

MESSAGE FROM THE MANAGING PARTNERS

Dear Customers and Partners,

The International Monetary Fund is expecting a stronger economic recovery in 2021 with the world economy growing in average by 6%, with the United States increasing by 6.4% and India expected to expand by as much as 12.5%.

This trade growth combined with supply chains still constrained by port congestion and logistical disruption created demand for transportation equipment exceptionally strong.

Touax Group anticipated this trend in the second half of 2020 and has invested heavily in new equipment over the past 9 months to accompany its customers in the significant rebound of their international logistics activities.

At the moment, our Group has a significant order book in the process of delivery for over €100 million of new equipment in more than **10 different production sites** to answer our customers' requirements (see page 5 of this Newsletter).

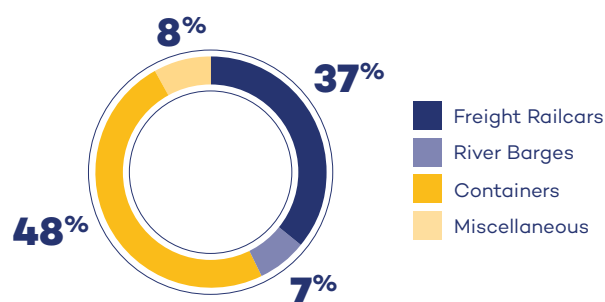
Touax Rail has accelerated its Freight Wagons' diversification and has launched production in our 2 main markets, Europe and India.

We are producing new 80' intermodal wagons in Czech Republic, new 90' intermodal wagons in Turkey and car carrying wagons in Poland to supply our European customers.

We are also retrofitting coal wagons into aggregate wagons, specifically for the UK market. In India, new hopper wagons transporting alumina and new flat wagons transporting steel coils will be added to our current fleet.

Touax River Barges' fleet will soon integrate 2 new barges, built in Serbia. We are forecasting an important investment program to develop our fleet over the period 2021-2024, thanks to European dedicated investment funds, in order to promote the innovative river transport.

DISTRIBUTION OF REVENUE BY ACTIVITY ON 31 DECEMBER 2020 (as a percentage)



Touax Containers ordered several thousands of boxes to be leased to various ocean carriers to absorb the increasing cargo volumes. We doubled the production of containers for trading to supply the regular requirements but also overcome the shortage of used containers for sale.

To do so, we have developed new relationships with manufacturers specialised in the production of these containers, mainly in Shanghai area, in addition to our long term suppliers.

Looking further ahead, global GDP for 2022 is seen increasing by 4.4%, so the near-term outlook remains very positive, with trade recovery robust and disruption likely to take some time to ease.

In this context, we will keep investing in appropriate equipment to supply.

We thank all our customers, our teams and partners for this significant work to participate to in the current market rebound.

We hope you will enjoy reading our bi-annual newsletter #7.

Stay safe & healthy. With our best regards.

Fabrice and Raphaël Walewski

CONTENT

MESSAGE FROM MANAGING PARTNERS	1
RAILCAR DIVISION	2
RIVER BARGES DIVISION	3
MARINE CONTAINER DIVISION	4

BUSINESS FOCUS	5
CORPORATE	6
CORPORATE FOCUS	7
MAIN EVENTS / CALENDAR	8

Touax

RAILCAR DIVISION

GLOBAL BUSINESS

Touax Rail fleet of railcars has continued to grow in Q1 2021 with the acquisition of a portfolio of an existing young fleet of car carrying wagons through a sale & lease back transaction with a German operator. This is on top of further deliveries of new intermodal 6 axle wagons Sggrss 90' to a Belgium user RU, and new intermodal 6 axle wagons Sggrss 80' to a German operator.



Sggrss 80' wagons

Touax Rail is also thrilled to announce the conclusion of an agreement for the construction and delivery to an Austrian operator of the most advanced design equipment dedicated to car transportation.

In addition to these types of wagons, **Touax Rail** launched also the production lines over the past years and put on the market of flat car, powder car and box car for the transport of various cargo in India (see Focus Business at page 5).



Powder car

Besides the development of new assets, **Touax Rail** keeps on investing actively since 2019 to upgrade its current fleet of wagons, improving their braking systems to reduce noise pollution and gradually equipped them with GPS systems to ensure a reliable tracking.

