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

NSC vs SAN

In March 2001 the Nigerian Shipper’s Council (“NSC”) and the Shipping Association of Nigeria (“SAN”) signed a Memorandum of Understanding (“MOU”) listing the local shipping charges, including terminal handling charges (“THC”), that shipping lines’ agents could bill to customers.

Prior to 2006, the container handling services were charged by the port authority to the agents who in turn charged the receivers after adding their own costs and all under the label “THC.” As from 2006 and the privatization of the Apapa port, the terminal operators started charging the container handling fees directly to the receivers. It was then decided as between terminal operators and agents that terminals would bill the receivers with an equivalent of 70% of the old version of the THC calculation while agents would bill their own costs to the receivers in an amount equal to 30% of the old version of the THC and under a new label: “SLAC.”

In October 2014, the NSC, alleging authority to regulate the economic actors of the Nigerian ports, sent a notice to SAN with a new tariff regime to be effective as from November 2014, which drastically reduced the revenues of the shipping lines. SAN lodged an action before the Federal High Court of Lagos challenging the power of NSC to unilaterally set tariffs related to the services provided. In December 2014, a decision was rendered to the effect that NSC had the authority to regulate ports’ charges, and that the SLAC was illegal as not listed in the 2001 MOU. SAN appealed the decision and requested a stay of execution.

In June 2017, the court of appeal held that NSC did not have regulatory authority over the shipping charges applicable to the port of Lagos, but that the SLAC was indeed illegal and had to be refunded by shipping agents as from 2006. This represents an aggregate principal amount of \$88 million for CMA CGM Nigeria, increased to \$488 million with the 21% interest ordered by the court of appeal. SAN appealed the decision before the Supreme Court and, in July 2017, a stay of execution was filed before the court of appeal.

The Supreme Court has now set January 13, 2025 for a hearing on the merits; the parties are engaged in settlement negotiations.

A provision has been recorded in respect of this matter in the Unaudited Interim Condensed Consolidated Financial Statements.

DSME – Patent case

In March 2022, proceedings were commenced in France by the Korean shipyard Daewoo Shipbuilding & Marine Engineering Co., Ltd (“DSME”) before the *Tribunal Judiciaire de Paris* against CMA CGM, alleging that the fleet of 9 x 23,000 TEU LNG vessels ordered by CMA CGM from the Chinese shipyard group CSSC breach DSME’s European patent no. EP2374710B1 and that the loss suffered by DSME amounts to \$4,566,350 per vessel. DSME subsequently filed further pleadings in May 2023 alleging that an additional 18 vessels under charter to CMA CGM from third parties and built by CSSC and Korean shipyard group Hyundai also breach DSME’s European patent, again alleging that the loss suffered by DSME amounts to \$4,566,350 per vessel. CMA CGM disputes the validity of the claims.

Patent infringement proceedings had previously been commenced by DSME against CSSC in China in July 2020 and CSSC had filed patent annulment proceedings in August 2020 with the China National Intellectual Property Administration (“CNIPA”) against DSME’s Chinese patents which are equivalent to the European patent which CMA CGM is alleged to have breached. The CNIPA annulled DSME’s patents by a ruling on August 24, 2021; DSME appealed the ruling to the Chinese Supreme Court, which is pending.

CSSC and Hyundai have intervened voluntarily in the French proceedings and have filed pleadings denying that the vessels which they have built breach DSME’s patent.

All shipbuilding contracts entered into by CMA CGM contain an intellectual property clause pursuant to which the shipyard undertakes to hold CMA CGM harmless from patent liability or claims of patent infringement including the cost and expense of any litigation.

Settlement discussions are ongoing between the parties to the French proceedings and the matter was adjourned to a hearing on June 18, 2024, following which the case has once again been adjourned.

A provision of has been recorded in respect of this matter in the Unaudited Interim Condensed Consolidated Financial Statements.

Blanco case (Helms Burton Act proceedings)

CMA CGM LLC and CMA CGM SA were sued in August 2021 before a Florida court by the Blanco family, who claims to have held a 70-year concession on the port of Mariel (Cuba) until the Cuban revolution, and to have owned the agricultural land (4,451 hectares) surrounding the bay in which the port is situated. Under the Helms Burton Act, the Blanco family is accusing CMA of profiting from maritime and logistical operations in the area and is seeking compensation (in civil proceedings) for receiving confiscated assets.

On July 20, 2023, the courts rendered an order accepting the report of the investigating judge and accepting CMA CGM’s motion to dismiss on most of its grounds, thereby reducing its exposure by approximately 90%; it currently stands at approximately \$190 million. The current procedural schedule calls for depositions of fact witnesses in September-October 2024. Expert discovery will occur in October-November 2024 and a summary judgment briefing at the end of the year. If mediation fails, a trial may occur mid to late 2025. CMA CGM considers that it had strong arguments and it is vigorously defending the litigation.

A provision (for counsel fees) has been recorded in respect of this matter in the Unaudited Interim Condensed Consolidated Financial Statements.

CARB

On November 1st, 2022, the California Air Resource Board (“CARB”) sent a notice of violation (“NOV”) to CMA CGM for an alleged breach of the Airborne Toxic Control Regulation Order in California ports in 2021. CARB alleges that there was insufficient cold ironing of vessels during calls at the ports of Los Angeles, Long Beach and Oakland. The NOV states that there were 7,362 violations and the applicable statutes provide for maximum civil or administrative penalties of between \$5,455 and \$10,910 per day.

CMA CGM argues that exemptions should be granted in accordance with CARB guidance as the COVID-19 pandemic required CMA CGM to deploy extra loader vessels due to the severe impacts of the pandemic on the supply chain and furthermore that CMA CGM had responded to calls from U.S. Federal and California state authorities to the shipping industry to help alleviate the unprecedented congestion and extended turn times caused by the pandemic. Meetings with CARB have so far resulted in a reduction in the number of alleged violations in 2021 (5,815 violations) and for 2022 (1,273 alleged violations) although no formal notice of violation has been issued for 2022. Discussions with CARB continue.

A provision has been recorded in respect of this matter in the Unaudited Interim Condensed Consolidated Financial Statements.

CIL-Related Proceedings

CIL Limited (formerly CEVA Investments Limited, or “CIL”), the former parent of CEVA Group Ltd, 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 (“SDNY”). In 2014, the Trustee in the Chapter 7 proceeding, acting for the benefit of CIL’s creditors, filed a claim against CIL’s former directors, CEVA Group

Ltd, and affiliated entities relating mostly to CEVA's recapitalization in 2013. The Trustee's claims relate primarily to the dilution of CIL's equity ownership in CEVA Group Ltd at the time of the recapitalization. The Trustee seeks to recover CEVA Group Ltd equity value (which it alleges to be as much as €295 million) that the Trustee alleges CIL held at the time of the recapitalization. Another claim by the Trustee relates to certain cash pooling agreements, the sums of which were deposited by or for the benefit of CIL and which it alleges are owed to CIL by one or more CEVA entities in the amount of approximately €14 million. 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 before the SDNY Bankruptcy Court as well as a new action in the Netherlands (described below) related to the disputed payable claim against the entity that had been dismissed from the SDNY Bankruptcy Court action, and other CEVA affiliated entities. In April 2024, the SDNY Bankruptcy Court granted in part and denied in part the CEVA defendants' motion for summary judgment, including dismissing the only remaining disputed payable claim in the action. The SDNY Bankruptcy Court also denied the Trustee's motion for summary judgment. Certain of the Trustee's claims regarding the 2013 recapitalization remain pending; a trial on the merits could take place as early as 2025. In the Netherlands action, the CEVA defendants filed their Statement of Defense and Counterclaims in 2019. The Trustee never filed a Statement of Defense in response to CEVA's counterclaims, and the court therefore removed the proceedings from its docket. However, this was merely an administrative act with no legal consequences, and either party could revive the proceedings at any time.

In March 2019, Cyrus, the primary creditor in the bankruptcy proceeding, filed a separate claim in the Supreme Court of the State of New York against CEVA Logistics AG, as the alleged successor in interest to CIL, related to CEVA's 2013 recapitalization and seeking to recover the value of the same debt instruments that are at issue in the proceedings before the SDNY Bankruptcy Court. In October 2019, the parties entered into an agreement to stay the State Action until the SDNY Bankruptcy Court issued an "order or judgment" on the summary judgment motions in the proceeding summarized above. On April 18, 2024, the SDNY Bankruptcy Court issued a "memorandum decision" on the summary judgment motions and requested that the parties submit an order. Therefore, the stay has not yet been lifted, and will not be lifted until an official order is submitted and then entered by the Court. The parties will then have 30 days from entry of the summary judgment order to confer regarding what to do next with the State Action. If the parties are unable to come to an agreement on how to address the State Action, CEVA Logistics will answer, move to dismiss (on personal jurisdiction or other grounds), or otherwise respond to the Complaint within 45 days of entry of the summary judgment order.

A provision is recorded in this respect in the Unaudited Interim Condensed Consolidated Financial Statements.

Provision for litigation

A provision for litigation of \$316.9 million was recorded as of June 30, 2024 in the Unaudited Interim Condensed Consolidated Financial Statements. This relates, in addition to the matters noted above, to cargo-related and other claims incurred in the normal course of business, including for CEVA. None of the claims in the latter category taken individually represents an amount that is material for the Group.

REGULATORY MATTERS

Our operations are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the ships operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are subject to change, we cannot predict the continuing cost of compliance with such conventions, laws and regulations, the impact thereof on the resale price or useful life of ships or on business operations. As a result of the recent and contemplated acquisitions, the Group is also subject to media laws and regulations. Additional laws and regulations, environmental, security-related or otherwise, may be adopted and could increase our costs or limit our ability to service particular areas. See “*Risk Factors – Risks Relating to Our Business and Results.*” We summarize in this section the conventions, laws and regulations that we consider to be the most significant for our business; the summary below does not purport to be exhaustive or complete.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our operations. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operation of owned, chartered or leased vessels, as well as permits, licenses and certificates required for shipping and other related services, will depend upon a number of factors, we believe that we have been and will continue to be able to obtain all permits, licenses and certificates material to the conduct of our operations.

Maritime, Safety and Competition Regulations

France

We are subject to wide-ranging laws and regulations regarding maritime operations, most of which are set forth in the French Maritime Divisions, French Code of Transportation (*Code des transports*), and in particular in Articles L. 5000-1 *et seq.*, and in the French Customs Code (*Code des douanes*).

As of May 13, 2024, 27 of the container ships we own, including our flagship vessel CMA CGM JACQUES SAADE delivered on September 22, 2020, fly the French flag. Under Articles L. 5112-1-1 to L. 5112-1-8 of the French Code of Transportation (*Code des transports*), the main requirements for a vessel to be registered under the French flag are the following:

- (1) the vessel must have been built in the territory of a Member State or have paid applicable import fees and taxes in one of these countries; and
- (2) (a) the vessel must be at least half-owned or will be half-owned following the exercise of a purchase option under a financial lease agreement: (i) by nationals of France or another EU member state or, if the vessel is not equipped for fishing, of an EEA member state (other than France or another EU member state), who, in all cases, if they reside in France less than six months per year, must elect domicile in France with regard to any administrative or judicial affairs related to ownership of the vessel (if the vessel is co-owned, this condition applies to each owner); (ii) by a legal entity that is headquartered in France or in the territory of another EU member state or, if the vessel is not equipped for fishing, of an EEA member state (other than France or another EU member state), provided in the latter two cases that the vessel is controlled and managed from a French permanent establishment; or (iii) by a legal entity which is not headquartered in the European Union or in the EEA, provided that pursuant to an agreement between France and the country in which such legal entity is headquartered, a French-registered legal entity may legally conduct business and be headquartered in such country, and provided that the vessel is controlled and managed from a French permanent establishment; (b) either be bareboat chartered by: (i) a natural person who satisfies the nationality and residence requirements set out above in paragraph (2)(a)(i); or (ii) a legal entity complying with the conditions of nationality, registered office or permanent establishment aforementioned in paragraph (2)(a)(ii); or (c) the vessel is equipped for commercial use and its nautical management is (i) operated from France by a permanent establishment of the legal entity owning it or by a legal entity established in France and contractually bound to the owner for the purpose of the performance of such nautical management; or (ii) operated by a legal entity complying with the conditions of nationality, registered office or permanent establishment aforementioned in paragraph (2)(a)(ii) holding appropriate documentation in compliance with the ISM Code (as defined below) or, where the vessel is not governed by ISM Code and the operator of its

nautical management does not hold the document of compliance referred to therein, proving that it ensures from France the equivalent management measures necessary for the operation of the vessel.

In order to enhance the competitiveness of the French flag, Law No. 2005-412 of May 3, 2005 (now codified under Articles L. 5611-1 *et seq.* of the French Code of Transportation) created a French International Register (*Registre international français*), pursuant to which vessels may be registered subject to certain conditions. The related legal regime provides for, among other advantages, certain tax exemptions in respect of crew salaries. French safety and environmental law is applicable. Crew residing outside the French territory are subject to a specific labor and welfare regime. For a vessel to be registered on the French International Register, Article L. 5612-3 of the French Code of Transportation provides for the following conditions:

- (1) 35% of the crew (safe manning) must be EU, EEA or Swiss Confederation nationals, or nationals of any country which is party to any international convention having the same scope with regard to residency and labor laws, this proportion being lowered to 25% if the vessel does not benefit—or no longer benefits—from the tax exemption scheme available upon its purchase; and
- (2) the vessel's captain and the first officer on the vessel must be French, EU, EEA or Swiss Confederation nationals, or nationals of any country which is party to any international convention having the same scope with regard to residency and labor laws. The captain and the first officer must hold certain professional qualifications and have sufficient knowledge of the French language and shipping-related legal matters to exercise the power of a public authority granted to the captain and the first officer.

European Union

In the European Union, we are subject to competition rules set forth in the Treaty on the Functioning of the European Union ("TFEU"), mainly Articles 101 and 102, and in the implementing Council Regulations (EC) 1/2003 and (EC) 246/2009. Article 101 TFEU generally prohibits and declares void any agreement or concerted actions among competitors which adversely affect competition, in particular if they lead to the formation of cartels or anticompetitive foreclosure. The abuse of a dominant position held by one or more (shipping) companies is prohibited by Article 102 TFEU. Certain joint operation agreements (also referred to as a "consortium") in the liner shipping industry such as vessel sharing agreements, slot swap agreements were block exempted from certain prohibitions of Article 101 TFEU by Commission Regulation (EC) No 906/2009, as amended by Commission Regulation (EU) No 697/2014 and No 2020/436 ("Commission Regulation (EC) No 906/2009"). However, Commission Regulation (EC) No 906/2009 expired on April 25, 2024. As a result, the legal framework for the admissibility of a consortium is currently subject to general EU antitrust rules, i.e those agreements are subject to self-assessment under these rules, but as a matter of fact are considered lawful on account of their pro-competitive effects.

Since the Council abolished a carriers' right to set common prices and to limit capacities on shipping services to or from ports of the European Union in 2008, agreements or arrangements between carriers that restrict competition, in particular those pertaining to price fixing, capacity limitations or market allocations, are prohibited and subject to sanctions by the European Commission or any national competition authorities of EU countries. The European Commission may impose fines on carriers engaged in anticompetitive practices. It may also impose remedies or render legally binding the commitments offered by companies in order to address certain competition concerns. Since Brexit, the same rules apply in the UK independently from the provisions enshrined in the Treaty on the Functioning of the European Union.

In the EEA, we were until 2019 subject to compulsory rules relating to future price announcements via mass communications for ocean shipping services on EEA trades, as we and other carriers were the subject of a European Commission decision involving specific behavioural commitments in this respect that came into force in 2016. The commitment decision lapsed on December 7, 2019, but we have decided to continue implementing the substance of the commitments and remain in line with their spirit.

United States

Our carrier operations serving U.S. ports are subject to the provisions of the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998, the Federal Maritime Commission Authorization Act of 2017 and the Ocean Shipping Reform Act of 2022 (the "Shipping Act"). Among other things, the Shipping Act confers immunity from U.S. antitrust laws for certain agreements between ocean common carriers operating in the United States foreign commerce, provided that the agreement has been filed with the FMC, and has become effective in accordance with the Shipping Act. The most common types of carrier agreements are slot exchange agreements,

whereby carriers share space on each other's ships, and discussion agreements, in which carriers may discuss rates and other terms of service in the covered trades and voluntarily adopt recommended ocean freight rates and charges and other terms and conditions of service. We refer to these types of agreements as co-operation agreements. To receive a U.S. antitrust exemption, these co-operation agreements must be filed with the FMC and must become effective in accordance with the terms of the Shipping Act. In the normal course, a carrier agreement will become effective 45 days after filing, or 30 days after publication of the agreement in the Federal Register, whichever is later; the review period may be shortened if it qualifies for "expedited review" or falls within specified categories, such as a "low market share agreement." This review process may be extended if the FMC requests additional information from the parties to the agreement. If the FMC determines that the agreement is "substantially anti-competitive," a court injunction may be sought to prevent the parties from operating under such agreement. Under the Shipping Act, ocean common carriers serving U.S. ports may offer container shipping to customers either through semi-confidential service contracts or through publicly available tariffs. The Shipping Act requires carriers to publish their tariff rates and certain service contract terms (other than the contract rates) electronically to allow public Internet access. The Federal Maritime Commission Authorization Act of 2017, which was signed into law on December 4, 2018, provides for additional safeguards against anti-competitive behavior within the shipping industry and, *inter alia*, (i) provides for annual FMC oversight and review of the impacts on competition of alliances between ocean carriers, to be reported to the U.S. Congress on an annual basis, (ii) prohibits ocean carrier alliances from collectively participating in negotiations with terminal service providers, if such participation would likely result in excessive anti-competitive impacts, (iii) grants the FMC and U.S. courts specific tools and remedies to enforce the provisions precluding anticompetitive behavior of regulated entities and (iv) prohibits common carriers from participating in both rate discussion and vessel sharing agreements regarding the same trade if such participation would likely result in a reduction in service or increase in transportation cost. Our liner services to U.S. ports are subject to Shipping Act and FMC regulatory requirements relating to carrier agreements, tariffs, and service contracts and civil penalties may be imposed for any failure to adhere to these statutory and regulatory requirements. Currently, penalties of up to \$14,608 may be imposed for non-willful violations and up to \$73,045 for each willful or knowing violation of a FMC regulation or order. The maximum amount for civil penalties is adjusted for inflation annually, with the last adjustment occurring in January 2024.

Unlike the European Union, many countries still continue to implement regulations similar to the Commission Regulation (EC) No 906/2009 (which expired on April 25, 2024) mentioned above, detailing rules applicable to shipping companies' consortia that are block exempted (i.e. that are automatically presumed to be valid by their nature pursuant to applicable laws and regulations), regulating the validity of operational maritime agreements in each concerned country and warranting their lawfulness. This is, for example, the case in Singapore, but also in Hong Kong, Malaysia or Australia.

International

The IMO is the United Nations agency responsible for maritime safety and the prevention of maritime pollution by ships. The IMO has adopted stringent safety standards as part of the International Convention for the Safety of Life at Sea ("SOLAS"). Among other things, SOLAS, which is applicable to our vessels, establishes vessel design, structural, materials, construction, life-saving equipment, safe management and operation, and security requirements to improve vessel safety and security. The SOLAS requirements are revised from time to time, with the most recent modifications being phased in such as modernisation of the global maritime distress and safety system, mooring safety etc.

In 1994, SOLAS was amended to incorporate the ISM Code. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code became mandatory for container vessel operators in 2002. Our operations comply with the ISM Code and all our vessels have obtained the required certificates demonstrating compliance with the ISM Code.

SOLAS was amended to integrate the International Code for Ships Operating in Polar Waters (the "Polar Code"), which became mandatory on January 1, 2017. The Polar Code sets forth safety and environment related provisions (ship design, construction and equipment, operational and training aspects, search and rescue, marine environment) regarding navigation in waters surrounding the two poles. The Polar Code is not applicable to any of the trades provided by the Company and therefore does not affect any of the Company's vessels.

Our vessels are regularly audited or inspected by flag states or their approved representative body, as well as other national and international authorities acting under the provisions of their international agreements related to port state control authority, the process by which a nation exercises authority over foreign vessels when the vessels are in the waters subject to its jurisdiction.

The ISM Code requires that each vessel is in possession of a safety management certificate (“SMC”). This certificate evidences the compliance of a vessel with all procedures related to safety and environment protection according to the ISM Code and as laid down in the company’s safety management system which is approved by an authorized body (e.g., Det Norske Veritas (Norway), Bureau Veritas, Germanischer Lloyd). Furthermore, the responsible company must be certified and hold a Document of Compliance (“DoC”), issued by the flag state administration, under the provisions of the ISM Code. In case the company’s DoC is rendered invalid, all SMC’s of vessels for which the company is responsible, will be rendered invalid as well. Our operations comply with the ISM Code and all of our vessels have obtained the required certificates demonstrating compliance with the ISM Code.

We believe that we are in substantial compliance with all requirements of SOLAS and the ISM Code applicable to our operations.

Our business is also very sensitive to political developments, and we have to adapt our operations very quickly in order to ensure compliance with the multiple international and domestic regulations that apply to us. To do so, we implement global trade compliance policies and procedures that reflect the financial and trade sanction regulations administered by the UN, the EU, the French DGT, the UK HMT or the U.S. authorities (including OFAC), as applicable to each Group activity. We have an in-house Economic Sanctions Desk to supervise all economic sanctions compliance matters relating to sanctioned countries. We screen all new partners and run daily automatic analyses of our worldwide bookings database against sanctions databases.

Security

Following the terrorist attacks on September 11, 2001, the U.S. Government adopted certain measures to improve security at various U.S. ports and with respect to vessel and cargo movements to and from the United States. On December 2, 2002, the U.S. Customs Service (now U.S. Customs and Border Protection) implemented what is sometimes called the Advance Manifest Rule, designed to enable Customs to evaluate the risks associated with certain shipments, and to screen cargo as necessary, before it is loaded onto vessels for importation to U.S. ports. The rule applies to all containerized cargoes, as well as break bulk cargoes unless specifically exempted. This rule requires carriers to submit expanded documentation regarding a vessel’s cargo at least 24 hours before they begin loading a ship in a foreign port and prescribes penalties for carriers that fail to do so. This information must be submitted electronically through the automated manifest system (the “AMS”). In addition, crew and passenger information must also be submitted electronically at least 96 hours before entering the first U.S. port, with certain exceptions for voyages of less than 96 hours. Failure to comply with these requirements may result in a vessel’s entry into a U.S. port being delayed or denied or the assessment of penalties.

We participate in the C-TPAT initiative, a voluntary supply chain security program led by CBP that we joined in 2002. The purpose of C-TPAT is to partner with the trade community for the purpose of protecting the United States and international supply chains against possible intrusion by terrorist organizations. C-TPAT requires us to document and validate our supply chain security procedures in relation to existing CBP C-TPAT criteria or guidelines as applicable. CBP requires that C-TPAT company participants develop an internal validation process to ensure the existence of security measures documented in their Supply Chain Security Profile and in any supplemental information provided to CBP. As a part of the C-TPAT process, CBP and the C-TPAT participant jointly conduct a validation of the company’s supply chain security procedures, and certified companies are subject to re-validation every four years.

We have imposed a surcharge on cargo traveling to or through the United States, which covers most of the U.S. ports, to reflect the increased costs we incur under the notification and monitoring program. U.S. authorities have also increased container inspection rates. This is partly due to legislation passed in 2006 (the “SAFE Port Act”) mandating that, by the end of 2007, all containers entering the 22 highest volume ports be screened for radiation, and by the end of 2008, all containers entering all U.S. ports be screened for radiation. The SAFE Port Act contains other initiatives, including a plan for increased random inspections of container contents, the inspection of high-risk containers in foreign ports, and the implementation of an automated targeting system for high-risk cargo, all of which may further increase inspection and monitoring costs for carriers. The U.S. inspection, notification and monitoring programs may, in the future, be expanded and may also be followed by the implementation of similar or more intrusive and costly notification, monitoring and inspection programs in other countries where we operate.

As part of the initiatives undertaken to enhance vessel and cargo security, the U.S. Congress enacted the Maritime Transportation Security Act of 2002 (the “MTSA”), which became effective on November 25, 2002. To implement certain portions of MTSA, the U.S. Coast Guard issued regulations in July 2003 specifying certain security procedures and requirements that must be observed by shoreside facilities and vessels operating in waters

subject to the jurisdiction of the United States effective July 1, 2004. Similarly, in December 2002, the IMO amended SOLAS to include special measures to enhance maritime security and adopted the ISPS Code which imposes various detailed security obligations on vessels and port facilities effective as of July 1, 2004. MTSA implements the ISPS Code in the United States. The ISPS Code requires, among other things:

- onboard installation of automatic identification systems to permit tracking of the vessels;
- onboard installation of ship security alert systems;
- development of ship security plans; and
- compliance with flag-state security certification requirements.

The U.S. Coast Guard regulations, which are generally consistent with the international requirements, exempt foreign-flag vessels from the MTSA requirements to submit a security plan to the United States for approval, provided such vessels have on board a valid International Ship Security Certificate demonstrating the vessel's compliance with the ISPS Code. As part of its port-state control program, the U.S. Coast Guard conducts verification examinations and inspections to verify ISPS Code compliance. Failure to comply with these requirements may result in a vessel being assessed penalties, detained, denied entry into port, or expelled from port. Moreover, our vessels call at U.S. ports which are subject to both the MTSA and the U.S. Coast Guard's security regulations. In rare instances, operations at these ports may be significantly curtailed or shut down by the U.S. Coast Guard for security reasons beyond our control.

Since January 1, 2011, any goods entering or transiting the territory of the European Union must have been declared in advance to customs via electronic declaration at least 24 hours prior to the departure from the port of loading. In addition, the events of September 11, 2001 led to the enactment of Regulation 2004/725/EC of the European Parliament (amended by Commission Decision 2009/83/EC and Regulation 2009/219/EC) and of the Council on enhancing ship and port facility security and of Directive 2005/65/EC of the European Parliament and of the Council on enhancing port security.

Furthermore, we have been a certified AEO within the EU since December 7, 2010. The creation of the AEO concept is one of the main elements of the security amendment of the EU customs rules that was enacted in 2005 and is now set out in the Union Customs Code (Regulation 952/2013 and its Delegated and Implementing Regulations). This concept aims at heightening security along the international supply chain, implementing the Framework of Standards to Secure and Facilitate Global Trade established by the World Customs Organization (WCO). On the basis of Article 39 of the Union Customs Code, Member States can grant the AEO status to any economic operator meeting the following common criteria: customs and tax compliance, appropriate record-keeping, financial solvency, practical standards of competence or professional qualifications and, where relevant, security and safety standards. We hold the AEO Certificate "Customs Simplifications/Security and Safety." The AEO status entitles us to benefits in the course of customs clearance.

The Maritime Labour Convention 2006 ("MLC") came into force as from August 20, 2013, one year after thirty member states with a total share in the world's gross tonnage of ships of 33% had ratified the MLC in August 20, 2012. The MLC was developed by the International Labour Organization ("ILO") to ensure a worldwide similar standard of work and living conditions for seafarers on board of seagoing ships. As the MLC is only the "umbrella regulation," all flag states are obliged to implement the necessary provision into their national legislation.

To ensure compliance with the MLC requirements, inspections had to be performed at the latest by August 20, 2014 on board of all ships, resulting in the issuance of the Maritime Labour Certificate ("ML Certificate;" *Seearbeitszeugnis*) with a validity of five years. The ML Certificate approves the compliance with all requirements according to flag state law. All our vessels are in compliance with MLC requirements and hold the necessary ML Certificate.

Environmental Regulations

International

The IMO has adopted several international conventions that require measures to improve safety and security at sea and prevent marine pollution. MARPOL (for "marine pollution"), is the main international convention imposing requirements to prevent pollution by ships due to operational, intentional or accidental causes. Technical standards are set forth in six annexes to the convention that deal, respectively, with the prevention of pollution by

oil (Annex I), noxious liquid substances (Annex II), harmful substances in packaged forms (Annex III), sewage (Annex IV), garbage (Annex V) and air emissions (Annex VI). We believe that all our ships, whether owned or chartered, comply with all of the applicable material provisions of MARPOL as adopted by their respective flag States.

In 2008, the IMO adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone-depleting substances, which entered into force on July 1, 2010, in an effort to significantly improve air quality in order to reduce the harmful impacts of the shipping industry on the environment, by introducing a global limit for sulfur content of ships' fuel oil, with tighter restrictions in designated emission control areas ("ECAs"). In particular, the amended Annex VI aims to reduce air pollution from vessels by, among other things, implementing a progressive reduction of sulfur oxide emissions from ships by reducing the global sulfur fuel cap from 4.50% m/m to 3.50% m/m (which was in effect from January 1, 2012 to December 31, 2019) and to the currently applicable cap of 0.50% m/m (effective since January 1, 2020), and in the more stringently regulated designated ECAs, to 0.10% m/m (effective since January 1, 2015). The Mediterranean Sea will be included in the ECA as from May 1, 2025. In order to meet these standards, ships may, if approved by the state whose flag it carries, be equipped with exhaust gas cleaning systems (or "scrubbers") which clean the emissions before they are released into the atmosphere; this requires drydocking and capital expenditure. Vessels equipped with scrubbers must comply with local requirements concerning their use. Carriers may instead opt to use low-sulfur compliant (i.e., 0.5%) fuel oil; such fuel oil is substantially more expensive than "regular" fuel oil. Finally, carriers may opt to use LNG as the fuel; this requires specific configuration in the construction phase (and hence higher newbuild cost) as well as securing sufficient sources of LNG. The Group has been deploying all three options, using 0.5% fuel oil, increasingly deploying LNG-powered vessels and ordering further LNG- and methane-powered vessels and retrofitting vessels with scrubbers. In addition, the IMO established new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. Any newbuild ship must meet the "Tier III" standard on NOx emissions set out in Annex VI of MARPOL (the "IMO Tier III NOx") when operating in (i) since January 1, 2016, the North American or U.S. Caribbean ECAs, and (ii) since January 1, 2021, the North Sea and the Baltic Sea. Among the NOx standards set out in Annex VI, the IMO Tier III NOx is the most restrictive.

In June 2021, the IMO adopted amendments to MARPOL that will require vessels to reduce their GHG emissions. These amendments are a combination of technical and operational measures and came into force on November 1, 2022, with the requirements for EEXI and CII certification, effective January 1, 2023. These are monitored by the flag administration and corrective actions are required in the event of constant non-compliance. A review clause requires the IMO to review the effectiveness of the implementation of the CII and EEXI requirements, by January 1, 2026, at the latest. EEXI is a technical measure and applies to ships above 400 gross tonnage. It is a design parameter that assesses the potential carbon intensity of the vessels. It indicates the energy efficiency of the ship compared to a baseline and is based on a required reduction factor (expressed as a percentage relative to the EEDI baseline). CII is an operational measure which specifies carbon intensity reduction requirements for vessels with 5,000 gross tonnage and above. The CII determines the annual reduction factor needed to ensure continuous improvement of the ship's operational carbon intensity within a specific rating level. The operational carbon intensity rating is given on a scale of A, B, C, D, or E indicating a major superior, minor superior, moderate, minor inferior, or inferior performance level, respectively. The performance level must be recorded in the ship's SEEMP. A ship rated D for three consecutive years or E must submit a corrective action plan to show how the required index (C or above) can be achieved.

Other technical amendments, such as the amendment on reporting of mandatory values related to the implementation of the IMO short-term GHG reduction measure (including attained EEXI, CII), also came into force on July 1, 2024.

The IMO has also adopted several other conventions relating to marine pollution. These include the International Convention for the Control and Management of Ships' Ballast Water and Sediments, which was approved on February 13, 2004, that became effective from September 8, 2017 and was amended in 2024. Pursuant to this convention, since September 8, 2024, all vessels must be equipped with a ballast water treatment system. In addition, the IMO's International Convention on Civil Liability for Bunker Pollution Damage (the "Bunker Convention") imposes, subject to limited exceptions, strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying States, which does not include the United States, caused by discharges of "bunker oil." The Bunker Convention also requires owners of registered vessels over a certain size to maintain insurance for pollution damage in an amount generally equal to the limits of liability under the applicable national or international limitation regime. The IMO also adopted a convention on the removal of wrecks (the "Nairobi Convention"), applicable since April 14, 2015, which requires all vessels to have insurance cover arrangements which meet the requirements of the convention and a certificate from a governmental entity attesting that such

insurance is in force. Other IMO conventions relate to the elimination of tin-based anti-fouling paint on ships' hulls, ship recycling (such convention not yet entered into force), and transportation of dangerous goods and marine pollutants.

Responsibility for the enforcement of IMO conventions is primarily left to the flag States. However, under national (e.g., the U.S. Coast Guard) or regional port State control initiatives (e.g., for the European coastline, the Paris Memorandum of Understanding (the "Paris MOU")), port State authorities are empowered to inspect vessels to verify the condition and acceptability of foreign vessels using their ports. These schemes are designed to target substandard ships and could result in detention in port or expulsion from port.

Further, in 2011, the IMO adopted mandatory technical and operational energy efficiency measures in order to significantly reduce the amount of GHG emissions from ships. These measures were included in Annex VI and entered into force on January 1, 2013. These include the introduction of the EEDI for specified types of newly built ships and the SEEMP for all ships. The EEDI for newly built ships must achieve a carbon dioxide ("CO₂") reduction level over EEDI reference value calculated for the individual ship design (phase 1 provided for a 10% improvement target for ships built between 2015 and 2019; phase 2 provides for a 20% improvement target for ships built between 2020 and 2024; phase 3 provides for a 30% improvement target from 2025). In May 2019, however, IMO's Marine Environment Protection Committee approved, for adoption in 2020, bringing forward phase 3 from 2025 to 2022 for container ships and several other ship types and significantly strengthening the requirements for container ships, depending on their size (for example, reduction rate increased to 50% instead of 30% for large container ships of 200,000 deadweight tonnage and above). The SEEMP for new and existing ships aims at providing shipowners with incentives to implement a more energy efficient performance of ships without imposing an obligation to reduce emissions. The SEEMP also requires implementation of the IMO Data Collection System on Fuel Consumption, with the first reports submitted in March 2020 for calendar year 2019. These measures apply to ships with a registered tonnage of 400 gross tons and above and leave room for the competent state authorities to exempt certain ships from these requirements under specific circumstances. Where applicable and as per the regulation, our owned vessels have an appropriate EEDI issued by the classification society concerned.

The IMO adopted its strategy to reduce GHG emissions in April 2018. This strategy is accompanied by short, medium- and long-term measures to translate the ambition levels contained in this strategy into binding measures. The IMO revised its initial strategy at the MEPC 80 session held in July 2023. The 2050 target has been strengthened, moving from a 50% reduction of total annual GHG emissions (compared to 2008) to a net-zero target to be achieved around 2050. In addition, the IMO adopted indicative checkpoints to reach net-zero GHG emissions from international shipping for 2030 and 2040:

- to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008; and
- to reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008.

The strategy also refers to the uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030. There remains uncertainty regarding the exact measures that the IMO will undertake to achieve these targets.

The IMO concluded MEPC 80, addressing the current GHG measures and an additional basket of mid-term measures, including an economic and technical measure. Details on these measures will be discussed further in the upcoming inter-sessional meetings held by the IMO. The economic measure is expected to come in the form of a GHG levy and the technical measure will introduce a GFS, which will assess the fuels that are used onboard on a life cycle basis according to the LCA guidelines. These measures are expected to be adopted in 2025 and to apply from 2027.

This IMO target is in line with CMA CGM's commitments while pushing the company to further improve its environmental impact by curbing GHG emissions. To reduce its emissions, CMA CGM has launched a number of initiatives. In particular, the company has (i) adopted cleaner fuels (biofuels), (ii) invested in technological innovation with for example LNG retrofitted vessels, and (iii) improved its monitoring and reporting practices. Compliance with these regulations entails operational adjustments like reducing speed, but also avoiding ports and adjusting routes. Old ships and short lines are the vessels that have the most difficulty maintaining a low carbon intensity index, and we expect that it will be increasingly difficult for these vessels to comply with more stringent environmental regulations in the coming years. For more information, see *"Risk Factors – Our*

operations are subject to extensive regulation in various areas including in respect of the environment, compliance with which and changes in which could have a material adverse effect on our business, results of operation and financial condition and non-compliance with which could subject us to substantial liability.”

Finally, in terms of end-of-life vessel recycling, the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, adopted in 2009 (due to come into force on June 26, 2025), requires that the process of recycling ships after the end of their operational life does not pose any unnecessary risk to human health and safety or to the environment.

GHG Regulation

At the Paris climate conference in December 2015, 195 countries adopted the Paris Agreement, a new international framework governing GHG emissions, which is a separate instrument under the United Nations Framework Convention on Climate Change (UNFCCC), superseding the Kyoto Protocol of 2005. The Paris Agreement deals with GHG emissions mitigation, adaptation and finance and sets out a global action plan to limit global warming to below 2°C above pre-industrial limits, starting in 2020, and to pursue further efforts to limit the increase to 1.5°C by aiming to reach a global peak in GHG emissions as soon as possible. The Paris Agreement took effect from November 4, 2016. The United States rejoined the Paris Agreement in February 2021, and, in April 2021, announced a new, more rigorous nationally determined emissions reduction level target of 50-52% reduction from 2005 levels in economy wide net GHG pollutions by 2030. Shipping emissions are not directly included in the Paris Agreement. However, in order for countries to meet their national contributions under the Paris Agreement, they may adopt restrictions on shipping emissions. Moreover, future amendments to the Paris Agreement or a new agreement may also include restrictions on shipping emissions. In this respect, in October 2016, the Marine Environment Protection Committee of the IMO approved a roadmap (2017 to 2023) for developing a comprehensive IMO strategy on the reduction of GHG emissions from ships, which led to the adoption in 2018 of the aforementioned GHG emissions strategy, updated in July 2023. For the obligations to reduce GHG emissions from ships introduced under the auspices of the IMO, please refer to the section on MARPOL above.

In addition, in the context of the signature of the Clydebank Declaration for Green Shipping Corridors (as defined below) at the COP26 in 2021, twenty-four states, including France, Japan, Singapore and the United States, have committed to establishing at least six Green Shipping Corridors by 2025. A “Green Shipping Corridor” is a maritime route between two ports where all maritime transport and on-shore operations are low or zero carbon through the collaborative participation of all stakeholders in the value chain: ports, terminals, shipowners, shippers, energy providers, institutions. The Group therefore supports the creation of Green Shipping Corridors and works with its customers to develop dedicated carbon-free maritime routes initiatives. For example, the Group participates in the Shanghai-Los Angeles Green Shipping Corridor project that was launched by the ports of those cities and the C40 Cities Climate Leadership Group. It aims to promote by 2030:

- the gradual introduction of ships using low, ultra-low and even zero-carbon fuels;
- the development of best practices to help reduce emissions and improve efficiency of all ships using this corridor;
- the reduction of emissions from port operations, in particular through shore power connection; and
- the improvement of air quality in the ports of Shanghai and Los Angeles and in adjacent communities.

CMA CGM is also a partner in the initiative between the Maritime and Port Authority of Singapore and the Port Authority of Rotterdam to establish the longest green and digital corridor. This initiative will encourage low or zero-carbon maritime transport between the two ports. Other projects involving the Group are also under consideration.

European Union

The European Union has been empowered to enact legislation on maritime safety and environmental protection under the co-decision procedure since the passage of the 1992 Maastricht Treaty. The TFEU provides that the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may lay down appropriate provisions for sea and air transport. The bulk of this legislation aims at implementing IMO conventions in a harmonized way in order to enhance safety and pollution prevention standards and monitoring procedures.

Directive 96/98/EC and its subsequent amended directives provided for the uniform application of the relevant international conventions relating to the safety of on-board equipment in order to achieve a high standard of quality and ensure the free movement of such equipment within the European Community. Directive 96/98/EC has been repealed by Directive 2014/90/EU on marine equipment since September 18, 2016. Directive 2014/90/EU aims at enhancing safety at sea and preventing marine pollution through the uniform application of the relevant international instruments relating to marine equipment to be placed on board EU ships, and at ensuring the free movement of such equipment within the Union.

Directive 2022/993/EU on the minimum level of training of seafarers codified Directive 2008/106/EC (which had been substantially amended several times), with the same objective of enhancing maritime safety and pollution prevention at sea, notably by removing substandard crews and guaranteeing effective oral communication relating to safety between members of the crew. It includes most of the provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers of 1978. Directive 2001/96/EC establishes harmonized requirements and procedures for the safe loading and unloading of bulk carriers, in order to reduce the risk of structural damage to the ship due to improper loading or unloading. Directive 2019/883 /EU and its implementing regulations aim at enhancing the availability and use of port reception facilities for the delivery of waste from ships in EU ports. Regulation 2006/336/EC of the European Parliament and of the Council, of which Appendix II (as amended) relates to the form of documents of compliance and safety management certificates, has been amended several times, in particular by Regulation 540/2008/EC, implementing the International Safety Management Code of the IMO.

Implementation of safety and pollution prevention standards are also governed by the following directives and regulations. Directive 2009/18/EC, establishes the fundamental principles governing the investigation of accidents in the maritime transport sector. Directive 2019/883/EU, aims to protect the marine environment against the negative effects from discharges of waste from ships using ports located in the Union, while ensuring the smooth operation of maritime traffic, by improving the availability and use of adequate port reception facilities and the delivery of waste to those facilities. Regulation 391/2009/EC, on providing common rules and standards for ship inspection and survey organizations, as amended, establishes measures to be followed by the Member States and organizations concerned with the inspection, survey and certification of ships for compliance with the international conventions on safety at sea and prevention of marine pollution. Regulation 788/2014/EU lays down detailed rules for the imposition of fines and periodic penalty payments and the withdrawal of recognition of ship inspection and survey organizations pursuant to Articles 6 and 7 of Regulation (EC) No 391/2009. Directive 2009/16/EC, as amended, set harmonized Member State port control rules as to inspection rates, targeting, inspections procedures, port access refusal, rectification of deficiencies and detention of ships. This Directive and Regulation are based on the Paris MOU, and both documents are kept equivalent through a policy of conforming changes. Directive 2013/38/EU extends the scope of port State control to various labor law issues.

In the wake of the Erika tanker sinking in 1999, the European Union passed three sets of legislation known as Erika I, Erika II, and Erika III designed primarily to reinforce oil tanker safety rules. Erika II included Directive 2002/59/EC, as amended several times, in particular by Directive 2014/100/EC (modification of Appendix III relating to electronic messages and the Union Maritime Information and Exchange System— SafeSeaNet), setting up a vessel traffic monitoring and information system aiming to give Member States rapid access to all important information relating to the movements and cargo of ships carrying dangerous or polluting materials. It also included Regulation 1406/2002/EC, as amended, which set up a European Maritime Safety Agency designed, among other things, to monitor the overall functioning of the European Community port State control arrangements by means of visits to the Member States. Regulation 911/2014/EU addressing multiannual funding for the activities of the European Maritime Safety Agency in the field of response to marine pollution caused by ships and oil and gas installations, applicable from 2014 to 2020, granted a financial contribution of the Union to this Agency with the aim of financing actions in the field of response to marine pollution caused by ships and oil and gas installations. The European Union passed additional pieces of legislation as part of Erika III. Notable among this package of legislation are Directive 2009/21/EC, which aims to ensure that Member States effectively and consistently discharge their obligations as flag States in order to enhance safety and prevent pollution from ships flying the flag of a Member State, and Directive 2009/20/EC, which sets forth rules on certain aspects of the obligations of shipowners' insurance for maritime claims. After the Prestige tanker sinking in 2002, the European Union passed Directive 2005/35/EC, amended by Directive 2009/123/EC, on ship-source pollution, introducing penalties for infringement.

The European Commission adopted a White Paper “Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system” on March 28, 2011. The European Commission aims to further develop the current European platform for maritime data exchange, SafeSeaNet, to become the core system

for ensuring maritime safety and security and the protection of the marine environment from ship- source pollution. This may, for example, entail stricter controls of vessels and more rigid enforcement practices.

Directive 2016/802/EU, completed by other regulation, introduces more rigid requirements for the sulfur content of marine fuels under MARPOL to the complete area under EU jurisdiction, regardless of whether a Member State is a signatory to MARPOL, by:

- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones falling within sulfur oxide ECAs to 0.1%;
- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones to 0.5% as from January 1, 2020; and
- limiting the sulfur content of marine fuels used at berth within the territory of Member States to 0.1% by mass, allowing sufficient time for the crew to complete any necessary fuel changeover operation as soon as possible after arrival at berth and as late as possible before departure.

As an alternative to complying with the thresholds, ships may use specific emission abatement methods.

Commission Recommendation 2006/339/EC of May 8, 2006 promotes shore-side electricity for use by ships at berth in European Community ports. It recommends Member States to install shore-side electricity for use by ships at berth in ports and to offer economic incentives to operators to use such electricity. Currently, in ports, ships use their auxiliary engines inter alia to produce electricity and thus generate GHG emissions. One measure to reduce such emissions is to provide ships with shore-side electricity. According to experts, the supply of electricity to berths would significantly reduce emissions of particulate matter, volatile organic compounds, nitrogen oxide and sulfur oxide. The European Commission calls on Member States to work within the IMO to promote the development of harmonized international standards for shore-side electrical connections. Directive 2016/802/EU obliges Member States, as an alternative solution to using marine fuels complying with the sulfur thresholds for reducing air emissions, to encourage the use of onshore power supply systems by docked vessels.

Regulation 2023/1804/EU on the deployment of alternative fuels infrastructure establishes mandatory national targets leading to the deployment of sufficient alternative fuels infrastructure in the Union for road vehicles, trains, vessels and stationary aircraft. In particular, Member States are required by December 31, 2024 to ensure that an appropriate number of refuelling points for liquefied methane are deployed at TEN-T (as defined below) core maritime ports designated in their national policy frameworks as providing access to the refuelling points for liquefied methane to enable seagoing ships to circulate throughout the TEN-T core network. Member States are required to cooperate with neighbouring Member States where that is necessary in order to ensure adequate coverage of the TEN-T core network. The “TEN-T” is an EU-wide network of rail, inland waterways, short-sea shipping routes, and roads connecting 424 major European cities with ports, airports, and railway terminals. In addition, regulation 2023/1805/EU on the use of renewable and low-carbon fuels in maritime transport will fully apply as from January 1, 2025 to all ships of above 5,000 gross tonnage that transport passengers or cargo for commercial purposes. This regulation limits the average GHGs intensity (on a yearly basis) of the energy used on board (requiring eligible ships to reduce the GHG intensity content of energy used by 2% as of 2025, and by 80% as of 2050). Ships that do not comply with these limits should be subject to a penalty that has dissuasive effect, is proportionate to the extent of the non-compliance and removes any economic advantage of non-compliance, thus preserving a level playing field in the sector (the “FuelEU penalty”). The FuelEU penalty should be based on the amount and cost of renewable and low-carbon fuels that the ships should have used to meet the requirements. However, ships may be pooled for the purposes of complying with the aforementioned limits of GHGs intensity. A reporting system is set to monitor the compliance with the limits of GHGs intensity, and the European Commission shall develop, ensure the functioning of and update an electronic database for the monitoring of compliance with this Regulation (the “FuelEU database”). The FuelEU database shall be used to keep a record of actions related to verification activities and the compliance of ships with the limits of GHGs intensity. Furthermore, (i) container ships and passenger ships at major EU ports will be required to use onshore power supply from 2030 onwards in order to reduce air pollution in ports, and (ii) a 2% renewable fuels usage target was set for ships from 2034 onwards.

Regulation 1257/2013/EU, amended by Decision 2018/853, on ship recycling (the “Ship Recycling Regulation”) aims to reduce the negative impacts linked to the recycling of EU-flagged ships, especially in South Asia, without creating unnecessary economic burdens. It brings into force an early implementation of the requirements of the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, therefore contributing to its global entry into force. The Ship Recycling Regulation provides for a system of survey and certification

applicable to large commercial ocean going vessels that fly the flag of a Member State, covering their whole life cycle from construction to operation and recycling. According to these rules, the installation or use of certain hazardous materials (e.g., asbestos, ozone-depleting substances, polychlorinated biphenyls, perfluorooctane sulfonic acid, anti-fouling compounds and systems) on ships are prohibited or restricted and each new European ship (or a ship flying a flag of the third country calling at EU port or anchorage) are required to have on board an inventory of hazardous materials. The Ship Recycling Regulation also provides that European shipowners have to ensure that ships are only recycled in ship recycling facilities that meet certain environmental and safety requirements and are included in a list published by the European Union.

Regulation (EU) 2015/757 of April 29, 2015 (the “MRV Regulation”), which entered into force on July 1, 2015, establishes a system for monitoring, reporting and verification (“MRV”) of GHG emissions from maritime transport, as a first step towards a global MRV system. Regulation (EU) 2015/757 applies to the owner of a ship or the person or organization who has assumed the responsibility for the operation of the ship (in the context of owned and chartered vessels), above 5,000 gross tonnage, for the GHG emissions during their voyages from the last port of call to a port under the jurisdiction of a Member State and from a port under the jurisdiction of a Member State to their next port of call, as well as within ports under the jurisdiction of a Member State (at sea and at berth). This requires establishment and implementation of a detailed and externally verified monitoring plan by companies for each vessel calling in the EU, which includes monitoring of GHG emissions for each ship on a per-voyage and an annual basis, and submission to the European Commission and to the flag Member States concerned of an externally verified emission report. The European Commission must make the data collected under the MRV Regulation publicly available by June 30 of each year. The Group has submitted the required reports in 2024 covering calendar year 2023. The 2025 report, covering calendar year 2024, will include for the first time CH₄ and N₂O emissions, and not only CO₂ emissions, in accordance with the latest amendment to the MRV Regulation.

In the context of the “European Green Deal,” which aims to achieve carbon neutrality of the European Union by 2050, the European Commission adopted on July 14, 2021 the “Fit for 55” package, a set of policies to reduce GHG emissions by at least 55 percent by 2030. This led to the adoption of Directive 2023/959/EU, amending Directive 2003/87/CE establishing a system for GHG emission allowance trading to extend it to maritime transport emissions covered by the MRV Regulation (with certain exceptions) as from January 1, 2024. The EU ETS established in application of this Directive is based on a cap (which is reduced over time) on the total amount of certain GHGs that can be emitted by the sectors covered by the Directive. The EU ETS allows emission allowances to be traded so that the total emissions of GHGs stays within the cap. The allocation of allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect of 50% of the emissions from ships performing voyages departing from a port of call under the jurisdiction of a Member State and arriving at a port of call outside the jurisdiction of a Member State, 50% of the emissions from ships performing voyages departing from a port of call outside the jurisdiction of a Member State and arriving at a port of call under the jurisdiction of a Member State, 100% of emissions from ships performing voyages departing from a port of call under the jurisdiction of a Member State and arriving at a port of call under the jurisdiction of a Member State, and 100% of emissions from ships at berth within a port of call under the jurisdiction of a Member State. Shipping emissions will be phased into the EU ETS gradually, resulting in obligations to surrender allowances covering 40% of in-scope emissions in 2024, 75% in 2025 and 100% in 2026. In addition, CH₄ and N₂O will be included from 2026. The administering authority in respect of a shipping company shall ensure that a shipping company under its responsibility monitors and reports the relevant parameters during a reporting period, and submits to it aggregated emissions data at company level in accordance with the MRV Regulation. To comply with the requirements of the EU ETS (among other things), the Group has set up a “cross-functional” team that includes employees from a number of departments: energy, chartering, operations, lines, R&D, regulatory, etc. By June 30, 2024 the first application of the EU ETS had generated additional costs of \$59.1 million.

As of fiscal year 2025 (for publication in 2026), the Group will comply with the Directive 2022/2464/EU on non-financial reporting (the “Corporate Sustainability Reporting Directive” or “CSRD”). All departments concerned by the new requirements have begun preparations to comply with them, and preliminary work will be carried out throughout 2024. Training will also be provided to inform the teams of these new obligations. In connection with the transition to the CSRD, the Group will be required to comply with Regulation 2020/852/EU (the “Taxonomy Regulation”) as of fiscal year 2025. It establishes a list of economic activities the EU deems environmentally sustainable and requires companies to report the proportion of their turnover, capital expenditure and operating expenditure that is aligned with these activities. The information disclosed will permit a more meaningful comparison of companies and will encourage public and private investment in projects that contribute to the transition to a sustainable, low carbon economy. Nevertheless, the Group actively follows these regulatory developments and is preparing for the upcoming deadlines by making an inventory of its activities that come

within the scope of the climate change mitigation and adaptation objectives, and by studying the technical alignment criteria set by the Taxonomy Regulation.

Various state and non-state stakeholders in the shipping industry are proposing additional regulations to decarbonize the industry. In recent years, there have been several developments such as the Sea Cargo Charter, Poseidon Principles for Financial Institutions and Poseidon Principles for Marine Insurance. In addition, there have been several industry-led initiatives to facilitate movement towards low-/zero-carbon shipping such as Getting to Zero Coalition, The Castor Initiative for Ammonia, the Global Centre for Maritime Decarbonization, and the Mærsk Mc-Kinney Møller Centre for Zero Carbon Shipping.

REACH Regulation

The EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006), (“REACH”), as amended, imposes significant obligations concerning chemical substances. Most of the burden of complying with REACH is on the chemical industry and the carriage of dangerous substances and of dangerous mixtures by inland waterways and sea is excluded from its scope. REACH does, however, include a number of restrictions on the use of chemicals and requirements for authorization to use certain chemicals which may affect the ability to use certain substances or require the need for substitutes authorized in the EU for the construction of new ships, repair of existing ships and for the type of equipment used on board.

France

French laws and regulations implement the safety and environmental rules applicable to container shipping as determined at the international and European levels and are mainly codified in part 5 of the French Code of Transportation (*Code des Transports*). The provisions of Articles L. 5241-1 *et seq.* of the French Code of Transportation, grant powers to maritime administrators to investigate and record infringements of international conventions and national legislation on maritime safety and pollution prevention, and set the relevant criminal penalties. Decree no. 84-810, as amended, sets the conditions under which French vessels are granted the international security and pollution prevention certificates required by IMO conventions, and implements the applicable port State control rules. Provisions to be met by the vessels, their equipment and cargo are specified by the administrative order dated November 23, 1987 relating to security on vessels.

Law no. 2016-1087 (“*la reconquête de la biodiversité, de la nature et des paysages*”) sets forth an additional liability regime in the case of environmental damage.

Law no. 2008-757 on environmental liability introduced, mainly in the French Code of Environment (*Code de l’environnement*), a specific liability regime in order to prevent and remedy environmental damage caused notably to protected species and natural habitats. Under this liability regime, operators carrying out dangerous activities, including the maritime transport of dangerous or polluting goods, fall under strict liability for damages caused to the environment in the course of their business without need to proof fault and operators carrying non dangerous listed activities are liable for fault-based damage to certain protected species or natural habitats. The operators held liable must pay for the prevention costs as well as for the costs related to the corrective measures implemented to remedy the pollution. In a decision dated September 25, 2012 relating to a civil liability claim, the French Supreme Court (*Cour de Cassation*) recognized the existence of a “pure ecological damage” distinct from “traditional damages” (damages to property, economic loss, personal injury) in the case of maritime pollution and held that the owner of the ship, the charterer and the classification societies could be held liable for such damages caused by the pollution. The concept of ecological damage has been codified by Law no. 2016-1087 in Articles 1386-19 *et seq.* of the French Civil Code (*Code civil*).

Decree n° 2019-771, said “Tertiary Sector Decree,” imposes an obligation to report the energy consumption and reduce the energy consumption of tertiary-sector buildings by at least 40% by 2030, 50% by 2040 and 60% by 2050, compared with consumption to a benchmark year between 2010 and 2019.

French law also contains specific provisions applicable to oil-related pollution. French ships or ships leaving a French port must subscribe to an insurance policy covering the risk related to oil pollution damage by ship fuels (Articles L. 5123-1 to L. 5123-7 and Articles R.5123-1 to R.5123-5 of the French Transportation Code (*Code des transports*)). Sanctions may be applied in the case of non-insurance of the vessels (Articles L. 5123-5 and L. 5123-6 of the French Transportation Code). The owner of the vessel shall be held liable for non-tanker ships’ oil pollution. Criminal legislation is also provided by Articles L.218-10 *et seq.* of the French Code of Environment (*Code de l’environnement*), imposing severe fines and imprisonment for ship-source pollution. Penalties differ depending on the size of the vessel.

United States

In the United States, shipowners and operators are subject to a number of federal and state laws and regulations with respect to protection of the environment in the course of ship operations in U.S. waters. The primary laws are the Oil Pollution Act of 1990 (“OPA”) with respect to oil spill liability, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) with respect to spills or releases of hazardous substances, the Federal Water Pollution Control Act, also called the Clean Water Act (the “CWA”), the National Invasive Species Act of 1996 (the “NISA”), with respect to ballast water management, and the Clean Air Act (the “CAA”), with respect to air emissions.

Under OPA, shipowners, operators and bareboat charterers are deemed “responsible parties” and are jointly, severally and strictly liable for all removal costs and damages caused by oil spills from their ships. Damages can include natural resource damages and assessment costs, real and personal property damage, net loss of taxes, royalties, rents, fees and other lost revenue, lost profits or impairment of earning capacity, and the net cost of public services necessitated by a spill response. Although the Oil Pollution Act is primarily directed at oil tankers, which we do not operate, it also applies to non-tanker ships, including container ships, with respect to the fuel carried on board. OPA generally limits the liability of non-tanker owners to a specified amount, which is periodically updated for inflation. The liability limits most recently were raised effective March 23, 2023. In addition, the liability is not limited if the responsible party fails to report the oil spill or fails to cooperate with the response action or comply with a removal order. OPA also imposes civil and criminal penalties relating to certain spill incidents.

CERCLA governs spills or releases of hazardous substances other than petroleum, natural gas, and related products. CERCLA imposes strict and joint and several liability on the owner or operator of a ship, vehicle or facility from which there has been a release, as well as other responsible parties. Spills or releases could occur during shipping, land transportation, terminal or other transport-related operations. Damages may include removal costs, natural resource damages and economic losses, without regard to physical damage to a proprietary interest. CERCLA generally limits the liability of vessel owners to a specified amount; however, as with OPA, these limits of liability do not apply where the incident is caused by violation of applicable U.S. federal safety, construction or operating regulations, or by the responsible party’s gross negligence or wilful misconduct or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with the substance removal activities.

The U.S. Coast Guard’s regulations require all responsible parties to establish and maintain evidence of financial responsibility sufficient to meet the maximum liability to which it could be subject under the OPA and CERCLA. Financial responsibility may be established by any combination of the following: evidence of insurance, surety bond, guarantee, letter of credit, qualification as self-insurer or other evidence of financial responsibility. The U.S. Coast Guard will issue a Certificate of Financial Responsibility to the vessel operator once financial responsibility is established to the U.S. Coast Guard’s satisfaction. Although we believe that we have sufficient insurance under our protection and indemnity policies to cover damages that might arise under the OPA, as they offer the highest limit of cover available in the insurance market, there can be no assurance that such insurance will be sufficient to cover all such risks or that any such claims will not have a material adverse effect on our business, operations or financial condition. For information on our insurance policies, see “*Business—Insurance*.” In addition, OPA specifically preserves state law liability and remedies, whether by statute or at common law and, similarly, CERCLA has been held, in some cases, to not pre-empt state law liability and remedies. Some U.S. states have enacted legislation providing for unlimited liability for oil spills both in terms of removal costs and damages. As such, overall liability under certain U.S. state laws for a spill is virtually unlimited, and could theoretically exceed our available insurance coverage in the case of a catastrophic spill.

In addition, Title VII of the Coast Guard and Maritime Transportation Act of 2004 (the “CGMTA”) amended the OPA to require the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion to prepare and submit an oil spill response plan for each vessel by August 2005. Previously, U.S. law required response plans only for oil tankers, which we do not operate. The response plans must include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or threat of discharge of oil from the vessel. We have prepared the necessary plans to comply with the CGMTA and the Oil Pollution Act.

The CWA prohibits the discharge of “pollutants,” which includes oil or hazardous substances, into navigable waters of the United States and imposes civil and criminal penalties for unauthorized discharges. State laws for the control of water pollution also provide varying civil, criminal and administrative penalties in the case of discharges of petroleum or hazardous substances. The CWA complements the remedies available under OPA and

CERCLA discussed above. In addition, when our vessels are operating in the navigable waters of the United States, we are also subject to liability for discharges of oil, hazardous substances, and other pollutants under the Refuse Act and the Act to Prevent Pollution from Ships, which requires specific pollution prevention equipment and operating and recordkeeping procedures; both of those laws provide for substantial administrative and civil fines, as well as criminal sanctions for violations. In addition, many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law.

The EPA regulates the discharge in U.S. ports of ballast water and other substances incidental to the normal operation of vessels. Under EPA regulations, commercial vessels greater than 79 feet in length are required to obtain coverage under the Vessel General Permit (the “VGP”) to discharge ballast water and other wastewater into U.S. waters by submitting a Notice of Intent (“NOI”). The current VGP, which EPA issued in 2013, requires vessel owners and operators to comply with a range of best management practices and reporting and other requirements for a number of incidental discharge types and incorporates current U.S. Coast Guard requirements for ballast water management, as well as supplemental ballast water requirements. Although EPA had been scheduled to issue a new, more stringent VGP, in December 2018 Congress enacted the USCG Authorization Act of 2018, which included the Vessel Incidental Discharge Act (“VIDA”). Under VIDA, the EPA was designated the government agency responsible for establishing standards for U.S. ballast water regulations, with national standards of performance to be issued by December 2020, and the U.S. Coast Guard was assigned the responsibility for implementing, monitoring and enforcing those standards, pursuant to regulations to be developed by two years thereafter. In the meantime, the current VGP and regulations remain in effect. VIDA reduces the scope of the VGP and is expected to align state and local discharge standards with federal standards. The EPA issued the new national standards of performance on September 20, 2024; as a result, U.S. Coast Guard will publish corresponding implementing regulations under VIDA by 2026, after which the discharge of ballast water in the navigable waters of the United States will no longer be subject to the VGP or the CWA. We have submitted NOIs under the current VGP for our vessels operating in U.S. waters. In addition, various states have also enacted legislation restricting ballast water discharges and the introduction of non-indigenous species considered to be invasive. Permit requirements could force us to incur substantial costs to install equipment on our vessels to treat ballast water before it is discharged or could restrict some or all our vessels from entering U.S. waters.

NISA was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by ships in foreign ports. NISA established a ballast water management program for ships entering U.S. waters calling for mid-ocean ballast water exchange, retention of ballast water onboard the ship or the use of environmentally sound alternative ballast water management methods approved by the U.S. Coast Guard. The Coast Guard subsequently issued regulations implementing the NISA requirements. These regulations not only established penalties for ships entering U.S. waters that fail to submit ballast water management reports, but also promulgated an extensive regime of ballast water retention and exchange procedures that must be completed outside 200 nautical miles from the United States. In addition, these regulations require vessels to maintain a ballast water management plan that is specific to the vessel and assigns responsibility to the master or appropriate official to understand and execute the ballast water management strategy for the vessel. Noncompliance with ballast water management reporting and recordkeeping requirements may result in the imposition of a civil penalty for each violation (each day of a continuing violation constitutes a separate violation). Knowing violations are subject to criminal penalties, including fines and imprisonment. We believe that we are in substantial compliance with all such material regulatory requirements.

In addition, the EPA has enacted stringent regulations governing air emissions from ships, including emissions standards for marine diesel engines, pursuant to the CAA with regard to air emissions. The EPA has implemented rules comparable to those of MARPOL Annex VI (as discussed above) to require certain new marine-diesel engines installed on U.S. registered ships to meet lower NOx standards. The newly built engine standards that became effective in 2011 require more efficient use of current engine technologies, including engine timing, engine cooling, and advanced computer controls to achieve a 15% to 25% NOx reduction below previous levels. Effective beginning in 2016, the use of high efficiency emission control technology such as selective catalytic reduction was required to achieve NOx reductions 80 percent below the pre-2016 levels. Moreover, since January 1, 2015, the low sulfur fuel limit currently applicable to vessels before entering the North American ECA (extending 200 nautical miles from U.S. coastlines), and the United States Caribbean Sea ECA, was reduced from 1.0% to 0.1%. Separately, in December 2019, the EPA published a final rule concerning national diesel fuel regulations that allow fuel suppliers to distribute distillate diesel fuel that complies with the 0.5% international sulphur cap instead of fuel standards that otherwise apply to distillate diesel fuel in the United States. Fuel that does not meet the 0.5% sulphur cap cannot be used in ECA boundaries.

It should be noted that individual states have been adopting or considering their own restrictions on air emissions from engines on vessels operating within state waters. For example, notwithstanding the federal ECA low sulfur requirement now in effect, in January 2020 the California Air Resources Board (“CARB”) issued a notice that the separate CARB Ocean-Going Vessel Fuel Regulation remains in effect and is in some cases more stringent – for example, it does not allow compliance via scrubbers and requires certain ocean-going vessels operating within 24 nautical miles of the California coast to use marine distillate grade fuel with a maximum sulfur level of 0.1% while operating auxiliary diesel and diesel-electric engines, main propulsion diesel engines, and auxiliary boilers.. Furthermore, since 2014, vessels calling at California ports (Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco and Hueneme) have to turn off auxiliary engines in port and connect the vessel to shore-side power, a process known as cold ironing. Starting on January 1, 2023, certain vessels that visit a regulated California port or marine terminal must use a CARB Approved Emission Control Strategy (“CAECS”) to control emissions for the duration of the visit, unless the visit qualifies for an exception or an alternative compliance option is used. As of November 2023, vessel operators are required to use shore-side power for 100% of their at-berth electricity needs, or use capture and control technology (bonnet barges) to capture and filter emissions. Cold ironing regulations also apply in other jurisdictions; for example, by the end of 2025, international container carriers will have to ensure that 40% of their fleets are cold-ironing ready on international mainlines calling at ports in mainland China.

South Coast Air Quality Management District (“SCAQMD”) a regional government agency within the state of California, is proposing emissions caps for terminals in Southern California. The implementation of the regulation has been pushed back from January 1, 2024 to at least 2025. Draft language of the measure has not been released, therefore it is difficult to comment on the impact of the measure, but the discussions have included options whereby if terminals reach their maximum emissions caps, a tariff could be placed on emissions above the cap which could be passed to carriers. Similar measures from SCAQMD regulating the train and trucking industries are facing stiff opposition in the media and courtroom.

Inspection by Classification Societies

Our vessels are registered with internationally recognized classification societies, such as Bureau Veritas or DNV GL. The principal purpose of these classification societies is to provide objective and independent confirmation to all parties involved in the shipping industry, including insurance underwriters, that ships are being maintained to the standards that are considered appropriate to minimize claims on underwriters. A beneficial by-product of the activities of classification societies is to provide reassurance to owners and others with a financial or other interest in those ships that the ships are being regularly surveyed and properly maintained.

Every ocean-going vessel must be “classed” by a classification society that has been approved by the vessel’s flag state. Classification societies certify that a vessel is “in class,” signifying that the vessel has been built and maintained in accordance with the rules of the classification society. Also, flag states often delegate to classification societies the authority to conduct vessel safety inspections that are required by international conventions, by corresponding laws and ordinances of the flag state, or by additional regulations and requirements independently issued by the flag state.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as in class by a classification society which is a member of the International Association of Classification Societies (the “IACS”). Each of our vessels is class-certified by a member of the IACS. All vessels we purchase, including second-hand vessels, must be class-certified prior to delivery.

Classification societies inspect vessels during and immediately after construction and issue an initial “in class” certificate if the society’s rules are met. To maintain “in class” status, a vessel must undergo regular inspections to assess its structural strength and integrity and the reliability and function of main and essential auxiliary machinery, systems and equipment, including, among others, the propulsion system, steering system, and electrical plant. These inspections, referred to as surveys, typically involve a classification society surveyor visually examining various parts of the vessel and witnessing tests, measurements and trials where applicable. After the initial certification, surveys are conducted on a five-year cycle as follows:

Annual Surveys

Approximately once every twelve months, a classification society surveyor must conduct a general external inspection of the vessel’s hull, equipment, and machinery. Annual surveys typically take one day, but in some cases, they may require several days to complete.

Intermediate Surveys

Extended annual surveys, referred to as intermediate surveys, are conducted between two to three years after the initial class certification and between two to three years after each class renewal survey. The intermediate survey replaces the annual survey that would have occurred that year. During an intermediate survey, a *classification society* surveyor conducts a more extensive inspection of the vessel's hull, equipment, and machinery, and may also include ultrasonic thickness measurements of the hull in some cases (upon request and for older vessels). Drydocking is required for intermediate surveys in order to thoroughly examine the vessel's hull and is generally replaced by a diving inspection instead of a drydock inspection, as allowed by SOLAS.

Class Renewal Surveys

Class renewal surveys, also known as special surveys, must be carried out every five years. The class renewal survey replaces the annual survey that would have occurred that year. Class renewal surveys include extensive in-water and out-of-water examinations to verify that the structure, main and essential auxiliary machinery, *systems* and equipment are still in compliance with the classification society rules. The survey is intended to assess whether the structural integrity remains effective and to identify areas exhibiting corrosion, deformation, fractures, other damage, or other forms of structural deterioration. The propeller shafts, stern tube bearing, boilers, and thermal oil heaters are also inspected. Drydocking is required for class renewal surveys in order to thoroughly examine the vessel's hull. Class renewal surveys may take several weeks to complete while vessels are in operation.

Continuous Survey Hull/Machinery

The vessel owner/manager may agree with the classification society to implement a continuous survey system on the vessel by arranging a continuous survey cycle for the vessel's hull and/or machinery, in which every part of the vessel would be surveyed within a five-year period. Therefore, the required class renewal inspections are split into an agreed schedule to extend over the entire five-year period.

Non-periodic or occasional Surveys

Additional surveys may be required to assess damage or suspected damage and to evaluate repair, renewal, alteration, or conversion work. Surveys may also be required if a vessel changes ownership or changes its flag state.

If any defect is found in a classification society survey, the classification society will issue a "condition of class" or "recommendation." Conditions of class and recommendations require a ship's owner to carry out specific measures, repairs, or additional inspections within prescribed time limits in order to maintain the vessel's class certification. Compliance with conditions of class may involve extensive repairs and lengthy drydocking, which would adversely impact our revenue and require us to incur substantial costs. In particular, if a classification surveyor finds that the thickness of the hull or other structures of any of our vessels is less than required by the classification society rules, the classification society will require steel renewal. Aging vessels and vessels experiencing excessive wear and tear may require extensive steel renewal as a condition of class. Steel renewal is expensive and may involve lengthy drydocking. If steel renewal is required for any of our vessels, we would incur substantial costs in order to continue using those vessels. During inspections, classification societies also assess vessel compliance with international conventions and applicable flag state laws and regulations. If our vessels are not in compliance with these requirements, our "in class" certification could be revoked and we could be required to carry out lengthy and costly repairs. Accordingly, our policy is to keep our vessels "in class" and fitted for service at any time.

If any of our vessels do not maintain "in class" status, those vessels will be unable to trade between ports and we will therefore not be able to employ them. This could substantially decrease our revenue and cause us to incur substantial costs. Moreover, we could be in violation of certain covenants in our bank loan agreements as a result.

Classification society rules do not cover every structure or item of equipment on a vessel and do not cover operational elements such as crew training. Activities that fall outside the scope of classification society rules include such items as: design and manufacturing processes; choice of type and power of machinery; number and qualification of crew; cargo carrying capacity; maneuvering performance; hull vibrations; spare parts; life-saving equipment; and maintenance equipment. The classification societies that inspect and certify our vessels do not guarantee the safety, fitness for purpose or seaworthiness of those vessels. However, in addition to classification society rules, vessels are subject to safety regulations and inspections of their flag states, which often cover those items not covered by classification society rules, including those relating to the safety, fitness for purpose and seaworthiness of the vessels.

Logistics

Our Logistics segment, substantially expanded through our acquisition of CEVA and, more recently, Bolloré Logistics, is subject to a complex set of multinational, national and regional regulations covering business licences, trade, customs, security and environment, among other areas.

The air freight business is subject to commercial standards set forth by the International Air Transport Association, U.S. federal regulations issued by the Transportation Security Administration and Federal Aviation Administration, and comparable regulations in other jurisdictions. The ocean transportation business is subject to regulation by the IMO and national regulations in many jurisdictions, as described in the present section, which includes inter alia the requirement to obtain various licences for certain activities such as freight forwarding through the operation of a NVOCC. For this type of activity, a “bill of lading” has to be issued and the NVOCC has to be registered with the FMC. The Ground Transportation business in the United States is subject to the broad regulatory powers and safety and insurance requirements prescribed by the Federal Motor Carrier Safety Administration, and by various state agencies, and our Ground Transportation business in other jurisdictions is also subject to similar regulations around driver and vehicle safety, licensing, and insurance requirements.

The import- and export-related operations, including our customs brokerage operations, are subject to customs and agency regulations throughout the world that include significant notice, registration requirements, and the obligation to obtain various licences to conduct certain businesses (as freight forwarding). For example, CEVA is a customs broker in the United States licensed by CBP and also participates in a number of government-business supply chain security programs such as CBP’s “Customs-Trade Partnership Against Terrorism” program in the United States, the EU Authorised Economic Operator program, Canada’s Partners in Protection program, and Singapore’s Secure Trade Partnership. Being international in nature, the operations are affected by a wide variety of government and other regulations, including regulations issued by the U.S. Department of Commerce, the U.S. Department of State, the U.S. Department of Justice, OFAC, CBP and analogous agencies of the European Union and various other countries, including sanctions and embargo regulations and other trade, export and import laws and regulations. Logistics providers like CEVA whose operations involve contracts and business with the U.S. or other governments are subject to various government contracting, acquisition and procurement regulations.

Logistics companies are subject to a broad range of foreign and domestic environmental and health and safety requirements, including those relating to the discharge of hazardous substances into soils and waters, emissions of toxic air pollutants, and the generation, handling, disposal, storage and release of solid and hazardous substances and wastes, and human health and safety.

National and transnational laws and initiatives (such as, for example, environmental laws in the EU impacting ship operator costs) to reduce and mitigate the effects of climate change, such as the Paris Agreement, could significantly impact transportation modes and the economics of the transportation industry. Governments around the world are increasingly taking a keen interest in transport, owing to the level of emissions for which the sector is responsible. In the EU, transport is second only to the energy sector in its emission of 25% of the GHG, of which road transport accounts for 75%. A variety of policies have been enacted in the EU and elsewhere to reduce emissions, ranging from the broadening of emissions trading systems to setting targets for the level fuel consumption from vehicles.

In addition, logistics providers are subject to antitrust and impacted by anti-money laundering legislation in various jurisdictions in which they operate as well as anticorruption laws and regulations, including the French “Sapin II” law, the Foreign Corrupt Practices Act in the United States, the UK Bribery Act, and similar legislation in other jurisdictions.

