

BEST WISHES TO ALL FOR 2023!

Dear customers, partners and collaborators,

Our rental income and our profitability has significantly increased in 2022 thanks to the acceleration of our investments and the extension of our services (particularly the trading of new containers) to meet the unprecedented needs of our customers during this period of pandemic and logistical congestion.

The long-term contracts signed, the quality of the assets acquired and the new services offered will bring us lasting revenues over the coming years, allowing to continue supporting our customers in their development strategies.

E-commerce, the growth of logistics-related professions, and the desire of major players to promote sustainable transport with low CO₂ emissions, through intermodal, rail and river-barges solutions, will continue to support our activities.

Touax, as the 1st European lessor of containers & river barges, and one of the leaders in the leasing of freight wagons, offers a unique expertise combined with USD1.3 billion assets under management and an important growth plan.

In this 10th edition of our Newsletter, we want to shed some light on two particularly interesting topics.

We will share our experience in terms of ESG Ratings and green transport support policies. Beyond the very good ratings obtained by **Touax** (of which the teams are right to be proud), the multitude of initiatives deserved a clarification on both our green strategy, our advice, and the way in which we can support you.

We will also focus on the main European river infrastructure project under construction: the Seine North canal. This new wide-gauge axis should considerably increase the capacity and attractiveness of this mode of mass transport of heavy products, and our teams are at your disposal to anticipate all your needs.



2023 will mark two important anniversaries to celebrate:

- ▶ 170 years of the **Touax Group!** In 1853, the company “Compagnie de Touage de la Basse Seine et de l’Oise” was created to operate exclusively, and under government license, river transport on the Seine and the Oise by controlling up to 85% of traffic a few years later. A very good example of a Public Private Partnership “PPP” which has enabled private investors to finance public infrastructure. The name **Touax** comes from the word “touage”, and this story explains our passion for infrastructure and the logistics business.
- ▶ 40 years of our containers’ management platform, Gold Container Corp (since renamed **Touax Container**), created in San Francisco in 1983. What a journey with today 400,000 containers in the fleet and more than 2,000 rental customers and trading! We will keep in touch to celebrate with you our big 40’s.

We warmly thank all the **Touax** teams for their strong contributions as well as our partners and customers for their trust.

We wish you all the best and a Happy New Year 2023!

Fabrice & Raphaël Walewski

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Touax

RAILCARS DIVISION

GLOBAL BUSINESS

Despite the ongoing situation in Ukraine and the consequent high inflation on components for railcars, in 2022 **Touax Rail** was able to achieve its daily objective to keep serving its clients by ensuring a very satisfying availability of wagons.

In a very dynamic market, this allowed us to strengthen furthermore our fleet's utilization rate and our Company's leasing revenue.

Touax Rail took advantage from the rebound of the automotive segment after a long weak market time: all existing **Touax** car-carrying wagons were rented in 3rd quarter 2022 and further investments were made to match new strong demand of the same type of wagons.

2022 was marked by the full delivery of our most advanced design of new Laers wagons, making **Touax Rail** the largest lessor in this segment. As announced in the previous issue of **Touax** Newsletter, our intermodal fleet has integrated new 6 axle wagons Sggmrss 90' for container and swap bodies transportation in continental Europe.

Highly committed to deploy its fleet regularly, **Touax Rail** ordered extra wagons and we will receive a large batch of new additional 6 axle wagons Sggrss 80' from mid-2023 to meet market's expectations.

Beside our development in Europe, we have successfully ordered 2 additional rakes (complete trains) in India for our existing customers and expect to continue to grow steadily with another 5 rakes in the coming months.



Touax Rail team in Italy receiving the 1st set of 6 axle wagons Sggmrss 90'

ORGANISATION

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

- Stefano VOLPE**, Fleet Manager in France
- Tereza STOJANOVSKA**, Fleet Assistant in France
- Eimear HOULIHAN**, Financial Accountant in Ireland
- Anne MCGOWAN**, Management Accountant in Ireland
- Bhama PUNCHOO**, Assistant Accountant in Ireland
- Sharon MCSPADDEN**, Fleet Manager in the UK

UK ECM (ENTITY IN CHARGE OF MAINTENANCE) CERTIFICATION



As of 1st of January 2023 UKs Department for Transport does not recognize anymore ECM certificates provided by EU certification bodies for UK domestic traffic.

