

MESSAGE FROM THE MANAGING PARTNERS

Dear customers, partners and collaborators,

We thank you very much for having contributed to the year 2023 which marked the celebration of our 170 years of existence.

Touax continues to deploy its leasing, trading and management activities to the sustainable transport service, thanks to unique expertise in the intermodal, rail and river sector.

Its diversified economic model based on long-term contracts allows strong resilience in the current context of traffic normalization.

At the end of June 2023, the Group managed 347,464 containers (TEU), 12,425 freight wagons and 107 river barges representing €1.123 billion in managed assets including €625 million in property, a 35% growth in 3 years.

Container, Railcar and River barge divisions were very proactive with their customers allowing the utilisation rates of the existing fleet to remain high throughout the year and increase thanks to numerous investments done in each activity.

The leasing activity of the Railcar Division, with an utilisation rate of almost 90%, increased its managed fleet both in Europe and in India, and notably accompanied the rebound in the automotive sector in Europe with the delivery of many specialized wagons to carry vehicles.

The leasing activity of intermodal containers, with a utilisation rate of almost 95%, registered again a remarkable resilience in a context of low request following the excesses of 2021 and 2022 having led to peaks of requests and supply chain congestion.

The River Barges activity, with a 100% utilisation rate, moved forward with the supply to its customers of new river barges for the transport of biomass to replace coal for power plants in the Netherlands, as well as for the transport of components of wind turbines in the North Sea and the transport of aggregates on the Seine river.

Our Modular buildings activity in Africa, certified ISO 9001, ISO 14001 and ISO 45001, continued successfully its development in the educational sector by delivering new schools. The division also largely contributed to supply emergency buildings following the earthquake of September 8th in Morocco. One of our modular schools has just opened

its doors to accommodate 600 victims, and in October it welcomed the President of the World Bank and the Director of the International Monetary Fund (IMF). We thank them very much for their visit!

Development cannot prosper without values, and **Touax** is thus committed to strengthening its ESG actions at the service of sustainable and decarbonated transport. Among the new 2023 initiatives, the Group joined the United Nations Global Compact in October, and in November it received the Ecovadis gold medal to reward its extra-financial rating; this positions the Group into the 5% of the best rated companies. Three-quarters of the **Touax Group** funding now have an ESG label. Bravo to all teams!

What forecast for 2024?

Let's remain cautious in the face of current economic challenges: low growth, residual inflation, high interest rate, and significant geopolitical risks.

Despite these turbulence, we note a maintenance of the volume of exchanges at a satisfactory level, and the utilisation rates of our equipment at the end of the year demonstrate a certain resistance of the various economies and markets in which the Group is

present. The need for renewal or modernization of fleets is also very high, especially in the context of the ambitious objectives of CO₂ emissions reduction that our customers have set.

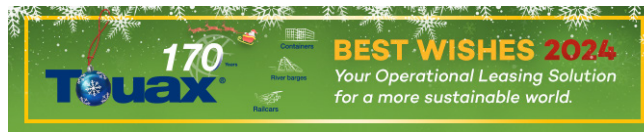
The flexibility brought by leasing solutions in moments of uncertainty and change should therefore be sought.

To be ready, **Touax** has decided to increase its investment capacities to more than €250M to better support its customers in 2024 with in particular the signature of exclusive agreements with two funds specialized in tangible assets and infrastructure.

We would like to express our gratitude to each of you for your loyalty, commitment and precious contribution to the success of the **Touax Group**.

We wish you all an excellent year 2024!

Fabrice & Raphaël Walewski



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Touax

RAILCARS DIVISION



GLOBAL BUSINESS

In the second half of 2023 global market kept moving on with the same trend as the first one.

Demand for wagons has been steady, except in the intermodal segment for which we continued to experience less demand from our clients.

Despite this more challenging economic environment, we succeeded to gain additional clients thanks to our customer driven approach and availability of the fleet.

New 6-axle Sgrrs 80' wagons were successfully delivered to **Touax Rail** and additional equipment of this type will be delivered in the first quarter of 2024.

In line with our strategy and thanks to a positive trend in the automotive industry, **Touax Rail** is strongly reinforcing its leading position in this segment.

New car carrying wagons' (Laaers) orders have been secured and deliveries are expected towards the end of this year and beginning of next one.

There seems to be shortage of these wagons, so customers keep them on lease and asked already to secure part of the upcoming ones!

Should you need them, do not hesitate to call us!!