Logistics providers must also comply with various regulations of the U.S. Department of Homeland Security and other governmental agencies, both in the United States and abroad, regarding safety, security and antiterrorism measures. Securitization of supply chains and national security concerns led to increased requirements in terms of cargo documentation and verification (e.g., container weighing) as well as supply-chain traceability (including pre-notifications, etc.). It can also impose constraints on the routing or the design of routes as well as restrict choices in terms of suppliers or partners.

Data protection regulations (like the European GDPR which came into effect as of May 25, 2018) increase the complexity of data storage, exchange and handling and thus put higher requirements on the systems used and processes applied by the logistics suppliers. Logistics providers are subject to similar legislation in other jurisdictions.

Media

The Group is currently developing a Media business – see “*Business – Other – Media*”

The Group’s press business is subject, in particular, to (i) press law (law of July 29, 1881 on the freedom of the press and law of August 1, 1986 reforming the legal regime for the press), (ii) intellectual property law, including copyright and related rights, and (iii) the law of October 18, 2019 on the modernisation of press distribution, which requires press publishers to form a cooperative if they pool distribution and use approved press distribution companies.

The Group’s radio activities are subject to broadcasting regulations. In France, this concerns in particular (i) the law of September 30, 1986 and its enabling decrees, pursuant to which the Group must seek authorisations for specific periods determined by the French audiovisual regulator ARCOM (ii) the inter industry agreements relating in particular to government oversight, and (iii) broadcasters’ contributions to audiovisual production and the terms and conditions governing their implementation. Radio activities are also governed by conventions signed with ARCOM, renewed in compliance with the above-mentioned law.

The Group’s television activities are also regulated:

- Digital terrestrial television broadcasting. Pursuant to Article 41 of the French law of September 30, 1986, a licence must be awarded by the abovementioned ARCOM to conduct digital terrestrial television broadcasting services. To that effect, the ARCOM launches a competitive tendering process for the available radio frequencies and then examines the applications received from broadcasters. In accordance with articles 29, 30 and 30-1 of the French law of September 30, 1986, the ARCOM evaluates the relevance of each project for the public, considering factors such as safeguarding pluralistic socio-cultural expression, diversifying operators, and preventing abuses of dominant positions and practices that hinder free competition. Once selected, the relevant broadcaster enters into an agreement with the ARCOM, setting out various obligations, including requirements regarding technical aspects of broadcasting, the protection of children and young people, programmes and shareholding structure. These authorisations are issued for a maximum of 10 years, with the possibility of a single extension for an additional period of up to 5 years. To date, the Group has three digital terrestrial television licences, namely BFM TV, RMC Découverte and RMC Story. On July 24, 2024, the ARCOM announced that BFM TV was selected for the renewal of its broadcasting licence for the channel BFM TV. The ARCOM will publish its decision on the broadcasting licence no later than January 15, 2025. The licenses for RMC Découverte and RMC Story are subject to renewal authorization in 2027.
- Obligations and sanctions. The Group must comply with the relevant regulatory and the specific contractual obligations with the ARCOM. These obligations encompass ensuring pluralism, refraining from broadcasting any programme that undermines human dignity as defined by law, respecting individuals’ privacy rights, honour and reputation, and complying with diversity provisions. In accordance with the French Law of September 30, 1986, the ARCOM has the power to impose sanctions for non-compliance with applicable regulations. As part of its enforcement powers, the ARCOM may impose financial penalties, suspend broadcast for up to one month, reduce the duration of the authorisation by up to one year or, in more severe cases, withdraw the broadcasting licence entirely.

The Group’s digital businesses are also subject to various regulations, both at national level (e.g., French law of June 21, 2004 designed to build trust in the digital economy, and the provisions of the French Consumer Code (*Code de la consommation*) on online retail sales) and internationally (e.g., the GDPR).

The Group’s advertising activities operate under the aegis of the relevant legislation, in particular, restrictions on tobacco and alcohol advertising, online gambling laws, and laws concerning false and misleading advertising.

It should be noted that pursuant to the French laws of September 30, 1986 and August 1, 1986, foreigners who are not nationals of (or headquartered in) a EU member State or a EEA member State are prohibited from holding, directly or indirectly, more than 20% of the capital of a company that has an authorisation to provide terrestrial radio services in French or a company that publishes works in French. By the same logic, French law 2016-1524 of November 14, 2016 promoting media freedom, independence and pluralism, prohibits ARCOM from granting authorisation to operate a French language terrestrial radio service to companies whose capital ownership by non-French entities exceeds a certain threshold. Violations of these rules on foreign ownership of the media could lead to criminal penalties.

From a more general perspective, the Group also closely monitors laws and regulations on copyright, libel and slander, image rights and privacy.

Human rights and environmental due diligence

France

Under the French Duty of Vigilance law (2017), CMA CGM S.A. is obliged, based on the number of employees it has, to publish a “vigilance plan” (*plan de vigilance*) setting out the vigilance measures to (i) identify risks of, and (ii) prevent, *inter alia*, serious violations of human rights and serious damages to the environment caused by its own activities, those of its subsidiaries and those of the suppliers and subcontractors with which it and its subsidiaries have an established business relationship. The vigilance plan and a report on its effective implementation are published annually.

Germany

Under the German Supply Chain Act 2023, two German-based entities within the CEVA group of companies (CEVA Logistics GmbH and CEVA Logistics CFS Eurohub Fulfilment GmbH), by virtue of the number of employees they have, are obliged to undertake certain due diligence measures (as prescribed in the law) in respect of actual and potential adverse human rights and environmental impacts caused by their own activities, those of their subsidiaries and those of their direct (and in some cases indirect) suppliers. They are also obliged to report annually to a German governmental authority, the Federal Office of Economics and Export Control (BAFA), regarding the measures they took in the previous year.

UK

Under the UK Modern Slavery Act 2015, any company carrying on a business in the UK and with an annual turnover of at least £36m is obliged to publish an annual statement about any due diligence measures it has taken in the previous year to address modern slavery risks in its own business and supply chain. Each of CMA CGM S.A. and CEVA Group Ltd have published statements in recent years.

Australia

Under the Australian Modern Slavery Act 2018, any Australian-based entity with an annual turnover of at least \$100m is required to submit to the Minister for Home Affairs an annual statement about any due diligence measures it has taken in the previous year to address modern slavery risks in its operations and supply chain and those of its subsidiaries. CEVA Logistics (Australia) Pty Limited and CEVA Freight (Australia) Pty Limited have published a collective statement in recent years.

MANAGEMENT

Board of Directors and Other Key Management

Board of Directors

The following table sets forth the name, age and position of each of the members of our Board of Directors.

Name	Age	Position
Rodolphe Saadé	54	Chairman of the Board and Chief Executive Officer
Tanya Saadé Zeenny	56	Director and Executive Officer
Naïla Saadé	82	Director
Véronique Saadé	49	Director
Farid T. Salem	85	Director, Special Advisor to the Chairman and Chief Executive Officer
Mathilde Lemoine	55	Director (Independent)
Patricia Barbizet	69	Director (Independent)
Jacques Ripoll	58	Director (Independent)
Robert Yüksel Yildirim	64	Director
Evren Oztürk	43	Director
Merit, represented by Michel Sirat	63	Corporate Director
BPIFrance Investissement, represented by José Gonzalo	59	Corporate Director
Badis Zaïane	51	Director representing the employees
Chantal Castel	49	Director representing the employees

Rodolphe Saadé became Executive Officer and a member of the Board of Directors of CMA CGM in 2010 and Vice-Chairman in 2014. He was appointed as Chief Executive Officer of CMA CGM on February 8, 2017 and as Chairman of the Board of Directors on November 24, 2017. Prior to this, he was Chief Executive Vice President and a member of the Executive Board as of 2004 and was a member of the Supervisory Board from 2001 to 2004. In April 2019, Rodolphe Saadé became Chairman of the Board of CEVA Logistics A.G. CEVA Logistics A.G.'s registered office was then transferred to France, and it became a French public limited company ("CEVA Logistics S.A.") in April 2021, the date on which Rodolphe Saadé was appointed as Chairman of the Board of CEVA Logistics S.A. He has been President of Merit since November 2019 and President of ZeBox Ventures since February 2017. He has also been Chairman of the boards of directors of CMA CGM Asia Pacific Limited since June 2016 and CMA CGM Asia Pacific Liner and CMA CGM Asia Shipping since August 2016. Rodolphe Saadé obtained a Bachelor of Commerce degree from Concordia University in Montreal (Canada). He is Jacques R. Saadé and Naïla Saadé's son and Tanya Saadé Zeenny's brother.

Tanya Saadé Zeenny is the Executive Officer of the Group and President of the CMA CGM Foundation. Her responsibilities extend to communication, institutional relations, corporate social responsibility, administration and real estate. She had joined CMA CGM in 1995 to set up the Corporate Communications Department. She has since occupied key roles in the company, including Group Administration and Infrastructure Management and Group Corporate Secretary in addition to her role as a member of the CMA CGM Board of Directors. In 2019, she has succeeded Naïla Saadé as President of the CMA CGM Foundation with the ambition of carrying forward the Group's commitment to two major causes: education for all and humanitarian aid. She is Jacques R. Saadé and Naïla Saadé's daughter and Rodolphe Saadé's sister.

Naïla Saadé has been a member of the Board of Directors since June 28, 2013. Naïla Saadé founded the CMA CGM Foundation in 2005, aiming to put the expertise of CMA CGM at the service of major causes including the support of children in difficulty and providing humanitarian aid. She has developed several projects in coordination with French NGOs and international organizations as well as programs dedicated to humanitarian operations such as Containers of Hope, that ensures the transport of humanitarian aid to destinations worldwide. She was succeeded in 2019 by Tanya Saadé Zeenny who became President of the CMA CGM Foundation but has remained since a member of the board. Naïla Saadé is the widow of Jacques Saadé and the mother of Rodolphe Saadé and Tanya Saadé Zeenny.

Véronique Saadé was appointed as a member of the Board of Directors in May 2017. She currently serves as representative of CMA CGM in its capacity of President of CMA Press News (formerly Whynot Media) following her appointment in January 2024. CMA Press News is the Group's company which owns La Provence, Corse Presse, HIMA Group and La Tribune. Until July 2024, she served as Chairwoman of La Provence (appointed in February 2024) and Corse Presse (appointed in January 2024). Since July 2024, she has been President of both companies following their change of corporate form. Before that, she worked in the international marketing department at L'Oréal between 2000 and 2003 and in the international marketing department at the LVMH Group between 1997 and 2000. Véronique Saadé is a graduate of the University of Paris Dauphine. She is Rodolphe Saadé's wife.

Farid Salem has been with the Group since its origins. Farid Salem was a member of the Board of Directors until November 2019 where he resigned. He was then reappointed as board member in March 2020. Born and educated in Beirut, Lebanon, he holds a master's degree in Law and Economics and began his career as a director and partner of the Lebanese company Packfreez in 1964. Contacted by Jacques Saadé in 1978, Farid Salem helped create and launch CMA (Compagnie Maritime d'Affrètement) in Marseille. In 1986, Jacques Saadé appointed him Chief Executive Vice President of CMA, and then, in 1999, of CMA CGM, following the merger with Compagnie Générale Maritime. In 2010, Farid Salem was appointed an Executive Officer of CMA CGM and a Director of the Board. He was appointed Special Advisor to the Chairman and Chief Executive Officer on September 1, 2018. He is now retired from CMA CGM daily management but has been appointed as a director of the board of La Méridionale since July 2023. He is Naïla Saadé's brother, Jacques R. Saadé's brother-in-law and Rodolphe Saadé and Tanya Saadé Zeenny's uncle.

Mathilde Lemoine has been a member of the Board of Directors since May 2017. She is currently Group Chief Economist at Edmond de Rothschild and members of the group's Investment Committee. She has been also an independent director of Carrefour SA since 2011, CMA CGM since 2017 and Eurazeo for last year. Mathilde Lemoine holds a PhD in Economics from the *Institut Politique de Paris* (1997). She began her career as a teacher-researcher at *Sciences-Po Paris*, where she taught international macroeconomics for over 20 years, and as General Secretary of *Observatoire Français des Conjonctures Économiques*, an independent and publicly funded centre of Economic research. In 2005, she was Advisor for Macroeconomics and Taxation to the Prime Minister after having been Technical Advisor for Globalisation to several Ministers of Economy and Finance. From 2007 to 2015, she was Director of Economic Research and Market Strategy at a major international bank. Mathilde Lemoine was also a Member of the *Conseil d'Analyse Économique* (2008-2012) and of the *Haut Conseil des Finances Publiques* (HCFP) from 2013 to 2018, and also a Member of the Attali Commission for the liberation of growth (2010). In 2013, she was appointed as a member of the Board of Directors of the *École Normale Supérieure* before participating in the Public Action 2022 Committee (2017).

Patricia Barbizet has been a member of the Board of Directors since March 2023. She is a non-executive and independent Director and a member of the Audit & Risk Committee. Mrs. Barbizet is Chief Executive Officer of Temaris & Associés, lead independent director of Pernod Ricard (listed company). In addition, she is chairwoman of AFEP (*Association française des entreprises privées*) and a member of the board of directors of CMA CGM. She started her career as International Treasurer in Renault Véhicules Industriels, and then as Chief Financial Officer of Renault Crédit International. In 1989, Mrs. Barbizet joined the Groupe Pinault as Chief Financial Officer. She was Chief Executive Officer of Artémis, the investment company of the Pinault family, from 1992 to 2018. Mrs Barbizet was Chief Executive Officer and Chairwoman of Christie's International from 2014 to 2016, served as a qualified independent member on the Boards of PSA Peugeot-Citroen, Air France-KLM, Groupe Bouygues, FNAC-DARTY, AXA, Total, as well as Chairwoman of the Investment Committee of the "*Fonds Stratégique d'Investissement*" from 2008 until 2013, and Chairwoman of the "*Comité de surveillance des Investissement d'avenir*" of the Secrétariat Général pour l'Investissement (SGPI) until 2023. Mrs Barbizet graduated from the *Ecole Supérieure de Commerce de Paris* (ESCP Business School). Mrs Barbizet is a citizen of France.

Jacques Ripoll is an independent Director who was appointed in March 2023. He was a member of the Executive Committee of Société Générale until 2013, then Senior Executive Vice President of Banco Santander in charge of investment banking and Deputy Chief Executive Officer of the Crédit Agricole Group. He subsequently joined Eren Groupe as a member of the Supervisory Board in September 2022.

Robert Yüksel Yildirim was first appointed as a Director from the candidates proposed by Yildirim. He has been a member of the Board of Directors since January 27, 2011. He serves as the Chief Executive Officer and President of Yildirim Group. Mr. Yildirim has been involved in the family companies and businesses for over 20 years. He is responsible for Yildirim Group's foreign trade activities, financing (trade and project) and investments in new projects (such as container terminal design, shipbuilding and acquisitions of companies). Prior to that, he spent

over five years at Paceco Corp., in San Mateo, California as a design and project engineer for ship-to-shore gantry cranes, rubber-tired gantry cranes, and container handling equipment. He was awarded a bachelor's degree and a master's degree in mechanical engineering from Istanbul Technical University and Oregon State University, respectively.

Evren Öztürk was first appointed as a Director from the candidates proposed by Yildirim. He has been a member of the Board of Directors since January 27, 2011. Dr. Öztürk is the group Chief Financial Officer of Yildirim Holding Inc. and has been leading the global finance capabilities since 2004. Group CFO & Main Board Member of the holding, leading the group's global capabilities across strategic financing, capital raising, M&A, liquidity management/treasury and hedging as well as legal disciplines, fundamental to the success and diversification of the group's portfolio interests, both in Turkey and ever more so, internationally, Dr Öztürk holds numerous Bachelors & Masters degrees - receiving his first Bachelors in Business Administration, and Master's Degrees in Financial Markets and Investment Management, Economics, and Strategy of Management. He completed his Doctoral Studies in Finance & Accounting at Marmara University to receive his Ph.D. More recently he added the prestigious TRIUM Global Executive MBA to his educational portfolio.

Merit France SAS, a company incorporated under the laws of France, was coopted as a Director in March 2021 in replacement of Merit CC. Since May 17, 2024, it has been represented by Michel Sirat, in replacement of Denis Ranque. Michel graduated from ENA (*Ecole Nationale d'Administration*), *Sciences Po Paris* and *Ecole Centrale de Paris*. He was CFO of CMA CGM from 2011 to April 2023. He then served as manager of Saadé's family office and was responsible for M&A and Group strategy until December 2023. Michel previously worked for 11 years at Engie in Paris, Houston and Brussels in various managerial roles. Michel began his career at the French Treasury where he spent 11 years.

BPIFrance Investissement, a company incorporated under the laws of France and fully owned by BPI, appointed as a Director on March 25, 2020, is represented by José Gonzalo. José Gonzalo is a graduate of Sciences Po Paris and the University Paris Dauphine. He has 25 years of experience in mergers and acquisitions: after starting his career in the mergers and acquisitions department of La Compagnie Financière Rothschild, he joined the Orange Group where he held the positions of Director of Development and Director of Mergers and Acquisitions in subsidiaries and at headquarter level. He then joined Capgemini in 2009 as Head of Mergers and Acquisitions before joining Bpifrance. He was a member of the management committee of Mid & Large Cap and co-head of the ETI 2020 fund, for which he led investment operations such as Eren, Quadran, Sandaya, Inseec, Medipole and Les Petits Chaperons Rouges. In October 2016, José Gonzalo became Executive Director at Bpifrance, Mid & Large Cap division. Since August 1, 2018, he has also been Executive Director in charge of SME equity capital activities. He led the transaction to buy out the State Equity Agency's (APE) stake in PSA.

Badis Zaiane was appointed as a Director representing the employees. He has been a member of the Board of Directors since September 2015. Graduating from the Ecole Nationale de la Marine Marchande in Le Havre, he began his career in 1992 as a cadet, then moved on to the position of deck and engine officer in several French and international shipping companies. He joined CMA CGM in 2004, first as Second Engineer, Chief Officer, then Chief Engineer, before becoming Captain in early 2010 where he has to manage the vessels placed under his command.

Chantal Castel was appointed as a Director representing the employees in July 2023. Chantal Castel currently holds the position of Business Control Manager in the Finance Department of CMA CGM, where she has been working for 23 years. She joined the Group in 2001 as an accountant before becoming a cost controller as from 2004, to finally occupy her current position since 2014.

For the purpose of these listing particulars and for listing purposes, all members of the Board of Directors elect domicile at the address of the registered office of the Company.

Other Key Management

The following table sets forth the name, age and position of each of the members of our other key management.

Name	Age	Position
Christine Cabau Woehrel	60	Executive Vice President Assets Group
Mathieu Friedberg	54	Chief Executive Officer of CEVA
Olivier Nivoix	50	Executive Vice President, Shipping Division

Ramon Fernandez	57	Chief Financial Officer
Hadi Zablit	54	Executive Vice President, Chief Information & Technology Officer
David Schajer	50	Executive Vice President Human Resources

Christine Cabau Woehrel joined CMA CGM in March 2019 as Executive Vice President of the Assets Group, having started her career in maritime transport in 1987 when she first joined CMA CGM as a line manager. In her current role, she oversees the Operations, Logistics, Chartering, Energy and Research and Development departments. In 2014, she was appointed as the Director of the largest French port, Marseille-Fos, as well as Chairwoman of the Intermed Association. In 2012, she was appointed Chief Executive Officer of the Port of Dunkirk by ministerial decree. Before leaving CMA CGM in 2011 to become a consultant in the shipping industry, she oversaw the management of several lines within the Group: Asia-Mediterranean and Asia-Middle East.

Mathieu Friedberg was appointed as Chief Executive Officer of CEVA Logistics A.G. in January 2020. He previously served as Senior Vice President in charge of the Commercial and Agencies Network since March 2017. He joined CMA CGM in 1995 as corporate controller. He assumed a variety of finance and then operational line management responsibilities, in particular on the African trades. He was Vice President Freight Forwarding & Logistic Activities until March 2017. Mathieu Friedberg holds degrees from *Institut d'Études Politiques de Paris* and *INSEAD*.

Olivier Nivoix has served as Executive Vice President, Group Shipping Division since 2022. In June 2019, he was promoted Executive Vice President of all of CMA CGM's lines, having been previously appointed Senior Vice President of CMA CGM Lines in September 2018. He had also been appointed to manage all of the lines that operate within the Ocean Alliance in April 2017, and Vice President of North America Lines in 2014. Prior to this, Olivier Nivoix had joined CMA CGM in October 2010 as Deputy Vice President- Caribbean Lines - Latin America. Between 2006 and 2010, Olivier Nivoix oversaw the sales department for France's SMB Market in/at IBM's Hardware Division. From 1999 to 2004, he worked at IBM France as a commercial engineer. Olivier obtained an engineering degree at the *École Française d'Électronique et d'Informatique* in 1997.

Ramon Fernandez has served as Chief Financial Officer since April 2023. From September 2020 to March 2023, he was Deputy Chief Executive Officer, Finance, Performance and Development of Orange. Within the same company, he had previously been appointed Deputy Chief Executive Officer, Finance, Performance and Europe in May 2018, and Deputy Chief Executive Officer and Group Chief Financial and Strategy Officer in September 2014. Ramon began his career in public administrations and international organizations – he notably worked for the International Monetary Fund in Washington from 1997 to 1999. Ramon Fernandez is a graduate of the *Institut d'études politiques* in Paris (1988) and the *École Nationale d'Administration* (1993).

Hadi Zablit has served as Executive Vice President, Chief Information & Technology Officer since November 2022. From November 2019 to September 2021, he was General Secretary of the Renault-Nissan-Mitsubishi Alliance. Within the same company, he had previously been appointed Senior Vice President Business Development in February 2018 and Managing Director of Renault Digital in January 2017. Before, he was a Senior Partner & Managing Director at BCG. Hadi is a graduate of *Ecole Polytechnique*, and he holds a master's degree in mechanical engineering from the *École des Mines de Paris*, and an MBA from *INSEAD*.

David Schajer joined CMA CGM as Group Chief Human Resources Officer in November 2023. From 2015 to 2023, he has served in FORVIA, a leading automotive equipment supplier, as a global HR Business Partner in various roles, in France, India, Japan and Germany. Previously, he held strategy and general management positions at Thales, a leading defense & security player, before taking his first assignment in HR as VP of Talent Management of the Alstom Group in 2013. David began his career in the public sector, in the Budget Department of the Finance Ministry. He then held several positions in the public sector before transitioning to the private sector in 2007. David holds a Master's in Sociology from *SciencePo Paris* and completed his Master of Science in Public Administration from the *Ecole Nationale d'Administration* (ENA) in 2000.

For the purpose of these listing particulars and for listing purposes, all other key managers elect domicile at the address of the registered office of the Company.

Corporate Governance

The Company is managed by a Board of Directors (*Conseil d'Administration*) and a “Chief Executive Officer” or “CEO” (*Président-Directeur Général*). Our Articles of Association direct that our Board of Directors consist of twelve members appointed by the general meeting of the shareholders and of two members representing the

employees and designated by the central work's council (first designation occurred in September 2015). Each Director is elected for a term of three years, but the Directors appointed by the general meeting of the shareholders may be dismissed at any time by a decision taken at the ordinary general meeting of shareholders. Directors representing employees have the same status, powers and liabilities as other Directors, and for this reason they participate in the Board of Directors' decisions with deliberative voice. The Board of Directors elects a Chairman (*Président*) from among its members for a time period that may not exceed his office as a Director. Subject to any powers expressly allocated to the shareholders or as otherwise provided by the Articles of Association, the Board of Directors has full authority to determine the strategic direction of the Company and any actions in furtherance thereof.

The Board of Directors currently has two committees in operation, the "Audit and Accounting Committee" and the "Appointments and Remuneration Committee."

The members of the Audit and Accounting Committee are appointed by the Board of Directors for a one-year term. It must be composed of at least three directors who possess accounting and financial expertise, including at least one director appointed by BPI (as long as the C Preferred Share exists and is held by BPI). It must be chaired by an independent director. The members of the Audit and Accounting Committee are assisted by employees of the Company who attend its meetings.

The members of the Appointments and Remuneration Committee are appointed by the Board of Directors for a one-year term. It is composed of three directors, one of whom must be an independent director. Its chairperson is appointed by the Board of Directors.

The structure of each committee is currently as follows:

Audit and Accounting Committee. *Chairman:* Jacques Ripoll. *Members:* Mathilde Lemoine, Evren Öztürk, BPIFrance Investissement (represented by José Gonzalo) and Merit (represented by Michel Sirat).

Appointments and Remuneration Committee. *Chairman:* Rodolphe Saadé. *Members:* Tanya Saadé Zeenny and Mathilde Lemoine.

The Board of Directors appoints the Chief Executive Officer (who may be the same individual as the Chairman of the Board) for a three-year term, and the Chief Executive Officer is responsible for the general oversight and day-to-day management of the Company. Subject to the corporate purpose and any powers expressly reserved for the Board of Directors or shareholders in accordance with the Articles of Association, the Internal Regulations of the Board of Directors, the Yildirim Shareholders' Agreement, the BPI Shareholders' Agreement, and applicable law, the Chief Executive Officer has full authority to act on behalf of and represent the Company. Upon the recommendation of the Chief Executive Officer, the Board of Directors may appoint one, two or three "Executive Officer(s)" or "EO(s)" (*Directeur(s) Général Délégué(s)*) to assist the Chief Executive Officer in the performance of his duties.

On June 6, 2017, the Board of Directors appointed Rodolphe Saadé for a new term as Vice-Chairman of the Board. On November 24, 2017, the Board of Directors decided the combination of the positions of Chairman of the Board and Chief Executive Officer of the Company and appointed Rodolphe Saadé as Chairman of the Board. He was reelected as Chairman of the Board on June 5, 2020 and May 26, 2023 and as Chief Executive Officer on March 6, 2020 and May 26, 2023.

In connection with the BPI investment (as defined herein – see "*Principal Shareholders—Bpifrance Participations Shareholding*"), BPI, Merit and the Company in the presence of Yildirim Holding entered into the BPI Shareholders' Agreement, pursuant to which, as the holder of the C Preferred Share (as defined below), BPI is entitled to appoint one member and one censor to our Board of Directors. In addition, certain strategic decisions enumerated in the BPI Shareholders' Agreement require, in addition to any requirements imposed by law and our governing documents, the vote of the director appointed by BPI; these decisions initially included, but were not limited to, the following: approval or modification of the Company's business plan and annual budget, decisions involving financial investment or incurrence of additional indebtedness in an amount greater than \$75.0 million, capital increase, capital decrease, merger, spin-off or issuance of securities in an amount greater than \$50.0 million, distribution of dividends in excess of \$100.0 million in a fiscal year, modification of the Company's main business, issuance of guarantees or indemnity in an amount greater than \$50.0 million, any related party transactions, and any decision involving an investment or disposal for an aggregate value exceeding 3.0% of the Company's consolidated revenue. BPI was initially entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares, or (ii) the date on which BPI's interest in the

Company falls below 3.0% of share capital and voting rights on a fully diluted basis. For additional information, see “*Principal Shareholders – Bpifrance Participations Shareholding.*”

The BPI Shareholders’ Agreement has been further amended by two amendments:

- The first one was entered into on December 18, 2020 in relation to Merit’s purchase of 3% of BPI’s interest in CMA CGM. This first amendment notably amended (i) the section related to the “Reserved Matters” by raising the caps (where applicable) requiring the vote of the director appointed by BPI to \$200.0 million (without prejudice to the abovementioned limit of 3.0% of the Company’s consolidated revenue) and (ii) the article related to the duration of BPI’s governance, information and audit rights, which will cease to exist until the earlier of an initial public offering or the date on which BPI ceases to hold at least 453,358 shares or such number of securities representing on a fully diluted basis at least 2% of the Company’s share capital and voting rights. Such amendment also provides that BPI benefits from a put option to sell its remaining shareholding, representing 3% of the Company’s share capital and voting rights, to Merit during the second half of 2024.
- The second one was entered into on March 9, 2022 in relation to certain changes in BPI’s organization structure. It reduced the number and nature of the Reserved Matters that require the approval of BPI’s appointed director. It was therefore agreed to exclude the approval of the Company’s business plan and annual budget from the scope of veto rights initially granted to BPI. In addition, it was also agreed to prevent BPI, its appointed director and censor from receiving any information, participating in or voting on any debate or discussion related to the Colis Privé Group activities and/or Colis Privé Group.

Pursuant to the BPI Shareholders’ Agreement and the Yildirim Shareholders’ Agreement, the Board of Directors must comprise at least two independent directors appointed among the candidates proposed by Merit and one director appointed among the candidates proposed by BPI. In addition, BPI, subject to the terms and conditions set forth in its shareholders’ agreement, shall be entitled to request the appointment of one censor.

Compensation

The maximum distributable amount (as approved by the shareholder’s meeting on March 29, 2023) dedicated to the remuneration of the members of our Board of Directors in the form of directors’ fee for attending Board meetings in 2023 was €350,000. No other remuneration was granted to the members of the Board of Directors of the Company, including in the form of free shares or stock options. For 2024, the same amount (€350,000) was approved by the shareholders’ meeting held on March 11, 2024.

RELATED PARTY TRANSACTIONS

French Legal Requirements

The French Commercial Code (*Code de commerce*) prohibits loans by a *société anonyme* to its Chief Executive Officer or Deputy Chief Executive Officer or to a member of its board of directors (except if such member is a legal person), including overdrafts to these individuals or guarantees of their obligations. This prohibition also applies to permanent representatives of companies on the board of directors, spouses, ascendants and descendants of such persons and any third party acting as an intermediary for a member.

The French Commercial Code (*Code de commerce*) and our by-laws require members of the Board of Directors, the Chief Executive Officer or Deputy Chief Executive Officer or shareholders holding more than 10% of voting rights (or, in the event such shareholder is a company, its controlling shareholder (within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*))) who are considering, either directly or indirectly, personally or through an intermediary, entering into an agreement with the company (other than (i) one of the prohibited transactions mentioned in the previous paragraph, (ii) agreements contracted in the ordinary course of business under normal terms and (iii) agreements contracted with a company the capital of which is 100% owned directly or indirectly by the Company) to inform the company's Board of Directors, explaining the interest of the company in the transaction before the transaction is consummated. French law also requires such an agreement to be authorized by the Board of Directors with the interested director abstaining from the vote. French law further requires such an agreement to be submitted to an ordinary general meeting for approval once entered into, upon presentation of a special report from the company's auditors who are informed of any interested third-party transaction by the chairman of the Board of Directors. Any agreement entered into in violation of the prior authorization of the Board of Directors may be voided by the commercial court at the request of the company or any shareholder, if such agreement has caused damages to the company. In addition, if such an agreement has been authorized by the Board of Directors but has not been submitted to or approved by the ordinary general meeting, the agreement may not be voided (except in the event of fraud) but the prejudicial consequences to the company of the agreement may be charged to the interested party and, potentially, to the other members of the Board of Directors. It should be noted also that under the BPI Shareholders' Agreement, the director representing BPI on our Board of Directors has a veto right in respect of related party transactions.

Related Party Transactions

We engage in certain transactions with affiliated entities and affiliated companies. Set forth below is a summary of the main transactions entered into (or that involved payments) since January 1, 2021, and ones entered into previously that remain in effect.

- (1) In 2011, we issued the initial Yildirim convertible bonds (the "Initial Yildirim ORA") in a principal amount of \$500.0 million, and in 2013 we issued the additional Yildirim convertible bonds (the "Additional Yildirim ORA" and, together with the "Initial Yildirim ORA," the "Yildirim ORA") in a principal amount of \$100.0 million pursuant to an investment agreement, dated November 25, 2010, among us, Merit and Yildirim Holding (the "Yildirim Investment Agreement"), and simultaneously entered into the Yildirim Shareholders' Agreement (which was amended on April 7, 2011 and June 28, 2013) and a shareholder pledge and guarantee. As at December 31, 2015, the bonds were redeemed in preferred shares as per their terms and conditions. On December 31, 2017, these preferred shares held by Yildirim automatically converted into ordinary shares of the Company, representing 24% of the Company's ordinary shares on a fully diluted basis. In 2024, we paid a dividend to our shareholders in respect of the 2023 fiscal year amounting to \$2,750,000,000; Yildirim's share was \$660 million.
- (2) In 2013, we issued the BPIfrance Participations convertible bonds (the "BPI ORA") to BPI in a principal amount of \$150.0 million pursuant to an investment agreement dated February 6, 2013, among us, Merit and BPI, and simultaneously entered into the BPI Shareholders' Agreement (which was amended on December 18, 2020 and March 9, 2022), a shareholder pledge, guarantee, delegation deed and share loan agreement pursuant to which Merit loaned BPI one preferred share of the Company which entitles BPI to certain governance rights as provided in the BPI Shareholders' Agreement. In accordance with the terms of the investment agreement, on December 31, 2020, the BPI ORA were converted into ordinary shares of the company that represented approximately 6% of the Company's capital on a fully diluted basis. For additional information, see "*Management – Corporate Governance*"

- (3) In 2010 and 2011, we entered into a container leasing contract in a principal amount of \$103.0 million with Investment and Financing Corp. Ltd., a subsidiary of Merit, which was amended and replaced in 2018 and again in 2019 by a new container leasing contract in an amount of \$45.2 million. In contrast with the option to purchase set out in the leasing contract entered into in 2010 and 2011, the 2018 and 2019 leasing contract imposes an obligation on us to purchase the containers at the end of the 5-year term for \$27.1 million. In December 2017, we entered into a reefers container leasing contract with Investment and Financing Corp. Ltd. in a principal amount of \$125.0 million, along with a purchase option at market price at the end of the 8-year term lease. On May 26, 2023, the Board of Directors authorized the early termination of both contracts and the exercise of the purchase options included therein for an aggregate amount of \$101.3 million, representing 18,894 containers.
- (4) We paid dividends to our shareholders, including Merit, in the total amounts of \$350,000,000 (in 2021 in respect of the 2020 fiscal year), \$2,000,000,000 (in 2022 in respect of the 2021 fiscal year), \$3,500,000,000 (in 2023 in respect of the 2022 fiscal year) and \$2,750,000,000 (in 2024 in respect of the 2023 fiscal year).
- (5) On June 30, 2011, the Company and Yildirim Holding entered into a transaction pursuant to which a Yildirim group company subscribed to 50.0% of the share capital of MFTL Holding Ltd. (“MFTL”), a company held by Terminal Link, at that time a wholly owned subsidiary of the Company and currently a 51%-owned joint venture, in consideration of a payment of €400.0 million, and 100.0% of the share capital of Malta Freeport, which was transferred to MFTL. Pursuant to a shareholders’ agreement entered between the Company and the above-mentioned Yildirim group company, Yildirim was entitled to receive a first-rank priority dividend to be paid exclusively in cash of €18.0 million per year in respect of the 2011 to 2022 fiscal years (except for fiscal year 2016, for which it was specified to amount to €20.0 million), which was guaranteed (caution solidaire) by the Company. Moreover, the Company issued (i) jointly and severally with Yildirim a guarantee in favor of Malta Freeport Corporation, the conceding authority of the Malta terminals, and the Government of Malta, for the performance by MFTL of its obligations under a license agreement, and (ii) jointly and severally with Yildirim a guarantee in favor of Malta Freeport Corporation and the Government of Malta, for the due and punctual performance by Terminal Link of the vendor loan granted by Malta Freeport Corporation to Terminal Link for the purchase of the shares of MFTL in 2004, amounting to €89 million,. In the course of the disposal of the 49.0% stake in Terminal Link to China Merchants Holding International (“CMHI,” former name of CMP) in June 2013, CMHI undertook to indemnify and hold harmless the Company for an amount equal to 49% of all losses in connection with the enforcement of these three guarantees.
- (6) Since 2004, Merit has been providing outsourcing services regarding revenue control and internal audit support on our behalf. The total amount invoiced to the Company by Merit for these services in 2021, 2022 and 2023 was \$2.5 million, \$3.5 million and \$4.2 million, respectively.
- (7) In the context of “Port 2000,” the Company and P&O Ports Limited, a company specialized in managing small multi-purpose ports including container, bulk and general cargo terminals, jointly granted a loan to Portsynergy S.A.S., a 50%-owned subsidiary of Terminal Link providing port management services which was merged into Portsynergy Projects S.A.S. in 2022, for a maximum amount of €20 million and a term of fifteen and a half years in order for Portsynergy S.A.S. to grant a loan of the same amount and duration to Générale de Manutention Portuaire S.A., its subsidiary. As of December 31, 2023, the outstanding amount of the loan made by CMA CGM was €8.9 million.
- (8) In December 2019, SCCV Le Mirabeau Marseille, a company owned 60% by the Company and 40% by Bouygues Immobilier, entered into a contract for (i) the sale of a 21-floor office and retail building under construction to S.A.S. Le Mirabeau, a subsidiary of Merit, for a base purchase price “deed in hand (acte en mains)” of €150 million, and (ii) the issuance of a financial completion guarantee by SCCV Le Mirabeau Marseille to S.A.S. Le Mirabeau. In the context of this transaction, Merit has taken out a guarantee on first demand issued by its bank, in guarantee of the payment of the purchase price. In addition, the Company entered in December 2019 into a lease agreement in the state of future completion (bail en l’état future d’achèvement) with SCCV Le Mirabeau Marseille, whereby the Company will take 10 floors (including parking lots) as a lessee of a 9-year commercial lease, with an annual rent of €322 excluding taxes per square meter and provisional charges of €70 excluding taxes per square meter; the total surface area covered by the lease is 10,700 square meters. The building was delivered in early 2024.

- (9) On March 26, 2020, the Company sold to two subsidiaries of Terminal Link (an entity of which CMA CGM owns 51% and CMP owns 49%) its shareholding (through CMA Terminals) in eight port terminals (in Umm Qasr (Iraq), Rotterdam (the Netherlands), Odessa (Ukraine), Kingston (Jamaica), Ho Chi Minh City (Vietnam), Laem Chabang (Thailand), Qingdao (China) and the CMA CGM PSA Lion Terminal CPLT (Singapore)) for an aggregate consideration of \$804 million. Part of this acquisition was financed by Terminal Link via a \$420.9 million non-amortizable loan granted by CMP. On September 25, 2023, the Group transferred \$434 million to Terminal Link via a capital injection for the purposes of an early repayment of the CMP Loan, including accrued interest.
- (10) On September 21, 2023 the Company granted a loan with a maturity of 12 years (as from the first drawdown, *i.e.* October 30, 2023) to a terminal owned by Terminal Link in Jamaica, amounting to \$229 million. As of June 30, 2024, the outstanding amount of the loan made by the Company was \$229 million.
- (11) On June 28, 2024, CMA Audiovisual entered into a €314.2 million loan agreement with Merit France Investissements as lender (who, in turn, received a shareholder loan from Merit for the same amount) for purposes of the acquisition of Altice Media (now renamed RMC-BFM). Such shareholder loan matures in 2031 and is, at the option of the lender, convertible into equity of the borrower. As of the date of these listing particulars, the aggregate principal amount of CMA Audiovisual's obligations outstanding under this shareholder loan is equal to €114.2 million following a partial repayment in July 2024 by way of conversion into shares in CMA Audiovisual of claims under such shareholder loan for a principal amount of €200 million.
- (12) In addition, Merit placed an order in the offering of the Original Notes in an amount of €25 million.

PRINCIPAL SHAREHOLDERS

Share Ownership

As of June 30, 2024, the corporate share capital of the Company was fixed at €249,985,429.74. It was divided into 15,111,938 shares, entirely paid up, in the following categories: (i) 15,111,937 ordinary shares and (ii) one C Preferred Share. The C Preferred Share represents the same voting rights as an ordinary share (i.e., one vote per share).

Our share ownership as of June 30, 2024, was as follows:

Name	Shares
Merit ⁽¹⁾	10,972,238 ordinary shares
Naïla Saadé.....	4 ordinary shares
Rodolphe Saadé.....	19,824 ordinary shares
Tanya Saadé Zeenny	19,824 ordinary shares
Jacques Junior Saadé.....	19,824 ordinary shares
Yildirim Asset Management Holding BV	3,626,865 ordinary shares
Bpifrance Participations S.A.	453,358 ordinary shares and 1 C Preferred Share

(1) The members of the late Jacques R. Saadé's family directly and indirectly through Merit beneficially own 73% of our outstanding share capital.

Yildirim Shareholding

On January 27, 2011, we consummated a transaction pursuant to the Yildirim Investment Agreement, whereby Yildirim AM subscribed 2,644,590 ORA for \$500.0 million (the "Yildirim Initial Investment"). In addition to the Yildirim Initial Investment, Merit was granted the option to require Yildirim to make an additional investment in a total amount of up to \$250.0 million through the subscription of up to 1,322,295 additional bonds having the same terms as the 2,644,590 initial ORA. Such bonds could be issued and subscribed, at the option of Merit, in one or two tranches, in whole or in part (the "Yildirim Additional Investment" and, together with the Yildirim Initial Investment, the "Yildirim Investment"). Following the exercise by Merit of its option to cause the Yildirim Additional Investment to occur, on January 31, 2013, Yildirim purchased the Additional Yildirim ORA for \$100.0 million.

In accordance with the terms of the Investment Agreement, the Yildirim ORA were automatically converted into preference shares of the Company (the "B Preferred Shares") on December 31, 2015, which represented approximately 24% of the Company's capital on a fully diluted basis. The B Preferred Shares were vested with the same rights and obligations as our ordinary shares; provided, however, that the B Preferred Shares were entitled to a priority dividend paid in euro in cash each fiscal year equal to 12.0% of the nominal value of each ORA. The payment of such priority dividend was guaranteed by Merit. On December 31, 2017, the B Preferred Shares were automatically converted into ordinary shares.

The Yildirim Shareholders' Agreement provides for, among other things: (i) certain restrictions on transfer, (ii) rights of first refusal and drag-along rights in favor of Merit, (iii) certain tag-along rights and rights of first offer in favor of Yildirim, (iv) certain mutual non-compete undertakings, (v) customary anti-dilution provisions and (vi) financial information reporting obligations.

For additional information, see "*Management—Corporate Governance.*"

BPI Shareholding

On June 28, 2013, we consummated a transaction, pursuant to an investment agreement among us, Merit and BPI, a company incorporated under the laws of France (formerly known as *Fonds Stratégique d'Investissement*), dated February 6, 2013 (the "BPI Investment Agreement"), whereby BPI, an investment vehicle co-owned at the time by the *Caisse des Dépôts*, a public financial institution, and the French State, subscribed to the BPI ORA, representing a total investment of \$150.0 million (the "BPI Investment").

In accordance with the terms of the BPI Investment Agreement, on December 31, 2020, the BPI ORA automatically converted into ordinary shares of the company that represented approximately 6% of the Company's capital on a fully diluted basis.

In addition, on June 28, 2013, Merit loaned BPI one preferred share of the Company (the "C Preferred Share"), which entitles BPI to certain governance rights as provided in the BPI Shareholders' Agreement in connection with the closing of the BPI Investment. Under the BPI Shareholders' Agreement, BPI is entitled to appoint one member and one censor to the Company's Board of Directors. Furthermore, certain strategic decisions enumerated in the BPI Shareholders' Agreement and listed in the Board of Directors Internal Regulations require the vote of the director appointed by BPI. BPI is entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares and (ii) the date on which BPI's interest in the Company falls below 3.0% of share capital and voting rights on a fully diluted basis.

The BPI Shareholders' Agreement also provides for, among other things: (i) specific undertakings by Merit, including not to transfer the Company's management and main corporate functions outside France and not to withdraw the Company from any French ports in a structural, significant and definitive way, (ii) certain put options in favor of BPI, (iii) certain restrictions on transfers including rights of first refusal and drag-along rights (including after an IPO) in favor of Merit, (iv) certain tag-along rights of offer in favor of BPI and rights of first offer in favor of BPI and Yildirim, (v) customary anti-dilution provisions, (vi) financial information reporting obligations and (vii) certain corporate governance rights.

The BPI Shareholders' Agreement has been further amended by two amendments. For more information, see "*Management—Corporate Governance.*"

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the terms and conditions of our principal financing arrangements. As summaries, these descriptions are necessarily incomplete, and do not purport to describe all of the applicable terms and conditions of such arrangements. For the terms and conditions of the Additional Notes, see “Description of Notes.”

The indebtedness below is based on the obligations of the principal obligor only and does not reflect the impact of any guarantees. Any indebtedness denominated in euros or Singapore dollars has been converted using the Company’s balance sheet exchange rates of \$1.00 = €0.93345 and \$1.00 = SG\$1.35540, respectively, as of June 30, 2024. The indebtedness figures set forth below are based on the Unaudited Interim Condensed Consolidated Financial Statements. As such, the figures may reflect certain accounting adjustments that will cause them to differ from the outstanding nominal amount of such indebtedness, including in particular netting of certain transaction costs in accordance with IFRS and amortization. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations and Commercial Commitments.”

Overview of Financing Arrangements

An overview of our main outstanding financing arrangements as of June 30, 2024 is presented below. These arrangements include (i) senior notes (See “—Senior Notes”), (ii) long-term bank borrowings (See “—Bank Borrowings”), (iii) bank overdrafts (See “—Bank Overdrafts”), (iv) securitization programs (“—Securitization Programs”) and (v) lease liabilities (See “—Lease Liabilities”).

(in million \$) ⁽¹⁾	As of June 30, 2024	Current Portion ⁽²⁾	Non-current portion ⁽³⁾	Maturity schedule: June 30,				
				2026	2027	2028	2029	Onwards
Senior notes	214.3	214.3						
Bank borrowings – Asset financing	2,795.0	466.9	2,328.1	304.5	298.4	344.3	244.4	1,136.6
Bank borrowings – Corporate	181.1	137.2	43.9	20.9	2.7	0.9	0.4	19.0
Bank overdrafts	19.2	19.2	-	-	-	-	-	-
Securitization programs	943.8	(1.2)	945.0	(0.6)	945.6	-	-	-
Other borrowings	434.1	294.7	139.3	5.8	3.8	4.4	1.1	124.2
Total excluding lease liabilities	4,587.4	1,131.1	3,456.3	330.6	1,250.4	349.6	246.0	1,279.7
Lease liabilities	13,448.4	2,685.8	10,762.6	2,005.9	1,573.6	1,383.8	1,283.1	4,516.3
Total including lease liabilities	18,035.8	3,816.8	14,219.0	2,336.4	2,824.0	1,733.3	1,529.1	5,796.0

(1) The issuance of the Original Notes on July 4, 2024 is not reflected in this overview table as this transaction was not completed by June 30, 2024.

(2) Current portion relates to financial liabilities due on or prior to June 30, 2025.

(3) Non-current portion relates to financial liabilities due after June 30, 2025.

The following table sets forth our financing arrangements broken down by category of assets, as of June 30, 2024:

(in million \$)	Senior Notes	Bank Borrowings	Lease Liabilities	Other borrowings, securitization and overdraft
Vessels		2,745.0	7,206.7	-
Containers		-	2,817.6	-
Land and buildings		33.5	2,490.8	-
Terminal concession		4.0	861.2	15.2
Other tangible assets		7.4	72.0	-
Other secured borrowings ..		125.7	-	979.1

General corporate purposes (unsecured)	214.3	60.6	-	402.8
Total	214.3	2,976.1	13,448.3	1,397.1

Key Financial Ratios

Most of our debt financing arrangements (except for our securitization programs (See “—*Securitization Programs*”), certain financing arrangements at CMA CGM Asia Pacific sub-group level and certain lease arrangements) provide for substantially similar financial covenants: i.e., an adjusted leverage ratio and a minimum Group cash balance.

Adjusted Leverage Ratio

The adjusted leverage ratio (defined as adjusted net financial debt over a three-year average Adjusted EBITDA) is tested on a semi-annual basis, on June 30 and December 31 in each calendar year, based on the Group’s consolidated financial statements. Adjusted net financial debt is calculated as (A) the Group’s financial indebtedness (including lease liabilities under IFRS 16) *minus* (B) the aggregate of (i) unrestricted cash and cash equivalents (including marketable securities), (ii) cash collateral provided under certain loan-to-value covenants and (iii) any liability in relation to terminals concessions and similar rights in relation to terminals operations in excess of the amount of such liabilities as shown in our consolidated financial statements as of January 1, 2019. Average Adjusted EBITDA is defined, for any testing date, as the average between (A) Adjusted EBITDA as at such testing date, (B) Adjusted EBITDA as at the testing date which is twelve months before such testing date, and (C) Adjusted EBITDA as at the testing date which is twenty-four months before such testing date. Adjusted EBITDA as at a specified testing date is defined as EBITDA before gains/losses on disposal of property, equipment and subsidiaries and non-recurring items for the period of twelve months before such testing date. Further adjustments are provided in the event a material acquisition has been completed at any testing date (unless the relevant impact of such material acquisition on the Adjusted EBITDA is already reflected in the consolidated financial statements so as to avoid any double counting).

As at each of testing date, the adjusted leverage ratio should not exceed 4.00x. As of June 30, 2024, our adjusted leverage ratio was equal to 0.5x.

All financing arrangements which provide for such maximum adjusted leverage ratio requirements further contemplate that, in case of a change in accounting definitions, rules, regulations, standards or practices applicable to the Group, which has or could reasonably be expected to have an impact on the underlying definitions or figures or method of calculation of the financial covenants, the parties shall negotiate in good faith with a view to agreeing any amendment to the relevant definition in order to ensure consistent calculation and application, and enable compliance with such ratio.

Minimum Group Cash Balance

We are subject to a Group minimum cash balance requirement of \$600 million. However, in the event and for so long as both our long-term corporate credit rating provided by S&P Rating Services would fall below B+ (i.e., three notches below our credit rating of BB+ as of the date of issuance of the Notes) and our long-term corporate credit rating provided by Moody’s would fall below B1 (i.e., three notches below our credit rating of Ba1 as of the date of issuance of the Notes), the Group minimum cash balance requirement will be set at \$800 million. The Group minimum cash balance is tested on a quarterly basis, as of March 31, June 30, September 30 and December 31 in each calendar year. The Group cash balance comprises unrestricted cash and cash equivalents (including marketable securities) minus any outstanding amount under bank overdrafts.

As of June 30, 2024, the Group available cash was equal to \$5,835.3 million. As of the same date, the Group also had access to \$2,558.2 million of undrawn committed credit facilities and to \$1.6 billion of additional financing under the Group’s receivables securitization programs, and the Group had \$0.8 billion invested in current financial deposits not qualifying as cash or cash equivalents with a residual average maturity of 2.5 months and \$0.9 billion in non-current financial assets. See “*Summary—Recent Developments—Altice Media*” and “*New significant debt incurrence*” for a description of the closing of the acquisition of Altice Media (which decreased our cash balance by €1.57 billion) and the issuance of the Original Notes (which increased our cash balance by \$421.2 million).

Senior Notes

The Original Notes

On July 4, 2024, we issued €400.0 million of 5.500% Senior Notes due July 15, 2029, with which the Additional Notes offered hereby will be consolidated and form a single class.

The Additional Notes will be issued pursuant to the Indenture in respect of the Original Notes and will have identical terms and conditions as, and be consolidated with and form a single class with the Original Notes in all respects, including without limitation in respect of interest payments, waivers, amendments, redemptions and offers to purchase. For more information, see “*Description of Notes*.” See, also, “*Summary—The Offering—Fungibility of the Additional Notes and the Original Notes*,” “*Description of Notes—Form of Notes*.”

Commercial Paper

On April 8, 2024, we entered into a negotiable European commercial paper program (“NEU CP”) allowing us to issue senior unsecured short-term commercial paper (with a maturity of no more than 365 days) for an aggregate principal amount of up to €500.0 million. As of June 30, 2024, we had issued commercial paper under this NEU CP facility for an outstanding principal amount of €200 million.

In August and September 2024, we rolled over the maturity of some of our commercial paper we had issued under our NEU CP so that our program remains drawn at a level of €200 million as of the date of these listing particulars. An aggregate amount of €65 million of commercial paper will mature in October 2024, with the remaining issued commercial paper maturing before the end of the year 2024.

Bank Borrowings

As of June 30, 2024, the Group had \$4,587.4 million of outstanding bank borrowings, and access to undrawn committed credit facilities amounting to approximately \$2,558.2 million granted by various financial institutions.

Secured Financing

Vessel Bank Debt Financing

Vessel financing through bank debt has historically been structured in different ways at CMA CGM level (where the debt is typically incurred by dedicated special-purpose vehicles incorporated to acquire the financed vessels) and at CMA CGM Asia Pacific sub-group level (where generally the financed vessels are acquired by CMA CGM Asia Pacific Liner which is also incurring the associated debt). Amounts shown below may differ to a certain extent with the amounts recorded in the financial statements due to the debt issuance costs which may be recognized as a reduction of borrowings and recycled into profit or loss using the effective interest rate method.

Vessel Bank Debt Financing – CMA CGM (excluding CMA CGM Asia Pacific)

As of June 30, 2024, excluding vessel bank debt financing at CMA CGM Asia Pacific sub-group level, we had 41 vessels financed under various debt financing arrangements, including French tax lease and other similar finance lease arrangements, with an average maturity of 9.1 years, for an aggregate outstanding amount of \$2,388.8 million.

French Tax Lease – As discussed in Note 6.6 to the 2023 Audited Consolidated Financial Statements, certain transactions having the legal form of a lease, such as French tax lease arrangements, are nonetheless treated as financial liabilities in accordance with IFRS 9 (as opposed to lease liabilities under IFRS 16) due to the “in-substance purchase” nature of such leases.

Generally, for French tax lease financings (“*crédit-bail*”), we enter into a lease agreement with a special-purpose vehicle that is owned by a syndicate of investors, and we benefit from a call option to purchase all of the special-purpose vehicle’s shares or the vessels. The special-purpose vehicle then enters into credit facilities with a syndicate of banks to finance the purchase of the vessels. We would guarantee the obligations of such special purpose vehicle under its own financing arrangements as from the exercise of the call option on the special-purpose vehicle’s shares.

The terms of these lease agreements typically provide for the lease of the vessels for approximately twelve years, although these may terminate earlier pursuant to call or put-call arrangements with respect to the vessel. We

generally make customary representations and are subject to customary covenants, including standard reporting covenants, loan-to-value ratios requesting us to post collateral in the event the value of the vessel mortgaged by the lessor to its financiers would fall below certain thresholds, and the above-mentioned financial covenants (See “–Key Financial Ratios”). The lease arrangements further generally provide for customary events of default, including failure to make timely payment, breach of representations and covenants.

Secured financing arrangements – Generally, in other vessels financing arrangements, a special-purpose vehicle owned by CMA CGM is incorporated to acquire a vessel and enter into a secured facility agreement with a syndicate of banks to finance the purchase thereof. We act as guarantor of the special-purpose vehicles under such vessel financing arrangements. As is customary for this type of financing, security interests, among others in the form of mortgage over the financed vessels and assignment of receivables under shipbuilding contracts, insurance cover, requisition compensation and refund guarantee, are granted to the benefit of the finance parties. The provision of additional collateral if the value of the mortgaged vessel falls below certain thresholds is another common feature of such financings. Vessel mortgage loan facilities authorize voluntary prepayment subject to customary conditions, and contemplate mandatory prepayment upon the occurrence of certain events, including in case of sale or total loss of a vessel, or cancellation of shipbuilding contract. We generally make customary representations and are subject to customary covenants, including standard reporting covenants and the above-mentioned financial covenants (See “–Key Financial Ratios”). The facility agreements further provide for customary events of default, such as failure to make timely payment or breach of representations and covenants.

Vessel Bank Debt Financing – CMA CGM Asia Pacific

As of June 30, 2024, CMA CGM Asia Pacific and its subsidiaries had nine vessels financed under bilateral mortgage facility agreements, with an average maturity of 6.1 years, for an aggregate outstanding amount of \$342.4 million.

Six of these vessels are financed under mortgage facility agreements originally entered into by CMA CGM Asia Pacific in 2011, and subsequently assumed by CMA CGM Asia Pacific Liner as acceding borrower. These facility agreements mature in the second semester of 2024 and in 2025. Obligations thereunder, including repayment obligations, are guaranteed by CMA CGM Asia Pacific. The financing in respect of two of these six vessels has been repaid at maturity in July and September 2024.

One of these vessels is financed under a bilateral mortgage facility agreement entered into by CNC Line in October 2016 and guaranteed by CMA CGM Asia Pacific. Such bilateral mortgage facility agreement has been repaid at maturity in July 2024.

The most recent vessel bank financings at CMA CGM Asia Pacific sub-group level are incurred by CMA CGM Asia Pacific and guaranteed by CMA CGM. As of June 30, 2024, two vessels under such mortgage facility agreements had been delivered for an aggregate outstanding amount of \$175.6 million.

Since June 30, 2024, CMA CGM Asia Pacific entered into two mortgage facility agreements for an aggregate amount of \$371.5 million, guaranteed by CMA CGM, in connection with the financing of two dual fuel LNG vessels under construction that were in the orderbook as of June 30, 2024. As of the date of these listing particulars, the aggregate outstanding amount under these two mortgage facility agreements is equal to \$49 million.

As is customary for this type of financing, security interests, among others in the form of mortgage over the financed vessels and assignment of insurance cover and requisition compensation are granted to the benefit of the finance parties. Assignment of shipbuilding contracts and refund guarantees may also been granted in case of predelivery financing. The provision of additional collateral (in the form of cash collateral or mortgage over pre-agreed assets) if the value of the mortgaged vessel falls below certain thresholds is another common feature of such financings. Vessel mortgage loan facilities authorize voluntary prepayment subject to customary conditions, and contemplate mandatory prepayment upon the occurrence of certain events, including in case of sale or total loss of a vessel, or cancellation of shipbuilding contract. The facility agreements further provide for customary representations and warranties, covenants and events of default.

Real Estate Financing

Tour d’Arenc - In December 2006, we entered into a €200.0 million secured term facility with a consortium of banks to finance the construction of our headquarters in Marseille. We initially borrowed all monies thereunder. However, we substituted our wholly owned subsidiary, SCI Tour d’Arenc, as borrower under this facility pursuant to a substitution agreement entered into on November 9, 2010. The facility is secured by way of a mortgage over

the real estate property, a security interest over the shares in SCI Tour d'Arenc and a guarantee in the form of a French "*caution solidaire*" from CMA CGM.

The amortizing profile is based on a quarterly principal constant amortization and matures in December 2026.

The facility agreement authorizes voluntary prepayment subject to customary conditions. Any amount so prepaid may not be re-borrowed. The facility agreement further provides for customary representations and warranties, reporting and financial covenants and events of default, including failure to make timely payment and breach of representations and covenants.

As of June 30, 2024, the aggregate amount of our obligations outstanding under this facility was equal to \$33.5 million.

Bolloré Logistics - In 2015 and 2016, Bolloré Logistics entered into secured term loan facility agreements with Bpifrance Financement, for an aggregate principal amount of €39.8 million, to finance construction works. Both facility agreements provide for a 15-year maturity and quarterly repayments and are secured by way of mortgage over real estate property.

As of June 30, 2024, the aggregate amount of obligations outstanding under these facilities was \$19.1 million.

Secured Revolving Credit Facilities – CMA CGM Asia Pacific

CMA CGM Asia Pacific entered into a \$275 million secured revolving facilities agreement in November 2022 (subsequently increased to \$325 million, pursuant to an amendment and restatement agreement entered into in October 2023) and a \$210 million secured revolving facility agreement in December 2022, for general corporate purposes. Both revolving facilities agreements are guaranteed by CMA CGM and mature in the last quarter of 2027.

Security interests, in the form of mortgage and assignment of insurance and applicable requisition compensation with respect to specific vessel(s) are granted as security to CMA CGM Asia Pacific's obligations under each such facility agreement. Both facility agreements include LTV requirements requesting that additional collateral be posted (or that the facilities be partially prepaid) in the event that the outstanding amount under any such facility agreement would exceed 90% of the collateral value as at any (semi-annual) testing date.

Each facility agreement authorizes voluntary prepayment subject to customary conditions, and contemplates mandatory prepayment upon the occurrence of certain events, including in case of sale or total loss of the mortgaged vessel(s). The facility agreements further provide for customary representations and warranties, and events of default.

As of June 30, 2024, no amount was drawn under these secured revolving facilities.

Bolloré Logistics factoring

Bolloré Logistics has entered into factoring agreements pursuant to which the factors agree to acquire eligible receivables from Bolloré Logistics for an amount equal to the face value of such receivables minus a discount. The maximum aggregate amount of eligible receivables that can be funded under such factoring agreements is equal to €110 million. The maturities of these arrangements range from October 2024 to April 2026.

As of June 30, 2024, Bolloré Logistics had \$101.7 million of debt outstanding under these factoring arrangements.

Khalifa port terminal

On August 12, 2024, CMA Terminals Khalifa, a joint venture owned 70% by CMA Terminals and 30% by Abu Dhabi Ports, entered into a facility agreement with Emirates Development Bank. Pursuant to such facility agreement, CMA Terminals Khalifa obtained up to \$95 million of limited recourse project financing in connection with the Khalifa port terminal, maturing in June 2036. As at the date of these listing particulars, no amount is drawn under this facility.

The Khalifa port terminal is a semi-automated container port in the gulf region, which is managed by CMA Terminals Khalifa. Construction of the terminal started in 2022. The goal is to start commercial operations in the first quarter of 2025, with an estimated annual capacity of 1.8 million TEUs.

Unsecured Financing

Unsecured Revolving Credit Facility (CMA CGM)

In September 2017, we entered into a three-year revolving credit facility agreement for general corporate purposes for an initial amount of \$205 million. Following various amendments and extensions, the maximum aggregate principal amount of the facility has been increased to \$2.0 billion and the maturity of the facility has been extended to August 10, 2026.

The facility agreement provides that in the case of non-compliance with certain thresholds (minimum cash balance and minimum credit rating), the Issuer would be required to grant in favor of the lenders a security interest over a certain amount of shares of CMA CGM Asia Pacific, the aggregate value of which would be equal to at least 150% of the total commitments.

The facility agreement further incorporates the above-mentioned financial covenants (maximum adjusted leverage ratio and minimum cash requirements), and provides for customary representations and warranties and events of default.

As of June 30, 2024, no amount was drawn under this unsecured revolving credit facility.

Unsecured term loan facilities

CMA CGM – In June 2022, we entered into an unsecured term loan facility agreement for general corporate purposes and investments in sub-Saharan African jurisdictions for a maximum amount of \$150 million. Under the facility, we are allowed to draw short-term loans which have to be repaid within 12 months from drawdown, but in no event later than June 2025. The facility agreement provides for customary representations and warranties and events of default. As of June 30, 2024, no amount was drawn under this unsecured term loan facility.

GEFCO – Between 2019 and 2022, GEFCO and one of its subsidiaries entered into unsecured term loan facility agreements with various financial institutions for an aggregate maximum amount of €135.0 million. These term loan facility agreements were entered into for general corporate purposes and are maturing between November 2024 and February 2027. As of June 30, 2024, the aggregate outstanding amount under these facilities was equal to \$73.7 million.

Bolloré Logistics – Bolloré Logistics entered into two unsecured term loan facility agreements with Bpifrance, maturing in October 2024 and November 2025, for an aggregate principal amount of €20.0 million. As of June 30, 2024, the aggregate outstanding amount under these facilities was equal to \$10.8 million.

Reverse factoring

On November 12, 2019, we entered into a reverse factoring agreement pursuant to which the relevant bank may agree to pay, on our behalf, invoices due to eligible suppliers on their respective due dates and to be repaid by us within 90 days of such payments, effectively providing us with up to 90 days advances. The facility, originally granted on a committed basis, was transformed into a non-committed facility, for a maximum principal amount of €80 million, in October 2022. The advances are subject to a floating interest rate.

As of June 30, 2024, no amount was drawn under this reverse factoring agreement.

Loan from Merit in connection with acquisition of Altice Media

On June 28, 2024, CMA Audiovisual entered into a €314.2 million loan agreement with Merit France Investissements as lender (who, in turn, received a shareholder loan from Merit for the same amount) for purposes of the acquisition of Altice Media (now renamed RMC-BFM) on July 2, 2024. Such shareholder loan matures in 2031 and is, at the option of the lender, convertible into equity of the borrower.

As of the date of these listing particulars, the aggregate principal amount of CMA Audiovisual's obligations outstanding under this shareholder loan is equal to €114.2 million following a partial repayment in July 2024 by way of conversion into shares in CMA Audiovisual of claims under such shareholder loan for a principal amount of €200 million.

CMA Audiovisual is indirectly owned by the Company (80%) and Merit (20%). See “*Business—Segments—Other—Media—Altice Media.*”

Bank Overdrafts

As of June 30, 2024, the Group had \$19.2 million of outstanding debt in the form of bank overdrafts with various financial institutions.

Securitization Programs

Overview

As of June 30, 2024, the Group had two receivables securitization programs outstanding: (i) a securitization program dated March 2, 2021, as amended and/or amended and restated from time to time, to finance freight receivables at the level of CMA CGM (including CMA CGM Asia Pacific, APL and ANL subsidiaries), drawn for an amount of \$497.9 million (See “—*CMA CGM Securitization Program*”), and (ii) a securitization program dated November 22, 2019, as amended and/or amended and restated from time to time, to finance accounts receivable of CEVA and its subsidiaries in Europe, the United States and Australia, drawn for an amount of \$445.9 million (See “—*CEVA Securitization Program*”).

As most of the risks and rewards attached to the receivables sold under these securitization programs have been retained by the Group, the receivables are not derecognized, and we record liabilities on our balance sheet with respect to such financings.

CMA CGM Securitization Program

In March 2021, we entered into a freight receivables securitization program by which we, acting as centralizing agent and French originator, ANL Singapore PTE Ltd. and CMA CGM Asia Shipping PTE Ltd. as Singapore originators, ANL Container Line Pty Ltd. as Australian originator, Containerships-CMA CGM GmbH as German originator and American President Lines, LLC as U.S. originator (together, the “Originators”), and CMA CGM & ANL Securities B.V., a special-purpose vehicle (the “Securitization Issuer”), entered into a set of agreements (the “CMA CGM Securitization Program”) with various financial institutions. Pursuant to sale agreements, certain receivables of the Originators are assigned to the Securitization Issuer. Containerships-CMA CGM GmbH ceased to act as an Originator under the CMA CGM Securitization Program as from July 2023. Receivables originated by CMA CGM through Containerships-CMA CGM GmbH, acting on behalf of CMA CGM as “eligible agent,” remain however within the scope of the CMA CGM Securitization Program.

The funding available under the CMA CGM Securitization Program amounts approximately to \$2,100 million.

We, acting directly or through eligible agents, remain responsible for the collection of the receivables on behalf of the financial institutions participating in the CMA CGM Securitization Program. The CMA CGM Securitization Program is guaranteed by a performance guarantee granted by us and secured by pledges of certain bank accounts of the Securitization Issuer. The program, as supplemented and amended from time to time, will mature on March 30, 2027 and can be extended for an additional one-year period under certain conditions.

We make representations and warranties, as well as informational and other undertakings customary for a transaction of this nature, including not to carry on our business in a manner that would prejudice the quality of our receivables or the ability to collect our receivables.

As of June 30, 2024, the CMA CGM Securitization Program was drawn for an amount of \$497.9 million.

CEVA Securitization Program

In November 2019, we implemented a securitization program at the level of CEVA to refinance CEVA’s former European and U.S. securitization programs, which was further extended to refinance CEVA’s former Australian securitization program. The program was last amended in February 2024.

Under such program, certain European, U.S. and Australian subsidiaries of CEVA, acting as originators, have agreed to sell on a daily basis their receivables to CEVA Receivables Finance DAC and CEVA U.S. Receivables Finance 1 LLC, both acting as securitization issuers.

The acquisition of the receivables by the securitization issuers is funded by the issuance of (i) senior notes to a number of financial institutions (the “Senior Note Purchasers”) pursuant to a senior note purchase agreement entered into in November 2019, and (ii) subordinated notes to CEVA Logistics Finance B.V. pursuant to a

subordinated note purchase agreement entered into in December 2019. Under the terms of a servicing agreement of December 19, 2019, CEVA Logistics Headoffice B.V. has been appointed as master servicer, and will delegate certain of its functions as master services to each relevant seller, acting as sub-servicer, in respect of the receivables originated by that seller.

CEVA guarantees the performance obligations of each seller and each servicer, subject to certain exceptions. In addition, the obligations of the securitization issuers are secured by way of security interests over all their assets (including the receivables) in favor of a security trustee to the benefit of the Senior Note Purchasers, the sellers, the servicers, and certain other persons.

The maximum amount of the CEVA global securitization program is currently set at \$800 million. The program will mature in November 2026, but can be extended up to November 2027, upon request of the securitization issuers, which extension may be granted at the sole discretion of certain of the Senior Note Purchasers.

As of June 30, 2024, the aggregate outstanding amount under the CEVA global securitization program totaled \$445.9 million.

Lease Liabilities

Overview

As of June 30, 2024, lease liabilities totaled \$13,448.4 million.

Vessel Leases

CMA CGM (excluding CMA CGM Asia Pacific Liner) – As of June 30, 2024, we had 253 vessels under various lease arrangements accounted for under IFRS 16, with an average maturity of 7.6 years. As of June 30, 2024, the amount of our obligations outstanding under such lease arrangements totaled \$6,391.0 million.

CMA CGM Asia Pacific Liner – As of June 30, 2024, CMA CGM Asia Pacific Liner had 44 vessels under various lease arrangements accounted for under IFRS 16, with an average maturity of 4.4 years. As of June 30, 2024, the amount of CMA CGM Asia Pacific Liner's obligations outstanding under such lease arrangements totaled \$574.7 million.

Container Leases

We have also entered into a number of lease agreements with respect to containers used in our operations. Under certain of such agreements, we have the option to purchase the containers at the end of the lease period for a nominal sum.

As of June 30, 2024, the aggregate amount of our obligations outstanding under such container leases totaled \$2,817.6 million, with an average maturity of 6.9 years.

Most of these leasing agreements contain representations and warranties, which are in each case standard for this type of transaction and which are similar to the ones in our secured financings. In a few cases, we are also subject to customary informational and other covenants. We are generally liable to and indemnify the lessor for any damage to the containers during the period of the lease, and are responsible for the full value of the containers if they are declared a total loss. We are typically insured against such risks. These agreements are subject to customary events of default.

Logistics Leases

Our subsidiaries in our Logistics segment have entered into a number of lease agreements, in particular with respect to warehouses (See “*Business—Properties*”).

As of June 30, 2024, the amount of our obligations outstanding under such lease arrangements totaled \$2,358.6 million.

Terminal concession Leases

Our subsidiaries and joint ventures in our Terminal business have entered into a number of terminal concession lease agreements.

As of June 30, 2024, the amount of our obligations outstanding under such terminal concession lease arrangements totaled \$899.0 million, including \$716.7 million relating to the FMS terminal concession and \$71.0 million relating to the Port Liberty terminal concessions.

DESCRIPTION OF NOTES

The definitions of certain terms used in this description are set forth under the sub-heading “*Certain Definitions*.” In this “*Description of Notes*,” the words “we,” “ours,” “our,” “our company,” “the Company” or “us” refer only to CMA CGM S.A. and not our Subsidiaries, except for the purpose of financial data determined on a consolidated basis. In addition, all references to “Notes” include “book-entry interests” in the Notes.

We will issue, on the basis described below, €200 million aggregate principal amount of senior notes due 2029 (the “Additional Notes”) under an indenture dated as of July 4, 2024 (the “Indenture”) among, *inter alios*, us and U.S. Bank Trustees Limited, as trustee (the “Trustee”). The Additional Notes will constitute “Additional Notes” as defined under the Indenture. The terms of the Notes include those expressly set forth in the Indenture.

The following description is a summary of the material terms of the Indenture. It does not, however, restate the Indenture in its entirety, and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the Indenture. We urge you to read the Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes. A copy of the form of the Indenture may be obtained by requesting it from us at the address indicated under “*General Information*.”

Unless the context requires otherwise, references in this “Description of Notes” to the Notes include the Additional Notes, the Original Notes and any Subsequent Additional Notes (as defined herein) that are issued. The Additional Notes are to be consolidated with and form a single class with the Original Notes for all purposes under the Indenture, including without limitation, waivers, amendments, redemption and offers to purchase.

The Original Notes are listed on the Official List of the Luxembourg Stock Exchange and have been admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange. We have applied for the Additional Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Professional Segment of the Euro MTF Market of the Luxembourg Stock Exchange. We can provide no assurance that this application will be accepted.

General

The Notes

The Notes are our general unsecured obligations.

Principal, Maturity and Interest

We will issue €200 million aggregate principal amount of Additional Notes in this offering. Subject to our compliance with the covenant described under “*Certain Covenants—Limitation on Debt*,” we are permitted to issue additional Notes under the Indenture (the “Subsequent Additional Notes”) from time to time. The Original Notes, the Additional Notes and any Subsequent Additional Notes that are actually issued will be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided, however*, that, unless such Subsequent Additional Notes are issued under a separate CUSIP, ISIN or other identifying number, such Subsequent Additional Notes shall be issued pursuant to a “qualified reopening” of the original Notes or otherwise treated as part of the same “issue” of debt instruments as the original Notes, in each case for U.S. federal income tax purposes. Unless the context otherwise requires, references to the “Notes” for all purposes of the Indenture, and in this “Description of Notes,” include references to Additional Notes that we actually issue. The Notes will mature on July 15, 2029 unless redeemed prior thereto as described herein.

The Notes will bear interest at the rate of 5.500% per annum, from July 4, 2024 or from the most recent interest payment date on which interest has been paid or provided for, whichever is the later. Interest will be payable semi-annually on the Notes on January 15 and July 15 of each year, commencing on January 15, 2025. We will pay interest on the Notes in respect of the principal amount thereof outstanding as of the Business Day immediately preceding the related interest payment date, as the case may be. We will compute interest on the basis of a 360-day year comprised of twelve 30-day months and will pay interest on overdue principal and, to the extent permitted by law, on other overdue amounts at the same rate.

The Notes may be redeemed prior to maturity as described under “*Optional Redemption of Notes*.”

Form of Notes

The Original Notes sold to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) in reliance on Rule 144A are represented by a Global Note in registered form without interest coupons attached (the “Original 144A Global Note”). The Original Notes sold outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S are represented by a Global Note in registered form without interest coupons attached (the “Original Regulation S Global Note” and, together with the Original 144A Global Note, the “Original Global Notes”). The Original Global Notes were deposited, on the Original Notes Issue Date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The Additional Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A will initially be represented by a Global Note in registered form without interest coupons attached (the “Additional 144A Global Note” and, together with the Original 144A Global Note, the “144A Global Notes”) and will share the same ISIN and Common Code as the Original Notes issued in reliance on Rule 144A under the Original 144A Global Note. The Additional 144A Global Note will be deposited, on the Additional Notes Issue Date, with a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The Additional Notes sold outside the United States in reliance on Regulation S will initially be represented by a Global Note in registered form without interest coupons attached (the “Additional Regulation S Global Note,” and together with the Original Regulation S Global Note, the “Regulation S Global Notes”) and will share the same ISIN and Common Code as the Original Notes issued in reliance on Regulation S under the Original Regulation S Global Note. The Additional Regulation S Global Note will be deposited, on the Additional Notes Issue Date, with a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The 144A Global Notes and the Regulation S Global Notes are herein referred to collectively as the “Global Notes.”