Informed in July, **Touax Rail**, and 3 other non-domiciled ECM operating in the UK, representing 15% of UK freight traffic, had a very short notice to get the certification by UK accredited certification bodies.

Our Technical Department efficiently organized the ECM audit by TÜV Rheinland UK on 15th and 16th November at our office in Paris.

The week after, with the audit of three of our maintenance suppliers in the UK, **Touax Rail** got the final certification.

CONGRATULATIONS to **Touax Rail** Technical Department!!!

RIVER BARGES DIVISION



GLOBAL BUSINESS

High ambitions and huge challenges will boost the river transport in Europe. The “Fit for 55” package aims to deliver the European Union’s increased emission reductions target for a green transition by 2030 and beyond.

The Inland Waterway Transport sector supports the objectives of the European Union Green Deal (EGD) and the Sustainable and Smart Mobility Strategy (SSMS). The SSMS seeks to increase the share of Inland Waterway Transport by 25% by 2030 and by 50% by 2050. To reach this ambitious objective, public and private sectors will have to join their efforts.

In this context, **Touax River Barges** will benefit from new opportunities to increase its fleet in new and second hand buildings.

End of July, our Dutch subsidiary EUROBULK enlarged its fleet to answer its customers’ increasing demand through the acquisition of two second hand dry bulk river barges 82 x 11.40 x 4.00 m with a capacity of 3.000 tons. They were transferred and modified at a local shipyard to match the navigation requirements on the Rhine and both units are currently used for dry bulk transport.

Since 2021, the significant increase for cereals and metals demands have boosted the activity on various European basins.

This generated a strong interest among agriculture’s companies for the river transportation and **Touax River Barges** is working with one of their association to switch from traditional road transport to much greener barges. The new vessels will start to operate in 2025.



Two second hand dry bulk river barges



River Barge ready for loading

ENERGY SAVING CERTIFICATES

The Energy Savings Certificate mechanism or *Certificats d’Economies d’Energie* (CEE) was created in 2005 as one of the key tool of the French energy demand side management policy within the context of European objectives. It enables the promotion and stimulation of investments in terms of energy efficiency through a market mechanism.

The river transportation in France is eligible to this mechanism and since the beginning **Touax River Barges** has been developing its competencies in this domain.

Breaking News!

Starting January 1st 2023, the transportation by rail in France will also be eligible to this mechanism (CEE n° TRA-SE-116).

Touax River Barges and **Touax Rail** have the required capabilities and skills to help river operators and rail operators and end-users to earn and sell these Energy Savings Certificates.

Do not hesitate to contact us as the sale proceeds of these certificates can represent significant amounts of money helping the various parties to invest/lease/rent/operate/use river barges and freight wagons and accelerate the modal shift from road to river & rail and will help you reducing your carbon footprint.

contact-railcars@touax.com

contact-riverbarges@touax.com

MARINE CONTAINERS DIVISION

GLOBAL BUSINESS

Weakening demand, decreasing production of containers, softening freight rates, ... certainly in the third and fourth quarters of 2022 our industry has known a different scenario than in the first half of the year.

Nevertheless, we could still consider 2022 as a good vintage, and not only for wine production!

On the leasing activity, with over US\$100 million invested in 2022 we served our top lessees with several thousands of new units, and we also had the capabilities to diversify our customer's portfolio and increase our partnership with several medium-size shipping operators, thanks to the growth of the intra-regional trades and our global presence.



As we are working hard to supply constantly high-quality standard depot boxes, we kept our overall utilization level at around 97-98%.

Thanks to its 40 years' of good service, **Touax Container** is recognized by the Industry as

a solid and durable business partner for container leasing.