Beside the usual finished vehicles segment, we also started serving manufacturers of commercial vehicles (vans) thanks to the modification of existing 2 axle wagons into twin wagons.



Twin wagons for commercial vehicles transportation

These wagons, offering an optimized loading length, will be equipped with low noise brake shoes and GPS tracking system.

In India, **Touax Rail** continues its steady growth, with an acceleration during the 4 last months of 2023 with the delivery of 480 units of three different types: box, flat and covered hopper wagons to reach a total fleet of 1 500 wagons.

Our Indian fleet's utilization rate remains at 100% with a still long average remaining maturity of the lease.



Refurbished 2 axle wagons into twin wagons

We are proud to be able to refurbish existing equipment and support our clients in the next modal shift, as they will replace transport formerly managed by road.

ORGANISATION

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

Colleen BERRY, Fleet Assistant, TRS, France

Hawa FOFANA, Data Entry Specialist, TRS, France

Aurélie MARTEAU, Stock Manager, TRS France

Rizwan GUL, Financial Accountant, TRL Ireland

Maria BALE, Accounts Payable and Rebilling Specialist, TRL, Ireland

Frédéric YAPO, Junior Management Accountant, TRL, Ireland

Andrea ZANARDELLI, Wagon Safety Engineer, TRL, Italy

RIVER BARGES DIVISION



GLOBAL BUSINESS

According to Voies Navigables de France (VNF), in France 49,4 million tons of goods were transported by river in 2022, the equivalent of 2,5 million trucks avoided on the roads and 602,000 tons less of CO₂ emissions.

This represents a decrease of -6,6% compared to the volumes transported in 2021.

The container transport has reached a historic record in 2022, driven by the recovery of the activity in the French maritime ports, especially Le Havre, and has exceeded for the first time the bar of 605 500 TEU transported, an increase of +3,9% compared to 2021.

Second growing sector in 2022, agricultural products which account for 30% of the total activity with 13,1 million tons, registered an increase of 8,6% compared to 2021.

The building materials sector, that represents by itself around 40% of the total volume transported by river, saw a drop of -16,9% in transported volumes compared to 2021.

The metallurgy, fertilizers and salt sectors also recorded respective drops of -11,3%, -12% and -26,6% in volumes transported. These three sectors account for 15% of the total traffic.

For the time being the 2023 figures are not yet out, but we are confident about an improvement as we could already witness a positive dynamic for the dry bulk sector, especially the agricultural products as well as for the building materials which recovered after the 2022 drop.



Latest acquisition: the 106th barge of Touax fleet

During the month of October, our Dutch subsidiary EUROBULK made the acquisition of one second hand covered dry bulk river barge 76,5 x 11,40 x 4,00m with a capacity of 2800 tons. This barge, the 106th of our fleet, is already being used for dry bulk transport on the Rhine.



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→ **602,000 tons less CO₂ emissions**

INFLUENSEINE CRUISE

On last November, **Touax** participated, together with 40 people in a three-days-cruise on the Seine River.

The 2 main goals were to acquire a better knowledge of the river stakeholders and learn about several strategic projects.

It was organized by the Paris Harbour Community (CPP) and Haropa, the combined structure of Le Havre, Rouen and Paris.

The Cruise started with a speech from Mr. Clément Beaune, former Minister of Transport in Paris and ended with Mr. Edouard Philippe, Mayor of Le Havre.



From left to right: H. Bonis (UMP), O Jamey (CPP), E. Philippe

MARINE CONTAINERS DIVISION

GLOBAL BUSINESS

Box trade volumes recorded over 10% y-o-y growth in Q4 and a moderate year of trade growth is projected in 2024, with shipping operators indicating that their ships are full and cargo demand is there.

The recent discussion between the American and Chinese leaders on a range of bilateral and global issues including areas of potential cooperation seems to have brought some distension to the global macro-environment.

Interest rates have stabilized first and started dropping recently, allowing everyone to take away some pressure on its heavy financial costs.

Surprisingly, around 700k teus were produced in the last quarter of 2023, to fit the ongoing rejuvenation plan of the global container fleet, for both shipping lines and leasing companies, and the requirement of new containers to equip the new ships entered in service, which should represent a fleet growth of around 7% in 2024.

So next year could be better than expected for our industry!!

Let's stay positive although the experience suggests to keep prudence because clear downside risks remain.

Climate changes could have an even stronger impact on our activities: droughts, floods, tropical storms and other disasters are becoming more common and pose a serious threat to maritime infrastructure and global supply chain, soaking up plenty of container shipping capacity. For example, the drought at Panama Canal is hampering trade since few months with canal passages set to halve to 18 ships per day by February, down from 36 in ordinary times.