The Original Notes were, and the Additional Notes will be, issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes were or will be issued on the relevant issue date only against payment in immediately available funds.

Owners of beneficial interests in a Global Note will be entitled to have certificates registered in their names and to receive physical delivery of Notes only in the limited circumstances described under “*Book-Entry, Delivery and Form—Issuance of Definitive Registered Notes.*”

Transfer and Exchange

All transfers of book-entry interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to applicable rules and procedures established by Euroclear or Clearstream and their respective participants. See “*Book-Entry, Delivery and Form.*”

The Notes will be subject to certain restrictions on transfer and certification requirements, as described under “*Notice to Investors.*”

Payments on the Notes; Paying Agent

We will make all payments, including principal of, premium, if any, and Additional Amounts and interest on, the Notes through a principal paying agent in London, UK or Dublin, Ireland that we will maintain for these purposes. Initially that principal paying agent will be Elavon Financial Services DAC (the “Paying Agent”). In addition, we or any of our Subsidiaries may act as Paying Agent in connection with the Notes other than for the purposes of effecting a redemption described under “*Optional Redemption of Notes*” or an offer to purchase the Notes described under “*Purchase of Notes upon a Change of Control;*” provided that we segregate and hold in a separate trust fund for the benefit of the holders of the Notes all moneys that we hold as Paying Agent. We will make all payments in same-day funds.

No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Ranking

The Notes will be our unsecured and unsubordinated obligations and will:

- (a) rank senior in right of payment to all of our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the Notes;
- (b) rank equally in right of payment to all of our existing and future debt and obligations that are not, by their terms, expressly subordinated in right of payment to the Notes;
- (c) be effectively subordinated in right of payment to statutorily preferred obligations and to all of our existing and future secured indebtedness to the extent of the value of the assets securing such debt, as described under “*Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—The Original Notes are and the Additional Notes will be, unsecured obligations and such Notes are or will be effectively subordinated to our secured indebtedness;*” and
- (d) be structurally subordinated to all existing and future debt and obligations of our Subsidiaries, as described under “*Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—Your right to receive payments under the Original Notes is, and under the Additional Notes will be, structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries.*”

As of June 30, 2024, on an as adjusted basis to give effect to the issuance of the (i) Additional Notes offered hereby and the use of the net proceeds therefrom as described herein under “*Use of Proceeds,*” and (ii) Original Notes and the use of the net proceeds therefrom, in each case as if such events had occurred on June 30, 2024:

- (a) we would have had (on a standalone basis) total indebtedness of \$12,401.0 million of which \$11,578.0 million would have been secured indebtedness; and
- (b) our Subsidiaries would have had total indebtedness of \$6,271.3 million.

See “*Corporate and Financing Structure,*” “*Capitalization*” and “*Description of Certain Financing Arrangements.*”

Although the Indenture contains limitations on the amount of additional Debt that we and our Restricted Subsidiaries may Incur, the amount of such additional Debt could be substantial, and some of our additional Debt and the additional Debt of our Restricted Subsidiaries could be secured.

Additional Amounts

All payments that we or our agents (including a Guarantor, if any) make under or with respect to the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and any other liability with respect thereto) of whatever nature (collectively, “Taxes”) imposed or levied by or on behalf of (1) the French Republic (*République Française*), (2) any other jurisdiction in which we, or any Surviving Entity are organized or resident or doing business or otherwise considered to be a resident for tax purposes, (3) any jurisdiction from or through which a payment on the Notes is made by us or by our agents (including a Guarantor, if any), or (4) any political subdivision or governmental authority of any of the foregoing having the power to tax (each a “Relevant Taxing Jurisdiction”), unless we or our agents (including a Guarantor, if any) are required to withhold or deduct Taxes by law. If we or our agents (including a Guarantor, if any) are required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes, we or our agents (including a Guarantor, if any) will pay additional amounts (“Additional Amounts”) as may be necessary to ensure that the net amount received by each holder or beneficial owner of the Notes after such withholding or deduction (including any withholding or deduction in respect of any Additional Amounts) will not be less than the amount the holder or beneficial owner would have received if such Taxes had not been withheld or deducted.

We will not, however, pay Additional Amounts to a holder or beneficial owner of Notes in respect or on account of:

- (a) Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the existence of any present or former connection between such holder or beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder or beneficial owner, if the relevant holder or beneficial owner is an estate, trust, partnership, limited liability company or corporation), and such Relevant Taxing Jurisdiction, including, but not limited to, such holder or beneficial owner being or having been a citizen, domiciliary or resident thereof or being or having been engaged in trade or business therein or having or having had a permanent establishment therein, but excluding, in each case, any connection arising solely from the mere acquisition, receipt, holding, ownership or disposition of Notes or solely by reason of the receipt of payments made under or with respect to Notes or solely the exercise or enforcement of rights under the Notes, any guarantee thereof, or the Indenture;
- (b) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner of Notes, prior to the relevant date on which a payment under and with respect to the Notes is due and payable (the “Relevant Payment Date”) to comply with our written request addressed to such holder or beneficial owner, as the case may be, at least 30 calendar days prior to the Relevant Payment Date to provide accurate information with respect to any certification, identification, information or other reporting requirements that such holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that such holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);
- (c) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;
- (d) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes;
- (e) Taxes imposed on or with respect to any payment by us to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such Note to the extent that Taxes would not have been imposed on such holder had such holder been the sole beneficial owner of such Note;
- (f) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner to present (where presentation is required) its Note within 30 calendar days after we have made available to such holder or beneficial owner a payment under the Notes, any guarantee thereof, and the Indenture (excluding any Additional Amounts to which such holder or beneficial owner would have been entitled had its Notes been presented on any day within such 30 calendar day period);
- (g) any such withholding or deduction in respect of any Taxes imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) (including any agreement entered into pursuant to Section 1471(b) of the Code), current or future U.S. Treasury regulations or official interpretations thereunder, any intergovernmental agreement entered into in connection with the implementation of such Sections, any law, regulation, rule or practice adopted pursuant to any such intergovernmental agreement or pursuant to any treaty or convention implementing such sections of the Code or any successor or amended version of these provisions (collectively, “FATCA”); or
- (h) any combination of items (a) through (g) above.

We will also (1) make such withholding or deduction compelled by applicable law and FATCA and (2) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law and FATCA.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if we will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), we will deliver to the Trustee and the Paying Agent an Officer’s Certificate stating that such Additional Amounts will be payable and the

amounts so payable and will set forth such other information necessary to enable the Trustee and Paying Agent, at our direction, to pay such Additional Amounts to holders on the payment date. We will promptly publish a notice in accordance with the provisions set forth in “Notices” stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

In addition, we (or a Guarantor, if any) will pay any present or future stamp, issue, registration, transfer, court, documentation, excise or property Taxes or similar Taxes, charges and duties, including interest and penalties with respect thereto, imposed by any Relevant Taxing Jurisdiction in respect of the execution, delivery, performance or registration of the Notes or any guarantee thereof, the initial resale of the Notes by the initial purchasers (but excluding any Tax imposed upon subsequent transfers of the Notes), or any other document or instrument referred to thereunder and any such Taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes or any guarantee thereof (or the receipt of payments with respect thereto) or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes, and we agree to indemnify the holders, beneficial owners and the Trustee for any such Taxes paid by such holder, beneficial owner or Trustee, as the case may be.

Upon written request, we will furnish to the Trustee or a holder within a reasonable time certified copies of tax receipts evidencing the payment by us of any Taxes imposed or levied by a Relevant Taxing Jurisdiction, in accordance with the procedures described in “Notices” hereafter, in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to us. If, notwithstanding our efforts to obtain such receipts, the same are not obtainable, we will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or holder of such payments by us.

Whenever the Indenture or this “Description of Notes” refers to, in any context, the payment of principal, interest, premium, if any, or any other amount payable under or with respect to any Note, such reference includes the payment of Additional Amounts, if applicable.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture and shall apply *mutatis mutandis* to any jurisdiction in which any successor person to us, our agents or any Guarantor is incorporated, resident or doing business for tax purposes or any jurisdiction from or through which such person makes any payment on the Notes (or any guarantee thereof) and any political subdivision or taxing authority or agency thereof or therein.

Optional Redemption of Notes

Optional Redemption of Notes prior to July 15, 2026 upon Equity Offering

At any time prior to July 15, 2026, upon not less than 10 nor more than 60 days’ notice to the holders of the Notes, we may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes outstanding, at a redemption price of 105.500% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, with the net proceeds received by us from one or more Equity Offerings. We may only do this, however, if:

- (a) at least 50% of the aggregate principal amount of Notes originally issued under the Indenture (including any Subsequent Additional Notes) remains outstanding immediately after the proposed redemption; and
- (b) the redemption occurs within 120 days after the closing of the Equity Offering.

Optional Redemption of Notes prior to July 15, 2026

At any time prior to July 15, 2026, we may also redeem all or part of the Notes, upon not less than 10 nor more than 60 days’ notice to the holders of the Notes, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium of the Notes and accrued and unpaid interest to (but excluding) the redemption date. Neither the Trustee nor the Paying Agent is responsible for calculating Applicable Redemption Premium of Notes.

“Applicable Redemption Premium of the Notes” means, with respect to any Note on any redemption date, the greater of:

- (a) 1.0% of the principal amount of the Note; and

- (b) the excess of:
- (i) the present value at such redemption date of the redemption price of such Note at July 15, 2026 plus all required interest payments that would otherwise be due to be paid on such Note during the period from the redemption date to (but excluding) July 15, 2026, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
 - (ii) the principal amount of the Note.

Optional Redemption of Notes after July 15, 2026

At any time on or after July 15, 2026 and prior to maturity, we may redeem all or part of the Notes upon not less than 10 nor more than 60 days' prior notice. These redemptions will be in amounts of €100,000 and integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of the principal amount at maturity), plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing July 15 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

Year	Redemption Price
2026	102.750%
2027	101.375%
2028 and thereafter	100.000%

Redemption upon Changes in Withholding Taxes

If, as a result of:

- (a) any amendment on or after the date of the Indenture to, or change on or after the date of the Indenture in, the laws or regulations or treaties of a Relevant Taxing Jurisdiction, in each case, which is announced and becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction was not a Relevant Taxing Jurisdiction on the date of the Indenture, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction); or
- (b) any change on or after the date of the Indenture in the official application or official interpretation of the laws or regulations or treaties of a Relevant Taxing Jurisdiction applicable to us, in each case, which is announced and becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction was not a Relevant Taxing Jurisdiction on the date of the Indenture, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction),

(each of the foregoing clauses (a) and (b), a "Change in Tax Law") we or our agents (including a Guarantor, if any) would be obligated to pay, on the next date for any payment, Additional Amounts as described above under "Additional Amounts," which we cannot avoid by the use of reasonable measures available to us (including causing the payments to be made by the Company or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), then we may redeem all, but not less than all, of the Notes, at any time thereafter, upon not less than 10 or more than 60 days' notice to the holders of the Notes, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date; *provided, however*, that for this purpose reasonable measures shall not include any change in the Company's or its agents' (including a Guarantor, if any) jurisdiction of organization or location of its principal executive office; and *provided, further*, that such reasonable measures shall not require the Company or its agents (including a Guarantor, if any) to incur material additional costs or legal or regulatory burdens. Prior to the giving of any notice of redemption described in this paragraph, we will deliver to the Trustee and the Paying Agent:

- (x) a certificate signed by two members of our Board of Directors stating that the obligation to pay such Additional Amounts cannot be avoided by our taking reasonable measures available to us; and
- (y) a written opinion of independent legal counsel to our company of recognized standing (on which the Trustee may rely) to the effect that we have or will become obligated to pay such Additional Amounts as a result of a change, amendment, official interpretation or application described above.

The Trustee and the Paying Agent will accept and shall be entitled to rely on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without liability or further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

Optional Redemption; Squeeze-Out

Notwithstanding the foregoing, in connection with any tender offer for the Notes at a price of at least 100.0% of the principal amount of the Notes tendered, plus accrued and unpaid interest thereon to (but excluding) the applicable tender settlement date (including for the avoidance of doubt any Change of Control Offer), if holders of the Notes of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Company, or any third party making such a tender offer in lieu of the Company, purchases all of the Notes validly tendered and not validly withdrawn by such holders, the Company or (with the approval of the Company) such third-party will have the right upon not less than 10 nor more than 60 days' notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of the Notes in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to (but excluding) the redemption date.

Optional Redemption; Notification Requirements and Conditions Precedent

We will publish a notice of any optional redemption of the Notes described above in accordance with the provisions of the Indenture described under "Notices." Any redemption and notice of redemption with respect to any optional redemption of the Notes described above may, at our discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering). We will inform the Luxembourg Stock Exchange of the principal amount of the Notes that have not been redeemed in connection with any optional redemption. Notwithstanding the foregoing, no such notice of redemption will be given (i) earlier than 90 days prior to the earliest date on which we would be obliged to make such payment of Additional Amounts, if a payment in respect of the Notes were then due and (ii) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture. To the extent that the mandatory rules and procedures of Euroclear and/or Clearstream conflict with the Indenture, any notice of redemption will be deemed to satisfy the Indenture if it complies with the mandatory rules and procedures of the applicable depository.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

If fewer than all the Notes are to be redeemed at any time, we shall instruct the Trustee, Paying Agent or Registrar to select the Notes by a method that complies with the requirements of applicable law and those of the principal securities exchange or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection in accordance with the procedures of the applicable clearing system, if any, on which the Notes are listed or cleared at such time or, if the Notes are not listed on a securities exchange, *pro rata*, by lot or by such other method as we in our sole discretion shall deem fair and appropriate; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than €100,000. Neither the Trustee nor any agent will be liable for any selection made in accordance with this paragraph.

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. Notwithstanding, under certain circumstances, we may be required to offer to purchase the Notes as described under the captions "*Purchase of Notes upon a Change of Control*" and "*Certain Covenants—Limitation on Sale of Certain Assets*."

We and our Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise. We are not obligated to cancel any Notes so purchased, except to the extent required by applicable law.

Purchase of Notes upon a Change of Control

If a Change of Control occurs at any time, then we must make an offer (a “Change of Control Offer”) to each holder of Notes to purchase such holder’s Notes, in whole or in part (equal to €100,000 and integral multiples of €1,000 in excess thereof) at a purchase price (the “Change of Control Purchase Price”) in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (“Change of Control Purchase Date”) (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that we will not be required to make a Change of Control Offer if, when a Change of Control occurs, we have given notice of our intention to redeem all of the Notes pursuant to the provisions of the Indenture described in “*Optional Redemption of Notes*” and thereafter redeem all of the Notes in accordance with such provisions.

Within 30 days following any Change of Control, we will:

- (a) cause a notice of the Change of Control Offer to be published if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, on the website of the Luxembourg Stock Exchange; and
- (b) send notice of the Change of Control Offer by first-class mail, with a copy to the Trustee, to each holder of Notes to the address of such holder appearing in the security register, which notice will state:
 - (i) that a Change of Control has occurred and the date it occurred;
 - (ii) the circumstances and relevant facts regarding such Change of Control;
 - (iii) the Change of Control Purchase Price and the Change of Control Purchase Date in respect of such Change of Control Offer, which will be a business day no earlier than 10 days or later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;
 - (iv) that any Note accepted for payment pursuant to such Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless we fail to pay the Change of Control Purchase Price;
 - (v) that any Note (or part thereof) not tendered will continue to accrue interest; and
 - (vi) any other procedures that a holder of Notes must follow to accept such Change of Control Offer or to withdraw such acceptance.

The Trustee, at our direction (or an agent appointed by the Trustee), will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; *provided* that each such new Note will be in a principal amount equal to €100,000 and integral multiples of €1,000 in excess thereof. We will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

Our ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control may constitute a default under some or all of our other financing documents. In addition, certain events that may constitute a “change of control” under such other financing documents and cause a default thereunder may not constitute a Change of Control under the Indenture. Our future indebtedness and the future indebtedness of our Subsidiaries may also contain prohibitions of certain events that would require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require us to repurchase the Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on us of such repurchase.

If we make a Change of Control Offer, we can provide no assurance that we will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept such Change of Control Offer. If we fail to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under “*Events of Default*.”

Even if sufficient funds were otherwise available, the terms of our other indebtedness may prohibit our repayment of the Notes prior to their scheduled maturity. If we were not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, we would be unable to fulfill our repurchase obligations to holders of Notes who exercise their right to require us to repurchase their Notes following a Change of Control, which would cause a Default under the Indenture. A Default under the Indenture, unless waived by holders, would result in a cross-default under certain of our existing financing arrangements described under “*Description of Certain Financing Arrangements*.”

We will not be required to make a Change of Control Offer if (i) the Notes have been called for redemption as described under “*Optional Redemption of Notes*” or (ii) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of the Change of Control transaction, if a definitive agreement is in place for the Change of Control at the time of making the offer. Except as described above with respect to a Change of Control, the provisions of the Indenture do not give holders the right to require us to repurchase the Notes in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction and, in certain circumstances, an acquisition by our management or their Affiliates, that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including the “*Limitation on Debt*” covenant. The existence of a holder of the Notes’ right to require us to repurchase such holder’s Notes upon a Change of Control may deter a third party from acquiring us or our Subsidiaries in a transaction which constitutes a Change of Control.

We will comply with applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations (including those of the United States and France) in connection with any Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Indenture by virtue of such conflict.

“Change of Control” means the occurrence of any of the following events:

- (a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) of the Exchange Act) other than Permitted Holders;
- (b) the adoption of a plan relating to the liquidation or dissolution of the Company; or
- (c) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” (as that term is used in Section 13(d) of the Exchange Act), other than Permitted Holders, is or becomes the “beneficial owner” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares; *provided* that no “person” shall be deemed to be or become a “beneficial owner” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50% of the total voting power of the Voting Stock of the Company solely by reason of sharing “voting power” or “investment power” (in each case within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) with respect to such Voting Stock, or being part of a “group,” with one or more Permitted Holders that are in the aggregate the “beneficial owners” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50% of the total voting power of the Voting Stock of the Company.

Suspension of Covenants Following Achievement of Investment Grade Rating

If we obtain an Investment Grade Rating for the Notes from two Rating Agencies and no Default or Event of Default has occurred and is continuing under the Indenture (a “Suspension Event”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have an Investment Grade Rating (the “Reversion Date”), we and our Restricted Subsidiaries, upon the giving of written notice by us to the Trustee, will not be subject to the provisions of the Indenture described under:

- “Certain Covenants—Limitation on Debt;”
- “Certain Covenants—Limitation on Restricted Payments;”
- “Certain Covenants—Limitation on Transactions with Affiliates;”
- “Certain Covenants—Limitation on Sale of Certain Assets;”
- “Certain Covenants—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- the second paragraph of the covenant described under “Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries;”
- “Certain Covenants—Limitation on Lines of Business;” and
- clause (c) of the first paragraph of the covenant described under “Certain Covenants—Consolidation, Merger and Sale of Assets.”

As a result, upon such event, the Notes will lose most of the covenant protection initially provided under the Indenture and described below. For the avoidance of doubt, no covenant will be suspended until we have provided the notice referred to above. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the “*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of the Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Event will be classified, at the Company’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “*Limitation on Debt*” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Debt would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Debt Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Debt would not be so permitted to be incurred under the first two paragraphs of the covenant described under “*Limitation on Debt*,” such Debt will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (e) of the second paragraph of the covenant described under “*Limitation on Debt*.”

The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any knowledge of the ratings of the Notes and shall have no duty to notify holders if the Notes achieve Investment Grade Rating or upon the occurrence of the Reversion Date. The Company shall notify the Trustee that the conditions set forth under this caption have been satisfied, provided that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. The Trustee shall not be obliged to notify holders of a Suspension Event or, if applicable, upon the occurrence of a Reversion Date.

Certain Covenants

The Indenture contains, among others, the following covenants. As described above, certain of these covenants will be suspended if we obtain an Investment Grade Rating for the Notes.

Limitation on Debt

- (1) We will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to “Incur” or, as appropriate, an “Incurrence”) any Debt (including any Acquired Debt); *provided* that we and any Restricted Subsidiary will

be permitted to Incur Debt if no Event of Default would occur and be continuing after giving effect on a *pro forma* basis to such Incurrence of Debt and the application of the proceeds thereof, and at the time of such Incurrence and after giving *pro forma* effect to the Incurrence of such Debt and application of the proceeds thereof, the Consolidated Fixed Charge Coverage Ratio for the four full fiscal quarters for which internal financial statements are available immediately preceding the Incurrence of such Debt, taken as one period, would be equal to or greater than 2.0 to 1.0; *provided, further*, that the amount of Debt that may be Incurred pursuant to this paragraph by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of \$1.0 billion and 1.25% of Consolidated Total Assets in the aggregate at any one time outstanding.

- (2) This covenant will not, however, prohibit the following (collectively, “Permitted Debt”):
- (a) the Incurrence by us or any Restricted Subsidiary of Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed the greater of \$2.0 billion and 6.00% of Consolidated Total Assets;
 - (b) the Incurrence by us or any Restricted Subsidiary of Debt (in each case, whether Incurred in reliance on clause (b)(i), (b)(ii) or (b)(iii) below, a “Productive Asset Financing”):
 - (i) represented by mortgage financings, purchase money obligations or other Debt, in each case Incurred to finance the purchase, acquisition, construction or improvement of Vessels, Aircraft, containers, port terminal facilities (including bunkering stations (but excluding bunker fuel stored except where incidental to such purchase or acquisition) and dry port facilities) and logistics assets (including in each case Capital Stock of any Person the principal business of which consists of the provision of Vessels, Aircraft, containers, port terminal facilities (including bunkering stations and dry port facilities) or logistics assets) used or useful in our or any Restricted Subsidiary’s business (including any reasonable related fees or expenses Incurred in connection therewith); *provided* that the principal amount of such Debt so Incurred pursuant to this clause (b)(i) does not, when Incurred, exceed (t) in the case of a completed Vessel, 85% of its Fair Market Value, (u) in the case of an uncompleted Vessel, 85% of the contract price for the acquisition of such Vessel, as determined on the date on which the agreement for construction of such Vessel was entered into by the Company or its Restricted Subsidiary, plus any other Ready-for-Sea Cost of such Vessel, (v) in the case of a completed Aircraft, 100% of its Fair Market Value; (w) in the case of an uncompleted Aircraft, 100% of the contract price for the acquisition of such Aircraft, as determined on the date on which the agreement for the construction of such Aircraft was entered into by the Company or its Restricted Subsidiary, (x) in the case of a completed container, 100% of the book value of such container, (y) in the case of an uncompleted container, 100% of the contract price for the acquisition of such container, as determined on the date on which the agreement for construction of such container was entered into by the Company or its Restricted Subsidiary, and (z) in the case of such port terminal facilities and logistics assets, 100% of their Fair Market Value;
 - (ii) represented by mortgage financings, purchase money obligations or other Debt, in each case Incurred in connection with Vessels, Aircraft, containers, port terminal facilities (including bunkering stations (but excluding bunker fuel stored) and dry port facilities) and logistics assets (including in each case Capital Stock of any Person the principal business of which consists of the provision of Vessels, Aircraft, containers, port terminal facilities (including bunkering stations and dry port facilities) or logistics assets) used or useful in our or any Restricted Subsidiary’s business (including any reasonable related fees or expenses Incurred in connection therewith); *provided* that the principal amount of such Debt so Incurred pursuant to this clause (b)(ii) does not, when Incurred, exceed 85% of such assets’ Fair Market Value; and
 - (iii) represented by mortgage financings, purchase money obligations or other Debt, in each case Incurred in connection with Vessels, Aircraft or containers (including in each case Capital Stock of any Person the principal business of which consists of the provision of Vessels, Aircraft or containers) used or useful in our or any Restricted Subsidiary’s business (including any reasonable related fees or expenses Incurred in connection therewith); *provided* that the principal amount of such Debt so Incurred pursuant to this clause (b)(iii) does not, when Incurred, exceed 100% of any such assets’ Fair

Market Value; and *provided, further*, that the aggregate principal amount of any outstanding Debt Incurred pursuant to this clause (b)(iii) does not exceed \$800 million;

- (c) the Incurrence by us or any Restricted Subsidiary of Debt represented by mortgage financings, purchase money obligations or other Debt, in each case Incurred to finance or refinance the purchase, acquisition, construction or improvement of real or personal, movable or immovable, property or assets (excluding any Productive Assets Financing); *provided* that the amount of such Debt so Incurred when aggregated with other Debt previously Incurred in reliance on this clause (c) and still outstanding (for the avoidance of doubt, excluding any Debt incurred in reliance on clauses (b), (e) or (w) of this paragraph (2)) shall not in the aggregate exceed the greater of \$300.0 million and 0.375% of Consolidated Total Assets; and *provided, further*, that the total amount of any Debt Incurred in connection with an asset purchase, acquisition, construction or improvement permitted under this clause (c) did not in each case at the time of Incurrence exceed (i) the Fair Market Value of such asset or (ii) in the case of an uncompleted asset, the amount of the asset to be constructed, as determined on the date on which the contract for construction of such asset was entered into by us or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses Incurred in connection with such purchase, acquisition, construction or improvement);
- (d) the Incurrence by us of Debt represented by the Original Notes ;
- (e) any Debt of ours or any Restricted Subsidiary outstanding on the date of the Indenture (other than Debt described in another clause of this paragraph (2) but including, without limitation, all outstanding Debt Incurred in Productive Assets Financings of ours or any Restricted Subsidiary that are outstanding on the date of the Indenture);
- (f) the Incurrence by us or any Restricted Subsidiary of intercompany Debt between us and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided* that if we are the obligor on such Debt, such Debt is unsecured; and *provided, further*, that (x) any disposition, pledge or transfer of any such Debt to any Person other than us or a Restricted Subsidiary and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing to us or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt by the issuer thereof not permitted by this clause (f);
- (g) the Incurrence by us or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, earn-outs, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by us or any Restricted Subsidiary on Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that, in the case of a sale, the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (g) will at no time exceed the net proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets;
- (h) the Incurrence by us or any Restricted Subsidiary of Debt under Currency Agreements that are entered into in the ordinary course of business and not for speculative purposes;
- (i) the Incurrence by us or any Restricted Subsidiary of Debt under Interest Rate Agreements entered into in the ordinary course of business and not for speculative purposes;
- (j) the Incurrence by us or any Restricted Subsidiary of Debt under Fuel Hedging Agreements entered into in the ordinary course of business and not for speculative purposes;
- (k) the Incurrence by us or any Restricted Subsidiary of Debt in respect of workers' compensation claims and claims arising under similar legislation, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;
- (l) the Incurrence of Debt by us or any Restricted Subsidiary arising from: (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within 15 Business Days of Incurrence, (ii)

bankers' acceptances, performance, completion, surety, judgment, appeal or similar bonds, instruments or obligations provided or obtained by us or any Restricted Subsidiary in the ordinary course of business and (iii) completion guarantees provided or letters of credit obtained by us or any Restricted Subsidiary in the ordinary course of business;

- (m) any Debt of ours or any Restricted Subsidiary Incurred pursuant to Permitted Receivables Financings;
- (n) the Incurrence by us or any Restricted Subsidiary of Debt in relation to: (i) regular maintenance required to maintain the classification of any of the ships owned or chartered on bareboat terms by us or any Restricted Subsidiary, (ii) scheduled drydocking of any of the ships owned by us or any Restricted Subsidiary for normal maintenance purposes and (iii) any expenditures that will or reasonably may be expected to be recoverable from insurance on such ships;
- (o) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision of bonds, guarantees, letters of credit or similar obligations required by the FMC or other governmental or regulatory agencies including, without limitation, customs authorities, in connection with ships owned or chartered or business conducted by us or any Restricted Subsidiary;
- (p) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision in the ordinary course of business of bonds, guarantees, letters of credit or similar obligations required to remove Liens asserted by third parties pursuant to ship or container arrests;
- (q) the Incurrence by us or any Restricted Subsidiary of Debt to finance the replacement of a Vessel upon the total loss, destruction, condemnation, confiscation, requisition, seizure or forfeiture of, or other taking of title to or use of, such Vessel (collectively, a "Total Loss") in an aggregate principal amount no greater than the amount that is equal to the contract price for such replacement Vessel less all compensation, damages and other payments (including insurance proceeds other than in respect of business interruption insurance) received by us or any Restricted Subsidiary from any Person in connection with such Total Loss in excess of amounts actually used to repay Debt secured by the Vessel subject to such Total Loss;
- (r) guarantees of the Notes made in accordance with the provisions of the covenant described under "*Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*" below;
- (s) (i) Acquired Debt of a Restricted Subsidiary incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by us or another Restricted Subsidiary and became a Restricted Subsidiary or was merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) us or any of our Restricted Subsidiaries; and (ii) Debt Incurred to provide all or any portion of the funds used to consummate any transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by us or a Restricted Subsidiary or was merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) us or any of our Restricted Subsidiaries or we made an Investment in the Capital Stock of any Person engaged in a Related Business; *provided* that Debt Incurred pursuant to this paragraph (s) is in an aggregate amount then outstanding not to exceed (I) the greater of \$800 million and 1.05% of Consolidated Total Assets, plus (II) unlimited additional Debt to the extent that after giving *pro forma* effect to such acquisition, (x) we would have been able to incur at least \$1.00 of additional Debt pursuant to paragraph (1) of this covenant or (y) our Consolidated Fixed Charge Coverage Ratio would have been equal to or greater than immediately prior to giving *pro forma* effect to such acquisition or other transaction;
- (t) the Incurrence of Debt by us or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (s) above and clauses (u) through (z) below) in an aggregate principal amount at any one time outstanding not to exceed the greater of \$450.0 million and 0.60% of Consolidated Total Assets;
- (u) the Incurrence by us or a Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to Refinance, Debt Incurred pursuant to, or described in,

paragraph (1) and paragraphs (2)(b), (d), (e), (s), (u), (v) and (w) of this covenant, as the case may be;

- (v) any Debt outstanding at any time under Existing Credit Facilities;
 - (w) any Debt of the Company or any Restricted Subsidiary in an aggregate principal amount which, when taken together with any Permitted Refinancing Debt in respect thereof and the principal amount of all other Debt Incurred pursuant to this clause (w) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company or such Restricted Subsidiary from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Debt or Qualified Capital Stock (other than through an Excluded Contribution) or otherwise contributed to the equity (other than through an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; provided that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the second paragraph and clauses (b), (c) and (m) of the third paragraph of the covenant described below under “—Limitation on Restricted Payments” to the extent the Company or any Restricted Subsidiary Incurs Debt in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Debt pursuant to this clause (w) to the extent the Company or any Restricted Subsidiary makes a Restricted Payment under the second paragraph and clauses (b), (c) and (m) of the third paragraph of the covenant described under “—Limitation on Restricted Payments” in reliance thereon;
 - (x) the Incurrence of Debt by us or any Restricted Subsidiary arising from the granting of a Lien permitted by clause (t) of the definition of “Permitted Liens” to secure Debt Incurred by an Unrestricted Subsidiary; *provided* that the beneficiary of any such Lien has no claim or recourse whatsoever against any of the stock or assets of the Company or any Restricted Subsidiary other than the Capital Stock or other securities of, or receivables under loans to, such Unrestricted Subsidiary;
 - (y) any Debt Incurred by any Restricted Subsidiaries consisting of local lines of credit and overdraft facilities in an aggregate principal amount at any time outstanding not exceeding the greater of \$280.0 million and 0.375% of Consolidated Total Assets; and
 - (z) any Debt Incurred under Lease Obligations.
- (3) For purposes of determining compliance with any dollar-denominated restriction on the Incurrence of Debt where Debt is denominated in a different currency, the amount of such Debt will be equal to the Dollar Equivalent thereof on the date of such determination; *provided* that, if any such Debt denominated in a different currency is subject to a Currency Agreement (which is designed to protect against or manage exposure to fluctuations in such currency against the dollar) covering principal amounts payable on such Debt, the amount of such Debt expressed in dollars will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt Incurred in the same currency as the Debt being refinanced will be the Dollar Equivalent of such Debt being refinanced determined on the date such Debt being refinanced was initially Incurred. Notwithstanding any other provision of this covenant, for purposes of determining compliance with the “*Limitation on Debt*” covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that we or a Restricted Subsidiary may Incur under the “*Limitation on Debt*” covenant.
- (4) For purposes of determining any particular amount of Debt under the “*Limitation on Debt*” covenant:
- (a) obligations with respect to letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount, will not be included;
 - (b) any Liens granted pursuant to the equal and ratable provisions referred to in the “*Limitation on Liens*” covenant will not be treated as Debt; and
 - (c) accrual of interest, accrual of dividends, the accretion of accreted value, the obligation to pay upfront financing fees and commitment fees and the payment of interest in the form of additional Debt will not be treated as Debt.

- (5) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant, we, in our sole discretion, will classify such item of Debt and will only be required to include the amount and type of such Debt as the type of Debt to which it is classified and we will be entitled to divide and classify an item of Debt in more than one of the applicable types of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant, and may change the classification of an item of Debt (or any portion thereof) to any other applicable type of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant at any time; *provided* that any Debt outstanding at any time under the Existing Credit Facilities will be deemed to have been Incurred under clause (v) of the definition of Permitted Debt and may not be reclassified.
- (6) For purposes of determining compliance with this “Limitation on Debt” covenant, with respect to Debt Incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to “cash sweep” or “clean down” provisions or any similar provisions under a Credit Facility that provide that Debt is deemed to be repaid periodically shall only be deemed for purposes of this covenant to have been Incurred on the date such Debt was first Incurred and not on the date of any subsequent borrowing thereof.
- (7) In the event that we or a Restricted Subsidiary enter(s) into or increase(s) commitments under a revolving credit facility or a commercial paper facility, enter(s) into or obtain(s) any commitment to Incur or issue Debt, the Incurrence or issuance thereof for all purposes under the Indenture, including without limitation for purposes of calculating the Consolidated Fixed Charge Cover Ratio or usage of clauses (a), (b), (c), (e), (s), (t) and (y) of paragraph (2) of this covenant (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at our sole discretion, either (a) be determined on the date of such revolving credit facility or commercial paper facility or on the date of such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Debt, and, if such Consolidated Fixed Charge Cover Ratio, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowings or re-borrowings thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the Consolidated Fixed Charge Cover Ratio or other provision of the Indenture at the time such borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this paragraph (7) shall be the “Reserved Debt Amount” as of such date for the purposes of calculating the Consolidated Fixed Charge Cover Ratio and, to the extent or the usage of clauses (a) through (y) of paragraph (2) above (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in each case, we may revoke such determination at any time and from time to time.

Limitation on Restricted Payments

- (1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a “Restricted Payment” and which are collectively referred to as “Restricted Payments”):
- (a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of our or any Restricted Subsidiary’s Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving us or any Restricted Subsidiary) (other than (i) to us or any Wholly Owned Restricted Subsidiary or (ii) to all holders of Capital Stock of such Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by us or a Restricted Subsidiary of dividends or distributions of greater value than we or such Restricted Subsidiary would receive on a *pro rata* basis), except for dividends or distributions payable solely in shares of our Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock;
 - (b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any shares of our Capital Stock or any Capital Stock of any direct or indirect parent of ours held by persons other than us or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;

- (c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, scheduled sinking fund payment or scheduled maturity, any Subordinated Debt (other than (x) a principal payment on, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt purchased in anticipation of satisfying a scheduled principal payment, scheduled sinking fund payment, scheduled maturity or other installment obligation, in each case due within one year of the date of acquisition, and (y) Subordinated Shareholder Debt);
- (d) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment in the form of Capital Stock or additional Subordinated Shareholder Debt); or
- (e) make any Investment (other than any Permitted Investment) in any Person.

If any Restricted Payment described above is not made in cash, we will calculate the amount of the proposed Restricted Payment at the Fair Market Value of the assets to be transferred as of the date of transfer.

- (2) Notwithstanding paragraph (1) above, we may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

- (a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (b) we could Incur at least \$1.00 of additional Debt (other than Permitted Debt) pursuant to the “*Limitation on Debt*” covenant; and
- (c) the aggregate amount of all Restricted Payments (subject to the provisions of the last paragraph under this covenant) declared or made after the Issue Date does not exceed the sum of (without duplication):
 - (i) 50% of our aggregate Consolidated Adjusted Net Income on a cumulative basis during the period beginning on January 1, 2024 and ending on the last day of our last fiscal quarter ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); provided that the amount taken into account pursuant to this clause (i) shall not be less than zero (0); plus
 - (ii) the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities received by us after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of our Qualified Capital Stock (including upon the exercise of options, warrants or rights), warrants, options or rights to purchase shares of our Qualified Capital Stock or of Subordinated Shareholder Debt (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in clause (b) or (c) of paragraph (3) below) (excluding (i) the Net Cash Proceeds from and the Fair Market Value of marketable securities received from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary of ours until and to the extent such borrowing is repaid and (ii) Excluded Contributions); plus
 - (iii) (x) the amount by which our Debt or Debt of any Restricted Subsidiary is reduced on our consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by us or any Subsidiary) of such Debt into our Qualified Capital Stock, and (y) the aggregate Net Cash Proceeds received after the Issue Date by us from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for our Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the cases of both (x) and (y), the aggregate net cash proceeds received by us at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds

borrowed from us or any Subsidiary until and to the extent such borrowing is repaid); plus

- (iv) (x) in the case of the disposition, repayment; liquidation or cancellation of any Investment constituting a Restricted Payment made after the Issue Date, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities received; (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment) or if such Unrestricted Subsidiary has been merged or consolidated with or into, or has transferred or conveyed all or substantially all of its assets to, the Company or a Restricted Subsidiary, 100% of the Fair Market Value of our Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets so transferred or conveyed, as applicable) and (z) in the case of an Investment that was a guarantee and that constituted a Restricted Payment made after the Issue Date and is subsequently released, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to the amount of such guarantee; plus
- (v) 100% of the Fair Market Value of any dividends, distributions or payments received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary or from a Person in which the Company or a Restricted Subsidiary has an Investment to the extent that such dividends, distributions or payments were not otherwise included in Consolidated Adjusted Net Income for such period; plus
- (vi) in the event that we or any Restricted Subsidiary make any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary (or is merged or consolidated with or into the Company or a Restricted Subsidiary or transfers or conveys all or substantially all of its assets to the Company or a Restricted Subsidiary), an amount equal to the Fair Market Value of our or such Restricted Subsidiary's Investment in such Person as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated or makes such a transfer or conveyance); plus
- (vii) \$2.0 billion.

(3) Notwithstanding paragraphs (1) and (2) above, we and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (h), (j), (l), (m) and (p) below) no Default or Event of Default has occurred and is continuing:

- (a) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date on which a dividend is declared by our Board of Directors or an irrevocable redemption notice is given, as the case may be, if at the date of its declaration or such notice, as the case may be, the dividend payment or redemption would have complied with the provisions of the Indenture;
- (b) the making of any Restricted Payment in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or of Subordinated Shareholder Debt (other than, in each case, Excluded Contributions);
- (c) the purchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock (other than an Excluded Contribution);
- (d) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net

Cash Proceeds of a substantially concurrent Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

- (e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options in which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;
- (f) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the provisions of the Indenture described under “*Consolidation, Merger and Sale of Assets*,”
- (g) cash payments in lieu of issuing fractional shares pursuant to the exercise or conversion of any exercisable or convertible securities;
- (h) the purchase (or other acquisition) of Capital Stock, or any warrants, options or rights to purchase Capital Stock, from our or our Restricted Subsidiaries’ current and former employees, officers or directors (and their respective assignees or successors) in each case initially sold or granted in connection with employee stock option agreements or other agreements to compensate employees, officers or directors not to exceed the greater of \$40.0 million and 0.05% of Consolidated Total Assets in the aggregate for all such purchases or other acquisitions;
- (i) payments or other transactions pursuant to a tax sharing agreement between us and any of our Restricted Subsidiaries with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
- (j) the repurchase of any Subordinated Debt (other than Subordinated Shareholder Debt) in the event of a Change of Control or an Asset Sale in accordance with provisions similar to the provisions of the Indenture described under “*Purchase of Notes upon a Change of Control*” or “*Limitation on Sale of Certain Assets*,” as applicable; *provided* that, prior to such purchase, we have made the Change of Control Offer or Excess Proceeds Offer, as applicable, as provided in such covenants with respect to the Notes and have repurchased all Notes validly tendered for payment and not validly withdrawn in connection with such Change of Control Offer or Excess Proceeds Offer, as applicable;
- (k) payments to our direct parent holding company to pay salaries and other proper and necessary incidental expenses of its employees to the extent related to work or services performed by such employees in our business or the business of any Restricted Subsidiary;
- (l) any Restricted Payment; *provided* that after giving *pro forma* effect to any such Restricted Payment the Consolidated Leverage Ratio would not exceed 2.75 to 1.0;
- (m) following the first Public Equity Offering of the Company or of a Parent of the Company, the declaration or payment of dividends or distributions in a maximum amount with respect to any fiscal year equal to the greater of (i) 6% per annum of the Net Cash Proceeds received by the Company from any such Public Equity Offering or any subsequent Equity Offering or contributed to the equity of the Company as equity capital in the form of Qualified Capital Stock (other than through any Excluded Contribution) and (ii) 6% of the Market Capitalization;
- (n) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock of the Company issued in accordance with the terms of the Indenture;
- (o) Restricted Payments that are made with Excluded Contributions; and
- (p) any other Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (p) at any time outstanding does not exceed the greater of \$280.0 million and 0.375% of Consolidated Total Assets.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories described in clauses (a) through (p) of this paragraph (3), and/or is permitted pursuant to paragraph (2) of this covenant and/or constitutes a Permitted

Investment, we, in our sole discretion, will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as a Permitted Investment.

The actions described in clauses (a), (f), (g), (j), (k), and (m) of this paragraph (3) are Restricted Payments that will be permitted to be made in accordance with this paragraph (3) but any such actions that have been taken since January 1, 2024 or will be taken after the date hereof reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

Limitation on Transactions with Affiliates

We will not, and will not permit any Restricted Subsidiary, directly or indirectly, to enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of ours or any Restricted Subsidiary's Affiliate involving aggregate payments or consideration in excess of the greater of \$40.0 million and 0.05% of Consolidated Total Assets unless such transaction or series of transactions is entered into in good faith and:

- (a) such transaction or series of transactions is on terms that are not materially less favorable to us or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transactions with third parties that are not Affiliates; and
- (b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than \$200.0 million, such transaction has been approved by a majority of the Disinterested Directors, or in the event there is only one Disinterested Director, by such Disinterested Director; or
- (c) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than \$200.0 million, in which there is no Disinterested Director, we will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions taken as a whole is (x) fair to us or such Restricted Subsidiary from a financial point of view or (y) on terms not materially less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

- (i) customary directors' fees, indemnification and similar arrangements, consulting fees, employee salaries bonuses, employment agreements and arrangements, collective bargaining agreements, compensation or employee benefit arrangements, including stock options, stock incentive plans, vacation plans, health and life insurance plans, deferred compensation plans, retirement or savings plans or legal fees, so long as we have approved the terms thereof and deem the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor;
- (ii) any Restricted Payments not prohibited by the "*Limitation on Restricted Payments*" covenant or the making of an Investment that is a Permitted Investment;
- (iii) loans and advances or guarantees of third-party loans to employees (but not any forgiveness of such loans or advances or of indebtedness owed to us or a Restricted Subsidiary of any amounts paid in respect of any such guarantee) to our or any Restricted Subsidiary's officers, directors or employees made in the ordinary course of business; *provided* that such loans and advances do not exceed the greater of \$40.0 million in the aggregate at any one time outstanding and 0.05% of Consolidated Total Assets;
- (iv) agreements and arrangements existing on the date of the Indenture and any amendment or modifications thereof; *provided* that any amendments or modifications to the terms

thereof are not more disadvantageous to the holders of the Notes and to us or our Restricted Subsidiaries, as applicable, in any material respect than the original agreement as in effect on the date of the Indenture;

- (v) any payments or other transactions pursuant to a tax sharing agreement between us and any other Person with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
- (vi) any employment agreements and other compensation arrangements, options to purchase Capital Stock of the Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees approved by the Board of Directors and, in each case, any issuances, grants, payments or other fundings pursuant thereto;
- (vii) any issuance or sale of Capital Stock (other than Redeemable Capital Stock) or Subordinated Shareholder Debt to Affiliates of the Company and the granting of registration rights and other customary rights in connection therewith and any other contributions to the capital of the Company;
- (viii) any transactions with, or for the benefit of (x) any Person (other than us or a Restricted Subsidiary) in which we or any Restricted Subsidiary owns Capital Stock, or (y) any other Person (other than us or a Restricted Subsidiary) who holds Capital Stock in, or is a director or officer of, any Person described in the foregoing clause (x); *provided* that, the Person described in clause (x) or the other Person described above in clause (y), as the case may be, is an Affiliate of ours or a Restricted Subsidiary solely as a result of (I) the ownership by us or a Restricted Subsidiary of Capital Stock in such Person or other Person and/or (II) the ownership by such other Person of Capital Stock in any Person described in clause (x) and/or (III) the holding of a position as a director or officer of any Person described in clause (x);
- (ix) transactions between or among us or any Restricted Subsidiary and any Affiliate made in connection with and incidental to any Permitted Receivables Financing;
- (x) [Reserved]
- (xi) transactions between or among us and Restricted Subsidiaries or among Restricted Subsidiaries;
- (xii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Company and any relevant Restricted Subsidiary from a financial point of view and are on terms which, taken as a whole, are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that could reasonably have been obtained with an unaffiliated Person (in each case, as determined in good faith by the Company);
- (xiii) [Reserved]; and
- (xiv) (x) (a) any pledge of Capital Stock of an Unrestricted Subsidiary for the benefit of the lenders to such Unrestricted Subsidiary or any Subsidiary thereof, (b) any pledge of loans or other borrowings of an Unrestricted Subsidiary from the Company or any Restricted Subsidiary for the benefit of the lenders to such Unrestricted Subsidiary or any Subsidiary thereof and (c) any completion guarantee or sponsor support undertaking for the benefit of an Unrestricted Subsidiary or any Subsidiary thereof, in each case which are of a type customary in project finance transactions (as determined in good faith by a responsible financial or accounting officer of the Company); and (y) any guarantee of performance (other than, for the avoidance of doubt, any guarantee in respect of borrowed money) of an Unrestricted Subsidiary by the Company or any Restricted Subsidiary in the ordinary course of business (as determined in good faith by a responsible accounting or financial officer of the Company).

Limitation on Liens

We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind (except for Permitted Liens) upon any of its property or assets, whether owned at or acquired after the date of the Indenture, that secures obligations under any Debt unless:

- (a) in the case of any Lien securing Subordinated Debt, our obligations in respect of the Notes and all other amounts due under the Indenture are directly secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien; and
- (b) in the case of any other Lien, our obligations in respect of the Notes and all other amounts due under the Indenture are equally and ratably secured with the obligation or liability secured by such Lien.

Any such Lien in favor of the Trustee and the holders of the Notes will be automatically and unconditionally released and discharged under any one or more of the following circumstances:

- (1) the unconditional release of the Lien (other than as a consequence of an enforcement action with respect to the assets subject to such Lien) that gave rise to the Lien in favor of the Trustee and the holders of the Notes;
- (2) the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Company or a Restricted Subsidiary, if such sale, disposition or transfer does not violate the provisions set forth under “Limitation on Sale of Certain Assets;”
- (3) the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Company)) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary and (ii) the sale, disposition or transfer does not violate the provisions set forth under “Limitation on Sale of Certain Assets;”
- (4) upon the legal defeasance or satisfaction and discharge of the Notes as provided in “Legal Defeasance and Covenant Defeasance of the Notes” or “Satisfaction and Discharge,” in each case, in accordance with the terms of the Indenture;
- (5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Capital Stock and Debt) of such Restricted Subsidiary);
- (6) upon full and final repayment of the Notes; and
- (7) in accordance with the caption below entitled “Amendments and Waivers.”

Limitation on Sale of Certain Assets

- (1) We will not, and will not permit any Restricted Subsidiary to, engage in any Asset Sale unless:
 - (a) the consideration we receive or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold; and
 - (b) at least 75% of the consideration we receive or the relevant Restricted Subsidiary receives in respect of such Asset Sale consists of: (i) cash (including any Net Cash Proceeds received from the conversion within 120 days of such Asset Sale of securities received in consideration of such Asset Sale), (ii) Cash Equivalents, (iii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 120 days following the closing of such Asset Sale, (iv) the assumption by the purchaser of (x) our Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither we nor the relevant Restricted Subsidiary remain obligated in respect of such Debt, (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if we are and

each other Restricted Subsidiary is released from any guarantee of such Debt as a result of such Asset Sale or (z) any liabilities (as shown on the Company's or a Restricted Subsidiary's balance sheet) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) from which the Company and all Restricted Subsidiaries have been validly released, (v) Related Business Assets, (vi) any Designated Non-Cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value when taken together with all other Designated Non-Cash Consideration pursuant to this clause (vi) that is at that time outstanding, in an amount not to exceed the greater of \$562.5 million and 0.75% of Consolidated Total Assets (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value) or (vii) a combination of the consideration specified in clauses (i) to (vi).

- (2) If we or any Restricted Subsidiary engage in an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 365 days after such Asset Sale, may be used by us or such Restricted Subsidiary (a) to repay or prepay any then outstanding Debt (other than Subordinated Debt) of the Company or any Restricted Subsidiary owing to a Person other than the Company or a Restricted Subsidiary, (b) to invest in Related Business Assets, to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, a Person engaged in a Related Business, (d) to make a capital expenditure, (e) to make an offer to purchase the Notes to all holders of Notes at a purchase price no less than 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase, or (f) for any combination of the foregoing; *provided, however*, that any application of Net Cash Proceeds pursuant to clauses (b), (c) or (d) above made pursuant to a definitive binding agreement or a commitment that is executed or approved within such time will satisfy this requirement, so long as such investment or acquisition, as applicable, is consummated within 180 days of such 365th day. The amount of such Net Cash Proceeds not so used as set forth in this paragraph (2) constitutes "Excess Proceeds."
- (3) When the aggregate amount of Excess Proceeds exceeds the greater of \$187.5 million and 0.25% of Consolidated Total Assets, we will, within 20 Business Days, make an offer to purchase (an "Excess Proceeds Offer") from all holders of Notes, to the extent required by the terms thereof, on a pro rata basis, in accordance with the procedures set forth in the Indenture (and, so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules of such exchange, which include a requirement to publish a notice of any such offer in English via the website of the Luxembourg Stock Exchange at www.luxse.com the maximum principal amount (expressed as a multiple of €1,000 *provided* that a Note of €100,000 or less may only be redeemed in whole and not in part) of the Notes that may be purchased with the amount of Excess Proceeds. The offer price as to the Notes will be payable in cash in an amount equal to 100% of the principal amount of the Notes, plus accrued interest, if any, to the date of purchase. So long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF Market of the Luxembourg Stock Exchange, we will publicly announce the results of an Excess Proceeds Offer.

If the aggregate principal amount of Notes validly tendered and not withdrawn by holders thereof exceeds the amount of Excess Proceeds, the Notes to be purchased will be selected by the Trustee on a *pro rata* basis (based upon the principal amount of Notes tendered by each holder).

- (4) If we are obligated to make an Excess Proceeds Offer, we will purchase the Notes, at the option of the holders thereof, in whole or in part, equal to €100,000 or integral multiples of €1,000 in excess thereof on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act.
- (5) To the extent that the sum of the aggregate offered price of Notes tendered pursuant to an Excess Proceeds Offer is less than the amount of the Excess Proceeds Offer, the Company may use the remaining Excess Proceeds for any purpose not prohibited by the Indenture.
- (6) To the extent that the aggregate principal amount of Notes tendered pursuant to an Excess Proceeds Offer is less than the amount of Excess Proceeds, we may use the amount of such Excess Proceeds not used to purchase Notes for any purpose that is not otherwise prohibited by the Indenture. Upon completion of such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

Notwithstanding any of the foregoing, we or any Restricted Subsidiary may engage in an Asset Swap and the provisions in (i) clause (1)(b) shall not apply to such Asset Swap and (ii) clauses (2), (3) and (4) above shall not apply to such Asset Swap except in respect of any Net Cash Proceeds received by us or any such Restricted Subsidiary; *provided* that we will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swap, unless:

- (a) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;
- (b) with respect to any Asset Swap involving the transfer of assets having a value greater than \$200.0 million, the Issuer delivers a resolution of its Board of Directors (set out in an Officer's Certificate to the Trustee) resolving that such Asset Swap has been approved by the Issuer's Board of Directors; and the Issuer delivers to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the Asset Swap is fair to the Issuer or such Restricted Subsidiary from a financial point of view.

If we are required to make an Excess Proceeds Offer, we will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an Excess Proceeds Offer pursuant to this covenant), we will comply with such securities laws and regulations and will not be deemed to have breached our obligations described in this covenant by virtue thereof.

Financial Calculations

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with any merger, acquisition, disposition, joint venture, Investment or other similar transaction, in each case where there is a time difference between commitment and closing or Incurrence (including in respect of Incurrence of Debt, Restricted Payments and Permitted Investments), the date of determination of the availability of such basket or ratio and of any Default or Event of Default shall, at our sole discretion, be the date the definitive agreements for such merger, acquisition, disposition, joint venture, Investment or other similar transaction are entered into (or, in case of a transaction in the form of a tender or exchange offer in connection with which no definitive agreement is entered into with the target company, the launch date of such tender or exchange offer) and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such merger, acquisition, disposition, joint venture, Investment or other similar transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Adjusted Net Income, Consolidated EBITDA or Consolidated Total Assets or the share price or share value of any Person or relevant exchange rates) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the date of consummation of such transaction or related transactions; *provided* that if the Company elects to have such determinations occur at the date of entry into such definitive agreement (or the launch date of such tender or exchange offer, as the case may be), any such transactions (including any Incurrence of Debt and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered (or the launch date of such tender or exchange offer, as the case may be) and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement (or tender or exchange offer, as the case may be) and before the consummation of such transaction.

Limitation on Guarantees of Debt by Restricted Subsidiaries

- (1) We will not permit any Restricted Subsidiary, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any of our Debt (other than the Notes), unless:

- (a)
 - (i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such Debt; and
 - (ii) with respect to any guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and
- (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against us or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee.

This paragraph (1) will not be applicable to any guarantees of any Restricted Subsidiary:

- (i) guaranteeing Debt permitted to be incurred under clause (a) or (z) of the definition of "Permitted Debt" or existing on the date of the Indenture and any Permitted Refinancing Debt refunding, replacing or refinancing such Debt;
 - (ii) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;
 - (iii) given to a bank or trust company organized in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System, (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A by S&P and at least A2 by Moody's, in connection with the operation of cash management programs established for our benefit or that of any Restricted Subsidiary; or
 - (iv) that (w) is a Wholly Owned Restricted Subsidiary, (x) was incorporated for the sole purpose of owning or leasing, and limited by its constituent documents to owning or leasing, a single Vessel used in our business, (y) does not have any Subsidiaries and (z) does not have any assets other than such Vessel (and related insurance cover) and intercompany receivables.
- (2) Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in the foregoing paragraph (1) may provide by its terms that it will be automatically and unconditionally released and discharged upon:
 - (a) any sale, exchange or transfer, to any Person who is not a Restricted Subsidiary, of all of our Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Company)) which results in the relevant Restricted Subsidiary no longer being a Restricted Subsidiary and which sale, exchange or transfer is not prohibited by the Indenture;
 - (b) (with respect to any guarantee created after the date of the Indenture) the release by the holders of our Debt described in the preceding paragraph of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:
 - (i) no other Debt of ours (other than the Notes) has been guaranteed by such Restricted Subsidiary; or
 - (ii) the holders of all such other Debt that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee);

- (c) any sale, disposition or transfer of all or substantially all of the assets of such Restricted Subsidiary or a Parent of such Restricted Subsidiary other than the Company (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the covenant described under “*Limitation on Asset Sales*;”
- (d) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Capital Stock and Debt) of such Restricted Subsidiary);
- (e) upon full and final repayment of the Notes;
- (f) upon legal defeasance or satisfaction and discharge of the Notes as provided below under the captions “*Legal Defeasance and Covenant Defeasance of the Notes*” and “*Satisfaction and Discharge*;” in each case, in accordance with the terms of the Indenture, or
- (g) as described under “*Amendments and Waivers*.”

Each guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Restricted Subsidiary without rendering such guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

- (1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction of any kind on the ability of any Restricted Subsidiary to:
 - (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;
 - (b) pay any Debt owed to us or any other Restricted Subsidiary;
 - (c) make loans or advances to us or any other Restricted Subsidiary; or
 - (d) transfer any of its properties or assets to us or any other Restricted Subsidiary.
- (2) The provisions of the covenant described in paragraph (1) above will not apply to:
 - (a) encumbrances or restrictions imposed by the Notes or the Indenture or by other indentures governing other Debt we Incur (and if such Debt is guaranteed, by the guarantors of such Debt) ranking equally with the Notes (or any guarantee); *provided* that the encumbrances or restrictions imposed by such other indentures are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture;
 - (b) encumbrances or restrictions contained in any agreement in effect on the date of the Indenture in the form contained in such agreement on the date of the Indenture;
 - (c) encumbrances or restrictions imposed by Debt permitted to be Incurred under Credit Facilities or Permitted Debt referred to in clause (a) of paragraph (2) of the covenant described under “*Limitation on Debt*” or any guarantees thereof or Liens related thereto in accordance with the “*Limitation on Debt*” covenant; *provided* that in the case of any such encumbrances or restrictions imposed under any Credit Facilities, such encumbrances or restrictions are not materially more restrictive taken as a whole than those imposed under our existing financing arrangements outstanding on the date of the Indenture;

- (d) in the case of clause (1)(d) above or in respect of any leases for vessels, customary provisions restricting subletting or assignment of any lease or assignment of any other contract to which we or any Restricted Subsidiary is a party or to which any of our or any Restricted Subsidiary's respective properties or assets are subject or customary restrictions contained in operating leases for real property and restricting only the transfer of such real property or effective only upon the occurrence and during the continuance of a default in the payment of rent;
- (e) encumbrances or restrictions contained in any agreement or other instrument of a Person acquired by us or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;
- (f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets not prohibited by the "*Limitation on Sale of Certain Assets*" covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets of any of our Restricted Subsidiaries by another Person;
- (g) in the case of clause (1)(d) above or in respect of any leases for vessels or containers, any customary encumbrances or restriction pertaining to an asset subject to a Lien to the extent set forth in the security document governing such Lien or encumbrances or restrictions existing by reason of any Permitted Lien or Lien permitted under the "*Limitation on Liens*" covenant;
- (h) encumbrances or restrictions, including, without limitation, encumbrances or restrictions on cash or assets in escrow accounts of deposits paid on property used in our business, in each case imposed by applicable law or regulation or by governmental licenses, concessions, franchises or permits;
- (i) encumbrances or restrictions existing under any agreement that extends, renews or Refinances the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a), (b), (c) and (e); *provided* that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement so Refinanced;
- (j) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into the ordinary course of business;
- (k) customary limitations on the distribution or disposition of assets or property in joint venture agreements entered into the ordinary course of business and in good faith; *provided* that such encumbrance or restriction is applicable only to such Restricted Subsidiary and *provided* that:
 - (i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable agreements (as determined by us); and
 - (ii) we determine that any such encumbrance or restriction will not materially affect our ability to make any anticipated principal or interest payments on the Notes;
- (l) encumbrances or restrictions in connection with purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the type described in clause (2)(d) above on the transfer of the properties so acquired;
- (m) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements;
- (n) encumbrances or restrictions with respect to any Permitted Receivables Financing; *provided, however*, that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Financing in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; or
- (o) encumbrances or restrictions in connection with Debt permitted to be Incurred or Permitted Debt Incurred subsequent to the Issue Date in each case pursuant to the provisions of the

covenant described under “*Limitation on Debt*” if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Company) and the Company determines in good faith that such encumbrance or restriction will not materially affect its ability to make principal or interest payments on the Notes as and when they become due.

Designation of Unrestricted and Restricted Subsidiaries

1. Our Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to be an “Unrestricted Subsidiary” only if:
 - (a) no Default has occurred and is continuing at the time of or after giving effect to such designation; and
 - (b) such Unrestricted Subsidiary does not own any Capital Stock, Redeemable Capital Stock or Debt of, or own or hold any Lien on any property or assets of, or have any Investment in, us or any other Restricted Subsidiary.
2. In the event of any such designation, we will be deemed to have made an Investment constituting a Restricted Payment pursuant to the “*Limitation on Restricted Payments*” covenant or a Permitted Investment for all purposes of the Indenture, in either case an amount equal to the greater of (i) the net book value of our interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of our interest in such Subsidiary.
3. The Indenture does further provide that neither we nor any Restricted Subsidiary will at any time:
 - (a) provide a guarantee of, or similar credit support to, any Debt of any Unrestricted Subsidiary (including of any undertaking, agreement or instrument evidencing such Debt); *provided* that we may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against us other than to obtain such pledged property, except to the extent permitted under the “*Limitation on Debt*,” “*Limitation on Restricted Payments*” and “*Limitation on Transactions with Affiliates*” covenants; or
 - (b) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary, except to the extent permitted under the “*Limitation on Debt*,” “*Limitation on Restricted Payments*” and “*Limitation on Transactions with Affiliates*” covenants.
4. Our Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary if:
 - (a) no Default or Event of Default has occurred and is continuing at the time of or will occur and be continuing after giving effect to such designation; and
 - (b) unless such redesignated Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt) immediately before and after giving effect to such proposed designation, and after giving *pro forma* effect to the Incurrence of any such Debt of such redesignated Subsidiary as if such Debt was Incurred on the date of the redesignation, we could Incur \$1.00 of additional Debt (other than Permitted Debt) pursuant to the “*Limitation on Debt*” covenant.
5. Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by our Board of Directors will be evidenced to the Trustee by filing a resolution of our Board of Directors with the Trustee giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation.

Limitation on Lines of Business

We will not, and will not permit any Restricted Subsidiary to, engage in any business other than the business of our company and its Restricted Subsidiaries on the date of the Indenture or a Related Business.

Reports to Holders

So long as any Notes are outstanding, we will furnish to the Trustee in English (who, at our expense, will furnish by mail to holders of the Notes):

- (a) commencing with the fiscal year ending December 31, 2024, within 120 days following the end of each of our fiscal years an annual report, in form and substance consistent with the annual report delivered to the holders of the 2026 Senior Notes with respect to the financial year 2022, containing: (i) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies; (ii) a brief description of our business, management and shareholders, all material affiliate transactions and a description of all material debt instruments; and (iii) the annual audited consolidated balance sheets, statements of income, statements of shareholders equity, statements of cash flows (with notes thereto) for us for the year ended and the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture; *provided* that the information described in clause (iii) may be provided in the footnotes to the audited financial statements;
- (b) commencing with the fiscal quarter ending September 30, 2024, within 60 days following the end of each of the first three fiscal quarters in each of our fiscal years, quarterly reports in form and substance consistent with the quarterly report delivered to the holders of the 2026 Senior Notes with respect to the third quarter of 2022, containing unaudited consolidated financial statements for us for the quarterly period then ended and comparative unaudited consolidated financial statements for the corresponding period in the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture, together with an operating and financial review for such quarterly period; and
- (c) promptly after the occurrence of any material acquisition, disposition or restructuring of the Company and the Restricted Subsidiaries, taken as a whole, or any change in our auditors or any other material event that we announce publicly, a report containing a description of such event.

In addition, so long as the Notes are restricted securities (as defined in Rule 144 under the Securities Act) and during any period during which we are not subject to the reporting requirements of the Exchange Act or exempt therefrom pursuant to Rule 12g3-2(b), we will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to “qualified institutional buyers” pursuant to Rule 144A, and to prospective purchasers in the United States designated by such holder or beneficial owners, upon request, the information required to be delivered pursuant to Rule 144A(d)(4).

We will also make available, and, unless amended and replaced, will not withdraw or remove, copies of all reports required by clauses (a) through (b) above at the offices of the principal paying agent or, to the extent and in the manner permitted by the rules of such stock exchange, post such reports on the official website of the Luxembourg Stock Exchange.

Delivery of any information, documents and reports to the Trustee pursuant to this “—*Reports to Holders*” covenant is for informational purposes only and the Trustee’s receipt of such shall not constitute constructive notice of any information contained therein, including the Company’s compliance with any of its covenants under the Indenture.

Consolidation, Merger and Sale of Assets

We will not, in a single transaction or through a series of transactions, consolidate with or merge with or into any Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by our Board of Directors or shareholders with respect to a demerger or division pursuant to which we would dispose of, all or substantially all of our properties and assets to any Person or Persons (including a Restricted Subsidiary) or permit any Restricted Subsidiary to enter into any such transaction or series of

transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of our properties and assets and those of our Restricted Subsidiaries on a consolidated basis to any other Person or Persons. The previous sentence will not apply if at the time of, and immediately after giving effect to, any such transaction or series of transactions:

- (a) either we will be the continuing corporation or the Person (if other than us) formed by such consolidation or into which we or such Restricted Subsidiary is merged, demerged or divided, or the Person that acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all our properties and assets and those of the Restricted Subsidiaries on a consolidated basis (the “Surviving Entity”);
 - (i) will be a corporation duly organized and validly existing under the laws of any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof, or the District of Columbia; and
 - (ii) will expressly assume, by a supplemental indenture in form satisfactory to the Trustee, our obligations under the Notes and the Indenture, and the Notes and the Indenture will remain in full force and effect as so supplemented;
- (b) immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis (and treating any obligation of our company or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by us or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;
- (c) immediately before and immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), either (i) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) could Incur at least \$1.00 of additional Debt (other than Permitted Debt) under the provisions of the “*Limitation on Debt*” covenant or (ii) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) have a Consolidated Fixed Charge Coverage Ratio equal to or greater than such ratio of our company and the Restricted Subsidiaries immediately prior to such substitution, transaction or series of transactions;
- (d) if any of our or any Restricted Subsidiary’s property or assets would thereupon become subject to any Lien, the provisions of the “*Limitation on Liens*” covenant are complied with; and
- (e) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) will have delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officer’s Certificate (attaching computations to demonstrate compliance with clauses (c) and (d) above) and an opinion of independent counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, our company under the Indenture, but, in the case of a lease of all or substantially all of our assets, we will not be released from the obligation to pay the principal of and interest, and Additional Amounts, if any, on the Notes.

Nothing in the Indenture prevents any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to us or any other Restricted Subsidiary.

Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

We will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Indenture described under “Notices” and, for so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, notify such exchange of any such consolidation, merger or sale.

Events of Default

- (1) Each of the following will be an “Event of Default” under the Indenture:
 - (a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;
 - (b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise);
 - (c) failure to comply with the provisions of “*Certain Covenants—Consolidation, Merger and Sale of Assets;*”
 - (d) failure to make or consummate an offer in accordance with the provisions of “*Certain Covenants—Limitation on Sale of Certain Assets;*”
 - (e) failure to make or consummate a Change of Control Offer in accordance with the provisions of “*Certain Covenants—Purchase of Notes upon a Change of Control;*”
 - (f) failure to comply with any covenant or agreement of ours or of any Restricted Subsidiary that is contained in the Indenture (other than the failure to comply with any of the covenants and agreements specified in clause (a), (b), (c), (d) or (e) above) and such failure continues for a period of 60 days or more after the written notice specified in clause (2) below;
 - (g) default under the terms of any instrument evidencing or securing our Debt or Debt of any Significant Subsidiary individually (or of any group of Restricted Subsidiaries that, taken together, as of the latest audited consolidated financial statements, would constitute a Significant Subsidiary) having an outstanding principal amount in excess of \$200.0 million individually that results in the acceleration of the payment of such Debt or constitutes the failure to pay such Debt at final maturity thereof (other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such Debt has not been extended, and in either case the total amount of such Debt unpaid or accelerated exceeds \$200.0 million or its equivalent at the time;
 - (h) one or more final judgments, orders or decrees (not subject to appeal) shall be rendered against us or any Significant Subsidiary individually (or against any group of Restricted Subsidiaries that, taken together, as of the latest audited consolidated financial statements, would constitute a Significant Subsidiary), in an amount, after deduction of any proceeds received from insurance coverage of such matter, in excess of \$200.0 million, and shall not have been discharged and there shall have been a period of 60 consecutive days or more as from the date such amount is due pursuant to any such judgment, order or decree during which a stay of enforcement of such judgment, order or decree was not in effect; or
 - (i) the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or any Restricted Subsidiary that is a Significant Subsidiary.
- (2) If an Event of Default (other than as specified in clause (1)(i) above) occurs and is continuing, the holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to us and to the Trustee may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.
- (3) If an Event of Default specified in clause (1)(i) above occurs and is continuing, then the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding

Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

- (4) Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in paragraph (1)(g) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to paragraph (1)(g) above shall be remedied or cured, or waived by the holders of the Debt, or the Debt that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.
- (5) At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to us and the Trustee, may rescind such declaration and its consequences if:
 - (a) we have paid or deposited with the Trustee a sum sufficient to pay:
 - (i) all overdue interest and Additional Amounts on all Notes then outstanding;
 - (ii) all unpaid principal of and premium (if any) on any outstanding Notes that have become due otherwise than by such declaration of acceleration and accrued and unpaid interest thereon at the rate borne by the Notes;
 - (iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and
 - (iv) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;
 - (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and
 - (c) all Events of Default, other than the non-payment of amounts of principal of, premium (if any) and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon. For the avoidance of doubt, the Trustee shall be entitled to its rights and benefits under the Indenture in respect of defaults or Events of Default that are subsequently waived, cured or annulled provided that the Trustee's conduct is otherwise in accordance with the provisions of the Indenture and does not constitute willful misconduct or gross negligence.

- (6) The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any existing Defaults or Events of Default under the Indenture, except a default:
 - (a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note; or
 - (b) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of holders of at least 90% of the Notes outstanding.
- (7) The Indenture provides that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "*Initial Default*") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further

action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled “*Certain Covenants–Reports*” or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured, and any declaration of acceleration of the Notes resulting therefrom shall be automatically annulled, upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

- (8) No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made a written request, and offered and, if requested, the Trustee has received, indemnity and/or security (including by way of prefunding) satisfactory to the Trustee in its sole discretion against any loss, liability or expense (including documented and properly incurred legal fees) to institute such proceeding as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 30 days after receipt of such notice and the Trustee within such 30-day period has not received directions inconsistent, in the Opinion of the Trustee, with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines (in its reasonable opinion) is unduly prejudicial to the rights of any other holder or that would involve the Trustee or any agent in personal liability.
- (9) If a Default or an Event of Default occurs and is continuing and notice of such Default or Event of Default has been delivered to the corporate trust office of the Trustee, the Trustee will mail or otherwise provide notice to each holder of the Notes notice of the Default or Event of Default within 15 Business Days after its occurrence or receipt of notice by the Trustee, whichever is later.
- (10) We are required to furnish to the Trustee annual statements as to our performance, and the performance of any Restricted Subsidiaries of our respective obligations under the Indenture and as to any default in such performance. We are also required to notify the Trustee (in compliance with the notice provisions of the Indenture) within 30 business days of our knowledge of the occurrence of any Default.

Legal Defeasance and Covenant Defeasance of the Notes

The Indenture provides that we may, at our option and at any time prior to the Stated Maturity of the Notes, elect to have our obligations discharged with respect to the outstanding Notes (“legal defeasance”). Legal defeasance means that we will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

- (a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (b) our obligations to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust,
- (c) the rights, powers, trusts, duties and immunities of the Trustee and our obligations in connection therewith, and
- (d) the legal defeasance provisions of the Indenture.

In addition, we may, at our option and at any time, elect to have our obligations released with respect to certain covenants set forth in the Indenture (“covenant defeasance”), and thereafter any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events described under “Events of Default” will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, receivership and insolvency. We may exercise our legal defeasance option regardless of whether we previously exercised covenant defeasance.

In order to exercise either legal defeasance or covenant defeasance:

- (a) We must irrevocably deposit or cause to be deposited in trust by 10:00 a.m. at least one Business Day before the required payment with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose), for the benefit of the holders of the Notes, cash in euros, European Government Obligations denominated in euros or a combination thereof in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes on the Stated Maturity, if, at or prior to electing either legal defeasance or covenant defeasance, we must have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes of such principal, premium, if any, or installment of interest;
- (b) in the case of legal defeasance, we must have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee stating that (x) we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;
- (c) in the case of covenant defeasance, we must have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee to the effect that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- (d) we must have delivered to the Trustee an Opinion of Counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of any Relevant Taxing Jurisdiction as a result of such defeasance and will be subject to tax of any Relevant Taxing Jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;
- (e) no Default or Event of Default will have occurred and be continuing on the date of such deposit or, insofar as bankruptcy or insolvency events described in clause (1)(j) of “*Events of Default*” above are concerned, at any time during the period ending on the 123rd day after the date of such deposit;
- (f) such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Indenture or any material agreement or instrument to which we or any Restricted Subsidiary is a party or by which we or any Restricted Subsidiary is bound;
- (g) we must have delivered to the Trustee an opinion of independent counsel in the country of our incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally and an opinion of independent counsel that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes;
- (h) we must have delivered to the Trustee an Officer’s Certificate stating that the deposit was not made by us with the intent of preferring the holders of the Notes with the intent of defeating, hindering, delaying or defrauding our creditors or others, or removing its assets beyond the reach of its creditors or increasing our debts to the detriment of our creditors;
- (i) no event or condition shall exist that would prevent us from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and

- (j) we will have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided for in the Indenture relating to either the legal defeasance or the covenant defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee to effect covenant defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due because of any acceleration occurring after an Event of Default, then we will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes and our obligations with respect to Additional Amounts and rights of the Trustee, as expressly provided for in the Indenture) when:

- (a) we have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose solely for the benefit of the holders of the Notes an amount in euros or European Government Obligations denominated in euros, in each case, sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be and we have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be and either:
 - (i) all the Notes theretofore authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or
 - (ii) all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements for the giving of notice of redemption by the Trustee in our name, and at our expense; and
- (b) we have paid or caused to be paid all sums payable by us under the Indenture; and
- (c) we have delivered to the Trustee an Officer's Certificate and (in respect of clause (i) below) an Opinion of Counsel stating that:
 - (i) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; and
 - (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which we or any Subsidiary is a party or by which we or any Subsidiary is bound.

