

MESSAGE FROM THE MANAGING PARTNERS

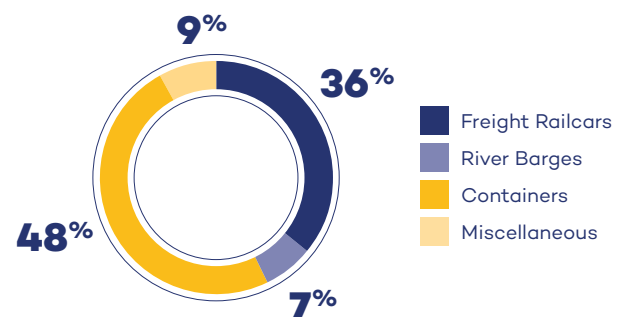
The objective of ensuring the safety of our employees while maintaining a quality service to our customers has been successfully achieved over the first quarter of the year hit by the pandemic.

The Group's activities are thus showing good resistance to crisis : its high quality long-term lease portfolio continues to generate strong and stable cash flow and provides protection from temporary market changes. The resale & trading activities are still brisk and dynamic for all classes of assets.

Our revenues in the first quarter of 2020 increased by more than 10% compared to the same period a year before. Our utilisation rates remain high, as demonstrated by the container division, which has maintained a solid 96% utilisation rate and the river barges division, which has achieved a very good 94%. The rail division is moderately impacted in Europe, with its utilisation still at a satisfactory level of 87.5% in the first quarter of 2020, mainly due to the automotive related sectors (steel, etc.) which are lagging behind.

In line with its strategy, the Group is working on significant financial projects that could be completed in 2020, enabling it to continue to develop its portfolio of owned assets and on behalf of investors and to support the needs of its customers. After a decline in world trade of -9% in 2009, 2010 saw an increase of 10%. Clarkson predicts a scenario relatively similar to -10% in 2020 and +9% in 2021, which will inevitably lead to a significant need for transport equipment. Thanks to its renewed investments' capabilities, Touax is ready to increase its support to all customers who will benefit from this expected recovery.

DISTRIBUTION OF REVENUE BY ACTIVITY ON 31 DECEMBER 2019
(as a percentage)



The group is also pursuing its objective of operational excellence by deploying a multitude of "Lean" projects with a view to keep on improving the quality of its services. Prospects in our businesses remain good because, from a structural point of view, the European "green deal", the infrastructure stimulus plans and the trend towards outsourcing for leasing, should enable us to continue to develop favourably.

We let you discover our 5th Group Newsletter, enjoy reading it!

With kind regards,

Fabrice and Raphaël Walewski

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Touax

RAILCAR DIVISION



GLOBAL BUSINESS

Touax Rail keeps on investing and so our fleet of railcars has continued to grow during the 1st quarter of 2020. **Touax Rail** is thrilled to announce the delivery of new hoppers cars dedicated to the construction sector to build major infrastructure projects for the UK market. The half of these new 40 new wagons were delivered to their new home in Merehead, Somerset, England to one of our main customers at the end of May. With all major construction works in the UK, we are pleased to accompany the market needs with new and modern aggregate wagons' design.



New built aggregate hoppers wagons for UK market

After several months of close team-work, our commercial and technical departments presented new wagons' prototypes to serve the intermodal as well the automotive segment in continental Europe as for instance the project realised in collaboration with Greenbrier Europe. The Division is also preparing new investments for the steel industry in India, which will be deployed immediately after the end of the current COVID-19 lockdown.

Besides the development of new assets, **Touax Rail** is still investing actively to keep on upgrading its current fleet of wagons, improving their braking systems to reduce rail freight noise and gradually equipping them with GPS systems to ensure a reliable tracking.



New wagon's prototype dedicated to the automotive industry

As mentioned by our Managing Partners in their editorial, **Touax Rail** Division's revenue in the first quarter increased by 18.7 per cent compared to the previous quarter year, positive consequences of remarketing actions and fleet growth.

From a structural medium-long-term perspective, although there are no clear trends emerging at this stage, the rail freight sector should navigate its way out of the COVID-19 crisis in a strong position supported by the various infrastructure sector recovery plans announced by governments and the deployment of the Europe's Green Deal over the next years.