Several ocean carriers recently launched a fleet optimization and rejuvenation program by redelivering to us the oldest boxes still in their hands. Thanks to the increased availability of used units we have been able along 2022 to revamp our collaboration with our existing second-hand-buyers and initiate new partnerships. This trend should keep going in the first half of 2023!

2022 has marked the greatest year ever for **Touax Container** in the trading activity. With a volume close to 15 000 one-trip units, we hit our record of containers sold and we are considered now as a market leader.

While the activity is consolidated in Americas, with a new agent based in Brazil, we have decided to grow bigger and enlarge our geographical scope by hiring an agent covering South Africa to reinforce the EMEA existing team.

For 2023, more than some see dark clouds at the horizon, with market conditions expected to soften further, rates generally expected to continue to move towards and potentially below typical historical average levels, lower demand for new containers and pressure on second-hand prices.

Others say that market levels will remain sensitive to capacity management, vessel speeds, upcoming environmental regulations and a range of other potential logistics 'inefficiencies' that could somehow mitigate the pressure and have a more optimistic forecast on the global economy to complete this brighter picture.

We'll see...so far no one found the desired crystal ball, and our industry has surprised all of us more than once!

In this context, at **Touax Container** we adopted the principle of "market normalization" after 2 years of grace during which we have been able to strengthen the Company and improve our fundamentals.

In 2023 we will keep following our cap to invest in a well-balanced proportion among all our consolidated activities and reinforce our intimacy with all the members of our family!

ORGANISATION

In the second half of 2022 we have kept reinforcing our team:

Emily GAN, as Global Operations & Customer Service Executive in Singapore

Jasmine POH, as Global Operations & Customer Service Executive in Singapore

Kelly RESTREPO, as AMR Operations & Customer Service Executive in Miami

Guilherme HULTMANN, as Resale & Trading Manager for South America

Graham TRACEY, as Resale & Trading Manager for South Africa

Sophie BOESPFLUG, as Marketing Manager in Singapore

We are also pleased to announce some internal promotion:

Cheryl LEE took over the global responsibility for the Leasing activity

Demetrius CASTRO took over the global responsibility for the Resale & Trading activity

Gustavo RINCON, as Resale & Trading Manager for the South East Coast of North America



Leasing, Resale & Trading, Customer Service, Operations, Accounting, Controlling, Marketing... several key functions within our Division are covered by great women!!!

Ladies count for around 50% of our workforce!

Thank you!

THE SEINE-NORTH CANAL PROJECT



The Seine-North Canal which will link Compiègne, near Paris, to Aubencheul-au-Bac in the North of France is a major development project territory combining technical performance, respect for the environment and safety.

With a cost of around €5 billion, this pharaonic project consists in a wide-gauge channel which aims to connect the Seine to the 20 000 km of North European River network.

It will be the core link of the river liaison between the Seine and the Scheldt (Escaut) to allow large industrial barges to operate efficiently between France, Belgium and The Netherlands.

With 107 km length and 54 meters width, this channel will cross 64 villages and cities. 62 road and rail bridges will allow it to be crossed at many points along the route, guaranteeing easy mobility within the territory. Finally, three canal bridges (one of them with a length of more than 1.3 km) and six locks (two of them with a difference height of 25 meters) will be built to complete this channel.

Moreover, this project includes 1.100 hectares of environmental planning areas to be planted with trees.



THE BIGGEST VESSELS CARRY AT ONCE UP TO THE EQUIVALENT OF 220 TRUCKS



A convoy, made of two industrial barges of 80 meters by 11,4 meters each and a pusher (total length of 185 meters) will be able to circulate by inland from Le Havre to Constanta, a Black Sea Harbor, and carry till 4.400 tons of goods each, replacing in this way 220 trucks. A convoy departing every 30 minutes will be equivalent to the circulation of one truck every 8 seconds.

After its forecasted opening in 2030, the Seine-North Channel will have a capacity of 17 million tons of goods a year and will reduce yearly road traffic by one million of trucks in France, and even of 2.3 million at the European level of the liaison Seine-Scheldt, with a saving of 50 million of tons of CO₂ over the next 40 years.