Amendments and Waivers

The Indenture contains provisions permitting us, any Guarantor of the Notes and the Trustee to enter into a supplemental indenture without the consent of the holders of the Notes for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies or making any change that does not adversely affect the rights of any holder of the Notes in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, we, any Guarantor of the Notes and the Trustee are permitted to amend or supplement the Indenture; *provided* that no such modification or amendment may, without the consent of the holders of at least 90% of the outstanding Notes affected thereby:

- (a) change the Stated Maturity of the principal of, or any installment of, or Additional Amounts or interest on, any Note;

- (b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of interest on any Note;
- (c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;
- (d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date or Change of Control Purchase Date, in the case of a Change of Control Offer);
- (e) reduce the percentage in principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Indenture;
- (f) make any change to the provisions of the Indenture described under “*Ranking*” or any other provisions of the Indenture affecting the ranking of the Notes, in each case in a manner that adversely affects the rights of the holders of the Notes; or
- (g) make any change in the provisions of the Indenture described under “*Additional Amounts*” that adversely affects the rights of any holder of the Notes or amend the terms of the Notes or the Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless we agree to pay Additional Amounts (if any) in respect thereof in the supplemental indenture.

Notwithstanding the foregoing, without the consent of any holder of the Notes, we, any Guarantor of the Notes and the Trustee and any agent may modify or amend the Indenture:

- (i) to evidence the succession of another Person to our company and the assumption by any such successor of the covenants in the Indenture and in the Notes in accordance with “*Certain Covenants—Consolidation, Merger and Sale of Assets*;”
- (ii) to add to our covenants or to add any other obligor under the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon us or any other obligor under the Notes, as applicable, in the Indenture or in the Notes;
- (iii) to cure any ambiguity, or to correct or supplement any provision in the Indenture or the Notes that may be defective or otherwise inconsistent with any other provision in the Indenture or the Notes or make any other provisions with respect to matters or questions arising under the Indenture or the Notes; *provided* that, in each case, such provisions shall not adversely affect the interest of the holders of the Notes in any material respect;
- (iv) to add a Guarantor;
- (v) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;
- (vi) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of our or any Guarantor’s obligations under the Indenture, in any property, or assets, including any that are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise; or
- (vii) to conform the text of the Indenture or the Notes to any provision of this “Description of Notes” to the extent that such provision in this “Description of Notes” was intended to be a verbatim recitation of a provision of the Indenture or Notes.

The Company shall be permitted to add and remove Guarantors subject to and in accordance with the provisions of the Indenture. For the avoidance of doubt, the Company will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the Indenture even if such Restricted Subsidiaries are not required at such time to become Guarantors pursuant to the covenant described under “*Certain*

Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries” (such Guarantors “Optional Guarantors”). The Company will be entitled to release any such Optional Guarantor from its Guarantee obligations provided (x) no Event of Default would result from such release and (y) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to the covenant under “*Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*.” Upon any release of a Guarantee contemplated under the “*Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*” section, the Trustee shall upon written request from the Company execute any documents required in order to evidence such release, discharge and termination in respect of such Guarantee.

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

Prescription

There is no express term in the Indenture as to any time limit on the validity of claims of the holders of the Notes to interest and repayment of principal, but any such claims will be subject to any statutory limitation period prescribed under the laws of the State of New York.

Notices

Notices regarding the Notes will be:

- (a) notified to the Trustee and, if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, published in the *Luxemburger Wort* (or another leading newspaper having a general circulation in Luxembourg) or the website of the Luxembourg Stock Exchange; and
- (b) in the case of certificated Notes, mailed or otherwise delivered to holders of such Notes and if by mail by first-class mail at their respective addresses as they appear on the registration books of the registrar.

Notices given by first-class mail will be deemed given five calendar days after mailing and notices given by publication will be deemed given on the first date on which publication is made.

If and so long as the Notes are listed on any other securities exchange, notices will be given in accordance with any applicable requirements of such securities exchange. In addition, for so long as any Notes are represented by global notes, all notices to holders will be delivered by or on behalf of the Company to the relevant clearing system.

The Trustee

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default, of which a responsible officer of the Trustee has received written notice, has occurred and is continuing, the Trustee, at the direction of holders of not less than 25% in aggregate principal amount of the Notes then outstanding, will exercise such rights and powers vested in it under the Indenture. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. Furthermore, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder, unless such holder has offered to the Trustee, and the Trustee has received, indemnity and/or security (including by way of prefunding) satisfactory to the Trustee in its sole discretion against any loss, liability or expense (including documented and properly incurred legal fees).

The Trustee is entitled to require the Paying Agent to act under its direction following the occurrence of an Event of Default. The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless secured (including by way of prefunding) and/or indemnified to its satisfaction.

The Company will indemnify the Trustee for certain losses, taxes, claims, liabilities and expenses (including documented and properly incurred legal fees) incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the performance of its duties or the acceptance or administration

of the Indenture. The Trustee shall be entitled to rely solely and conclusively, without need for further investigation or verification, on any Officer's Certificate, Opinion of Counsel or other evidence as it deems appropriate in formulating its opinion or in taking or not taking any action under the Indenture.

Governing Law

The Indenture and the Original Notes are, and the Additional Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Certain terms used in this Description of Notes are defined as follows:

"2026 Senior Notes" means the €525 million 7.50% senior notes due 2026 issued by the Company on October 21, 2020;

"Acquired Debt" means Debt of a Person:

- (a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with us or any of the Restricted Subsidiaries; or
- (b) assumed in connection with the acquisition of assets from such Person;

in each case *provided* that such Debt was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or the date of the related acquisition of assets from any Person, as the case may be.

"Affiliate" means, with respect to any specified Person:

- (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;
- (b) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Capital Stock or any officer or director of any such specified Person or other Person; or
- (c) any other Person 10% or more of the Voting Stock of which is beneficially owned or held, directly or indirectly, by such specified Person.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled" have meanings correlative to the foregoing.

"Aircraft" means one or more cargo aircraft whose primary purpose is the air transportation of cargo or which are otherwise engaged, used or useful in any business activities of the Company and its Restricted Subsidiaries (including CC Air Cargo) and which are owned by and registered (or to be owned by and registered) in the name of the Company or any of its Restricted Subsidiaries (including Air Cargo) or operated or to be operated by the Company or any of its Restricted Subsidiaries (including CC Air Cargo), in each case together with all related spares, equipment and any additions or improvements.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger or consolidation) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of:

- (a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and, to the extent required by local ownership laws in foreign countries, shares owned by foreign shareholders);
- (b) all or substantially all of the properties and assets of any division or line of our or any Restricted Subsidiary's business; or

- (c) any other of our or any Restricted Subsidiary's properties or assets, other than in the ordinary course of business.

For the purposes of this definition, the term "Asset Sale" does not include any transfer of properties or assets:

- (i) that is governed by the provisions of the Indenture described under "*Certain Covenants—Consolidation, Merger and Sale of Assets*" or "*Purchase of Notes upon a Change of Control*;"
- (ii) by us to any Restricted Subsidiary, or by any Restricted Subsidiary to us or any Restricted Subsidiary in accordance with the terms of the Indenture;
- (iii) any assets representing ships, equipment and facilities that are no longer used or useful in the conduct of our and any Restricted Subsidiary's business and that are disposed of in the ordinary course of business;
- (iv) that constitutes an Asset Swap effected in compliance with "*Certain Covenants—Limitation on Sale of Certain Assets*;"
- (v) the Fair Market Value of which in the aggregate does not exceed the greater of \$187.5 million and 0.25% of Consolidated Total Assets in any transaction or series of related transactions;
- (vi) for purposes of "*Certain Covenants—Limitation on Sale of Certain Assets*" only, the making of a Permitted Investment or a disposition subject to "*Certain Covenants—Limitation on Restricted Payments*;"
- (vii) that is a disposition constituting or resulting from the enforcement of a Lien or the liquidation, administration or winding up of a Restricted Subsidiary;
- (viii) that is a sale or disposition deemed to occur in connection with granting or creating a Permitted Lien;
- (ix) that is a disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;
- (x) that is a sale of cash or Cash Equivalents;
- (xi) that constitutes a sale or disposition of assets received by the Company or any Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Company or any Restricted Subsidiary;
- (xii) that is a disposition of accounts receivable and related assets in a Permitted Receivables Financing;
- (xiii) that is a Lease Obligation; or
- (xiv) that is a Vessel Sharing Arrangement.

"Asset Swap" means the concurrent purchase and sale or exchange of Related Business Assets between us or any Restricted Subsidiary and another Person (other than a sale, disposition or transfer that is governed by the provisions of the Indenture described under "*Certain Covenants—Consolidation, Merger and Sale of Assets*"); *provided* that Vessel Sharing Arrangements shall not be considered Asset Swaps.

"Average Life" means, as of the date of determination with respect to any Debt, the quotient obtained by dividing:

- (a) the sum of the products of:
 - (i) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date or dates of each successive scheduled principal payment of such Debt multiplied by

- (ii) the amount of each such principal payment; by
- (b) the sum of all such principal payments.

“Board of Directors” means the board of directors (*Conseil d’administration*) of the Company; *provided* that where any action is provided to be or may be taken by the board of directors, such action may be taken by the *Directeur Général* of the Company to the extent generally authorized by the board of directors to take such action.

“Bund Rate” means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (1) “Comparable German Bund Issue” means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to (but excluding) July 15, 2026 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to July 15, 2026; *provided, however*, that, if the period from such redemption date to (but excluding) July 15, 2026, is less than one year, a fixed maturity of one year shall be used;
- (2) “Comparable German Bund Price” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “Reference German Bund Dealer” means any dealer of German *Bundesanleihe* securities appointed by the Company in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on the third Business Day preceding the relevant date.

“Business Day” means any day (other than a Saturday or Sunday) that is not a day on which banking institutions in the cities of London, England, New York, New York and Paris, France are authorized or obligated by law to close for business.

“Capital Stock” means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person’s equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets, of such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the date of the Indenture.

“Cash Equivalents” means any of the following:

- (a) any evidence of Debt with a maturity of one year or less from the date of acquisition issued or directly and fully guaranteed or insured by any member state of the European Union as of the date of the Indenture, the UK, the Republic of Singapore, the United States of America, any state thereof or the District of Columbia, or any agency or instrumentality thereof;
- (b) overnight bank deposits, time deposit accounts, certificates of deposit, money market deposits or bankers’ acceptances with a maturity of one year or less from the date of acquisition of a bank or trust company organized in any member state of the European Union as of the date of the Indenture, the UK or the Republic of Singapore, or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case with a bank or trust company which is having capital and surplus in excess of €250 million and a rating at the time of acquisition

thereof of P-2 or better from Moody's or A-2 or better from S&P; *provided* that, if such bank or trust company is not rated with respect to its short-term debt obligations, it shall have a long-term debt rating of "Baa3" or higher by Moody's or "BBB-" or higher by S&P;

- (c) commercial paper with a maturity of one year or less from the date of acquisition issued by a corporation that is not our or any Restricted Subsidiary's Affiliate and is organized under the laws of any member state of the European Union as of the date of the Indenture, the UK, Switzerland, the Republic of Singapore, the United States of America, any state thereof, or the District of Columbia and, at the time the investment is made, rated at least A-2 by S&P or at least P-2 by Moody's;
- (d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (a) and (b) above entered into with a financial institution meeting the qualifications described in clause (b) above;
- (e) in the case of any Restricted Subsidiary located outside the United States, the UK, the European Union or the Republic of Singapore:
 - (i) any investment substantially similar to the kind described in clause (b) of this definition made in the ordinary course of business with a bank, trust company or commercial banking institution with either (A) a rating at the time of acquisition thereof of P-2 or better from Moody's or A-2 or better from S&P; *provided* that, if such bank or trust company is not rated with respect to its short-term debt obligations, it shall have a long-term debt rating of "Baa3" or higher by Moody's or "BBB-" or higher by S&P; or (B) the highest credit rating obtainable in the applicable jurisdiction;
 - (ii) any investment substantially similar to the kind described in clause (e) of this definition obtained in the ordinary course of business and with either (A) a rating at the time the investment is made of at least A-2 by S&P or at least P-2 by Moody's; or (B) the highest credit rating obtainable in the applicable jurisdiction; and
- (f) Investments in money market mutual funds (i) denominated in U.S. dollars, euro or pound sterling that are rated "A3" or higher by Moody's or "AAA" or higher by S&P or (ii) at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (e) above.

"CC Air Cargo" means CMA CGM Air Cargo a company incorporated under the laws of France, registered with the Marseille Registry of Companies under number 892 497 520, whose registered office is located at 4 Quai d'Arenc Boulevard Jacques Saadé 13235 Marseille Cedex 02, France, a Restricted Subsidiary dedicated to air cargo transportation.

"Change of Control" has the meaning given to such term under "*Purchase of Notes upon a Change of Control*."

"Clearstream" means Clearstream Banking, a *société anonyme* as currently in effect or any successor securities clearing agency.

"Commission" means the U.S. Securities and Exchange Commission.

"Consolidated Adjusted Net Income" means, for any period, the net income (or loss) of the Company and its Restricted Subsidiaries for such period as determined in accordance with IFRS and on a consolidated basis, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

- (a) any net after-tax extraordinary gains or losses;
- (b) any net after-tax gains or losses attributable to asset sales made other than in the ordinary course of business;
- (c) the portion of net income or loss of any Person (other than us or a Restricted Subsidiary), including Unrestricted Subsidiaries on a consolidated basis, in which we have, or any Restricted Subsidiary has, an equity ownership interest, other than the amount of dividends or other distributions and of management or other similar fees actually paid to us or any Restricted

Subsidiary in cash during such period; *provided* that our equity in a net loss of any such Person shall be included in Consolidated Adjusted Net Income to the extent funded by us or a Restricted Subsidiary;

- (d) solely for purposes of determining compliance with the covenant described under “*Certain Covenants—Restricted Payments*,” the net income or loss of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to us, by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders, other than those restrictions (i) in effect on the Issue Date, (ii) which, when taken as a whole, are not materially less favorable to the holders of the Notes than those restrictions in effect on the Issue Date, (iii) that would be permitted under clauses (a), (c), (l) and (o) of paragraph (2) of the “*Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*” covenant or in any agreement that Refinances the agreements containing the restrictions in such clauses (a), (c), (l) and (o) or (iv) pursuant to applicable law, rule, regulation, or order or governmental licenses, concessions, franchises or permits, except that:
 - (i) our equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash distributed by such Restricted Subsidiary during such period to us or another Restricted Subsidiary as a dividend, management or other similar fees or any other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary to the limitation contained in this clause); and
 - (ii) our equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Adjusted Net Income to the extent funded by us or another Restricted Subsidiary;
- (e) net after-tax gains or losses attributable to the termination of any employee pension benefit plan;
- (f) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the date of the Indenture;
- (g) any net gain arising from the acquisition or extinguishment, under IFRS, of our or any Restricted Subsidiary’s Debt by the issuer of such Debt;
- (h) the net income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued), except that any such net loss may be excluded only after the date of the actual disposal of such operations;
- (i) any unrealized gains or losses from Currency Agreements, Interest Rate Agreements or Fuel Hedging Agreements;
- (j) any increase in amortization or depreciation resulting from the application of purchase accounting;
- (k) the cumulative effect of a change in accounting principles after the date of the Indenture;
- (l) any net after-tax gains or losses attributable to allowances or reversals of allowances related to the impairment of vessels or containers to the extent allocated to the caption “Other income (expense)” or other similar caption appearing on our income statement; and
- (m) any capitalized interest and non-cash interest expense on Subordinated Shareholder Debt.

“Consolidated EBITDA” means, for any period, the sum of Consolidated Adjusted Net Income, plus in each case to the extent excluded in computing Consolidated Adjusted Net Income for such period:

- (i) Consolidated Interest Expense;

- (ii) Consolidated Tax Expense;
- (iii) Consolidated Non-cash Charges, less all non-cash items increasing Consolidated Adjusted Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Adjusted Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period;
- (iv) Restructuring Charges; and
- (v) expenses related to proposed or consummated equity offerings, debt incurrences, acquisitions, investments, dispositions, recapitalizations and the issuance of the notes offered hereby.

“Consolidated Fixed Charge Coverage Ratio” of our company means, for any period, the ratio of:

- (a) Consolidated EBITDA;
- (b) to the sum of:
 - (i) Consolidated Interest Expense; and
 - (ii) cash and non-cash dividends due (whether or not declared) on our and any Restricted Subsidiary’s Preferred Stock (to any Person other than us and any Wholly Owned Restricted Subsidiary), in each case for such period;

provided that in calculating the Consolidated Fixed Charge Coverage Ratio or any element thereof for any period, pro forma calculations will be made in good faith by a responsible financial or accounting officer of the Company (including any *pro forma* cost reduction synergies that have occurred or are reasonably expected to occur, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of the Company (regardless of whether these cost reduction synergies could then be reflected in *pro forma* financial statements)); and *provided, further*, that:

- (w) if we or any Restricted Subsidiary shall have Incurred any Debt since the beginning of such period that remains outstanding (or shall have caused any Reserved Debt Amount to be deemed to be Incurred) or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an Incurrence of Debt or both, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred (or so deemed to be Incurred) on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period; *provided, further*, that the *pro forma* calculation of Consolidated Fixed Charge Coverage Ratio shall not give effect to (i) any Debt Incurred (or so deemed to be Incurred) on the date of determination pursuant to the provisions described in paragraph (2) of the covenant “*Certain Covenants—Limitation on Debt*” (other than Debt Incurred under clause (s)(ii)(x) thereof, which shall be included in such *pro forma* calculation) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in paragraph (2) of the covenant “*Certain Covenants—Limitation on Debt*,”
- (x) if, since the beginning of such period, we or any Restricted Subsidiary shall have made any Asset Sale, Consolidated Adjusted Net Income for such period shall be reduced by an amount equal to Consolidated Adjusted Net Income (if positive) directly attributable to the assets that are the subject of such Asset Sale for such period, or increased by an amount equal to Consolidated Adjusted Net Income (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to Consolidated Interest Expenses directly attributable to any Debt of ours or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to us and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, Consolidated Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent we and the

continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

- (y) if, since the beginning of such period we or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and
- (z) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into us or any Restricted Subsidiary) shall have made any Asset Sale other than in the ordinary course of business or any Investment that would have required an adjustment pursuant to clause (x) or (y) if made by us or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income and Consolidated Interest Expenses for such period will be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment occurred on the first day of such period.

If any Debt bears interest at a floating rate and is being given *pro forma* effect, the interest expense in respect of such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

“Consolidated Interest Expense” means, for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

- (a) our and the Restricted Subsidiaries’ interest expense (net of interest income) for such period, excluding amortization or write off of debt issuance costs and deferred financing fees, commissions and expenses, but including, without limitation,
 - (i) amortization of debt discount;
 - (ii) the net cost of Interest Rate Agreements and Currency Agreements (including amortization of discounts);
 - (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and similar transactions; and
 - (iv) the interest portion of any deferred payment obligation; plus
- (b) to the extent not included in clause (a) above, the interest component of our and the Restricted Subsidiaries’ Lease Obligations accrued during such period; plus
- (c) our and the Restricted Subsidiaries’ non-cash interest and interest that was capitalized (excluding any capitalized non-cash interest expense on Subordinated Shareholder Debt) during such period; plus
- (d) the interest on Debt of another Person that is guaranteed by us or any Restricted Subsidiary or secured by a Lien on our or any Restricted Subsidiary’s assets, whether or not such interest is paid by us or such Restricted Subsidiary.

“Consolidated Leverage” means, with respect to any Person, the sum of the aggregate outstanding Debt of that Person and its Restricted Subsidiaries (excluding Subordinated Funding) and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, less cash and Cash Equivalents, in each case, as of the relevant date of calculation and as determined on a consolidated basis.

“Consolidated Leverage Ratio” of the Company means, as of the date of determination, the ratio of (a) the sum of (i) our Consolidated Leverage and (ii) the Reserved Debt Amount to (b) our aggregate Consolidated EBITDA for the period of the most recent four consecutive quarters for which financial statements are available; *provided* that in calculating the Consolidated Leverage Ratio or any element thereof for any period, *pro forma* calculations will be made in good faith by a responsible financial or accounting officer of the Company (including

any *pro forma* cost reduction synergies that have occurred or are reasonably expected to occur, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of the Company (regardless of whether these cost reduction synergies could then be reflected in *pro forma* financial statements)); *provided, further*, that for purposes of calculating the Consolidated EBITDA for such period, if, as of such determination:

- (a) we or any Restricted Subsidiary shall have Incurred any Debt since the beginning of such period that remains outstanding (or shall have caused any Reserved Debt Amount to be deemed to be Incurred), Consolidated EBITDA for such period shall be calculated after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred (or so deemed to be Incurred) on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;
- (b) since the beginning of such period such Person or any Restricted Subsidiary thereof shall have made any Asset Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period;
- (c) since the beginning of such period we or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and
- (d) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into us or any Restricted Subsidiary) shall have made any Asset Sale other than in the ordinary course of business or any Investment that would have required an adjustment pursuant to clause (b) or (c) if made by us or a Restricted Subsidiary during such period, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any calculation under this definition, the *pro forma* calculations will be determined in good faith by a responsible financial officer or accounting officer of the Company.

“Consolidated Non-cash Charges” means, for any period, the aggregate depreciation, amortization and other non-cash expenses of our company and the Restricted Subsidiaries for such period, determined in accordance with IFRS and on a consolidated basis (excluding any such non-cash charge that requires an accrual of or reserve for cash charges for any future period).

“Consolidated Tax Expense” means, for any period with respect to any Relevant Taxing Jurisdiction, the provision for all national, local and foreign federal, state or other income taxes of our company and the Restricted Subsidiaries for such period as determined in accordance with IFRS and on a consolidated basis.

“Consolidated Total Assets” means the total assets of the Company and its Restricted Subsidiaries determined in accordance with IFRS and on a consolidated basis, as of the date of the most recent consolidated balance sheet of the Company (and, in the case of clauses (a), (c), (t) and (y) of paragraph (2) of the covenant described under “*Certain Covenants—Limitation on Debt*,” on a *pro forma* basis, for assets being acquired by the Company or a Restricted Subsidiary with the Debt being incurred under such clause and in the case of clauses (q) and (u) of the definition of Permitted Investments, on a *pro forma* basis, for the amount of the Investment being made under such clause).

“Credit Facility” or “Credit Facilities” means one or more debt facilities (including the Existing Credit Facilities) or commercial paper facilities with banks, insurance companies or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables) notes,

letters of credit or other forms of guarantees and assurances or other credit facilities, including overdrafts, notes facilities or indentures, in each case, as Refinanced in whole or in part from time to time.

“Currency Agreements” means any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect against or manage exposure to fluctuations in foreign currency exchange rates.

“Debt” means, with respect to any Person, without duplication:

- (a) all liabilities of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, which purchase price is payable more than one year after the date of taking delivery and title of such property or receiving full performance of such services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;
- (b) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;
- (c) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers’ acceptances or other similar facilities;
- (d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business;
- (e) all Lease Obligations of such Person;
- (f) all obligations of such Person under or in respect of Interest Rate Agreements, Currency Agreements or Fuel Hedging Agreements;
- (g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the obligation so secured);
- (h) all guarantees by such Person of Debt referred to in this definition of any other Person;
- (i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends; and
- (j) Preferred Stock of any Restricted Subsidiary,

if and to the extent any of the preceding items (other than obligations described under clauses (d), (e), (f), (g), (h), (i) and (j)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; and *provided* that the term “Debt” shall not include (i) non-interest bearing installment obligations and accrued liabilities Incurred in the ordinary course of business that are no more than 180 days past due, (ii) Debt Incurred by us or any Restricted Subsidiary in respect of standby letters of credit, performance bonds or surety bonds provided by us or any Restricted Subsidiary in the ordinary course of business to the extent that such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) any pension obligations of ours or any Restricted Subsidiary, (iv) Debt represented by a debit balance at a bank, trust company or other commercial banking institution that is organized in any member state of the European Union as of the date of the Indenture, or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A by S&P and A2 by

Moody's to the extent of any credit balance held in an account at the same bank, trust company or other commercial banking institution in the same or another currency; *provided* that the debit and credit balances are set off pursuant to an express agreement with such bank, trust company or other commercial banking institution, (v) Subordinated Shareholder Debt, and (vi) completion guarantees or sponsor support undertakings (including obligations to contribute capital to Unrestricted Subsidiaries), other than in each case obligations for the payment of borrowed money, for the benefit of Unrestricted Subsidiaries of a type customary in project finance transactions (as determined in good faith by a responsible financial or accounting officer of the Company) relating to the acquisition, construction, development, maintenance and operation of port terminals and related assets.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock; *provided* that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Designated Non-Cash Consideration" means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated in good faith as Designated Non-Cash Consideration by a responsible accounting or financial officer of the Company.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Company shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any options, warrants or other rights in respect of such Capital Stock.

"dollars" or "\$" means the lawful currency of the United States of America.

"Dollar Equivalent" means with respect to any monetary amount in a currency other than dollars, at any time for the determination thereof, the amount of dollars obtained by converting such foreign currency into dollars at the spot rate for the purchase of dollars with such foreign currency as published under "Currency Rates" in the section of the *Financial Times* entitled "Currencies, Interest Rates & Bonds" (or as renamed by the *Financial Times* from time to time) on the date two Business Days prior to such determination.

"Equity Offering" means any Public Equity Offering or private offer and sale of Capital Stock (which is Qualified Capital Stock) of the Company or any direct or indirect parent holding company of the Company with gross proceeds to the Company of at least \$50.0 million (including any sale of Qualified Capital Stock purchased upon the exercise of any over-allotment option granted in connection therewith).

"euro" or "€" means the lawful currency of the member states of the European Union who have agreed to share a common currency in accordance with the provisions of the Maastricht Treaty dealing with European monetary union.

"Euroclear" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"European Government Obligations" means direct obligations of, or obligations guaranteed by, a member state of the European Union (other than Greece, Ireland and Portugal) as in effect on December 3, 2003, and the payment for which such member state of the European Union pledges its full faith and credit.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Excluded Contributions" means the net cash proceeds received by the Company after the Issue Date from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Redeemable Capital Stock), in each case designated as "Excluded Contributions" pursuant to an Officer's

Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received), the net cash proceeds of which are excluded from the calculation set forth in clause (c)(ii) of paragraph (2) of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” hereof.

“Existing Credit Facilities” means Credit Facilities existing and as in effect on the date of the Indenture.

“Fair Market Value” means, with respect to any asset or property, the sale value that would be obtained in an arm’s-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by a responsible financial or accounting officer or senior management of the Company:

- (a) for property or assets so determined to have a fair market value in excess of \$10.0 million, as set forth in an Officer’s Certificate; or
- (b) for property or assets so determined to have a fair market value in excess of \$200.0 million, as set forth in a resolution approved by at least a majority of our Board of Directors or by the board of directors, as applicable, of the applicable Restricted Subsidiary, and as attached to an Officer’s Certificate;

provided that, solely for the purposes of clause (b) of the definition of “Permitted Debt,” for port terminal and logistics assets so determined to have a Fair Market Value exceeding \$200.0 million, we will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions taken as a whole is fair to us from a financial point of view.

“Fitch” means Fitch Ratings Ltd. and its successors.

“Fuel Hedging Agreements” means any spot, forward or option fuel price protection agreements and other types of fuel hedging agreements designed to protect against or manage exposure to fluctuations in fuel prices.

“guarantees” means, as applied to any obligation,

- (a) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and
- (b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

“Guarantor” means any Person that is a guarantor of the Notes, including any Person that is required after the date hereof to execute a guarantee of the Notes pursuant to “*Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*” until a successor replaces such party pursuant to the applicable provisions of the Indenture and, thereafter, shall mean such successor.

“IFRS” means International Financial Reporting Standards as adopted for use in the European Union in effect on the Issue Date or, solely with respect to the covenant “*Reports to Holders*,” as in effect from time to time.

“Interest Rate Agreements” means any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect against or manage exposure to fluctuations in interest rates.

“Investment” means, with respect to any Person, any direct or indirect advance (other than advances to customers and travel and similar advances to officers and employees, in each case, made in the ordinary course of business), loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Company will

be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Person that were not sold or disposed of. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. "Investments" excludes (i) hedging obligations entered into in the ordinary course of business endorsements of negotiable instruments and documents in the ordinary course of business, and (ii) extensions of trade credit on commercially reasonable terms in accordance with normal trade practices and accounts receivable in the ordinary course of business and bank guarantees received with respect to shipping agencies' obligations to the Company or a Restricted Subsidiary.

"Investment Grade Rating" means a rating equal or higher than at least two of the following ratings: Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P and BBB- (or the equivalent) by Fitch.

"Issue Date" means July 4, 2024, the date of the issuance of the Original Notes.

"Lease Obligations" means any obligations under any lease, hire, rental or similar agreement, including, for the avoidance of doubt, any bareboat charter, in each case subject to lease accounting under IFRS 16.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or, with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property that such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Market Capitalization" means an amount equal to (i) the total number of our issued and outstanding shares of Capital Stock on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

"Maturity" means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means,

- (a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), but excluding any other consideration in the form of assumption by the acquiring Person, net of:
 - (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants and any applicable title and recording fees and expenses) related to such Asset Sale;
 - (ii) provisions for all taxes payable as a result of such Asset Sale;
 - (iii) all payments made on any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon, or other security agreement of any kind with respect to, such Property, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale;
 - (iv) amounts required to be paid to any Person (other than us or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and
 - (v) appropriate amounts to be provided by us or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with IFRS against any liabilities associated with

such Asset Sale and retained by us or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officer's Certificate delivered to the Trustee; and

- (b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "*Certain Covenants—Limitation on Restricted Payments*," the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

"Officer's Certificate" means a certificate signed by an officer of our company or of a Surviving Entity, as the case may be, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion from legal counsel reasonably satisfactory to the Trustee.

"Parent" means, in relation to a Person, any other Person in respect of which it is a Subsidiary.

"Permitted Debt" has the meaning given to such term under "*Certain Covenants—Limitation on Debt*."

"Permitted Holders" means any of Naila Saadé, Rodolphe Saadé, Tanya Saadé and Jacques Saadé Junior, any entities under the control of any of them, any of their respective spouses, parents, siblings or descendants (including by adoption), any of their respective estates, executors, administrators or personal representatives and any trust created for the sole benefit of any of the foregoing.

"Permitted Investments" means any of the following:

- (a) Investments in cash or Cash Equivalents;
- (b) intercompany Debt to the extent permitted under clause (f) of the definition of "Permitted Debt;"
- (c) Investments in (i) the form of loans or advances to us, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, us or a Restricted Subsidiary (and, in each case, any Investment held by such Person that was not acquired by such Person in contemplation of such merger, consolidation or transfer);
- (d) Investments acquired by us or any Restricted Subsidiary in connection with an Asset Sale or Asset Swap permitted under "*Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;
- (e) payroll, travel and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;
- (f) Investments in the Notes (whether the Original Notes or the Additional Notes) and Subsequent Additional Notes thereof;
- (g) Investments existing at the date of the Indenture and, where relevant, any amendment, modification, extension, renewal or replacement of any such Investments as long as any such amendment, modification, extension, renewal or replacement does not cause an increase of the underlying amount of such Investments;
- (h) Investments in Interest Rate and Currency Agreements permitted under the "*Limitation on Debt*" covenant;

- (i) Investments in Fuel Hedging Agreements permitted under the “*Limitation on Debt*” covenant;
- (j) Investments made in the ordinary course of business, in an aggregate amount not to exceed \$5.0 million;
- (k) Investments of insurance proceeds received pursuant to circumstances permitted under clauses (2)(n) and (2)(q) in “*Certain Covenants—Limitation on Debt*,”
- (l) loans and advances (or guarantees to third-party loans) to our or any Restricted Subsidiary’s employees, officers and directors made in the ordinary course of business and consistent with our past practices or past practices of such Restricted Subsidiary, as the case may be, not to exceed \$15.0 million in the aggregate outstanding at any one time;
- (m) Investments in a Person to the extent that the consideration therefor consists of the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of our Qualified Capital Stock; *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (2)(c)(ii) of the “*Limitation on Restricted Payments*” covenant;
- (n) Investments by us or any Restricted Subsidiary in connection with a Permitted Receivables Financing;
- (o) any payments or other transactions pursuant to a tax-sharing agreement between us and any other Person with whom we file or filed a consolidated tax return or with which we are or were part of a consolidated group for tax purposes or any tax-advantageous group contribution made pursuant to applicable legislation;
- (p) Investments of ours or the Restricted Subsidiaries described under item (iv) of the proviso to the definition of “Debt;”
- (q) Investments not to exceed the greater of \$1.5 billion and 2.00% of Consolidated Total Assets (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made) by us or a Restricted Subsidiary in any entity the principal business of which is a Related Business and in which we or any of our Restricted Subsidiaries own 50.0% or less of the Voting Stock;
- (r) stock, obligations or securities received in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;
- (s) loans and advances (or guarantees of third-party loans) to our or any Restricted Subsidiary’s employees and officers made for the purpose of allowing such employees and officers to purchase stock of their respective employers, not to exceed \$15.0 million in the aggregate outstanding at any one time;
- (t) guarantees of Debt permitted to be Incurred under the “*Limitation on Debt*” covenant;
- (u) other Investments in any Person in an aggregate principal amount at any time outstanding not to exceed (x) the greater of \$562.5 million and 0.75% of Consolidated Total Assets (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made) plus (y) the Property Contribution Amount; *provided* that if an Investment is made pursuant to this clause (u) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) us or any of our Restricted Subsidiaries or is subsequently designated a Restricted Subsidiary pursuant to “*Certain Covenants—Limitation on Restricted Payments*,” such Investment, if applicable, shall thereafter be deemed to have been made pursuant to (c)(ii) or (iii) of the definition of “Permitted Investments” and not this clause;
- (v) Investments made by the Company or any Restricted Subsidiary as a result of or retained in connection with any asset sale permitted under or in compliance with the Indenture, to the extent such Investments are non-cash proceeds permitted thereunder;

- (w) Investments by us or a Restricted Subsidiary made in connection with, and that are incidental and necessary to, any Productive Assets Financing constituting Permitted Debt or Debt permitted to be Incurred under the “*Limitation on Debt*” covenant;
- (x) Investments committed on the date of the Indenture; and
- (y) other Investments; *provided* that, immediately after giving *pro forma* effect to such investment, the Consolidated Leverage Ratio would not exceed 3.00 to 1.00.

“Permitted Liens” means the following types of Liens:

- (a) Liens existing as of the date of the issuance of the Notes;
- (b) Liens on our or any Restricted Subsidiary’s property or assets securing Debt under the Credit Facilities permitted to be Incurred pursuant to clause (a) of the definition of “Permitted Debt” and Liens on assets given, disposed of or otherwise transferred in connection with a Permitted Receivables Financing permitted to be Incurred pursuant to clause (m) of the definition of “Permitted Debt;”
- (c) Liens on any Vessels, containers, port terminal facilities and logistic assets, or on Capital Stock of any Person the principal business of which consists of the provision of Vessels, containers, port terminal facilities or logistic assets, for the purpose of securing purchase money obligations, mortgage financings or other Debt, in each case, Incurred pursuant to clauses (b), (c) or (q) of the definition of “Permitted Debt;”
- (d) any Liens securing any Lease Obligation; *provided* that such Lien shall not extend to any property or assets of ours or any Restricted Subsidiary (other than, for the avoidance of doubt, the property and assets subject of the lease giving rise to such Lease Obligation);
- (e) Liens on any of our or any Restricted Subsidiary’s property or assets securing the Notes or any guarantees thereof;
- (f) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by us or any Restricted Subsidiary in the ordinary course of business in accordance with such grantor’s past practices prior to the date of the Indenture;
- (g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, stevedores, masters, crew, employees, pension plan administrators or other like Liens (including, without limitation, any maritime liens, whether or not statutory, that are recognized or given effect to as such by the law of any applicable jurisdiction) arising in the ordinary course of our or any Restricted Subsidiary’s business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or Liens arising solely by virtue of any statutory or common law provisions relating to bankers’ liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;
- (h) Liens for taxes, assessments, government charges or claims that are either (i) not delinquent or thereafter can be paid without penalty, (ii) being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or (iii) solely encumbering abandoned property or property in the process of being abandoned;
- (i) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, including, without limitation, obligations imposed by customs authorities, surety and appeal bonds, return-of-money bonds, government contracts, performance bonds and other obligations of a like nature Incurred in the ordinary course of business (other than obligations for the payment of borrowed money);
- (j) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions and other

similar charges or encumbrances not interfering in any material respect with our or any Restricted Subsidiary's business Incurred in the ordinary course of business;

- (k) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded (to the extent such bonding is required by such judgment, decree or order) and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
- (l) Liens on property of, or on shares of Capital Stock or indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of ours or any Restricted Subsidiary other than the property or assets acquired; and *provided, further*, that such Liens were created prior to, and not in connection with or in contemplation of, such acquisition;
- (m) Liens securing our or any Restricted Subsidiary's obligations under Interest Rate Agreements or Currency Agreements permitted by clauses (h) or (i) of the definition of "Permitted Debt;"
- (n) Liens securing our or any Restricted Subsidiary's obligations under Fuel Hedging Agreements permitted by clause (j) of the definition of "Permitted Debt;"
- (o) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance);
- (p) Liens Incurred in connection with a cash management program established in the ordinary course of business for our benefit or that of any Restricted Subsidiary in favor of a bank or trust company of the type described in paragraph (1) of the covenant described under "*Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*;"
- (q) any customary right of first refusal, right of first offer, option, contract, or other agreement to sell an asset of ours or of any Restricted Subsidiary;
- (r) Liens arising as a result of escrow deposits related to ship financing in the ordinary course of business;
- (s) Liens granted by a Restricted Subsidiary which is not a Guarantor and Liens on the Capital Stock of such Restricted Subsidiary in each case to secure Debt of such Restricted Subsidiary incurred under clause (y) of the definition of "Permitted Debt;"
- (t) Liens on the Capital Stock or other securities or Debt of any Unrestricted Subsidiary or Qualified Minority Entity to secure Debt of any Unrestricted Subsidiary or Qualified Minority Entity;
- (u) Liens Incurred in the ordinary course of business of our company or any Restricted Subsidiary with respect to obligations that do not exceed \$15.0 million at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate materially detract from the value of the relevant property or materially impair the use thereof in the operation of our or such Restricted Subsidiary's business;
- (v) Liens granted by a Restricted Subsidiary which is not a Guarantor, securing Debt of any Restricted Subsidiary which is not a Guarantor, that is permitted to be Incurred pursuant to the covenant described under "*Certain Covenants—Limitation on Debt*" or is Permitted Debt other than Permitted Debt Incurred under clauses (b), (c) or (y) thereof;
- (w) Liens securing our or any Restricted Subsidiary's obligations in connection with Debt permitted to be Incurred under clause (s)(ii) of the definition of "Permitted Debt;" *provided* that such Liens do not extend to or cover any property or assets of ours or any Restricted Subsidiary other than any Capital Stock so acquired and subscribed for and any claims that are customarily granted as security in relation to any such Debt; and *provided, further*, that such Debt does not exceed \$300.0 million at any one time outstanding; and

- (x) any amendment, modification, extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (w); *provided* that (i) any such amendment, modification, extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so amended, modified, extended, renewed or replaced and (ii) such Liens shall be limited to the property or part thereof that secured the Lien so replaced or property substituted therefor as a result of the destruction, condemnation or damage of such property.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of Incurrence or at a later date), we, in our sole discretion, may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of “Permitted Liens” to which such Permitted Lien has been classified or reclassified.

“Permitted Receivables Financing” means any financing pursuant to which we or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of our company or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by our Board of Directors) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by our Board of Directors) at the time such financing is entered into and (c) such financing shall be non-recourse to us or any Restricted Subsidiary except to a limited extent customary for such transactions.

“Permitted Refinancing Debt” means any Refinancing of any Debt of ours or a Restricted Subsidiary pursuant to this definition, including any successive Refinancings, so long as:

- (a) we are the borrower under such Refinancing or, if not, the borrower is the borrower of the Debt being refinanced (except that any Restricted Subsidiary may incur refinancing Debt to refinance Debt of any other Restricted Subsidiary);
- (b) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced plus an amount equal to any unutilized commitment that has been designated a Reserved Debt Amount relating to the Debt being Refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing and fees and expenses of any legal counsel, auditors and investment banks;
- (c) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced;
- (d) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being Refinanced;
- (e) the new Debt is not senior in right of payment to the Debt that is being Refinanced; and
- (f) the new Debt is Incurred within six months of the termination, discharge or repayment of the Debt that is being Refinanced;

provided that Permitted Refinancing Debt will not include (i) Debt of a Subsidiary that Refinances our Debt or the Debt of a Guarantor or (ii) Debt of any Restricted Subsidiary that Refinances Debt of an Unrestricted Subsidiary.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Preferred Stock” means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of

any other class of such Person whether now outstanding, or issued after the date of the Indenture, and including, without limitation, all classes and series of preferred or preference stock of such Person.

“*Pro forma*” means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation in accordance with IFRS, or otherwise a calculation made in good faith by us after consultation with our external auditor, as the case may be.

“Property” means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock, and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

“Property Contribution Amount” means the Fair Market Value of assets or other property received by us after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of our Qualified Capital Stock (including upon the exercise of options, warrants or rights), warrants, options or rights to purchase shares of our Qualified Capital Stock or of Subordinated Shareholder Debt (except (i) in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in clause (b) or (c) of paragraph (3) of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” (ii) to the extent the Fair Market Value of such property constituting marketable securities is included in the calculation set forth in clause (c)(ii) of paragraph (2) of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” (iii) the Fair Market Value of property received from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary of ours until and to the extent such borrowing is repaid) and (iv) Excluded Contributions);

“Public Debt” means any bonds, debentures, notes or other indebtedness of a type that could be issued or traded in any market where capital funds (whether debt or equity) are traded, including private placement sources of debt and equity as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

“Public Equity Offering” means an underwritten public offering for sale of Capital Stock (which is Qualified Capital Stock) of ours or any direct or indirect parent holding company of ours with gross proceeds to us of at least \$50.0 million (including any sale of Qualified Capital Stock purchased upon the exercise of any over allotment option granted in connection therewith).

“Qualified Capital Stock” of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

“Qualified Finance Company Subsidiary” means a Subsidiary that (i) is a direct, Restricted Subsidiary of ours, (ii) was incorporated for the sole purpose of issuing, and is limited by its constituent documents to the issuance of, Public Debt, (iii) does not have any Subsidiaries, other than a corporate co-obligor of such Public Debt and (iv) does not have any assets other than indebtedness owed to it by us and the Restricted Subsidiaries in respect of loans made by it to us with the proceeds of any Public Debt issued by it.

“Qualified Minority Entity” means any entity in which we or any of our Restricted Subsidiaries own 50.0% or less of the Voting Stock and the principal business of which, directly or through Subsidiaries, consists of (i) operating logistics, port and terminal facilities including bunkering stations, (ii) transporting air, railway or trucking cargo or (iii) freight forwarding.

“Rating Agency” means Fitch, Moody’s or S&P.

“Ready for Sea Cost” means with respect to a Vessel to be acquired or leased by the Issuer or any Restricted Subsidiary, the aggregate amount of all expenditures incurred to acquire or construct and bring such Vessel to the condition and location necessary for its intended use, including any and all inspections, appraisals, repairs, modifications, additions, permits and licenses in connection with such acquisition or lease.

“Redeemable Capital Stock” means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of our company in circumstances in which the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated

Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in “*Certain Covenants—Limitation on Sale of Certain Assets*” and “*Purchase of Notes upon a Change of Control*” covenants described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to our repurchase of such Notes as are required to be repurchased pursuant to “*Certain Covenants—Limitation on Sale of Certain Assets*” and “*Purchase of Notes upon a Change of Control*.”

“Refinance” means, with respect to any Debt, to amend, modify, extend, substitute, renew, replace, refund, prepay, repay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or replacement for, such Debt. “Refinanced” and “Refinancing” shall have correlative meanings.

“Regulation S” means Regulation S promulgated under the Securities Act.

“Related Business” means any business which is the same as or related, ancillary or complementary to any of the businesses of our company and its Restricted Subsidiaries on the date of the Indenture.

“Related Business Assets” means assets used or useful in a Related Business.

“Reserved Debt Amount” has the meaning set forth in the covenant described under “—*Certain Covenants—Limitation on Debt*.”

“Restricted Subsidiary” means any Subsidiary of ours other than an Unrestricted Subsidiary.

“Restructuring Charges” means all charges and expenses caused by or attributable to any restructuring, severance, relocation, consolidation, closing, integration, business optimization or transition, signing, retention or completion bonus or curtailments or modifications to pension and post-retirement employee benefit plans.

“Rule 144A” means Rule 144A promulgated under the Securities Act.

“S&P” means Standard and Poor’s, a division of the McGraw-Hill Companies, Inc. and its successors.

“Securities Act” means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

“Significant Subsidiary” means any Restricted Subsidiary that, together with its Subsidiaries:

- (a) accounted for more than 10% of the consolidated revenues of the Company and its Restricted Subsidiaries for our most recent fiscal year, or
- (b) as of the end of our most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Company and its Restricted Subsidiaries.

“Stated Maturity” means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

“Subordinated Debt” means Debt of our company or any Guarantor that is subordinated in right of payment to the Notes or such Guarantor’s guarantee of the Notes.

“Subordinated Funding” means any Debt of the Company that (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other payment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such Debt into Qualified Capital Stock of the Company or any Debt meeting the requirements of this definition), (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other gross ups, or any similar amounts, (3) contains no change of control or similar provisions and does not (including upon the happening of

any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any payment prior to the first anniversary of the Stated Maturity of the Notes, (4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries and is not guaranteed by any such Subsidiary; (5) does not contain any covenants (financial or otherwise) other than a covenant to pay such Subordinated Funding at maturity and (6) pursuant to its terms or other agreement, is fully subordinated and junior in right of payment to the prior payment in full in cash of the Notes.

“Subordinated Shareholder Debt” means collectively, any Subordinated Funding provided to the Company by any Permitted Holder.

“Subsidiary” means, with respect to any Person:

- (a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; and
- (b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, holds at least a majority of the ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

“Unrestricted Subsidiary” means:

- (a) any Subsidiary of ours that at the time of determination is an Unrestricted Subsidiary (as designated by our Board of Directors pursuant to the “*Designation of Unrestricted and Restricted Subsidiaries*” covenant); and
- (b) any Subsidiary of an Unrestricted Subsidiary.

“Vessel” means one or more shipping vessels whose primary purpose is the maritime transportation of cargo or which are otherwise engaged, used or useful in any business activities of the Company and its Restricted Subsidiaries and which are owned by and registered (or to be owned by and registered) in the name of the Company or any of its Restricted Subsidiaries or operated or to be operated by the Company or any of its Restricted Subsidiaries, in each case together with all related spares, equipment and any additions or improvements.

“Vessel Sharing Arrangement” means (i) an agreement whereby the parties to such agreement are entitled to obtain space allocation on ships operated on a certain shipping line in accordance with each party’s ship capacity contribution to that shipping line and/or (ii) an agreement whereby the parties to such agreement sell, buy or exchange a fixed number of container slots on their respective ships operated on a certain shipping line.

“Voting Stock” means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person, irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency.

“Wholly Owned Restricted Subsidiary” means any Restricted Subsidiary, all of the outstanding Capital Stock (other than directors’ qualifying shares or shares of foreign Restricted Subsidiaries required to be owned by foreign nationals pursuant to applicable law) of which is owned by us, by one or more other Wholly Owned Restricted Subsidiaries or by us and one or more other Wholly Owned Restricted Subsidiaries.

BOOK-ENTRY, DELIVERY AND FORM

General

Certain defined terms used but not defined in this section have the meanings assigned to them in the Indenture governing the Notes, as described in “*Description of Notes*.”

The Original Notes sold to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) in reliance on Rule 144A are represented by a global note in registered form without interest coupons attached (the “Original 144A Global Note”). The Original Notes sold outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S are represented by a global note in registered form without interest coupons attached (the “Original Regulation S Global Note” and, together with the “Original 144A Global Note,” the “Original Global Notes”). The Original Global Notes were deposited, on the Original Notes Issue Date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The Additional Notes sold to “qualified institutional buyers” (as defined in Rule 144A) in reliance on Rule 144A will initially be represented by a global note in registered form without interest coupons attached (the “Additional 144A Global Note” and, together with the Original 144A Global Note, the “144A Global Notes”) and will share the same ISIN and Common Code as the Original Notes issued in reliance on Rule 144A as of the Additional Notes Issue Date. The Additional 144A Global Note will be deposited, on the Additional Notes Issue Date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The Additional Notes sold outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “Additional Regulation S Global Note,” and together with the Original Regulation S Global Note, the “Regulation S Global Notes”) and will share the same ISIN and Common Code as the Original Notes issued in reliance on Regulation S as of the Additional Notes Issue Date. The Additional Regulation S Global Note will be deposited, on the Additional Notes Issue Date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository.

The 144A Global Notes and the Regulation S Global Notes are collectively referred to herein as the “Global Notes.”

Ownership of beneficial interests in the 144A Global Notes (“144A Book-Entry Interests”) and ownership interest in the Regulation S Global Notes (the “Regulation S Book-Entry Interests” and, together with the 144A Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream, as applicable, or persons that hold interests through such participants and have to be in accordance with applicable transfer restrictions set out in the indenture governing the Notes and in any applicable securities laws of any state of the United States or of any other jurisdiction, as described under “Notice to Investors.”

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form (“Definitive Registered Notes”). Instead, Euroclear and Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of notes take physical possession of such notes in definitive form. The foregoing limitations may impair your ability to own, transfer, pledge or grant any other security interest in Book-Entry Interests.

In addition, except as described below, while the Notes are in global form, owners of interests in the Global Notes will not have the Notes registered in their names and will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or “holder” of Notes under the Indenture for any purpose. So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream, or their respective nominees, as applicable, will be considered the sole holders of Global Notes for all purposes under the indenture governing the Notes. As such, participants must rely on the procedures of Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests to transfer their interests in or to exercise any rights of

holders under the Indenture governing the Notes. Neither we nor the Trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests. You can find information about certain other restrictions on the transferability of the Notes under “—*Issuance of Definitive Registered Notes.*”

The Issuer, the Trustee, the Registrar, the Transfer Agent, the Paying Agent and any of their respective agents have not and will not have any responsibility or liability:

- (a) for any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests; or for payments made by Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests;
- (b) for Euroclear, Clearstream or any participant or indirect participant; or
- (c) any other matters relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant.

The Original Notes were, and the Additional Notes will be, issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interest may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream. Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants

Issuance of Definitive Registered Notes

Under the terms of the indenture governing the Notes, owners of Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances:

- (1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or
- (2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default which results in action by the Trustee pursuant to the enforcement provisions under the indenture governing the Notes.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), its current procedure is to request that Definitive Registered Notes be issued to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In any such events described in clauses (1) or (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). The Definitive Registered Notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the indenture governing the Notes or by applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable in respect of the balance of the holding not transferred or redeemed, provided that a Definitive Registered Note will only be issued in denominations of €100,000 or in integral multiples of €1,000 in excess thereof.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, we will issue and the Trustee or an Authenticating Agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee

or the Paying Agent appointed pursuant to the indenture governing the Notes from any loss which any of them may suffer if a Definitive Registered Note is replaced. We may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the indenture governing the Notes, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the indenture governing the Notes and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the indenture governing the Notes) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See “*Notice to Investors*.”

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the Notes.

The Issuer will not impose any fees or other charges in respect of the Notes; however, holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, or their respective nominees, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable to the holders of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note, or any portion thereof. The Issuer understands that, under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of €100,000 may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary or its nominee for Euroclear and/or Clearstream. The common depositary or its nominee will in turn distribute such payments to participants in accordance with its procedures. We will make payments of all such amounts without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under “*Description of Notes—Additional Amounts*,” then, to the extent described under “*Description of Notes—Additional Amounts*,” such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will be equal to the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction.

We expect that payments by participants to owners of Book-Entry Interests held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in “street name.” Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name.”

In order to tender Book-Entry Interests in a change of control offer or asset sale offer, the holder of the applicable Global Note must, within the time period specified in such offer, give notice of such tender to the Paying Agent and specify the principal amount of Book-Entry Interests to be tendered.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interest in such notes (the “Euroclear/Clearstream Holders”) through Euroclear and/or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of the participant to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant has given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the indenture governing the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its participants, as described in the subsection “—*Issuance of Definitive Registered Notes.*”

Exchanges between 144A Global Notes and Regulation S Global Notes

144A Book-Entry Interests may be transferred to a person who takes delivery in the form of Regulation S Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act. Until the expiration of 40 days after the later of the commencement of the offering and the closing date, any sale or transfer of Regulation S Book-Entry Interests within the United States may violate the registration requirements of the Securities Act if made otherwise than pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A as described under “*Notice to Investors*” and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Secondary Market Trading, Global Clearance and Settlement under the Book-Entry System

The Additional Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF market. We expect that the Additional Notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The Original Notes represented by the Global Notes are already listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF market, and have been accepted for clearance through the facilities of Euroclear and Clearstream. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The following description of the operations and procedures of Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the relevant settlement systems and are subject to changes by them. We expect that secondary trading in any certificated Notes will also be settled in immediately available funds.

Initial Settlement

Initial settlement for the Additional Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear or Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving Notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find

that the transactions will not be performed until the next business day in Brussels if Euroclear is used, or Luxembourg if Clearstream is used.

Clearing Information

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream Banking, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the Trustee, the agents nor the Initial Purchasers are responsible for those operations or procedures. The Issuer understands as follows with respect to Euroclear and Clearstream Banking:

1. We expect that the Additional Notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common code numbers for the Notes are set out under “*General Information*,” and
2. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book- entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.
3. Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

CERTAIN TAX CONSIDERATIONS

The following is a general description of certain French and U.S. federal income tax considerations relating to the Additional Notes that may be relevant to holders of Additional Notes who do not concurrently hold shares of the Issuer. It does not purport to be a complete analysis of all tax considerations relating to the Additional Notes, whether in France or elsewhere. Prospective purchasers of Additional Notes should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of Additional Notes and receiving payments of interest, principal and/or other amounts under the Additional Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the current legislation, published case law and other published guidelines and regulations as in effect on the date of these listing particulars and is subject to any change in law that may take effect after such date (potentially with retroactive effect). This description is for general information only and does not purport to be comprehensive.

France

The following is a summary of certain of the material French withholding tax consequences that may be relevant to holders of Additional Notes who do not concurrently hold shares of the Issuer and certain other French tax considerations that may be relevant to holders of Additional Notes who (i) are non-French residents, (ii) do not hold their Additional Notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, and (iii) do not concurrently hold shares of the Issuer. This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

Prospective investors are urged to consult their own tax advisors as to French tax considerations relating to the purchase, ownership and disposal of the Additional Notes in light of their particular circumstances.

Withholding Tax

Payments of interest and other revenues made by the Issuer with respect to the Additional Notes will not be subject to the withholding tax set out under Article 125 A-III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "Non-Cooperative State") other than those mentioned in 2° of 2 bis of the same Article 238-0 A. If such payments under the Additional Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due by virtue of Article 125 A-III of the French Tax Code (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty).

The 75% withholding tax is applicable irrespective of the tax residence of the holders of Additional Notes.

The list of Non-Cooperative States is published by a ministerial executive order, which may be updated at any time and in principle at least once a year. A law published on October 24, 2018 no. 2018-898 (i) removed the specific exclusion of the Member States, (ii) expanded the list of Non-Cooperative States to include states and jurisdictions on the blacklist published by the Council of the European Union as amended from time to time and (iii) as a consequence, expanded this withholding tax regime to certain states and jurisdictions included in such blacklist.

Furthermore, according to Article 238 A of the French Tax Code, interest and other revenues on the Additional Notes may not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. The above-mentioned law amending the list of Non-Cooperative States as described above, expands this regime to all the states and jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time.

Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the same Code, at a rate of 25% for fiscal years opened on or after January 1, 2022 for holders of Additional Notes who are non-French tax resident legal persons, (ii) 12.8% for holders of Additional Notes who are non-French tax resident individuals, in each case (x) unless payments are made in Non-Cooperative Tax Code (which include states and

jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time subject to certain limitations for the application of the withholding tax set forth in Article 119 bis 2 of the French Tax Code) in which case the withholding tax rate would be equal to 75% and (y) subject to certain exceptions (certain of which are set forth below) and to the more favorable provisions of any applicable double tax treaties.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A-III of the French Tax Code, nor, to the extent the relevant interest or relate to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility set out under Article 238 A of the French Tax Code nor the related withholding tax set out under Article 119 bis 2 of the French Tax Code that may be levied as a result of such non-deductibility, will apply in respect of the issue of the Additional Notes if the Issuer can prove that the main purpose and effect of such issue of Additional Notes is not to enable payments of interest or other similar revenues to be made in a Non-Cooperative State (the “Exception”).

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50, an issue of notes will be deemed not to have such a purpose and effect, and accordingly will be able to benefit from the Exception, without the Issuer having to provide any proof of the purpose and effect of such issue of the notes if such notes are:

1. offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* (French Monetary and Financial Code) or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
2. admitted to trading on a French or foreign regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
3. admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators, provided that such depository or operator is not located in a Non-Cooperative State.

The Additional Notes, which will be (i) admitted to trading on the Luxembourg Stock Exchange in Luxembourg, which is not a Non-Cooperative State, and such market being operated by a market operator which is not located in a Non-Cooperative State and (ii) admitted, at the time of their issue, to the operations of Euroclear and Clearstream, will fall under the Exception. Accordingly, payments of interest and other assimilated revenues with respect to the Additional Notes will be exempt from the withholding tax set out under Article 125 A-III of the French Tax Code. In addition, under the same conditions and to the extent that the relevant interest and other revenue relate to genuine transactions and are not in an abnormal or exaggerated amount, they will be subject neither to the non-deductibility set out under Article 238 A of the French Tax Code nor to the withholding tax set out under Article 119 bis 2 of the same Code solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Withholding Tax applicable to French Tax Resident Individuals

Pursuant to Article 125 A of the French Tax Code (i.e., where the paying agent (*établissement payeur*) is located in France), subject to certain exceptions, interest received by French tax resident individuals is subject to a 12.8% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made.

Social contributions (CSG, CRDS and the solidarity levy) are also levied at source at an aggregate rate of 17.2% on interest paid to French tax resident individuals.

Holders of Additional Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 12.8% levy and the 17.2% social contributions are collected, where the paying agent is not located in France.

Capital Gain Tax

A holder of Additional Notes will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposal of Additional Notes, when such holder is not a French tax resident and does not hold his Additional Notes in connection with a fixed base or a permanent establishment subject to tax in France.

Stamp Duties

Transfers of Additional Notes outside France are not subject to any stamp duty or other transfer taxes imposed in France, provided that such transfers are not recorded in a deed registered with the French tax authorities.

U.S. Federal Income Tax Considerations

The following discussion summarizes certain U.S. federal income tax consequences to a U.S. holder, of purchasing, owning and disposing of the Additional Notes. For purposes of this discussion, you are a “U.S. holder” if you are, for U.S. federal income tax purposes, a beneficial owner of Additional Notes that is (x) a citizen or resident of the United States, (y) a domestic corporation or (z) otherwise subject to U.S. federal income tax on a net income basis in respect of the Additional Notes. This summary deals only with U.S. holders that purchase Additional Notes at their initial offering price pursuant to this offering and that hold Additional Notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) or the partners therein, dealer in securities or foreign currencies, trader in securities or commodities that elects mark-to-market treatment, person that holds Additional Notes as a hedge against currency risk or as a position in a “straddle” or conversion transaction or as part of a “synthetic security” or other integrated financial transaction, U.S. expatriate, nonresident alien individual present in the United States for more than 182 days in a taxable year, tax-exempt organization or U.S. holder whose “functional currency” is not the U.S. dollar.

This discussion does not address the tax considerations relevant under any state, local or foreign tax laws or any other tax laws other than the U.S. federal income tax laws, and it does not address consequences arising under the federal estate and gift tax, the alternative minimum taxes or the Medicare tax on net investment income or under special timing rules prescribed under section 451(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

This summary is based on laws, regulations, rulings, and court decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. We will not seek a ruling from the U.S. Internal Revenue Service (“IRS”) with respect to any matters discussed in this section, and we cannot assure you that the IRS will not challenge one or more of the tax consequences described below.

You should consult your own tax advisors about the tax consequences of purchasing, owning, and disposing of the Additional Notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, or other tax laws.

Qualified Reopening

For U.S. federal income tax purposes, the Additional Notes are expected to be treated as issued in a “qualified reopening” of the Original Notes. Debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instruments for U.S. federal income tax purposes. Under the treatment described in this paragraph, the Additional Notes will be deemed to have the same issue date and the same issue price as the Original Notes. This discussion assumes that the Additional Notes offered hereby are issued in a qualified reopening.

Pre-Reopening Accrued Interest

The initial offering price for the Additional Notes will include amounts attributable to interest accrued from July 4, 2024, which we call “pre-reopening accrued interest.” Pre-reopening accrued interest will be included in the accrued interest to be paid on the Additional Notes on the first interest payment date after the issuance of the Additional Notes. In accordance with applicable U.S. Treasury regulations, for U.S. federal income tax purposes, we will treat the Additional Notes as having been issued for a price that does not include any pre-reopening accrued interest. We intend to treat the portion of the first stated interest payment equal to the pre-reopening accrued interest as a nontaxable return of such pre-reopening accrued interest and, accordingly, it generally will

not be includable in income, except to the extent of foreign currency gain or loss attributable to any changes in exchange rates during the period between the date the U.S. holder acquired the Notes and the first stated interest payment date. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Additional Notes. Pre-reopening accrued interest so treated and not included in income should not form part of any amortizable bond premium, as discussed below. U.S. holders should consult their tax advisers regarding the tax treatment of pre-reopening accrued interest.

Payments of Interest and Additional Amounts

Payments or accruals of the gross amount of stated interest on the Additional Notes, including any Additional Amounts (i.e., without reduction for French withholding tax) but other than any amounts representing pre-reopening issuance accrued interest, will be taxable to you as ordinary income at the time that you receive or accrue such amounts in accordance with your regular method of accounting for U.S. federal income tax purposes.

To the extent that you purchase an Additional Note at a price (excluding the amount paid for interest accrued prior to the purchase of Additional Notes) greater than its stated principal amount, you will be considered to have purchased the Additional Note at a premium, and may elect to amortize such premium as an offset to interest income, using a constant-yield method over the remaining term of the Additional Notes. However, because the Additional Notes may be redeemed by the Issuer prior to their maturity at a premium, special rules apply that may reduce, defer or eliminate the amount of bond premium that a U.S. holder may amortize with respect to the Additional Notes. If you elect to amortize the premium, you will be required to reduce your tax basis in the Additional Note by the amount of the premium amortized during your holding period. Bond premium will be determined in euro with respect to the Additional Notes, and any amortized bond premium will reduce interest income in euro for the relevant period. On each interest payment date on which any amortizable bond premium offsets interest, you will recognize exchange gain or loss with respect to such amortized bond premium, based on the difference between the spot rate on the date such interest is received and the spot rate on the date on which you acquired the Additional Note. If you make the election, it generally will apply to all taxable debt obligations then owned and thereafter acquired by you and may be revoked only with the consent of the IRS. If you do not elect to amortize premium, the amount of premium will be included in your tax basis in the Additional Notes. Therefore, if a you do not elect to amortize premium and hold the Additional Notes to maturity, you generally will be required to treat the premium as capital loss when the Additional Notes mature.

U.S. holders that use the cash method of accounting for U.S. federal income tax purposes (“cash method holders”), will realize interest income on the Additional Notes in an amount equal to the U.S. dollar value of the payment in euros, calculated based on the exchange rate in effect on the date received, regardless of whether the payment is converted into U.S. dollars. A cash method holder will not recognize exchange gain or loss with respect to the receipt of stated interest on the Additional Notes, but may have exchange gain or loss attributable to the actual disposition of the euros so received.

If you are an accrual-method holder, you will accrue interest income on the Additional Notes in euros and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the taxable year), or, at your election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period (or taxable year). If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the IRS.

An accrual method holder will recognize exchange gain or loss, as the case may be, on the receipt of an interest payment with respect to an Additional Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income.

Any exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S.-source income or loss, and generally not as an adjustment to interest income or expense.

Stated interest, including any Additional Amounts, paid on the Additional Notes generally will constitute foreign source income and generally will be treated as “passive category” income or, in the case of certain U.S. holders, “general category” income for purposes of the U.S. foreign tax credit limitations. Any non-U.S. withholding tax paid by a U.S. holder at a rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The rules relating to foreign tax credits are complex and U.S. holders should consult their own tax advisors regarding the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situation.

Sale, Exchange and Retirement of the Additional Notes

If you sell or exchange an Additional Note, or if an Additional Note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any amount attributable to accrued and unpaid stated interest, which will be taxable as such) and your adjusted tax basis in the Additional Note. Your adjusted tax basis in an Additional Note generally will equal the U.S. dollar value of the purchase price calculated at an exchange rate in effect on the date of purchase, excluding any amount attributable to pre-reopening accrued interest and reduced by any amortizable bond premium previously amortized. If the Additional Note is traded on an established securities market, a cash method U.S. holder (or, if it so elects, an accrual method U.S. holder) will determine the U.S. dollar value of the cost of such Additional Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If you sell an Additional Note for euros, or receive euros on the retirement of an Additional Note, the amount you will realize for U.S. tax purposes generally will be the U.S. dollar value of the euros that you receive, calculated at an exchange rate in effect on the date the Additional Note is sold, exchanged or retired. If the Additional Note is traded on an established securities market, a cash method U.S. holder (or, if it so elects, an accrual method U.S. holder) will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate of exchange on the settlement date of the sale, exchange or retirement. Any such election made by an accrual-basis U.S. holder must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss that you recognize on the sale, exchange or retirement of an Additional Note generally will be U.S.-source capital gain or loss, and will be long-term capital gain or loss, subject to taxation at reduced rates for certain non-corporate taxpayers, if you have held the Additional Note for more than one year on the date of disposition. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Despite the foregoing, gain or loss that you recognize on the sale, exchange, redemption, retirement or other taxable disposition of an Additional Note generally will be treated as U.S.-source ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which you held the Additional Note. In addition, as discussed above, upon the sale, exchange, redemption, retirement or other taxable disposition of an Additional Note, a U.S. holder may realize exchange gain or loss attributable to amounts received in respect of accrued and unpaid stated interest. For a U.S. holder that uses the accrual method and does not make the election described above, the foreign currency gain or loss may include amounts attributable to changes in exchange rates between the trade date and the settlement date. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the Additional Note. However, upon a sale, exchange, redemption, retirement or other taxable disposition of an Additional Note, a U.S. holder will recognize exchange gain or loss (including with respect to principal and accrued but unpaid interest) only to the extent of the total gain or loss realized by such U.S. holder on such disposition.

Reportable Transactions

You may be required to report a disposition of the Additional Notes to the IRS if you recognize foreign currency loss from a single transaction that is at least, in the case of an individual or trust, \$50,000 in a single tax year or, in other cases, various higher thresholds. In the event the acquisition, ownership or disposition of an Additional Note constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. holder will be required to disclose its investment to the IRS, currently on Form 8886. You should consult your own tax advisor if you recognize foreign currency losses on the Notes.

Foreign Financial Asset Reporting

Certain U.S. holders that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the taxable year or \$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Additional Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Additional Notes, including the application of the rules to their particular circumstances.

U.S. Information Reporting and Backup Withholding Rules

Payments in respect of the Additional Notes that are made to U.S. holders are subject to information reporting and may be subject to backup withholding unless you properly establish that you are a corporation or other exempt recipient or, in the case of backup withholding, provide an accurate taxpayer identification number and certify that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability. You may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated October 1, 2024 we have agreed to sell to the Initial Purchasers and each Initial Purchaser has agreed, severally and not jointly, to purchase from us €200 million aggregate principal amount of the Additional Notes, which will be consolidated and form a single class with the Original Notes. See “*Description of Notes.*”

The following table sets forth the amount of Notes to be purchased by each Initial Purchaser:

Initial Purchasers⁽¹⁾	Principal Amount of the Additional Notes
BNP Paribas.....	€100,000,000
Crédit Agricole Corporate and Investment Bank.....	€100,000,000
Total.....	€200,000,000

(1) Sales may be made through affiliates of the Initial Purchasers listed above.

The Initial Purchasers are offering the Additional Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Additional Notes, and other conditions contained in the purchase agreement, such as the receipt by the Initial Purchasers of officer’s certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The purchase price for the Additional Notes will be the initial offering price set forth on the cover page of these listing particulars (including interest accrued from the Original Notes Issue Date to the Additional Notes Issue Date), less a discount paid to the Initial Purchasers. The Initial Purchasers propose to offer the Additional Notes for resale initially at the offering prices on the cover page of these listing particulars. After the initial offering of the Additional Notes, the offering prices and other selling terms may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell Additional Notes through certain of their affiliates.

We have agreed to pay the Initial Purchasers certain customary fees for their services in connection with the offering and to reimburse them for certain out-of-pocket expenses. We have also agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

The Initial Purchasers that are not registered with the Securities and Exchange Commission as U.S.-registered broker-dealers will effect offers and sales of the Additional Notes (i) solely outside of the United States, or (ii) within the United States, to the extent permitted by Rule 15a-6 under the Exchange Act, through their U.S.-registered broker-dealers and as permitted by the Financial Regulatory Authority regulations.

France

Each Initial Purchaser has represented, warranted and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Additional Notes to the public in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and under Article L.411-2 1° of the French *Code monétaire et financier*, and these listing particulars and any other offering material relating to the Additional Notes and such offers, sales and distributions have been and shall be made in France only to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in Article L.411-2 1° of the French *Code monétaire et financier*.

Neither these listing particulars nor any other offering material relating to the Additional Notes has been or will be submitted for clearance to the *Autorité des Marchés Financiers*.

United States

The Additional Notes have not been, and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S.

persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “*Notice to Investors.*”

Accordingly, each of the Initial Purchasers, severally and not jointly, has represented and agreed that it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Additional Notes except (A) within the United States, only to persons whom it reasonably believes to be QIBs and that it has taken or will take reasonable steps to ensure that the purchaser of such Additional Notes is aware that such sale is being made in reliance on Rule 144A or (B) outside the United States in “offshore transactions in accordance with Regulation S.

In addition, until 40 days following the later of (i) the commencement of this offering and (ii) the Additional Notes Issue Date, an offer or sale of Additional Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. During this 40-day period, neither of Clearstream or Euroclear will monitor compliance by dealers with Section 4(a)(3) of the Securities Act.

United Kingdom

Each Initial Purchaser, severally and not jointly, has represented and agreed that it:

1. has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issuance or sale of any Additional Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
2. has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional Notes in, from or otherwise involving the UK.

Other Restrictions

Each Initial Purchaser acknowledges that no action has been or will be taken by the Issuer that would permit a public offering of the Additional Notes, or possession or distribution of the listing particulars or any other offering or publicity material in any jurisdiction, including the United States and the UK, where action for this purpose is required. Accordingly, the Additional Notes may not be offered or sold, directly or indirectly, and neither these listing particulars nor any other offering material or advertisements in connection with the Additional Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. These listing particulars do not constitute an offer to sell or a solicitation of an offer to purchase Additional Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession these listing particulars come are advised to inform themselves about and to observe any restrictions relating to the offering of the Additional Notes, the distribution of these listing particulars and resale of Additional Notes. See “*Notice to Investors.*”

General

No sale of similar securities

The Issuer has agreed that it or its affiliates and subsidiaries will not, for a period of 30 days from the date of the purchase agreement, without the prior written consent of the Initial Purchasers, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt or preferred equity securities issued by the issuer or any subsidiary or other affiliate thereof and having a tenor of more than one year (other than the Additional Notes).

New issue of Notes

The Additional Notes are a new issue of securities for which there currently is only a very limited market history based on the trading of the Original Notes, with which the Additional Notes will be consolidated and form a single class. In addition, the Notes are subject to certain restrictions on resale and transfer as described under “*Notice to Investors.*” The Original Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange. Application has been made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Professional Segment of the Euro MTF market of the Luxembourg Stock Exchange.

No certainty can be given that this application will be granted, and we cannot assure you that an active trading market for the Notes will develop.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price that will be favorable to you. See “*Risk factors—Risks Relating to the Notes, the Offering and Other Financings—A trading market for the Notes may not develop, in which case you may not be able to resell the Notes.*”

Price stabilization and short positions

In connection with the offering of the Additional Notes, the Stabilizing Manager or its affiliates may engage in overallotment, stabilizing transactions and syndicate-covering transactions and penalty bids. Overallotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate-covering transactions involve purchases of the Additional Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate-covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. Penalty bids permit the Stabilizing Manager to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. The Stabilizing Manager is under no obligation to engage in such stabilizing transactions, and if the Stabilizing Manager engages in stabilizing or syndicate-covering transactions, it may discontinue them at any time. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes.

Other relationships

The Initial Purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their business, the Initial Purchasers, directly or through their affiliates, have engaged, and in the future may engage, in commercial banking, investment banking, advisory and consulting services with us and our affiliates, from time to time, for which they have been or will be paid customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. In addition, certain of the Initial Purchasers and their affiliates are lenders, and in some cases agents or managers for the lenders, under credit facilities and acted as Initial Purchasers for our prior bond offerings and as dealer managers in connection with tender offers. See “*Capitalization.*”

Stamp tax

Persons who purchase Additional Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the law and practice of the country of purchase in addition to the offering price set forth on the cover page of these listing particulars although this payment may be born or indemnified by the Issuer under certain circumstances. See “*Description of Notes—Additional Amounts.*”

Initial Settlement

It is expected that delivery of the Additional Notes will be made against payment therefor on or about the date specified on the cover page of these listing particulars, which will be the fifth business day (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Additional Notes (this settlement cycle is being referred to as “T+5”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Additional Notes on the date of these listing particulars or the next business day will be required to specify an alternative settlement cycle at the time of any such trade to

prevent a failed settlement. Purchasers of the Additional Notes who wish to make such trades should consult their own advisors.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Additional Notes offered hereby.

General

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and securities laws of any other applicable jurisdiction. Accordingly, the Additional Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions in reliance on Regulation S under the Securities Act.

We have not registered and will not register the Notes under the Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Additional Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers,” commonly referred to as “QIBs,” as defined in Rule 144A under the Securities Act in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S under the Securities Act.

Important Information about the Offering

Each purchaser of Additional Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

- (1) You understand and acknowledge that the Additional Notes have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Additional Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.
- (2) You are not our “affiliate” (as defined in Rule 144 under the Securities Act) or acting on our behalf and you are either:
 - (i) a QIB, within the meaning of Rule 144A under the Securities Act, and are aware that any sale of these Additional Notes to you will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for your own account or for the account of another QIB; or
 - (ii) located outside the United States and purchasing the Additional Notes in an offshore transaction in accordance with Regulation S under the Securities Act.
- (3) You acknowledge that neither we, nor any of the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuer and its subsidiaries or the offer or sale of any of the Additional Notes, other than the information contained in these listing particulars, which listing particulars has been delivered to you and upon which you are relying in making your investment decision with respect to the Additional Notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of these listing particulars. You have had access to such financial and other information concerning us and the Additional Notes as you have deemed necessary in connection with your decision to

purchase any of the Additional Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

- (4) You are purchasing the Additional Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Additional Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.
- (5) With respect to the Additional Notes issued in reliance on Rule 144A, you agree on your own behalf and on behalf of any investor account for which you are purchasing the Additional Notes, and each subsequent holder of the Additional Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Additional Notes prior to the date (the “Resale Restriction Termination Date”) that is one year after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Additional Notes (or any predecessor thereto) only:
 - (i) to the Issuer or any subsidiary thereof;
 - (ii) pursuant to a registration statement that has been declared effective under the Securities Act;
 - (iii) for so long as the Additional Notes are eligible for resale pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act;
 - (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or
 - (v) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations.

