



INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

* *

Nine and three-month periods ended September 30, 2020

KPMG Audit
A Division of KPMG S.A.

ERNST & YOUNG Audit

CMA CGM S.A.

Period from January 1 to September 30, 2020

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

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CMA CGM S.A.

Period from January 1 to September 30, 2020

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

To the Board of Directors of CMA CGM S.A.,

In our quality as statutory auditors of CMA CGM S.A. and in answer to your request, we conducted a review of the accompanying interim condensed consolidated financial statements of CMA CGM S.A., for the period from January 1 to September 30, 2020.

These interim condensed consolidated financial statements were approved by the Board of Directors, on November 20, 2020, on the basis of the elements available at that date, in the evolving context of the crisis related to Covid-19 and challenges in assessing its impact and future developments. Our role is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

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

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

Marseille, November 20, 2020

The Statutory Auditors

KPMG Audit
A division of KPMG S.A.

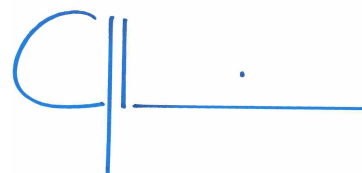


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Interim Condensed Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2020	2019	2020	2019
REVENUE	4.1	22,279.3	22,732.4	8,089.4	7,623.9
Operating expenses	4.2	(18,400.9)	(19,987.6)	(6,389.6)	(6,612.2)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES		3,878.4	2,744.9	1,699.8	1,011.7
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	167.1	15.3	(0.5)	4.5
Depreciation and amortization of non-current assets	5.1.2 & 5.2.1	(2,048.2)	(2,038.4)	(692.3)	(701.7)
Other income and (expenses)	4.4	(53.0)	(65.6)	4.6	(17.0)
Operating exchange gain/loss		58.2	49.6	45.4	(13.4)
Net present value (NPV) benefits related to assets financed by tax leases		26.9	29.4	8.9	10.0
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		2,029.6	735.2	1,065.9	294.0
Share of income / (loss) from associates and joint ventures	7.1	(42.2)	133.3	1.0	20.6
EBIT	4.1	1,987.3	868.4	1,066.9	314.5
CORE EBIT	4.1	1,846.2	765.9	1,017.4	332.2
FINANCIAL RESULT	4.5	(1,133.5)	(884.2)	(466.3)	(237.4)
PROFIT / (LOSS) BEFORE TAX		853.8	(15.8)	600.6	77.2
Income taxes	4.6	(86.1)	(85.2)	(28.1)	(24.4)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		767.6	(101.0)	572.5	52.8
PROFIT / (LOSS) FOR THE PERIOD		767.6	(101.0)	572.5	52.8
of which:					
Non-controlling interests		16.4	5.8	5.5	7.4
OWNERS OF THE PARENT COMPANY		751.3	(106.8)	566.9	45.4
<i>Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)</i>		<i>49.7</i>	<i>(7.1)</i>	<i>37.5</i>	<i>3.0</i>

Interim Condensed Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2020	2019	2020	2019
PROFIT / (LOSS) FOR THE PERIOD		767.6	(101.0)	572.5	52.8
Other comprehensive income / (loss) reclassifiable to Profit and Loss					
Cash flow hedges:					
Effective portion of changes in fair value		(18.8)	(18.7)	10.2	4.5
Reclassified to profit or loss		0.9	0.9	0.3	0.3
Net investment hedge	6.1.2	(22.0)	23.7	(25.8)	19.3
Net investment hedge - Share of other comprehensive income of associates and joint ventures	7.1	(11.0)	14.1	(7.9)	12.3
Foreign operations – foreign currency translation differences		(133.9)	13.6	(33.7)	(12.7)
Foreign operations – Share of other comprehensive income of associates and joint ventures	7.1	35.4	(31.6)	22.6	(34.0)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss					
Remeasurment of defined benefit pension plans	8.1	(21.9)	(38.7)	(6.5)	(12.6)
Remeasurement of defined benefit pension plans of associates and joint ventures	7.1	(0.4)	0.0	0.0	-
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.6.2	0.4	0.9	0.0	-
Tax on other comprehensive income non reclassifiable to Profit and Loss - Associates and joint ventures	7.1	0.1	(0.0)	(0.0)	-
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		(171.3)	(35.9)	(40.9)	(22.8)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		596.3	(136.8)	531.6	29.9
of which:					
Non-controlling interests		11.6	5.0	5.4	6.8
Owners of the parent company		584.7	(141.8)	526.2	23.1

Interim Condensed Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at September 30, 2020	As at December 31, 2019
Goodwill	5.1.1	2,841.0	2,851.8
Other intangible assets	5.1.2	2,478.3	2,565.9
INTANGIBLE ASSETS		5,319.3	5,417.8
Vessels	5.2.1	12,964.1	12,805.6
Containers	5.2.1	2,571.7	2,751.9
Lands and buildings	5.2.1	1,817.1	1,824.1
Other properties and equipments	5.2.1	379.3	384.2
PROPERTY AND EQUIPMENT	5.2.1	17,732.2	17,765.8
Deferred tax assets	4.6	164.1	158.9
Investments in associates and joint ventures	7.1	636.0	805.9
Derivative financial instruments	6.1	0.1	0.7
Other non-current operating assets		71.8	74.7
Other financial assets	6.2.1	427.5	320.6
NON-CURRENT ASSETS		24,351.1	24,544.3
Inventories	5.3	415.5	542.9
Trade and other receivables	5.3	3,407.3	3,479.7
Income tax assets	5.3	59.6	63.3
Derivative financial instruments	6.1	1.9	12.4
Securities and other financial assets	6.2.2	173.2	193.4
Cash and cash equivalents	6.3	2,173.7	1,750.8
Contract assets	5.3	987.1	774.2
Prepaid expenses	5.3	229.6	392.3
Assets classified as held-for-sale	5.4	93.1	977.7
CURRENT ASSETS		7,540.9	8,186.5
TOTAL ASSETS		31,892.0	32,730.9

Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at September 30, 2020	As at December 31, 2019
Share capital		234.7	234.7
Reserves and retained earnings		4,653.2	5,045.8
Profit / (Loss) for the period attributable to owners of the parent company		751.3	(229.1)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		5,639.2	5,051.5
Non-controlling interests		65.9	82.1
TOTAL EQUITY		5,705.0	5,133.6
Borrowings and lease liabilities	6.4	13,425.4	15,458.6
Derivative financial instruments	6.1	47.3	62.1
Deferred tax liabilities	4.6	405.4	420.7
Provisions	8.1	316.0	304.8
Employee benefits	8.1	327.5	289.2
Other non-current liabilities		85.1	64.2
NON-CURRENT LIABILITIES		14,606.7	16,599.7
Borrowings and lease liabilities	6.4	5,143.7	4,055.5
Derivative financial instruments	6.1	73.7	28.8
Provisions	8.1	153.5	154.9
Employee benefits	8.1	1.7	1.3
Trade and other payables	5.3	5,914.7	6,037.1
Income tax liabilities	5.3	86.8	95.2
Deferred income	5.3	94.0	98.5
Other current liabilities	8.2	112.3	107.7
Liabilities associated with assets classified as held-for-sale	5.4	0.0	418.6
CURRENT LIABILITIES		11,580.3	10,997.6
TOTAL LIABILITIES & EQUITY		31,892.0	32,730.9

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 (i)	Reserves, retained earnings and Profit for the period					
		Bonds redeemable in shares (ii)	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 December 31, 2018	234.7	56.5	5,306.5	(149.8)	5,447.8	77.2	5,525.1
IFRS16 Initial equity impact (*)	-	-	14.6	-	14.6	-	14.6
Balance as at January 1, 2019 (*)	234.7	56.5	5,321.1	(149.8)	5,462.4	77.2	5,539.6
Profit / (Loss) for the period	-	-	(106.8)	-	(106.8)	5.8	(101.0)
Other comprehensive income / (expense), net of tax	-	-	(37.9)	2.9	(35.0)	(0.9)	(35.9)
Total comprehensive income / (expense) for the period	-	-	(144.7)	2.9	(141.8)	5.0	(136.8)
Acquisition of subsidiaries	-	-	-	-	-	1,150.7	1,150.7
Transaction with non-controlling interests	-	-	(96.7)	(2.4)	(99.0)	(1,124.9)	(1,224.0)
Share based compensation reserve	-	-	(7.9)	-	(7.9)	(0.0)	(8.0)
Dividends	-	-	-	-	-	(23.6)	(23.6)
Total transactions with Shareholders	-	-	(104.6)	(2.4)	(107.0)	2.2	(104.8)
Balance as at September 30, 2019 (*)	234.7	56.5	5,071.8	(149.3)	5,213.7	84.3	5,298.0
Balance as at January 1, 2020	234.7	56.5	4,896.4	(136.0)	5,051.5	82.1	5,133.6
Profit / (Loss) for the period	-	-	751.3	-	751.3	16.4	767.6
Other comprehensive income / (expense), net of tax	-	-	(21.5)	(145.0)	(166.5)	(4.8)	(171.3)
Total comprehensive income / (expense) for the period	-	-	729.7	(145.0)	584.7	11.6	596.3
Acquisition of subsidiaries	-	-	-	-	-	7.8	7.8
Transaction with non-controlling interests	-	-	(1.2)	4.2	2.9	(22.3)	(19.3)
Dividends	-	-	-	-	-	(13.4)	(13.4)
Total transactions with Shareholders	-	-	(1.2)	4.2	2.9	(27.9)	(24.9)
Balance as at September 30, 2020	234.7	56.5	5,624.8	(276.9)	5,639.1	65.9	5,705.0

(i) The share capital is constituted of (i) 10,578,355 ordinary shares held by MERIT Corporation, its shareholders and related persons, (ii) 3,626,865 ordinary shares held by Yildirim and (iii) 1 preference share held by the Banque Publique d'Investissement (Bpifrance, formerly FSI) for a total of 14,205,221 shares.

(ii) Bonds redeemable in shares correspond to the equity portion of the bonds mandatorily redeemable in ordinary shares, subscribed in June 2013 by Bpifrance. Such bonds should be redeemed as at December 31, 2020, representing 6% of the Company's ordinary shares upon conversion on a fully diluted basis.

(*) On January 1, 2019, the Group has adopted IFRS 16 using the modified retrospective transition method, as permitted by the standard. The cumulative effect of IFRS 16 initial application is recognized as an adjustment to the opening values of retained earnings as at January 1, 2019, based on the final effect related to the application of IFRS 16 as shown in the 2019 annual CFS.