ORGANIZATION

In order to provide a higher customer experience, Touax Rail enhanced its team with:

Sharon GREY, Personal and Accounts Assistant in Dublin

Sven HÖPCKE, Area Manager in Hamburg

Romain KAMBA, Purchase and Logistic Coordinator, in Paris

Sebastian MISTAL, Fleet Manager, in Hamburg

EUROPEAN GREEN DEAL

The European Green Deal is a set of policy initiatives by the European Commission with the overarching aim of making Europe climate neutral in 2050. An impact assessed plan will also be presented to increase the EU's greenhouse gas emission reductions target for 2030 to at least 50% and towards 55% compared with 1990 levels. The plan is to review each existing law on its climate merits, and also

introduce new legislation on the circular economy, building renovation, biodiversity, farming and innovation.

The president of the European Commission, Ursula von der Leyen, stated that the European Green Deal would be Europe's "man on the Moon moment", as the plan would make Europe the first climate-neutral continent.

RIVER BARGES DIVISION



GLOBAL BUSINESS

On April 22nd, 2020, the two barges Touax 191 and 192, freshly built in a Ukrainian Shipyard, have started their transfer to The Netherlands.

After a short trip, double-towed on the Black Sea, they arrived to Izmail (Ukraine) and have been taken in charge by a pusher on the Danube.



Touax Barges ready to go

Around 45 days later, having crossed 7 different countries "sailing" on the Danube and the Rhine, our 2 new barges finally arrived to Druten mid-June to complete their assembling.

In fact, both will be equipped with a bow thruster, which consists in a Engine driving a front propeller to help manoeuvring the barge in a convoy. This complex work to fit this heavy equipment will take a month to be completed



Bow thruster setting up

Once ready, the barges will travel once again by sea from Rotterdam to Le Havre where they will be handed over to their first customers ever by the beginning of July. They will be operated on the Seine River, mainly used for building material transportation.

Being part of the supply chain of several companies, also the river transportation has been impacted by the sanitary crisis but has never completely stopped. All our customers have kept operating our barges and they forecast a return to full pace in the coming weeks.

HIGHLIGHT

The European Barge Union (EBU) and the « Organisation européenne des bateliers » (OEB) have published on April 24th, 2020 a list of measures to be taken, in order to promote the restart of the river activities (goods and passengers) after the Covid-19 sanitary crisis.

The two organisations gathered inside the platform European Inland Waterway Transport (IWT), have noticed the collapse of the inland river cruise activity.

They advise to fund the policy on the base of the European Green Deal, which promotes an environmental friendly transportation. They have detailed measures within three main axes in their strategy: the fleet, the infrastructure and the human resources.

MARINE CONTAINER DIVISION

GLOBAL BUSINESS

Following a positive closing of 2019, **Touax Container** has been keeping the same pace in the first quarter of 2020 for all its activities of leasing, resale and trading and achieved solid results despite the COVID-19 disruptions.

The Company has pursued its investment in owned containers and increased the support to its key customers through the production of brand new boxes in China and the acquisition of older containers through Sale & Lease back transactions.

Utilization rate of our fleet of containers gradually decreased in the first quarter but remained at a strong level of around 96%.

The global supply chain, already impacted by the still alive tariffs' conflict between US and China, has been increasingly slowed down by the spread of the pandemic across the globe.

On the other hand, although a reduced overall global trade volume, more containers are required to cover various needs: first cover more complex logistics operations handled with reduced staff, then support longer shipping transit time due to the adoption of alternative routes or slow steaming by the ocean carriers and finally provide more storage capabilities for storage of goods, in-transit or inland.

In addition, the new containers' production in China, after 2 blank months in February and March and a slow recovery in the second quarter, is still forecasted to stay at a low pace this year, the Chinese manufacturers having implemented also new social regulations which limit their production capacity and considering to temporarily close their factories as a consequence of the poor demand.

In this context, we are happy to support our customers who have confirmed over the past months their interest to keep our containers by extending their long-term leasing commitment with us.

The above-mentioned situation resulted also in fewer containers available for the secondary market in the first months of the year. This generated a higher demand of new containers as well as stability in the selling prices of used ones. Nevertheless, **Touax Container** has been able to keep supplying its buyers of new and second-hand containers at global level. Along with the dry boxes, demand has been particularly strong for reefer containers, providing a flexible and ready-to-go solution to ensure insulated storage of various goods highly requested over the period, as medicines or medical devices.

With the arrival of new staff experienced also in cabotage, we are developing further the One-Way move solutions as complementary activity to our leasing, resale & trading businesses. New and used containers are regularly moved from a location to another in a same region or between different continents, allowing shipping operators to use the containers for a short and limited period and buyers to regularly find boxes in highly requested locations.