- (6) You acknowledge that the Issuer, the Trustee, the Registrar and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the Additional Notes (i) pursuant to clause (d) or (e) above prior to the Resale Restriction Termination Date of the Additional Notes to require the delivery of an opinion of counsel, certifications and/ or other information satisfactory to each of them, the Issuer, the Trustee, the Registrar and the Transfer Agent, and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.
- (7) Each purchaser acknowledges that each Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS A PERSON LOCATED OUTSIDE THE UNITED STATES AND ACQUIRING THIS SECURITY

IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) [WITH RESPECT TO THE ADDITIONAL NOTES ISSUED IN RELIANCE ON RULE 144A, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3)] AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Additional Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Additional Notes as well as to holders of these Additional Notes.

- (1) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Additional Notes notice of any restrictions on the transfer of such Additional Notes, if then applicable.
- (2) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Additional Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.
- (3) You acknowledge that the Registrar will not be required to accept for registration or transfer any Additional Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.
- (4) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations, warranties and agreements and you agree that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by your purchase of the Additional Notes are no longer accurate and complete, you shall promptly notify us and the Initial Purchasers in writing. If you are acquiring any Additional Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.
- (5) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of Additional Notes or the possession, circulation or distribution of these listing particulars or any other material relating to the Issuer or the Additional Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of Additional Notes will be subject to the selling restrictions set forth in this section of these listing particulars and/or in the front of these listing particulars under “Notice to Investors,” “Notice to Certain European Investors” and “Plan of Distribution.”

LEGAL MATTERS

Certain legal matters in connection with the validity of the Additional Notes will be passed on for us by Cleary Gottlieb Steen & Hamilton LLP, who are acting as our special U.S. counsel and our French legal advisors. Certain legal matters relating to the offering will be passed upon on behalf of the Initial Purchasers by Milbank LLP with respect to matters of U.S. federal and New York state law.

INDEPENDENT AUDITORS

The consolidated financial statements of CMA CGM S.A. as of and for the year ended December 31, 2023 have been audited by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated February 23, 2024, a free English translation of which is included in these listing particulars. The consolidated financial statements of CMA CGM S.A. as of and for the year ended December 31, 2022, have been audited by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated March 3, 2023, a free English translation of which is included in these listing particulars. The unaudited interim condensed consolidated financial statements of CMA CGM S.A., as of and for six and three-month periods ended June 30, 2024, have been reviewed by ERNST & YOUNG Audit and KPMG S.A., as independent auditors, as stated in their report dated July 25, 2024. ERNST & YOUNG Audit was appointed as statutory auditor, together with KPMG S.A., until the annual shareholder meeting of 2026, which will approve the financial statements for the year ending December 31, 2025.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are a French company, and a majority of the members of our Board of Directors and other key management are resident outside of the United States. In addition, the majority of our subsidiaries, a majority of our assets and the source of the majority of our cash flow are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons, us or any of our subsidiaries, or to enforce, in U.S. courts or in courts outside the United States, judgments obtained against these persons, us or any of our subsidiaries, particularly judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States despite the fact that, pursuant to the terms of the Indenture, the Issuer has appointed or will appoint an agent for the service of process in New York. However, it may be possible for investors to effect service of process within France upon those persons or entities, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

If an original action is brought in France, predicated solely upon the United States federal securities laws, French courts may not have the requisite jurisdiction to grant the remedies sought.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal Judiciaire*) that has exclusive jurisdiction over such matter.

Actions for enforcement in France of a U.S. judgment rendered against any of the French persons referred to in the preceding paragraph that is enforceable in the United States would require the following conditions being met:

- that such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (including, without limitation, where the dispute is clearly connected to the foreign court which issued the decision), that the choice of U.S. court was not fraudulent and that French courts do not have exclusive jurisdiction over the matter;
- that the judgment is not contrary to the principles of French international public policy, both pertaining to the merits and to the procedure of the case, including fair trial rights;
- that the U.S. judgment is not tainted with fraud under French law; and
- that the judgment does not conflict with a French judgment or a foreign judgment which has become effective in the Republic of France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such foreign judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will be declared enforceable in France as of the date of the decision of the French civil court. However, the decision granting the *exequatur* is subject to appeal.

In addition, the discovery process under actions in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons. Besides, pursuant to French law No. 2016-1691 of December 9, 2016 and Decree No. 2019-206 of March 20, 2019, Decree No. 2022-207 of February 18, 2022 and the related application Decree of March 7, 2022, companies in France that are the subject of a request for documents and information from foreign authorities may be assisted by French administrative authorities, in particular the French Anti-Corruption Agency (*Agence française anti-corruption*) and the Strategic Information and Economic Security Service (*Service de l'information stratégique et de la sécurité économique*), which are responsible for ensuring the application of law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2018-1125 of December 12, 2018) and European data protection rules (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27

April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) in certain circumstances, including without limitation if a provision of French law is found to be mandatory irrespective of the law governing the Indenture or the Notes or if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Subject to the application of Regulation (EU) No. 1215/2012, Articles 14 and 15 of the French Civil Code (*Code civil*) may also apply. Pursuant to Article 14 of the French Civil Code (*Code civil*), a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with a French person. Pursuant to Article 15 of the French Civil Code (*Code civil*), a French national may be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with a foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code (*Code civil*), including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) has held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid on the ground that it was discretionary (*potestative*). Accordingly, any provisions to the same effect in any relevant documents may not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

GENERAL INFORMATION

Listing

We have applied to admit the Additional Notes to listing on the Official List of the Luxembourg Stock Exchange in accordance with the rules of that exchange and for trading on the Professional Segment of the Euro MTF. The Original Notes are already listed on the Official List of the Luxembourg Stock Exchange admitted to trading on the Professional Segment of the Euro MTF. For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange require, notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be posted on the official website of the Luxembourg Stock Exchange at www.luxse.com and may also be published on the official website of the Company, <https://www.cma-cgm.fr/>.

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange require, copies of the following documents, including any future amendments, may be inspected and obtained free of charge at the specified office of the Issuer during normal business hours on any weekday:

- our most recent audited annual consolidated financial statements;
- our most recent unaudited quarterly consolidated financial statements;
- copies of our articles of association (*statuts*);
- these listing particulars; and
- the Indenture relating to the Notes, which includes the forms of the Notes.

We have appointed U.S. Bank Trustees Limited as trustee for the Notes and Elavon Financial Services DAC as Paying Agent, Transfer Agent and Registrar. We reserve the right to vary such appointments and will publish notice of such change of appointment on the official website of the Luxembourg Stock Exchange at <http://www.luxse.com>.

The Company accepts responsibility for the information contained in these listing particulars. To the Company's best knowledge, except as otherwise noted, the information contained in these listing particulars is in accordance with the facts and does not omit anything likely to affect the import of these listing particulars. These listing particulars may only be used for the purposes for which it has been published.

Organizational Information

We are a French limited company (*société par actions*) resulting from the merger between the "Compagnie Générale Maritime" with the "Compagnie Maritime d'Affrètement," after which we changed our legal name to "CMA CGM." We are registered under number 562 024 422 RCS Marseille. Our registered office is at Boulevard Jacques Saadé, 4 Quai d'Arenc 13002 Marseille, France. Our telephone number is +33 (0)4 88 91 90 00.

The Legal Entity Identifier (LEI) code for the Issuer is 969500BZJ49IICIBZZ08.

As of the date of these listing particulars, our authorized share capital was €249,985,429.74 divided into 15,111,938 shares, entirely paid up, in the following categories: (i) 15,111,937 ordinary shares and (ii) 1 C Preferred Share.

Pursuant to Article 3 of our articles of association, our corporate purpose is the following:

- Any operations relating to maritime transportation, the construction, purchase, sale, repair, fitting out, and chartering of vessels, handling, warehouse operations, the purchase and sale of goods, port and rail services, the exploitation of marine resources and any touristic and hoteliery activities.
- The operation of all marine postal services that have been or may in future be granted to the Company;
- The provision of all maritime, inland or aerial transport services and logistical services of whatever nature, as well as the performance of all transactions and business operations associated with these services, including the possession and operation of all types of transportation (including vessels, land vehicles and aircraft) and the possession and operation of all logistics and transport infrastructure such as logistics centers, warehouses and rail, port and airport infrastructure;

- The investment by the Company, by any means, in any activities relating to its corporate purpose, whether by the creation of new companies, the subscription or acquisition of securities or rights, by merger or otherwise;
- All transportation activities of any kind and, and generally all commercial, industrial, real estate, moveable and financial activities directly or indirectly relating to the above-mentioned purposes that may promote its development or expansion;
- The purpose of the Company also includes, whether in France or abroad, the acquisition and management of interests or investment securities, real property assets and rights, whether by the investment of its funds or by any loan necessary or instrumental to the realization of its corporate purpose, the leadership of the Group constituted by the Company and its interests, the determination and implementation of its strategy and, in this context, the provision of specific services of any kind, including financial, accounting, administrative and legal services.

We have obtained all necessary consents, approvals and authorizations in our jurisdiction of incorporation in connection with the issuance and performance of the Notes. The issue of the Notes was authorized pursuant to a resolution of the Board of Directors of CMA CGM adopted on May 17, 2024, which authorized the Company to issue up to €1 billion of senior notes in one or several offerings, including any tap associated to such offering(s).

Significant Change

Except as disclosed herein, there has been no material adverse change in our financial trading position or prospects that is material in the context of the issue and offering of the Notes since December 31, 2023, the date of our last audited consolidated financial statements.

Except as disclosed herein, we are not involved in, and do not have knowledge of a threat of, any litigation, administrative proceedings or arbitration that is or may be material in the context of the issue and offering of the Notes.

Clearing of the Notes

The Additional Notes have been accepted for clearance and settlement through the facilities of Clearstream, Luxembourg and Euroclear.

The Original Notes sold in reliance on Rule 144A have a Common Code of 285213703, and ISIN of XS2852137038, and the Additional Notes issued in reliance on Rule 144A will share this Common Code and ISIN as from the Additional Notes Issue Date.

The Original Notes sold in reliance on Regulation S have a Common Code of 285213681 and an ISIN of XS2852136816, and the Additional Notes issued in reliance on Regulation S will share this Common Code and ISIN as from the Additional Notes Issue Date.

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INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

* *

*

Six and three-month periods ended June 30, 2024

KPMG S.A.
480, avenue du Prado
13008 Marseille

ERNST & YOUNG Audit
Immeuble Le Calypso
Quartier Euromed
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CMA CGM

Period from January 1 to June 30, 2024

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

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Quartier Euromed
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13002 Marseille

CMA CGM

Period from January 1 to June 30, 2024

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

To the Board of Directors,

In our capacity as statutory auditors of CMA CGM and in accordance with your request, we conducted a review of the accompanying interim condensed consolidated financial statements for the period from January 1 to June 30, 2024.

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

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

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

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

Marseille, July 25, 2024

The statutory auditors

KPMG S.A.

ERNST & YOUNG Audit

Jacques Pierre

Loïc Herrmann

Charles-Emmanuel Chosson

Camille de Guillebon

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Interim Condensed Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2024	2023	2024	2023
REVENUE	4.1	24,963.9	25,011.1	13,130.0	12,288.8
Operating expenses	4.2	(20,098.6)	(18,994.0)	(10,654.8)	(9,701.9)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES	4.1	4,865.3	6,017.1	2,475.2	2,586.9
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	10.4	21.4	4.7	23.7
Depreciation and amortization of non-current assets		(2,525.6)	(2,371.2)	(1,288.5)	(1,187.8)
Other income and (expenses)	4.4	(339.4)	(123.9)	(291.7)	(53.3)
Operating exchange gain / (loss)		31.8	43.5	31.1	98.3
Net present value (NPV) benefits related to assets financed by tax leases		33.6	35.1	17.8	16.7
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		2,076.1	3,622.0	948.6	1,484.4
Share of income / (loss) from associates and joint ventures		0.5	(3.7)	8.9	9.3
EBIT	4.1	2,076.6	3,618.3	957.5	1,493.7
CORE EBIT	4.1	2,384.9	3,677.1	1,213.6	1,424.1
FINANCIAL RESULT	4.6	(473.5)	(38.3)	(210.4)	11.9
PROFIT / (LOSS) BEFORE TAX		1,603.1	3,580.0	747.0	1,505.6
Income taxes	4.7	(137.2)	(208.5)	(76.8)	(160.3)
PROFIT / (LOSS) OF THE PERIOD		1,465.8	3,371.6	670.2	1,345.2
of which:					
Non-controlling interests		20.0	29.2	9.0	13.9
OWNERS OF THE PARENT COMPANY		1,445.8	3,342.4	661.2	1,331.3
<i>Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)</i>		<i>95.7</i>	<i>221.2</i>	<i>43.8</i>	<i>88.1</i>

Interim Condensed Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2024	2023	2024	2023
PROFIT / (LOSS) OF THE PERIOD		1,465.8	3,371.6	670.2	1,345.2
Other comprehensive income / (loss) reclassifiable to Profit and Loss					
Cash flow hedges:					
Effective portion of changes in fair value		146.8	(21.3)	16.4	22.3
Reclassified to profit or loss		(8.3)	10.2	(8.3)	(0.0)
Foreign operations – Foreign currency translation differences		(198.5)	(12.4)	(73.8)	(34.0)
Share of other comprehensive income of associates and joint ventures		(24.9)	1.3	(6.6)	(3.9)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss					
Equity investments at Fair Value Through Other Comprehensive Income – net change in fair value		(175.5)	70.1	(91.2)	(23.4)
Remeasurement of defined benefit pension plans	8.1	8.2	(8.1)	7.2	(0.4)
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.7	-	0.2	-	(0.0)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) OF THE PERIOD, NET OF TAX		(252.0)	40.0	(156.2)	(39.5)
TOTAL COMPREHENSIVE INCOME / (LOSS) OF THE PERIOD, NET OF TAX		1,213.8	3,411.5	514.0	1,305.7
of which:					
Non-controlling interests		11.3	19.9	8.2	6.1
Owners of the parent company		1,202.5	3,391.6	505.8	1,299.6

Interim Condensed Consolidated Statement of Financial Position – Assets

(in USD million)

	Note	As at June 30, 2024	As at December 31, 2023 (*)
Goodwill	5.1.1	8,249.3	5,317.0
Other intangible assets	5.1.2	8,980.0	6,779.3
INTANGIBLE ASSETS		17,229.3	12,096.3
Vessels	5.2.1	25,060.6	23,914.4
Containers	5.2.1	4,818.6	4,882.7
Lands and buildings	5.2.1	3,632.0	3,066.8
Other properties and equipment	5.2.1	4,115.3	4,300.7
PROPERTY AND EQUIPMENT	5.2.1	37,626.4	36,164.7
Deferred tax assets	4.7.2	401.8	336.9
Investments in associates and joint ventures		1,248.1	1,268.3
Derivative financial instruments	6.1	0.1	0.2
Other non-current operating assets		171.4	158.4
Other non-current financial assets	6.2.1	2,673.5	2,806.0
NON-CURRENT ASSETS		59,350.6	52,830.8
Inventories	5.3	987.0	934.1
Trade and other receivables	5.3	7,145.0	6,564.2
Contract assets	5.3	2,046.7	1,353.4
Income tax assets	5.3	201.7	240.2
Derivative financial instruments	6.1	105.4	27.3
Securities and other current financial assets	6.2.2	1,538.8	4,445.1
Cash and cash equivalents	6.3	5,425.8	7,133.4
Prepaid expenses and other current assets	5.3	114.4	85.4
Assets classified as held-for-sale	5.4	193.8	45.0
CURRENT ASSETS		17,758.7	20,828.1
TOTAL ASSETS		77,109.3	73,658.9

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at June 30, 2024	As at December 31, 2023
Share capital		253.2	253.2
Reserves and retained earnings		43,676.5	41,522.4
Profit / (Loss) for the period attributable to owners of the parent company		1,445.8	3,637.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		45,375.5	45,413.1
Non-controlling interests		162.4	152.2
TOTAL EQUITY		45,537.9	45,565.3
Borrowings and lease liabilities	6.4	14,218.9	12,772.6
Derivative financial instruments	6.1	0.0	23.8
Deferred tax liabilities	4.7.2	1,702.4	1,152.3
Provisions	8.1	637.4	731.5
Employee benefits	8.1	349.0	296.8
Other liabilities		324.4	77.8
NON-CURRENT LIABILITIES		17,232.3	15,054.8
Borrowings and lease liabilities	6.4	3,816.8	3,162.7
Derivative financial instruments	6.1	31.3	69.8
Provisions	8.1	166.1	198.6
Employee benefits	8.1	2.9	2.7
Trade and other payables	5.3	9,684.8	9,232.9
Income tax liabilities	5.3	259.5	194.6
Deferred income and other current liabilities	5.3	318.6	177.4
Liabilities associated with assets classified as held-for-sale	5.4	59.1	0.0
CURRENT LIABILITIES		14,339.1	13,038.8
TOTAL LIABILITIES & EQUITY		77,109.3	73,658.9

Interim Condensed Consolidated Statement of changes in Equity

(in USD million)

	Attributable to owners of the parent			TOTAL	Non-controlling interests	Total Equity
	Share capital	Reserves, retained earnings and Profit for the period				
		Premium, legal reserves, Profit / (Loss) for the period and other comprehensive income non reclassifiable to profit and loss	Other comprehensive income reclassifiable to profit and loss			
Balance as at January 1, 2023	253.2	45,560.9	(498.0)	45,316.1	144.6	45,460.7
Profit / (Loss) for the period	-	3,342.4	-	3,342.4	29.2	3,371.6
Other comprehensive income / (expense), net of tax	-	62.2	(12.9)	49.2	(9.3)	40.0
Total comprehensive income / (expense) for the period	-	3,404.6	(12.9)	3,391.6	19.9	3,411.5
Transaction with non-controlling interests and other	-	9.5	5.3	14.9	(7.1)	7.8
Dividends	-	(2,000.0)	-	(2,000.0)	(7.4)	(2,007.4)
Total transactions with Shareholders	-	(1,990.5)	5.3	(1,985.1)	(14.5)	(1,999.6)
Balance as at June 30, 2023	253.2	46,975.0	(505.6)	46,722.6	150.0	46,872.6
Balance as at January 1, 2024	253.2	45,714.8	(554.9)	45,413.1	152.2	45,565.3
Profit / (Loss) for the period	-	1,445.8	-	1,445.8	20.0	1,465.8
Other comprehensive income / (expense), net of tax	-	(167.3)	(76.0)	(243.3)	(8.7)	(252.0)
Total comprehensive income / (expense) for the period	-	1,278.6	(76.0)	1,202.5	11.3	1,213.8
Acquisition of subsidiaries	-	-	-	-	12.1	12.1
Transaction with non-controlling interests and other	-	7.9	2.1	10.0	(4.0)	5.9
Dividends	-	(1,250.0)	-	(1,250.0)	(9.3)	(1,259.3)
Total transactions with Shareholders	-	(1,242.1)	2.1	(1,240.0)	(1.2)	(1,241.2)
Balance as at June 30, 2024	253.2	45,751.2	(628.9)	45,375.5	162.4	45,537.9

Interim Condensed Consolidated Statement of Cash Flows

(in USD million)

	Note	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2024	2023	2024	2023
Profit / (Loss) for the period		1,465.8	3,371.6	670.2	1,345.2
Depreciation and amortization	5.2.1	2,525.6	2,371.2	1,288.5	1,187.8
Net present value (NPV) benefits related to assets financed by tax leases		(33.6)	(35.1)	(17.8)	(16.7)
Other (income) and expense	4.4	339.4	135.2	291.8	59.6
Increase / (Decrease) in provisions		(20.8)	(104.9)	12.5	(52.0)
Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(10.4)	(21.4)	(4.7)	(23.7)
Share of (Income) / Loss from associates and joint ventures		(0.5)	3.7	(8.9)	(9.3)
Interest expenses on net borrowings and lease liabilities		412.2	104.6	233.8	52.6
Income tax	4.7	137.2	208.5	76.8	160.3
Other non cash items		(75.5)	(47.9)	13.6	(86.5)
Changes in working capital	5.3	(1,052.5)	(166.1)	(224.9)	(555.7)
Cash flow from operating activities before tax		3,687.0	5,819.4	2,330.9	2,062.0
Income tax paid		(170.1)	(172.9)	(131.5)	(102.8)
Cash flow from operating activities net of tax	5.5	3,516.9	5,646.5	2,199.5	1,959.2
Purchases of intangible assets	5.1.2	(64.5)	(69.7)	(42.0)	(34.7)
Disposals of subsidiaries, net of cash divested		(9.2)	-	0.1	-
Acquisition of subsidiaries, net of cash acquired	3.1	(4,820.3)	(96.9)	(0.9)	(121.7)
Purchases of property and equipment	5.2.1	(850.4)	(2,629.6)	(411.4)	(1,310.0)
Purchases of non consolidated investments	6.2.1	(66.7)	(173.2)	(11.0)	(139.3)
Proceeds from disposal of property and equipment		504.6	77.3	356.1	55.4
Dividends received		23.4	15.5	22.9	15.0
(Increase) / Decrease in other financial assets	6.2.1	2,753.9	1,431.3	475.5	728.5
Interest received on financial assets		257.7	335.5	96.7	172.5
Variation in securities	6.2.2	162.4	297.4	21.0	(5.2)
Net cash (used in) / provided by investing activities	5.5	(2,109.1)	(812.3)	506.9	(639.5)
Dividends paid to the owners of the parent company and non-controlling interest	3.2	(1,263.2)	(2,007.3)	(16.9)	(1,997.8)
Proceeds from borrowings	6.4	719.3	11.5	662.7	2.7
Repayments of borrowings	6.4	(312.5)	(869.2)	(123.3)	(166.6)
Cash payments related to principal portion of leases	6.4	(1,419.7)	(1,390.0)	(721.7)	(686.8)
Interest paid on borrowings		(141.9)	(139.6)	(77.2)	(58.2)
Cash payments related to interest portion of leases		(435.6)	(449.8)	(222.3)	(225.4)
Other cash flow from financing activities	6.5	(220.5)	(605.7)	(47.6)	(371.8)
Acquisition of non-controlling interests		-	(19.0)	-	-
Net cash (used in) / provided by financing activities	6.5	(3,074.0)	(5,469.2)	(546.3)	(3,504.1)
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(44.2)	(48.8)	(11.3)	(35.8)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		(1,710.4)	(683.8)	2,148.7	(2,220.2)
Cash and cash equivalents and bank overdrafts at the beginning of the period		7,117.0	8,871.9		
Cash and cash equivalents as per balance sheet		5,425.8	8,225.3		
Bank overdrafts		(19.2)	(37.2)		
Cash and cash equivalents and bank overdrafts at the end of the period	6.3	5,406.6	8,188.1		
Supplementary information: non cash investing or financing activities:					
- Assets acquired through financial debt or equivalents	5.2.1	3,133.0	1,474.2		

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information

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

The Interim Condensed Consolidated Financial Statements ("CFS") of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the six and three-month periods ended June 30, 2024 were approved by the Board of Directors on July 25, 2024.

The Group operates primarily in the international containerized transportation of goods as well as in logistics business, through the Freight Management (Air and Ocean), Ground, Contract Logistics and Finished Vehicle Logistics (FVL) solutions provided by CEVA and Bolloré Logistics. Other activities mainly include port terminals, air cargo operations, specialized shipping and media.

Note 2 - General accounting principles

2.1 Basis of preparation

The interim condensed CFS of CMA CGM for the six and three-month periods ended June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and under the historical cost basis, with the exception of financial assets measured at fair value, securities, derivative financial instruments and net assets acquired through business combinations which have all been measured at fair value.

2.1.1 Statement of compliance

The interim condensed CFS do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS as adopted by the European Union, and should be read in conjunction with the Group's audited annual CFS for the year ended December 31, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last financial statements.

IFRSs can be found at: <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=LEGISSUM%3A126040>

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

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, 2023, except as outlined in the paragraphs below.

2.2.1 New and amended IFRS and IFRS IC interpretations from January 1, 2024

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

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7. These amendments introduced disclosure requirements about a company's supplier finance arrangements. These new requirements are to provide users of financial statements with information enabling them to assess the impact of supplier finance arrangements on a company's liabilities and cash flows, and to understand the effect of supplier finance arrangements on a company's exposure to liquidity risk and how the company might be affected if the arrangements were no longer available to it. These amendments have been published in the OJEU on May 15, 2024. There is no impact from the application of such amendments.

Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current / Non-current Liabilities with Covenants

These amendments to IAS 1 have been published in the OJEU on December 20, 2023. They clarify how companies should classify liabilities with covenants (i.e. as current or non-current) and to enhance the disclosures required when a company's right to defer settlement of a liability for at least 12 months is subject to compliance with covenants. There is no impact from the application of such amendments.

Amendments to IFRS 16: Leases – Lease Liability in a Sale and Leaseback

On November 20, 2023, the European Commission endorsed the amendments to IFRS 16 published by the IASB in September 2022 relating to lease liabilities in a sale and leaseback transaction. These amendments clarify the subsequent measurement of sale and leaseback transactions where the initial sale of the underlying asset meets the IFRS 15 criteria for recognition as a sale. In particular, these amendments clarify the subsequent measurement of the lease liability arising from these transactions where there are variable lease payments that do not depend on an index or rate. There is no impact from the application of such amendments.

2.2.2 New and amended IFRS and IFRS IC interpretations effective for the financial year beginning on or after January 1, 2024 and not yet endorsed by the European Union

- *New and amended IFRS and IFRS IC interpretations effective for the financial year beginning on January 1, 2024 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 and amended IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2024 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 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
IFRS 18 Presentation and Disclosure in Financial Statements

2.2.3 EU Emissions Trading Systems (EU ETS)

Management decided to record EU ETS in inventories on a net basis and the related cost as bunker costs in line with industry practice (see Note 3.6).

2.3 Significant accounting judgments, estimates and assumptions

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2023 annual CFS, have been described in the below mentioned notes of these annual CFS and are mainly as follows:

- Valuation methods used to identify and measure intangible assets acquired through business combinations (see Note 3.1 Business combinations of the annual CFS);
- Assessment of impairment indicators and impairment testing of non-financial assets (see Note 5.3 of the annual CFS);
- Determination of useful lives and residual values of owned assets, mainly for vessels and containers (see Note 5.2 of the annual CFS);
- Assessment of the lease term and the payments to be included in the measurement of the lease liability, mainly for vessels, containers and warehouses (see Note 5.2 of the annual CFS);
- Demurrage & detention revenues and receivables, accruals for port call expenses, transportation costs and handling services (see Note 5.4 of the annual CFS);
- Risks related to cargo and corporate claims and related accounting provisions (see Note 8.1 of the annual CFS);
- Measurement of the deferred tax assets related to tax losses carried forward (see Note 4.7.2 of the annual CFS).

2.4 Climate related risks

In preparing these interim condensed CFS, all known potential impacts of current and future regulatory requirements related to climate change were considered. Thus, the Group has taken into account the impact of climate change in the estimates and the significant judgments of its management.

2.5 Translation of financial statements and foreign operations

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

	Closing rate		Average rate	
	June 30,	December 31,	6-month period ended June 30,	
	2024	2023	2024	2023
Euro	0.93345	0.90613	0.92499	0.92540
British pound sterling	0.79101	0.78561	0.79053	0.81113
Australian Dollar	1.49992	1.46843	1.51885	1.47980
Chinese Yuan	7.26720	7.09780	7.21592	6.92719
Singapore Dollar	1.35540	1.31910	1.34721	1.33634

Note 3 - Business combinations and significant events

3.1 Business combinations and investments in associates and joint-ventures

A minor update of the purchase price allocation of Port Liberty terminals was recognized in the period and retrospectively adjusted (see Note 5.1.1).

3.1.1 Logistics activities

Acquisition of Bolloré Logistics

Following a share purchase agreement signed on July 11, 2023, the closing of the Bolloré Logistics acquisition occurred on February 29, 2024, by which the Group acquired all shares, except one, of Bolloré Group's transportation and logistics activities.

This acquisition significantly strengthened the CMA CGM Group's logistics activities, becoming a top five player in global logistics.

The acquisition price amounted to approximately USD 5.2 billion, after preliminary post-closing price adjustment.

Since acquisition date, the acquired entities contributed USD 1,603.4 million to the group revenue, USD 116.5 million to EBITDA before assets disposal and USD 17.3 million to the group net income. Had it been acquired on January 1, 2024, the estimated revenue, EBITDA before assets disposal and loss after tax for the 6-month period ended June 30, 2024 would have been USD 2,325.9 million, USD 131.6 million and USD 5.4 million, respectively.

Acquisition costs related to Bolloré Logistics are not significant at group level and have been recognized within EBIT.

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

		In USD million
Total consideration for 100% stake in Bolloré Logistics	A	5,248.2
Cash acquired - Cash and cash equivalents at acquisition date	B	438.4
Cash consideration paid for 100% stake, net of cash acquired, at acquisition date	C = A (-) B	4,809.8
Identifiable assets acquired		
Customer relationships gross		2,341.0
Software licences and other intangible		89.5
Lands and buildings		495.6
Deferred tax assets		94.2
Non current financial assets		29.8
Inventories		13.2
Working capital - assets and other current assets		1,036.7
Assets held for sale		108.2
Liabilities assumed		
Non current borrowings and lease liabilities		223.6
Deferred tax liabilities		634.8
Non current provisions and other liabilities		69.1
Current borrowings and lease liabilities		174.9
Current provisions		4.3
Working capital - liabilities and other liabilities		1,202.9
Liabilities held for sale		59.6
Fair value of net assets acquired	D	1,838.8
Fair value of non controlling interests at acquisition date	E	12.1
Preliminary goodwill	C (-) D (+) E	2,983.2

The main intangible asset recognized separately from goodwill is the customer relationships for USD 2,341.0 million using the excess earnings valuation method. These customer relationships are amortized on a 25-year linear basis and generated a deferred tax liability.

The allocation of the purchase price is preliminary and resulted in the recognition of a preliminary goodwill of USD 2,983.2 million, allocated to Freight Management for USD 2,706.8 million and Contract Logistics for USD 276.4 million.

3.1.2 Altice Media

On March 15, 2024, CMA CGM has entered into a put option agreement with Altice France for the acquisition of 100% of the share capital of Altice Media, a leading live news player in France. This transaction will bring to CMA CGM's Media Division high-quality news, sports and entertainment contents, with an editorial vision based on pluralism, independence, and work ethic and geared towards economic, social, and territorial themes.

Altice Media will be jointly acquired by CMA CGM and a subsidiary of Merit France, each acquiring 80% and 20% respectively of the share capital, for a total enterprise value of EUR 1.55 billion.

See Note 8.3 for the update on the closing of the transaction.

3.2 Corporate information

Dividends to shareholders related to 2023 have been declared and paid in the six-month period ended June 30, 2024 for an amount of USD 1,250 million.

3.3 Financial resources and financing updates

In January 2024, the Group repaid at maturity the USD 71.0 million Senior Notes, issued by APL investments America (see Note 6.4).

In May 2024, the Group extended the maturity of its securitization program related to shipping receivables from Q1 2026 to Q1 2027.

3.4 Market dynamics

The significant deterioration in the geopolitical environment since the end of 2023 and the subsequent supply chain disruptions triggered by the Red Sea situation have resulted in a temporary supply/demand shock and a recovery of container shipping freight rates, compared to the levels observed during the fourth quarter of 2023. In addition, since the beginning of the year, air and ocean volumes have also experienced a rebound, compared to a very low base in the first half of 2023, driven by the cautious approach adopted by shippers in the wake of persistent supply-chain disruptions contributing to ending the destocking cycle experienced during most of 2023. For the same reasons, the Logistics industry is generally experiencing good momentum as well, while the overall resilient macro-economic environment has come as a support to our various activities and segments since the beginning of the year.

3.5 Air cargo division

Air France-KLM and CMA CGM announced on January 16, 2024 their decision to terminate their existing cooperation agreements as of March 31, 2024, from which date Air France-KLM and CMA CGM will operate independently. No significant impact related to this termination has been incurred by the Group.

CMA CGM remains a reference shareholder of Air France-KLM. The parties have agreed to modify the lock-up clause of the shares held by CMA CGM in the capital of Air France-KLM, which will now be effective until February 28, 2025. CMA CGM left the Board of Directors of Air France-KLM on March 31, 2024. The investment continues to be reported as non-consolidated shares.

3.6 Green transition

First application of the EU Emissions Trading Systems

Since January 1, 2024, in the framework of the European Union Green Deal and in accordance with the relevant EU directives, shipping activities have been included in the EU Emissions Trading System (EU ETS). The objective of this system is to cap emissions from shipping activities under the overall EU ETS ceiling. The Group is therefore subject to the scheme from these interim CFS, hence generating additional costs of USD 59.1 million.

Flexis SAS

CMA CGM Group joins Renault and Volvo as founding member of Flexis SAS, a joint-venture for the revolutionary generation of electric vans.

Flexis SAS will be based in France, and the all-electric vans based on connected electronic platform will be produced in the Renault Group Sandouville plant in France.

In addition to bringing its logistics expertise, CMA CGM Group will invest up to EUR 120 million by 2026 and has acquired a stake of 10% (see Note 6.2.1) recognized as a non-consolidated investment. To date, the Group invested EUR 47.8 million in the project.

Renault Group and Volvo Group will hold respectively 45% equity stakes and are planning to invest EUR 300 million each over the next three years.

3.7 Ocean Alliance

On February 2024, CMA CGM and its partners (COSCO Shipping, Evergreen and OOCL) extended their operational cooperation Ocean Alliance for at least 5 additional years from 2027, i.e. until 2032.

3.8 Non-profit initiatives

On April 25, 2024, CMA CGM and Bpifrance announced the operational launch of the fund dedicated to accelerating the energy transition in the French maritime industry. This fund has been endowed with EUR 200 million as part of the EUR 1.5 billion initiative (only partly non-profit) announced by the Group in 2022 to accelerate transition to cleaner energies. It represents a major commitment by a private player to contribute to the decarbonization of the French maritime industry. The total commitment has been recorded in the line "other income and expenses" of the statement of Profit & Loss, together with, primarily, the EUR 100 million allocation to Kyutai, the European private-initiative foundation dedicated to open research in artificial intelligence.

In the 6-month period ended June 30, 2024, the Group recognized an expense of USD 373.1 million in relation with non-profit initiatives, of which USD 34.9 million were already disbursed at June 30, 2024. The USD 338.2 million remaining allocation is included in the consolidation Statement of financial position in the line "Other liabilities" for the non-current part and in the line "Deferred income and other current liabilities" for the current part.

3.9 Rating agencies

Moody's corporate rating was unchanged to Ba1 with a stable outlook. S&P corporate rating was also unchanged at BB+ with a stable outlook.

Note 4 - Results for the period

4.1 Operating segments

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

The segment information for the reportable segments for the six and three-month periods ended June 30, 2024 and 2023 is as follows:

	Revenue		EBITDA		EBIT	
	For the six-month period ended June 30,					
	2024	2023	2024	2023	2024	2023
Container shipping segment	16,144.5	17,223.1	3,926.7	5,210.2	2,206.5	3,473.1
Logistics segment	8,676.6	7,641.3	810.9	687.0	239.5	210.9
Other activities	1,201.5	898.6	127.7	119.9	(61.2)	(7.0)
Total core measures before elimination	26,022.6	25,763.0	4,865.3	6,017.1	2,384.9	3,677.1
Eliminations	(1,058.7)	(751.9)	-	-	-	-
Total core measures	24,963.9	25,011.1	4,865.3	6,017.1	2,384.9	3,677.1
Reconciling items	-	-	-	-	(308.3)	(58.8)
Total consolidated measures	24,963.9	25,011.1	4,865.3	6,017.1	2,076.6	3,618.3

	Revenue		EBITDA		EBIT	
	For the three-month period ended June 30,					
	2024	2023	2024	2023	2024	2023
Container shipping segment	8,286.1	8,352.3	1,976.8	2,172.4	1,113.1	1,305.0
Logistics segment	4,789.7	3,778.8	450.0	349.5	149.4	111.2
Other activities	601.2	485.5	48.4	65.0	(48.8)	7.8
Total core measures before elimination	13,677.0	12,616.6	2,475.2	2,586.9	1,213.7	1,424.0
Eliminations	(547.0)	(327.8)	(0.1)	-	(0.1)	-
Total core measures	13,130.0	12,288.8	2,475.2	2,586.9	1,213.6	1,424.0
Reconciling items	-	-	-	-	(256.2)	69.6
Total consolidated measures	13,130.0	12,288.8	2,475.2	2,586.9	957.5	1,493.7

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 and 4.4 below:

		For the six-month period ended June 30,		For the three-month period ended June 30,	
		2024	2023	2024	2023
		2024	2023	2024	2023
Core EBIT		2,384.9	3,677.1	1,213.6	1,424.1
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	10.4	21.4	4.7	23.7
Other income and (expenses)	4.4	(339.4)	(123.9)	(291.8)	(53.3)
Operating exchange rate gain/loss		31.8	43.5	31.1	98.3
Impairment / non recurring items recorded in associates and joint ventures		(11.1)	0.2	(0.2)	0.9
EBIT		2,076.6	3,618.3	957.5	1,493.7

4.2 Operating expenses

Operating expenses are analyzed as follows:

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2024	2023	2024	2023
Bunkers and consumables	(2,979.2)	(2,951.7)	(1,465.8)	(1,430.4)
Chartering and slot purchases	(707.1)	(887.3)	(395.6)	(448.9)
Handling and stevedoring	(3,658.3)	(3,249.5)	(1,963.3)	(1,664.5)
Inland, ocean and other 3rd party transportation	(5,407.1)	(5,080.0)	(3,025.4)	(2,617.5)
Port and canal	(853.6)	(1,063.5)	(420.5)	(571.5)
Container equipment and repositioning	(742.9)	(646.9)	(377.1)	(369.2)
Employee benefits	(4,020.3)	(3,491.0)	(2,092.0)	(1,771.5)
General and administrative other than employee benefits	(1,258.9)	(1,136.7)	(667.8)	(569.6)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(33.8)	(23.5)	(8.8)	(4.7)
Others	(437.3)	(463.9)	(238.5)	(254.0)
Operating expenses	(20,098.6)	(18,994.0)	(10,654.8)	(9,701.9)

Container shipping driven costs have increased in comparison with the first half-year of 2023 in line with the rise of shipping volumes.

The increase of transportation expenses (notably due to Bollore logistics) and employee benefits (Bollore logistics and Port Liberty terminals) mainly related to the effect of business combinations completed since Q1 2023.

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

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

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2024	2023	2024	2023
Disposal of vessels	9.2	6.4	9.9	4.7
Disposal of containers	4.9	12.7	(1.0)	18.5
Other fixed assets disposal	(3.1)	1.9	(4.2)	0.1
Disposal of subsidiaries	(0.6)	0.3	(0.0)	0.4
Gains / (losses) on disposal of property and equipment and subsidiaries	10.4	21.4	4.7	23.7

4.4 Other income and (expenses)

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

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2024	2023	2024	2023
Impairment (losses) / reversals of assets	(1.0)	0.4	(1.2)	0.4
Others, net	(338.4)	(124.3)	(290.5)	(53.7)
Other income and (expenses)	(339.4)	(123.9)	(291.7)	(53.3)

In addition to the impact of the non-profit initiatives disclosed in Note 3.8, "Others, net" line item mainly includes M&A transaction fees, variation of non-recurring provisions for risks, litigation and restructuring.

4.5 NPV benefits related to assets financed by tax leases

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

4.6 Financial result

The financial result is analyzed as follows:

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2024	2023	2024	2023
Interest expense on net financial debt excl. leases	(160.0)	(134.7)	(91.9)	(56.1)
Income on cash deposits	182.8	469.8	78.8	225.9
Interest expense on leases	(433.0)	(442.1)	(219.2)	(221.5)
Cost of net debt, incl. settlement of interest rates derivatives	(410.2)	(107.0)	(232.3)	(51.7)
Non-recurring impact related to deleveraging initiatives	(0.1)	(35.8)	(0.0)	(0.1)
Total cost of net debt	(410.3)	(142.8)	(232.3)	(51.8)
Settlements and change in fair value of derivative instruments	(0.4)	2.5	0.4	1.5
Foreign currency income and expense, net	(139.3)	50.7	(11.5)	8.5
Other financial income and expense, net	76.5	51.3	33.0	53.7
Other net financial items	(63.2)	104.5	21.9	63.7
Financial result	(473.5)	(38.3)	(210.4)	11.9

For the six-month period ended June 30, 2024:

- "Interest expense on net financial debt excl. leases" includes USD (9.5) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (13.7) million for the six-month period ended June 30, 2023);
- "Income on cash deposits" sharp decrease reflects the lower cash and financial assets balance.

"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). As the Group has a net assets position in EUR, the depreciation of EUR had a negative impact on the financial exchange result.

4.7 Current and deferred taxes

The international tax reform 'Pillar Two Model Rules' came into force on January 1, 2024, introducing a global minimum top-up tax expected to impact the Group's activities that are not eligible for tonnage tax, as the OECD has exempted most shipping tonnage tax activities from the reform. Although Management is still reviewed the detailed implications of such reform in all Group's countries, no material impact has been identified resulting from the application of this tax reform for the six and three-month periods ended June 30, 2024.

4.7.1 Current tax

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2024	2023	2024	2023
Current tax income / (expense)	(188.8)	(250.0)	(107.5)	(184.8)
Deferred tax income / (expense)	51.5	41.5	30.7	24.5
Income Taxes	(137.2)	(208.5)	(76.8)	(160.3)

The Group's tax specificities were disclosed in the 2023 annual CFS.

The current income tax decrease is related to the lower performance, among others, of operations not subject to tonnage tax and some income taxes incurred abroad.

4.7.2 Deferred tax

Deferred tax balances break down as follows:

Deferred taxes	As at June 30, 2024	As at December 31, 2023 (*)
Losses carried forward	107.3	104.0
Goodwill	39.6	40.1
Intangible assets arising from business combinations (*)	(1,524.4)	(989.5)
Reevaluation and depreciation of intangible / tangible assets	(12.5)	(8.4)
Leases adjustments	43.2	31.0
Retirement benefit obligations	14.5	16.4
Non deductible provision / reversal	50.1	60.2
Undistributed profits from subsidiaries	(74.0)	(75.8)
Other temporary differences	55.7	5.6
Total net deferred tax	(1,300.6)	(816.3)

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

The breakdown of deferred tax presented in the table above is based on net 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 increase of deferred tax related to intangible assets arising from business combinations is related to the effect of Bollore Logistics' acquisition (see Note 3.1.1).

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

	For the six-month period ended June 30,
	2024
Net deferred tax at the beginning of the year (*)	(816.3)
Changes through Profit & Loss	51.5
Changes through Other Comprehensive Income	-
Currency translation adjustment	1.8
Other variations	(537.6)
Net deferred tax at the end of the period	(1,300.6)

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

Other variations relates to the deferred tax liabilities recognized as part of Bollore Logistics' acquisition (see Note 3.1.1).

Note 5 - Invested capital and working capital

5.1 Goodwill and other intangible assets

5.1.1 Goodwill

Changes in the carrying amount of goodwill can be presented as follows:

	As at June 30, 2024	As at December 31, 2023 (*)
Beginning of the period	5,317.0	5,181.8
Goodwill from business combinations	2,982.9	94.9
Other variations	(5.3)	0.4
Foreign currency translation adjustment	(45.3)	40.0
At the end of the period	8,249.3	5,317.0

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

During the six-month period ended June 30, 2024, the line item "Goodwill from business combinations" corresponds to the preliminary goodwill recognized as part of the acquisition of Bolloré Logistics (see Note 3.1.1).

In 2023, the line item "Goodwill from business combinations" corresponds to the goodwill recognized as part of the acquisition of Port Liberty terminals (allocated to other activities and a single CGU), La Tribune (allocated to other activities) and Stellar (allocated to logistics segment and Contract Logistics' CGU). As at June 30, 2024, the purchase price allocation of Port liberty terminals has been retrospectively updated resulting in (i) an increase of the concession-related intangible asset for USD 187 million to USD 2,386 million (USD 2,199 million as at December 31, 2023) and (ii) a decrease of the residual goodwill to USD 2 million (USD 197 million as at December 31, 2023).

The goodwill allocation to the operating segment and CGUs is as follows as at June 30, 2024 and December 31, 2023:

			As at June 30, 2024	As at December 31, 2023 (*)
Segment	CGU			
Container shipping segment	Container shipping		1,119.2	1,127.4
		a	1,119.2	1,127.4
Logistics segment	Air / Ocean (FM)		3,718.3	1,011.5
	Ground		772.8	790.1
	Contract Logistics		1,493.3	1,236.0
	Finished Vehicle Logistics		2.8	3.0
		b	5,987.2	3,040.6
Other activities	Terminals (**)		1,080.7	1,080.7
	Other (**)		62.2	68.4
		c	1,142.9	1,149.0
At the end of the period		a + b + c	8,249.3	5,317.0

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

(**) Such line items correspond to several CGUs, for instance Port Liberty and Fenix Marine Services within terminals

5.1.2 Other intangible assets

Net book value of other intangible assets is presented as follows:

Net book value of Other intangible assets	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
As at June 30, 2024	380.7	156.0	4,860.9	3,521.0	61.3	8,980.0
As at December 31, 2023 (*)	328.4	172.9	2,667.1	3,592.8	18.0	6,779.3
As at December 31, 2022	302.4	168.0	2,769.1	1,285.0	14.1	4,538.6

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

During the six-month period ended June 30, 2024, customer relationships, softwares and other intangible assets were recognized as part of the acquisition of Bolloré Logistics (see Note 3.1.1).

5.2 Property and equipment

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at June 30, 2024	As at December 31, 2023 (*)
Vessels net		
Owned	13,830.4	12,205.9
In-progress	4,096.6	4,626.9
Right-of-use	7,133.6	7,081.6
	25,060.6	23,914.4
Containers net		
Owned	1,962.0	2,377.2
In-progress	54.9	23.2
Right-of-use	2,801.7	2,482.4
	4,818.6	4,882.7
Lands and buildings net		
Owned	1,251.1	936.1
In-progress	53.6	44.7
Right-of-use	2,327.4	2,085.9
	3,632.1	3,066.8
Terminal & dry port equipment net		
Owned	335.5	459.2
In-progress	237.7	180.4
Right-of-use	848.4	881.5
	1,421.5	1,521.1
Aircraft net		
Owned	431.4	534.3
In-progress	1,392.0	1,392.0
Right-of-use	-	-
	1,823.4	1,926.3
Other properties and equipments net		
Owned	690.3	691.9
In-progress	135.3	111.5
Right-of-use	44.6	49.9
	870.3	853.3
Total net		
Owned	18,500.7	17,204.7
In-progress	5,970.0	6,378.7
Right-of-use	13,155.7	12,581.3
Property and equipment	37,626.5	36,164.7

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

As at June 30, 2024, assets under IFRS 16 included in the above table represented a net book value of USD 13,155.7 million (USD 12,581.3 million as at December 31, 2023).

As at June 30, 2024, the Group had 271 owned vessels and 302 leased vessels or equivalent agreements in the scope of IFRS 16 (253 owned vessels and 310 leased vessels as at December 31, 2023). The Group also operated 79 vessels not recorded in the statement of financial position (short-term leases below one year) for a total fleet of 652 vessels.

During the six-month period ended June 30, 2024, apart from the recurring depreciation, the main variations are as follows:

- Vessels:
 - (i) Variation of owned vessels relate mainly to the delivery of newbuild vessels, as well as scrubbers for existing vessels and dry-docks;
 - (ii) Variation of right-of-use vessels mainly relates to new leases for USD 736.1 million, vessel lease extensions for USD 158.9 million, and revaluation of leases following notification of the exercise of purchase options for USD 144.5 million;
 - (iii) Variation of in-progress vessels relate to the installments paid in relation to the vessel orderbook; this also related to investment in scrubbers to be fitted on vessels.
- Containers: the variation mainly relates to new containers for an amount of USD 73.8 million and new leases entered into as well as some modifications of existing leases for an amount of USD 677.8 million as well as disposal of containers for an amount of USD 433.3 million; This includes a sale and leaseback operation for a cash amount of USD 315 million resulting in right-of-use of USD 306 million.
- Lands & buildings: the variation mainly includes leases entered into by the Logistics segment for an amount of USD 457.0 million.
- Aircrafts: the variation mainly relates to the disposal of one aircraft in Q1 2024 and the reclassification to assets held-for-sale for two aircrafts A330 to be sold in July and August.
- Other properties and equipments: the variation mainly relates to the logistics division for an amount of USD 70.9 million.

Variations occurred during the year ended December 31, 2023 were disclosed in the 2023 annual CFS.

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 4,047.9 million for the six-month period ended June 30, 2024 (USD 4,173.4 million for the six-month period ended June 30, 2023).

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 June 30	
		2024	2023
Acquisition of assets included in the above tables	a	4,047.9	4,173.4
(-) Assets not resulting in a cash outflow (i)	b	(946.3)	(143.4)
(-) IFRS16 leases increase	c	(2,186.8)	(1,330.8)
CAPEX cash from purchases of intangible assets	d	(64.5)	(69.7)
CAPEX cash from purchases of property and equipment	e = (-) a (-) b (-) c (-) d	(850.4)	(2,629.6)
CAPEX cash from business combination	f	(4,820.3)	(96.9)
Total CAPEX as per Consolidated Statement of Cash Flows	d + e + f	(5,735.2)	(2,796.1)

- (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 5,735.2 million cash capex as per Consolidated Statement of Cash-Flows, the Group proceeded to the following investments in its operating assets:

- USD 191.1 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 132.7 million for vessels and USD 67.3 million for containers;

- USD 862.5 million non-cash capex related to financed prepayments of vessels with no immediate cash impact for the Group;
- USD 83.7 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 2,186.8 million non-cash capex related to new leases entered into.

Including intangible assets, the total depreciation for the six-month period ended June 30, 2024 amounts to USD 2,525.6 million (USD 2,371.2 million for the six-month period ended June 30, 2023).

5.2.2 Group vessels and airplanes fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within "Vessels" in the consolidated statement of Financial Position and amounted to USD 4,096.6 million as at June 30, 2024 (USD 4,626.9 million as at December 31, 2023).

Prepayments made with regards to airplane orderbook are presented within "Other properties and equipment" in the consolidated statement of Financial Position and amounted to USD 1,392.0 million as at June 30, 2024 (USD 1,392.0 million as at December 31, 2023).

5.3 Working Capital

The working capital can be analyzed as follows:

	As at December 31, 2023	Variations linked to operations	Acquisition of subsidiaries	Currency translation adjustment	Others	As at June 30, 2024
Inventories	934.1	42.9	13.2	(3.2)	0.0	987.0
Trade and other receivables (*)	6,804.4	1,379.9	998.1	(141.4)	(1,694.3)	7,346.7
Contract assets	1,353.4	56.9	-	(8.8)	645.2	2,046.7
Prepaid expenses and other current assets	85.4	(1.2)	37.3	(0.9)	(6.3)	114.4
Trade and other payables (**)	(9,427.5)	177.6	(1,148.9)	165.9	288.6	(9,944.3)
Deferred income and other current liabilities	(177.4)	(603.5)	(58.0)	4.3	515.9	(318.6)
Net working capital	(427.6)	1,052.5	(158.3)	16.0	(250.8)	231.9

(*) including current income tax asset

(**) including current income tax liability

Other current liabilities include the unpaid portion of the commitment disclosed in Note 3.8.

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

Assets classified as held for sale as at June 30, 2024 correspond to subsidiaries of Bolloré Logistics in French West Indies, Guyana and Polynesia, constituting remedies to be handled as part of the antitrust process. The related sale process is in progress.

In addition, two A330 aircrafts to be sold in July and August were reclassified as assets held-for-sale.

5.5 Operating and investing cash-flows

Cash flows from operations amounted USD 3,516.9 million of which EBITDA contributed for USD 4,865.3 million, income tax paid for USD (170.1) million and variation of working capital for USD (1,052.5) million mainly reflecting the increase in trade and other receivables of USD 1,379.9 million due to the current operational context generating significant spot freight rate increases.

Cash flow from investing activities amounted USD (2,109.1) million. It mainly reflects capital expenditures from intangible assets and property and equipment representing a cash outflow of USD (914.9) million (see Note 5.2.1), M&A acquisition for USD (4,820.3) million mainly reflecting Bolloré Logistics (see Note 3.1.1), the purchase of non-consolidated investments for USD (66.7) million, the proceeds from disposal of properties and equipment for USD 504.6 million, the net cash flows resulting from the variation of other financial assets for USD 2,753.9 million, the interest received on financial assets for USD 257.7 million and the variation of securities for USD 162.4 million.

Note 6 - Capital structure and financial debt

Except for the information provided below, the Group's objectives & policies in terms of financial risk management have been detailed in Note 6.1 of the 2023 annual CFS.

6.1 Derivative financial instruments

Derivative financial instruments can be analyzed as follows:

	As at June 30, 2024		As at December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	0.1	-	0.0	-
Bunker hedge - cash flow hedge	105.4	3.7	11.4	69.8
Cross currency interest rates swaps - fair value hedge	-	27.6	-	23.8
FX Forward Contracts - cash flow hedge	-	-	16.0	-
Total derivative financial instruments	105.5	31.3	27.5	93.6
<i>of which non-current portion (above 1 year)</i>	<i>0.1</i>	<i>0.0</i>	<i>0.2</i>	<i>23.8</i>
<i>of which current portion (less than 1 year)</i>	<i>105.4</i>	<i>31.3</i>	<i>27.3</i>	<i>69.8</i>

In 2024, the Company entered into additional derivative financial instruments initially maturing within 1 year to hedge its fuel exposure for a nominal amount of USD 1.6 billion as at June 30, 2024.

The Company did not record any transfer between derivative financial instruments' categories in the period ended June 30, 2024.

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

6.2.1 Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at June 30, 2024	As at December 31, 2023
Gross	790.1	895.2
Impairment	(19.0)	(12.1)
Net investments in non consolidated companies	771.1	883.1
Gross	298.0	296.6
Impairment	(29.4)	(21.5)
Loans	268.6	275.1
Gross	494.5	481.9
Impairment	(3.7)	(6.7)
Deposits	490.8	475.2
Gross	134.0	149.4
Impairment	(76.8)	(83.6)
Receivable from associates & joint ventures	57.2	65.8
Gross	1,086.5	1,111.1
Impairment	(0.8)	(4.3)
Other non-current financial assets	1,085.7	1,106.8
Gross	2,803.1	2,934.2
Impairment	(129.6)	(128.2)
Total other non-current financial assets, net	2,673.5	2,806.0

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

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to stakes in (i) Air France-KLM, (ii) Fransabank El Djazair, (iii) Metropole Television, (iv) Eutelsat, (v) Brut, (vi) Flexis and to (vii) various other stakes individually not significant, mainly classified as assets at fair value through profit and loss.

The Group holds 10.27% of the capital of Metropole Television Group and 8.80% of the capital of Air France-KLM group.

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, and more specifically a loan to a terminal in Jamaica in which the Group holds 51% through its joint-venture Terminal Link.

Deposits

“Deposits” correspond to USD 490.8 million of cash deposits which do not qualify as cash and cash equivalents as at June 30, 2024 (USD 475.2 million as at December 31, 2023).

Other non-current financial assets

As at June 30, 2024, “Other non-current financial assets” mainly include (i) some financial investments which do not qualify as cash equivalents for USD 879.2 million (USD 848.0 million as at December 31, 2023) and (ii) USD 206.5 million (USD 258.9 million as at December 31, 2023) related to financial tax benefit to be received at the maturity of the tax financing period.

6.2.2 Securities and other current financial assets

“Securities and other current financial assets” as at June 30, 2024 include:

- Securities at fair value for an amount of USD 0.6 billion corresponding to the investment of a portion of the group’s liquidity into listed instruments (USD 771.2 million as at December 31, 2023);
- Other current financial assets for USD 0.9 billion (USD 3.7 billion as at December 31, 2023), mainly including cash deposits for USD 0.8 billion which do not qualify as cash and cash equivalents. Their average maturity is 2.5 months as at June 30, 2024. Other current financial assets also include (i) the current portion of the financial assets, and (ii) some short term loans to joint-ventures or associates.

6.2.3 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 June 30, 2024:

Assets	As at June 30, 2024	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	105.5	-	-	-	105.5
Other non-current financial assets	2,673.5	1,042.2	869.8	761.4	-
Trade and other receivables	7,145.0	7,145.0	-	-	-
Contract assets	2,046.7	2,046.7	-	-	-
Securities and other current financial assets (current)	1,538.8	928.8	-	610.0	-
Cash and cash equivalents	5,425.8	5,425.8	-	-	-
Total financial instruments - Assets	18,935.3	16,588.5	869.8	1,371.4	105.5

Liabilities	As at June 30, 2024	Financial liabilities at amortized cost	Derivative instruments
Borrowings and lease liabilities	18,035.8	18,035.8	-
Derivative financial instruments	31.3	-	31.3
Trade and other payables	9,684.8	9,684.8	-
Total financial instruments - Liabilities	27,751.9	27,720.6	31.3

6.3 Cash and cash equivalents, and financial resources

6.3.1 Cash and cash equivalents, and liquidity

Cash and cash equivalents, and liquidity can be analyzed as follows:

	As at June 30, 2024	As at December 31, 2023
Cash on hand	3,293.3	1,962.3
Short term deposits	1,951.2	5,054.3
Restricted cash	181.3	116.7
Cash and cash equivalents as per statement of financial position	5,425.8	7,133.4
Bank overdrafts	(19.2)	(16.4)
Cash and cash equivalents and bank overdrafts, as per cash flow statement	5,406.6	7,117.0
Restricted Cash	(181.3)	(116.7)
Marketable securities	610.0	771.2
Group available cash	5,835.3	7,771.4
Undrawn committed facilities	2,558.2	2,563.6
Total Group Liquidity	8,393.5	10,335.0

The restricted cash balance mainly reflects some funds held by the Group which cannot be used out of certain countries (including Algeria) due to the transfer restrictions.

As at June 30, 2024, the Group holds "cash equivalents" short term deposits of various maturities for a net amount of USD 1,951.2 million, in addition to "non cash-equivalents" investments disclosed in Note 6.2.2 and 6.3.2.

6.3.2 Undrawn committed credit facilities and Group's financial resources

As at June 30, 2024, the Group has access to undrawn committed revolving credit facilities amounting to USD 2,558.2 million (USD 2,563.6 million as at December 31, 2023) granted by various financial institutions.

In addition, the Group has USD 0.8 billion invested in current financial deposits not qualifying to cash and cash equivalents with a residual average maturity of 2.5 months (see Note 6.2.2) and USD 0.9 billion in non-current financial assets (see Note 6.2.1), for a total financial resources position of USD 10.1 billion as at June 30, 2024.

Besides, there are USD 1.6 billion of financing available under the Group's receivables securitization programs.

6.3.3 Adjusted net debt

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

		As at June 30	As at December 31,
	Note	2024	2023
Total Borrowings and lease liabilities (A)	6.4	18,035.8	15,935.3
Cash and cash equivalents as per statement of financial position	6.3	5,425.8	7,133.4
(+) Securities	6.2.2	610.0	771.2
(-) Restricted cash	6.3	(181.3)	(116.7)
Unrestricted cash and cash equivalents (B)		5,854.5	7,787.8
Net debt C = A (-) B		12,181.3	8,147.4
(-) Terminal concessions adjustment if in excess of IFRS16 transition amount		(691.2)	(715.7)
Adjusted net debt for covenant		11,490.1	7,431.7
Deposits not qualified as cash and cash equivalents (D)		1,755.4	4,444.9
Economic net debt C (-) D		10,425.9	3,702.5

6.4 Borrowings and lease liabilities

6.4.1 Maturity schedule, variations and detail of borrowings

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

	As at June 30, 2024	Current portion	Non current portion	Maturity schedule : June 30,				
				2026	2027	2028	2029	Onwards
Bonds and commercial papers	214.3	214.3	-	-	-	-	-	-
Bank borrowings - Asset financing	2,795.0	466.9	2,328.1	304.5	298.4	344.3	244.4	1,136.6
Bank borrowings - Corporate	181.1	137.2	43.9	20.9	2.7	0.9	0.4	19.0
Bank overdrafts	19.2	19.2	-	-	-	-	-	-
Securitization programs	943.8	(1.2)	945.0	(0.6)	945.6	-	-	-
Other borrowings	434.1	294.7	139.3	5.8	3.8	4.4	1.1	124.2
Total excluding lease liabilities	4,587.4	1,131.1	3,456.3	330.6	1,250.4	349.6	246.0	1,279.7
Lease liabilities	13,448.4	2,685.8	10,762.6	2,005.9	1,573.6	1,383.8	1,283.1	4,516.3
Total including lease liabilities	18,035.8	3,816.8	14,219.0	2,336.4	2,824.0	1,733.3	1,529.1	5,796.0

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

	Bonds and commercial papers	Bank borrowings	Lease liabilities	Bank overdrafts	Securitization programs	Other borrowings	Total
Balance as at January 1, 2024	70.7	2,119.0	12,730.7	16.4	931.7	66.7	15,935.3
Proceeds from new borrowings, net of issuance costs	264.9	83.4	-	-	15.3	349.0	712.7
Repayment of financial borrowings	(119.2)	(187.6)	(1,419.8)	-	-	(5.6)	(1,732.2)
Other increase/decrease in borrowings and lease liabilities	0.2	849.0	2,175.5	(25.3)	0.0	(1.2)	2,988.2
Accrued interests and fees amortization	0.0	13.4	(3.9)	-	0.6	8.5	18.6
Exercise of purchase options of vessels and containers	-	-	(191.1)	-	-	-	(191.1)
Reclassification from / to other liabilities	-	-	-	-	-	(0.1)	(0.1)
Acquisition of subsidiaries	-	110.8	207.2	28.3	-	19.1	365.5
Foreign currency translation adjustments	(2.4)	(11.9)	(50.2)	(0.3)	(3.9)	(2.3)	(70.9)
Balance as at June 30, 2024	214.3	2,976.1	13,448.3	19.2	943.8	434.2	18,035.8

The line item "Exercise of purchase options of vessels and containers" relates to the exercise of purchase options of leases for USD (147.3) million for vessels and USD (43.7) 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 mainly 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.

6.4.2 Bonds and commercial papers

As at June 30, 2024, no Senior Notes were outstanding. A new bond was issued by the Group early July (see Note 8.3).

The last unsecured Senior Notes outstanding, amounting to USD 71.0 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America, was repaid in January 2024 (see Note 3.3).

In addition, CMA CGM has concluded a program of Negotiable European Commercial Papers (NEU CP) to optimize its financial expenses and improve the Group's cash flow for an initial maximum amount of EUR 500 million. As at June 30, 2024, the amount drawn under the program is EUR 200 million.

6.4.3 Bank borrowings

During the six-month period ended June 30, 2024, the bank borrowings include mainly the financing of 9 new vessels in tax leases for an amount of USD 935.8 million.

6.4.4 Securitization programs

During the six-month period ended June 30, 2024, the global amount drawn under the receivables securitization programs slightly increased to USD 943.8 million.

The Group extended the maturity of (i) its securitization program related to shipping receivables from Q1 2026 to Q1 2027 and (ii) its logistics receivables program from Q4 2025 to Q4 2026.

6.4.5 Other borrowings

As at June 30, 2024, other borrowings include USD 46.7 million of accrued interests (USD 37.1 million as at December 31, 2023).

As at June 30, 2024, other borrowings include USD 336.6 million related to the loan granted by a subsidiary of Merit France, a related party, as part of Altice France's acquisition which occurred early July (see Note 8.3).

6.5 Cash flow from financing activities

Cash flow from financing activities amounts to USD (3,074.0) million for the six-month period ended June 30, 2024. The financing cash flows mainly consisted in the proceeds from borrowings for USD 719.3 million, the repayment of borrowings for USD (312.5) million, the cash outflow related to financial interests for USD (141.9) million, the cash payments related to IFRS 16 leases for USD (1,855.3) million, dividend payments for USD (1,263.2) million and other cash flow from financing activities for USD (220.5) million mainly related to the exercise of vessels and containers' purchase options for USD (191.1) million.

Note 7 - Scope of consolidation

The list of main companies or subgroups included in the consolidation scope has been disclosed in Note 7.3 of the 2023 annual CFS, the main change being the consolidation of Bolloré Logistics from February 29, 2024.

Note 8 - Other Notes

8.1 Provisions, employee benefits and contingent liabilities

Provisions can be analyzed as follows:

	Litigation	Other risks and obligations	Provisions	of which		Employee benefits	of which	
				non-current portion	current portion		non-current portion	current portion
As at December 31, 2022	391.3	533.2	924.4	681.0	243.4	289.3	285.6	3.7
Additions for the year	157.4	178.5	335.9			64.1		
Reversals during the year (unused)	(40.9)	(65.0)	(105.9)			(1.4)		
Reversals during the year (used)	(17.0)	(198.4)	(215.5)			(58.3)		
Reclassification	(55.2)	26.5	(28.7)			0.4		
Acquisition of subsidiaries	3.1	15.6	18.7			7.7		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(2.2)		
Foreign currency translation adjustment	(0.8)	1.9	1.1			(0.0)		
As at December 31, 2023	437.7	492.3	930.1	731.5	198.6	299.5	296.8	2.7
Additions for the period	45.7	71.3	117.0			35.4		
Reversals during the period (unused)	(127.8)	(23.3)	(151.1)			(0.3)		
Reversals during the period (used)	(38.7)	(69.8)	(108.5)			(12.1)		
Reclassification	2.4	(2.6)	(0.2)			1.5		
Acquisition of subsidiaries	0.0	24.0	24.0			46.9		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(8.2)		
Foreign currency translation adjustment	(2.5)	(5.2)	(7.7)			(10.8)		
As at June 30, 2024	316.9	486.6	803.5	637.4	166.1	351.9	349.1	2.9

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at June 30, 2024 correspond to cargo related and other claims incurred in the normal course of business.

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 non 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.

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.

A preliminary decision in favor of CMA CGM was rendered in June 2021. In November 2023, this decision was overturned on appeal by the Court of Appeal of Antwerp. Management decided to lodge an appeal before the Supreme Court. Management and its advisors will continue to closely follow the situation.

Other risks and obligations

Provisions for other risks and obligations mainly include:

- Worker compensation, insurance and restructuring provisions for USD 162.9 million as at June 30, 2024 (USD 177.8 million as at December 31, 2023); insurance provisions relate 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 include staff redundancy costs, and site closure costs;

- Provisions for dismantling costs in relation to lease contracts amounting to USD 174.7 million (USD 167.4 million as at December 31, 2023) reflecting obligations liable to the lessee mostly in certain container lease contracts to restore the leased asset before redelivering it to the lessor;
- Other provisions for USD 149.0 million as at June 30, 2024 (USD 147.1 million as at December 31, 2023) mainly including (i) tax provisions other than uncertain tax positions and (ii) onerous contracts.

8.1.2 Provisions related to employee benefits

The detailed disclosures related to provision for employee benefits have been presented in Note 8.1.2 of the 2023 annual CFS. There has been no significant change applied in the interim condensed CFS.

8.1.3 Contingent liabilities

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

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 tax risks. Management therefore does not expect any liability arising from these audits to have a material impact on its results.

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

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

CIL Related Proceedings (CEVA)

The detailed description of the CIL proceedings has been disclosed in the Group's 2023 annual CFS. A favorable interim decision was issued in H1 2024, which would result in the reduction of the number of claims and the related maximum exposure.

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.

8.2 Commitments

Apart from the information disclosed below and elsewhere in these interim condensed CFS, no new significant commitment has been entered into since the information disclosed in the 2023 annual CFS.

8.3 Significant subsequent events

Altice Media

On July 2, 2024, upon the clearance from the relevant regulatory authorities, and following the announcement on March 15, 2024, the Group and a subsidiary of Merit France, for respectively 80% and 20%, have completed the acquisition of 100% of Altice Media's share capital. Altice Media is the third-largest private media group in France and the leading French news channel, with flagship brands BFM and RMC (see Note 3.1.2).

Bond

CMA CGM has issued on July 4, 2024 senior Notes due in 2029 of EUR 400 million aggregate principal amount bearing a 5.5% interest rate.

Owned vessels orderbook

The Group recently ordered twelve TEU 15,500 LNG which delivery is expected between 2027 and 2028 for a global amount of USD 2.7 billion, out of which c. 0.8 billion to be paid in 2024.



CONSOLIDATED FINANCIAL STATEMENTS

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Year ended December 31, 2023

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, 2023

Statutory auditors' report on the consolidated financial statements

KPMG SA
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

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Membre de la compagnie
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CMA CGM

4 quai d'Arenc – Boulevard Jacques Saadé – 13235 Marseille Cedex 02

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2023

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, 2023.

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, 2023 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, 2023 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 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 valuation of intangible assets arising from business combinations, (iii) the determination of the useful lives and residual values of owned assets (iv) the measurement of the lease liabilities, (v) the determination of demurrage receivables and accruals for port call and handling costs, and (vi) the assessment of the risks related to litigations.
- 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.821-55 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, February 23, 2024

The Statutory Auditors
French original signed by

KPMG SA

ERNST & YOUNG Audit

Jacques Pierre

Loïc Herrmann

Camille de Guillebon

Charles-Emmanuel Chosson

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Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the year ended December 31,	
		2023	2022 (*)
REVENUE	4.1	47,015.8	74,497.9
Operating expenses	4.2	(38,006.1)	(41,191.2)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES	4.1	9,009.7	33,306.7
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	37.3	13.0
Depreciation and amortization of non-current assets		(4,819.7)	(5,543.1)
Other income and (expenses)	4.4	(299.7)	(1,577.3)
Operating exchange gain / (loss)		51.6	97.1
Net present value (NPV) benefits related to assets financed by tax leases		87.6	77.2
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		4,066.9	26,373.5
Share of income / (loss) from associates and joint ventures	7.2	(15.5)	(38.9)
EBIT	4.1	4,051.4	26,334.6
CORE EBIT	4.1	4,275.8	27,857.9
FINANCIAL RESULT	4.6	(84.4)	(864.2)
PROFIT / (LOSS) BEFORE TAX		3,967.0	25,470.4
Income taxes	4.7	(292.9)	(587.5)
PROFIT / (LOSS) OF THE YEAR		3,674.1	24,882.9
of which:			
Non-controlling interests		36.6	68.8
OWNERS OF THE PARENT COMPANY		3,637.5	24,814.1
<i>Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)</i>		240.7	1,642.0

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

Consolidated Statement of Comprehensive Income

(in USD million)

		For the year ended December 31,	
	Note	2023	2022 (*)
PROFIT / (LOSS) OF THE YEAR (*)		3,674.1	24,882.9
Other comprehensive income / (loss) reclassifiable to Profit and Loss			
Cash flow hedges:			
Effective portion of changes in fair value		(30.3)	(69.2)
Reclassified to profit or loss		46.8	12.1
Net investment hedge		-	46.8
Foreign operations – Foreign currency translation differences		(59.5)	(205.5)
Share of other comprehensive income of associates and joint ventures	7.2	11.1	(26.7)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss			
Equity investments at Fair Value Through Other Comprehensive Income – net change in fair value	6.3.1	(65.3)	(161.9)
Remeasurment of defined benefit pension plans	8.1	2.2	38.4
Remeasurement of defined benefit pension plans of associates and joint ventures	7.2	0.5	1.4
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.7 & 7.2	(1.5)	(3.5)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		(96.0)	(368.0)
TOTAL COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		3,578.1	24,514.9
of which:			
Non-controlling interests		31.1	59.4
Owners of the parent company		3,547.0	24,455.4

(*) Restated in accordance with the retrospective adjustments of purchase price allocations (see Note 5.1.1)

Consolidated Statement of Financial Position – Assets

(in USD million)

	Note	As at December 31, 2023	As at December 31, 2022 (*)
Goodwill	5.1.1	5,512.9	5,181.8
Other intangible assets	5.1.2	6,617.3	4,538.6
INTANGIBLE ASSETS		12,130.2	9,720.4
Vessels	5.2.1	23,914.4	20,792.6
Containers	5.2.1	4,882.7	4,894.6
Lands and buildings	5.2.1	3,066.8	2,836.9
Other properties and equipment	5.2.1	4,267.7	3,238.8
PROPERTY AND EQUIPMENT	5.2.1	36,131.7	31,762.9
Deferred tax assets	4.7.2	336.0	230.9
Investments in associates and joint ventures	7.2	1,268.3	514.6
Derivative financial instruments	6.2	0.2	0.2
Other non-current operating assets		158.4	135.8
Other non-current financial assets	6.3.1	2,806.0	2,263.0
NON-CURRENT ASSETS		52,830.8	44,627.8
Inventories	5.4	934.1	1,046.9
Trade and other receivables	5.4	6,564.2	6,223.4
Contract assets	5.4	1,353.4	1,781.8
Income tax assets	5.4	240.2	251.4
Derivative financial instruments	6.2	27.3	1.3
Securities and other current financial assets	6.3.2	4,445.1	12,677.1
Cash and cash equivalents	6.4	7,133.4	8,913.5
Prepaid expenses	5.4	85.4	176.2
Assets classified as held-for-sale	5.5	45.0	23.5
CURRENT ASSETS		20,828.1	31,095.1
TOTAL ASSETS		73,658.9	75,722.9

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations (see Note 5.1.1) and (ii) the amendment of IAS 12 (see Note 2.2.1)

Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at December 31, 2023	As at December 31, 2022 (*)
Share capital	6.5	253.2	253.2
Reserves and retained earnings		41,522.4	20,248.8
Profit / (Loss) for the year attributable to owners of the parent company		3,637.5	24,814.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		45,413.1	45,316.1
Non-controlling interests		152.2	144.6
TOTAL EQUITY		45,565.3	45,460.7
Borrowings and lease liabilities	6.6	12,772.6	13,938.7
Derivative financial instruments	6.2	23.8	31.2
Deferred tax liabilities	4.7.2	1,152.3	1,147.0
Provisions	8.1	731.5	681.0
Employee benefits	8.1	296.8	285.6
Other liabilities		77.8	77.7
NON-CURRENT LIABILITIES		15,054.8	16,161.2
Borrowings and lease liabilities	6.6	3,162.7	3,356.2
Derivative financial instruments	6.2	69.8	49.5
Provisions	8.1	198.6	243.4
Employee benefits	8.1	2.7	3.7
Trade and other payables	5.4	9,232.9	9,966.4
Income tax liabilities	5.4	194.6	239.2
Deferred income	5.4	177.4	218.6
Liabilities associated with assets classified as held-for-sale	5.5	0.0	24.0
CURRENT LIABILITIES		13,038.8	14,101.0
TOTAL LIABILITIES & EQUITY		73,658.9	75,722.9

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations (see Note 5.1.1) and (ii) the amendment of IAS 12 (see Note 2.2.1)

Consolidated Statement of changes in Equity

(in USD million)

	Attributable to owners of the parent			TOTAL	Non-controlling interests	Total Equity
	Share capital (i)	Reserves, retained earnings and Profit for the period				
		Premium, legal reserves, Profit / (Loss) for the period and other comprehensive income non reclassifiable to profit and loss	Other comprehensive income reclassifiable to profit and loss			
Balance as at January 1, 2022	253.2	23,823.9	(272.2)	23,804.8	113.1	23,918.0
IAS 12 Amendment Initial equity impact (*)	-	10.6	-	10.6	0.1	10.7
Balance as at January 1, 2022 restated	253.2	23,834.5	(272.2)	23,815.4	113.2	23,928.7
Profit / (Loss) for the year (*)	-	24,814.1	-	24,814.1	68.8	24,882.9
Other comprehensive income / (expense), net of tax	-	(127.1)	(231.6)	(358.7)	(9.3)	(368.0)
Total comprehensive income / (expense) for the year	-	24,687.0	(231.6)	24,455.4	59.4	24,514.9
Transaction with non-controlling interests and other	-	39.4	5.8	45.2	1.6	46.8
Dividends	-	(3,000.0)	-	(3,000.0)	(29.7)	(3,029.7)
Total transactions with Shareholders	-	(2,960.6)	5.8	(2,954.8)	(28.1)	(2,982.9)
Balance as at December 31, 2022 restated	253.2	45,560.9	(498.0)	45,316.1	144.6	45,460.6
Balance as at January 1, 2023 restated	253.2	45,560.9	(498.0)	45,316.1	144.6	45,460.6
Profit / (Loss) for the year	-	3,637.5	-	3,637.5	36.6	3,674.1
Other comprehensive income / (expense), net of tax	-	(65.0)	(25.4)	(90.5)	(5.6)	(96.0)
Total comprehensive income / (expense) for the year	-	3,572.5	(25.4)	3,547.0	31.1	3,578.1
Transaction with non-controlling interests and other	-	81.5	(31.5)	50.0	(3.9)	46.1
Dividends	-	(3,500.0)	-	(3,500.0)	(19.5)	(3,519.5)
Total transactions with Shareholders	-	(3,418.5)	(31.5)	(3,450.1)	(23.4)	(3,473.4)
Balance as at December 31, 2023	253.2	45,714.8	(554.9)	45,413.1	152.2	45,565.3

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12

(i) See Note 6.5

(*) IAS 12 amendment has been applied retrospectively as at January 1, 2022. The cumulative effect of deferred tax on certain leases was recognized as an adjustment in retained earnings as at January 1, 2022 in accordance with the amendment (see Note 4.7.2).