Interim Condensed Consolidated Statement of Cash Flows

(in USD million)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2020	2019	2020	2019
Profit / (Loss) for the period		767.6	(101.0)	572.5	52.8
Reconciliation of profit / (loss) for the period to cash generated from operations :					
- Depreciation and amortization	5.2.1	2,048.2	2,038.4	692.3	701.7
- Net present value (NPV) benefits related to assets financed by tax leases		(26.9)	(29.4)	(8.9)	(10.0)
- Other income and expense	4.4	53.0	65.6	(4.6)	17.0
- Increase / (Decrease) in provisions		22.6	(63.0)	20.9	(0.5)
- Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(167.1)	(15.3)	0.5	(4.5)
- Share of (Income) / Loss from associates and joint ventures	7.1	42.2	(133.3)	(1.0)	(20.6)
- Interest expenses on net borrowings and lease liabilities		970.8	981.2	311.3	328.6
- Income tax	4.6	86.1	85.2	28.1	24.4
- Other non cash items		174.5	(79.3)	149.4	(89.3)
Changes in working capital	5.3	(104.1)	(110.1)	83.3	18.3
Cash flow from operating activities before tax		3,866.9	2,639.0	1,843.8	1,018.0
- Income tax paid		(106.7)	(125.7)	(42.4)	(30.5)
Cash flow from operating activities net of tax	5.5	3,760.2	2,513.3	1,801.4	987.5
Purchases of intangible assets	5.1.2	(53.4)	(60.1)	(15.3)	(21.1)
Business combinations, net of cash acquired / divested	3.1.2	756.2	(796.4)	(12.2)	4.0
Purchases of property and equipment	5.2.1	(416.0)	(459.6)	(192.5)	(117.7)
Proceeds from disposal of property and equipment		83.5	115.8	23.4	45.5
Dividends received from associates and joint ventures	7.1	4.7	15.0	-	6.7
Cash flow resulting from other financial assets		(29.5)	(35.2)	20.1	49.2
Variation in securities		(7.5)	5.9	(1.5)	11.1
Net cash (used in) / provided by investing activities	5.5	338.1	(1,214.6)	(178.0)	(22.2)
Free Cash Flow		4,098.2	1,298.7	1,623.4	965.3
Dividends paid to the owners of the parent company and non-controlling interest		(89.3)	(12.2)	(3.8)	(7.3)
Proceeds from borrowings, net of issuance costs	6.4	2,706.4	2,831.1	912.2	509.6
Repayments of borrowings	6.4	(3,836.4)	(2,259.3)	(1,954.0)	(1,114.6)
Cash payments related to principal portion of leases	6.4	(1,318.5)	(1,382.9)	(466.3)	(502.7)
Interest paid on net borrowings		(381.5)	(418.9)	(119.1)	(166.9)
Cash payments related to interest portion of leases		(562.0)	(502.7)	(190.4)	(148.7)
Refinancing of assets, net of issuance costs	6.4	109.5	551.4	(0.5)	551.4
Other cash flow from financing activities		(135.4)	(99.2)	(87.0)	(27.7)
Net cash (used in) / provided by financing activities	6.5	(3,507.0)	(1,292.8)	(1,908.9)	(907.1)
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(54.8)	(40.0)	(13.5)	(23.7)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		536.4	(34.1)	(298.9)	34.6
Cash and cash equivalents and bank overdrafts at the beginning of the year		1,598.0	1,314.8		
Cash and cash equivalents as per balance sheet		2,173.7	1,334.0		
Bank overdrafts		(39.3)	(53.2)		
Cash and cash equivalents and bank overdrafts at the end of the period	6.3	2,134.4	1,280.7		
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		536.4	(34.1)		
Supplementary information: non cash investing or financing activities:					
- Assets acquired through financial debt or equivalents	5.2.1	1,576.5	1,345.2		
Supplementary information: Interest paid on net borrowings					
- Interests received		10.7	26.2		
- Interests paid excluding interest on leases		(392.1)	(445.2)		

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information

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 nine and three-month periods ended September 30, 2020 were approved and authorized for issue by the Board of Directors on November 20, 2020.

The Group operates primarily in the international containerized transportation of goods and in logistics business, through the end-to-end Freight Management and Contract Logistics solutions operated by CEVA. Other activities mainly include container terminal operations.

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.

Note 2 - General accounting principles

2.1 Basis of preparation

The interim condensed CFS of CMA CGM for the nine and three-month periods ended September 30, 2020 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 consolidated financial statements for the year ended December 31, 2019. 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%3Al26040>

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

2.1.2 Basis of consolidation

The CFS comprise:

- The financial statements of CMA CGM;
- The financial statements of its subsidiaries, including CEVA Group; 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 consolidated financial statements for the year ended December 31, 2019, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRS IC interpretations from January 1, 2020

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

Amendments to IAS 1 and IAS 8: Definition of Material

These amendments to IAS 1 and IAS 8 clarify the definition of "material" and align the definition used in the Conceptual Framework and the standards themselves.

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

These amendments relate to the issues affecting financial reporting in the periods before replacement of an existing interest rate benchmark with an alternative interest rate. The Amendments provide relief from the highly probable and prospective assessments required by IFRS 9 and IAS 39 for hedging relationships that are affected by the uncertainties of the IBOR reform. With the same objective, the amendments provide relief from the retrospective assessment under IAS 39. The exceptions described in the amendments apply only to those hedging relationships directly affected by uncertainties of the IBOR reform including cross-currency interest rate swaps (for the interest component affected).

Amendments to IFRS 3: Business Combinations

These amendments clarify the definition of a business and help entities to determine whether an acquisition is a business or a group of assets. This distinction is key to determine the correct accounting treatment.

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

This amendment exempts lessees to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, with impacts directly recognized in Profit and Loss. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021, and under conditions. The amendment is applicable for annual reporting periods beginning on or after June 1, 2020, with a possible early application.

This amendment has been applied by the Group, however resulting in a non-material impact. This mainly concerned waiver of rents which have been considered as variable rents in accordance with this amendment.

2.2.2 New IFRS and IFRS IC interpretations effective for the financial year beginning after January 1, 2020, endorsed by the European Union and not early adopted

There is no new IFRS or IFRS IC interpretation effective for the financial year beginning after January 1, 2020, endorsed by the European Union and not early adopted as at September 30, 2020.

2.2.3 New IFRS and IFRS IC interpretations effective for the financial year beginning on or after January 1, 2020 and not yet endorsed by the European Union

- *New IFRS and IFRS IC interpretations effective for the financial year beginning on January 1, 2020 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, 2020 and not yet endorsed by the European Union*

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

IFRS 17 & related amendments: Insurance Contracts

Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

Amendments to IAS 16: Property, Plant and Equipment

Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets

Amendments to IFRS 3: Business Combinations

Amendments to Annual Improvements 2018-2020

Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9

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

2.2.4 Change in accounting estimates

From January 1, 2020 onwards, Management changed, for the shipping activity, the trigger event to recognize variable expenses (Bill of Lading “BL” driven operating expenses) in Profit and Loss, from a prorata temporis approach to an event-driven approach (at call date). This change has been qualified as a change in accounting estimate and has been implemented prospectively in accordance with IAS 8, with the impact at the date of the change being recognized in the nine-month period ended September 30, 2020. The impact is not material.

As part of periodic accounting estimate review, Management revised downwards the scrap value applicable to its vessel fleet and recorded the effect on its vessel fleet depreciation expense prospectively as from April 1, 2020 onwards. The impact is not material.

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 2019 annual CFS, have been described in the below mentioned notes of the annual CFS and are as follows:

- Judgments used for the purpose of the purchase price allocation in a business combination (see Note 3.1 of the annual CFS);
- Judgments used for the purpose of determining the operating segments (see Note 4.1 of the annual CFS);

- Judgments and estimates used for the accounting of NPV benefits related to assets financed by tax leases (see Note 4.5 of the annual CFS);
- Recognition of deferred tax assets related to tax losses carried forward (see Note 4.7.2 of the annual CFS);
- Impairment of non-financial assets (see Note 5.3 of the annual CFS);
- Determination of the vessel's useful lives and residual values (see Note 5.2 of the annual CFS);
- Demurrage receivables, accruals for port call expenses, transportation costs and handling services (see Note 5.4 of the annual CFS);
- Assessment of whether the lease contract options (purchase, extension, renewal and early termination...) are reasonably certain to be exercised or not and assessment of other items which may affect the lease term (see Note 5.2 of the annual CFS);
- Judgments used for the purpose of determining the consolidation scope (see Note 7.1 of the annual CFS);
- Significant judgments and assumptions made in determining the nature of the interests in significant associates and joint ventures (see Note 7.3.1 of the annual CFS); and
- Judgments and estimates made in determining the risk related to cargo and corporate claims and related accounting provisions (see Note 8.1 of the annual CFS).

2.4 Translation of financial statements of foreign operations

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

	Closing rate		Average rate	
	September 30, 2020	December 31, 2019	9-month period ended September 30, 2020	September 30, 2019
Euro	0.85412	0.89015	0.89040	0.88978
British pound sterling	0.77930	0.75734	0.78722	0.78574
Australian Dollar	1.40400	1.42380	1.48178	1.42988
Chinese Yuan	6.80902	6.96146	6.99670	6.86423
Singapore Dollar	1.36958	1.34511	1.39093	1.36464

Note 3 - Business combinations and significant events

3.1 Business combinations and financial structure

3.1.1 Strengthening of the Group's financial structure

Late 2019, further to the acquisition of CEVA Logistics, the Group engaged a program aiming at strengthening its financial structure and reinforcing its liquidity. It mainly consisted of proceeds from vessel sale and leaseback transactions for USD 879.2 million mainly closed in 2019 and early 2020, the sale of investments stakes held by CMA CGM in ten port terminals to Terminal Link (see status in Note 3.1.2), the sale of a 50% stake in a logistics hub in India for an expected gross proceeds of approx. USD 85 million, the closing of which being currently delayed due to current circumstances related to the COVID-19 situation.

In addition to the refinancing and liquidity enhancement program, the Group also obtained agreements to rollover 2020 bank debt maturities amounting to approx. USD 530 million and drawn an EUR 1,050 million facility from some of its core banks with a French state guarantee (see Note 3.4), hence further reinforcing the group liquidity position.

The full amount on the CEVA acquisition facility (USD 139.6 million outstanding as at December 31, 2019) has been repaid in June 2020.