ORGANIZATION

Over the first half of the year, we have welcomed 3 new staff to enhance our resale & trading team:

Shi Hui NG was nominated as Asia Commercial Manager, located in Singapore.

Mikkel FALSIG has been appointed as North East Europe Resale & Trading Manager, covering Benelux, UK and Scandinavian countries. He is based in Aarhus, Denmark.

Ney DOS SANTOS joined the American team as Inside Resale & Trading executive. He is based in Miami.

CONTAINERS: GREAT FLEXIBLE ASSETS

During the highest peak of the pandemic, containers have shown again their great flexibility to adapt at each type of situation at globally.

Besides the storage of medical devices or medicines, containers have been used as COVID-19 testing sites, as visitor pods to allow people to visit their loved ones living in communities during times of social distancing or to create sterilizing units for medical masks.

Containers have been also considered to be potentially transformed into intensive care units. They could be deployed in any open space to create a makeshift treatment center to ease the pressure of overcapacity at hospitals.

Thanks to their standard dimensions, these units could be easily transported by ship, rail and truck at global level and can be deployed in any open space, from market square to parking bays.



SHARING GLOBAL MAINTENANCE & REPAIR BEST-PRACTICES

The maintenance and repair of containers around the world is guided by the repair criteria of IICL-Institute of International Lessors and CW-Cargo worthy standards. However, it is difficult to ensure standards when working with different cultures and it is possible to still experience different ways of assessing damages on units around the globe.

This is one of the main challenges for our Operational Management Team, which is entrusted to ensure that all our containers are repaired with common standard regardless the location of the repairs.

In order to achieve this target, we initiated our “Cross Regional Depot Audit” program involving our regional Operations and Customer Service Managers, Tom Niemeier in charge of Europe, Middle East and Africa, Dennis Lee for Asia and Valentina Fraga for Americas.

The main objective of this program was to learn from each other and share on the “field” different best practices in order to define an exhaustive “Touax Depot Maintenance & Repair” Handbook common to all globally.



Dennis Lee, Lionel Teo and Tom Niemeier at Rotterdam depot

For their first Cross Regional Depot Audit, Dennis Lee joined Tom Niemeier to inspect 2 depots in Europe, one in Hamburg and the second one in Rotterdam. Dennis and Tom had extensive and fruitful exchanges with each other and with the depots’ staff about the different views of customer expectations, repair criteria, technical issues, estimation processes and EDI transmission.

To return the courtesy, Tom Niemeier with Dennis Lee visited Chinese depots in Tianjin, Qingdao and Shanghai.



Dennis and Tom working on procedures

This second audit allowed Tom to get more understanding about the way Touax depots partners handle and repair containers in Asia, a different reality from his environment.

“The cross regional audits has helped me understand how depots in other regions operate, inspect and repair our boxes” - indicated Dennis after the European audits- “and Tom could experience some major repairs in Asia which he would not be able to come across

in Europe due to higher labor cost. We therefore established common understanding about the way we can guide our depots and our OCS Executives” added Dennis Lee.

“These first two meetings proved the importance for cross-regional exchanges to take place. There are plenty of issues which can be discussed on the phone or by email and looking at pictures, but it is always better and easier to stand in front of a unit to look at the items in reality” said Tom.

The plan is now to move to Americas, as soon as the current pandemic situation will allow us to do so.



Dennis and Tom assessing damages

“I look forward to having a Cross Regional Depot Audit organized in my region” - shared Valentina - to gain more experience and provide new solutions to the depots”.

“In our multicultural evolving business, when it comes to Maintenance & Repairs, the wide world of Operations becomes STANDARD”

Lionel Teo, Global Operations & Customer Service Director

CORPORATE

FINANCE & LEGAL

Since its beginning, and week after week, the sanitary crisis and consequent lockdown in almost all the countries had a significant economic impact and brought stress to the financial community. In just few days this resulted in high volatility, big uncertainty and a new complex and ambiguous situation.

We have reacted and managed this new situation quickly. First we focused on people to be sure they could be safe. We thank our IT colleagues who have managed that everybody in the Group, from Miami to Singapore via Dublin, London, Hamburg, Paris and all other locations where TOUAX operates, have been able to work remotely. No interruption of service and no breach of security have been experienced. **Great Job everyone!** Then we enhanced our supervision of the potential impacts, monitoring especially client's payments and maturities. We developed and improved our cash management, focusing on the daily liquidity and the three-month projections. We extended debt maturities in parallel with refinancing efforts, run financial stress tests and implemented scenarios. We are proud to report the same level of commitment to our clients as before the lock down. >

ASSET MANAGEMENT

With 1.2 Billion € of transportation assets under Touax management, including 64% owned by third party investors, the Asset Management activities enable us to increase financial capacities and better serve our large customer's fleet expansion projects.