Besides, the Group recognized retrospective adjustments of certain purchase price allocations by an adjustment of the financial statements as at December 31, 2022 (see Note 5.1.1) for an equity impact of USD (64.6) million.

Consolidated Statement of Cash Flows

(in USD million)

		For the year ended December 31,	
	Note	2023	2022 (*)
Profit / (Loss) for the year		3,674.1	24,882.9
Depreciation and amortization	5.2.1	4,819.7	5,543.1
Net present value (NPV) benefits related to assets financed by tax leases		(87.6)	(77.2)
Other income and expense	4.4	299.7	1,577.3
Increase / (Decrease) in provisions		(177.3)	172.4
Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(37.3)	(13.0)
Share of (Income) / Loss from associates and joint ventures	7.2	15.5	38.9
Interest expenses on net borrowings and lease liabilities		275.5	826.4
Income tax	4.7	292.9	587.5
Other non cash items		(169.1)	58.2
Changes in working capital	5.4	(722.4)	606.3
Cash flow from operating activities before tax		8,183.6	34,202.9
Income tax paid		(438.2)	(736.5)
Cash flow from operating activities net of tax	5.6	7,745.4	33,466.4
Purchases of intangible assets	5.1.2	(144.3)	(134.3)
Disposals of subsidiaries, net of cash divested		-	3.2
Acquisition of subsidiaries, net of cash acquired	3.1	(3,386.5)	(5,778.0)
New investments in associates and joint ventures	7.2.1	(330.7)	-
Purchases of property and equipment	5.2.1	(4,983.6)	(4,737.5)
Purchases of non consolidated investments	6.3.1	(153.6)	(480.8)
Proceeds from disposal of property and equipment		181.3	131.4
Dividends received	7.2	22.7	31.6
(Increase) / Decrease in other financial assets	6.3.1	7,836.9	(12,779.2)
Interest received on financial assets		901.0	178.8
Variation in securities	6.3.2	107.2	(297.4)
Net cash (used in) / provided by investing activities	5.6	50.6	(23,862.2)
Dividends paid to the owners of the parent company and non-controlling interest	3.2	(3,517.6)	(3,029.4)
Proceeds from borrowings	6.6	73.0	472.8
Repayments of borrowings	6.6	(1,073.8)	(2,048.3)
Cash payments related to principal portion of leases	6.6	(2,822.3)	(3,658.7)
Interest paid on borrowings		(272.1)	(176.8)
Cash payments related to interest portion of leases		(879.8)	(822.3)
Other cash flow from financing activities	6.7	(920.7)	(1,632.7)
Acquisition of non-controlling interests		(26.9)	-
Net cash (used in) / provided by financing activities	6.7	(9,440.2)	(10,895.4)
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(110.7)	89.6
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		(1,754.9)	(1,201.6)
Cash and cash equivalents and bank overdrafts at the beginning of the year		8,871.9	10,073.5
Cash and cash equivalents as per balance sheet		7,133.4	8,913.5
Bank overdrafts		(16.4)	(41.6)
Cash and cash equivalents and bank overdrafts at the end of the year	6.4	7,117.0	8,871.9
Supplementary information: non cash investing or financing activities:			
- Assets acquired through financial debt or equivalents	5.2.1	3,265.3	4,169.5

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

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, 2023 were approved by the Board of Directors on February 23, 2024, 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 (Air and Ocean), Ground, Contract Logistics and Finished Vehicle Logistics (FVL) solutions provided by CEVA. Other activities mainly include port terminals, air cargo operations, specialized shipping and media.

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%3A126040>

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, 2022, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRS IC interpretations from January 1, 2023

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

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting policies

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

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

The amendments to IAS 8 on the definition of accounting estimates, issued in February 2021 by the IASB, have been endorsed by the European Union and published in the OJEU on March 3, 2022. These amendments are intended to clarify the distinction between accounting policies and accounting estimates.

Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 on the accounting treatment of deferred tax related to leases, issued in May 2021 by the IASB, have been endorsed by the European Union and published in the OJEU on August 12, 2022. In specified circumstances, companies were exempted from recognising deferred tax when they recognise assets or liabilities arising from a single transaction for the first time. The amendments clarify that the exemption does not apply to leases and decommissioning obligations (transactions for which companies recognise both an asset and a liability) and that companies are required to recognise deferred tax on such transactions. See implications of such amendment in Note 4.7.2.

Amendments to IAS 12: Income taxes – International Tax Reform – Pillar Two Model Rules

The amendments to IAS 12 create a temporary exception to the recognition of deferred taxes resulting from the implementation of the OECD Pillar Two rules. They have been endorsed by the European Union and published in the OJEU on November 9, 2023.

The Group is currently working on the implementation of the international tax reforms introducing a global minimum top-up tax. Management is focusing its assessment on the potential current tax impacts of the top-up tax, which is expected to impact our activities non-eligible to tonnage tax due to the fact that OECD exempted most of shipping tonnage tax activities from the reform. The Group operates in certain countries in which the standard corporate income tax rate is below 15% (e.g. United Arab Emirates), hence additional top-up tax may be triggered although it is not anticipated to be material at Group level.

2.2.2 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2023, endorsed by the European Union

Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current / Non-current Liabilities with Covenants

These amendments to IAS 1 have been published in the OJEU on 20 December 2023. They permit to clarify how companies should classify liabilities with covenants (i.e. as current or non-current) and to enhance the disclosures required when a company's right to defer settlement of a liability for at least 12 months is subject to compliance with covenants. They are mandatory for financial periods commencing on or after 1 January 2024.

Amendments to IFRS 16: Leases – Lease Liability in a Sale and Leaseback

On 2023 November 20, the European Commission endorsed the amendments to IFRS 16 published by the IASB in September 2022 relating to lease liabilities in a sale and leaseback transaction. These amendments clarify the subsequent measurement of sale and leaseback transactions where the initial sale of the underlying asset meets the IFRS 15 criteria for recognition as a sale. In particular, these amendments clarify the subsequent measurement of the lease liability arising from these transactions where there are variable lease payments that do not depend on an index or rate. These amendments are mandatory for financial periods commencing on or after 1 January 2024. Early application is permitted but not applied by the Group in these annual CFS.

2.2.3 New IFRS and IFRS IC interpretations effective for the financial year beginning on or after January 1, 2023 and not yet endorsed by the European Union

- *New IFRS and IFRS IC interpretations effective for the financial year beginning on January 1, 2023 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, 2023 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 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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 2022 annual CFS, have been described in the below mentioned notes of these annual CFS and are mainly as follows:

- Valuation methods used to identify and measure intangible assets acquired through business combinations (see Note 3.1 Business combinations);
- Assessment of impairment indicators and impairment testing of non-financial assets (see Note 5.3);
- Determination of useful lives and residual values of owned assets, mainly for vessels and containers (see Note 5.2);
- Assessment of the lease term and the payments to be included in the measurement of the lease liability, mainly for vessels, containers and warehouses (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);
- Measurement of the deferred tax assets related to tax losses carried forward (see Note 4.7.2).

2.4 Climate related risks

In preparing these annual CFS, all known potential impacts of current and future regulatory requirements related to climate change were considered. Thus, the Group has taken into account the impact of climate change in the estimates and the significant judgments of its management.

In this regard, the main items included in the CFS as at December 31, 2023 concerned by these estimates and judgments refer to the impairment of non-financial assets and the useful lives of assets. For more details on these items, see note 5.2 "Property and equipment" and note 5.3 "Impairment of non-financial assets".

2.5 Translation of financial statements and foreign operations

2.5.1 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 "Foreign operations – foreign currency translation differences" within other comprehensive income; and
- Goodwill and fair value adjustments arising from 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 entity, these exchange differences are recognized in the statement of Profit & Loss as part of the gain or loss on sale. The Group does not apply net investment hedge since December 31, 2022.

2.5.2 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,	
	2023	2022	2023	2022
Euro	0.90613	0.93440	0.92476	0.95052
British pound sterling	0.78561	0.82665	0.80450	0.81099
Australian Dollar	1.46843	1.46778	1.50594	1.44142
Chinese Yuan	7.09780	6.89720	7.08174	6.72991
Singapore Dollar	1.31910	1.33980	1.34316	1.37873

2.5.3 Hyperinflation

A decision of the IFRIC IC in March 2020 allows an entity to choose the presentation of the inflation effect leading to the restatement of non-monetary items and equity: either in reserves (i.e. directly in consolidated equity) or in other comprehensive income. The option chosen must be applied consistently over time and for all entities whose functional currency is the currency of a hyperinflationary economy. The Group has elected to recognize such effects in reserves.

As at December 31, 2023, the main Group entities subject to hyperinflation are established in Argentina, Turkey and Lebanon.

Note 3 - Business combinations and significant events

3.1 Business combinations and investments in associates and joint-ventures

Significant judgments and estimates applied to the business combinations

In accordance with IFRS 3, all acquired assets, liabilities and contingent liabilities assumed have been measured at fair value according to IFRS 13 principles. The valuation methods used to determine the fair values of the main assets and liabilities are as follows:

- **Market comparison method:** This valuation method considers the prices observable on the principal market of similar assets if these are available. This method was mainly used for the valuation of property and equipment, as well as for the measurement of advantageous and disadvantageous contracts;
- **Discounted cash flow method:** This valuation method considers future cash flows and appropriate discounting valuation to measure the present value of assets and liabilities for which there is no market data. Such valuation is based on observable data to the extent possible.
- **Income approach:** this valuation consists 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, terminal concession rights and trademarks.

3.1.1 Investment in terminals

Acquisition of Global Container Terminals in the US

In December 2022, the Group signed a binding agreement to acquire the GCT Bayonne and New York terminals, from Global Container Terminals Inc (GCT). The port of New York is a key entry point serving the Northeastern U.S. supply chain areas and represents CMA CGM's largest gateway to the U.S. East and Gulf

Coasts. The Bayonne and New York terminals, with an existing combined capacity of 2 million TEUs per year, have a potential for further expansion, up to almost double capacity.

On August 31, 2023, the Group completed its acquisition of the Global Container Terminals (GCT) Bayonne and New York terminals subsequently renamed Port Liberty Bayonne LLC and Port Liberty New York LLC.

The acquisition price amounted to approximately USD 2.8 billion, subject to post-closing price adjustment.

Since acquisition date, the acquired entities contributed USD 97.2 million to the group revenue and USD (28.8) million to the group net income. Had it been acquired on January 1, 2023, the estimated revenue and loss after tax for the 12 months ended December 31, 2023 would have been USD 273.2 million and USD (94.5) million, respectively.

Acquisition costs related to Port Liberty terminals are minimal at group level and have been recognized within EBIT.

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

		In USD million
Total consideration for 100% stake in Port Liberty Bayonne and Port Liberty New York	A	2,785.6
Cash acquired - Cash and cash equivalents at acquisition date	B	23.0
Cash consideration paid for 100% stake, net of cash acquired, at acquisition date	C = A (-) B	2,762.6
Assets acquired		
Customer relationships gross		25.0
Terminal concession rights		2,199.0
Software licences and other intangible		8.6
Lands and buildings		10.6
Terminal assets		406.6
Other property and equipment		7.6
Deferred tax assets		16.1
Other non current assets		15.5
Working capital and other current assets		55.0
Liabilities assumed		
Non current borrowings and lease liabilities		68.4
Deferred tax liabilities		16.9
Non current provisions		8.3
Other non current liabilities		23.8
Current provisions		1.6
Current borrowings and lease liabilities		13.7
Working capital and other current liabilities		46.3
Fair value of net assets acquired	D	2,565.1
Goodwill	C (-) D	197.5

The main intangible asset recognized separately from goodwill is the concession-related intangible asset for USD 2,199.0 million using the excess earnings valuation method.

The purchase price allocation has resulted in the recognition of a residual preliminary goodwill of USD 197.5 million.

CSP Iberian Valencia Terminal and CSP Iberian Bilbao Terminal

On September 29, 2023, the Group finalized the acquisition of 49% in CSP Iberian Valencia Terminal, S.A.U., one of the biggest container terminals in Spain with a total capacity of TEU 3.5 million and 38% in CSP Iberian Bilbao Terminal, S.L., the biggest terminal in northern Spain, with a capacity of TEU 950,000 and connecting

Spain to the main ports of Northern Europe via the Atlantic Ocean. These 2 investments are reported in associates and joint ventures for an amount of USD 310.7 million.

Early repayment of the financing of Terminal Link

The Group and its co-investor in Terminal Link, China Merchant Ports, agreed in July 2023 on an early repayment of the financing of Terminal Link, which was put in place early 2020. The transaction occurred in Q3, and consisted in a USD 434 million investments by the Group into Terminal Link which repaid its debt to China Merchant Ports. The Group now benefits from a deleveraged joint-venture, with no change on its capital structure, hence increasing the value of its investment in Terminal Link.

3.1.2 Acquisition of La Méridionale

On May 30, 2023, the Group finalized the acquisition of La Méridionale, a combined freight and passenger shipping company established in Marseille. The Group intends to continue expanding in the Mediterranean and to protect the expertise of La Méridionale's 600 employees. Orders have been placed for two new LNG-powered vessels, which can also run on biomethane or e-methane.

The acquisition price amounted to approximately USD 133 million.

Acquisition costs related to La Meridionale are minimal at group level and have been recognized within EBIT.

Since acquisition date, La Meridionale contributed USD 74.6 million to the group revenue and USD 6.8 million to the group net income. Had it been acquired on January 1, 2023, the estimated revenue and profit / (loss) after tax for the 12 months ended December 31, 2023 would have been USD 116.7 million and USD (13.4) million, respectively.

The allocation of the purchase price is preliminary and resulted in a non-material difference between the purchase price and the net assets acquired.

3.1.3 Logistics activities

A share purchase agreement was signed on July 11, 2023 by which the Group would acquire the transportation and logistics activities of the Bollore Group for an enterprise value of EUR 5 billion. The closing is subject to customary regulatory approvals and is expected to occur by the end of March 2024. As part of the antitrust process, some remedies on specific geographies may have to be handled, which does not represent a significant part of the business.

If the acquisition is finalized, it would significantly strengthen the CMA CGM Group's logistics activities and make a top five player in global logistics.

Besides, in November 2023, the Group, through its Logistics arm CEVA Logistics, acquired 96% of the shares of Stellar Value Chain Solutions Private Limited, an Indian-registered company. CEVA is granted call options and the sellers put options exercisable in 2025 and 2026. The price paid, not material at Group level, is subject to some adjustments based on completion accounts.

3.1.4 WhyNot Media

In April 2023, the Group bought a minority stake in Brut, a French online media which is mainly distributed on social networks and in video or podcast format.

In July 2023, the Group finalized the acquisition of 100% of the share capital of HIMA Group, which owns La Tribune. La Tribune is a leading digital business and finance media platform with a presence across France and Africa. The transaction allows to continue the expansion of WhyNot Media around local and national media outlets.

Since acquisition date, Hima Group contributed USD 8.2 million to the group revenue and USD (1.3) million to the group net income.

The management of these acquisitions were regrouped under a new division named Whynot Media, along with the group's interest in La Provence, Corse Matin, Brut and Metropole Television.

3.2 Corporate information

USD 3.5 billion of dividends to shareholders were declared and paid in the year ended December 31, 2023 including USD 2.0 billion in respect of 2022 and USD 1.5 billion of interim dividend related to 2023.

3.3 Financial resources and debt repayment initiatives

As at December 31, 2023, the Group has USD 14.8 billion of financial resources including the revolving credit facilities (see Note 6.4).

On February 9, 2023, the Group early repaid the EUR 525.0 million Senior Notes, issued by CMA CGM and initially maturing in January 2026 (see Note 6.6.2).

3.4 Market dynamics

Group

The Transport and Logistics industry suffered a generally unfavourable market environment in 2023. After a two-year period of extraordinary consumer demand in the aftermath of the Covid-19 pandemic, the Transport and Logistics industry entered into a normalization cycle characterized by declining volumes and rates, that started in the last quarter of 2022. Although this normalization was widely expected, it has been exacerbated by significant inventory destocking, in particular in the US. This phenomenon translated into pressure on freight volumes across the board (ocean, air ground) in the first half of the year and had a negative impact on most of the Group's activities. During the second half of 2023, freight volumes stabilized as the drag from destocking faded but the traditional Ocean shipping peak season materialised only marginally as the overall challenging macroeconomic environment and in particular inflationary pressures continued to weigh on consumer demand and global trade.

Container shipping market

Demand for container shipping remained under pressure in the first half of 2023 in continuation with the trends experienced during the last quarter of 2022 due to low consumer demand and destocking effects. As a result, world container traffic declined by nearly -3% in H1 2023. With lower traffic, port congestions and supply chain disruption which had been experienced for the most part of 2021 and 2022 resolved quickly in early 2023 shifting the Supply / Demand balance in most part of the World as vessel capacity was released. These dynamics had a negative impact on freight rates despite the carriers' efforts to adjust supply. As the effects from destocking progressively faded away in the second half of the year, container shipping demand picked-up but freight rates remained under pressure due to newbuilt capacity being delivered onto the market and sustaining the prevailing supply / demand imbalance.

Air freight market

The Air freight market came under pressure in 2022 with headwinds accelerating in 2023, after a profitable year in 2021 in the aftermath of the Covid-19 pandemic which saw capacity constraints as a results of lower available passenger flights belly capacity combined with strong demand supporting elevated yields.

Although 2023 was overall challenging for airfreight demand, the sector now seems to be past the trough and volumes have been recovering since August 2023.

Logistics market

Freight management activities are driven by the same global trade dynamics affecting the Air, Ocean and Ground transportation sectors as freight forwarders act as intermediaries between carriers and shippers. Nevertheless, freight forwarders are slightly more immune to underlying freight rates volatility as their cost base is more flexible due to the asset-light nature of the business. Carrier or transportation service costs are being passed-through to end-customers and the labor cost base is more adaptable. That translates into generally more stable margins.

Contract Logistics is less prone to cyclicity in the logistics space and continues to be supported by (i) outsourcing trends in the context of increasingly complex supply-chains and (ii) the expansion of e-commerce. It is also an asset-heavier part of the logistics business although players tend to match lease contracts on warehouse assets to customer contracts. Digital innovation and automation are other key trends reshaping the industry and bolstering profitability of the most efficient players. In 2023 the contract logistics market continued to recover from the disruptions experienced in the aftermaths of the Covid-19 pandemic (warehouse closures, staff shortages and general supply-chain disruption). After two years of exceptional dynamism, the e-commerce space moderated in 2022 and 2023 as consumer spending habits rebalanced, while other sectors remained dynamic (eg: pharmaceuticals and automotive).

The logistics market remains very fragmented, and a few leading players have been looking to consolidate the sector in recent years as scale provides significant competitive advantage. More recently, a number of cash-rich container liners have chosen to diversify into logistics in order to move away from their more volatile and asset-heavy core business. This strategy is also underpinned by the willingness to be able to offer complementary solutions to clients and hence capturing a greater share of wallet of their logistics expenses.

3.5 Air cargo division

Orderbook

In March 2023, the Group ordered four additional Airbus A350 airplanes to be delivered in 2026 and 2027.

In April 2023, the Group ordered one additional Boeing 777F airplane to be delivered in 2027 for a total of eleven airplanes on order (see Note 8.2.1).

Strategic cooperation with Air France-KLM

On April 3, 2023, CMA CGM and Air France-KLM launched their strategic cooperation in air cargo pursuant to the agreement signed in May 2022. Such cooperation ended recently (see Note 8.3).

3.6 Vessel orderbook and Green transition

Green transition

Since January 1, 2024, in the framework of the European Union Green Deal and in accordance with the relevant EU directives, shipping activities have been included in the EU emissions trading system (EU ETS). The objective of this system is to cap emissions from shipping activities under the overall EU ETS ceiling. The Group will therefore be subject to the scheme from FY2024, hence generating additional costs which will be passed-through to customers.

In December 2023, during the COP28, the Chairman reiterated the Group's ambition to reduce greenhouse gas emissions, targeting (i) - 30% by 2030, (ii) - 80% by 2040 and (iii) net zero carbon by 2050, compared to

2008 emissions. A common statement was also made with some actors, including Maersk, MSC, and Hapag-Lloyd, along with several states, aiming to accelerate the decarbonation of the shipping industry. This seeks to ensure fair competition conditions and access to greener fuels, collaborating closely with IMO regulators.

The Group has not committed to any renewable energy power purchase agreements as of December 31, 2023.

Owned vessel orderbook

In the course of 2023, the Group ordered ten TEU 24,000, twelve TEU 13,000 methanol, six TEU 15,000 methanol and eight TEU 9,200 LNG vessels and 2 LNG Ropax which delivery is expected between 2025 and 2028 for a total number of ordered vessels of 97 units (see Note 8.2.1)

Verkor project

In September 2023, through its PULSE fund dedicated to decarbonation, the Group announced its support to the construction of Vekor, a French start-up's first Gigafactory based in the port of Dunkirk. This investment will enable Vekor to supply the automotive industry with low-carbon batteries starting in 2025, with an initial production capacity of 16 GWh per year. It will lead to the creation of nearly 1,200 direct jobs and 3,000 indirect ones. Through this investment, the CMA CGM PULSE fund contributes to the decarbonation of the transport sector in France and Europe. Meanwhile, CEVA Logistics has signed a memorandum of understanding to handle the logistics activities of this Gigafactory. The investment made by the Group as December 31, 2023 is not material at Group level.

3.7 Rating agencies

On June 2, 2023 Moody's upgraded CMA CGM's corporate ratings to Ba1 with a stable outlook. The S&P rating was unchanged at BB+ with a stable outlook.

Note 4 - Results for the period

Significant judgment

Determination of the revenue (mainly demurrage and detention) and operating expenses (mainly handling and inland) to be recognized at cut-off dates requires estimates concerning the expected amount of the receivable / payable as well as the question of whether it is highly probable that the revenue / expense recognized will not be subject to any significant correction in future. These estimates are especially 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 recognizes revenue according to 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, except in particular circumstances where an imbalance can occur between partners.

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 Terminal Handling Charges or "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 e.g.).

Detention & demurrage revenue is recognized over time.

Logistics activities

The group derives revenue from the transfer of services mainly over time in four major product lines, Contract Logistics, Air and Ocean Freight Management, Ground and FVL (Finish Vehicle Logistics). The group also provides brokerage and value-added services.

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.

▪ *Ground and 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, ground 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.

- *FVL*

CEVA moves finished vehicles from the factory floor to the point of sale. In addition, the segment provides a growing range of value-added services such as seamless multimodal network by road, rail and sea, storage, post production operations, vehicle customization, pre-delivery inspection, and fleet management. 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.

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.

The Group reports three operating segments: container shipping activity, logistics and other activities.

For the 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, 2023 and 2022 is as follows:

	Revenue		EBITDA		EBIT	
	2023	2022 (*)	2023	2022 (*)	2023	2022 (*)
For the year ended December 31,						
Container shipping segment	31,394.8	58,946.3	7,398.3	31,636.7	3,946.4	27,172.2
Logistics segment	15,211.2	16,089.4	1,375.9	1,222.7	376.0	439.3
Other activities	2,001.0	1,805.5	235.5	447.3	(46.6)	246.4
Total core measures before elimination	48,606.9	76,841.2	9,009.7	33,306.7	4,275.8	27,857.9
Eliminations	(1,591.1)	(2,343.3)	-	-	(45.8)	-
Total core measures	47,015.8	74,497.9	9,009.7	33,306.7	4,230.0	27,857.9
Reconciling items	-	-	-	-	(178.6)	(1,523.3)
Total consolidated measures	47,015.8	74,497.9	9,009.7	33,306.7	4,051.4	26,334.6

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

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,	
		2023	2022 (*)
Core EBIT		4,275.8	27,857.9
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	37.3	13.0
Other income and (expenses)	4.4	(299.7)	(1,512.7)
Operating exchange rate gain/loss		51.6	97.1
Impairment / non recurring items recorded in associates and joint ventures	7.2	(13.7)	(120.7)
EBIT		4,051.4	26,334.6

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

4.2 Operating expenses

4.2.1 Variations of operating expenses

Operating expenses are analyzed as follows:

For the year ended December 31,		
	2023	2022
Bunkers and consumables	(5,629.8)	(6,844.6)
Chartering and slot purchases	(1,727.7)	(1,904.1)
Handling and stevedoring	(6,662.1)	(7,718.3)
Inland, ocean and other 3rd party transportation	(9,840.1)	(11,724.6)
Port and canal	(2,190.3)	(1,775.2)
Container equipment and repositioning	(1,403.0)	(1,652.4)
Employee benefits	(7,255.7)	(6,526.2)
General and administrative other than employee benefits	(2,250.3)	(1,963.5)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(40.7)	(194.3)
Others	(1,006.4)	(887.9)
Operating expenses	(38,006.1)	(41,191.2)

Most container shipping driven costs, such as handling and stevedoring, transportation and container equipment decreased significantly mainly on the back of lower congestions, while bunkers and consumables benefited from lower energy prices. However, lower costs did not compensate the sharp revenue decline.

The cost decrease in the container shipping segment was partially offset by an increase in SG&A costs, notably due to the effect of acquisitions closed in 2022 in the logistics division, and to the increase of port and canal costs mainly due to higher tariffs.

4.2.2 Employee benefits

Employee benefit expenses are analyzed as follows:

For the year ended December 31,		
	2023	2022
Wages and salaries	(6,099.7)	(5,581.5)
Social security costs	(942.3)	(766.1)
Pension costs (see Note 8.1)	(161.2)	(131.5)
Other expenses	(52.5)	(47.2)
Employee benefits	(7,255.7)	(6,526.2)

The number of employees of the controlled subsidiaries of the Group is 96,847 as at December 31, 2023 (97,545 as at December 31, 2022). The total number of employees, including those employed in certain joint-ventures or through international seafarer providers and interim workforces, is 146,040 as at December 31, 2023 (142,530 as at December 31, 2022).

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,		
	2023	2022
Disposal of vessels	7.0	(7.9)
Disposal of containers	23.3	32.1
Other fixed assets disposal	5.4	(0.3)
Disposal of subsidiaries	1.6	(10.9)
Gains / (losses) on disposal of property and equipment and subsidiaries	37.3	13.0

4.4 Other income and (expenses)

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

For the year ended December 31,		
	2023	2022 (*)
Impairment (losses) / reversals of assets	(26.3)	(1,429.9)
Others, net	(273.4)	(147.4)
Other income and (expenses)	(299.7)	(1,577.3)

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

"Others" line item includes, in same proportions, M&A transaction fees, variations of non-recurring provisions for risks and litigation and variation of restructuring provisions. Such caption also includes other non-recurring items individually not material, to a lesser extent.

In 2022, "Impairment (losses) / reversals of assets" mainly related to (i) the impairment charge recognized on Ground and CL CGUs in the logistics division, (ii) the impairment of some capitalized costs related to the development of information systems and (iii) the retrospective adjustment of the purchase price allocation of La Provence for USD (64.6) 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,	
	2023	2022
Interest expense on net financial debt excl. leases	(286.4)	(210.9)
Income on cash deposits	879.8	280.5
Interest expense on leases	(868.2)	(909.2)
Cost of net debt, incl. settlement of interest rates derivatives	(274.8)	(839.6)
Non-recurring impact related to deleveraging initiatives	(36.0)	(19.7)
Total cost of net debt	(310.8)	(859.4)
Settlements and change in fair value of derivative instruments	4.0	(5.5)
Foreign currency income and expense, net	139.9	122.5
Other financial income and expense, net	82.6	(121.9)
Other net financial items	226.4	(4.8)
Financial result	(84.4)	(864.2)

For the year ended December 31, 2023:

- "Interest expense on net financial debt excl. leases" includes USD (27.6) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (33.5) million for the year period ended December 31, 2022). The increase of interest expenses between FY 2022 and FY 2023 is, among other factors, mainly driven by increasing variable interest rates;
- "Income on cash deposits" sharp increase reflects the remuneration on the Group's increased cash and financial assets balance, also in sync with higher interest rates.

"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). As the Group has a net assets position in EUR, the appreciation of EUR has a positive impact on the financial exchange result.

Other financial income and expense mainly relates to dividends received from related parties as well as fair value changes on our financial investments and hyperinflation impacts. In FY 22, Other financial expense mainly related to the depreciation of Lebanon investments.

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 of shipping activities that will be subject to income tax on the basis of eligible vessel's tonnage on which a flat rate is applied. For this reason, among others, the Company classifies the consequences of tonnage tax regime as current income tax.

	For the year ended December 31,	
	2023	2022
Current tax income / (expense)	(414.6)	(567.3)
Deferred tax income / (expense)	121.7	(20.2)
Income Taxes	(292.9)	(587.5)

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 shipping 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 activities, 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 current income tax decrease is related to lower performance, in particular on operations not subject to tonnage tax and 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, unless where such transaction generates equal taxable and deductible temporary differences. 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 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.

Deferred taxes related to carry forward losses

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.

Determining the amount of deferred tax assets to be recognized 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 (applied since 2013) has been renewed for a 10-year period in 2023;
- The best estimates of the future taxable results of activities that are not subject to tonnage tax regime.

Deferred taxes related to tonnage tax regimes

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 taxes	As at December 31, 2023	As at December 31, 2022 (*)
Losses carried forward	104.0	55.9
Goodwill	40.1	0.1
Intangible assets arising from business combinations (*)	(990.3)	(1,006.9)
Reevaluation and depreciation of intangible / tangible assets	(8.4)	(1.5)
Leases adjustments (*)	31.0	17.7
Retirement benefit obligations	16.4	24.1
Non deductible provision / reversal	60.2	62.8
Undistributed profits from subsidiaries	(75.8)	(86.2)
Other temporary differences	6.4	17.9
Total net deferred tax	(816.3)	(916.1)

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12

The breakdown of deferred tax presented in the table above is based on net 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.

Since January 1, 2023, according to the amendments to IAS 12, the Group's entities have to recognize the deferred taxes associated with leases in the scope of IFRS16, where applicable (excluding entities under tonnage tax regime or assimilate). This led to the recognition of USD 10.7 million deferred tax assets booked retrospectively directly in equity reserves as of January 1, 2022.

The USD 121.7 million deferred tax positive P&L impact for the year ended December 31, 2023 is mainly explained by:

- (i) An increase in deferred tax assets related to carry forward losses for USD 19.5 million in the activities non eligible to tonnage tax;
- (ii) An increase in deferred tax assets related to a deductible goodwill of a US logistics subsidiary for USD 39.4 million;

- (iii) A recurrent decrease of the deferred tax liabilities related to purchase price allocation for USD 41.0 million;
- (iv) A decrease in deferred tax liabilities on undistributed subsidiaries' reserves for USD 10.9 million;
- (v) Other deferred tax adjustments for USD 13.3 million.

Tax losses

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. At December 31, 2023, there are no unused tax losses as the all available tax losses have been used during the exercise (USD 369.0 million of December 31, 2022).

Regarding our logistics division, unused tax losses of USD 1,314.0 million (USD 1,116.0 million in 2022) are available for offset against future taxable profits for which no deferred tax asset has been recognized because the entities reported losses in either the current or prior year. Tax losses amounting to USD 786.0 million can be carried forward indefinitely, USD 297.0 million will expire in 1 to 5 years, and USD 231.0 million will expire in 6 to 20 years.

Regarding CMA CGM Asia Pacific, as at December 31, 2023, unused tax losses of USD 2,358.0 million are available for offset against future taxable profits for which no deferred tax asset has been recognized, mainly due to the fact that most of the related business falls into tonnage tax or similar regimes. These losses can be carried forward indefinitely.

Temporary taxable differences

A USD 126.0 million (USD 116.0 million in 2022) of deferred tax liabilities on temporary differences associated with undistributed earnings of certain subsidiaries in our logistics division was not recognized because the Group 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,
	2023
Net deferred tax at the beginning of the year (*)	(916.1)
Changes through Profit & Loss	121.7
Currency translation adjustment	(7.4)
Other variations	(12.9)
Net deferred tax at the end of the period	(816.3)

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12

4.7.3 Tax proof

In France, from January 1, 2022, a rate of 25.83% (25.0% 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 25.83% for the year ended December 31, 2023 in the tax proof presented below:

	For the year ended December 31,	
	2023	2022 (*)
Profit / (Loss) before tax and excluding share of profit (or loss) of the associates and joint ventures	3,982.5	25,573.9
Profit Before Tax under tonnage tax regime and assimilate	2,912.5	25,330.8
Profit Before Tax under regular income tax	1,070.0	243.1
Theoretical income tax (tax rate of 25.83% since 2022)	(276.4)	(62.8)
Income tax expense	(292.9)	(587.5)
Difference between theoretical and effective income tax	(16.5)	(524.7)
Other income not subject to income tax	(7.8)	11.1
Deferred tax assets impacts related to carry forward losses and unrecognized tax losses	42.2	59.8
Effect of different tax rates in foreign tax jurisdictions	(1.5)	18.5
Variation of deferred taxes with no impact on profit / (losses) before tax	81.8	(23.5)
Current income tax expense driven by a specific income tax basis	(78.3)	(147.0)
Changes in respect of prior years	8.2	67.7
Impairment of non taxable assets	(6.8)	(359.2)
Other Permanent differences	(54.3)	(152.0)
Difference	(16.5)	(524.7)

(*) Restated in accordance with (i) the retrospective adjustments of purchase price allocations and (ii) the amendment of IAS 12

The other permanent differences mainly relate to non-deductible provisions and expenses, IFRS16 impacts in entities under tonnage tax and currency impacts.

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.

Changes in the carrying amount of goodwill can be presented as follows:

	As at December 31, 2023	As at December 31, 2022 (*)
Beginning of the period	5,181.8	2,855.8
Goodwill from business combinations	290.7	3,596.4
Impairment	-	(1,192.6)
Other variations	0.4	(0.9)
Foreign currency translation adjustment	40.0	(76.9)
At the end of the period	5,512.9	5,181.8

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

In accordance with IFRS 3, some updates of purchase price allocation related to the acquisition of Ingram, Gefco and La Provence were retrospectively adjusted as at December 31, 2022.

In 2023, the line item "Goodwill from business combinations" corresponds to the goodwill recognized as part of the acquisition of Port Liberty terminals in the US (allocated to other activities and a single CGU), La

Tribune (allocated to other activities) and Stellar (allocated to logistics segment and Contract Logistics' CGU) (see Notes 3.1).

Regarding 2022 variations, see Note 3.1 and Note 3.1.5 of 2022 annual CFS.

The goodwill allocation to the operating segment and CGUs is as follows as at December 31, 2023 and December 31, 2022:

			As at December 31, 2023	As at December 31, 2022 (*)
Segment	CGU			
Container shipping segment	Container shipping		1,127.4	1,120.9
		a	1,127.4	1,120.9
Logistics segment	Air / Ocean (FM)		1,011.5	969.8
	Ground		790.1	759.4
	Contract Logistics		1,236.0	1,217.3
	Finished Vehicle Logistics		3.0	2.7
		b	3,040.6	2,949.2
Other activities	Terminals (**)		1,276.5	1,079.0
	Other (**)		68.4	32.6
		c	1,344.9	1,111.7
At the end of the period		a + b + c	5,512.9	5,181.8

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

(**) Such line items correspond to several CGUs, for instance Port Liberty and Fenix Marine Services within terminals

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, 2021	893.2	142.5	1,918.8	71.0	8.9	3,034.4
Acquisitions	31.2	114.8	(0.0)	-	0.2	146.2
Revaluation	8.7	-	-	-	-	8.7
Acquisitions of subsidiaries	138.3	(0.0)	1,377.0	1,338.3	16.7	2,870.3
Disposals	(12.8)	-	-	-	(1.4)	(14.1)
Impairment		(68.5)	-			(68.5)
Reclassification	19.9	(19.6)	-	-	0.0	0.4
Foreign currency translation adjustment	(1.9)	(1.2)	(2.5)	-	(2.5)	(8.2)
As at December 31, 2022 (*)	1,076.5	168.0	3,293.3	1,409.3	22.0	5,969.2
Acquisitions	26.5	122.3	0.0	-	3.8	152.6
Revaluation	5.5	-	-	-	-	5.5
Acquisitions of subsidiaries (see Note 3.1)	8.6	0.2	34.3	2,207.1	1.6	2,251.8
Disposals	(17.6)	-	(0.0)	-	(1.7)	(19.4)
Reclassification	82.8	(120.7)	(16.0)	-	2.3	(51.6)
Foreign currency translation adjustment	6.0	3.0	38.5	(3.5)	2.8	46.8
As at December 31, 2023	1,188.3	172.9	3,350.1	3,612.9	30.7	8,354.9
(*) Restated in accordance with the retrospective adjustments of purchase price allocations						

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
Amortization and impairment						
As at December 31, 2021	(584.4)	-	(332.0)	(64.8)	(6.352)	(987.5)
Amortization	(100.7)	-	-126.0	(59.5)	(2.0)	(288.3)
Revaluation	(7.7)	-	-	-	-	(7.7)
Disposals	9.0	-	0.0	-	0.2	9.1
Impairment and write-offs	(99.5)	-	(65.9)	-	-	(165.4)
Reclassification	12.2	-	0.0	-	0.0	12.2
Foreign currency translation adjustment	(2.9)	-	(0.4)	-	0.3	(3.0)
As at December 31, 2022	(774.1)	-	(524.2)	(124.3)	(7.9)	(1,430.6)
Amortization	(115.9)	-	(144.9)	(82.8)	(3.0)	(346.7)
Revaluation	(4.8)	-	-	-	-	(4.8)
Disposals	18.3	-	0.0	-	-	18.3
Impairment and write-offs	(7.2)	-	-	-	(2.1)	(9.2)
Reclassification	29.5	-	16.0	-	0.6	46.1
Foreign currency translation adjustment	(5.7)	-	(4.8)	0.0	(0.2)	(10.6)
As at December 31, 2023	(859.9)	-	(658.0)	(207.1)	(12.6)	(1,737.6)

Net book value of other intangible assets are presented as follows:

Net book value of Other intangible assets	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
As at December 31, 2023	328.4	172.9	2,692.1	3,405.8	18.0	6,617.3
As at December 31, 2022 (*)	302.4	168.0	2,769.1	1,285.0	14.1	4,538.6
As at December 31, 2021	308.8	142.5	1,586.8	6.2	2.6	2,046.9

(*) Restated in accordance with the retrospective adjustments of purchase price allocations

Terminal concession rights now include the concession-related intangible asset recognized in Q3 2023 as part of the acquisition of Port Liberty Bayonne LLC and Port Liberty New York LLC Terminals.

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 the obligation to make 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 recognizes 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 recognizes 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)	2 to 5
Second-hand container vessels and Roll-on Roll-off vessels (depending on residual useful life)	6 to 22
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
New airplanes	25

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.

Green transition – IMO regulation

As part of its decarbonation roadmap, the “Green transition” and in anticipation of the IMO23 regulations, Management reviewed from Q4 2021 onwards the economic viability and efficiency of some of its older vessels which are likely to be most affected by the regulation changes. This has resulted in a shortening of their remaining useful lives and hence an acceleration of their depreciation profile during the year 2022. The useful life applied to most vessels in the fleet remains unchanged at 25 years.

Management considered the impact of climate-related risks when determining the useful lives of property and equipment. Such risks include, among other, climate-related regulation and technology evolution impacting the use of certain assets. This does not require any material adjustments of the useful lives.

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, 2023	As at December 31, 2022
Vessels net		
Owned	12,205.9	10,959.7
In-progress	4,626.9	2,217.2
Right-of-use	7,081.6	7,615.7
	23,914.4	20,792.6
Containers net		
Owned	2,377.2	1,993.1
In-progress	23.2	19.8
Right-of-use	2,482.4	2,881.7
	4,882.7	4,894.6
Lands and buildings net		
Owned	936.1	753.5
In-progress	44.7	28.5
Right-of-use	2,085.9	2,054.9
	3,066.8	2,836.9
Terminal & dry port equipment net		
Owned	426.2	190.1
In-progress	180.4	33.7
Right-of-use	881.5	846.5
	1,488.1	1,070.4
Aircraft net		
Owned	534.3	591.8
In-progress	1,392.0	826.9
Right-of-use	-	-
	1,926.3	1,418.7
Other properties and equipments net		
Owned	691.9	489.3
In-progress	111.5	208.0
Right-of-use	49.9	52.3
	853.3	749.7
Total net		
Owned	17,171.7	14,977.5
In-progress	6,378.7	3,334.1
Right-of-use	12,581.3	13,451.2
Property and equipment	36,131.7	31,762.9

As at December 31, 2023, assets under IFRS 16 included in the above table represented a net book value of USD 12,581.3 million (USD 13,451.2 million as at December 31, 2022).

As at December 31, 2023, the Group had 253 owned vessels including 4 vessels related to the recently created specialized shipping division and 310 leased vessels or equivalent agreements in the scope of IFRS 16 (233 owned vessels and 320 leased vessels as at December 31, 2022). The Group also operated 66 vessels not recorded in the statement of financial position for a total fleet of 629 vessels.

Changes in the cost of property and equipment for the year ended December 31, 2023 and the year ended December 31, 2022 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2021	14,555.7	10,594.7	655.7	6,256.5	3,145.9	346.4	1,007.5	610.5	37,172.8
Acquisitions	1,479.0	2,789.3	1,670.6	1,275.0	866.2	33.6	483.3	298.0	8,895.0
Acquisitions of subsidiaries	-	-	-	-	683.1	957.5	-	314.0	1,954.6
Disposals	(63.3)	(127.7)	(0.1)	(262.4)	(191.2)	(17.4)	(23.5)	(64.9)	(750.6)
Disposals of subsidiaries	-	-	-	-	(2.0)	-	-	(0.2)	(2.2)
Revaluation	-	-	-	-	100.3	-	-	19.7	120.0
Reclassification	189.6	(128.5)	-	(1.6)	(19.3)	0.6	-	(9.4)	31.4
Vessels put into service	113.0	-	(113.0)	-	-	-	-	-	(0.0)
Vessels refinancing & exercise of purchase option	885.8	(885.8)	-	-	-	-	-	-	-
Foreign currency translation adjustment	(21.1)	(7.2)	3.9	(0.0)	(149.0)	(22.2)	(3.4)	(33.7)	(232.6)
As at December 31, 2022	17,138.7	12,234.8	2,217.2	7,267.4	4,433.9	1,298.4	1,463.9	1,134.0	47,188.4
Acquisitions	793.8	1,933.6	2,930.4	768.4	753.9	72.0	631.4	357.0	8,240.6
Acquisitions of subsidiaries	164.1	-	-	-	74.4	446.9	-	19.5	704.8
Disposals	(108.4)	(592.6)	-	(384.3)	(318.7)	(14.3)	(41.2)	(100.1)	(1,559.6)
Disposals of subsidiaries	-	-	-	-	(7.1)	-	-	(1.9)	(9.0)
Revaluation – IAS 29 application	-	-	-	-	61.3	1.1	-	33.9	96.3
Reclassification to held-for-sale	-	-	-	-	-	-	(60.3)	-	(60.3)
Reclassification	35.9	(99.0)	67.7	14.9	96.6	(3.6)	-	(68.7)	43.9
Vessels put into service	595.6	-	(595.6)	-	-	-	-	-	-
Vessels refinancing & exercise of purchase option	824.2	(824.2)	-	-	-	-	-	-	-
Foreign currency translation adjustment	19.8	0.9	7.3	(0.0)	11.7	(8.2)	2.4	0.9	34.8
As at December 31, 2023	19,463.7	12,653.5	4,626.9	7,666.3	5,106.0	1,792.3	1,996.3	1,374.8	54,679.9

During the year ended December 31, 2023, apart from the recurring depreciation, the main variations are as follows:

- Vessels:
 - (i) Variation of owned vessels relate mainly to the acquisition of 7 second-hand vessels and one new vessel, as well as scrubbers for existing vessels and dry-docks;
 - (ii) Variation of right-of-use vessels mainly relate to new leases for USD 1,131.0 million, vessel lease extensions for USD 339.1 million, and revaluation of leases following notification of the exercise of purchase options for USD 441.9 million;
 - (iii) Variation of in-progress vessels relate to the instalments paid in relation to the vessel orderbook; this also related to investment in scrubbers to be fitted on vessels.
- Containers: the variation mainly relates to new containers for an amount of USD 412.7 million and new leases entered into as well as some modifications of existing leases for an amount of USD 355.7 million as well as disposal of containers for an amount of 384.3 million.
- Lands & buildings: the variation mainly includes leases entered into by the Logistics segment for an amount of USD 561.0 million.
- Terminal and dry port equipment: the variation mainly relates to harbor equipment concerning the acquisition of Port Liberty Bayonne LLC and Port Liberty New York LLC Terminals for an amount of USD 406.6 million.
- Aircrafts: the variation mainly relates to installments paid related to airplanes to be delivered in 2027.
- Other properties and equipments: the variation mainly relates to the logistics division for an amount of USD 288.7 million.

Variations occurred during the year ended December 31, 2022 were disclosed in the 2022 annual CFS.

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 8,393.2 for year ended December 31, 2023 (USD 9,041.3 million for the year ended December 31, 2022).

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	
		2023	2022
Acquisition of assets included in the above table	a	8,393.2	9,041.3
(+) Acquisition of assets held-for-sale	b	-	-
(-) Assets not resulting in a cash outflow (i)	b	(366.7)	(114.6)
(-) IFRS16 leases increase	c	(2,898.6)	(4,054.9)
CAPEX cash from purchases of intangible assets	d	(144.3)	(134.3)
CAPEX cash from purchases of property and equipment	e = (-) a (-) b (-) c (-) d	(4,983.6)	(4,737.5)
CAPEX cash from business combination	f	(3,717.2)	(5,778.0)
Total CAPEX as per Consolidated Statement of Cash Flows	d + e + f	(8,845.0)	(10,649.8)

(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 8,845.0 million cash capex as per Consolidated Statement of Cash-Flows, the Group proceeded to the following investments in its operating assets:

- USD 785.5 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 546.3 million for vessels and USD 167.5 million for containers;
- USD 247.0 million non-cash capex related to financed prepayments of vessels with no immediate cash impact for the Group;
- USD 119.7 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 2,898.6 million non-cash capex related to new leases entered into.

Changes in the accumulated depreciation for the year ended December 31, 2023 and the year ended December 31, 2022 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2021	(4,383.9)	(2,861.0)	-	(1,880.2)	(1,199.7)	(161.7)	(26.3)	(290.6)	(10,803.4)
Depreciation	(1,611.7)	(2,105.4)	-	(694.5)	(591.8)	(85.7)	(19.6)	(145.0)	(5,253.8)
Disposals	47.9	127.7	-	201.1	181.2	11.9	8.5	61.8	640.0
Impairment	-	-	-	-	8.4	-	(8.5)	(4.0)	(4.1)
Revaluation	-	-	-	-	(82.4)	-	-	(13.6)	(96.0)
Reclassification	(240.2)	218.5	-	0.8	26.7	(0.4)	-	(8.5)	(3.1)
Foreign currency translation adjustment	8.9	1.1	-	0.0	59.9	8.0	0.8	16.3	94.9
As at December 31, 2022	(6,179.0)	(4,619.1)	-	(2,372.7)	(1,597.0)	(228.0)	(45.2)	(384.4)	(15,425.5)
Depreciation	(878.1)	(1,834.9)	-	(701.4)	(747.7)	(90.8)	(31.9)	(188.1)	(4,473.0)
Disposals	96.9	592.6	-	301.2	306.2	14.1	13.5	89.6	1,414.1
Disposals of subsidiaries	-	-	-	-	3.2	-	-	1.7	4.9
Impairment	-	-	-	-	(0.4)	-	(21.6)	(0.2)	(22.1)
Revaluation – IAS 29 application	-	-	-	-	(33.1)	(0.1)	-	(26.5)	(59.7)
Reclassification to held-for-sale	-	-	-	-	-	-	15.3	-	15.3
Reclassification	(293.8)	290.4	-	(10.6)	8.5	(1.2)	(0.0)	(20.2)	(27.0)
Foreign currency translation adjustment	(3.7)	(0.8)	-	(0.0)	20.9	1.8	(0.2)	7.1	25.1
As at December 31, 2023	(7,257.8)	(5,571.9)	-	(2,783.6)	(2,039.3)	(304.2)	(70.0)	(521.5)	(18,548.2)

Including intangible assets, the total depreciation for the year ended December 31, 2023 amounts to USD 4,819.7 million (USD 5,543.1 million for the year ended December 31, 2022).

The net book value of property and equipment at the opening and closing for the year ended December 31, 2023 and the year ended December 31, 2022 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2023	12,205.9	7,081.6	4,626.9	4,882.7	3,066.8	1,488.1	1,926.3	853.3	36,131.7
As at December 31, 2022	10,959.7	7,615.7	2,217.2	4,894.6	2,836.9	1,070.4	1,418.7	749.6	31,762.9
As at December 31, 2021	10,171.8	7,733.8	655.7	4,376.3	1,946.2	184.6	981.2	319.9	26,369.4

As at December 31, 2023, the carrying amount of property and equipment held as collateral (mainly of financial debts) amounts to USD 16.9 billion (USD 17.3 billion as at December 31, 2022) and USD 4.3 billion excluding leased assets under IFRS 16 (USD 3.8 billion as at December 31, 2022).

5.2.2 Group vessels and airplanes fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within “Vessels” in the consolidated statement of Financial Position and amounted to USD 4,626.9 million as at December 31, 2023 (USD 2,217.2 million as at December 31, 2022).

Prepayments made with regards to airplane orderbook are presented within “Other properties and equipment” in the consolidated statement of Financial Position and amounted to USD 1,392.0 million as at December 31, 2023 (USD 826.9 million as at December 31, 2022).

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 in the scope of IAS 36 and are tested annually or when impairment indicators exist. They are assessed for impairment at Group’s CGUs level.

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. In the current context described in Note 3.4. Management revised its forecasts accordingly when assessing the value in use of its main CGUs, notably the shipping CGU (see below).

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 disclosed in Note 3.1.5, as far as logistics activities are concerned, Management monitors goodwill based on four cash generating units: Freight Management (FM) (Air and Ocean), Ground, Contract Logistics (CL) and Finished Vehicules Logistics (FVL). 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.
- (iv) For air cargo business, the whole airplane fleet is considered as a single CGU as the customer base and airplane fleet are managed on a global basis.

- The post-tax discount rates, or Weighted Average Cost of Capital ("WACC"), used for testing purposes are included within the range 7.5%-20.1% (8%-23% in 2022) depending upon the inherent risk of each activity tested and its geographical exposure.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set between 1% and 3% (between 1% and 3% in 2022 – see sensitivity analysis below). The growth rates assumed reflect current market expectations for the relevant period.
- Certain assumptions specific to the Group's segments:

Container shipping activity

As disclosed in Note 3.4, after 2 years of abnormal market conditions in 2021 and 2022, the market normalization has been observed in 2023 notably with freight rates decline. The future evolution of bunker price, as well as the diversification of the energy sources in the context of decarbonation, is also an uncertain factor impacting the Group's forecasts, notably in our container shipping CGU. The market power relationship will determine the extent to which the bunker and related cost can be passed through in the freight rates charged to the customers. In the coming years, supply versus demand balance remains a key challenge because of the static capacity increase.

The cash flows used to determine the value in use are based on the most recent business plan prepared by management, which covers a 5-year period. While the container shipping industry is particularly volatile and facing multiple challenges such as decarbonation, expected cash-flows were adapted accordingly, notably in the near term. 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.

Logistics

The value in use is calculated by applying discounted cash flow modelling to management's own projections covering a longer period than for shipping, such business being less volatile. 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.

Terminals

The cash flow projections for terminal's impairment tests cover the concession period and extension options which are likely to be exercised. Where appropriate, a terminal value is taken into account. Discount rates have been adjusted to each terminal's geographical localization.

Air cargo

Given the recent creation of the business and the capex required in the near term, the cash flow projections for Air Cargo's impairment tests cover 10-year period and a terminal value. A specific discount rate has been retained.

General

Management is of the opinion that the assumptions applied in the impairment tests are reasonable. The most significant goodwill amount relates to the Logistics' CGUs where an impairment charge has been recognized in 2022 (none in 2023).

Climate related risks

When preparing the consolidated financial statements, management considered climate-related risks, notably when assessing the value in use of its main CGUs. As an illustration, the maintenance capex is partly driven by the vessel fleet evolution required as part of the green transition. All potential impacts of current and future regulatory requirements related to climate change were taken into account when carrying out the sensitivity tests and the annual impairment testings of the CGUs of the Group.

As disclosed in Note 3.6, EU ETS (CO₂ quotas) enter into force on January 1, 2024 and the Group is committed to a decarbonation path. To the extent possible, the anticipated impact of the green transition has been taken into account in the determination of the value in use of the CGUs. Management based its estimates assuming that the implied costs will be mostly charged to customers overtime.

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

The table below shows the change in value in use as a result of a change in underlying assumptions. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions unchanged:

In USD billion		As at December 31, 2023	As at December 31, 2022
Shipping	Discount rate + 1%	(4.2)	(4.2)
	LT growth rate - 1%	(3.4)	(3.3)
	Headroom on discount rate	1.0%	1.9%
Air/Ocean	Discount rate + 1%	(0.5)	(0.4)
	LT growth rate - 1%	(0.3)	(0.3)
	Headroom on discount rate	4.2%	1.5%
Ground	Discount rate + 1%	(0.3)	(0.2)
	LT growth rate - 1%	(0.2)	(0.2)
	Headroom on discount rate	1.7%	-
CL	Discount rate + 1%	(0.6)	(0.5)
	LT growth rate - 1%	(0.3)	(0.3)
	Headroom on discount rate	2.0%	0.0%
FVL	Discount rate + 1%	(0.2)	(0.1)
	LT growth rate - 1%	(0.1)	(0.0)
	Headroom on discount rate	30.8%	14.2%

Headroom on discount rates in the table above corresponds to the additional discount rate which would balance the value in use and the carrying value.

None of the above changes in discount rates or LT growth rate would trigger the recognition of an impairment charge.

Within segment "Other", the main CGUs have been tested for impairment, resulting in no impairment charge to be recognized, although the headroom may be limited for some of them.

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 8.2.2).

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, 2023	As at December 31, 2022
Bunkers	784.0	904.3
Other inventories	144.4	145.9
Provision for obsolescence	5.8	(3.4)
Inventories	934.1	1,046.9

5.4.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2023	As at December 31, 2022
Trade receivables	3,845.4	4,477.0
Less impairment of trade receivables	(241.5)	(207.9)
Trade receivables net	3,603.9	4,269.1
Prepayments and other receivables net	2,474.7	1,562.7
Employee, social and tax receivables	725.8	643.0
Trade and other receivables (*)	6,804.4	6,474.7

(*) including current income tax asset

"Prepayments and other receivables net" mainly include prepayments to suppliers and 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 portion of trade receivables included in the table above are pledged as collateral under the Group's securitization programs (see Note 8.2.2).

Trade and other payables are analyzed as follows:

	As at December 31, 2023	As at December 31, 2022
Trade payables	3,398.7	3,474.9
Employee, social and tax payables	1,181.1	1,362.9
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	4,847.7	5,367.9
Trade and other payables (*)	9,427.5	10,205.6

(*) including current income tax liability

The working capital can be analyzed as follows:

	As at December 31, 2022	Variations linked to operations	Acquisition of subsidiaries	Currency translation adjustment	Others	As at December 31, 2023
Inventories	1,046.9	(125.4)	11.5	1.1	0.0	934.1
Trade and other receivables (*)	6,474.7	(240.4)	469.5	(121.3)	221.8	6,804.4
Contract assets	1,781.8	(12.5)	0.2	(0.0)	(416.0)	1,353.4
Prepaid expenses	176.2	(111.1)	8.3	0.0	12.0	85.4
Trade and other payables (**)	(10,205.6)	999.4	(149.6)	75.2	(147.0)	(9,427.5)
Deferred income	(218.6)	212.4	(14.4)	(2.8)	(154.1)	(177.4)
Net working capital	(944.6)	722.4	325.6	(47.8)	(483.3)	(427.6)

(*) 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, 2023	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	6,804.4	4,662.7	1,135.1	233.0	256.9	128.4	388.3
Trade and other payables	9,427.5	8,323.2	508.1	166.1	85.9	27.1	317.2

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 a plan to sell the asset, 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.

Assets classified as held for sale as at December 31, 2022 corresponded to a subsidiary in Russia. The corresponding disposal has been finalized in Q4 2023.

In February 2024, the sale of one A330 airplane was finalized. The corresponding net book value was recognized as an asset held for sale for an amount of USD 45 million as at December 31, 2023.

5.6 Operating and investing cash-flows

Cash flow from operations amounted USD 7,745.4 million of which EBITDA contributed for USD 9,009.7 million, income tax paid for USD (438.2) million and variation of working capital for USD (722.4) million.

Cash flow from investing activities amounted USD 50.6 million. It mainly reflects capital expenditures from intangible assets and property and equipment representing a cash outflow of USD (5,127.9) million (see Note 5.2.1), M&A acquisition for USD (3,717.2) million including La Meridionale, Port Liberty terminals, la Tribune, CSP Iberian Valencia and Bilbao Terminals (see Note 3.1), the purchase of non consolidated investments for USD (153.6) million, the proceeds from disposal of properties and equipment for USD 181.3 million, the net cash flows resulting from the variation of other financial assets for USD 7,836.5 million, the interest received on financial assets for USD 901.0 and the variation of securities for USD 107.2 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 or "BAF") in addition to freight rates to compensate for fluctuations in the fuel prices. 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 :	Closing rate			Average rate		
	2023	2022	2021	2023	2022	2021
Nymex WTI (1st nearby, in \$ per barrel) *	71.65	80.26	75.21	77.61	94.33	68.08
Brent (1st nearby, in \$ per barrel) *	77.04	85.91	77.78	82.18	99.05	70.94
TTF index (in \$ per MMBtu)	10.49	24.00	23.50	15.11	40.10	13.40

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

As at December 31, 2023, the Company hedged approximately 3.0% of expected purchase of bunkers for the next year through fixed price forwards with delivery (12.0% of expected purchase for the year 2023 as at December 31, 2022). These bunker purchases are treated as executory contracts.

As at December 31, 2023, the Company hedged approximately 29.0% of expected purchase of bunkers for the next year through derivatives products (5.0% as at December 31, 2022).

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, 2023	Nominal amount	Maturity		Fair value of derivatives
		Less than 1 year	More than 1 year	
Bunker hedge - cash flow hedge	1,636.1	1,460.9	175.2	(58.3)
Total	1,636.1	1,460.9	175.2	(58.3)

Based on the fuel consumption for the year ended December 31, 2023, 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 80.1 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 table below presents the nominal value of the Group's FX forward 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, 2023	Nominal amount	Maturity		Fair value of derivatives
		Less than 1 year	More than 1 year	
FX Forward Contracts - Cashflow Hedges	1,379.5	1,379.5	-	16.0
Total	1,379.5	1,379.5	-	16.0

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

As at December 31, 2023	Carrying amount	USD	EUR	CNY	GBP	Others
Trade receivables and prepaid expenses	6,649.6	3,124.9	1,494.6	206.6	278.6	1,545.0
Cash and cash equivalents	7,133.4	2,835.3	3,396.2	36.8	72.6	792.5
Trade payables and current deferred income	9,410.4	3,767.2	3,410.5	200.0	60.1	1,972.5
Borrowings	15,935.3	13,737.7	1,255.7	6.0	356.2	579.8

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:

Market data:	Closing rate as at December 31,			Annual average rate		
	2023	2022	2021	2023	2022	2021
USD CME Term SoFr 3M	5.33%	4.59%	0.09%	5.17%	2.18%	0.05%

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

As at December 31, 2023, taking into account the interest rate hedges, the borrowings bearing interest at variable rates represent 19% of total debts, 81% 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, 2023	Nominal amount	Maturity		Fair value of derivatives
		Less than 5 years	More than 5 years	
Interest swaps- cash flow hedge	21.2	21.2	-	0.0
Cross currency interest rates swaps - fair value hedge	219.7	219.7	-	(23.8)
Total	240.9	240.9	-	(23.8)

The following table presents the sensitivity of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2023 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	3.2	(2.2)	-
Singapore Dollar	+100 bps	(3.2)	2.1	-

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 2023 and 0.1% of revenue in 2022). 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, 2023 and on the interest rate curve as at December 31, 2023:

	2024	2025	2026	2027	2028	Onwards
Cross currency interest rates swaps - Liabilities	(10.7)	(7.9)	-	-	-	-
Total	(10.7)	(7.9)	-	-	-	-

The table below presents the discounted cash flows of bunker hedging derivatives as at December 31, 2023:

	2024	2025	2026	2027	2028	Onwards
Bunker hedge - cash flow hedge - Assets	11.5	0.0	-	-	-	-
Bunker hedge - cash flow hedge - Liabilities	(67.7)	(2.5)	-	-	-	-
Total	(56.2)	(2.5)	-	-	-	-

The table below presents the discounted cash flows of FX forward as at December 31, 2023:

	2024	2025	2026	2027	2028	Onwards
FX Forward Contracts - cash flow hedge - Assets	16.0	-	-	-	-	-
Total	16.0	-	-	-	-	-

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 2023, the Group is in compliance with its financial covenants.

The definitions of EBITDA and adjusted net debt in the agreements allow adjustments and certain items to be added back to the reported EBITDA and net debt for the purpose of calculating the covenants.

On the basis of the agreements, adjusted net debt is calculated as follows:

	Note	As at December 31, 2023	As at December 31, 2022
Total Borrowings and lease liabilities (A)	6.6	15,935.3	17,295.0
Cash and cash equivalents as per statement of financial position	6.4	7,133.4	8,913.5
(+) Securities	6.3.2	771.2	813.3
(-) Restricted cash	6.4	(116.7)	(156.7)
Unrestricted cash and cash equivalents (B)		7,787.8	9,570.1
Net debt C = A (-) B		8,147.4	7,724.8
(-) Terminal concessions adjustment if in excess of IFRS16 transition amount		(715.7)	(654.6)
Adjusted net debt for covenant		7,431.7	7,070.2
Deposits not qualified as cash and cash equivalents (D)		4,444.9	12,492.0
Economic net debt C (-) D		3,702.5	(4,767.2)

Deposits not qualified as cash and cash equivalents included in the calculation of the economic net debt are reported in current financial assets for USD 3.5 billion and USD 0.9 billion in non-current financial assets.

Regarding the liquidity risk linked to property and equipment, refer to the financial commitments presented in the Note 8.2.1 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, 2023:

As at December 31, 2023	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	771.2	-	-	771.2
Derivatives used for hedging	-	27.5	-	27.5
Investments in non consolidated companies	656.0	-	227.1	883.1
Other financial assets	508.9	-	230.2	739.1
Total Assets	1,936.0	27.5	457.3	2,420.8
Liabilities				
Derivatives used for hedging	-	69.8	-	69.8
Cross currency interest rates swaps - fair value hedge	-	23.8	-	23.8
Total Liabilities	-	93.6	-	93.6

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2022:

As at December 31, 2022	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	813.3	-	-	813.3
Derivatives not qualified to hedge accounting	-	1.3	-	1.3
Derivatives used for hedging	-	0.2	-	0.2
Investments in non consolidated companies	304.8	-	167.9	472.7
Other financial assets	811.4	-	10.7	822.1
Total Assets	1,929.5	1.5	178.6	2,109.6
Liabilities				
Derivatives used for hedging	-	49.5	-	49.5
Cross currency interest rates swaps - fair value hedge	-	31.2	-	31.2
Total Liabilities	-	80.7	-	80.7

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	-	178.6
Total gains or losses for the period		
Included in profit or loss	-	(19.4)
Included in other comprehensive income	(0.4)	-
Foreign Currency impact	3.2	2.3
Purchases, issues, sales and settlements		
Purchases	187.8	53.7
Reclassification	175.6	(54.8)
Newly consolidated entities	(51.3)	(16.0)
Depreciation	-	0.7
Settlements	-	(0.9)
Others	3.9	(5.9)
Closing balance	318.8	138.5

Apart from a reclassification between the 2 columns in the table above, "Reclassification" mainly concerns some reclassifications made from the "Financial assets at amortised cost" category.

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, 2023		As at December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	0.0	-	-	-
Interest rates swaps - not qualifying to hedge accounting	-	-	1.3	-
Bunker hedge - cash flow hedge	11.4	69.8	-	49.4
Cross currency interest rates swaps - fair value hedge	-	23.8	-	31.2
FX Forward Contracts - cash flow hedge	16.0	-	0.2	0.0
Total derivative financial instruments	27.5	93.6	1.5	80.7
<i>of which non-current portion (above 1 year)</i>	<i>0.2</i>	<i>23.8</i>	<i>0.2</i>	<i>31.2</i>
<i>of which current portion (less than 1 year)</i>	<i>27.3</i>	<i>69.8</i>	<i>1.3</i>	<i>49.5</i>

In 2023, the Company entered into additional derivative financial instruments initially maturing within close to 1 year to hedge (i) its fuel exposure for a nominal amount of USD 1.6 billion and (ii) partially the forex exposure related to the expected acquisition of Bollore Logistics in EUR for a nominal amount of USD 1.4 billion..

The Company did not record any transfer between derivative financial instruments' categories in the period ended December 31, 2023.

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, 2023	As at December 31, 2022
Gross	895.2	485.6
Impairment	(12.1)	(12.9)
Net investments in non consolidated companies	883.1	472.7
Gross	296.6	62.0
Impairment	(21.5)	(19.7)
Loans	275.1	42.3
Gross	481.9	480.2
Impairment	(6.7)	(20.6)
Deposits	475.2	459.7
Gross	149.4	124.4
Impairment	(83.6)	(65.0)
Receivable from associates & joint ventures	65.8	59.4
Gross	1,111.1	1,315.6
Impairment	(4.3)	(86.7)
Other non-current financial assets	1,106.8	1,228.9
Gross	2,934.2	2,467.8
Impairment	(128.2)	(204.8)
Total other non-current financial assets, net	2,806.0	2,263.0

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

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to stakes in (i) Air France-KLM for USD 347.0 million, (ii) Fransabank El Djazair for USD 60.4 million, (iii) Metropole Television for USD 187.1 million, (iv) Eutelsat for USD 121.8 million, (v) Brut for USD 47.4 million and to (vi) various other stakes individually not significant, mainly classified as assets at fair value through profit and loss.

The Group increased its interests in the Metropole Television Group, with a 10.27% stake (6.93% as at December 31, 2022). As part of recent operations on Eutelsat capital, the Group's share has been diluted to 5.47%. In addition, following the recent capital increase reserved for employees of the Air France-KLM group, the Group now holds 8.80% of the capital (9% as at December 31, 2022).

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.

The increase is mainly related to a loan to a terminal in Jamaica in which the Group holds 51% through its joint-venture Terminal Link.

Deposits

"Deposits" correspond to USD 475.2 million of cash deposits which do not qualify as cash and cash equivalents as at December 31, 2023 (USD 459.7 million as at December 31, 2022).

Other non-current financial assets

As at December 31, 2023, "Other non-current financial assets" mainly include (i) some financial investments which do not qualify as cash equivalents for USD 848.0 million (USD 681.8 million as at December 31, 2022) and (ii) USD 258.9 million (USD 209.8 million as at December 31, 2022) related to 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, 2023 include:

- Securities at fair value for an amount of USD 771.2 million corresponding to the investment of a portion of the group's liquidity into listed instruments (USD 813.3 million as at December 31, 2022);
- Other current financial assets for USD 3.7 billion (USD 11.9 billion as at December 31, 2022), mainly including cash deposits for USD 3.5 billion which do not qualify as cash and cash equivalents. Their average maturity is 2 months as at December 31, 2023. Other current financial assets also include (i) the current portion of the financial assets, and (ii) some short term loans to joint-ventures or associates.

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, 2023:

Assets	As at December 31, 2023	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	27.5	-	-	-	27.5
Other non-current financial assets	2,806.0	1,183.8	974.8	647.4	-
Trade and other receivables	6,564.2	6,564.2	-	-	-
Contract assets	1,353.4	1,353.4	-	-	-
Securities and other current financial assets (current)	4,445.1	3,673.9	-	771.2	-
Cash and cash equivalents	7,133.4	7,133.4	-	-	-
Total financial instruments - Assets	22,329.6	19,908.8	974.8	1,418.5	27.5
Liabilities	As at December 31, 2023	Financial liabilities at amortized cost	Derivative instruments		
Borrowings and lease liabilities	15,935.3	15,935.3	-		
Derivative financial instruments	93.6	-	93.6		
Trade and other payables	9,232.9	9,232.9	-		
Total financial instruments - Liabilities	25,261.8	25,168.2	93.6		

6.4 Cash and cash equivalents, and financial resources

Cash and cash equivalents include cash in hand, on-demand deposits, 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, and liquidity

Cash and cash equivalents, and liquidity can be analyzed as follows:

	As at December 31, 2023	As at December 31, 2022
Cash on hand	1,962.3	4,234.0
Short term deposits	5,054.3	4,522.8
Restricted cash	116.7	156.7
Cash and cash equivalents as per statement of financial position	7,133.4	8,913.5
Bank overdrafts	(16.4)	(41.6)
Cash and cash equivalents and bank overdrafts, as per cash flow statement	7,117.0	8,871.9
Restricted Cash	(116.7)	(156.7)
Marketable securities	771.2	813.3
Group available cash	7,771.4	9,528.5
Undrawn committed facilities	2,563.6	2,010.2
Total Group Liquidity	10,335.0	11,538.7

The restricted cash balance mainly corresponds to some funds held by the Group which cannot be used out of certain countries (including Algeria) due to the transfer restrictions.

As at December 31, 2023, the Group holds "cash equivalents" short term deposits of various maturities for a net amount of USD 5,054.3 million, in addition to "non cash-equivalents" investments disclosed in Note 6.3.2.

6.4.2 Undrawn committed credit facilities and Group's financial resources

As at December 31, 2023, the Group has access to undrawn committed revolving credit facilities amounting to USD 2,563.6million (USD 2,010.2 million as at December 31, 2022) granted by various financial institutions.

In addition, the Group has USD 3.5 billion invested in current financial deposits not qualifying to cash and cash equivalents with a residual average maturity of 2 months (see Note 6.3.2) and USD 0.9 billion in non-current financial assets (see Note 6.3.1), for a total financial resources position of USD 14.8 billion as at December 31, 2023.

Besides, there are USD 1.1 billion of financing available under the Group's receivables securitization programs.

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 shares.

Merit France SAS, the main shareholder of CMA CGM SA, holds 72.61% while Yildirim holds 24% of the Company's ordinary shares and Bpifrance 3.0%.

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

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

	As at December 31, 2023	As at December 31, 2022
Cash flow hedge	(43.7)	(60.2)
Share of other comprehensive income / (Loss) of associates and joint ventures	19.3	16.8
Deferred tax on reserve	0.0	0.0
Net investment hedge	23.3	23.3
Currency translation adjustments	(553.8)	(477.8)
Total Other Comprehensive Income / (Loss)	(554.9)	(498.0)

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, early termination and purchase 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 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, which include bank overdrafts, long-term bank borrowings, lease liabilities (including ex finance leases and similar arrangements) and other borrowings, have the following maturities:

	As at December 31, 2023	Current portion	Non current portion	Maturity schedule : December 31,				
				2025	2026	2027	2028	Onwards
Senior notes	70.7	70.7	-	-	-	-	-	-
Bank borrowings - Asset financing	2,004.9	323.3	1,681.6	333.7	232.8	254.9	208.0	652.2
Bank borrowings - Corporate	114.0	70.0	44.1	39.5	(1.0)	2.3	0.8	2.5
Bank overdrafts	16.4	16.4	-	-	-	-	-	-
Securitization programs	931.7	(2.5)	934.3	434.6	499.7	-	-	-
Other borrowings	66.7	52.7	14.1	4.0	0.2	-	2.0	8.0
Total excluding lease liabilities	3,204.5	530.5	2,674.0	811.7	731.6	257.3	210.7	662.7
Lease liabilities	12,730.7	2,632.1	10,098.6	1,944.7	1,515.8	1,236.5	1,090.9	4,310.8
Total including lease liabilities	15,935.3	3,162.7	12,772.6	2,756.4	2,247.4	1,493.8	1,301.6	4,973.5

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, 2023	613.9	2,123.2	13,335.3	41.6	967.1	214.0	17,295.0
Proceeds from new borrowings, net of issuance costs	-	22.1	-	-	10.8	9.5	42.4
Repayment of financial borrowings	(565.1)	(294.5)	(2,822.3)	-	(55.0)	(159.2)	(3,896.0)
Other increase/decrease in borrowings and lease liabilities	2.5	252.5	2,849.2	(25.4)	-	(5.3)	3,073.6
Accrued interests and fees amortization	16.3	23.1	(14.2)	-	2.9	(7.4)	20.7
Exercise of purchase options of vessels and containers	-	(43.0)	(785.5)	-	-	-	(828.4)
Reclassification from / to other liabilities	-	(2.4)	-	-	-	0.2	(2.2)
Acquisition of subsidiaries	-	25.9	134.0	0.1	(0.0)	16.5	176.5
Foreign currency translation adjustments	3.1	12.0	34.1	0.1	5.9	(1.5)	53.7
Balance as at December 31, 2023	70.7	2,119.0	12,730.7	16.4	931.7	66.7	15,935.3

The line item "Exercise of purchase options of vessels and containers" relates to the exercise of purchase options of leases for USD (629.8) million for vessels and USD (155.6) million for containers, as well as the exercise of purchase options related to vessel bank borrowings for USD (43.0) million.