3.1.2 Sale of stakes in port terminals

On December 20, 2019, the Group signed an agreement with China Merchant Ports (CMP) to sell a portfolio of stakes in 10 port terminals to Terminal Link (TL), a joint-venture held 51% by the Group and 49% by China Merchant. This agreement represents an investment to the benefit of the Group of USD 968 million payable in cash at the closing of the transaction. Since end 2019, current and non-current assets and liabilities related to the terminals have been reclassified into assets held-for-sale and associated liabilities.

The transaction contemplates the sale of the Group's stakes in the following 10 sites: Odessa Terminal (Ukraine), CMA CGM PSA Lion Terminal (CPLT) in Singapore, Mundra Terminal (India), Kingston Freeport Terminal (Jamaica), Rotterdam World Gateway (Netherlands), Gemalink in Cai Mep (Vietnam), Qingdao Qianwan United Advance Container Terminal (China), Vietnam International Container Terminal in Hô-Chi-Minh-Ville (Vietnam), Laem Chabang International Terminal (Thailand) and Umm Qasr Terminal (Iraq).

TL is financing these acquisitions through the issue of USD 468 million mandatory convertible bonds ("MCB") subscribed by CMP (with 6% interests) and the subscription of a 8-year USD 500 million loan (at 6%) borrowed from CMP. These 2 instruments are not recognized on the Group's statement of financial position primarily because TL is a joint-venture and therefore accounted for as an equity-accounted entity. CMA CGM (i) is committed to increase the capital of TL in cash so that TL is able to pay the interests on the CMP loan and (ii) has various options until maturity of the CMP loan to either (a) increase the capital of TL in cash to allow TL to repay such loan or (b) proceed with the sale of some terminals held by TL or (c) set-off the amount due under the loan into new shares of TL subscribed by CMP, in which case the Group would be diluted in TL. Until maturity, the CMP loan and the MCB lifespan will allow to maintain the respective shareholdings of both CMA Terminals Holding ("CMA TH") and CMP.

Overall, TL acquires the terminals from CMA TH for a purchase price equal to USD 955 million and CMA CGM will also receive USD 13 million from TL through an upstream loan.

On March 26, 2020, the parties have closed the disposal of the stakes in eight port terminals to TL, as part of a first closing on a global transaction covering 10 terminals. This closing was completed for a consideration of USD 815 million in cash, made of:

- USD 803.9 million representing 95% of the value of these 8 stakes, 5% being deferred under the condition that a second closing occurs; thus, 95% of the sale price of the 8 terminals has been taken into consideration in the determination of the disposal gain as Management believes that the occurrence of the second closing (covering the last two terminals of CaiMep in Vietnam and Mundra in India) is likely but is not virtually certain as at September 30, 2020, primarily due to current circumstances related to the COVID-19 situation, which delay approvals or require the granting of additional governmental consents;
- USD 11 million as a portion of the upstream loan.

Management remains fully engaged towards the sale of the last two terminals covered by the agreement for an all cash consideration of over USD 150 million, including the 5% deferred payment related to the first closing. Hence, these 2 terminals are still classified as held-for-sale as at September 30, 2020.

CMA CGM applied IFRS 10 to the 2 terminals in which it lost control as a result of this transaction and hence recognized 100% of the gain on disposal over these 2 terminals (namely Umm Qasr Terminal and Kingston Freeport Terminal). Regarding the associates and JVs (i.e. the remaining 6 terminals), the gain on disposal has been recognized up to 49% in accordance with IAS 28.

The signed documents related to this transaction provide for the granting of guaranteed dividends to CMP over 8 years. The fair value of such guarantee has been estimated at USD 89.2 million, of which USD 6.3 million is recorded as a provision as it is the best estimate of the potential cash outflow (see Note 8.1.1), and is recorded as a price adjustment, hence impacting negatively the gain on disposal.

The determination of the effect of such transaction in the nine-month period can be presented as follows:

		In USD million
Cash consideration received from Terminal Link	(a)	803.9
Estimated fair value of guarantees granted to CMP	(b)	89.2
Fair value of the consideration received	(c) = (a) - (b)	714.7
Carrying amount of assets and liabilities at disposal date		
Assets classified as held-for-sale related to investments in associates and joint ventures and other financial assets		400.6
Assets classified as held-for-sale related to fully owned terminals		493.7
Liabilities associated with assets classified as held-for-sale		(430.4)
Reclassification of OCI and others		(1.6)
Total	(d)	462.3
Gain on disposal on a 100% basis	e = (c) - (d)	252.4
Elimination of 51% internal gain on disposal to a joint-venture regarding assets previously classified as investments in associates and joint ventures	(f)	(68.8)
Transaction fees	(g)	(14.3)
Gain resulting from the reorganization of the terminal activities	(e) + (f) + (g)	169.3

3.1.3 Memorandum of understanding with Group Dubreuil

On September 23, 2020, the Group entered into a memorandum of understanding to acquire a 30% stake in Groupe Dubreuil Aero ("GDA"). GDA is an affiliate of Groupe Dubreuil, a privately held diversified French group, which owns the airline carriers Air Caraïbes and French Bee. These airline carriers provide both passenger and freight services, representing 93% and 7% of the airline carriers' total revenue, respectively in niche markets : French west indies and La Réunion (Indian Ocean).

The investment in GDA is designed to strengthen our position and expertise in air freight, which has proven to be complementary to ocean activities, in particular during the COVID-19 pandemic.

The 30% stake represents a EUR 70 million investment for the Group, comprised of a €50 million subscription to a capital increase and a €20 million acquisition of existing shares. The acquisition has been approved by the GDA employee representative bodies, but remains subject to approvals by various competition authorities and by the French Ministry of the Economy and Finance.

3.2 Global Shipping Environment

Low sulphur regulation - Implementation of IMO 2020

The new International Maritime Organization (IMO) Low Sulphur Regulation is effective since January 1, 2020 and requires all shipping companies to reduce their Sulphur emissions by 85%. This new regulation aims to reduce the environmental impact of the industry and significantly improve air quality, an initiative in which the CMA CGM Group has been involved for more than 15 years.

In this context, CMA CGM has decided to favor the use of 0.5% fuel oil for its fleet and to invest significantly by using LNG to power some of its future container ships (notably 9 extralarge ships on order, 2 of which being delivered at the publication date of these interim condensed CFS), notably resulting in a 99% reduction in Sulphur emissions and by ordering scrubbers for several of its ships.

Additional costs resulting from this new regulation have been taken into account through the application or adjustment of fuel surcharges on a trade-by-trade basis. Indeed, from January onwards, CMA CGM has implemented a full pass-through pricing policy in order to achieve full compensation of the corresponding costs from its client.

3.3 COVID-19

On January 30, 2020, the World Health Organization (WHO) declared that the outbreak of the novel coronavirus called COVID-19 met the criteria for a Public Health Emergency of International Concern. Later, on March 11, 2020, the WHO declared the COVID-19 outbreak a global pandemic. In response to this global pandemic, many countries have decided to implement lock-down measures. In this context, the Group has monitored the situation on a daily basis to ensure the safety of its staff and also business continuity.

The closing of factories in China occurred at a period of somewhat seasonally reduced activity due to the traditional Chinese New Year holidays. However, the lockdown extended beyond these holidays with shipments out of China picking up gradually from early March. In the meantime, lock-down measures were announced in various geographies, including the US and Europe, as the virus spread. This has materially impacted consumption, as well as short term trade and macro-economic prospects. Subsequently, lock down measures have been eased in certain geographies, leading to a rebound of goods consumption, as well as shipped volumes, from the trough levels observed in April. Business prospects vary significantly from region to region, depending among other on the virus spread, sanitary containment measures and subsequent wave of the virus in some regions including degree of coercion of lock down measures, government incentives to support their respective economies.

In this context, management has focused on and will continue to protect profitability (adapting deployed vessel capacity for shipping to match shipped volumes and adapting resources to the level of activity for logistics), cash flows and liquidity.

As far as CMA CGM is concerned, although transported volumes by the ocean division were lower than last year, the financial impact on COVID-19 during the first nine months of 2020 has been counterbalanced by the combination of supportive unit revenue dynamics in the ocean division as well as lower bunker expense and voluntary cost reductions across the group. Such trends currently continue to prevail. However, the full length and impact of the COVID-19 crisis remains difficult to predict. Ultimate business impact will depend on the pace at which economies resume globally and on the various government measures to support that recovery as well as strategies adopted by other liners regarding deployment of capacity. The longer term effects will also depend on the development of a virus vaccine and / or reach of new outbreaks. When assessing the recoverable amounts of assets as at September 30, 2020, although the uncertainty is still significant due to the COVID-19 pandemic, Management assessment is that assumptions applied in the 2019 CFS are still considered the most appropriate.

3.4 EUR 1.05 billion bank loan

Considering the prevailing uncertainties around the Covid-19 situation developments and in order to protect its liquidity, CMA CGM drew a new loan in May 2020 with the following main characteristics:

- Provision by a number of core relationships banks;
- Guarantee by the French State for 70% of the amount pursuant to the scheme made available to French large corporates;
- One-year initial maturity and an extension option for up to five additional years in which case the loan will be gradually amortized (management intends to amortize this loan up to 2024);
- Commitment to recapitalize CEVA by EUR 300 million, done in June 2020, allowing CEVA to repay a bridge loan facility at maturity early July 2020 (see Note 6.4.3).

3.5 Rating agencies

In April 2020, Moody's has placed the B2 rating of CMA CGM on review for downgrade. In April 2020, S&P reaffirmed CMA CGM corporate rating at B+, negative outlook.

In July 2020, Moody's completed the review for downgrade and confirmed its previous B2 rating (no downgrade), still with a negative outlook.

See Note 8.4 for further positive evolution of the Group's ratings.

3.6 Trade network rationalization

Early July, the Group announced that CMA CGM aims to become in the coming months the Group's exclusive commercial carrier on the Transpacific trade and the sole global carrier of the Group. By capitalizing on the expertise, knowledge and footprint of its resources under CMA CGM, the Group will be able to serve its customers more effectively and focus on delivering complete, tailored solutions in the Transpacific market.

As a consequence, APL will no longer offer commercial services on the transpacific trade and will be mostly dedicated to provide U.S. Flag services as a long-time service partner for the U.S. Government and to solidify and enhance the Group's specialization in this key business offer. APL will also continue to operate intra-asia short sea services for the group under the CNC brand.

Mid 2016, the APL trademark had been identified for USD 203 million as an intangible assets with indefinite useful life at the time of NOL acquisition. Due to the above strategic changes, it now becomes an amortizable intangible asset since July 1, 2020 with a non material amortization amount recorded in the period.