A strong impact has come also from recent events in the Red Sea, with several liners avoiding Suez Canal due to the Middle East crisis and Gaza war.

In this environment marked by the strong focus all the shipping players have on their CAPEX and their containers' fleet optimization, **Touax Container** is prepared to support its business partners with its range of operating and financial leasing solutions, including Purchase and Lease back, and with a constant availability of around 5,000 containers, mainly 20'GP but also 40'HC, on the ground in various locations in China, ready to be deployed anytime.

In 2024 we will further increase the volume of new containers traded in both Americas and Europe. After 10,000 new containers sold in 2022 and 12,000 in 2023, our objective is to achieve a minimum of 15,000 in 2024 and more in the years to come!

Beside serving better our final buyers, this will fuel the volume of One-way opportunities that **Touax Container** will be able to offer to its partners every month, in a win-win partnership.

Demand for used containers is steady and has seen a rebound in the last quarter of 2023, especially for 20'GP as well as 40'HC, and this situation is expected to last also in 2024 and onwards. Adding the new containers and second hand containers, the total volume of containers traded in 2023 by Touax reached a record level of 75,000 Ceus!

Constant deployment of new containers, successful management of depots stocks for both the leasing and resale activities...our fleet is growing and our utilization rates is back to around 96%, letting us foreseeing a positive 2024!



Touax Containers ready to be deployed

ORGANISATION

In the second half of 2023 we have kept reinforcing our team:

Jaysmen VOONG, as Global Operations Executive in Singapore

Danis LEONG, as Global M&R Executive in Singapore

Clara CHAI, as Global Leasing Customer Service in Singapore

Tamara BOJOVIC, as Resale & Trading Manager in the US

Danny DELGADO, former AMR Operations Executive, joined the Commercial Team as AMR Customer Service Executive in the US

Wilfried TARRAGON, took over the role of EMEA Resale & Trading Customer Service Executive in France

CLOSURE OF 40 YEARS CELEBRATION AT INTERMODAL EUROPE

From 1983 to 2023, from approximately 5,000 teus (twenty foot equivalent units) to around 385,000 owned and/or managed by **Touax Container**!

40 years of rigorous fleet management backed by the robust and tenacious support from our clients place us today as the 1st European container lessor and the 3rd asset management lessor in the world.

It was worth to celebrate it with all of you at Intermodal Europe!

Simply...thank you all!



Great celebration at Intermodal Europe with a delicious Birthday cake

BUSINESS FOCUS



Part of the Touax Asset Management team with F. Walewski at Intermodal Europe 2023

Touax Asset Management prides itself on a dedicated team of six seasoned professionals strategically positioned in Europe and the United States, each bringing diverse expertise to the table. Embracing a data-driven approach, our primary goal revolves around engaging with investors in opportunities within the assets managed by the Group, either directly or through customized investment funds.

We also rely on a small number of trusted advisors with deep local knowledge and experience to help source investor contacts.

Exciting news is the announcement that to meet our client needs, **Touax** has secured access to over €240 million in new investment capacity for 2024 and beyond. These new investments have been structured as part of **Touax's** role as the operating partner of two funds, namely the Real Asset Income Fund and a newly created fund backed by the European Investment Bank. It includes an equity investment commitment directly into an asset-owning Special Purpose Vehicle (SPV). The investment period will be

“Touax has secured access to over €240 million in new investment capacity for 2024 and beyond.”

spread over 24-36 months with the target investments for 2024 across all businesses exceeding €130 million.

Touax's focus on transportation infrastructure investment, particularly in Containers, Railcars, and Barges, underscores a compelling advantage for our clients, investors and partners. The stability and predictability of returns in these assets make them attractive for those seeking consistency over the long term.

The essential role of intermodal transport further enhances their appeal. Containers and railcars, along with inland river barges, are critical components of a functioning economy and global trade. Their importance contributes to the resilience of investments, equally crucial during times of economic uncertainty or strong growth environments.

Real Assets offer valuable diversification benefits, with a low correlation to traditional asset classes. This characteristic helps spread risk and enhances overall portfolio stability, making them especially advantageous for investors aiming to achieve a more balanced and resilient investment portfolio.

Government support is another key factor contributing to the attractiveness as many investment projects benefit from favorable regulatory frameworks and public-private partnerships, signaling a commitment to the success and stability of these initiatives. This governmental support adds a layer of security to investments in the sector.