The implementation of the Seine-Scheldt, thanks to a partnership between France, Flanders and Wallonia, with the support of European Union, will represent a total investment of €8 billion, including investment of the Seine North Channel, in order to improve and modernize the performances of the waterways system in France and Belgium.

Thanks to Europe policy, and the Green Deal, this channel will model the future of the inland navigation in creating a new river net arch between Le Havre and Antwerp and Gent.

Do not hesitate to contact us for your new projects if you plan using this new infrastructure: contact-riverbarges@touax.com

SEINE-SCHELDT IS ABOUT CREATING A NETWORK OF 1,100 KM OF WIDE-GAUGE WATERWAYS TO LINK UP:



For further details please visit www.canal-seine-nord-europe.fr/en/

CORPORATE

FINANCE & IT

In the first nine months of 2022, despite a more uncertain global economic environment, **Touax Group's** performance has remained strong with a revenue at the end of the third quarter amounted to

€120.2 million, for an increase of €37.5 million (+45.3%) vs the same period of 2021.

Thanks to the long-term contracts and the quality of our assets, we secure sustainable revenue over the long-term and the solidity of the Group's economic model.

In the current context of inflationary pressures and rising interest rates, **Touax Group** continues to roll out its activities with confidence, backed by a resilient business model and recurring revenues based on

+45%
REVENUE VS. 2021

long-term contracts. The Group plans to continue to seize new assets acquisitions opportunity over the coming months, while adopting a prudent investment policy.

From a structural and medium / long-term perspective, the business outlook in the long-term leasing of equipment for sustainable transport is positive. Beyond growth, the Group's guideline remains focused on improving customer satisfaction through the optimization of all management processes using Lean Six Sigma methodology.

The Group is also increasingly committed to the path of sustainable growth. After making its first green loan, the Group issued a sustainability linked bond and is working on a new sustainability linked loan. We have thus initiated a carbon footprint and ESG (Environment Social Governance) rating process, as detailed at page 7 of this Newsletter.

HUMAN RESOURCES

With the ambition to improve its already strong employee satisfaction rate and contribute to increase its ESG related scores, **Touax Group** is focused on the continuous improvement of the employee experience proposed to its people.

To achieve that, a couple of innovations have been co-designed by the Human Resources Department and the Top Management of the Company for 2023.

First, we improved our annual review process focusing even more on talents' development and on the promotion of **Touax Group's** Values. Then we will deploy in France, and later into other countries where **Touax Group** is present, a first structured approach for "Quality of Life at Work" based on direct feedback from our people.

These initiatives come on top of our regular Strategic Workforce Planning to let **Touax** remain relevant in terms of competences for the success of both its people and its customers.

ASSET MANAGEMENT

The **Touax Asset Management** is a dedicated team of 6 professionals with diverse backgrounds and experience, focused on sourcing, through the **Touax Group** operating companies and structuring transactions that fit best with investor's needs.

"ITE is proud to partner with Touax given their strong reputation in the industry. The Touax Asset Management team's responsiveness and market insights are valuable to the growth of our continued capital deployment."

Jennifer Polli, Managing Director, Senior Operating Partner, ITE.

The second semester of 2022 saw a re-enforcement of the first half economic environment with continued Inflation and fears of recession top of mind for most investors. Within this challenging context **Touax** direct investors and those investing through the Real Asset Income Fund continued to benefit from stable performance in line with plan, across all 3 assets classes.

Syndications for all three activities totaled +€80 million in 2022 and total target volume for syndications across all businesses for 2023 is +€100 million.

In December the **Touax Asset Management** team participated in the Linkebridge Investors Southeast Regional conference well attended

by a diverse group of Family office investors, Wealth Managers and Pension Funds. The conference included a presentation by **Touax** on an Investor's Guide to Intermodal Sea Containers and Uncorrelated Asset Class, providing Annual Dividends, Tax-efficiency and Sustainability.



Stephen Ponak, Managing Director, Asset Management Touax Group, at Linkebridge Investors Southeast Regional Conference

As part of **Touax Group's** continual effort to improve our services to our clients, the Asset Management Team has launched a "Voice of Client" Lean Six Sigma process to survey our partners and advisors on ways to improve both our services and our products.