3.7 Cyber-attack

On September 28, 2020, CMA CGM announced that it had suffered a ransomware-based cyber-attack. The unauthorized access impacted certain of our shipping subsidiaries' IT systems. Upon discovery of the unauthorized access, Management immediately decided to suspend temporarily access to core IT system, including LARA, in order to prevent further contamination of the malware. Management also promptly notified the French data protection authority (ANSSI) and engaged independent cybersecurity experts, who, together with ANSSI and the Group's cybersecurity team, started investigating the cyber-attack and working to analyze the cyberattack and rebuild as needed our IT infrastructure.

The e-commerce platforms were particularly affected by the cyber-attack. 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, manual orders were possible as well as through Direct Electronic Data Interchange, INTTRA and certain other third-party e-booking portals. However, such alternative solutions did not fully compensate for the bookings that are usually made on our e-commerce platforms, as they had an adverse impact on the efficiency and speed with which customer transactions are usually handled.

The loss of bookings was attenuated to some extent by the timing—the national holiday of Golden Week in China so fewer bookings due to factory closures—as well as by the rapid response put in place.

Further, the impact resulting from this incident can be estimated to be below USD 50 million. The Group's cyber liability insurance may cover part of the financial loss but it is currently too early to predict the extent and timing of any cyber liability insurance pay-out.

To date, all operations and all material softwares have been put back to a normal service.

Note 4 - Results for the period

4.1 Operating segments and segmentation of the Profit and Loss

For management purposes, the Group reports three operating segments: (i) container shipping activity (ii) logistics and (iii) other activities.

The segment information for the reportable segments for the nine and three-month periods ended September 30, 2020 is as follows:

	Revenue		EBITDA		EBIT	
	For the nine-month period ended September 30,					
	2020	2019	2020	2019	2020	2019
Container shipping segment	16,915.4	17,127.1	3,222.9	2,122.7	1,637.5	648.5
Logistics segment	5,395.6	5,552.8	492.3	453.3	110.8	74.2
Other activities	428.0	534.6	163.9	172.9	100.7	114.3
Total core measures before elimination	22,739.0	23,214.5	3,879.0	2,748.9	1,849.1	837.0
Eliminations	(459.7)	(482.0)	(0.6)	(4.1)	(2.9)	(71.0)
Total core measures	22,279.3	22,732.4	3,878.4	2,744.9	1,846.2	765.9
Reconciling items	-	-	-	-	141.2	102.5
Total consolidated measures	22,279.3	22,732.4	3,878.4	2,744.9	1,987.3	868.4

	Revenue		EBITDA		EBIT	
	For the three-month period ended September 30,					
	2020	2019	2020	2019	2020	2019
Container shipping segment	6,199.3	5,756.0	1,451.4	813.5	931.2	268.9
Logistics segment	1,900.0	1,783.6	182.9	145.5	56.5	34.5
Other activities	136.7	177.2	66.2	56.7	32.6	33.0
Total core measures before elimination	8,236.0	7,716.8	1,700.4	1,015.8	1,020.3	336.4
Eliminations	(146.6)	(92.8)	(0.6)	(4.1)	(2.9)	(4.2)
Total core measures	8,089.4	7,623.9	1,699.8	1,011.7	1,017.4	332.2
Reconciling items	-	-	-	-	49.4	(17.6)
Total consolidated measures	8,089.4	7,623.9	1,699.8	1,011.7	1,066.9	314.6

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

Reconciling items impacting EBIT include (i) the impact of the disposal of property and equipment and subsidiaries (see Note 4.3), (ii) other income and expenses (see Note 4.4), (iii) operating exchange gain/loss and (iv) impairment charge or non-recurring expenses recorded in associates and joint ventures (see Note 7.1).

Seasonality

Except in particular circumstances (see Note 3.3), the Company usually experiences seasonality in its container shipping activity characterized by a higher level of demand in the summer-fall period. As a result of these seasonal fluctuations, the Company's cash flows from operations and revenue are not evenly distributed between quarters over the year.

As far as Logistics segment is concerned, the freight management results are generally stronger in the final two quarters of the calendar year, which is partly offset by contract logistics results being generally stronger in the first half of the year.

The Group's seasonality is also offset to some extent by its sector diversification, as well as the global nature of its business; however, overall the Group's first quarter is generally the weakest.

Contribution of CEVA and IFRS 16 impact to the Profit and loss for the nine-month period ended September 30, 2020

	2020					
	Consolidated Statement of Profit & Loss	CEVA Contribution excluding IFRS 16	CEVA - IFRS 16 application	CMA CGM stand-alone IFRS 16 application	Eliminations	CMA CGM stand alone Profit & Loss excluding CEVA and IFRS 16 impacts
	A	B	C	D	E	F = A (-) B (-) C (-) D (-) E
REVENUE	22 279,3	5 307,1	-	-	(121,2)	17 093,4
Operating expenses	(18 400,9)	(5 161,0)	311,5	1 437,4	121,2	(15 110,0)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES	3 878,4	146,1	311,5	1 437,4	-	1 983,4
Gains / (losses) on disposal of property and equipment and subsidiaries	167,1	(1,0)	-	-	-	168,1
Depreciation and amortization of non-current assets	(2 048,2)	(93,6)	(290,1)	(1 141,6)	-	(522,8)
Other income and (expenses)	(53,0)	0,4	-	-	-	(53,3)
Operating exchange gain/loss	58,2	-	-	-	-	58,2
Net present value (NPV) benefits related to assets financed by tax leases	26,9	-	-	-	-	26,9
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES	2 029,6	51,9	21,4	295,8	-	1 660,5
Share of income / (loss) from associates and joint ventures	(42,2)	(0,5)	-	-	-	(41,8)
EBIT	1 987,3	51,5	21,4	295,8	-	1 618,7
CORE EBIT	1 846,2	53,5	21,4	295,8	-	1 475,5
Interests expense on borrowings and lease liabilities	(1 003,0)	(74,6)	(38,9)	(498,3)	-	(391,3)
Interests income on cash and cash equivalent	12,7	1,1	-	-	-	11,6
Other net financial items	(143,2)	(2,1)	-	16,7	-	(157,9)
FINANCIAL RESULT	(1 133,5)	(75,5)	(38,9)	(481,6)	-	(537,6)
PROFIT / (LOSS) BEFORE TAX	853,8	(24,1)	(17,5)	(185,8)	-	1 081,2
Income taxes	(86,1)	(9,6)	-	-	-	(76,5)
PROFIT / (LOSS) FOR THE year	767,6	(33,7)	(17,5)	(185,8)	-	1 004,6
Result from discontinued operations	-	-	-	-	-	-
PROFIT FOR THE year FROM CONTINUING OPERATIONS	767,6	(33,7)	(17,5)	(185,8)	-	1 004,6
PROFIT / (LOSS) FOR THE YEAR	767,6	(33,7)	(17,5)	(185,8)	-	1 004,6
of which:						-
Non-controlling interests	16,4	(0,5)	-	-	-	16,9
OWNERS OF THE PARENT COMPANY	751,3	(33,2)	(17,5)	(185,8)	-	987,7

The information presented above differs from :

- the individual financial statements of CEVA mainly due to purchase price allocation adjustments; and
- the information presented in Note 4.1 as the Group's logistics segment due to certain logistics activities handled by Group's subsidiaries not held by CEVA logistics.

4.2 Operating expenses

Operating expenses are analyzed as follows:

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2020	2019	2020	2019
Bunkers and consumables	(2,302.4)	(2,638.8)	(693.6)	(871.9)
Chartering and slot purchases	(936.3)	(1,081.7)	(317.6)	(337.9)
Handling and stevedoring	(4,552.1)	(4,869.4)	(1,662.7)	(1,609.1)
Inland and feeder transportation	(4,472.3)	(4,870.4)	(1,587.1)	(1,645.7)
Port and canal	(1,060.7)	(1,104.6)	(382.3)	(370.0)
Container equipment and repositioning	(856.4)	(1,097.9)	(300.2)	(353.7)
Employee benefits	(2,980.8)	(3,018.8)	(1,030.9)	(988.8)
General and administrative other than employee benefits	(950.9)	(1,017.2)	(304.6)	(345.7)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(37.4)	(54.2)	(16.0)	(19.5)
Others	(251.5)	(234.5)	(94.6)	(70.0)
Operating expenses	(18,400.9)	(19,987.6)	(6,389.6)	(6,612.2)

The decrease of operating expenses is mainly due to (i) operational efficiency, allowing to reduce most of our operating expenses, (ii) the lower carried volumes in the current sanitary context and (iii) lower bunker costs despite the application of IMO 2020 and the resulting switch to low sulphur fuel (see Note 3.2).

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 nine-month period ended September 30,		For the three-month period ended September 30,	
	2020	2019	2020	2019
Disposal of vessels	0.9	4.5	1.4	2.4
Disposal of containers	(2.6)	4.2	(0.6)	0.8
Other fixed assets disposal	(2.0)	6.0	(1.0)	1.6
Disposal of subsidiaries	170.9	0.7	(0.3)	(0.3)
Gains / (losses) on disposal of property and equipment and subsidiaries	167.1	15.3	(0.5)	4.5

Disposal of subsidiaries mainly corresponds to the sale of a portfolio of stakes in terminals to Terminal Link (see Note 3.1.2 and Note 5.4) for USD 169.3 million.

4.4 Other income and (expenses)

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

	For the nine-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Impairment (losses) / reversals of assets	(28.3)	(0.1)	(2.1)	(0.1)
Others	(24.7)	(65.5)	6.7	(16.9)
Other income and (expenses)	(53.0)	(65.6)	4.6	(17.0)

"Impairment (losses) / reversals of assets" mainly relates to certain individual vessels intended to be sold for scrapping and some individually not material right-of use assets.

"Others" includes various items such as specific transaction fees or other non-recurring items individually not material.

4.5 Financial result

The financial result is analyzed as follows:

	For the nine-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Interest expense on borrowings and lease liabilities	(1,003.0)	(1,027.5)	(323.9)	(347.7)
Net interests on cash and cash equivalents	12.7	28.4	2.9	9.5
Cost of borrowings and lease liabilities, and net interest on cash and cash equivalents	(990.3)	(999.2)	(321.0)	(338.2)
Settlements and change in fair value of derivative instruments	(8.7)	4.9	(14.0)	4.7
Foreign currency income and expense, net	(155.4)	100.6	(140.9)	91.8
Other financial income and expense, net	20.9	9.5	9.7	4.3
Other net financial items	(143.2)	115.0	(145.2)	100.8
Financial result	(1,133.5)	(884.2)	(466.2)	(237.4)

For the nine-month period ended September 30, 2020, "Interest expense on borrowings and lease liabilities" includes USD (33.5) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (41.7) million for the nine-month period ended September 30, 2019).