While Covid pandemic context is less but still present **Touax Rail** can be proud of the manner it successfully managed – for more than a year – and adapted its internal processes and team functioning in an efficient and long lasting organization aiming to keep offering its customers same high level operational services whether from our various Touax offices or remotely.

ORGANIZATION

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

Julie DELIA, Fleet Assistant in Paris

Loucif SALEM, Fleet Manager in Paris

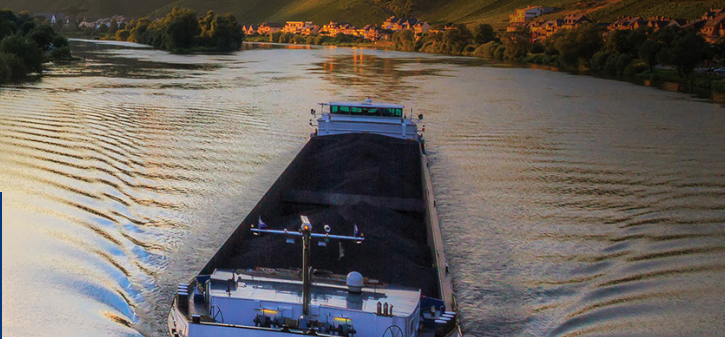
Joanne GRANT, Fleet Manager in Doncaster

Steven GLENNON, Financial Accountant in Dublin

Ralf RASCHEN, Wagon Engineer in Hamburg

Lais FREDENHAGEN, Fleet Assistant in Hamburg

RIVER BARGES DIVISION



GLOBAL BUSINESS

Transport performance (TKM) on inland waterways in the EU decreased by 8.1% in the first three quarters of 2020, compared to the same period in 2019. In the two largest inland waterways transport (IWT) countries there was a decrease of 11.9% (Germany) and 6.8% (the Netherlands). In the Danube countries, transport performance was 9% lower. Overall, these rates were less negative than what had been expected early 2020 when the pandemic broke out.

For the Rhine, a decrease of 11% was observed. The differentiation of transport demand by type of cargo reveals the following: in the first three quarters of 2020, dry cargo transport on the Rhine decreased by 13%, liquid cargo transport by 7% and container transport by 5%. The transport demand related to the steel industry represents 25% of total Rhine transport and suffered heavily from the pandemic, which explains the sharp decrease in dry cargo transport. In the Netherlands, the reduction was 6% for dry cargo transport, 3% for liquid cargo transport, while container transport increased by 2%.

In France, sands, stones and building materials represent the largest cargo segment. Its transport performance follows a positive trend. The segment was affected by the Covid-19 crisis in March and April 2020, but transport performance recovered in the course of May and June to pre-crisis levels. Agricultural products

are the second largest cargo segment in France and its transport demand is closely associated with harvest results. After a good harvest season in 2019, the 2020 season was somewhat weak, which will have a negative effect on the transport of grain in 2021.

(Source: CCNR Market inland Navigation observation – April 2021)

NEW BUILDING

After these important impacts of the pandemic in 2020, 2021 starts to show signs of recovery with our utilisation rate back to 100% in Europe, North and South America.

In Europe, **Touax River Barges** has signed a building contract with an Eastern European Shipyard for two industrial dry bulk barges. The barges will be equipped with a bow thruster in the Netherlands and are expected to be delivered by the end of 2021. The barges will be operated on the Seine River.



Plasma cutting of the first steel plate

NOVIMAR OR THE VESSEL TRAIN PROJECT

Since 2017, TOUAX is one of the 22 European partners of a very innovative project for short sea and inland transportation, led by The Netherlands Maritime Technology Foundation. A Leader vessel will manage by WIFI remote control 2 to 4 follower vessels constituting a convoy. This way of transport will increase the safety of the transport of goods and will make it even more economic. The results of the study are expected for October 2021.

In order to have more details and videos, please visit the website:
<https://novimar.eu>



MARINE CONTAINER DIVISION

GLOBAL BUSINESS

In first quarter of 2021 the container trade continued to expand strongly while congestion in many ports, inland facilities and warehouses extended container cycle times.