Aligning with global megatrends such as urbanization and increased demand for renewable energy, investing in Real Assets positions investors for long-term growth prospects. Moreover, the heightened focus on environmental, social, and governance (ESG) considerations makes these projects particularly attractive to investors committed to responsible and ethical investment practices. Taking into account this trend the Real Asset Income Fund was successfully

approved by the Luxembourg regulatory authority (CSSF) and qualified under Article 8 for ESG and has implemented an ESG strategy in its day to day operations and as part of its investment process.

In conclusion, the combination of stable returns, long-term income streams, inflation hedging, essential services, diversification benefits, government support, and alignment with global megatrends makes transportation infrastructure an appealing investment proposition. The expertise and history of **Touax** as both an operator and manager further ensure an excellent alignment of interests for investors seeking a well-rounded and resilient portfolio.



CORPORATE

FINANCE & IT

As mentioned in the past, **Touax Group** has embarked on a strategic initiative to implement an ESG (Environment, Social, Governance) improvement plan. This initiative is led by senior management with the support of the corporate functions and the Divisions to implement the transformation plans. This work mobilized teams throughout the year and produced excellent results, as detailed in the Corporate Focus on the following page.

At the same time, the Group's finance functions are thoroughly reviewing their processes to develop a new improvement plan, which will be linked to a new digital strategy. As previously, Lean Six Sigma tools will be employed in order to achieve the greatest added value. The aim is to further improve the productivity of the departments, while at the same time make the quality of working life better, so that additional services can be deployed at a later stage. The goal is to continue the transformation of support functions from a data production service to a service that provides advice and analysis of the data produced.

Of course, these developments are taking place in parallel with the ongoing work and, in particular, with the financing of the Group's development. Two financing deals were completed in the second half of the year. The first, a €40 million senior secured corporate loan, extended the average maturity of the Group's debt by bringing together new partners such as Banque Internationale à Luxembourg (BIL Corporate Finance), La Banque Postale and Banque Palatine with our long-standing bankers in the LCL/Crédit Agricole Group (**Touax's** first bank account dates back more than 100 years, opened in 1898 with Crédit Lyonnais). A second financing facility in the form of a Green Loan for the Railcar Division has been concluded, with the implementation of a Group Green Finance Framework in European format, for an amount of €40 million, combined with an accordion option for a further €20 million.

So we are ready to face the new challenges of 2024.

HUMAN RESOURCES

2023 will have been marked by the first results of the **Touax Group's** Quality of Life at Work (QWL) approach.

A big thanks to our volunteer collaborators who demonstrated great creativity in finding ideas to optimize our workspaces and make them more up to date with the new working conditions.

This working group also suggested the idea of introducing "All Hands Meetings", where our Managing Partners, Fabrice and Raphaël Walewski,

will present **Touax's** news and upcoming strategy, and employees worldwide will have the opportunity to discuss directly with both of them.

The first one took successfully place in December, with morning and afternoon sessions to allow global teams to attend!

We are already looking forward for the 2024 ones.

ASSET MANAGEMENT

Touax Asset Management team's primary focus is to identify investment opportunities that align perfectly with the requirements of both direct investors and the Real Asset Income Fund, for which **Touax Group** serves as the Operating partner. **Touax Group** has over 20 years of experience in the management of sustainable transport equipment, including freight railcars, river barges, and containers. The company manages over €1.2 billion of tangible assets split evenly between the companies balance sheet and on behalf of investors.

The second half of 2023 saw a continuation of the normalization of markets, characterized by a deceleration in inflation. The latest news of an indication by the U.S. Federal Reserve Bank of a "soft landing" in the U.S. economy is good news for the economic market outlook for 2024 world-wide, as the U.S. as the world's largest economy remains a strong driver of growth. In addition, the initial data on U.S. holiday shopping volumes shows strong spending by U.S. consumers, reinforces the positive news on the 2024 outlook.

While de-globalization or de-coupling remains a popular media theme, the reality is more complicated. Direct investment from China to Southeast Asia reached nearly \$19 billion in 2022, compared with \$7 billion in 2013, with manufacturing investment accounting for the largest share, according to calculations by economists at DBS, a Singapore bank. Chinese direct investment into Mexico was \$232 million in 2021, up from \$42M a decade earlier, according to CEIC. So when China doesn't own the factories in these places, it often supplies them.

Our ground-level observations continue to indicate a trend towards increased emphasis on north-south trade. This phenomenon presents lucrative prospects for our businesses and our investors.