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

"Foreign currency income and expense, net" is mainly composed of foreign currency exchange gains / (losses) on financial operations due to the translation of borrowings and financial instruments denominated in currencies different from USD (mainly but not limited to transactions in EUR). Among other effects, the net exchange loss for the nine-month period ended September 30, 2020 is due to the appreciation of EUR currency versus USD versus December 31, 2019, primarily resulting from the third quarter 2020, while the forex evolution was positive in the comparative periods.

"Other financial income and expense, net" usually includes unwinding of discount effects, some effect related to IFRS16 provisions for dismantling costs as well as some effects related to lease modifications, some interests income related to financial assets and some dividends received from related parties.

4.6 Income and deferred taxes

4.6.1 Current income taxes

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2020	2019	2020	2019
Current income tax income / (expense)	(115.0)	(100.1)	(33.1)	(28.5)
Deferred tax income / (expense)	28.9	15.0	5.0	4.0
Income Taxes	(86.1)	(85.2)	(28.1)	(24.4)

4.6.2 Deferred income tax

Deferred tax balances break down as follows:

Deferred tax assets	As at September 30, 2020	As at December 31, 2019
Investment tax credit	0.0	0.2
Tax losses carried forward	103.7	80.8
Retirement benefit obligations	26.3	22.9
Other temporary differences	43.6	69.5
Total gross deferred tax assets	173.7	173.3
Total net deferred tax assets	164.1	158.9
Deferred tax liabilities	As at September 30, 2020	As at December 31, 2019
Revaluation and depreciation of property and equipment	1.6	19.5
Intangible assets adjustment due to purchase price allocation	314.6	327.7
Undistributed profits from subsidiaries	68.6	51.2
Other temporary differences	29.8	36.7
Total deferred tax liabilities	414.7	435.2
Total net deferred tax liabilities	405.4	420.8
Total net deferred tax assets / (liabilities)	(241.3)	(261.8)

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

"Tax losses carried forward" mainly relate to losses generated by the logistics activities of CEVA. These 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. None of the related entities have incurred losses in either the current or preceding years.

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

	For the nine-month period ended September 30,
	2020
Net deferred tax at the beginning of the year	(261.8)
Changes through Profit & Loss	28.9
Changes through Other Comprehensive Income	0.5
Currency translation adjustment	(6.3)
Other variations	(2.3)
Net deferred tax at the end of the period	(240.9)

Note 5 - Invested capital and working capital

5.1 Goodwill and other intangible assets

5.1.1 Goodwill

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

	As at September 30, 2020	As at December 31, 2019
Beginning of the year	2,851.8	1,166.1
Goodwill from business combinations	3.2	1,688.5
Other variations	-	2.0
Foreign currency translation adjustment	(14.0)	(4.8)
At the end of the period	2,841.0	2,851.8
<i>of which:</i>		
<i>Allocated to container shipping segment</i>	<i>1,129.0</i>	<i>1,143.1</i>
<i>Allocated to logistics segment</i>	<i>1,699.6</i>	<i>1,696.4</i>
<i>Allocated to other activities</i>	<i>12.4</i>	<i>12.4</i>

As at September 30, 2020, the line item "Goodwill from business combinations" corresponds to the goodwill recognized as part of the provisional purchase price allocation performed on AMI acquisition, a subsidiary of CEVA since July 2020. AMI Worldwide Ltd offers end-to-end logistics solutions in freight forwarding, with a presence in twelve countries mainly in East and Southern Africa and has more than seventy-five offices worldwide.

In 2019, the line item "Goodwill from business combinations" corresponds to:

- The goodwill recognized as a result of the purchase price allocation performed on CEVA acquisition;
- The line item "Other variations" corresponds mainly to the update of the purchase price allocation related to the acquisition of Containerships.

Despite the still material uncertainty in the context of the sanitary crisis and in light of the currently improving profitability, Management confirmed that there is no impairment charge to be recognized based on the performance of the nine-month period and to the extent it does not have indications of structural alteration of medium to long term prospects as a result of the current sanitary situation.

5.1.2 Other intangible assets

The net carrying value of other intangible assets mainly relates to (i) the trademark and customer relationships recognized as part of the purchase price allocations for USD 1,895.2 million (USD 1,973.2 million as at December 31, 2019), (ii) USD 72.0 million to terminal concession rights (USD 75.2 million as at December 31, 2019) and (iii) software in use or in progress for an amount of USD 507.8 million (USD 512.3million as at December 31, 2019).

5.2 Property and equipment

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at September 30, 2020	As at December 31, 2019
Vessels net		
Owned	7,557.1	7,071.6
In-progress	649.8	439.8
Right-of-use	4,757.2	5,294.3
	12,964.1	12,805.6
Containers net		
Owned	275.3	350.9
In-progress	32.7	-
Right-of-use	2,263.7	2,400.9
	2,571.7	2,751.9
Lands and buildings net		
Owned	518.7	391.0
In-progress	4.4	103.1
Right-of-use	1,294.0	1,330.0
	1,817.1	1,824.1
Other properties and equipments net		
Owned	244.0	264.4
In-progress	38.7	21.0
Right-of-use	96.6	98.8
	379.3	384.2
Total net		
Owned	8,595.2	8,077.8
In-progress	725.6	564.0
Right-of-use	8,411.5	9,124.0
Property and equipment	17,732.2	17,765.8

Changes in the cost of property and equipment for the nine-month period ended September 30, 2020 and the year ended December 31, 2019 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Right-of-use	In-progress				
As at January 1, 2019	10,095.3	1,305.8	256.1	870.3	644.1	747.3	13,918.9
First time application IFRS 16	(1,010.1)	5,180.0	-	2,437.7	152.1	221.2	6,980.9
Acquisitions	268.4	567.9	329.7	543.6	435.1	135.1	2,279.8
Acquisitions of subsidiaries	-	-	-	-	1,268.3	103.1	1,371.3
Disposals	(64.0)	(8.3)	-	(179.2)	(52.0)	(29.7)	(333.4)
Reclassification to held-for-sale	-	-	-	-	-	(464.1)	(464.1)
Reclassification	-	-	-	(0.8)	1.9	(10.3)	(9.2)
Vessels put into service	188.6	(42.9)	(145.6)	-	-	-	0.0
Foreign currency translation adjustment	(3.6)	(0.7)	(0.5)	(0.6)	(16.7)	(6.0)	(28.1)
As at December 31, 2019	9,474.6	7,001.7	439.8	3,670.9	2,432.8	696.5	23,716.2
Acquisitions	110.6	553.2	579.9	344.0	310.5	99.7	1,997.9
Acquisitions of subsidiaries	-	-	-	-	20.6	3.3	24.0
Disposals	(53.3)	(43.1)	-	(192.0)	(106.3)	(40.3)	(435.0)
Reclassification	-	-	-	2.8	4.1	(4.8)	2.0
Vessels put into service	1,074.0	(704.1)	(369.9)	-	-	-	(0.0)
Foreign currency translation adjustment	(6.0)	1.5	-	(0.0)	7.3	(6.1)	(3.3)
As at September 30, 2020	10,599.9	6,809.2	649.8	3,825.6	2,669.0	748.2	25,301.7

As at September 30, 2020, the Group operates 123 owned vessels and 171 under IFRS 16 or equivalent agreements (112 vessels owned and 188 under IFRS 16 or equivalent agreements as at December 31, 2019). The remainder of the operated vessels are chartered on a less than 12-month basis and are expensed off.

During the nine-month period ended September 30, 2020:

- "Acquisitions" of owned vessels relate mainly to the delivery of scrubbers for 10 existing vessels and dry docks;
- "Acquisitions" of right-of-use vessels relate to :
 - 11 new leases entered into for a ROU amount of USD 314 million,
 - 14 vessel leases extended for a ROU amount of USD 214 million.
- "Acquisitions" of in-progress vessels relate to prepayments paid to shipyards in relation to the vessel orderbook (including nine TEU 23,000 vessels), the delivery instalments paid at the delivery date of the TEU 23,000 CMA CGM JACQUES SAADE, two TEU 2,200 vessels and also relates to investment prepayments in scrubbers to be fitted on existing vessels;
- "Acquisitions" of containers relate to new leases entered into as well as some modifications of existing leases;
- "Acquisitions" of land and buildings mainly include leases entered into by CEVA for an amount of USD 247.9 million;
- "Vessels put into service" relate to the delivery of the TEU 23,000 CMA CGM JACQUES SAADE, two TEU 2,200 vessels, 11 scrubbers and the exercise of purchase options in relation to 11 leased vessels.

Changes occurred during the year ended December 31, 2019 have been described in Note 5.2.1 of the 2019 annual CFS.

Borrowing costs capitalized during the nine-month period ended September 30, 2020 amounted to USD 8.8 million (USD 13.0 million for the year ended December 31, 2019).

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

Purchases of property and equipment amounted to USD 1,997.9 million for the nine-month period ended September 30, 2020 (USD 2,279.8 million for the year ended December 31, 2019).