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 mainly 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:

					Average Interest rate after hedging, amortized cost and "PPA"	
	Senior notes	Bank borrowings	Lease liabilities	Other borrowings, securitization and overdrafts	Excluding leases	Including leases
Vessels	-	1,950.5	7,105.4	-	7.57%	6.63%
Containers	-	-	2,455.1	-	-	8.30%
Land and buildings	-	41.4	2,202.2	-	4.86%	6.24%
Terminal concession	-	6.4	885.7	-	6.96%	7.26%
Other tangible assets	-	6.7	82.3	-	2.34%	6.52%
Other secured borrowings	-	23.5	-	933.9	6.79%	6.73%
General corporate purposes	70.7	90.5	-	80.9	6.53%	6.49%
Total	70.7	2,119.0	12,730.7	1,014.9		

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

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, 2023	Current portion	Non current portion	Maturity schedule : December 31,				
				2025	2026	2027	2028	Onwards
Senior notes	73.8	73.8	-	-	-	-	-	-
Bank borrowings - Asset financing	2,635.4	495.5	2,146.6	463.3	319.5	325.4	263.2	775.2
Bank borrowings - Corporate	154.6	83.9	64.0	52.3	7.0	2.7	1.1	0.9
Bank overdrafts	16.4	16.4	-	-	-	-	-	-
Securitization programs	1,071.5	65.1	1,006.4	496.7	509.7	-	-	-
Other borrowings excl. accrued interests	42.1	19.7	22.4	5.4	1.0	0.7	2.6	12.8
Total excluding lease liabilities	3,993.8	754.4	3,239.4	1,017.7	837.3	328.8	266.8	788.9
Lease liabilities	16,449.1	3,395.2	13,053.9	2,545.8	1,991.1	1,616.8	1,396.2	5,504.1
Total including lease liabilities	20,442.9	4,149.5	16,293.3	3,563.4	2,828.4	1,945.5	1,663.0	6,293.0

6.6.2 Details of Senior Notes

As at December 31, 2023, the Group had one unsecured Senior Notes outstanding, amounting to USD 71.0 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America, maturing in January 2024 (recently repaid, see Note 8.3).

The EUR 525.0 million Senior Notes, issued by CMA CGM and maturing initially in January 2026, were repaid in February 2023 (see Note 3.3).

6.6.3 Bank borrowings

In the year ended December 31, 2023, the Group early repaid bank loans related to vessel financings for USD 43.9 million.

6.6.4 Securitization program

During the year ended December 31, 2023, the global amount drawn under the receivables securitization programs slightly decreased to USD 931.7 million.

In March 2023, CMA CGM renegotiated the terms of its existing receivables' securitization program, extending its maturity from March 2024 to March 2026.

6.6.5 Other borrowings

In April 2023, CEVA Logistics paid an amount of USD 86.4 million following the exercise of a put allowing the acquisition of the remaining 50% shares in a joint venture Bergé-Gefco.

As at December 31, 2023, other borrowings include USD 37.1 million of accrued interests (USD 45.8 million as at December 31, 2022).

6.7 Cash flow from financing activities

Cash flow from financing activities amounts to USD (9,440.2) million for the year ended December 31, 2023. The financing cash flows mainly consisted in the repayment of borrowings for USD (1,073.8) million, the cash outflow related to financial interests for USD (272.1) million, the cash payments related to IFRS 16 leases for USD (3,702.0) million, dividend payments for USD (3,517.6) million and other cash flow from financing activities for USD (947.6) million mainly related to the exercise of vessels and containers' purchase options for USD (828.4) million.

Note 7 - Scope of consolidation and related party transactions

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, 2023	As at December 31, 2022
Beginning of the year	514.6	575.7
Acquisition of subsidiaries	2.1	-
New investments in associates and joint ventures	330.7	10.5
Capital increase / decrease	434.6	24.6
Share of (loss) / profit	(15.5)	(38.9)
Dividend paid or payable to the Company	(8.6)	(31.6)
Other comprehensive income / (expense)	11.3	(25.3)
Other	(1.0)	(0.3)
Closing balance	1,268.3	514.6

The line item "Capital increase / decrease" corresponds to the funds invested in Terminal Link allowing the reimbursement of the financing of Terminal Link to CMP for USD 434.1 million, with no change to the ownership in Terminal Link but increasing the value of our investment.

The line item "New investments in associates and joint ventures" corresponds to acquisition of 49% in CSP (Spain) Terminals S.L.U. for USD 304.5 million (see Note 3.1.1) and the investment in Nhava Sheva Terminal for USD 26.2 million.

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 2023, this includes a non-recurring expense of USD (6.1) million corresponding to an individual impairment.

As at December 31, 2023, the main contributors to investments in associates and joint ventures are as follows:

- 51% of Terminal Link Group for USD 648.3 million (USD 234.2 million as at December 31, 2022);
- 50% of Anji-CEVA for USD 201.7 million (USD 211.6 million as at December 31, 2022);
- 49% of CSP (Spain) Terminals S.L.U. for USD 310.7 million.

7.2.2 Additional disclosures related to associates

The contribution of our investments in associates can be presented as follows, none of which being individually significant:

	December 31, 2023	December 31, 2022
% of shareholding	n.a.	n.a.
% of voting rights	n.a.	n.a.
Equity method Balance sheet contribution	30.3	29.8
Equity method P&L contribution	4.4	4.9
Equity method OCI contribution	0.4	(3.0)
Equity method total comprehensive income contribution	4.8	1.9
Fair value (for listed entities)	n.a.	n.a.
Distributed dividends for CMA CGM	4.4	21.4

7.2.3 Additional disclosures related to joint ventures

	TERMINAL LINK GROUP		ANJI CEVA		OTHER ENTITIES	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
% 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	648.3	234.2	201.7	201.0	388.0	49.7
Equity method P&L contribution	(30.3)	(18.9)	6.3	3.7	4.2	(28.6)
Equity method OCI contribution	9.8	(12.7)	(3.0)	(9.2)	4.2	(0.3)
Equity method total comprehensive income contribution	(20.6)	(31.6)	3.3	(5.6)	(2.3)	(28.9)
Fair value (for listed entities)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Distributed dividends to CMA CGM	-	-	2.6	6.9	1.7	3.3
Data based on a 100% basis						
Non-current assets	3,004.0	2,646.5	161.8	170.8		
Other current assets	149.1	275.5	816.0	808.5		
Cash & cash equivalents	125.8	2.1	191.1	147.9		
Total Assets	3,278.9	2,924.0	1,168.9	1,127.2		
Shareholders equity	1,513.1	1,144.3	174.5	169.2		
Minority interest	191.8	18.2	54.0	58.3		
Non-current borrowings	1,220.2	1,532.2	23.9	14.7		
Other non-current liabilities	61.7	35.6	16.4	18.6		
Current borrowings	133.7	50.1	15.9	26.2		
Other current liabilities	158.5	143.7	884.2	840.2		
Total Liabilities	3,278.9	2,924.0	1,168.9	1,127.2		
Reconciliation of 100% figures to investments in joint ventures						
Equity of the joint venture excluding mandatory convertible bond (*)	1,513.1	750.4	174.5	169.2		
Equity attributable to the joint venturer	(741.4)	(367.7)	(87.3)	(84.6)		
Purchase Price Allocation	-	-	128.1	128.1		
Waiver of equity share rights	(58.0)	(83.5)	-	-		
Elimination of internal disposal gain	(68.8)	(68.8)	-	-		
Dividend adjustment	-	-	(16.5)	(12.0)		
Other	3.4	3.8	2.9	0.3		
Equity method balance sheet contribution	648.3	234.2	201.7	201.0		
Revenue						
Revenue	633.1	431.0	1,406.8	1,406.8		
Depreciation & amortization	(89.6)	(60.0)	(45.4)	(47.0)		
Financial result	(103.5)	(104.9)	0.7	3.4		
Income tax	(15.7)	(12.0)	(11.4)	(11.8)		
Profit / (Loss) for the year	(55.3)	10.7	31.0	28.6		
Other comprehensive income / (Loss)	4.9	2.2	(6.0)	(18.5)		
Total comprehensive income / (Loss)	(50.4)	12.9	25.0	10.2		
Reconciliation of 100% figures to share of profit / (loss) from joint venture						
Share of profit / (loss) for the year	(55.3)	10.7	31.0	28.6		
Non-controlling interests	-	-	(15.5)	(19.3)		
Share of profit for the year for the joint venturer	27.1	(5.3)	(7.7)	(4.7)		
Waiver of equity share right as part of guaranteed dividends	(2.1)	(24.3)	-	-		
Other	-	-	(1.4)	(1.0)		
Equity method P&L contribution	(30.3)	(18.9)	6.3	3.7		

(*) Mandatory convertible bond only excluded in 2022 and reimbursed in 2023

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, 2023, 791 entities are fully consolidated or accounted under equity method either directly or through sub-groups (811 as at December 31, 2022).

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, LLC	United States	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	100.00%
CMA CGM ANL DUBAI	United Arab Emirates	100.00%
CMA CGM BRAZIL	Brazil	100.00%
CMA CGM CHINA	China	100.00%
CMA CGM DENIZ ACENTELIGI A.S	Turkey	97.75%
CMA CGM GROUP (AUSTRALIA) PTY LTD	Australia	100.00%
CMA CGM HOLLAND BV	Netherlands	100.00%
CMA CGM UK AGENCY	United Kingdom	100.00%
CMA CGM & ANL PHILIPPINES INC	Philippines	100.00%
CMA CGM BELGIUM	Belgium	100.00%
CMA CGM DEUTSCHLAND	Germany	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 MEXICO	Mexico	100.00%
CMA CGM VIETNAM	Vietnam	100.00%
HANDLING		
FENIX MARINE SERVICES LTD	United States	100.00%
GMM GENERALE DE MANUTENTION MARTINIQUE	Martinique	95.00%
INTRAMAR SA	France	100.00%
MARSEILLE MANUTENTION	France	100.00%
SOCIETE D'ACCONAGE ET DE MANUTENTION DE LA REUNION	France	95.44%
CMA CGM KAOHSIUNG TERMINAL	Taiwan	100.00%
Port Liberty Bayonne LP	United States	100.00%
Port Liberty New York LP	United States	100.00%
GMG GENERALE DE MANUTENTION EN GUADELOUPE	Guadeloupe	95.00%
OTHER ACTIVITIES		
CMA CGM AIR CARGO	France	100.00%
CCIS FRANCE	France	100.00%
CC TERMINAL CONTENEURS DAKAR (TCD)	Senegal	100.00%
CMA CGM INLAND SERVICES INDONESIA	Indonesia	90.00%
SICSA RAIL TRANSPORT, S.A.	Spain	76.00%
SA CORSE PRESSE	France	100.00%
SA LA PROVENCE	France	100.00%
La Méridionale SA	France	99.14%
LOGISTICS & SUPPLY CHAIN		
AVEC Logistics (Ireland) Ltd.	Republic of Ireland	100.00%
CARGEX S.A.	Colombia	100.00%
CC Logistics (China) Co, Ltd (CN)	China	100.00%
CEVA Asia Pacific Holdings Company Pte. Ltd. (SGD)	Singapore	100.00%
CEVA Contract Logistics Kft	Hungary	100.00%
CEVA Contract Logistics Mexico	Mexico	100.00%
CEVA Freight (Australia) Pty. Ltd.	Australia	100.00%
CEVA Freight (Espana), S.L.	Spain	100.00%
CEVA Freight (Poland) Sp. z o.o.	Poland	100.00%
CEVA Freight (Thailand) Ltd.	Thailand	73.98%
CEVA Freight (UK) Ltd.	United Kingdom	100.00%
CEVA Freight Austria GmbH	Austria	100.00%
CEVA Freight Belgium N.V.	Belgium	100.00%
CEVA Freight Canada Corp	Canada	100.00%
CEVA Freight Germany GmbH	Germany	100.00%
CEVA Freight Holdings (Malaysia) Sdn. Bhd.	Malaysia	100.00%
CEVA Freight Holland B.V.	Netherlands	100.00%
CEVA Freight Italy S.r.l.	Italy	100.00%
CEVA Freight LLC	United States	100.00%

LOGISTICS & SUPPLY CHAIN		
CEVA Freight Management Argentina S.R.L.	Argentina	100.00%
CEVA Freight Management de Colombia S.A.S.	Colombia	100.00%
CEVA freight Management de Ecuador	Ecuador	100.00%
CEVA Freight Management do Brasil Ltda.	Brazil	100.00%
CEVA Freight Management France S.A.S.	France	100.00%
CEVA Freight Management Logistica de Chile Ltda.	Chile	100.00%
CEVA Freight Management Mexico, S.A. de C.V.	Mexico	100.00%
CEVA Freight Shanghai Ltd. - East	China	100.00%
CEVA Ground Europe	Belgium	100.00%
Ceva Interfreight Tanzania Ltd	Tanzania	100.00%
CEVA Interfreight Uganda Ltd	Uganda	100.00%
CEVA Logistica de Mexico, S.A. de C.V.	Mexico	100.00%
CEVA Logistics - Showfreight UK	United Kingdom	100.00%
CEVA Logistics (Australia) Pty. Ltd.	Australia	100.00%
CEVA Logistics (Hong Kong) Ltd.	Hong Kong	100.00%
CEVA Logistics (Malaysia) Sdn. Bhd.	Malaysia	100.00%
CEVA Logistics (New Zealand) Pty. Ltd.	New Zealand	100.00%
CEVA Logistics (Philippines) Inc.	Philippines	100.00%
CEVA Logistics (Sweden) AB	Sweden	100.00%
CEVA Logistics (Taiwan) Co. Ltd.	Taiwan	100.00%
CEVA Logistics (Thailand) Ltd.	Thailand	86.73%
CEVA Logistics (U.A.E.) L.L.C.	United Arab Emirates	100.00%
CEVA Logistics (Vietnam) Company Ltd.	Vietnam	69.99%
CEVA Logistics Belgium N.V.	Belgium	100.00%
CEVA Logistics Benelux B.V.	Netherlands	100.00%
CEVA Logistics Canada, ULC	Canada	100.00%
CEVA Logistics Commerce EMEA B.V.	Netherlands	100.00%
CEVA Logistics eServices B.V.	Netherlands	100.00%
CEVA Logistics Espana, S.L.	Spain	100.00%
CEVA Logistics Fashion Services B.V.	Netherlands	100.00%
CEVA Logistics Finland OY	Finland	100.00%
CEVA Logistics GmbH	Germany	100.00%
CEVA Logistics Hungary Kft.	Hungary	100.00%
CEVA Logistics India Pte. Ltd.	India	100.00%
CEVA Logistics India PVT LTD. (CL)	India	100.00%
CEVA Logistics Italia S.r.l.	Italy	100.00%
CEVA Logistics Japan, Inc.	Japan	100.00%
CEVA Logistics Korea, Inc.	South Korea	100.00%
CEVA Logistics Ltd. - Dedicated	United Kingdom	100.00%
CEVA Logistics Ltda.	Brazil	100.00%
CEVA LOGISTICS MAROC	Morocco	100.00%
CEVA Logistics Netherlands B.V.	Netherlands	100.00%
CEVA Logistics Peru S.R.L.	Peru	100.00%
CEVA Logistics Poland Sp. zo.o	Poland	100.00%
CEVA logistics S.r.l.	Romania	100.00%
CEVA Logistics Singapore Pte. Ltd.	Singapore	100.00%
CEVA Logistics South Africa (Proprietary) Ltd.	South Africa	100.00%
CEVA Logistics U.S., Inc.	United States	100.00%
CEVA Logistics ZalareServices B.V.	Netherlands	100.00%
CEVA Lojistik Limited Sirketi	Turkey	100.00%
CEVA Saudi Logistics & Freight Co.	Saudi Arabia	100.00%
CEVA Uluslararası Tasimacilik A.S.	Turkey	100.00%
CEVA Vehicle Logistics (Thailand) Ltd.	Thailand	100.00%
CEVA&MELI Joint venture	Italy	50.00%
COLIS PRIVE SA Belgique	Belgium	100.00%
COLIS PRIVE SAS FRANCE	France	100.00%
Dubai Contract Logistics	United Arab Emirates	100.00%
FM Warehouse (Taicang) co. LTD	China	100.00%
IBA - CEVA Logistics Egypt	Egypt	60.00%
Ingram Micro CFS E-Business GmbH	Germany	100.00%
Ingram Micro CFS Eurohub Fulfilment GmbH	Germany	100.00%
Ingram Micro CFS Fulfilment GmbH	Germany	100.00%
Ingram Micro CFS Fulfilment Solutions Sp. Zoo	Poland	100.00%
Ingram Micro CFS Fulfilment Sp. Zoo	Poland	100.00%
Ingram Micro Mobility AB	Sweden	100.00%
Ingram Micro Nordic Services AB	Sweden	100.00%
Ingram Micro Services Switzerland GmbH	Switzerland	100.00%
Ingram Micro Slovakia S.R.O.	Slovakia	100.00%

LOGISTICS & SUPPLY CHAIN		
PT CEVA Logistik Indonesia	Indonesia	100.00%
Shipwire, Inc	United States	100.00%
Zedchain International Logistics SL	Spain	72.39%
CCIS COTE D'IVOIRE	Ivory Coast	100.00%
AUTOXP LIMITED	United Kingdom	100.00%
BERGE GEFECO, S.L.	Spain	100.00%
BSM Transportes S.A.	Argentina	95.00%
G2F, GEFECO Fleet Facilities	France	100.00%
GEFCO (Portugal) TRANSITARIOS, LDA	Portugal	100.00%
GEFCO Adria logistika d.o.o.	Slovenia	100.00%
GEFCO Argentina S.A.	Argentina	100.00%
GEFCO AUTOMOTIVE SERVICES	France	100.00%
GEFCO Baltic Sia	Latvia	100.00%
GEFCO Benelux S.A.	Belgium	100.00%
GEFCO Bulgaria Eood	Bulgaria	100.00%
GEFCO Ceska Republica S.R.O.	Czech Republic	100.00%
GEFCO Chile S.A.	Chile	100.00%
GEFCO Deutschland Gmbh.	Germany	100.00%
GEFCO doo Beograd	Serbia	100.00%
GEFCO Espana S.A.	Spain	100.00%
GEFCO Forwarding Australia Pty. Ltd.	Australia	100.00%
GEFCO Forwarding China Ltd	China	100.00%
GEFCO Forwarding France	France	100.00%
Gefco Forwarding Hava ve Deniz Tasimaciligi A.S.	Turkey	100.00%
GEFCO Forwarding Netherlands B.V.	Netherlands	100.00%
GEFCO Forwarding UK Ltd.	United Kingdom	100.00%
GEFCO France SAS	France	100.00%
GEFCO Industrial Services	France	100.00%
GEFCO Italia S.P.A.	Italy	100.00%
GEFCO Logistica Do Brasil Ltda.	Brazil	100.00%
GEFCO LORRY AND TRANSPORT, S.L.U	Spain	100.00%
GEFCO Magyarorszag Kft.	Hungary	100.00%
GEFCO MAROC FREE ZONE	Morocco	100.00%
GEFCO Maroc S.A.	Morocco	100.00%
GEFCO Middle East - FZE	United Arab Emirates	100.00%
GEFCO Polska Sp. Zoo	Poland	100.00%
GEFCO Romania Srl	Romania	100.00%
GEFCO S.A.	France	100.00%
GEFCO SLOVAKIA s.r.o.	Slovakia	100.00%
GEFCO Suisse S.A.	Switzerland	100.00%
GEFCO Tasimacilik Ve Lojistik A.S.	Turkey	100.00%
GEFCO U.K., Ltd.	United Kingdom	100.00%
Gruppo Mercurio S.P.A.	Italy	85.00%
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.	Netherlands	99.99%
CMA CGM Asia Pacific Limited	Singapore	100.00%
CMA CGM Global AGENCY Pte Ltd	Singapore	100.00%
CMA CGM INLAND SERVICES (CCIS)	France	100.00%
CMA CGM OVERSEAS (TAIWAN) INVESTMENT LTD	Taiwan	100.00%
CMA CGM PYRAMIDES FRANCE	France	100.00%
CMA TERMINALS INVESTMENTS	France	100.00%
Zebox Venture	France	100.00%
APL INVESTMENTS AMERICA LLC	United States	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%
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 (Kribi, Mundra).
- 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 France, the majority shareholder of the Group, and its subsidiaries, other than CMA CGM;
 - 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:
 - Eutelsat, in which the Group has 5.47% ownership;
 - Air France, in which the Group has 8.80% ownership;
 - Some investments in the media division.

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		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,	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	86.6	88.3	4.0	5.6	10.2	0.0	1.6	6.8	70.8	75.8
Operating expenses	(834.8)	(332.1)	(677.9)	(223.4)	(15.2)	(0.4)	(60.6)	(40.7)	(81.1)	(67.5)
Other income and expenses	(33.4)	(2.4)	(33.4)	(2.4)	-	-	-	-	-	-
Financial result	22.5	29.9	(10.9)	(1.2)	1.9	12.7	3.9	(11.8)	27.6	30.3

The Statement of Financial Position 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		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,	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Non-current assets	358.2	444.2	321.8	10.3	-	-	1.5	1.1	34.9	432.9
Current assets	98.9	186.2	80.5	132.3	7.4	6.2	3.4	29.3	7.7	18.5
Non-current liabilities	-	11.0	-	11.0	-	-	-	-	-	-
Current liabilities	81.8	27.4	44.8	12.5	21.3	3.6	1.8	0.0	13.9	11.3

In the course of Q2 2023, the Group acquired reefer containers from IFCO, a related party, for a total amount of USD 101 million. The transaction was realized at arms' length.

Key management compensations for a total amount of USD 17.8 million for the year ended December 31, 2023 (USD 9.1 million for the year ended December 31, 2022) 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.

If the Group makes a voluntary carbon neutrality commitment on a defined horizon, the recognition of a provision is subject to conditions:

- With regard to future expenditures necessary to reduce the Group's greenhouse gas emissions, no provision should be made if there is no obligation related to a past event (for e.g. a damage event).;
- As regards the carbon credits that will be used to offset the Group's emissions, a provision must be made only once the excess emissions have been achieved, and only if the Group has no other realistic solution than fulfilling its commitment to offset these emissions.

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		Employee benefits	of which	
				non-current portion	current portion		non-current portion	current portion
As at December 31, 2021	226.2	406.9	633.1	405.1	228.0	279.9	278.0	1.8
Additions for the year	224.7	184.7	409.3			45.2		
Reversals during the year (unused)	(34.4)	(76.6)	(111.0)			(7.3)		
Reversals during the year (used)	(36.5)	(115.0)	(151.5)			(20.0)		
Reclassification	0.3	(21.7)	(21.4)			(1.4)		
Acquisition of subsidiaries	13.9	158.0	171.9			47.7		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(38.4)		
Foreign currency translation adjustment	(3.0)	(3.0)	(6.0)			(16.3)		
As at December 31, 2022	391.3	533.2	924.4	681.0	243.4	289.3	285.6	3.7
Additions for the year	157.4	178.5	335.9			64.1		
Reversals during the year (unused)	(40.9)	(65.0)	(105.9)			(1.4)		
Reversals during the year (used)	(17.0)	(198.4)	(215.5)			(58.3)		
Reclassification	(55.2)	26.5	(28.7)			0.4		
Acquisition of subsidiaries	3.1	15.6	18.7			7.7		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(2.2)		
Foreign currency translation adjustment	(0.8)	1.9	1.1			(0.0)		
As at December 31, 2023	437.7	492.3	930.1	731.5	198.6	299.5	296.8	2.7

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at December 31, 2023 correspond to cargo related and other claims incurred in the normal course of business.

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 non 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.

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.

A preliminary decision in favor of CMA CGM was rendered in June 2021. In November 2023, this decision was overturned on appeal by the Court of Appeal of Antwerp. Management decided to lodge an appeal before the Supreme Court. Management and its advisors will continue to closely follow the situation.

Other risks and obligations

Provisions for other risks and obligations mainly include:

- Worker compensation, insurance and restructuring provisions for USD 177.8 million as at December 31, 2023 (USD 179.1 million as at December 31, 2022); insurance provisions relate 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 include staff redundancy costs, and site closure costs;
- Provisions for dismantling costs in relation to lease contracts amounting to USD 167.4 million (USD 158.6 million as at December 31, 2022) reflecting obligations liable to the lessee mostly in certain container lease contracts to restore the leased asset before redelivering it to the lessor;
- Other provisions for USD 147.1 million as at December 31, 2023 (USD 195.5 million as at December 31, 2022) mainly including (i) tax provisions other than uncertain tax positions and (ii) onerous contracts.

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.

In France, the reform in the legislation to raise the retirement age from 62 to 64 was validated by the Constitutional Council on April 14, 2023. Postponing the legal retirement age and accelerating the increase in contribution periods can have different impacts depending on the facts and circumstances specific to each company. In application of IAS 19, it is considered as a modification of the plan (and not as a revision of the actuarial assumptions), the consequences of which should be recognized immediately in the income statement. The impact on the Group’s CFS is not significant.

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 106.6 million to its defined contribution plans in 2023 (USD 98.1 million in 2022) 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 reimbursement 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, which 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.

Actuarial assumptions

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

	As at December 31, 2023					As at December 31, 2022				
	Euro Zone	Morocco	Australia	United Kingdom	United States	Euro Zone	Morocco	Australia	United Kingdom	United States
Discount rate	3.34%	4.20%	4.90%	4.60%	4.93%	3.83%	3.30%	5.50%	5.00%	5.19%
Future salary increase	3.20%	4.00%	4.00%	n.a.	3.00%	3.07%	4.00%	7.00%	n.a.	3.00%
Long-term inflation	2.00%	2.00%	n.a.	3.30%	2.40%	2.00%	2.00%	n.a.	3.47%	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 decrease of interest rates in almost all regions, the discount rate being used to evaluate the Company's liability regarding pension and employee benefits were down in most countries from December 31, 2022 to December 31, 2023. The impact of remeasurement on the defined benefit obligation was a loss of USD 5.7 million while the impact of remeasurement on plan assets was a gain of USD 7.9 million. Consequently the overall positive impact of remeasurement of defined pension and medical plans recorded in other comprehensive income amounts to USD 2.2 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, 2023	As at December 31, 2022
Present value of unfunded obligations	(251.2)	(201.1)
Present value of funded obligations	(269.6)	(293.9)
Fair value of plan assets	221.3	205.7
Net present value of obligations	(299.5)	(289.3)

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

	As at December 31, 2023	As at December 31, 2022
Beginning of year	495.0	554.5
Plan amendment - past service cost	4.3	(3.5)
Service cost	44.1	43.7
Interest cost	20.9	10.7
Actuarial losses/(gains)	6.5	(106.4)
Benefits paid	(62.3)	(34.4)
Employee contributions	0.5	0.2
Expenses Paid	(0.0)	(0.0)
Taxes paid	(0.1)	(0.1)
Premiums paid	(0.0)	(0.0)
Acquisition / disposal of subsidiaries and other	8.1	59.4
Plan curtailments	(1.1)	0.6
Exchange differences	5.0	(30.0)
End of year	520.8	495.0

Plan assets vary as follows:

	As at December 31, 2023	As at December 31, 2022
Beginning of year	205.7	274.7
Interest on assets	9.8	5.8
Actuarial (losses)/gains	7.9	(66.0)
Benefits paid and interest income	(14.7)	(14.2)
Employer contributions	8.4	5.3
Employee contributions	0.5	0.3
Acquisition of subsidiaries and other	-	13.1
Expenses paid	(0.1)	(1.2)
Taxes paid	(0.1)	(0.1)
Premiums paid	(0.0)	(0.0)
Plan settlement	-	-
Exchange differences	3.8	(12.0)
End of the year	221.3	205.7

The plan assets are invested as follows:

	As at December 31,	
	2023	2022
Cash and cash equivalents	3.7%	4.9%
Equity instruments	17.4%	13.8%
Debt instruments	13.3%	3.9%
Real estate	0.6%	1.2%
Derivatives	0.0%	0.0%
Investment funds	40.3%	41.8%
Assets held by insurance company	11.5%	11.0%
Other	13.2%	23.4%

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

	For the year ended December 31,	
	2023	2022 (*)
a. Current service cost excluding taxes, expenses, employees contributions and premiums	44.1	43.7
b. Administrative expenses and taxes	1.2	1.3
c. Employees contributions	-	-
d. Past service cost/curtailment	4.3	(3.5)
e. Non-routine settlements	2.6	0.6
Total service cost	52.2	42.1
a. Interest on the DBO (gains) / losses	20.9	10.7
b. Interest on Assets gains /(losses)	(9.8)	(5.8)
c. Interest on Assets ceiling (gains) / losses	0.0	-
d. Interest on reimbursement rights (gains) / losses	-	(0.0)
Total net interest	11.1	4.9
Remeasurements of Other Long Term Benefits	0.7	(1.9)
Benefit expense recognized in the income statement	64.1	45.2
Remeasurements (recognized in other comprehensive income)	(2.2)	(38.4)
Total defined benefit cost recognized in P&L and OCI	61.9	6.8

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

	As at December 31, 2023	As at December 31, 2022
Net liability as of beginning of year	(289.3)	(279.9)
Benefit expense recognized in the income statement	(64.1)	(45.2)
Remeasurements (recognized in other comprehensive income)	2.2	38.4
Employer contributions	8.4	5.3
Benefits paid directly	51.3	20.2
Acquisition / disposal of subsidiaries and other	(8.1)	(46.3)
Other	-	1.9
Exchange differences	0.0	16.3
Net liability as of end of year	(299.5)	(289.3)

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	On Plan Assets
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
As at December 31, 2022	(495.0)	205.7	(289.3)	(106.4)	(66.0)
As at December 31, 2023	(520.8)	221.3	(299.5)	6.5	7.9

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, 2023	Discount rate	Long-term inflation
- 25 basis points	16.1	(2.2)
+25 basis points	(15.6)	2.2

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.

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 second claim against CEVA Logistics SA (formerly 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. The decision of the New York court is pending (to date, hearing scheduled for February 28, 2024). Although there is uncertainty with respect to the outcome and the potential cash-outflow related to this matter, CEVA believes the claim is without merit and intends to vigorously defend itself.

In McEvoy's class action third proceeding, the Florida court issued a favorable judgment on March 10, 2022, dismissing McEvoy's request for limitation. The rejection of McEvoy's request was confirmed by the Court of Appeal. An appeal to the Supreme Court is highly unlikely.

8.2 Commitments

8.2.1 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.

Significant judgments and accounting estimates

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.

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 831.9 million in 2023 (USD 702.7 million for the year ended December 31, 2022) of which USD 385.4 million related to vessels (USD 270.8 million for the year ended December 31, 2022)

Besides, the service component related to leased assets within the scope of IFRS 16, mainly related to running costs, amounted to USD 740.7 million (USD 739.6 million for the year ended December 31, 2022).

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

As at December 31, 2023 the Group operates 376 leased vessels of which 310 have been recorded under IFRS 16.

The Group is committed to pay time chart (including running costs) in relation to 66 vessels leases with a residual lease term of 12 months or less for an amount of USD 110.2 million (USD 143.0 million as at December 31, 2022).

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 38.8 million (USD 61.6 million as at December 31, 2022).

Commitments related to ordered vessels

As at December 31, 2023, the Group ordered 97 owned vessels and committed to 15 vessels to be delivered under long term charters.

The owned vessels orderbook corresponds to ten TEU 2,000 vessels, ten TEU 5,500 vessels, eight TEU 7,300 vessels, one TEU 5,900 vessel, five TEU 13,000 vessels, six TEU 16,000 vessels, three TEU 7,900 LNG-fueled vessels, six TEU 8,000 LNG-fueled vessels, six TEU 15,000 LNG-fueled vessels, four TEU 23,000 vessels LNG-fueled vessels, ten TEU 24,000 LNG-fueled vessels, eight TEU 9,200 LNG vessels, twelve TEU 13,000 methanol vessels, six TEU 15,000 methanol vessels, and 2 LNG Ropax. Some of the vessels included in this orderbook have committed financing (see below).

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

	As at December 31, 2023	As at December 31, 2022
Owned vessels Orderbook		
- units	97	63
- Remaining commitments, net of prepayments *	9,727.1	5,628.3
- Committed financings	1,211.7	1,316.6
<i>* of which payable in:</i>		
2023	-	1,090.4
2024	2,873.6	2,606.9
2025	2,008.5	926.1
2026	2,768.8	899.3
2027	1,765.8	105.6
2028	310.4	-
Total	9,727.0	5,628.3

The group is also committed to pay time chart in relation to 15 vessels (not included in the lease liabilities as the vessels are not available for use yet) concerning four TEU 2,900 vessels (5 years), one TEU 5,800 vessel (10 years), three TEU 5,900 vessels (10 years), two TEU 7,000 vessels (5 years), two TEU 7,000 vessels (8 years) and three TEU 7,100 vessels (7 years), for which the undiscounted amount of lease payments (excluding running costs) amounts to 907.0 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 97 vessels as at December 31, 2023 and amount to USD 4,330.9 million (USD 1,872.8 million as at December 31, 2022 for 63 vessels).

Commitments relating to Car carriers

In the course of 2023, the Group has entered into four 10-year lease contracts relating to four 7,000 car carrier vessels. The first vessel was delivered in December 2023 and the 3 others are expected to be delivered between February and September 2024. Upon delivery, this commitment will represent an amount of USD 414.5 million on an undiscounted basis. Such assets will be operated within our specialized shipping division.

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.

In certain concession, the lease payments may contain a variable portion which is not included in the lease liabilities. This is the case for Port Liberty terminals whereby only the identified minimum lease payments has been recognized while the variable portion is excluded. Such lease liability will have to be remeasured when variability will get resolved (consistently with IFRS 16 B42(a)(ii)) under which the lease liability is remeasured if payments initially structured as variable payments become in-substance fixed payments because of the variability being resolved at some point after the commencement date.

Regarding commitments of associates and joint ventures, the Group issued guarantees amounting to USD 117.9 million on a discounted basis as at December 31, 2023 for the payment of concession fees by certain of its associates or joint ventures (USD 123.0 million as at December 31, 2022).

Commitments relating to airplanes

The Group ordered eight Airbus A350F and three additional Boeing 777F airplanes for which the Group is committed to pay the remaining purchase price under certain conditions at delivery, for a total amount of USD 611.1 million.

8.2.2 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, 2023, guarantees on behalf of CEVA's subsidiaries amounting to USD 302.0 million (USD 424.0 million as at December 31, 2022) were issued.

Other financial commitments primarily relate to the following:

Other financial commitments given

	As at December 31, 2023	As at December 31, 2022
Bank guarantees	30.3	38.0
Guarantees on terminal financing	10.1	10.9
Customs guarantees	6.9	7.3
Port authorities and administration	24.0	4.5
Others guarantees granted for non-current assets	313.5	337.8
Mortgage on share of associates and Joint Ventures	-	420.9
Other	798.3	562.0

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 systems.

The reduction of the line item "Mortgage on share of associates and joint ventures" in the table above corresponds to the extinction of the commitments towards CMP and Terminal Link, a joint-venture, as part of the repayment of the CMP loan in 2023 (see Note 7.2.1).

"Other" line item primarily includes (i) the commitment related to the guaranteed 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.

Besides, as at December 31, 2023, the Group transferred USD 3,240.4 million of trade receivables as collateral under its securitization programs (USD 5,077.0 million as at December 31, 2022).

Other financial commitments received

	As at December 31, 2023	As at December 31, 2022
Guarantees received from independent shipping agents	0.1	0.1
Guarantees received from customers	60.6	68.0
Other financial commitments received	38.3	40.8

8.3 Significant subsequent events

Wincanton plc

On January 19, 2024, CEVA Logistics reached an agreement on the terms of an offer for the acquisition of Wincanton plc, one of the leaders in logistics solutions for businesses and the public sector in the UK and Ireland. This acquisition, which is subject to several conditions, may close before summer.

Air cargo division

In May 2022, Air France-KLM and CMA CGM announced their intention to enter into commercial cooperation in the air cargo sector, which became effective in April 2023.

A constrained regulatory environment in certain important markets did not allow cooperation to function optimally. As a result, Air France-KLM and CMA CGM announced on January 16, 2024 their decision to terminate the existing agreements as of March 31, 2024, from which date Air France-KLM and CMA CGM will operate independently, it being specified that the groups will enter into discussions to develop new commercial relationships.

CMA CGM remains a reference shareholder of Air France-KLM. The parties have agreed to modify the lock-up clause of the shares held by CMA CGM in the capital of Air France-KLM, which will now be effective until February 28, 2025. CMA CGM will leave the Board of Directors of Air France-KLM on March 31, 2024.

Debt repayments

In January 2024, the Group repaid at maturity the USD 71.0 million Senior Notes, issued by APL investments America.

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.



CONSOLIDATED FINANCIAL STATEMENTS

* *

Year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of 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, 2022

Statutory auditors' report on the consolidated financial statements

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régionale de Versailles et du Centre

CMA CGM

4 quai d'Arenc – Boulevard Jacques Saadé – 13235 Marseille Cedex 02

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2022

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, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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, 2022 to the date of our report.

Justification of Assessments

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 valuation of intangible assets arising from business combinations, (iii) the determination of demurrage receivables and accruals for port call and handling costs, (iv) the measurement of the lease liabilities and (v) the assessment of the risks related to litigations.
- 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 3, 2023

The Statutory Auditors
French original signed by

KPMG SA

ERNST & YOUNG Audit

Georges Maregiano Loïc Herrmann

Camille de Guillebon Charles-Emmanuel Chosson

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Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the year ended December 31,	
		2022	2021
REVENUE	4.1	74,497.9	55,975.7
Operating expenses	4.2	(41,191.2)	(32,873.1)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES	4.1	33,306.7	23,102.6
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	13.0	52.4
Depreciation and amortization of non-current assets	5.2.1	(5,543.1)	(3,427.9)
Other income and (expenses)	4.4	(1,512.7)	(172.9)
Operating exchange gain / (loss)		97.1	31.4
Net present value (NPV) benefits related to assets financed by tax leases		77.2	70.6
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		26,438.1	19,656.2
Share of income / (loss) from associates and joint ventures	7.2	(38.9)	(42.9)
EBIT	4.1	26,399.2	19,613.4
CORE EBIT	4.1	27,857.9	19,748.8
FINANCIAL RESULT	4.6	(864.2)	(1,298.4)
PROFIT / (LOSS) BEFORE TAX		25,535.0	18,315.0
Income taxes	4.7	(587.5)	(370.1)
PROFIT / (LOSS) OF THE YEAR		24,947.5	17,944.9
of which:			
Non-controlling interests		68.8	50.9
OWNERS OF THE PARENT COMPANY		24,878.7	17,893.9
<i>Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)</i>		<i>1,646.3</i>	<i>1,184.1</i>

Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the year ended December 31,	
		2022	2021
PROFIT / (LOSS) OF THE YEAR		24,947.5	17,944.9
Other comprehensive income / (loss) reclassifiable to Profit and Loss			
Cash flow hedges:			
Effective portion of changes in fair value		(69.2)	7.9
Reclassified to profit or loss		12.1	12.1
Available-for-sale financial assets		-	(0.1)
Net investment hedge	6.2.2	46.8	45.2
Net investment hedge - Share of other comprehensive income of associates and joint ventures	6.2.2 & 7.2	-	16.2
Foreign operations – foreign currency translation differences		(205.5)	(75.6)
Foreign operations – Share of other comprehensive income of associates and joint ventures	7.2	(26.7)	(13.0)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss			
Equity investments at Fair Value Through Other Comprehensive Income – net change in fair value	6.3.1	(161.9)	-
Remeasurment of defined benefit pension plans	8.1	38.4	41.7
Remeasurement of defined benefit pension plans of associates and joint ventures	7.2	1.4	(0.1)
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.7.2 & 7.2	(3.5)	(0.6)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		(368.0)	33.7
TOTAL COMPREHENSIVE INCOME / (LOSS) OF THE YEAR, NET OF TAX		24,579.5	17,978.6
of which:			
Non-controlling interests		59.4	48.2
Owners of the parent company		24,520.1	17,930.4

Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at December 31, 2022	As at December 31, 2021
Goodwill	5.1.1	5,282.4	2,855.8
Other intangible assets	5.1.2	4,489.8	2,046.9
INTANGIBLE ASSETS		9,772.2	4,902.7
Vessels	5.2.1	20,792.6	18,561.3
Containers	5.2.1	4,894.6	4,376.3
Lands and buildings	5.2.1	2,836.9	1,946.1
Other properties and equipment	5.2.1	3,238.8	1,485.7
PROPERTY AND EQUIPMENT	5.2.1	31,762.9	26,369.4
Deferred tax assets	4.7.2	226.2	234.3
Investments in associates and joint ventures	7.2	514.6	575.7
Derivative financial instruments	6.2	0.2	-
Other non-current operating assets		135.8	74.5
Other non-current financial assets	6.3.1	2,263.0	814.1
NON-CURRENT ASSETS		44,674.8	32,970.7
Inventories	5.4	1,046.9	724.1
Trade and other receivables	5.4	6,224.1	4,504.2
Contract assets	5.4	1,781.8	2,404.1
Income tax assets	5.4	251.4	120.2
Derivative financial instruments	6.2	1.3	2.7
Securities and other current financial assets	6.3.2	12,677.1	874.5
Cash and cash equivalents	6.4	8,913.5	10,130.9
Prepaid expenses	5.4	176.2	252.3
Assets classified as held-for-sale	5.5	23.5	-
CURRENT ASSETS		31,095.9	19,012.9
TOTAL ASSETS		75,770.7	51,983.6

Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at December 31, 2022	As at December 31, 2021
Share capital	6.5	253.2	253.2
Reserves and retained earnings		20,238.2	5,657.8
Profit / (Loss) for the year attributable to owners of the parent company		24,878.7	17,893.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		45,370.1	23,804.9
Non-controlling interests		144.4	113.1
TOTAL EQUITY		45,514.6	23,918.0
Borrowings and lease liabilities	6.6	13,938.7	14,649.4
Derivative financial instruments	6.2	31.2	35.2
Deferred tax liabilities	4.7.2	1,140.9	398.9
Provisions	8.1	681.0	405.0
Employee benefits	8.1	285.6	278.1
Other liabilities		77.7	52.4
NON-CURRENT LIABILITIES		16,155.1	15,819.0
Borrowings and lease liabilities	6.6	3,356.2	3,552.1
Derivative financial instruments	6.2	49.5	5.8
Provisions	8.1	243.4	228.0
Employee benefits	8.1	3.7	1.8
Trade and other payables	5.4	9,966.4	7,939.7
Income tax liabilities	5.4	239.2	284.3
Deferred income	5.4	218.6	234.9
Liabilities associated with assets classified as held-for-sale	5.5	24.0	-
CURRENT LIABILITIES		14,101.0	12,246.5
TOTAL LIABILITIES & EQUITY		75,770.7	51,983.6

Consolidated Statement of changes in Equity

(in USD million)

	Attributable to owners of the parent			TOTAL	Non-controlling interests	Total Equity
	Share capital (i)	Reserves, retained earnings and Profit for the period				
		Premium, legal reserves, Profit / (Loss) for the period and other comprehensive income non reclassifiable to profit and loss	Other comprehensive income reclassifiable to profit and loss (see Note 6.5)			
Balance as at January 1, 2021	253.2	6,659.5	(200.0)	6,712.7	66.1	6,778.8
Profit / (Loss) for the period	-	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
Balance as at January 1, 2022	253.2	23,823.9	(272.2)	23,804.8	113.1	23,918.0
Profit / (Loss) for the period	-	24,878.7	-	24,878.7	68.8	24,947.5
Other comprehensive income / (expense), net of tax	-	(127.1)	(231.6)	(358.7)	(9.3)	(368.0)
Total comprehensive income / (expense) for the year	-	24,751.6	(231.6)	24,520.1	59.4	24,579.5
Transaction with non-controlling interests and other	-	39.4	5.8	45.2	1.6	46.8
Dividends	-	(3,000.0)	-	(3,000.0)	(29.7)	(3,029.7)
Total transactions with Shareholders	-	(2,960.6)	5.8	(2,954.8)	(28.1)	(2,982.9)
Balance as at December 31, 2022	253.2	45,615.0	(498.0)	45,370.1	144.4	45,514.6

(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.

Consolidated Statement of Cash Flows

(in USD million)

		For the year ended December 31,	
	Note	2022	2021
Profit / (Loss) for the year		24,947.5	17,944.9
Depreciation and amortization	5.2.1	5,543.1	3,427.9
Net present value (NPV) benefits related to assets financed by tax leases		(77.2)	(70.6)
Other income and expense	4.4	1,512.7	172.9
Increase / (Decrease) in provisions		172.4	41.6
Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(13.0)	(52.4)
Share of (Income) / Loss from associates and joint ventures	7.2	38.9	42.9
Interest expenses on net borrowings and lease liabilities		826.4	1,075.5
Income tax	4.7	587.5	370.1
Other non cash items		58.2	171.6
Changes in working capital	5.4	606.3	(614.3)
Cash flow from operating activities before tax		34,202.9	22,510.0
Income tax paid		(736.5)	(279.5)
Cash flow from operating activities net of tax	5.6	33,466.4	22,230.5
Purchases of intangible assets	5.1.2	(134.3)	(98.5)
Disposals of subsidiaries, net of cash divested		3.2	74.8
Acquisition of subsidiaries, net of cash acquired	3.1	(5,778.0)	(33.6)
Purchases of property and equipment	5.2.1	(4,737.5)	(3,196.4)
Purchases of non consolidated investments	6.3.1	(480.8)	(29.0)
Proceeds from disposal of property and equipment		131.4	56.1
Dividends received from associates and joint ventures	7.2	31.6	13.6
(Increase) / Decrease in other financial assets	6.3.1	(12,779.2)	(400.8)
Variation in securities	6.3.2	(297.4)	(513.5)
Net cash (used in) / provided by investing activities	5.6	(24,041.0)	(4,127.2)
Dividends paid to the owners of the parent company and non-controlling interest		(3,029.4)	(869.0)
Proceeds from borrowings, net of issuance costs	6.6	472.8	924.9
Repayments of borrowings	6.6	(2,048.3)	(5,632.1)
Cash payments related to principal portion of leases	6.6	(3,658.7)	(2,249.2)
Interest (paid) / received on financial assets and liabilities		2.1	(287.5)
Cash payments related to interest portion of leases		(822.3)	(743.2)
Other cash flow from financing activities	6.7	(1,632.7)	(995.5)
Net cash (used in) / provided by financing activities	6.7	(10,716.6)	(9,851.6)
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		89.6	(27.1)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		(1,201.6)	8,224.6
Cash and cash equivalents and bank overdrafts at the beginning of the year		10,073.5	1,849.0
Cash and cash equivalents as per balance sheet		8,913.5	10,130.9
Bank overdrafts		(41.6)	(57.4)
Cash and cash equivalents and bank overdrafts at the end of the period	6.4	8,871.9	10,073.5
Supplementary information: non cash investing or financing activities:			
- Assets acquired through financial debt or equivalents	5.2.1	4,169.5	8,014.7
Supplementary information: Interest paid on net borrowings			
- Interests received		176.2	36.6
- Interests paid excluding interest on leases		(174.1)	(324.1)

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, 2022 were approved by the Board of Directors on March 3, 2023, 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 (Air and Ocean), Ground, Contract Logistics and Finished Vehicle Logistics (FVL) 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%3A126040>

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, 2021, except as outlined in the paragraphs below.

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

The following amended Standards are mandatory on or after January 1, 2022 and did not have any significant impact on the Group's CFS and performance:

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

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

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

The IASB issued amendments to IAS 16 Property, plant and equipment in May 2020. These amendments aim to standardise practices for the recognition of proceeds and costs during the test phase of an asset. These amendments were published in the OJEU on July 2021.

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

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

Annual Improvements 2018-2020

These limited-scope amendments concern IFRS 1, IFRS 9, IAS 16 and IFRS 41. The amendments issued in the Annual Improvements to IFRS Standards 2018–2020 were published in the OJEU on July 2021.

2.2.2 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2022, endorsed by the European Union

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting policies

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

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

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

Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 on the accounting treatment of deferred tax related to leases, issued in May 2021 by the IASB, have been endorsed by the European Union and published in the OJEU on August 12, 2022. In specified circumstances, companies were exempted from recognising deferred tax when they recognise assets or liabilities arising from a single transaction for the first time. The amendments clarify that the exemption does not apply to leases and decommissioning obligations (transactions for which companies recognise both an asset and a liability) and that companies are required to recognise deferred tax on such transactions. These amendments are mandatory for financial periods beginning on or after 1 January 2023. Early application is permitted.

The estimated impact for the Group is not material.

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

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

IFRS 14: Regulatory Deferral Accounts

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

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

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

Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

Amendments to IFRS 16: Leases – Lease Liability in a Sale and Leaseback

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 2021 annual CFS, have been described in the below mentioned 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 the lease term and the payments to be included in the measurement of the lease liability (see Note 5.2);
- Demurrage & detention revenues and receivables, accruals for port call expenses, transportation costs and handling services. The estimation of demurrage & detention revenues and receivables is

closely monitored in the context of congestion and supply chain disruption observed in most part of 2022 (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);
- Valuation methods used to identify and measure intangible assets acquired through business combinations (see Note 3.1 Business combinations).

2.4 Translation of financial statements and 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 from 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 entity, 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, 2022	December 31, 2021	year ended December 31, 2022	year ended December 31, 2021
Euro	0.93440	0.88355	0.95052	0.84552
British pound sterling	0.82665	0.74228	0.81099	0.72698
Australian Dollar	1.46778	1.37950	1.44142	1.33191
Chinese Yuan	6.89720	6.34980	6.72991	6.45242
Singapore Dollar	1.33980	1.35040	1.37873	1.34392

Note 3 - Business combinations and Significant events

3.1 Business combinations

Significant judgments and estimates applied to the business combinations

In accordance with IFRS 3, all acquired assets, liabilities and contingent liabilities assumed have been measured at fair value according to IFRS 13 principles. The valuation methods used to determine the fair values of the main assets and liabilities are as follows:

- **Market comparison method:** This valuation method considers the prices observable on the principal market of similar assets if these are available. This method was mainly used for the valuation of property and equipment, as well as for the measurement of advantageous and disadvantageous contracts;
- **Discounted cash flow method:** This valuation method considers future cash flows and appropriate discounting valuation to measure the present value of assets and liabilities for which there is no market data. Such valuation is based on observable data to the extent possible.
- **Income approach:** this valuation consists 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, terminal concession rights and trademarks.

3.1.1 Acquisition of Fenix Marine Services

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

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

- the positive revaluation of the 10% ownership in Fenix Marine Services (FMS) for USD 112.6 million,
- the recognition of an earn-out received upon closing of FMS transaction for USD 105.9 million, related to the sale of 90% of the terminal's shares in 2017.

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

		In USD million
Total consideration for 90% stake in FMS	A	1,807.6
Cash acquired - Cash and cash equivalents of FMS at acquisition date	B	156.5
Cash consideration paid for 90% stake in FMS, net of cash acquired, at acquisition date	C = A (-) B	1,651.1
Identifiable assets acquired		
Terminal concession rights		1,338.3
Software licences and other intangible		10.6
Lands and buildings		9.0
Terminal assets		945.9
Other property and equipment		8.3
Financial assets		2.7
Inventories		5.7
Current derivatives		0.6
Working capital - assets		78.1
Other current assets		1.4
Liabilities assumed		
Non current borrowings and lease liabilities		753.7
Deferred tax liabilities		385.4
Non current provisions		11.3
Current borrowings and lease liabilities		420.9
Working capital - liabilities		86.0
Fair value of net assets acquired	D	743.2
Fair value of previously acquired shares	E	170.7
Goodwill	C (-) D (+) E	1,078.7

The main intangible asset recognized separately from goodwill is the concession-related intangible asset, using the excess earnings valuation method.

The purchase price allocation has resulted in the recognition of a goodwill of USD 1,078.7 million, mainly explained by the contract-related assets with CMA CGM which constitute a pre-existing relationship which is not to be recognized in accordance with IFRS 3, and remains part of goodwill.

3.1.2 Acquisition of INGRAM CLS

On April 4, 2022 and through subsequent additional closings, CEVA Logistics acquired Ingram Micro's Commerce & Lifecycle Services business ("Ingram CLS"). The acquisition price amounted to USD 3.1 billion.

With approximately USD 1.8 billion annual sales in 2021 and more than 11,500 employees across 59 sites worldwide, Ingram Micro's CLS business is mostly specialized in contract logistics with exposure to eCommerce clients. The acquired perimeter also encompasses Shipwire, an order fulfilment platform that provides flexible eCommerce logistics solutions for small and medium-sized companies.

Overall, this transaction complements CEVA's eCommerce offering and will accelerate growth in key market segments such as technology and fashion. CEVA Logistics' scale and expertise in contract logistics and freight forwarding will allow Ingram CLS to broaden its geographical reach and client base.

Since acquisition date, Ingram CLS contributed USD 1,249 million to the group revenue and USD (5) million to the group net result.

Before closing of the acquisition, INGRAM MICRO group carved-out the activities targeted in the transaction, through a number of share deals and asset deals. Thus, it is not possible to provide a reliable estimate of revenue and profit after tax as if CEVA Logistics had acquired Ingram CLS from 1 January 2022 as comparative and stand-alone Ingram CLS figures are not available.

Acquisition costs related to Ingram CLS are considered as minimal at group level and have been recognized as operating expenses.

At the acquisition date, the consideration paid, the measurement at fair value of the assets acquired and liabilities assumed, and the resulting goodwill can be presented as follows:

		In USD million
Total consideration for 100% stake in Ingram	A	3,064.4
Cash acquired - Cash and cash equivalents of Ingram at acquisition date	B	69.1
Cash consideration paid for 100% stake in Ingram, net of cash acquired, at acquisition date	C = A (-) B	2,995.3
Identifiable assets acquired		
Trademark		37.0
Customer relationships		864.5
Technology		93.0
Software licences and other intangible		3.2
Lands and buildings		147.8
Other property and equipment		128.7
Deferred tax assets		2.0
Other non current assets		7.8
Inventories		44.6
Working capital - assets and others		425.9
Liabilities assumed		
Non current borrowings and lease liabilities		124.2
Deferred tax liabilities		249.3
Non current provisions		9.2
Current provisions		27.6
Working capital - liabilities		244.2
Fair value of net assets acquired	D	1,100.2
Goodwill	C (-) D	1,895.1

The main intangible assets recognized separately from goodwill are the customers-related intangible assets, using the excess earnings valuation method.

The purchase price allocation has resulted in the recognition of a provisional goodwill of USD 1,895.1 million, mainly representative of future economic benefits from assets that are not capable of being individually identified and separately recognized. These assets notably include future customer contracts and relationships, certain future technological developments, assembled workforce, and synergies expected to arise from the acquisition.

3.1.3 Acquisition of Colis Privé

On April 7, 2022, CEVA Logistics acquired Colis Privé group for a total consideration of EUR 646 million (USD 716 million).

Colis Privé operates an asset-light last-mile parcel delivery network in France, having also expanded in Morocco and Belgium in past two years. The company delivered more than 70 million packages in 2021; and operates 4 hubs, 20 owned stations and 80 partner stations.

Colis Privé focuses on small package deliveries for B2C eCommerce companies and is supported by a technology platform focused on both the delivery process and the customer interaction.

Thanks to its expertise, its agile and innovative offering, Colis Privé has built a large customer portfolio consisting of more than 200 e-commerce companies, including international market leaders.

With the acquisition of Colis Privé, CEVA Logistics is adding more solutions and building compelling Direct-To-Customers (DTC) networks to serve eCommerce customers' needs

Since the acquisition date, Colis Privé contributed USD 206 million to group revenue and a USD (1) million to group net result.

Had CEVA Logistics acquired Colis Privé on January 1, 2022, the estimated contribution to revenue and loss after tax contribution for the 12 months ended December 31, 2022 would have been USD 275 million and USD (2) million, respectively.

Acquisition costs related to Colis Privé are considered as minimal at group level and have been recognized as operating expenses.

At the acquisition date, the consideration paid, the measurement at fair value of the assets acquired and liabilities assumed, and the resulting goodwill can be presented as follows:

		In USD million
Total consideration for 100% stake in Colis Privé	A	715.7
Cash acquired - Cash and cash equivalents of Colis Privé at acquisition date	B	36.6
Cash consideration paid for 100% stake in Colis Privé, net of cash acquired, at acquisition date	C = A (-) B	679.1
Identifiable assets acquired		
Trademark		72.3
Customer relationships gross		207.0
Technology		10.3
Software licences and other intangible		2.9
Other property and equipment		43.2
Other non current assets		5.3
Working capital - assets		63.4
Liabilities assumed		
Non current borrowings and lease liabilities		47.9
Deferred tax liabilities		74.2
Other non current provisions and liabilities		1.0
Working capital - liabilities		102.9
Current provisions and liabilities		8.1
Fair value of net assets acquired	D	170.3
Goodwill	C (-) D	508.8

The main intangible assets recognized separately from goodwill are the customer-related intangible asset, using the excess earnings valuation method and the trademark using the relief from royalty method.

The purchase price allocation has resulted in the recognition of a provisional goodwill of USD 508.8 million, mainly representative of future economic benefits from assets that are not capable of being individually identified and separately recognized. These assets notably include future customer contracts and relationships, certain future technological developments, assembled workforce, and synergies expected to arise from the acquisition.

3.1.4 Acquisition of GEFCO

On April 8, 2022, the Group announced a new logistics development with the acquisition of nearly 100% of GEFCO, a European leader in automotive logistics. With this acquisition, the CMA CGM Group ensures the continuity and long-term stability of GEFCO's business which will strengthen its development within CEVA Logistics. As part of a special procedure, the European Commission authorized CMA CGM to acquire the capital of GEFCO while the integration was subject to the final approval from competition authorities. Such approval was obtained on July 25, 2022, allowing to proceed with its integration as from such date which is considered as the acquisition date.

Since the acquisition date, GEFCO contributed USD 1,864 million to group revenue and USD 25 million to group net result.

Had CMA CGM acquired GEFECO on January 1, 2022, the estimated contribution to revenue and profit after tax for the 12 months ended December 31, 2022 would have been USD 4,651 million and USD 84 million, respectively.

Individual acquisition costs related to GEFECO are considered as minimal at group level and have been recognized as operating expenses.

At the acquisition date, the consideration paid, the measurement at fair value of the assets acquired and liabilities assumed, and the resulting preliminary goodwill can be presented as follows:

		In USD million
Total consideration for 100% stake in Gefco	A	472.8
Cash acquired - Cash and cash equivalents of Gefco at acquisition date	B	282.0
Cash consideration paid for 100% stake in Gefco, net of cash acquired, at acquisition date	C = A (-) B	190.8
Identifiable assets acquired		
Trademark		5.3
Customer relationships		146.2
Technology & Software licences and other intangible		29.0
Lands and buildings		494.4
Other property and equipment		102.3
Other non current assets		75.0
Working capital - assets and others		1,064.7
Assets classified as held-for-sale		23.5
Liabilities assumed		
Non current borrowings and lease liabilities		343.6
Deferred tax liabilities		80.4
Non current provisions		153.8
Current borrowings and lease liabilities		101.9
Current provisions		14.6
Working capital - liabilities and others		1,061.6
Liabilities associated with assets classified as held-for-sale		24.0
Fair value of net assets acquired	D	160.6
Currency translation adjustment on acquired shares	E	(30.2)
Goodwill / (Badwill)	C (-) D (+) E	0.0

The main intangible assets recognized are the customer-related intangible asset, using the excess earnings valuation method and the trademark using the relief from royalty method.

3.1.5 CGU allocation and impairment testing of the Logistics segment

In 2022, three groups of entities (CLS Ingram, Colis Privé and GEFECO) were acquired in the logistics segment, which led the Group to reorganize its business model as part of the integration process. As such, the logistics segment is now organized around 4 Cash-Generating Units ("CGUs") in 2022 vs 2 CGUs in 2021:

- Air / Ocean (Freight Management or FM)
- Ground
- Contract Logistics
- Finished Vehicle Logistics.

The former CGU Freight Management has been split into two distinct CGUs Air/Ocean and Ground aligned with reporting lines and product management structures. The acquisition of Colis Privé, operating in a new Last Mile business for the Group, reinforced the relevance to isolate the net assets and their related cash flows in a dedicated Ground CGU. GEFECO operates in the Air/Ocean businesses but even more significantly in the Ground business, increasing further its weight of within the logistics activities of the Group.

The CGU Contract Logistics is still present and has not been modified as it remains an independent business with specific assets and cash-flows which have been strengthened with the acquisition of CLS Ingram, and to a lesser extent by the GEFCO's Contract Logistics activities.

The new CGU Finished Vehicle Logistics ("FVL") comes from the acquisition of GEFCO as a new business. This FVL business is an independent business already monitored as such within GEFCO prior to the acquisition.

Based on the above CGU allocation and as part of the mandatory year-end impairment test performed based on the latest forecasts, Management identified that the value in use of the overall Ground and Contract Logistics CGUs were below their carrying values. As a consequence, a USD 1.1 billion impairment charge has been recognized, including USD 0.9 billion on Contract Logistics and USD 0.2 billion on Ground. No impairment charge has been recognized on FM and FVL CGUs (see Note 5.3).

3.1.6 Other acquisitions

In October 2022, the Group finalized the acquisition of the newspaper Group La Provence. This transaction is considered as non material as well as other minor acquisitions, notably in the Logistics division.

3.2 Corporate information

A dividend to shareholders related to FY2021 and an interim dividend related to H1 2022 have been declared and paid in the year ended December 31, 2022 for a total amount of USD 3.0 billion.

3.3 The Transport and Logistics industry in 2022

Group

2022 was a year of two halves for the Transport and Logistics industry. While industry prospects were well oriented at the beginning of the year (continuous global economic recovery post Covid-19 pandemic and dynamic consumer demand) the macroeconomic and geopolitical backdrop started to deteriorate after the Russian invasion of Ukraine, having negative spillover effects on the sector. Global consumer demand for goods softened rapidly during the second half of 2022 in a context of eroding consumer and business confidence due to mounting inflationary pressures across most economies and a severe energy crisis in Europe. Lower demand and flattening global trade volumes, along with the gradual adaptation of global supply chains to the above-mentioned negative supply shocks, allowed to resolve most disruptions towards year-end. As port congestions eased and bottlenecks in landside transportation and warehousing resolved, transportation capacity was freed-up and returned onto the market, driving freight rates down, particularly in container shipping.

Besides, considering the current geopolitical landscape, the group has suspended from day one all new bookings to/from Russia, Ukraine and Belarus. The Group also ensures that it complies with applicable sanctions. In such context, Management decided to write-off the recoverable value of two joint ventures located in Russia and Ukraine for a total amount of USD (54) million. The decisions taken thus far have no material impact on the Group's performance. However, it is difficult to assess yet the impact of a potential further deterioration in the geopolitical environment and the wider macro-economic consequences.

Container shipping market

Exceptional market conditions experienced in container shipping in 2021 continued to largely prevail in the first half of 2022. Severe port congestion and supply chain disruptions constrained effective vessel capacity (about -17% according to Drewry) while demand remained robust over that period. Container shipping freight rates reached their peak during the first quarter of 2022 and started softening thereafter as the Supply / Demand balance started to shift in most parts of the World. The demand shock became more severe and

evident towards the end of the third quarter, triggered by retailer destocking effects in the US and the overall impact of persistent inflation on consumers (global “cost of living crisis”, exacerbated by the energy crisis in Europe).

Air Freight Market

The Air freight market came under pressure in 2022, after a very positive year in 2021 in the aftermaths of the Covid-19 pandemic which saw capacity constraints as a result of lower available passenger flights belly capacity combined with strong demand supporting elevated yields.

In 2022 global air cargo volumes reached 250 billion CTKs (Cargo Tonne-Kilometers) down 8.0% YoY but broadly in line with 2019 according to IATA (Air Cargo Monthly Analysis – December 2022). During the first quarter of the year air cargo volumes were at par with the same period in 2021 and started declining throughout the rest of the year. Weaker air cargo demand in 2022 resulted from multiple headwinds including high inflation curtailing household spending, the ongoing war in Ukraine which disrupted trade flows, the destocking cycle in the US and the fact that normalization in the Ocean market in the second half of the year meant that air was no longer needed to circumvent the ocean congestions like in 2021.

Logistics market

Freight management activities are driven by the same global trade dynamics affecting the Air, Ocean and Ground transportation sectors as freight forwarders act as intermediaries between carriers and shippers. Nevertheless, freight forwarders are more immune to underlying freight rates volatility as their cost base is more flexible due to the asset-light nature of the business. Carrier or transportation service costs are being passed-through to end-customers and the labor cost base is more adaptable. That translates into generally more stable margins.

Contract Logistics is less prone to cyclicalities in the logistics space and continues to be supported by outsourcing trends in the context of increasingly complex supply-chains and the expansion of e-commerce. It is also an asset-heavier part of the logistics business although players tend to match lease contracts on warehouse assets to customer contracts. Digital innovation and automation are other key trends reshaping the industry and bolstering profitability of the most efficient players.

In 2022 the contract logistics market continued to recover from the disruption experienced in 2020 and 2021 as a result of the Covid-19 pandemic (warehouse closures, staff shortages and general supply-chain disruption). After two years of exceptional dynamism, the e-commerce space moderated in 2022 as consumer spending habits rebalanced, while other sectors remained dynamic (eg: pharmaceuticals). The automotive sector continued to suffer due to semiconductor shortages and a depressed demand.

3.4 Debt repayment initiatives and financial investments

Thanks to its strong cash-flow generation, the Group pursued its debt repayment initiatives over the year 2022 with a voluntary partial repayment of USD 800 million on the CMA CGM securitization program, which remains fully available (see Note 6.6.5) and the early full repayment of bank loans for a total amount of USD 849 million (see Note 6.6.3).

Besides, the Group optimized its liquidity management through cash investments of USD 11.6 billion in current risk-free financial assets with a residual average maturity of 6 months. These are not included in cash and cash equivalents but represent substantial financial resources (see Note 6.3.2).

In December 2022, the Group renegotiated its main revolving credit facility and extended its maturity from August 2024 to August 2026. Such facility is fully undrawn to date.

In 2022, the Group undertook a number of financial investments in listed companies (see Notes 6.3.1).

3.5 Investments in port terminals

Port of Beirut

On February 17, 2022, the Group has been awarded the concession to operate and maintain the Beirut Port Container Terminal, the only dedicated container facility in the capital of Lebanon, through a dedicated subsidiary owned at 66.5%. The entity started operations in April 2022 under the terms of a ten-year agreement.

Nhava Sheva terminal

CMA Terminals (CMAT) and J M Baxi Ports & Logistics Ltd., a unit of J M Baxi Group, founded 106 years ago in Mumbai, won the tender for the privatization of the Nhava Sheva terminal in India. Nhava Sheva, also known as Jawaharlal Nehru Port, is located across from Mumbai (Bombay), India's largest city with nearly 20 million residents. The 30-year Concession Agreement was signed on July 29 with the Jawaharlal Nehru Port Authority (JNPA). Under 50/50 joint ownership by J M Baxi Ports & Logistics and CMAT, the Nhava Sheva Freeport Terminal will operate as a multi-user terminal. The joint venture plans to increase the terminal's capacity to 1.8 million TEU and upgrade the equipment, yard and systems. The entity started operations in February 2023.

Global Container Terminal in the US

In early December 2022, the Group signed a binding agreement to acquire the GCT Bayonne and New York terminals, from Global Container Terminals Inc (GCT). The port of New York is a key entry point serving the Northeastern U.S. supply chain areas and represents CMA CGM's largest gateway to the U.S. East and Gulf Coasts. The Bayonne and New York terminals, with an existing combined capacity of 2 million TEUs per year, have a potential for further expansion, up to almost double capacity. The closing of the transaction which is subject to various regulatory approval is expected to happen by summer 2023.

3.6 Air cargo division

In April 2022, the Group ordered two additional Boeing 777F aircrafts to be delivered in 2024, for a total of six aircrafts on order (the remaining four A350F aircrafts being due to be delivered half in 2025 and half in 2026).

On May 18, 2022, CMA CGM Group and Air France-KLM Group announced that they have signed a long-term strategic cooperation agreement in the air cargo sector.

This exclusive cooperation will have an initial duration of 10 years and will allow the coordination of the cargo aircraft networks and the optimization of the respective resources of the two airlines. The entire cargo fleets of both airlines, i.e. 12 cargo aircraft and up to 20 by 2028, will be organized under this cooperation agreement.

In parallel, CMA CGM also became a new reference shareholder of Air France-KLM through an investment to 9% of Air France-KLM's ex-post share capital. This EUR 396.7 million investment has been realized in June 2022 in the context of Air France-KLM's EUR 2.4bn rights issue. The investment has been classified as financial asset at fair value through OCI.

In this context, Rodolphe Saadé has been appointed as board member at the Air France-KLM shareholders' meeting in May 2022.

On June 1, 2022, CMA CGM AIR CARGO was awarded its AOC (Air Operator Certificate) by the French authorities, a permit enabling the airline to conduct commercial transport activities, with its hub located in Paris-Charles de Gaulle airport.

3.7 Rating agencies

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

On May 13, 2022 Moody's upgraded CMA CGM's corporate and Senior Notes ratings to Baa2. All ratings have a positive outlook.

3.8 Vessel orderbook and Green transition

Owned vessel orderbook

The Group's orderbook includes 63 owned vessels as at December 31, 2022 (see Note 8.2.1).

Green transition – IMO regulation

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

Green transition – Energy division

In September 2022, the Group announced the creation of a Fund for Energies, backed by a five-year, USD 1.5 billion budget, to accelerate its energy transition and achieve net-zero carbon by 2050.

The Fund will invest to support the industrial production of alternative fuels, as well as low-emission mobility and transport solutions across the Group's business base (maritime, overland and air freight transportation, port and logistics services, offices). It will help supporting a global innovation platform developed alongside large corporations, SMEs, start-ups, and the academic and scientific communities.

The Group recently announced it will dedicate EUR 200 million of its energy fund to accelerate the decarbonization of the French shipping industry. This will enable the setup of a dedicated center for projects to be launched in January 2023, support France's shipping and port industry across all sectors, and support the École Nationale Supérieure Maritime to strengthen the recruitment of student officers and develop the fleet under the French flag. See Note 8.3.

Disclosure related to climate related risks are included in Notes 5.2 and 5.3.

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 recognizes revenue according to 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 Terminal Handling Charges or "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 e.g.).

Detention & demurrage revenue is recognized over time.

Logistics activities

The group derives revenue from the transfer of services mainly over time in four major product lines, Contract Logistics, Air and Ocean Freight Management, Ground and FVL (Finish Vehicle Logistics). The group also provides brokerage and value-added services.

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.

- *Ground and 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.

- *FVL*

CEVA moves finished vehicles from the factory floor to the point of sale. In addition, the segment provides a growing range of value-added services such as seamless multimodal network by road, rail and sea, storage, post production operations, vehicle customization, pre-delivery inspection, and fleet management. 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.

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 the 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, 2022 and 2021 is as follows:

	Revenue		EBITDA		EBIT	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021	2022	2021
Container shipping segment	58,946.3	45,290.2	31,636.7	22,068.9	27,172.2	19,341.2
Logistics segment	16,089.4	10,903.1	1,222.7	881.5	439.3	341.8
Other activities	1,805.5	882.5	447.3	153.4	246.4	67.0
Total core measures before elimination	76,841.2	57,075.8	33,306.7	23,103.8	27,857.9	19,750.0
Eliminations	(2,343.3)	(1,100.1)	-	(1.2)	-	(1.2)
Total core measures	74,497.9	55,975.7	33,306.7	23,102.6	27,857.9	19,748.8
Reconciling items	-	-	-	-	(1,458.6)	(135.4)
Total consolidated measures	74,497.9	55,975.7	33,306.7	23,102.6	26,399.3	19,613.4

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

The bridge from EBIT to core EBIT can be presented as follows in sync with Notes 4.3, 4.4 and 7.2 below:

		For the year ended	
		December 31,	December 31,
		2022	2021
Core EBIT		27,857.9	19,748.8
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	13.0	52.4
Other income and (expenses)	4.4	(1,512.7)	(172.9)
Operating exchange rate gain/loss		97.1	31.4
Impairment / non recurring items recorded in associates and joint ventures	7.2	(56.1)	(46.5)
EBIT		26,399.2	19,613.4

4.2 Operating expenses

4.2.1 Variations of operating expenses

Operating expenses are analyzed as follows:

	For the year ended December 31,	
	2022	2021
Bunkers and consumables	(6,844.6)	(4,225.7)
Chartering and slot purchases	(1,904.1)	(1,610.2)
Handling and stevedoring	(7,718.3)	(8,223.1)
Inland, ocean and other 3rd party transportation	(11,724.6)	(8,893.3)
Port and canal	(1,775.2)	(1,631.1)
Container equipment and repositioning	(1,652.4)	(1,357.4)
Employee benefits	(6,526.2)	(4,859.8)
General and administrative other than employee benefits	(1,963.5)	(1,667.4)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(194.3)	(48.0)
Others	(887.9)	(357.3)
Operating expenses	(41,191.2)	(32,873.1)

In the shipping operating segment, surcharges due to port congestion and increased tariffs resulted in increasing operating expenses such as bunker and inland, ocean and other third party transportation costs. Such increase has been compensated by far by the growth of shipping revenue, thus explaining the sharp increase in profitability.

In the Logistics division, operating expenses (mainly inland transportation and employee benefits) are also up in sync with higher volumes and also the effects of congestion on inland transportation costs, such as driver shortages and fuel increase.

4.2.2 Employee benefits

Employee benefit expenses are analyzed as follows:

	For the year ended December 31,	
	2022	2021
Wages and salaries	(5,581.5)	(4,077.4)
Social security costs	(766.1)	(613.0)
Pension costs (see Note 8.1)	(131.5)	(122.1)
Other expenses	(47.2)	(47.4)
Employee benefits	(6,526.2)	(4,859.8)

The number of employees of the controlled subsidiaries of the Group is 97,545 as at December 31, 2022 (72,684 as at December 31, 2021). The total number of employees, including those employed in certain joint-ventures or through international seafarer providers and interim workforces, is 156,078 as at December 31, 2022 (126,617 as at December 31, 2021).