Given the crucial role played by railcars, barges, and containers in the global logistics supply chain, we continue to witness a strong interest in investing in low-tech, income-generating assets with long-term contractual agreements in place. Core plus infrastructure funds, pension funds and family office investors with extended investment horizons demonstrate an enduring enthusiasm for such opportunities.

Syndications accounted for approximately €31M for the full year 2023. Our target for syndications across all business sectors for 2024 exceeds €130M as we look to deploy capital in what we believe will be a favorable environment. Commitments include direct investment of \$30M of equity in a SPV currently fully owned by the Real Asset Income Fund. The equity investment will over time create an additional investment capacity of a minimum of €70M for the container business.

Finally, we have the first results for our Voice of Client Lean Six Sigma process in the Asset Management, which involves surveying our clients and advisors to gather valuable insights on enhancing both our services and products. In general, the feedback was quite positive and we are working on adapting certain elements of our product offer in the dynamic financial marketplace.

A STRUCTURED CSR APPROACH UNDERPINNED BY **TOUAX** UNIQUE POSITIONING



- **Creation of a CSR Committee** chaired by a member of the Supervisory Board (led by **Touax** managing partners).
- **EcoVadis extra-financial rating in 2023: 72/100 (Gold medal)**, ranking **Touax** among the top 5% of companies with the best ratings across all business sectors.
- As part of the **EthiFinance ESG ratings 2023 campaign** (ex Gaïa Research), **Touax** obtained a score of **70/100**, (vs 64/100 last year).
- **CSR action plan underway for 2024 as part of a continuous improvement** to strengthen our policies, actions and reporting.
- **Sustainable financing strategy**: progressive indexation of financing costs to CSR criteria - **76% of the Group's financing of a sustainable nature** (Green Loan 2020 Freight Railcars - sustainability-linked bond Corporate 2022 - sustainability-linked loan Containers, amendment 2023).
- **Touax** joined the **United Nations Global Compact** initiative in 2023, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices. **The UN Global Compact** is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of **human rights, labour, environment and anti-corruption**, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs).

EcoVadis: assessment of the main CSR impacts according to four themes: Environment, Social & Human Rights, Ethics and Responsible Purchasing.

Ethifinance Rating: evaluation of listed ISEs according to a benchmark of around 140 criteria, including: Environment, Social, Governance and External Stakeholders.

MAIN EVENTS

NPSA FALL SEMINAR – BOSTON, USA

Touax Container is always happy to be part of NPSA events! Our American team was in Boston in September to share 2 great days with all NPSA members!!



NAVEGISTIC FAIR 2023 – ASUNCION, PARAGUAY

The 10th edition of NAVEGISTIC International Fair, was hosted from October 4-6, 2023. This is an international tradeshow for logistics, transport, ports, and navigation industries to come together and discuss improvements and effective solutions in the market. Over 150 exhibitors coming from 30 countries were present to the show and **Touax River Barges**, had a very busy and happy time welcoming this business partner to its stand.

INTERMODAL EUROPE – AMSTERDAM, THE NETHERLANDS

Vibrant atmosphere during this new edition of Intermodal Exhibition in Europe! So many exchanges, discussions, forecasts and guesses in all the meetings we had at **Touax Container** booth!



RIVER DATING EXHIBITION – LILLE, FRANCE

The 2023 edition of River Dating Exhibition, organized by “Voies Navigables de France (VNF)”, was held this year in Lille the 12th and 13th of December. As per long-lasting tradition, **Touax River Barges** did not miss this appointment and was present with a stand to welcome its partners and potential new clients. In total over 3.000 business appointments were organized among the participants to this fair dedicated 100% to inland navigation.

For more details, please visit the website: <https://riverdating.vnf.fr>

CALENDAR

OUR NEXT RENDEZ-VOUS

EVENT	WHEN	WHERE
 RFG MEMBERS PARTY	JANUARY 30 TH	LONDON UK
 INTERMODAL SOUTH AMERICA	MARCH 5 TH – 7 TH	SÃO PAULO BRAZIL
 SITL	MARCH 19 TH – 21 ST	PARIS FRANCE
 TOUAX 2023 RESULTS	MARCH 21 ST	PARIS FRANCE
 NPSA CONFERENCE AND TRADE SHOW	MAY 5 TH – 7 TH	WASHINGTON, DC USA
 INTERMODAL ASIA	MAY 22 ND – 24 TH	SHANGHAI CHINA BOOTH B20
 UIP	MAY	VENEZIA ITALY
 AFWP	JUNE	PARIS FRANCE

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