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 September 30,	
		2020	2019
Acquisition of assets presented in the above table	a	1,997.9	1,804.8
(+) Acquisition of assets held-for-sale	b	2.7	-
(-) Assets not resulting in a cash outflow (i)	c	430.2	166.6
(-) IFRS16 leases increase	d	1,149.0	1,178.6
CAPEX cash from purchases of property and equipment	e = a (-) b (-) c - (d)	416.0	459.6
CAPEX cash from purchases of intangible assets	f	53.4	60.1
CAPEX cash from business combination	g	(768.5)	826.4
Total CAPEX as per Consolidated Statement of Cash Flows	e (+) f (+) g	(299.1)	1,346.1

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

Changes in the accumulated depreciation for the nine-month period ended September 30, 2020 and the year ended December 31, 2019 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Ow ned	Right-of-use	In-progress				
As at January 1, 2019	(2,467.1)	(367.9)	-	(384.6)	(196.1)	(261.8)	(3,677.5)
First time application IFRS 16	405.5	(404.4)	-	-	0.1	(0.8)	0.5
Depreciation	(374.9)	(951.1)	-	(643.4)	(461.2)	(141.0)	(2,571.6)
Disposals	34.9	8.2	-	108.8	48.2	22.2	222.2
Impairment	5.3	-	-	-	(0.0)	-	5.3
Vessels refinancing & exercise of purchase option	-	7.9	-	-	-	-	7.9
Reclassification to held-for-sale	-	-	-	-	-	57.3	57.3
Reclassification	(7.9)	-	-	0.2	(2.0)	8.7	(0.9)
Foreign currency translation adjustment	1.1	(0.0)	-	0.0	2.2	3.1	6.4
As at December 31, 2019	(2,403.0)	(1,707.4)	-	(919.0)	(608.7)	(312.3)	(5,950.5)
Depreciation	(318.2)	(734.3)	-	(452.1)	(345.3)	(80.5)	(1,930.3)
Disposals	39.4	43.0	-	116.6	104.4	35.4	338.8
Impairment	(11.6)	(0.0)	-	-	(3.2)	(8.3)	(23.1)
Reclassification	(347.6)	347.6	-	-	3.1	(6.6)	(3.5)
Foreign currency translation adjustment	(1.8)	(1.0)	-	0.5	(2.2)	3.5	(0.9)
As at September 30, 2020	(3,042.8)	(2,052.1)	-	(1,253.9)	(851.9)	(368.9)	(7,569.5)

Including intangible assets, the total depreciation for the nine-month period ended September 30, 2020 amounts to USD 2,048.1 million (USD 2,717.9 million for the year ended December 31, 2019).

The net book value of property and equipment at the opening and closing for the nine-month period ended September 30, 2020 and the year ended December 31, 2019 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Ow ned	Right-of-use	In-progress				
As at September 30, 2020	7,557.1	4,757.2	649.8	2,571.7	1,817.1	379.3	17,732.2
As at December 31, 2019	7,071.6	5,294.3	439.8	2,751.9	1,824.1	384.2	17,765.8
As at December 31, 2018	7,628.2	937.9	256.1	485.6	448.0	485.5	10,241.3

5.2.2 Group fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within "Vessels" in the consolidated statement of Financial Position and amount to USD 649.8 million as at September 30, 2020 (USD 439.8 million as at December 31, 2019).

Apart from the deliveries disclosed in Note 5.2.1, there has been no other significant change compared to the orderbook and associated commitments reported in Note 5.2.2 and 8.2.1 of the 2019 annual CFS.

5.3 Working Capital

5.3.1 Inventories

	As at September 30, 2020	As at December 31, 2019
Bunkers	356.4	474.2
Other inventories	59.6	69.5
Provision for obsolescence	(0.6)	(0.8)
Inventories	415.5	542.9

5.3.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at September 30, 2020	As at December 31, 2019
Trade receivables	2,225.3	2,418.1
Less impairment of trade receivables	(133.2)	(110.1)
Trade receivables net	2,092.1	2,308.1
Prepayments	217.2	179.9
Other receivables, net	902.7	781.9
Employee, social and tax receivables	254.9	273.0
Trade and other receivables (*)	3,466.9	3,542.9

(*) including current income tax asset

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

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

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).

Trade and other payables are analyzed as follows:

	As at September 30, 2020	As at December 31, 2019
Trade payables	2,144.2	2,901.5
Employee, social and tax payables	581.5	493.6
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	3,275.7	2,737.3
Trade and other payables (*)	6,001.4	6,132.4

(*) including current income tax liability

Part of the increase in employee, social and tax payables is due to some measures put in place by governments to support their respective economies.

The working capital can be analyzed as follows:

	As at December 31, 2019	Variations linked to operations	Currency translation adjustment	Others	As at September 30, 2020
Inventories	542.9	(126.2)	(1.3)	0.0	415.5
Trade and other receivables (*)	3,542.9	(38.1)	(69.9)	32.0	3,466.9
Contract assets	774.2	(6.0)	(2.1)	221.0	987.1
Prepaid expenses	392.3	(87.0)	0.6	(76.3)	229.6
Trade and other payables (**)	(6,132.4)	155.1	76.8	(100.9)	(6,001.4)
Deferred income	(98.5)	206.3	(3.9)	(197.8)	(94.0)
Net working capital	(978.6)	104.1	0.2	(122.0)	(996.3)

(*) including current income tax asset

(**) including current income tax liability

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

Non-current assets (or disposal group) held for sale as at September 30, 2020 relate to (i) stakes in 2 terminals that are left to be sold to Terminal Link as part of the transaction with CMP (See Note 3.1.2) and (ii) a stake in a logistic platform in India (see Note 3.1.1). As at December 31, 2019, the stakes in the 10 terminals involved in the disposal transaction to Terminal Link were classified as held-for sale as well as the logistic platform constituting a separate transaction.

The disposal project is not constitutive of a business that would have to be treated as discontinued operations, and hence the profit and loss related to these activities has been considered as continuing operations for the nine-month period ended September 30, 2020.

The depreciation of non-current assets has been stopped at the date of the classification as held-for-sale and similarly, the share of income / (loss) related to associates and joint ventures reclassified as held for sale has not been recognized over the period.

The assets and liabilities related to these terminal activities to be disposed of are as follows:

	As at September 30, 2020	As at December 31, 2019
Intangible assets	-	9.3
Harbor equipment	-	403.5
Other tangible assets	-	3.3
Shares in associates and joint ventures	93.1	419.4
Other financial assets	-	102.1
Other assets	-	40.1
TOTAL Assets held for sale	93.1	977.7
Financial debt	-	376.0
Other liabilities	-	42.6
TOTAL Liabilities associated to assets held for sale	-	418.6

5.5 Operating and investing cash flows

Cash flow from operations stands at USD 3,760.2 million of which EBITDA contributed for USD 3,878.4 million, income tax paid for USD (106.7) million and variation of working capital for USD (104.1) million.

Cash flow from investing activities has been mainly impacted by the sale of stakes in port terminals to Terminal Link for USD 776.5 million, capital expenditures from intangible assets and purchasing of property and equipment, representing a cash outflow of USD (469.4) million, the proceeds from disposal of properties and equipment for USD 83.5 million, the net cash flow resulting from the variation of other financial assets for

USD (29.5) million and the dividends received from investments in associates and joint ventures for USD 4.7 million.

Note 6 - Capital structure and financial debt

Except for the information provided below and in Note 6.1 of these interim condensed CFS, the Group's objectives & policies in terms of financial risk management have been detailed in Note 6.1 of the 2019 annual CFS.

6.1 Derivative financial instruments

6.1.1 Derivative financial instruments

Derivative financial instruments can be analyzed as follows:

	As at September 30, 2020		As at December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	0.1	9.7	0.7	2.1
Interest swaps - not qualifying to hedge accounting	-	0.6	-	0.1
Cross currency interest rates swaps - fair value hedge	-	39.5	-	37.9
Cross currency interest rates swaps - cash flow hedge	-	71.2	-	50.8
Net Investment hedge	1.9	-	8.9	-
FX Forward Contracts - Cashflow Hedges	-	-	3.5	-
Total derivative financial instruments	1.9	121.0	13.1	90.9
<i>of which non-current portion (greater than 1 year)</i>	<i>0.1</i>	<i>47.3</i>	<i>0.7</i>	<i>62.1</i>
<i>of which current portion (less than 1 year)</i>	<i>1.9</i>	<i>73.7</i>	<i>12.4</i>	<i>28.8</i>

As at September 30, 2020 and December 31, 2019, the Company did not record any transfer between derivative financial instruments' categories.

6.1.2 Net investment hedge

Part of the Group's net investment in its euro investees is hedged by certain Euro denominated senior notes, which mitigates the foreign currency exposure arising from the investee's net assets. Hence, a portion of the euro-denominated borrowings 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 USD 33.1 million for the nine-month period ended September 30, 2020 (USD 12.3 million for the year ended December 31, 2019).

In addition, FX derivatives have been recognized as NIH instruments within CEVA, for an amount of USD 1.9 million.

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 September 30, 2020	As at December 31, 2019
Gross	98.8	75.1
Impairment	(4.7)	(4.4)
Investments in non consolidated companies	94.1	70.7
Gross	52.9	50.4
Impairment	(18.7)	(18.2)
Loans	34.2	32.2
Gross	95.2	83.6
Impairment	-	-
Deposits	95.2	83.6
Gross	56.9	35.0
Impairment	(15.7)	(16.6)
Receivable from associates & joint ventures	41.2	18.4
Gross	188.8	126.9
Impairment	(26.0)	(11.2)
Other financial assets	162.8	115.7
Gross	492.5	370.9
Impairment	(65.0)	(50.4)
Total other non-current financial assets, net	427.5	320.6

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

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to various stakes individually not significant, classified either as assets at fair value through profit and loss or as assets at fair value through other comprehensive income.

The investment in Global Ship Lease was reclassified as a financial asset at fair value through profit and loss from March 31, 2020 onwards for an amount of USD 11.3 million (see Note 7.1) and now amounts to USD 21.1 million.

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.

Deposits

"Deposits" correspond to USD 95.2 million of cash deposits which do not qualify as cash and cash equivalents as at September 30, 2020 (USD 83.6million as at December 31, 2019).

Other financial assets

As at September 30, 2020, "Other financial assets" for USD 162.8 million (USD 115.7 million as at December 31, 2019) mainly include 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 September 30, 2020 include securities at fair value for an amount of USD 25.0 million (USD 16.7 million as at December 31, 2019).

Apart from the above, other current financial assets mainly include (i) the current portion of the financial assets, (ii) some short term loans to joint-ventures or associates, (iii) as well as certain cash deposits which do not qualify as cash and cash equivalents since their inception.

6.3 Cash and cash equivalents and main financial covenants

6.3.1 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

	As at September 30, 2020	As at December 31, 2019
Cash on hand	1,805.7	1,470.0
Short term deposits	89.6	215.2
Restricted cash	278.4	65.6
Cash and cash equivalents as per statement of financial position	2,173.7	1,750.8
Bank overdrafts	(39.3)	(156.9)
Cash and cash equivalents and bank overdraft	2,134.4	1,593.9
Cash reported in assets held-for-sale	-	4.1
Cash and cash equivalents and bank overdrafts, as per cash flow statement	2,134.4	1,598.0
Restricted Cash	(278.4)	(65.6)
Marketable securities	25.0	16.7
Group available cash	1,881.0	1,545.0
Undrawn committed facilities	919.7	79.3
Total Group Liquidity	2,800.7	1,624.3

The group holds USD 211.5 million deposited in a number of Lebanese banks as short-term dollar denominated deposit accounts and reported in restricted cash and hence excluded from the group liquidity. Restricted cash also relates to some funds held as collateral in the context of the Group's commitments and cash held in specific countries with transfer restrictions.