This meant that equipment shortages were noted in many parts of the world with several shippers/consignees finding it increasingly difficult to secure equipment for their cargo.

The net effects of this situation have been that older boxes have been kept in service for longer to meet the demand while both lessors and transport operators have ordered thousands of new containers.

Factories in China are said to be essentially fully booked almost until the end of 2021 with a record production expected at least at 4.7M teu in 2021.

Touax Container's average utilization rate over the period was at 99.6% vs. 95.7% in the first three months of 2020 and, given the still favorable market conditions, it should keep the same level until the end of the year.

With no inventories available at depots, **Touax Container** has continued investing in new units to help its customers

manage the strong increase in trade volumes during the first part of this year.

Second-hand prices hit record levels in the first quarter of 2021, due to the still high shortage of old units available for sale.

In order to help its buyers to get equipment for their respective activities, **Touax Container** decided to invest heavily in its trading activity of new containers by ordering additional 12 000 boxes of various sizes over last quarter of 2020 and first period of this year. Part of those units have been already delivered to our customers, part is on the ocean heading to the different markets and the last orders will be delivered by chinese manufacturers over the coming months.

Touax Container buyers can count on a regular supply of around 1.500 units on a monthly basis.

Quality and availability of boxes are certainly the main key success factors for the trading activity and, to complete its offer, **Touax Container** has developed additional services around its containers.

ORGANIZATION

In the first half of 2021 we have kept reinforcing our team:

Edward Tyson has been appointed Resale and Trading Manager for the Gulf and Central Region of North America, based in Houston.