The increase is mainly related to acquisitions in the Logistics division.

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,		
	2022	2021
Disposal of vessels	(7.9)	(0.5)
Disposal of containers	32.1	(2.4)
Other fixed assets disposal	(0.3)	(1.9)
Disposal of subsidiaries	(10.9)	57.3
Gains / (losses) on disposal of property and equipment and subsidiaries	13.0	52.4

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

4.4 Other income and (expenses)

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

For the year ended December 31,		
	2022	2021
Impairment (losses) / reversals of assets	(1,365.3)	(336.2)
Others, net	(147.4)	163.4
Other income and (expenses)	(1,512.7)	(172.9)

In 2022, "Impairment (losses) / reversals of assets" mainly relates to the impairment charge recognized on Ground and CL CGUs in the logistics division (see Note 3.1.5) and to the impairment of some capitalized costs related to the development of information systems.

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

Variations occurred during the year ended December 31, 2021 were disclosed in the 2021 CFS.

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,	
	2022	2021
Interest expense on net financial debt excl. leases	(210.9)	(338.1)
Income on cash deposits	280.5	16.9
Interest expense on leases	(909.2)	(763.1)
Cost of net debt, incl. settlement of interest rates derivatives	(839.6)	(1,084.3)
Non-recurring impact related to deleveraging initiatives	(19.7)	(35.6)
Total cost of net debt	(859.4)	(1,119.9)
Settlements and change in fair value of derivative instruments	(5.5)	(14.2)
Foreign currency income and expense, net	122.5	39.9
Other financial income and expense, net	(121.9)	(204.1)
Other net financial items	(4.8)	(178.5)
Financial result	(864.2)	(1,298.4)

For the year ended December 31, 2022:

- "Interest expense on net financial debt excl. leases" includes USD (33.5) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (71.8) million for the year ended December 31, 2021). The decrease of interest expenses between FY 2021 and FY 2022 is driven by the Group's voluntary debt repayment initiatives undertaken since Q4 2020, hence lowering average indebtedness.
- "Income on cash deposits" sharp increase is due to the remuneration on the Group's increased cash and financial assets balance.
- "Interest expense on leases" variation is the result of a sharp increase in the number, average cost and duration of leases (including the new leases recognized as part of recent acquisitions).

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

"Other financial income and expense, net" mainly reflected the devaluation of our funds and various investments in Lebanon. Besides, such caption generally includes impacts arising from unwinding of discount, termination fees, lease modifications, interests income related to financial assets, dividends received from related parties, effects of hyper-inflation in some specific countries 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 of shipping activities that will be subject to income tax on the basis of eligible vessel's tonnage on which a flat rate is applied. For this reason, among others, the Company classifies the consequences of tonnage tax regime as current income tax.

For the year ended December 31,

	2022	2021
Current tax income / (expense)	(567.3)	(421.4)
Deferred tax income / (expense)	(20.2)	51.3
Income Taxes	(587.5)	(370.1)

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 shipping 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 activities, 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.

Most of the current income tax increase is related to the current tax expected to be incurred on the French tax consolidation in relation with increased results of operations not subject to tonnage tax and to some income taxes incurred abroad.

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

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 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.

Deferred taxes related to carry forward losses

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.

Determining the amount of deferred tax assets to be recognized 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 (applied between 2013 and 2023) should be renewed in 2023 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 tonnage tax regimes

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, 2022	As at December 31, 2021
Losses carried forward	55.9	126.8
Non deductible provision / reversal	62.8	68.8
Retirement benefit obligations	24.1	32.9
Reevaluation and depreciation of intangible / tangible assets	9.8	0.4
Other temporary differences	77.1	21.7
Total gross deferred tax assets	229.8	250.6
Total net deferred tax assets	226.2	234.3

Deferred tax liabilities	As at December 31, 2022	As at December 31, 2021
Intangible assets arising from business combinations	1,000.9	292.2
Undistributed profits from subsidiaries	86.2	67.4
Reevaluation and depreciation of intangible / tangible assets	11.4	9.6
Other temporary differences	46.1	45.3
Total gross deferred tax liabilities	1,144.5	415.2
Total net deferred tax liabilities	1,140.9	398.9

Total net deferred tax assets / (liabilities)	(914.7)	(164.6)

The breakdown of deferred tax assets and deferred tax liabilities presented in the table above is based on net 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 USD (20.2) millions deferred tax P&L impact for the year ended December 31, 2022 is mainly explained by :

- (i) A decrease in deferred tax assets related to carry forward losses for USD (70.8) million mainly due to the depreciation of USD (62.6) million in our logistics subsidiaries in UK, and the decrease for USD (16.9) million of the activities non eligible to tonnage tax in France;
- (ii) An increase in deferred tax liabilities on undistributed subsidiaries' reserves for USD 18.8 million;
- (iii) A recurrent decrease of the deferred tax liability related to purchase price allocation for USD (46.7) million;
- (iv) Other deferred tax adjustments for USD 26.9 million.

Besides, the significant increase of the deferred tax liability related to business combination is mainly explained by the recognition of deferred tax on intangible assets as part of the following acquisitions:

- Ingram for USD 231.0 million;
- Colis Privé for USD 70.2 million;
- GEFCO for USD 55.5 million;
- Fenix Marine Services (FMS) for USD 364.9 million.

Tax losses

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 369.0 million as at December 31, 2022 (USD 1,007.0 million as at December 31, 2021). The corresponding unrecognized deferred tax asset amounts are USD 95.3 million for 2022. Most of these unused tax losses can be carried forward indefinitely. The significant decrease is due to the use of tax losses in our activities in France after we recently recorded significant taxable income.

Regarding our logistics division, unused tax losses of USD 1,116.0 million (USD 906.0 million in 2021) 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 941.0 million can be carried forward indefinitely, USD 41.0 million will expire in 1 to 5 years, and USD 134.0 million will expire in 6 to 20 years.

Temporary taxable differences

A USD 116.0 million (USD 47.0 million in 2021) of deferred tax liabilities on temporary differences associated with undistributed earnings of certain subsidiaries in our logistics division 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,
	2022
Net deferred tax at the beginning of the year	(164.6)
Changes through Profit & Loss	(20.2)
Changes through Other Comprehensive Income	(3.5)
Currency translation adjustment	(2.0)
Other variations	(724.5)
Net deferred tax at the end of the period	(914.7)

"Other variations" line item mainly reflects the effect of recent acquisitions as disclosed above.

4.7.3 Tax proof

In France, from January 1, 2022, a rate of 25.83% (25.0% 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 25.83% for the year ended December 31, 2022 in the tax proof presented below:

	For the year ended December 31,	
	2022	2021
Profit / (Loss) before tax and excluding share of profit (or loss) of the associates and joint ventures	25,573.9	18,357.9
Profit Before Tax under tonnage tax regime and assimilate	25,330.8	17,798.9
Profit Before Tax under regular income tax	243.1	558.9
Theoretical income tax (tax rate of 25.83% in 2022 / 28.41% in 2021)	(62.8)	(158.8)
Income tax expense	(587.5)	(370.1)
Difference between theoretical and effective income tax	(524.7)	(211.4)
Other income not subject to income tax	11.1	6.9
Deferred tax assets impacts related to carry forward losses and unrecognized tax losses	59.8	93.4
Effect of different tax rates in foreign tax jurisdictions	18.5	49.5
Variation of deferred taxes with no impact on profit / (losses) before tax	(23.5)	(25.6)
Current income tax expense driven by a specific income tax basis	(147.0)	(118.3)
Changes in respect of prior years	67.7	(23.8)
Impairment of non taxable assets	(359.2)	(84.4)
Other Permanent differences	(152.0)	(108.9)
Difference	(524.7)	(211.4)

The other permanent differences mainly relate to deductible provisions, IFRS16 impacts and currency impacts, with material change of EUR versus USD rate between 2022 and 2021.

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, 2022	As at December 31, 2021
Beginning of the year	2,855.8	2,872.8
Goodwill from business combinations	3,632.4	11.2
Other variations	(0.9)	-
Impairment	(1,128.0)	(11.0)
Foreign currency translation adjustment	(76.9)	(17.2)
At the end of the year	5,282.4	2,855.8
<i>of which:</i>		
<i>Allocated to container shipping segment</i>	<i>1,120.9</i>	<i>1,127.9</i>
<i>Allocated to logistics segment</i>	<i>2,970.1</i>	<i>1,726.6</i>
<i>Allocated to other activities</i>	<i>1,191.4</i>	<i>1.4</i>

In 2022, the line item "Goodwill from business combinations" corresponds to the goodwill recognized as part of the acquisition of Fenix Marine Services (allocated to other activities and a single CGU) , INGRAM CLS (allocated to logistics segment and Contract Logistics' CGU) , Colis Privé (allocated to logistics segment and Ground CGU) (see Notes 3.1 and 5.3).

Regarding the line item "Impairment", see Note 3.1.5.

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, 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	-	-	(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
Acquisitions	31.2	114.8	(0.0)	-	0.2	146.2
Revaluation – IAS 29 application	8.7	-	-	-	-	8.7
Acquisitions of subsidiaries (see Note 3.1)	138.3	(0.0)	1,328.2	1,338.3	16.7	2,821.5
Disposals	(12.8)	-	-	-	(1.4)	(14.1)
Impairment	-	(68.5)	-	-	-	(68.5)
Reclassification	19.9	(19.6)	-	-	0.0	0.4
Foreign currency translation adjustment	(1.9)	(1.2)	(2.5)	-	(2.5)	(8.2)
As at December 31, 2022	1,076.5	168.0	3,244.5	1,409.3	22.0	5,920.4
	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
Amortization and impairment						
As at December 31, 2020	(482.6)	-	(253.9)	(74.9)	(5.4)	(816.8)
Amortization	(84.4)	-	(92.4)	(3.1)	(1.5)	(181.4)
Disposals	33.1	-	-	-	0.0	33.1
Impairment	(58.2)	-	12.2	13.2	-	(32.8)
Reclassification	(0.2)	-	-	-	-	(0.2)
Foreign currency translation adjustment	7.9	-	2.1	-	0.5	10.5
As at December 31, 2021	(584.4)	-	(332.0)	(64.8)	(6.4)	(987.5)
Amortization	(100.7)	-	(126.0)	(59.5)	(2.0)	(288.3)
Revaluation – IAS 29 application	(7.7)	-	-	-	-	(7.7)
Disposals	9.0	-	-	-	0.2	9.1
Impairment and write-offs	(99.5)	-	(65.9)	-	-	(165.4)
Reclassification	12.2	-	-	-	0.0	12.2
Foreign currency translation adjustment	(2.9)	-	(0.4)	-	0.3	(3.0)
As at December 31, 2022	(774.1)	-	(524.2)	(124.3)	(7.9)	(1,430.6)
Net book value of Other intangible assets	Software		Trademarks & Customer relationships	Terminal concession rights	Others	Total
	In use	In-progress				
As at December 31, 2022	302.4	168.0	2,720.2	1,285.0	14.1	4,489.8
As at December 31, 2021	308.8	142.5	1,586.8	6.2	2.6	2,046.9
As at December 31, 2020	395.3	108.2	1,879.6	40.1	3.8	2,427.0

The net carrying value of other intangible assets mainly relates to (i) the trademark and customer relationships recognized as part of the purchase price allocations for USD 2,720.2 million (USD 1,586.8 million as at December 31, 2021), (ii) USD 1,285.0 million to terminal concession rights relating to purchase price allocations, including the concession-related intangible asset recognized in Q1 2022 as part of the acquisition of FMS (USD 6.2 million as at December 31, 2021) and (iii) software in use or in progress for an amount of USD 470.4 million (USD 451.3 million as at December 31, 2021).

During the year ended December 31, 2022, the capitalized costs of the future information system amounted to USD 20.0 million (USD 33.3 million during the year ended December 31, 2021).

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 the obligation to make 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 recognizes 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 recognizes 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.

Green transition – IMO regulation

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

Management considered the impact of climate-related risks when determining the useful lives of property and equipment. Such risks include, among other, climate-related regulation and technology evolution impacting the use of certain assets.

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, 2022	As at December 31, 2021
Vessels net		
Owned	10,959.7	10,171.8
In-progress	2,217.2	655.7
Right-of-use	7,615.7	7,733.8
	20,792.6	18,561.3
Containers net		
Owned	1,993.1	1,089.6
In-progress	19.8	155.0
Right-of-use	2,881.7	3,131.7
	4,894.6	4,376.3
Lands and buildings net		
Owned	753.5	483.6
In-progress	28.5	18.1
Right-of-use	2,054.9	1,444.5
	2,836.9	1,946.1
Terminal & dry port equipment net		
Owned	190.1	40.8
In-progress	33.7	0.0
Right-of-use	846.5	143.8
	1,070.4	184.6
Aircraft net		
Owned	591.8	257.9
In-progress	826.9	723.2
Right-of-use	-	-
	1,418.7	981.2
Other properties and equipments net		
Owned	489.3	243.8
In-progress	208.0	63.6
Right-of-use	52.3	12.4
	749.7	319.9
Total net		
Owned	14,977.5	12,287.6
In-progress	3,334.1	1,615.7
Right-of-use	13,451.2	12,466.2
Property and equipment	31,762.9	26,369.4

As at December 31, 2022, assets under IFRS 16 included in the above table represented a net book value of USD 13,451.2 million (USD 12,466.2 million as at December 31, 2021).

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

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2020	11,417.9	6,984.4	563.2	4,196.8	2,825.2	257.3	-	515.1	26,759.9
Acquisitions	1,028.9	4,889.7	1,127.5	2,267.2	675.3	74.6	964.4	178.4	11,206.0
Acquisitions of subsidiaries	-	-	-	-	9.1	20.5	-	45.6	75.2
Disposals	(53.0)	(130.2)	(0.0)	(207.5)	(175.6)	(3.5)	-	(25.2)	(595.1)
Disposals of subsidiaries	-	-	-	-	(0.1)	(6.4)	-	(1.5)	(8.0)
Revaluation	-	-	-	-	(17.1)	-	-	-	(17.1)
Reclassification	18.9	-	-	0.0	(14.0)	19.9	45.0	(55.3)	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)	(16.0)	(1.9)	(46.6)	(262.6)
As at December 31, 2021	14,555.7	10,594.7	655.7	6,256.5	3,145.9	346.4	1,007.5	610.5	37,172.8
Acquisitions	1,479.0	2,789.3	1,670.6	1,275.0	866.2	33.6	483.3	298.0	8,895.0
Acquisitions of subsidiaries	-	-	-	-	683.1	957.5	-	314.0	1,954.6
Disposals	(63.3)	(127.7)	(0.1)	(262.4)	(191.2)	(17.4)	(23.5)	(64.9)	(750.6)
Disposals of subsidiaries	-	-	-	-	(2.0)	-	-	(0.2)	(2.2)
Revaluation – IAS 29 application	-	-	-	-	100.3	-	-	19.7	120.0
Reclassification	189.6	(128.5)	-	(1.6)	(19.3)	0.6	-	(9.4)	31.4
Vessels put into service	113.0	-	(113.0)	-	-	-	-	-	(0.0)
Vessels refinancing & exercise of purchase option	885.8	(885.8)	-	-	-	-	-	-	-
Foreign currency translation adjustment	(21.1)	(7.2)	3.9	(0.0)	(149.0)	(22.2)	(3.4)	(33.7)	(232.6)
As at December 31, 2022	17,138.7	12,234.8	2,217.2	7,267.4	4,433.9	1,298.4	1,463.9	1,134.0	47,188.4

As at December 31, 2022, the Group had 233 owned vessels and 320 leased vessels or equivalent agreements in the scope of IFRS 16 (192 owned vessels and 331 leased vessels or equivalent agreements in the scope of IFRS 16 as at December 31, 2021). The Group also operated 40 vessels not recorded in the statement of financial position for a total fleet of 593 vessels.

During the year ended December 31, 2022:

- "Acquisitions" of owned vessels relate mainly to the acquisition of 27 second-hand vessels ranging from TEU 1,700 to 9,900, as well as scrubbers for existing vessels and dry-docks;
- "Acquisitions" of right-of-use vessels mainly relate to new leases for USD 1,879.1 million, vessel lease extensions for USD 252.6 million, and revaluation of leases following notification of the exercise of purchase options for USD 621.2 million;
- "Acquisitions" of in-progress vessels relate to the instalments paid in relation to the vessel orderbook; this also related to investment in scrubbers to be fitted on vessels;
- "Acquisitions" of containers relate to new leases entered into as well as some modifications of existing leases;
- "Acquisitions" of land and buildings mainly include leases entered into by the Logistics segment for an amount of USD 745.5 million. "Acquisitions of subsidiaries" of land and buildings relate to the acquisition of Ingram, Colis Privé and Gefco for an amount of USD 669 million;
- "Vessels put into service" relate to the delivery of scrubbers;
- "Vessels refinancing & exercise of purchase option" relates to the exercise of purchase options in relation to some leased vessels;
- "Acquisitions of subsidiaries" of terminal & dry port equipment relate to the acquisition of Fenix Marine Services (FMS) terminal in Los Angeles for an amount of USD 945.9 million;
- "Acquisitions" of aircrafts mainly relate to installments paid related to two Boeing 777F to be delivered in 2024 and related to two Boeing 777F aircrafts delivered in the year;
- "Acquisitions" of other properties and equipments mainly relate to the logistics division for an amount of USD 254.7 million. "Acquisitions of subsidiaries" of other properties and equipments relate to the acquisition of Ingram, Colis Privé and Gefco for an amount of USD 254.3 million;
- "Revaluation – IAS 29 application" corresponds to the revaluation impact applied on non-monetary assets in accordance with IAS 29. This mainly related to our subsidiaries in Turkey.

Variations occurred during the year ended December 31, 2021 were disclosed in the 2021 CFS.

Borrowing costs capitalized during the year ended December 31, 2022 amounted to USD 39.5 million (USD 4.3 million for the year ended December 31, 2021).

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

Purchases of property and equipment and intangibles amounted to USD 9,041.3 million for the year ended December 31, 2022 (USD 11,309.7 million for the year ended December 31, 2021).

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

		As at December 31,	
		2022	2021
Acquisition of assets presented in the above tables	a	9,041.3	11,309.7
(-) Assets not resulting in a cash outflow (i)	b	(114.6)	(680.2)
(-) IFRS16 leases increase	c	(4,054.9)	(7,334.6)
CAPEX cash from purchases of intangible assets	d	(134.3)	(98.5)
CAPEX cash from purchases of property and equipment	e = (-) a (-) b (-) c (-) d	(4,737.5)	(3,196.4)
CAPEX cash from business combination	f	(5,778.0)	(62.6)
Total CAPEX as per Consolidated Statement of Cash Flows	d + e + f	(10,649.8)	(3,357.4)

- (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 10,649.8 million cash capex as per Consolidated Statement of Cash-Flows, the Group proceeded to the following investments in its operating assets:

- USD 856.1 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 730.6 million for vessels and USD 41.9 million for containers;
- USD 114.6 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 4,054.9 million non-cash capex related to new leases entered into.

Changes in the accumulated depreciation for the year ended December 31, 2022 and the year ended December 31, 2021 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2020	(3,265.4)	(2,142.6)	-	(1,378.6)	(972.9)	(136.2)	-	(256.8)	(8,152.6)
Depreciation	(656.8)	(1,340.7)	-	(636.7)	(476.2)	(36.2)	(14.9)	(85.1)	(3,246.6)
Disposals	53.2	130.2	-	135.4	180.7	3.5	-	19.6	522.7
Disposals of subsidiaries	-	-	-	-	-	5.7	-	1.1	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	(5.3)	(8.1)	2.6	(6.1)
Foreign currency translation adjustment	9.4	1.7	-	(0.2)	64.3	6.8	0.6	28.0	110.6
As at December 31, 2021	(4,383.9)	(2,861.0)	-	(1,880.2)	(1,199.7)	(161.7)	(26.3)	(290.6)	(10,803.4)
Depreciation	(1,611.7)	(2,105.4)	-	(694.5)	(591.8)	(85.7)	(19.6)	(145.0)	(5,253.8)
Disposals	47.9	127.7	-	201.1	181.2	11.9	8.5	61.8	640.0
Impairment	-	-	-	-	8.4	-	(8.5)	(4.0)	(4.1)
Revaluation – IAS 29 application	-	-	-	-	(82.4)	-	-	(13.6)	(96.0)
Reclassification	(240.2)	218.5	-	0.8	26.7	(0.4)	-	(8.5)	(3.1)
Foreign currency translation adjustment	8.9	1.1	-	0.0	59.9	8.0	0.8	16.3	94.9
As at December 31, 2022	(6,179.0)	(4,619.1)	-	(2,372.7)	(1,597.0)	(228.0)	(45.2)	(384.4)	(15,425.5)

Including intangible assets, the total depreciation for the year ended December 31, 2022 amounts to USD 5,543.1 million (USD 3,427.9 million for the year ended December 31, 2021).

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

	Vessels			Containers	Lands and buildings	Terminal & dry port equipment	Aircrafts	Other properties and equipments	Total
	Owned	Right-of-use	In-progress						
As at December 31, 2022	10,959.7	7,615.7	2,217.2	4,894.6	2,836.9	1,070.4	1,418.7	749.6	31,762.9
As at December 31, 2021	10,171.8	7,733.8	655.7	4,376.3	1,946.2	184.6	981.2	319.9	26,369.4
As at December 31, 2020	8,152.5	4,841.8	563.2	2,818.2	1,852.2	121.1	-	258.3	18,607.3

As at December 31, 2022, the carrying amount of property and equipment held as collateral (mainly of financial debts) amounts to USD 17,613.6 million (USD 16,581.6 million as at December 31, 2021) and USD 3,910.7 million excluding leased assets under IFRS 16 (USD 4,113.5 million as at December 31, 2021).

5.2.2 Group vessels and aircrafts fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within “Vessels” in the consolidated statement of Financial Position and amount to USD 2,217.2 million as at December 31, 2022 (USD 655.7 million as at December 31, 2021).

Prepayments made with regards to aircraft orderbook are presented within “Other properties and equipment” in the consolidated statement of Financial Position and amount to USD 826.9 million as at December 31, 2022 (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 in the scope of IAS 36 and are tested annually or when impairment indicators exist. They are assessed for impairment at Group’s CGUs level.

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. In the current context described in Note 3.3. Management revised its forecasts accordingly when assessing the value in use of its main CGUs, notably the shipping CGU (see below).

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 disclosed in Note 3.1.5, as far as logistics activities are concerned, Management monitors goodwill based on four cash generating units: Freight Management (FM) (Air and Ocean), Ground, Contract Logistics (CL) and Finished Vehicules Logistics (FVL). 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.

- The post-tax discount rates, or Weighted Average Cost of Capital ("WACC"), used for testing purposes are included within the range 8%-23% (7%-18% in 2021) depending upon the inherent risk of each activity tested and its geographical exposure.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set between 1% and 3% (between 1% and 2% in 2021 – see sensitivity analysis below). The growth rates assumed reflect current market expectations for the relevant period.
- Certain assumptions specific to the Group's segments:

Container shipping activity

As disclosed in Note 3.3, after 2 years of abnormal market conditions, the market normalization is now well advanced. Indeed, volumes and freight rates have started to decline in 2022 and in the first months of 2023. The future evolution of bunker price is also an uncertain factor impacting the Group's forecasts, notably in our container shipping CGU. The market power relationship will determine the extent to which the bunker cost can be passed through in the freight rates charged to the customers. In 2023, supply versus demand balance remains a key challenge because of the static capacity increase.

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. While the container shipping industry is particularly volatile, the context of operations radically changed compared to the end of 2021 and hence, expected cash-flows were revised downward accordingly, notably in the near term. 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.

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.

Terminals

The cash flow projections for terminal's impairment tests cover the concession period and extension options which are likely to be exercised. Where appropriate, a terminal value is taken into account. Discount rates have been adjusted to each terminal's geographical localization.

Management is of the opinion that the assumptions applied in the impairment tests are reasonable. The most significant goodwill amount relates to the Logistics' CGUs where an impairment charge has been recognized. When preparing the consolidated financial statements, management considered climate-related risks, notably when assessing the value in use of its main CGUs. As an illustration, the maintenance capex is partly driven by the vessel fleet evolution required as part of the green transition.

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

The table below shows the change in value in use as a result of a change in underlying assumptions. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions unchanged:

In USD billion		As at December 31, 2022	As at December 31, 2021
Shipping	Discount rate + 1%	(4.2)	(4.5)
	LT growth rate - 1%	(3.3)	(3.4)
	Headroom on discount rate	1.9%	13.2%
Air/Ocean	Discount rate + 1%	(0.4)	(0.5)
	LT growth rate - 1%	(0.3)	(0.6)
	Headroom on discount rate	1.7%	na
Ground	Discount rate + 1%	(0.2)	-
	LT growth rate - 1%	(0.2)	-
	Headroom on discount rate	0.0%	-
CL	Discount rate + 1%	(0.5)	(0.1)
	LT growth rate - 1%	(0.3)	(0.1)
	Headroom on discount rate	0.0%	na
FVL	Discount rate + 1%	(0.1)	-
	LT growth rate - 1%	(0.0)	-
	Headroom on discount rate	6.3%	-

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 8.2.2).

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, 2022	As at December 31, 2021
Bunkers	904.3	659.8
Other inventories	145.9	64.8
Provision for obsolescence	(3.4)	(0.5)
Inventories	1,046.9	724.1

5.4.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2022	As at December 31, 2021
Trade receivables	4,477.0	3,534.2
Less impairment of trade receivables	(207.9)	(86.6)
Trade receivables net	4,269.1	3,447.5
Prepayments	453.3	197.4
Other receivables, net	1,109.4	606.9
Employee, social and tax receivables	643.8	372.5
Trade and other receivables (*)	6,475.5	4,624.3

(*) including current income tax asset

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

A portion of trade receivables included in the table above are pledged as collateral under the Group’s securitization programs (see Note 8.2.2).

Trade and other payables are analyzed as follows:

	As at December 31, 2022	As at December 31, 2021
Trade payables	3,474.9	2,719.9
Employee, social and tax payables	1,362.9	963.3
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	5,367.9	4,540.7
Trade and other payables (*)	10,205.6	8,224.0

(*) including current income tax liability

The working capital can be analyzed as follows:

	As at December 31, 2021	Variations linked to operations	Acquisition of subsidiaries	Currency translation adjustment	Others	As at December 31, 2022
Inventories	724.1	260.9	63.2	(3.8)	2.5	1,046.9
Trade and other receivables (*)	4,624.3	189.2	1,571.0	(327.5)	418.5	6,475.5
Contract assets	2,404.1	(635.3)	78.5	(12.9)	(52.7)	1,781.8
Prepaid expenses	252.3	(39.0)	(1.7)	(3.4)	(32.0)	176.2
Trade and other payables (**)	(8,224.0)	(476.8)	(1,455.1)	112.1	(161.9)	(10,205.6)
Deferred income	(234.9)	94.6	(13.4)	4.8	(69.8)	(218.6)
Net working capital	(454.0)	(606.3)	242.4	(230.7)	104.7	(943.8)

(*) 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, 2022	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	6,475.5	4,386.5	1,135.3	413.0	155.3	161.2	224.2
Trade and other payables	10,205.6	7,920.0	1,450.1	213.8	131.9	148.6	341.1

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.

The sole disposal group classified as held for sale as at December 31, 2022 corresponds to a subsidiary in Russia, as part of the GEFCO acquisition, expected to be disposed of in the near term.

5.6 Operating and investing cash-flows

Cash flow from operations amounted USD 33.4 billion of which EBITDA contributed for USD 33.3 billion, income tax paid for USD (0.7) billion and variation of working capital for USD 0.6 billion.

Cash flow generated from investing activities amounted to USD (24.0) billion. It mainly reflects M&A acquisitions for USD (5.8) billion (see Note 3.1). It also takes into account the investment in Air France for USD (0.4) billion, capital expenditures from intangible assets and purchasing of property and equipment representing a cash outflow of USD (4.9) billion (see Note 5.2.1), the proceeds from disposal of properties and equipment for USD 0.1 billion, the net cash flow resulting from the variation of other financial assets for USD (12.8) billion mainly related to some financial investments which do not qualify as cash equivalents and the variation of securities for USD (0.3) billion.

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 or "BAF") in addition to freight rates to compensate for fluctuations in the fuel prices. 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 :	Closing rate			Average rate		
	2022	2021	2020	2022	2021	2020
Nymex WTI (1st nearby, in \$ per barrel) *	80.26	75.21	48.52	94.33	68.08	39.34
Brent (1st nearby, in \$ per barrel) *	85.91	77.78	51.80	99.05	70.94	43.21
TTF index (in \$ per MMBtu)	24.00	23.50	6.90	40.10	13.40	3.10

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

As at December 31, 2022, the Company hedged approximately 12.0% of expected purchase of bunkers for the next year through fixed price forwards with delivery (8.0% of expected purchase for the year 2022 as at December 31, 2021). These bunker purchases are treated as executory contracts.

As at December 31, 2022, the Company hedged approximately 5.0% of expected purchase of bunkers for the next year through derivatives products (0.5% as at December 31, 2021).

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, 2022	Nominal amount	Maturity		Fair value of derivatives
		Less than 1 year	More than 1 year	
Bunker hedge - cash flow hedge	1,300.8	1,300.8	-	(49.4)
Total	1,300.8	1,300.8	-	(49.4)

Based on the fuel consumption for the year ended December 31, 2022, 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 81.0 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, 2022	Carrying amount	USD	EUR	CNY	GBP	Others
Trade receivables and prepaid expenses	6,400.4	2,170.9	2,285.6	55.3	188.9	1,699.7
Cash and cash equivalents and securities	8,913.5	5,874.8	1,956.0	66.1	118.5	898.0
Trade payables and current deferred income	10,185.0	4,947.0	2,094.6	124.0	273.7	2,745.7
Borrowings	17,295.0	14,581.5	1,808.3	9.8	350.1	545.2

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:

Market data:	Closing rate as at December 31,			Annual average rate		
	2022	2021	2020	2022	2021	2020
LIBOR USD 3 M	4.77%	0.21%	0.24%	2.40%	0.16%	0.65%

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, 2022, taking into account the interest rate hedges, the borrowings bearing interest at variable rates represent 18% of total debts, 82% 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, 2022	Nominal amount	Maturity		Fair value of derivatives
		Less than 5 years	More than 5 years	
Cross currency interest rates swaps - fair value hedge	261.1	261.1	-	(31.2)
Total	261.1	261.1	-	(31.2)

The following table presents the sensitivity of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2022 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	(0.9)	(2.6)	-
Singapore Dollar	+100 bps	5.8	2.4	-

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 2022 and 0.1% of revenue in 2021). 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, 2022 and on the interest rate curve as at December 31, 2022:

	2023	2024	2025	2026	2027	Onwards
Cross currency interest rates swaps - Liabilities	(6.7)	(9.9)	(9.4)	-	-	-
Total	(6.7)	(9.9)	(9.4)	-	-	-

The table below presents the discounted cash flows of bunker hedging derivatives as at December 31, 2022:

	2023	2024	2025	2026	2027	Onwards
Bunker hedge - cash flow hedge - Liabilities	(48.5)	(1.5)	-	-	-	-
Total	(48.5)	(1.5)	-	-	-	-

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 2022, the Group is in compliance with its financial covenants.

The definitions of EBITDA and adjusted net debt in the agreements allow adjustments and certain items to be added back to the reported EBITDA and net debt for the purpose of calculating the covenants.

On the basis of the agreements, adjusted net debt is calculated as follows:

	Note	As at December 31, 2022	As at December 31, 2021
Total Borrowings and lease liabilities (A)	6.6	17,295.0	18,201.5
Cash and cash equivalents as per statement of financial position	6.4	8,913.5	10,130.9
(+) Securities	6.3.2	813.3	530.2
(-) Restricted cash	6.4	(156.7)	(179.3)
Unrestricted cash and cash equivalents (B)		9,570.1	10,481.9
Net debt : A (-) B		7,724.8	7,719.7
(-) Terminal concessions adjustment if in excess of transition amount		(654.6)	-
Adjusted net debt for covenant		7,070.2	7,719.7

Regarding the liquidity risk linked to property and equipment, refer to the financial commitments presented in the Note 8.2.1 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, 2022:

As at December 31, 2022	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	813.3	-	-	813.3
Derivatives not qualified to hedge accounting	-	1.3	-	1.3
Derivatives used for hedging	-	0.2	-	0.2
Investments in non consolidated companies	304.8	-	167.9	472.7
Other financial assets	811.4	-	10.7	822.1
Total Assets	1,929.5	1.5	178.6	2,109.6
Liabilities				
Derivatives used for hedging	-	49.5	-	49.5
Cross currency interest rates swaps - fair value hedge	-	31.2	-	31.2
Total Liabilities	-	80.7	-	80.7

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 variations of assets included in level 3 are as follows:

ASSETS	
Fair value through P&L	
Opening balance	383.8
Total gains or losses for the period	
Included in profit or loss	(2.9)
Foreign Currency impact	(2.4)
Purchases, issues, sales and settlements	
Purchases	43.9
Reclassification	(169.0)
Depreciation	2.0
Settlements	(76.2)
Others	(0.5)
Closing balance	178.6

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, 2022		As at December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Interest rates swaps - not qualifying to hedge accounting	1.3	-	-	-
Bunker hedge - cash flow hedge	-	49.4	2.7	5.8
Cross currency interest rates swaps - fair value hedge	-	31.2	-	35.2
FX Forward Contracts - Cashflow Hedges	0.2	0.0	-	-
Total derivative financial instruments	1.5	80.7	2.7	41.0
<i>of which non-current portion (greater than 1 year)</i>	<i>0.2</i>	<i>31.2</i>	<i>-</i>	<i>35.2</i>
<i>of which current portion (less than 1 year)</i>	<i>1.3</i>	<i>49.5</i>	<i>2.7</i>	<i>5.8</i>

In 2022, the Company entered into new derivative financial instruments maturing in 2023 to hedge its fuel exposure for a nominal amount of USD 1.3 billion.

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

6.2.2 Net investment hedge

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

The amount of the change in the value of the Senior Notes that has been recognized in OCI to offset the currency translation adjustment of the foreign operation amounts to an exchange gain of USD 46.8 million for the year ended December 31, 2022 (exchange gain of USD 61.5 million for the year ended December 31, 2021).

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, 2022	As at December 31, 2021
Gross	485.6	387.4
Impairment	(12.9)	(14.8)
Net investments in non consolidated companies	472.7	372.5
Gross	62.0	47.7
Impairment	(19.7)	(18.6)
Loans	42.3	29.1
Gross	480.2	81.0
Impairment	(20.6)	(14.0)
Deposits	459.7	67.0
Gross	124.4	98.9
Impairment	(65.0)	(42.2)
Receivable from associates & joint ventures	59.4	56.7
Gross	1,315.6	305.5
Impairment	(86.7)	(16.8)
Other non-current financial assets	1,228.9	288.7
Gross	2,467.8	920.5
Impairment	(204.8)	(106.4)
Total other non-current financial assets, net	2,263.0	814.1

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

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to stakes in (i) Air France for USD 304.8 million compared to an initial investment of USD 423.4 million, the variation being recognized in OCI, (ii) Fransabank El Djazair for USD 60.4 million and to (iii) various other stakes individually not significant, mainly classified as assets at fair value through profit and loss. Some investments were also derecognized such as the 10% stake in the FMS terminal (see Note 3.1) and the stake in Global Ship Lease.

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 459.7 million of cash deposits which do not qualify as cash and cash equivalents as at December 31, 2022 (USD 67.0 million as at December 31, 2021).

Other non-current financial assets

As at December 31, 2022, "Other non-current financial assets" mainly include (i) some financial investments made in 2022 which do not qualify as cash equivalents for USD 681.8 million, (ii) minority holdings in listed companies Eutelsat and Metropole Television and (ii) USD 209.8 million (USD 157.2 million as at December 31, 2021) related to 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, 2022 include:

- Securities at fair value for an amount of USD 813.3 million corresponding to the investment of a portion of the group's liquidity into a specific listed instrument allowing exit options (USD 530.2 million as at December 31, 2021);
- Other current financial assets for USD 11.9 billion (USD 344.3 million as at December 31, 2021). Other current financial assets mainly include certain cash deposits for USD 11.6 billion which do not qualify as cash and cash equivalents since their inception. Their average maturity is 6 months as at December 31, 2022. Other current financial assets also include (i) the current portion of the financial assets, and (ii) some short term loans to joint-ventures or associates.

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, 2022:

Assets	As at December 31, 2022	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	1.5	-	-	-	1.5
Other non-current financial assets	2,263.0	968.2	642.2	652.6	-
Trade and other receivables	6,224.1	6,224.1	-	-	-
Contract assets	1,781.8	1,781.8	-	-	-
Securities and other current financial assets (current)	12,677.1	12,163.7	-	513.3	-
Cash and cash equivalents	8,913.5	8,913.5	-	-	-
Total financial instruments - Assets	31,861.0	30,051.4	642.2	1,165.9	1.5

Liabilities	As at December 31, 2022	Financial liabilities at amortized cost	Derivative instruments
Borrowings and lease liabilities	17,295.0	17,295.0	-
Derivative financial instruments	80.7	-	80.7
Trade and other payables	9,966.4	9,966.4	-
Total financial instruments - Liabilities	27,342.1	27,261.4	80.7

6.4 Cash and cash equivalents, and liquidity

Cash and cash equivalents include cash in hand, on-demand deposits, 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, 2022	As at December 31, 2021
Cash on hand	4,234.0	1,880.8
Short term deposits	4,522.8	8,070.9
Restricted cash	156.7	179.3
Cash and cash equivalents as per statement of financial position	8,913.5	10,130.9
Bank overdrafts	(41.6)	(57.4)
Cash and cash equivalents and bank overdrafts, as per cash flow statement	8,871.9	10,073.5
Restricted Cash	(156.7)	(179.3)
Marketable securities	813.3	530.2
Group available cash	9,528.5	10,424.5
Undrawn committed facilities	2,010.2	1,880.2
Total Group Liquidity	11,538.7	12,304.6

The restricted cash balance mainly corresponds to some funds held by the Group which cannot be used out of certain countries (including Algeria) due to the transfer restrictions.

The Group invested in short term deposits of various maturities for a net amount of USD 4,522.8 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, 2022, the Group has access to undrawn committed revolving credit facilities amounting to USD 2,010.2 million (USD 1,880.2 million as at December 31, 2021) granted by various financial institutions included in the Group liquidity position of USD 11,538.7 million.

In addition, the Group has access to USD 1.9 billion of undrawn financing available under its receivable securitization programs and has invested USD 11.6 billion in current financial assets with a residual average maturity of 6 months.

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.

Merit France SAS, the main shareholder of CMA CGM SA, holds 72.61% while Yildirim holds 24% of the Company's ordinary shares and Bpifrance 3.0%.

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, 2022	As at December 31, 2021
Cash flow hedge	(60.2)	(3.1)
Share of other comprehensive income / (Loss) of associates and joint ventures	16.8	11.9
Deferred tax on reserve	0.0	1.4
Net investment hedge	23.3	(23.5)
Currency translation adjustments	(477.8)	(258.8)
Total Other Comprehensive Income / (Loss)	(498.0)	(272.2)

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 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, 2022	Current portion	Non current portion	Maturity schedule : December 31,				
				2024	2025	2026	2027	Onwards
Senior notes	613.9	(6.3)	620.2	65.2	(4.5)	559.5	-	-
Bank borrowings - Asset financing	1,973.0	244.5	1,728.5	300.4	308.0	212.9	237.9	669.3
Bank borrowings - Corporate	150.2	55.0	95.2	43.7	43.6	2.2	2.5	3.1
Bank overdrafts	41.6	41.6	-	-	-	-	-	-
Securitization programs	967.1	(3.2)	970.3	498.2	472.1	-	-	-
Other borrowings	214.0	194.6	19.4	8.1	0.2	0.2	0.0	10.9
Total excluding lease liabilities	3,959.7	526.3	3,433.4	915.6	819.5	774.7	240.4	683.3
Lease liabilities	13,335.3	2,830.0	10,505.3	2,050.8	1,587.0	1,253.8	921.4	4,692.3
Total including lease liabilities	17,295.0	3,356.2	13,938.7	2,966.4	2,406.5	2,028.5	1,161.8	5,375.6

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

	Senior notes	Bank borrowings	Lease liabilities	Bank overdrafts	Securitization programs	Other borrowings	Total
Balance as at January 1, 2022	659.8	2,764.9	12,877.7	57.4	1,754.5	87.2	18,201.5
Proceeds from new borrowings, net of issuance costs	-	14.1	-	-	301.2	140.9	456.2
Repayment of financial borrowings	(24.5)	(839.9)	(3,658.7)	-	(1,082.6)	(101.2)	(5,707.1)
Other increase/decrease in borrowings and lease liabilities	4.3	11.3	3,820.1	(18.4)	(0.1)	0.6	3,817.6
Accrued interests and fees amortization	5.7	29.3	84.0	-	4.4	1.9	125.3
Exercise of purchase options of vessels and containers	-	(432.1)	(856.1)	-	-	-	(1,288.2)
Reclassification from / to other liabilities	-	-	(6.2)	-	-	0.8	(5.4)
Acquisition of subsidiaries	-	581.1	1,195.4	6.0	-	97.0	1,879.5
Foreign currency translation adjustments	(31.3)	(5.4)	(120.9)	(3.4)	(10.3)	(13.2)	(184.5)
Balance as at December 31, 2022	613.9	2,123.2	13,335.3	41.6	967.1	214.0	17,295.0

The line item "Exercise of purchase options of vessels and containers" relates to the exercise of purchase options of leases for USD (732.7) million for vessels and USD (123.4) million for containers, as well as the exercise of purchase options related to vessel bank borrowings for USD (432.1) million.

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:

					Average interest rate after hedging, amortized cost and "PPA"	
	Senior notes	Bank borrowings	Lease liabilities	Other borrowings, securitization and overdrafts	Excluding leases	Including leases
Vessels	-	1,900.7	7,508.2	-	6.47%	6.43%
Containers	-	-	2,745.9	-	-	8.67%
Land and buildings	-	53.5	2,163.8	-	2.91%	6.29%
Terminal concession	-	10.5	824.6	-	4.63%	7.25%
Other tangible assets	-	8.3	92.7	-	2.30%	3.82%
Other secured borrowings	-	18.1	-	967.1	5.56%	5.56%
General corporate purposes	613.9	132.1	-	255.6	5.71%	5.71%
Total	613.9	2,123.2	13,335.3	1,222.6		

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

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, 2022	Current portion	Non current portion	Maturity schedule : December 31,				
				2024	2025	2026	2027	Onwards
Senior notes	788.8	47.8	741.0	116.0	42.1	582.9	-	-
Bank borrowings - Asset financing	2,551.3	370.4	2,180.9	421.0	414.9	281.0	291.9	772.1
Bank borrowings - Corporate	182.0	66.1	115.8	53.8	50.6	5.3	2.7	3.4
Bank overdrafts	50.2	50.2	-	-	-	-	-	-
Securitization programs	1,080.9	58.9	1,022.0	529.2	492.8	-	-	-
Other borrowings excl. accrued interests	172.1	149.6	22.5	8.9	0.9	0.8	0.7	11.2
Total excluding lease liabilities	4,825.3	743.1	4,082.2	1,128.8	1,001.4	870.1	295.2	786.7
Lease liabilities	18,023.2	3,607.2	14,416.0	2,800.2	2,221.7	1,763.1	1,322.4	6,308.7
Total including lease liabilities	22,848.5	4,350.3	18,498.3	3,929.1	3,223.1	2,633.2	1,617.6	7,095.4

6.6.2 Details of Senior Notes

As at December 31, 2022, the Group had 2 unsecured Senior Notes outstanding which can be detailed as follows:

- USD 71.0 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America, maturing in January 2024. In March 2022, the Company proceeded to bond buybacks on the market for an amount of USD 24.5 million, thereby reducing the outstanding notional of the Notes from USD 95.5 million to USD 71.0 million
- EUR 525.0 million of nominal amount, issued by CMA CGM, maturing in January 2026 and recently early repaid (see Note 8.3).

6.6.3 Bank borrowings

In the year ended December 31, 2022, the Group early repaid bank loans related to FMS for a total amount of USD 408.0 million as well as bank debts related to vessel financings for USD 440.9 million.

6.6.4 Lease liabilities

Although chartering rates have been decreasing in recent months, the increase in lease liabilities is still mainly related to the tense situation in the chartering and container equipment markets prevailing in 2022, combining assets shortages and price increases, resulting in conditions of new or amended leases being far more expensive and with longer average duration compared to historical trends. The acquisition of FMS in January 2022 also contributed to this increase for USD 752.7 million (mostly concession rights), as well as acquisitions in the Logistics division (mainly GEFCO and Ingram CLS) for an additional contribution of USD 387.5 million to real estate leases.

6.6.5 Securitization program

During the year ended December 31, 2022, the global amount drawn under the receivables securitization programs decreased by USD 787.5 million, mainly as a result of voluntary repayments.

In November 2022, CEVA renegotiated the terms of its existing receivables' securitization program, increasing its commitment to USD 800 million and extending its maturity from December 2024 to November 2025. As of December 31, 2022, the outstanding drawn amount under the CEVA Global securitization program, classified as non-current, was USD 469.0 million.

6.6.6 Other borrowings

As at December 31, 2022, other borrowings include USD 45.8 million of accrued interests (USD 42.7 million as at December 31, 2021).

6.7 Cash flow from financing activities

Cash flow from financing activities amounts to USD (10,716.6) million for the year ended December 31, 2022. The financing cash flows consisted in drawdown of borrowings for USD 472.8 million, more than compensated by the repayment of borrowings for USD (2,048.3) million, the net cash in flow related to financial interests for USD 2.1 million, the cash payments related to IFRS 16 leases for USD (4,481.1) million, dividend payments for USD (3,029.4) million and other cash flow from financing activities for USD (1,632.7) million mainly related to the exercise of vessels and containers' purchase options for USD (856.1) 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, 2022	As at December 31, 2021
Beginning of the year	575.7	545.1
New investments in associates and joint ventures	10.5	28.6
Capital increase / decrease	24.6	24.6
Share of (loss) / profit	(38.9)	(42.9)
Dividend paid or payable to the Company	(31.6)	(20.0)
Other comprehensive income / (expense)	(25.3)	3.2
Reclassification to / from assets held-for-sale	-	37.0
Other	(0.3)	0.0
Closing balance	514.6	575.7

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

The line item “Share of (loss) / profit” corresponds to the Company’s share in the profit or loss of its associates and joint ventures, which includes impairment losses recognized by associates and joint ventures where applicable. In 2022, this includes a non-recurring expense of USD (51.2) million mainly corresponding to the impairment of our shares into an inland joint-venture in Russia and a terminal joint-venture in Ukraine.

As at December 31, 2022, the main contributors to investments in associates and joint ventures are as follows:

- 51% of Terminal Link Group for USD 234.2 million (USD 240.6 million as at December 31, 2021);
- 50% of Anji-CEVA for USD 211.6 million (USD 212.5 million as at December 31, 2021).

7.2.2 Additional disclosures related to associates

The contribution of our investments in associates can be presented as follows, none of which being individually significant:

	December 31, 2022	December 31, 2021
% of shareholding	n.a.	n.a.
% of voting rights	n.a.	n.a.
Equity method Balance sheet contribution	29.8	49.2
Equity method P&L contribution	4.9	(6.6)
Equity method OCI contribution	(3.0)	(2.5)
Equity method total comprehensive income contribution	1.9	(9.1)
Fair value (for listed entities)	n.a.	n.a.
Distributed dividends for CMA CGM	21.4	11.6

7.2.3 Additional disclosures related to joint ventures

in million of USD	TERMINAL LINK GROUP		ANJI CEVA		OTHER ENTITIES	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
% 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	234.2	240.6	201.0	212.5	49.7	73.3
Equity method P&L contribution	(18.9)	(51.6)	3.7	8.4	(28.6)	6.9
Equity method OCI contribution	(12.7)	(1.3)	(9.2)	7.6	(0.3)	(0.6)
Equity method total comprehensive income contribution	(31.6)	(52.9)	(5.6)	16.0	(28.9)	6.3
Fair value (for listed entities)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Distributed dividends to CMA CGM	-	(0.0)	6.9	6.4	3.3	2.0
Data based on a 100% basis						
Non-current assets	2,646.5	2,075.6	170.8	210.0		
Other current assets	275.5	137.5	808.5	799.4		
Cash & cash equivalents	2.1	98.6	147.9	181.3		
Total Assets	2,924.0	2,311.7	1,127.2	1,190.8		
Shareholders equity	1,144.3	1,160.8	169.2	187.8		
Minority interest	18.2	18.7	58.3	61.2		
Non-current borrowings	1,532.2	946.8	14.7	32.9		
Other non-current liabilities	35.6	11.5	18.6	19.3		
Current borrowings	50.1	47.1	26.2	15.5		
Other current liabilities	143.7	126.8	840.2	874.0		
Total Liabilities	2,924.0	2,311.7	1,127.2	1,190.8		
Reconciliation of 100% figures to investments in joint ventures						
Equity of the joint venture excluding mandatory convertible bond	750.4	766.8	169.2	187.8		
Equity attributable to the joint venturer	(367.7)	(375.8)	(84.6)	(93.9)		
Purchase Price Allocation	-	-	128.1	101.7		
Waiver of equity share rights	(83.5)	(86.0)	-	-		
Elimination of internal disposal gain	(68.8)	(68.8)	-	-		
Dividend adjustment	-	-	(12.0)	-		
Other	3.8	4.3	0.3	16.9		
Equity method balance sheet contribution	234.2	240.6	201.0	212.5		
Revenue	431.0	347.4	1,406.8	1,498.6		
Depreciation & amortization	(60.0)	(48.0)	(47.0)	(46.6)		
Financial result	(104.9)	(56.0)	3.4	0.2		
Income tax	(12.0)	(9.7)	(11.8)	(15.9)		
Profit / (Loss) for the year	10.7	(49.4)	28.6	43.2		
Other comprehensive income / (Loss)	2.2	22.5	(18.5)	15.1		
Total comprehensive income / (Loss)	12.9	(26.9)	10.2	58.4		
Reconciliation of 100% figures to share of profit / (loss) from joint venture						
Share of profit / (loss) for the year	10.7	(49.4)	28.6	43.2		
Non-controlling interests	-	-	(19.3)	(21.2)		
Share of profit for the year for the joint venturer	(5.3)	24.2	(4.7)	(11.0)		
Waiver of equity share rights as part of guaranteed dividends	(24.3)	(26.4)	-	-		
Other	-	-	(1.0)	(2.6)		
Equity method P&L contribution	(18.9)	(51.6)	3.7	8.4		

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, 2022, 811 entities are fully consolidated or accounted under equity method either directly or through sub-groups (622 as at December 31, 2021).

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%
CONTAINERSHIPS - CMA CGM SAU	Spain	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 ANL DUBAI	United Arab Emirates	88.00%
CMA CGM BRAZIL	Brazil	100.00%
CMA CGM CHINA	China	100.00%
CMA CGM DENIZ ACENTELIGI A.S	Turquie	95.00%
CMA CGM GROUP (AUSTRALIA) PTY LTD	Australia	100.00%
CMA CGM HOLLAND BV	The Netherlands	100.00%
CMA CGM UK AGENCY	United Kingdom	100.00%
CMA CGM & ANL PHILIPPINES INC	The Philippines	100.00%
HANDLING		
FENIXMARINE SERVICES LTD	United States of America	100.00%
GMM	France	100.00%
INTRAMAR SA	France	100.00%
MARSEILLE MANUTENTION	France	100.00%
SOCIÉTÉ D'ACCONAGE ET DE MANUTENTION DE LA REUNION	France (Réunion)	95.44%
SOMARIG	France (Guyane)	100.00%
CMA CGM KAOHSIUNG TERMINAL	Taiwan	100.00%
OTHER ACTIVITIES		
CMA CGM AIR CARGO	France	100.00%
CCIS FRANCE	France	100.00%
CMA CGM TERMINAL CONTENEURS DAKAR	Senegal	100.00%
CMA CGM INLAND SERVICES INDONESIA	Indonesia	90.00%
CMA CGM INLAND SERVICES MOZAMBIQUE	Mozambique	60.00%
CCIS NETHERLANDS BV	The Netherlands	100.00%
SICSA RAIL TRANSPORT, S.A.	Spain	76.00%
SOGEREC	Algeria	48.59%
LOGISTICS & SUPPLY CHAIN		
CEVA Freight LLC	United States of America	100.00%
GEFCO SA	France	100.00%
CEVA Freight Shanghai Ltd. - East	China	100.00%
CEVA Logistics U.S., Inc.	United States of America	100.00%
CEVA Logistics Netherlands B.V.	the Netherlands	100.00%
CEVA Logistics Ltd. - Dedicated	United Kingdom	100.00%
CEVA Logistics (Australia) Pty. Ltd.	Australia	100.00%
CEVA Lojistik Limited Sirketi	Turkey	100.00%
CEVA Freight (India) Pte. Ltd.	India	100.00%
Brightpoint North America LP	United States of America	100.00%
CEVA Logistics Italia S.r.l.	Italy	100.00%
CEVA Freight Management France S.A.S.	France	100.00%
CEVA Freight Holland B.V.	The Netherlands	100.00%
CEVA Freight (UK) Ltd.	United Kingdom	100.00%
CEVA Freight Management Mexico, S.A. de C.V.	Mexico	100.00%
CEVA Freight Management do Brasil Ltda.	Brazil	100.00%
CEVA Logistics Singapore Pte. Ltd.	Singapore	100.00%
CEVA Freight Canada Corp	Canada	100.00%
CEVA Logistics Ltda.	Brazil	100.00%

LOGISTICS & SUPPLY CHAIN		
COLIS PRIVE SAS FRANCE	France	100.00%
CC Logistics (China) Co. Ltd (CN)	China	100.00%
CEVA Freight (Australia) Pty. Ltd.	Australia	100.00%
CEVA Freight (Thailand) Ltd.	Thailand	73.98%
CEVA Freight Germany GmbH	Germany	100.00%
CEVA Logistics GmbH	Germany	100.00%
CEVA Freight (España), S.L.	Spain	100.00%
CEVA Logistics Poland Sp.zo.o	Poland	100.00%
Shipwire, Inc	United States of America	100.00%
GEFCO Corporate	France	100.00%
CEVA Uluslararası Tasimacilik A.S.	Turkey	100.00%
CEVA Logistics CFS Eurohub Fulfilment GmbH	Germany	100.00%
CEVA Freight Italy S.r.l.	Italy	100.00%
CEVA Logistics Japan, Inc.	Japan	100.00%
CEVA Logistics eServices B.V.	The Netherlands	100.00%
GEFCO Poland	Poland	100.00%
Berge GEFCO	Spain	50.00%
CEVA Logistics (Hong Kong) Ltd.	Hong Kong	100.00%
Brightpoint Services LLC	United States of America	100.00%
GEFCO Spain	Spain	100.00%
CARGEX S.A.	Colombia	100.00%
CEVA Logistics España, S.L.	Spain	100.00%
GEFCO Argentina	Argentina	100.00%
CEVA Logistics Korea, Inc.	Korea (the Republic of)	100.00%
CEVA Logistics Belgium N.V.	Belgium	100.00%
CEVA Freight (Poland) Sp. z o.o.	Poland	100.00%
CEVA Logistics Canada, ULC	Canada	100.00%
CEVA de Argentina S.R.L.	Argentina	100.00%
GEFCO Germany	Germany	100.00%
GEFCO UK	United Kingdom	100.00%
CEVA Logistics (U.A.E.) L.L.C.	United Arab Emirates	100.00%
CEVA Logistics South Africa (Proprietary) Ltd.	South Africa	100.00%
FFWD France	France	100.00%
GEFCO Slovakia	Slovakia	100.00%
AVEC Logistics (Ireland) Ltd.	Ireland	100.00%
GEFCO Brazil	Brazil	100.00%
CEVA Logistics (New Zealand) Pty. Ltd.	New Zealand	100.00%
CEVA Freight Management Logistica de Chile Ltda.	Chile	100.00%
GEFCO Fwd China	China	100.00%
CEVA Logistics Hungary Kft.	Hungary	100.00%
CEVA Freight Holdings (Malaysia) Sdn. Bhd.	Malaysia	100.00%
CEVA Logistics (Vietnam) Company Ltd.	Viet Nam	69.99%
GEFCO Czech Republic	Czech Republic	100.00%
CEVA Logistics (Thailand) Ltd.	Thailand	86.72%
GEFCO Italy	Italy	100.00%
CEVA Logistics Fashion Services B.V.	The Netherlands	100.00%
CEVA Freight Belgium N.V.	Belgium	100.00%
GEFCO Benelux	Belgium	100.00%
CEVA Logistics (Malaysia) Sdn. Bhd.	Malaysia	100.00%
Gruppo Mercurio S.P.A.	Italy	85.00%
IM CLS Canada ULC	Canada	100.00%
CEVA Logistics Slovakia, s.r.o.	Slovakia	100.00%
CEVA Logistics Peru S.R.L.	Peru	100.00%
Ingram Micro Nordic Services AB	Sweden	100.00%
CEVA Logistics Italia S.r.l.	Italy	100.00%
CEVA Logistics Benelux B.V.	The Netherlands	100.00%
GEFCO Romania	Romania	100.00%
CEVA Logistics Commerce EMEA B.V.	The Netherlands	100.00%
CEVA LOGISTICS CFS Fulfilment Sp z.o.o	Poland	100.00%
CEVA Logistics (Taiwan) Co. Ltd.	Taiwan	100.00%
CEVA Vehicle Logistics (Thailand) Ltd.	Thailand	100.00%
CEVA Logistics (Sweden) AB	Sweden	100.00%
GEFCO Portugal	Portugal	100.00%
CEVA Ground Europe	Belgium	100.00%
CEVA Freight Management de Colombia S.A.S.	Colombia	100.00%
CEVA Logistics CFS (UK) Limited	United Kingdom	100.00%
CEVA Logistics Services Switzerland GmbH	Switzerland	100.00%
CEVA Freight Czech Republic s.r.o.	Czech Republic	100.00%

LOGISTICS & SUPPLY CHAIN		
GEFCO LORRY AND TRANSPORT, S.L.U	Spain	100.00%
CEVA Logistics Ivory Coast	Ivory Coast	75.95%
CEVA Freight Austria GmbH	Austria	100.00%
FFWD Turkey	Turkey	100.00%
CEVA LOGISTICS MAROC	Morocco	59.99%
CEVA Logistics India Private Limited	India	100.00%
CEVA Logistics - Showfreight UK	United Kingdom	100.00%
CEVA Logistica de Mexico, S.A. de C.V.	Mexico	100.00%
CEVA Logistics CFS Fulfilment GmbH	Germany	100.00%
CEVA Logistics ZalareServices B.V.	The Netherlands	100.00%
GEFCO Fwd Netherlands	The Netherlands	100.00%
CEVA Logistics CFS E-Business GmbH	Germany	100.00%
COLIS PRIVE SA Belgique	Belgium	64.98%
CEVA Contract Logistics Mexico	Mexico	100.00%
CEVA freight Management de Ecuador	Ecuador	100.00%
CEVA Logistics España, S.L.U.	Spain	100.00%
GEFCO China	China	100.00%
CEVA Logistics CFS Fulfilment Solutions sp. z o.o.	Poland	100.00%
CEVA Saudi Logistics & Freight Co.	Saudi Arabia	100.00%
CEVA Logistics (Philippines) Inc.	Philippines	100.00%
Spedag Interfreight Uganda Ltd	Uganda	100.00%
CEVA Logistics Finland OY	Finland	100.00%
GEFCO Hungary	Hungary	100.00%
CEVA Logistics Switzerland GmbH	Switzerland	100.00%
GEFCO Fwd Germany	Germany	100.00%
GEFCO Baltic	Latvia	100.00%
CEVA Logistics (Portugal) - Logistica Empresarial, Lda.	Portugal	100.00%
GEFCO Fwd UK	United Kingdom	100.00%
GEFCO Fwd Australia	Australia	100.00%
CEVA Logistics FZCO	United Arab Emirates	100.00%
PT CEVA Logistik Indonesia	Indonesia	100.00%
CEVA Logistics Mozambique, Limitada	Mozambique	100.00%
CEVA Manica Malawi Ltd	Malawi	100.00%
GEFCO Switzerland	Switzerland	100.00%
GEFCO Bulgaria	Bulgaria	100.00%
CEVA Freight Management Panama, S. de R.L.	Panama	55.00%
Zedchain International Logistics SL	Spain	72.39%
CEVA Contract Logistics Kft	Hungary	100.00%
IBA - CEVA Logistics Egypt	Egypt	60.00%
GEFCO Automotive Services - France	France	100.00%
CEVA Freight Romania	Romania	100.00%
GEFCO Turkey	Turkey	100.00%
LOGISTICS LINK PTY LTD (AU)	Australia	100.00%
CEVA logistics S.r.l.	Romania	100.00%
CEVA Logistics Mobility AB	Sweden	100.00%
GEFCO Slovenia	Slovenia	100.00%
FFWD Slovaquie	Slovakia	100.00%
GEFCO Middle East FZE	United Arab Emirates	100.00%
GEFCO Fwd USA	United States of America	100.00%
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%
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 (Kribi, Mundra).
- 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 France, the majority shareholder of the Group, and its subsidiaries, other than CMA CGM;
 - 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:
 - Traxens, which is developing a breakthrough technology for "smart" containers in which CMA CGM holds a 32.6% ownership;
 - Eutelsat, in which the Group has 10.4% ownership;
 - Air France, in which the Group has 9% 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, 2022		For the year ended December 31, 2021		For the year ended December 31, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022	
Revenue	88.3	34.7	5.6	2.3	-	0.5	0.0	0.2	6.8	5.3	75.8	26.4
Operating expenses	(332.1)	(327.1)	(223.4)	(122.9)	-	(129.0)	(0.4)	(2.7)	(40.7)	(24.9)	(67.5)	(47.6)
Other income and expenses	(2.4)	(29.8)	(2.4)	(29.8)	-	-	-	-	-	-	-	-
Financial result	29.9	(30.2)	(1.2)	(5.3)	-	35.9	12.7	8.1	(11.8)	(58.1)	30.3	(10.8)

The Statement of Financial Position 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, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022		For the year ended December 31, 2022	
Non current assets	444.2	31.1	10.3	10.9	-	-	-	-	1.1	17.0	432.9	3.3
Current assets	186.2	210.2	132.3	83.0	-	0.9	6.2	66.4	29.3	42.3	18.5	17.6
Non current liabilities	11.0	29.0	11.0	29.0	-	-	-	0.0	-	-	-	-
Current liabilities	27.4	39.4	12.5	12.9	-	0.6	3.6	11.1	0.0	3.4	11.3	11.2

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 53.6 million as at December 31, 2022, recognized as a lease liability under IFRS 16 (USD 66.0 million as at December 31, 2021);
- the Group acts as sponsor to Kingston Freeport Terminal Limited (KFTL), a subsidiary of Terminal Link, which holds a financial debt of USD 216.7 million.

Key management compensations for a total amount of USD 9.1 million for the year ended December 31, 2022 (USD 7.3 million for the year ended December 31, 2021) 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		Employee benefits	of which	
				non current portion	current portion		non current portion	current portion
As at December 31, 2020	188.0	317.7	505.7	324.0	181.7	349.7	347.7	2.1
Additions for the year	70.0	188.7	258.7			41.3		
Reversals during the year (unused)	(14.3)	(21.2)	(35.5)			(2.0)		
Reversals during the year (used)	(18.6)	(80.7)	(99.3)			(34.5)		
Reclassification	3.0	5.8	8.7			(2.2)		
Acquisition of subsidiaries	0.5	0.1	0.7			1.0		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(41.7)		
IAS 19 IFRS IC Decision - Employee benefits	-	-	-			(11.8)		
Foreign currency translation adjustment	(2.4)	(3.6)	(6.0)			(19.9)		
As at December 31, 2021	226.2	406.9	633.1	405.1	228.0	279.9	278.0	1.8
Additions for the year	224.7	184.7	409.3			45.2		
Reversals during the year (unused)	(34.4)	(76.6)	(111.0)			(7.3)		
Reversals during the year (used)	(36.5)	(115.0)	(151.5)			(20.0)		
Reclassification	0.3	(21.7)	(21.4)			(1.4)		
Acquisition of subsidiaries	13.9	158.0	171.9			47.7		
Actuarial (gain) / loss recognized in the OCI	-	-	-			(38.4)		
Foreign currency translation adjustment	(3.0)	(3.0)	(6.0)			(16.3)		
As at December 31, 2022	391.3	533.2	924.4	681.0	243.4	289.3	285.6	3.7

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at December 31, 2022 corresponds to cargo related and other claims incurred in the normal course of business.

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:

- Worker compensation, insurance and restructuring provisions for USD 179.1 million as at December 31, 2022 (USD 60.5 million as at December 31, 2021); insurance provisions relate 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 include staff redundancy costs, and site closure costs;

- Provisions for dismantling costs in relation to lease contracts amounting to USD 158.6 million (USD 118.4 million as at December 31, 2021) reflecting obligations liable to the lessee mostly in certain container lease contracts to restore the leased asset before redelivering it to the lessor;
- Other provisions for USD 195.5 million as at December 31, 2022 (USD 228.0 million as at December 31, 2021) mainly including (i) tax provisions other than uncertain tax positions and (ii) onerous contracts.

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 98.1 million to its defined contribution plans in 2022 (USD 83.9 million in 2021) 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 reimbursement 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, which 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.

Actuarial assumptions

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

	As at December 31, 2022					As at December 31, 2021				
	Euro Zone	Morocco	Australia	United Kingdom	United States	Euro Zone	Morocco	Australia	United Kingdom	United States
Discount rate	3.83%	3.30%	5.50%	5.00%	5.19%	1.05%	2.40%	2.60%	1.80%	2.61%
Future salary increase	3.07%	4.00%	7.00%	n.a.	3.00%	2.76%	3.00%	3.80%	3.00%	2.50%
Long-term inflation	2.00%	2.00%	n.a.	3.47%	2.50%	1.50%	2.00%	n.a.	3.53%	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, the discount rate being used to evaluate the Company's liability regarding pension and employee benefits were up in most countries from December 31, 2021 to December 31, 2022. The overall positive impact of remeasurement of defined pension and medical plans recorded in other comprehensive income amounts to USD 38.4 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, 2022	As at December 31, 2021
Present value of unfunded obligations	(201.1)	(217.0)
Present value of funded obligations	(293.9)	(337.6)
Fair value of plan assets	205.7	274.7
Net present value of obligations	(289.3)	(279.9)

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

	As at December 31, 2022	As at December 31, 2021
Beginning of year	554.5	666.6
Plan amendment - past service cost	(3.5)	1.1
Service cost	43.7	36.1
Interest cost	10.7	8.7
Actuarial losses/(gains)	(106.4)	(38.7)
Benefits paid	(34.4)	(49.3)
Employee contributions	0.2	0.3
Expenses Paid	(0.0)	(0.0)
Taxes paid	(0.1)	(0.1)
Premiums paid	(0.0)	(0.0)
Acquisition / disposal of subsidiaries and other	59.4	(5.4)
Plan curtailments	0.6	(40.1)
Exchange differences	(30.0)	(24.6)
End of year	495.0	554.5

Plan assets vary as follows:

	As at December 31, 2022	As at December 31, 2021
Beginning of year	274.7	316.9
Interest on assets	5.8	4.6
Actuarial (losses)/gains	(66.0)	4.0
Benefits paid and interest income	(14.2)	(19.1)
Employer contributions	5.3	5.9
Employee contributions	0.3	0.3
Acquisition of subsidiaries and other	13.1	7.6
Expenses paid	(1.2)	(1.3)
Taxes paid	(0.1)	(0.1)
Premiums paid	(0.0)	(0.0)
Plan settlement	-	(39.8)
Exchange differences	(12.0)	(4.3)
End of the year	205.7	274.7

The plan assets are invested as follows:

	As at December 31,	
	2022	2021
Cash and cash equivalents	4.9%	4.4%
Equity instruments	13.8%	19.6%
Debt instruments	3.9%	9.0%
Real estate	1.2%	0.2%
Derivatives	0.0%	0.0%
Investment funds	41.8%	41.0%
Assets held by insurance company	11.0%	11.1%
Other	23.4%	14.6%

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

	For the year ended December 31,	
	2022	2021
a. Current service cost excluding taxes, expenses, employees contributions and premiums	43.7	36.1
b. Administrative expenses and taxes	1.3	1.1
c. Employees contributions	-	-
d. Past service cost/curtailment	(3.5)	1.1
e. Non-routine settlements	0.6	-
Total service cost	42.1	38.3
a. Interest on the DBO (gains) / losses	10.7	8.7
b. Interest on Assets gains /(losses)	(5.8)	(4.6)
c. Interest on Assets ceiling (gains) / losses	-	-
d. Interest on reimbursement rights (gains) / losses	(0.0)	(0.0)
Total net interest	4.9	4.1
Remeasurements of Other Long Term Benefits	(1.9)	(1.0)
Benefit expense recognized in the income statement	45.2	41.3
Remeasurements (recognized in other comprehensive income)	(38.4)	(41.7)
Total defined benefit cost recognized in P&L and OCI	6.8	(0.5)

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

	As at December 31, 2022	As at December 31, 2021
Net liability as of beginning of year	(279.9)	(349.8)
Benefit expense recognized in the income statement	(45.2)	(41.3)
Remeasurements (recognized in other comprehensive income)	38.4	41.7
Employer contributions	5.3	5.9
Benefits paid directly	20.2	30.6
Acquisition / disposal of subsidiaries and other	(46.3)	13.0
Other	1.9	0.0
Exchange differences	16.3	19.9
Net liability as of end of year	(289.3)	(279.9)

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	On Plan Assets
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
As at December 31, 2022	(495.0)	205.7	(289.3)	(106.4)	(66.0)

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, 2022	Discount rate	Long-term inflation
- 25 basis points	12.5	(2.3)
+25 basis points	(13.2)	2.2

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 an appeal made by the Belgian authorities. Management and its advisors will continue to closely monitor the situation.

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.

8.2 Commitments

8.2.1 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 702.7 million in 2022 (USD 941.9 million for the year ended December 31, 2021).

Besides, the service component related to leased assets within the scope of IFRS 16, mainly related to running costs, amounted to USD 739.6 million (USD 510.7 million for the year ended December 31, 2021).

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, 2022 the Group operates 360 leased vessels of which 320 have been recorded under IFRS 16.

The Group is committed to pay time chart (including running costs) in relation to 40 vessels leases with a residual lease term of 12 months or less for an amount of USD 143.0 million (USD 132.2 million as at December 31, 2021).

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 61.6 million (USD 52.2 million as at December 31, 2021).

Commitments related to ordered vessels

As at December 31, 2022, the Group ordered 63 owned vessels and committed to 17 vessels to be delivered under long term charters.

The owned vessels orderbook corresponds to ten TEU 5,500 vessels, ten TEU 7,300 vessels, two TEU 5,900 vessels, six TEU 13,000 vessels, ten TEU 2,000 vessels, six TEU 15,000 LNG-fueled vessels, three TEU 7,900 LNG-fueled vessels, six TEU 8,000 LNG-fueled vessels four TEU 23,000 vessels LNG-fueled vessels and six TEU 15,000 vessels (methanol dual fuel). Some of the vessels included in this orderbook have committed financing (see below).

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

	As at December 31, 2022	As at December 31, 2021
Owned vessels Orderbook		
- units	63	38
- Remaining commitments, net of prepayments *	5,628	3,270.6
- Committed financings	1,317	-
<i>* of which payable in:</i>		
2022	-	637.6
2023	1,090.4	994.4
2024	2,606.9	1,638.6
2025	926.1	-
2026	899.3	-
2027	105.6	-
Total	5,628.3	3,270.6

The group is also committed to pay time chart in relation to 17 vessels (not included in the lease liabilities as the vessels are not available for use yet) concerning five TEU 2,800 vessels (8 years), three TEU 5,800 vessels (10 years), four TEU 5,900 vessels (10 years) and five TEU 7,000 vessels (8 years), for which the undiscounted amount of lease payments (excluding running costs) amounts to USD 1,042.9 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 63 vessels as at December 31, 2022 and amount to USD 1,872.8 million (USD 394.8 million as at December 31, 2021 for 38 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 123.0 million on a discounted basis as at December 31, 2022 for the payment of concession fees by certain of its associates or joint ventures (USD 888.4 million as at December 31, 2021). The decrease of this commitment is due to the integration of FMS early 2022 and the recognition of the related lease liability into the statement of financial position.

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 214.0 million.

8.2.2 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, 2022, guarantees on behalf of CEVA's subsidiaries amounting to USD 424.0 million (USD 206.0 million as at December 31, 2021) were issued.

Other financial commitments primarily relate to the following:

Other financial commitments given

	As at December 31, 2022	As at December 31, 2021
Bank guarantees	38.0	43.4
Guarantees on terminal financing	10.9	66.6
Customs guarantees	7.3	8.8
Port authorities and administration	4.5	9.6
Others guarantees granted for non-current assets	337.8	321.4
Mortgage on share of associates and Joint Ventures	420.9	420.9
Other	562.0	702.0

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 guaranteed 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, 2022, the Group transferred USD 5,077.0 million of trade receivables as collateral under its securitization programs (USD 6,788.8 million as at December 31, 2021).

Other financial commitments received

	As at December 31, 2022	As at December 31, 2021
Guarantees received from independent shipping agents	0.1	0.6
Guarantees received from customers	68.0	45.0
Other financial commitments received	40.8	13.2

8.3 Significant subsequent events

Bond 2026 – Early repayment

On February 9, 2023, the Group early repaid the EUR 525.0 million Senior Notes, issued by CMA CGM and maturing in January 2026.

La Méridionale

CMA CGM entered into an agreement to acquire La Méridionale, a maritime shipping company operating ro-ro cargo and passenger ships (Ro-Pax). The transaction is subject to the approval by the competition authorities.

Orderbook

The Group recently ordered twelve TEU 13 thousand and six TEU 15 thousand methanol vessels which delivery is expected between 2025 and 2027.

Energy transition

On the occasion of the International Agricultural Fair (SIA) in Paris and as part of CMA CGM Energy Fund initiative, CMA CGM announced that Bpifrance will ensure the deployment of a EUR 200.0 million envelop that the Group is dedicating to the French maritime sector to accelerate its decarbonization.

This unique initiative driven by the Group will make it possible to finance decarbonization projects carried out by French industrial, maritime and port players in all shipping sectors.

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.

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€200,000,000 5.500% Senior Notes due 2029

**(to be consolidated and form a single class with CMA CGM S.A.'s original
€400,000,000 5.500% Senior Notes due 2029 issued on July 4, 2024)**

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