6.3.2 Main covenants

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

		As at September 30, 2020	As at December 31, 2019
	Note		
Total Borrowings and lease liabilities	6.4	18,569.1	19,514.1
(-) Bonds redeemable in shares in Borrowings and lease liabilities	6.4	(8.6)	(16.7)
Adjusted gross debt : A		18,560.6	19,497.3
Cash and cash equivalents as per statement of financial position	6.4	2,173.7	1,750.8
(+) Securities	6.2.2	25.0	16.7
(-) Restricted cash	6.3	(278.4)	(65.6)
Unrestricted cash and cash equivalents : B		1,920.3	1,701.9
Adjusted net debt : A (-) B		16,640.3	17,795.4

6.4 Borrowings and lease liabilities

6.4.1 Maturity schedule, variations and detail of borrowings

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

	As at September 30, 2020	Current portion	Non current portion	Maturity schedule : September 30,				
				2022	2023	2024	2025	Onwards
Senior notes	2 550,4	815,2	1 735,2	754,2	(4,6)	107,9	877,7	-
Bonds and preferred shares redeemable in shares	8,6	8,6	-	-	-	-	-	-
Bank borrowings - Credit facilities	881,5	48,6	832,9	(3,0)	388,5	0,7	446,6	-
Bank borrowings - Other	4 345,0	441,1	3 903,9	712,4	703,5	793,4	698,7	995,9
Bank overdrafts	39,3	39,3	-	-	-	-	-	-
Securitization programs	2 059,4	1 711,3	348,1	(1,8)	349,9	-	-	-
Other borrowings	306,7	274,6	32,1	9,4	5,1	5,1	1,6	10,9
Total excluding lease liabilities	10 190,8	3 338,7	6 852,1	1 471,2	1 442,4	907,1	2 024,6	1 006,7
Lease liabilities under IFRS16	8 378,3	1 805,0	6 573,3	1 455,5	1 251,0	1 071,4	784,0	2 011,4
Total including lease liabilities	18 569,1	5 143,7	13 425,4	2 926,7	2 693,4	1 978,6	2 808,6	3 018,1

Leases previously treated under finance leases are now included within "Lease liabilities under IFRS16".

Current portion of borrowings, excluding lease liabilities, amounts to USD 3,338.7 million but includes a number of items that should be considered as specific with no automatic cash out in the next 12 months for a total amount of USD 2,629.1 million:

- The outstanding nominal amount of EUR 525 million (USD 612.8 million) which was prepaid on October 2020 following a new senior Notes issuance (see Note 8;4);
- Accrued interests included in other borrowings amounting to USD 90.6 million;
- Overdrafts amounting to USD 39.3 million, with an opposite impact in cash;
- Securitization programs for USD 1,711.3 million (CMA CGM and NOL program) which are generally rolled-over and currently being actively discussed with financial partners;
- Other uncommitted facilities included in other borrowings for which the Group generally obtains a rollover for USD 175.2 million.

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

	Senior notes	Bonds and preferred shares redeemable in shares	Bank borrowings	Lease liabilities under IFRS16 (*)	Bank overdrafts	Securitization programs	Other borrowings	Total
Balance as at January 1, 2020	2 864,2	16,7	5 655,0	8 610,0	156,9	1 926,5	284,7	19 514,1
Proceeds from new borrowings, net of issuance costs	-	-	1 691,6	-	-	674,0	327,6	2 693,2
Repayment of financial borrowings	(431,4)	(8,2)	(2 554,6)	(1 377,5)	-	(556,2)	(286,1)	(5 213,9)
Other increase/decrease in borrowings and lease liabilities	22,8	-	185,7	1 123,5	(118,8)	0,2	0,7	1 214,1
Accrued interests and fees amortization	6,4	-	19,3	11,4	-	0,2	(23,3)	13,9
Reclassification to liabilities associated with assets held for sale	-	-	18,0	-	-	-	-	18,0
Refinancing of assets, net of issuance costs	-	-	109,0	-	-	-	-	109,0
Acquisition of subsidiaries (see Note 3.1)	-	-	9,9	4,4	3,6	-	2,1	20,0
Foreign currency translation adjustments	88,4	-	92,5	6,4	(2,4)	14,7	1,1	200,8
Balance as at September 30, 2020	2 550,4	8,6	5 226,5	8 378,3	39,3	2 059,4	306,7	18 569,1

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

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

	Senior notes	Bonds and preferred shares redeemable in shares	Bank borrowings	Lease liabilities under IFRS16	Other borrowings, securitization and overdrafts	Excluding leases	Including leases
Vessels	-	-	2 985,6	4 459,6	-	3,69%	6,56%
Containers	-	-	(0,0)	2 405,1	-	-	14,83%
Land and buildings	-	-	92,2	1 383,8	-	0,41%	4,96%
Terminal concession	-	-	-	94,7	-	-	10,44%
Other tangible assets	-	-	6,8	35,2	-	2,57%	8,83%
Other secured borrowings	-	-	858,8	-	2 061,8	2,99%	2,99%
General corporate purposes (unsecured)	2 550,4	8,6	1 283,0	-	343,6	4,98%	4,98%
Total	2 550,4	8,6	5 226,5	8 378,3	2 405,4		

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

6.4.2 Details of Senior Notes

As at September 30, 2020, the Group has 5 unsecured Senior Notes outstanding which can be detailed as follows:

- EUR 725 million of nominal amount, voluntarily redeemed in part in June 2020 for EUR 200 million, issued by CMA CGM and maturing in January 2021. The outstanding nominal amount of EUR 525 million was prepaid on October 2020 (see Note 8;4) following an early redemption notice issued early November 2020;
- SGD 300 million of nominal amount, issued by NOL Limited and maturing in June 2021;
- EUR 650 million of nominal amount, issued by CMA CGM and maturing in July 2022;
- USD 116.5 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America in 2017, and maturing in January 2024;
- EUR 750 million of nominal amount, issued by CMA CGM and maturing in January 2025.

The senior Notes issued by NOL Limited, with a SGD 280 million nominal amount, has been repaid at maturity in September 2020.

6.4.3 Bank borrowings

As indicated in Note 3.4, CMA CGM drew a EUR 1.05 billion loan ("PGE") in May 2020 from some of its core banks with a 70% guarantee by the French State. This loan is presented with a ratchet amortization until 2024 based on management intentions and contract options. Part of the proceeds were used to recapitalize CEVA by EUR 300 million which was completed prior June 30, 2020 (see below).

In July, 2019, CEVA entered into a EUR 297 million bridge facility provided by three banks to fund the Tender Offer of a 5.25% Senior Notes. The initial maturity was 12 months with refinancing options until August 2025. This facility has been fully repaid in July 2020 following a capital injection made by CMA CGM, to the benefit of CEVA.

Besides, the Group voluntarily repaid most of available credit facilities with no change to the Group liquidity as these credit lines are still available.

6.4.4 Securitization program

During the nine-month period ended September 30, 2020, the amount drawn under the securitization programs globally increased by USD 132.9 million with several drawdowns and repayments.

On November 22, 2019, the Group (through its subsidiary CEVA) closed a USD 460 million trade receivables securitization facility ('the CEVA Global Securitization Program') with a three-year renewable commitment from six banks. This program has fully refinanced the existing European Securitization as well as the US ABL facility and the Australian Receivables Facility. As of September 30, 2020, the outstanding drawn amount under the new non-current facility was USD 346.2 million.

NOL and CMA CGM receivables securitization facilities are respectively maturing in the first and third quarter of 2021 and hence presented as current. The Group intends to merge these programs into a single extended program with ongoing negotiations.

6.4.5 Bonds and preferred shares redeemable in shares

The balance of the bonds as at September 30, 2020, amounting to USD 8.6 million, represents the interests payable till maturity (end of 2020) as a remuneration of the bonds redeemable in shares held by BPL.

As a consequence of the interests' payments on bonds and preferred shares redeemable in ordinary shares, the Company records:

- A financial expense based on the market rate used to determine the liability component of these instruments; and
- A reduction in borrowings for the residual amount paid corresponding to the interest portion initially recorded in borrowings.

6.4.6 Other borrowings

As at September 30, 2020, other borrowings include USD 90.6 million of accrued interests (USD 111.0 million as at December 31, 2019).

6.5 Cash flow from financing activities

Cash flow from financing activities amounts to USD (3,507.0) million for the nine-month period ended September 30, 2020. The financing cash flows mainly consisted in drawdown of borrowings for USD 2,706.4 million, balanced by the repayment of borrowings for USD (3,836.4) million, the payment of financial interests for USD (381.5) million and cash payments related to IFRS 16 leases : principal portion of leases for USD (1,318.5) million and interests portion for USD (562.0) million. The financing cash flow has also been impacted

by the refinancing of certain vessels under sale and leaseback operations for an amount of USD 109.5 million and dividends for USD (89.3) million.

Note 7 - Scope of consolidation

The list of main companies or subgroups included in the consolidation scope has been disclosed in Note 7.4 of the 2019 annual CFS.

7.1 Investments in associates and joint ventures

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

	As at September 30, 2020	As at December 31, 2019
Beginning of the year	805.9	1,478.9
Impact of IFRS16 application	-	(13.9)
Fair value adjustment of newly controlled entities	-	96.5
Transfer of carrying value of newly controlled entities	-	(547.4)
Transfer of carrying value of newly non controlled entities	(11.3)	-
Acquisition of subsidiaries	-	201.0
Effect of disposal to a joint-venture	(68.5)	-
Waiver of equity share rights treated as a price adjustment	(82.9)	-
Capital increase / decrease	12.3	-
Share of (loss) / profit	(42.2)	46.5
Dividend paid or payable to the Company	(4.7)	(28.9)
Other comprehensive income / (expense)	24.0	(4.2)
Reclassification to assets held-for-sale (see Note 5.5)	3.8	(419.4)
Reclassification from / to other items	-	0.3
Other	(0.4)	(3.6)
Closing balance	636.0	805.9

The line item "effect of disposal to a joint venture" mainly includes the elimination of the internal gain occurred as part of the disposal to Terminal Link, a 51% joint-venture.

The line item "Waiver of equity share rights treated as a price adjustment" corresponds to the fact that a guaranteed dividend has been granted to China Merchant as part of the terminal disposal described in Note 3.1.2. The portion of such guarantee corresponding to the dividends that the Group is expected to waive to the benefit of China Merchant has been recorded as a reduction of the value of Terminal Link (see Note 3.1.2 & 8.1.1).