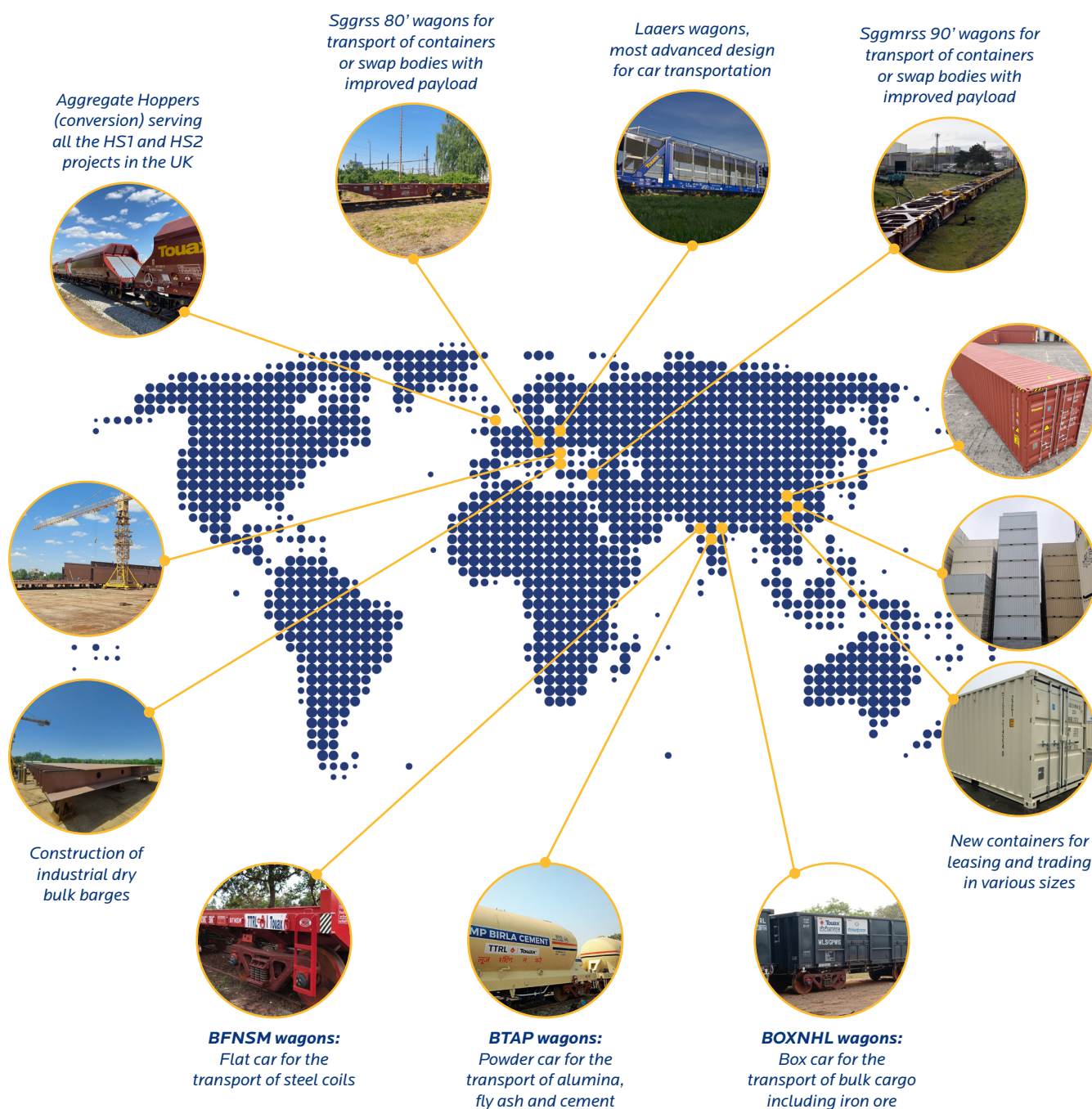
ADDITIONAL SERVICES



BUSINESS FOCUS

At **Touax** we always invest in innovative, new and efficient equipment to make sure that the entire logistics chain benefits from it, especially our customers. In order to do so we have been counting on our close suppliers all around the world. Our production partners are European, Indians or Chinese and each one has a special asset. On rail, rivers or seas, **Touax Goup** is present with the best quality and the most appropriate equipment.

As of today, our Group has a significant order book in the process of delivery for more than €100 million of new equipment in more than **10 production sites** to answer its customers' requirements.



CORPORATE

FINANCE & IT

The huge work carried over the past 3 years by the Corporate Finance team in collaboration with the 3 Divisions is paying off.

This lead us to publish remarkable 2020 results (<https://www.touax.com/en/investors/key-figures>) which confirm the strategy of development focused on the leasing of equipment for sustainable transport and its successful execution at the operational level.

To keep supporting **Touax Group's** growth, in the first half of 2021 we focused on the implementation of the procedures to fully use the new lines derived from the refinancing carried out during the second half of last year.

The Corporate Finance team placed particular emphasis on the cash management of all companies in a search for optimization and anticipation.

Given the market's volatility linked to the uncertainty of the pandemic or the implementation of political measure as the Brexit, we carried out the review of exchange rate risks, particularly on the pound sterling, with the implementation of risk hedging.

Our IT Department dedicated time and resources to several key projects, as the preliminary study of the next generation of the Container Division operating system or a deep analysis of potential measures to be taken to protect the Company and its partners from the increasing risk of cyber-attack.

We kept providing the necessary support to all our remote workers with the deployment of new collaborative tools.

Lean projects continued to move forward in a coordinated approach. The continuous improvement system is now integrated within the group, across all companies, divisions and teams. All employees were trained at White Belt Lean Six Sigma level in the past few months and a Yellow Belt training program was launched for over 10% of employees. In the medium term, some of them will be then certified green and black belt.



The objective is to continuously improve the satisfaction of the group's customers through the improvement of all processes. The change in culture and method is now fully committed and irreversible to achieve operational excellence and the best customers' satisfaction.

ASSET MANAGEMENT

In order to complement credit facilities of Touax Group and finance the growth, the first half of 2021 has been active for the Asset Management team. We welcomed Rob Cecil, our new Manager for Direct Investors who brings a wealth of knowledge and experience from the US Real Estate and fund world. As the Covid crisis abides and new concern regarding future inflation raise, market is renewing its interest in investment in long life income yielding assets.

Standard long life assets with limited risk of obsolescence make Containers, Railcars and Barges an ideal investment strategy to manage increasing inflation risk.

In this context, we continue to grow our investors' base both through the Fund Structure and for Managed Accounts. Overall performance continues to be good and once again demonstrates the resilience of the investment premise and stability of the investment model proposed by **Touax Group**.