During the Covid 19 outbreak, the marketing efforts of the Touax Asset Management Teams have gone virtual through Webinars and Video calls with its partners. As a leading Global Transportation Lessor, the Group's activities provide a unique and insightful leading indicator to what is happening in real time in the world economies and world trade. A first Webinar was organized in late April, a second at mid-June and the Asset Management Team also participated in a virtual conference with potential investors at the end of June.

As part of the European Green new deal the Group's transportation equipment stand out as environmentally impactful in reducing global CO₂, a key factor for our financial partners to keep enhancing their collaboration with us.

A Rail syndication for a portion of the new build railcar fleet is proceeding as planned and will continue as the new build railcars are delivered through the end of 2020 and into 2021.

Discussions are also on-going with existing and new investors for participation in the syndication of new containers and for the first time a syndication of European barges.

We are also working on opportunities for sale and lease back of equipment from our clients, as they look for ways to strengthen their balance sheets.

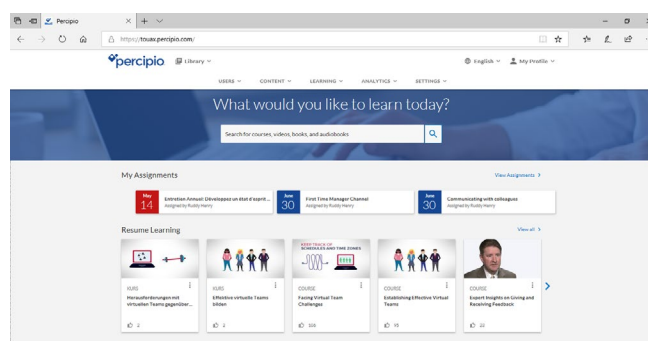
The Asset Management Team keeps playing a key role as the representative of the operating partners on behalf of the Real Asset Income Fund S.C.A. with a performance in line with the objectives, a resilient return of 5% per annum though the payment of a dividend and an annual performance above 8%. The low interest rate environment and the relatively expensive stock market make investments in a de-correlated real asset like containers, railcars and barges particularly attractive."

But the world did not stopped and we kept handling our standard activities. We managed the year end-closing with all financial matters. We developed the new Universal Registered Document and improved our GDPR (General Data Protection Regulation) rules.

And since a cruise working level was established working from home and all new work streams were managed, we resumed our Lean projects. Lean is spread now on all corporate teams with daily performance meeting in each services. 5S has been set at the IT department just before the lock down. We began an identification of anomalies at the consolidation department, we split the cash priority project into four detailed work streams. We have planned the next projects to continuously work on four big projects in parallel. All projects are now following the DMAIC / DMADV structure (Define, Measure, Analyse, Improve and Check or Design and Verify). Thanks to the development of the Lean Six Sigma techniques, we are increasing our performance to reach an operational excellence that will able to serve our customers at a much higher level.

HUMAN RESOURCES

End of January Touax Group has launched, Percipio, a digital learning platform to sustain our competence development. Four months later, the equivalent of 91 days of individual trainings have been deployed through this innovative e-tool. Our staff was proposed a personalised e-learning itinerary to support them to keep on reinforcing their specific skills and developing new ones, to even better serve our partners.



During this first-of-its kind period, we have monitored on a daily basis the progress of the Covid 19 pandemic, working closely with all appropriate internal and external stakeholders to ensure that our people remained safe while ensuring business continuity. Our factory in Morocco is still operating normally and our office in Paris has re-opened in May, but following special rules so that all employees are able to work safely, wearing masks, gloves and respecting social distancing.