CORPORATE FOCUS

Sustainable development at the heart of our innovation policy and management

Touax ESG APPROACH



ENVIRONMENTAL

Long lasting & sustainable assets for multi-modal transportation

ESG compliant partners & suppliers

Paper-free policy through digital tools



SOCIAL

Numerous different cultures and nationalities

Prevention Charter for discrimination at work

Supervisory Board with 3 women out of 6 members



GOVERNANCE

Clear separation of powers between Management and Supervisory Board (5 independent members)

Part of Middelnext Governance Code for Small and Midcaps

LEAN MANAGEMENT FOR OPERATIONAL EXCELLENCE



TOUAX 2022 rewards

Touax Group has also entered 2 international rating programs, and achieved very good results so far. We warmly thank our staff and partners who make it happened, and we'll keep on working together to go even further.

- For its first participation at EcoVadis rating, Touax has been awarded with a Silver medal, placing it in the top 8.5% best companies of its industry sector.

We achieved an Ecovadis score of 63 versus the Sector's average score of 45.



- Our Gaia rating has improved again in 2021.



	2020	2021	TREND
GLOBAL SCORING	72	78	▲
BENCHMARK	54		

MAIN EVENTS

INNOTRANS FAIR 2022

– BERLIN

Innotrans exhibition in Berlin was back again and **Touax Rail** did not miss the opportunity to attend it to reconnect F2F again with our suppliers and clients.

An opportunity for our team to share with our partners the latest news and investments of our Company!



RIVER DATING EXHIBITION

– LE HAVRE

The 2022 edition of River Dating Exhibition, organized by “Voies Navigables de France (VNF)”, was held this year in Le Havre.

As per long-lasting tradition, **Touax River Barges** could not miss this appointment and participated with a stand to welcome its partners

In total more than 3.000 business appointments were organized among all the participants of the conferences in two days-time.

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

INTERMODAL 2022

– AMSTERDAM

Intermodal Exhibition in Europe was also back and **Touax Container** attended with a great booth!

We found again the warm atmosphere of our wonderful industry, our great business partners, and several members of **Touax Container** family... the ingredients for a perfect week!



MAIN EVENTS

RFG 2022 CHRISTMAS LUNCH – LONDON

Respecting a long-lasting tradition, **Touax Rail** held its table in December for the Xmas Lunch organized by RFG. A great moment shared with the UK freight industry about the events of 2022 and everyone's vision of 2023.



NAVEGISTIC FAIR – ASUNCION

The 9th edition of NAVEGISTIC International Fair, was hosted in Asunción, Paraguay from October 12-14, 2022. This is an international tradeshow for logistics, transport, ports, and navigation industries to come together and discuss improvements and effective solutions in the market. 150 exhibitors coming from 16 countries, as well as **Touax River Barges**, were present with a stand.

TOUAX SEMINARS – FRANCE

The end of the year is always the time to wrap up the current year and plan the next one without forgetting enhancing team spirit. Both **Touax Rail** and **Touax Container** worked intensively and had fun for their international yearly seminars.




Touax Rail seminar: "What is not measured cannot be improved"



Team building at Le Louvre Museum for Touax Container

CALENDAR

OUR NEXT RENDEZ-VOUS

EVENT	WHEN	WHERE
<p>TOUAX 2022 RESULTS</p> 	<p>MARCH 22ND</p>	<p>PARIS FRANCE</p>
<p>NPSA TRADE SHOW</p> 	<p>APRIL 2ND – 4TH, 2023</p>	<p>LAS VEGAS, NV USA</p>
<p>TRANSPORT & LOGISTIC EXHIBITION</p>  <p>the leading exhibition</p>	<p>MAY 9TH - 12TH</p>	<p>MUNICH GERMANY BOOTH B230, HALL 6</p>
<p>SSA – SELF STORAGE ASSOCIATION</p> 	<p>MAY 16TH - 17TH</p>	<p>BIRMINGHAM UK</p>

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