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.

The line item "capital increase / decrease" corresponds to the capital operation by which the Group pays the financial interests of the loan put in place as part of the structuring of the transaction with CMP. There is no change to the ownership in Terminal Link.

The investment in Global Ship Lease was impaired by USD 28.6 million to its market share value following the sharp decrease of the listed share price over the period. Management extensively reviewed the nature of its investment in GSL as at March 31, 2020 and concluded that it does not exercise a significant influence any longer based on (i) the recent transactions (until end of 2019) occurred on GSL capital which diluted CMA CGM to less than 10% and the fact that CMA CGM did not participate to these transactions also indicates a change to the nature of this investment and (ii) the fact that CMA CGM has no more access to information allowing to perform the equity accounting. Hence the investment in GSL has been recognized as a financial asset at fair

value through profit and loss from March 31, 2020 onwards and has been reclassified as such as at March 31, 2020 for an amount of USD 11.3 million (see Note 6.2.1) as presented on the line item "Transfer of carrying value of newly non-controlled entities".

During the financial year 2019:

- The change of control in CEVA as of January 4, 2019 resulted in the revaluation through profit and loss of the pre-existing ownership in CEVA at fair value for an amount of USD 96.5 million presented in "Fair value adjustment of newly controlled entities", and the derecognition of this investment for USD 547.4 million presented in line item "Transfer of carrying value of newly controlled entities";
- The line item "Acquisition of subsidiaries" corresponds to the contribution of Anji-CEVA for USD 201.0 million, valued at fair value at acquisition date; Anji-CEVA principally engages in contract logistics activities, including warehousing, distribution, transportation, domestic freight, technical consulting and training. Summarized financial statements of Anji-CEVA are presented in Note 7.3.4 of 2019 annual CFS.

The line item "reclassification to assets held-for-sale" relates to the reclassification, before closing of the transaction, of the stakes in 8 terminals and 1 logistic platform as part of the disposal projects disclosed in Notes 3.1.2 and Note 5.5.

As at September 30, 2020, the main contributors to investments in associates and joint ventures are as follows:

- 51% of Terminal Link Group for USD 304.0 million (USD 422.2 million as at December 31, 2019);
- 50% of Anji-CEVA for USD 201.5 million (USD 202.1 million as at December 31, 2019).

7.2 Related party transactions

No new significant transaction has been entered into with related parties compared to the information disclosed in Note 7.5 of the 2019 annual CFS.

Note 8 - Other Notes

8.1 Provisions, employee benefits and contingent liabilities

Provisions can be analyzed as follows:

	Litigation	Other risks and obligations	Provisions	of which		Employee benefits	of which	
				non current portion	current portion		non current portion	current portion
As at December 31, 2018	145.2	259.5	404.7	332.7	72.0	184.6	182.4	2.2
Additions for the period	34.4	107.0	141.3			31.1		
Reversals during the period (unused)	(3.6)	(3.0)	(6.6)			(0.2)		
Reversals during the period (used)	(82.3)	(112.5)	(194.8)			(31.4)		
Impact of IFRS16 application	-	23.6	23.6			-		
Reclassification	7.4	(112.3)	(105.0)			(0.4)		
Acquisition of subsidiaries	58.9	142.3	201.2			97.4		
Actuarial (gain) / loss recognized in the OCI	-	-	-			11.7		
Foreign currency translation adjustment	(1.8)	(3.0)	(4.7)			(2.3)		
As at December 31, 2019	158.2	301.5	459.7	304.8	154.9	290.5	289.2	1.3
Additions for the period	32.8	99.8	132.6			32.4		
Reversals during the period (unused)	(6.9)	(17.7)	(24.6)			(0.0)		
Reversals during the period (used)	(4.6)	(88.8)	(93.5)			(16.2)		
Reclassification	2.8	(2.7)	0.1			(2.5)		
Actuarial (gain) / loss recognized in the OCI	-	-	-			21.9		
Foreign currency translation adjustment	(2.4)	(3.3)	(5.7)			1.9		
As at September 30, 2020	179.8	289.7	469.5	316.0	153.5	329.1	327.4	1.7

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at September 30, 2020 correspond to cargo related and other claims incurred in the normal course of business, including for CEVA (same as at December 31, 2019). None of these claims taken individually represents a significant amount.

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

Other risks and obligations

Provisions for other risks and obligations mainly include:

- Insurance provisions (mainly at CEVA) related to self-insurance schemes which represent estimates, based on historical experience, of the ultimate cost of settling outstanding claims and claims incurred but not reported at the balance sheet date on risks retained by the Group;
- Restructuring provisions including staff redundancy costs, and site closure costs;
- Provisions for onerous contracts, notably in contract logistics business where contracts and related commitments can last several years;
- Provisions for dismantling costs in relation to lease contracts amounting to USD 86.4 million (USD 87.1 million as at December 31, 2019) reflecting obligations liable to the lessee in certain container lease contracts to restore the leased asset before redelivering it to the lessor.

The terminals disposal transaction provides for the granting of guaranteed dividends to CMP over 8 years. Thus, TL is engaged to pay priority dividends to CMP. However, if TL is unable to pay these dividends, CMA Terminals Holding (CMA TH) becomes liable for the unpaid amount.

The commitment varies from 6.5% to 7.5% over the 8-year period and is based on the total equity investment made by CMP in Terminal Link in 2013 and 2020. Based on the latest estimate from Management on Terminal Link dividend distribution capacity, the present value of the guarantee has been estimated at USD 89.2 million at the closing date of the transaction (taking into account the 8 terminals closed at first closing) and recorded as a reduction of the gain on disposal. Such provision has been discounted at a risk-free rate and reflects (i) the dividends to be paid to CMP by CMA TH for an amount of USD 6.3 million recorded as a provision and (ii) the waiver of the dividend rights of CMA TH in favor of CMP for an amount of USD 82.9 million recorded as a reduction of the value of Terminal Link.

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 2019 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 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 was recognized in this regard since, 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

CMA CGM was informed in February 2018 by the Belgian customs of the discovery of smuggled cigarettes in 2 sets of 7 containers ordered by a freight forwarder through CMA CGM's agency in Istanbul and shipped from Turkey to Rotterdam, while the documentation said to concern glassware.

Early 2020, the Belgium customs notified all parties involved in this investigation and asked for significant amounts of fines, taxes and penalties of which the portion to be incurred by CMA CGM, in the case of a negative outcome, cannot be assessed reliably.

Management and its advisors consider that the Company has numerous legal arguments to exclude its responsibility from this. CMA CGM is also currently discussing with its insurance companies the amounts that could be covered by them in the event of an ultimate negative outcome.

Management also considers that the procedure could last many years.

Given the above and in particular the fact that it is not possible to estimate reliably any financial liability, if any, that CMA CGM may incur as a result of these proceedings, no provision is included within these interim condensed CFS.

CIL Related Proceedings (CEVA)

CIL Limited (formerly CEVA Investments Limited), the former parent of CEVA Group Plc, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. The Trustee in the Chapter 7 proceeding filed a claim against CIL Limited's former directors, CEVA Group Plc, and affiliated entities relating mostly to CEVA's recapitalization in 2013. In 2015 the defendants filed motions to dismiss certain of the claims asserted by the Trustee, and in January 2018, the Bankruptcy Court issued an order granting in part and denying in part the defendants' motions including dismissing the disputed payable claim against one of the defendants for lack of personal jurisdiction. In July 2018, the Trustee filed an amended complaint as well as a new action in the Netherlands related to the disputed payable claim against the entity that had been dismissed from the Bankruptcy Court action, and other CEVA-affiliated entities. The defendants and the Trustee have filed motions for summary judgment in the Bankruptcy Court action, which have been fully briefed and argued to the court. One of the creditors in the bankruptcy proceeding has also filed a claim against CEVA Logistics AG in New York state court related to CEVA's 2013 recapitalization. The Company cannot provide assurances regarding the outcome of these matters and it is possible that if the Trustee or the creditor were to prevail on their claims, the Company could incur a material loss in connection with those matters, including the payment of substantial damages and/or with regard to the matter in the bankruptcy court, the unwinding of the recapitalization in 2013. However, the Company believes the claims are without merit and intends to vigorously defend itself.

A former CEVA employee and CIL shareholder has asserted a putative class action against CEVA Group Plc, among others, in a U.S. District Court in the Middle District of Florida. Plaintiff claims that CEVA Group should have treated him differently in connection with the 2013 recapitalization. In January 2019, CEVA Group filed a motion to dismiss. The court has converted the motion to dismiss to a summary judgment motion and ordered the parties to proceed with summary judgment practice. While CEVA cannot provide assurances with respect to the outcome of this matter and it is possible that CEVA could incur a material loss, CEVA believes the claim is without merit and intends to vigorously defend itself.

At September 30, 2020, the Group (through CEVA) reports a net payable to CIL Limited, amounting to USD 15 million. This mainly relates to long term receivables included in the interim condensed consolidated statement of financial position and is included within trade and other payables.

8.2 Other current liabilities

This line item includes the liability corresponding to the future cash-outflows in relation to the minimum dividend guaranteed to CMP as part of the disposal of the 49% stake in Terminal Link in June 2013. This liability amounts to USD 112.3 million (USD 107.7 million as at December 31, 2019), up USD 4.6 million due to FOREX impacts. The exact timing of the payment of such liability is not known to date although it should be repaid shortly and the related cash out will be far below as a portion of the commitment has already been transferred to Terminal Link in an escrow account.

8.3 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 2019 annual CFS.

8.4 Significant subsequent events

Rating agencies

In October 2020, Moody's changed the outlook on CMA CGM to positive from negative and affirmed B2 ratings. S&P also revised the outlook on CMA CGM to positive on expected stronger financial performance and affirmed B+ ratings.

In October 2020, Moody's upgraded the rating of CEVA Logistics to B3 from Caa1 with a stable outlook. S&P revised the outlook on CEVA Logistics to positive following similar revision on parent CMA CGM and affirmed B+ ratings.

New bond issuance of EUR 525 million

On October 21, 2020, the Company issued an unsecured bond amounting to EUR 525 million at an issuance price of 97.848%, maturing in January 2026 and bearing a 7.5% coupon. The proceeds of the bond issue were used to early repay the outstanding nominal amount of EUR 525 million related to the EUR 725 million unsecured Notes (nominal amount), voluntarily redeemed in part in June 2020 for EUR 200 million, issued by CMA CGM and initially maturing in January 2021.