FINANCIAL INFORMATION

EVOLUTION OF THE MANAGED FLEETS

(in € millions)

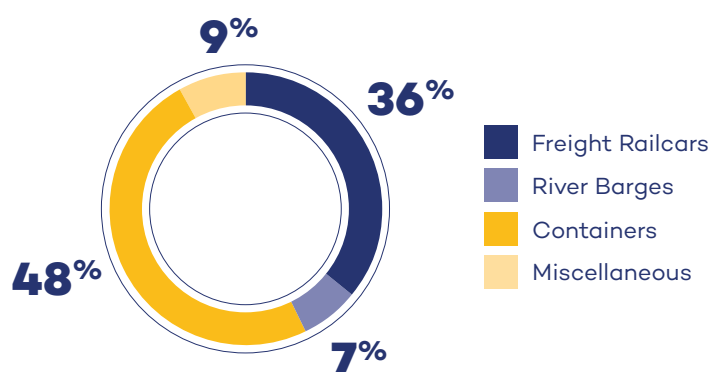
1,181

1,214
versus
2018



DISTRIBUTION OF REVENUE BY ACTIVITY ON 31 DECEMBER 2019

(as a percentage)



REVENUES FROM ACTIVITIES

(in € millions)

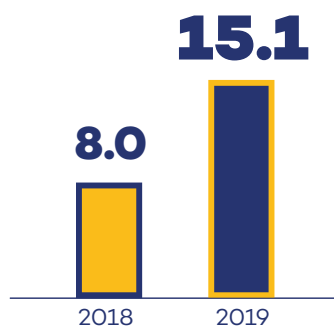
169

154.5
versus
2018

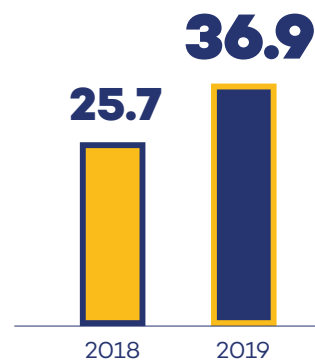


CURRENT OPERATING INCOME

(in € millions)



EBITDA



OPERATING FLEETS BY DIVISION



97 barges
98% of utilisation rate



11,078 freight rail cars
87.5% of utilisation rate



434,816 containers
97% of utilisation rate

MAIN EVENTS

TOUAX RAIL FLEET MANAGEMENT 2020 SEMINAR

In January 2020 the Fleet Management Team held its annual seminar in Paris for the second time! It was a great opportunity to bring together teams from Hamburg, UK and Paris and share an amazing experience. After tackling the objectives of the year through an interactive working session, we moved to the city centre for an Old Paris Discovery Escape Game and after that we joined our colleagues of the Rail Division for a nice dinner with lot of challenging games around the wagon world. Congratulations to all winners!



Touax Rail fleet management team

TOUAX CONTAINER & PAC-VAN: A CONSOLIDATED PARTNERSHIP!



David Gritter and Demetrius Castro

Touax Container had the honour to entertain Pac-Van's Regional Management Teams for their FY20 Mid-Year Managers Meeting in Las Vegas, NV and Hollywood, FL earlier in January and February this year. President and Chief Executive, Ted Mourouzis's vision for the event this year, was to facilitate the dialog and bring the teams closer together. Working as facilitators, the Regional Vice Presidents created the landscape to discuss innovations and new products, best practices and effective ways to share ideas! These events provided a great opportunity for **Touax Container** to interact with the Pac-Van teams and strengthen our relationship.

LONG LIFE FOR OUR CONTAINERS!

Where do containers go after several years of service on the oceans? The big majority continue its life on land, being recycled to build houses, offices, storage locations, etc... and we can find them almost everywhere!!

As in a small village in the South West of France, where a good friend of us stumbled upon one of our container which has found a new home.

This amazing food station at the Prades-Le-Lez market was worth the try!



Touax food station

CALENDAR

OUR NEXT RENDEZ-VOUS

EVENT	WHEN	WHERE
 <p>INTERMODAL EUROPE 2020</p>	<p>OCTOBER 6th – 8th</p>	<p>ROTTERDAM (NL)</p>
 <p>NAVEGISTIC INTERMODAL</p>	<p>OCTOBER 7th – 9th</p>	<p>ASUNCION (PAR)</p>
 <p>Danube Business Talks 2020 14 - 15 October Linz - Austria</p>	<p>OCTOBER 14th – 15th</p>	<p>LINZ (AUT)</p>
 <p>Rail Freight Group Conference 2020 14th October London</p>	<p>OCTOBER 14th</p>	<p>LONDON (UK)</p>
 <p>OBJECTIF OFP</p>	<p>NOVEMBER 19th</p>	<p>PARIS (FR)</p>
 <p>Riverdating vnf pollutec</p>	<p>DECEMBER 1st – 3rd</p>	<p>LYON (FR)</p>

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