Thus far 2021 has been marked by the successful syndication of container portfolios and the implementation of a framework agreement for substantial additional investments in containers through the next 18 months. We also successfully completed, with the help of the Rail activity, the final tranche of a Sale and Lease Back to investors of fleet of automotive carrying railcars and have an even larger Sale and Lease Back opportunity under discussion for rail assets for the second semester. On the River Barges side, additional volume is under review for the second half of the year.

Moreover, we continue to play a key role as the representative of the operating partners on behalf of the Real Asset Income Fund S.C.A.

The performance is in line with the objectives for both sub-funds. In particular, the performance of the US Fund has been a key catalyst in accelerating the Fund raising process and we are excited to see the new investment put to work in the later stages of the year.

On the strength of the market and portfolio performance the USD Sub Fund will increase the targeted dividend from 5% to 7% starting in 2021.

Finally, late June the Asset Management Team was very pleased to be able to meet in person again with investors after more than a year of remote meetings.

HUMAN RESOURCES

On February 1st 2021, **Touax** successfully achieved a milestone in its HR digitalization. The Lucca suite (Human Resources Saas-platform) has been rolled out and well adopted by our employees. In this respect, we performed our first 100% online annual performance review. Thanks to this new tool, we have been able to measure the proficiency level of our staff regarding their job core skills and our Group wide strategic skills. As a result, the Human Resources Department is going to propose some specific development training and mentoring actions for the Group's people success.

In the aftermath of our employees' satisfaction survey, we have improved the benefits package of our people in a couple of locations in terms of pension and health insurance. We continue our benchmark effort to identify other areas of improvement for our benefits offering.

FINANCIAL INFORMATION

CHANGES IN THE FLEET OF ASSETS MANAGED

(in € millions)

1,079

1,181
versus
2019

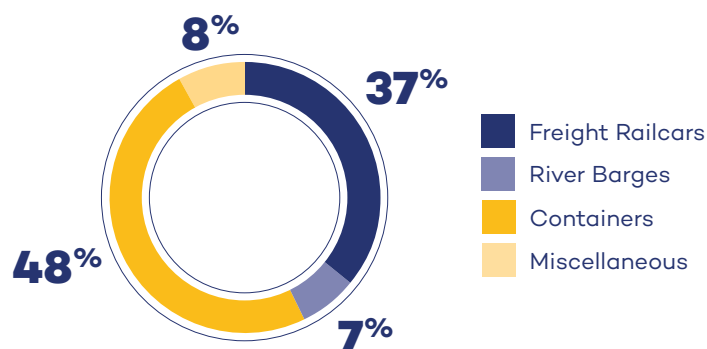
REVENUES FROM ACTIVITIES

(in € millions)

163.4

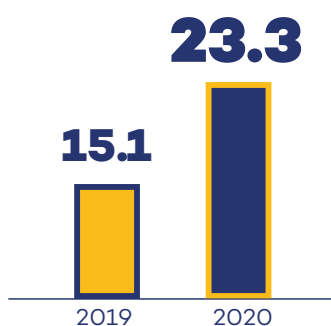
DISTRIBUTION OF REVENUE BY ACTIVITY ON 31 DECEMBER 2020

(as a percentage)



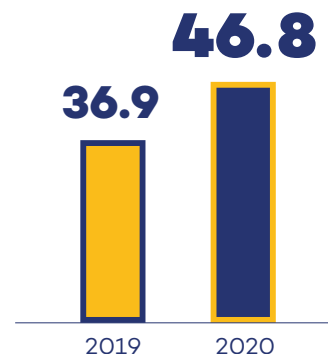
CURRENT OPERATING INCOME

(in € millions)



EBITDA

(in € millions)



OPERATING FLEETS BY DIVISION



99 barges


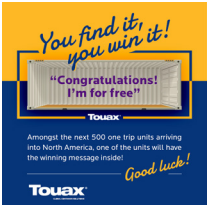

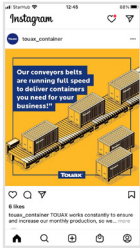



11,309 freight rail cars



382,626 containers

MAIN EVENTS / CALENDAR

EVENT	ABOUT
	<h2>NPSA VIRTUAL CONFERENCE & TRADING SHOW</h2> <p>Touax Container was thrilled to be part of the first NPSA (National Portable Storage Association) Virtual Conference & Trading Show in the US, as sponsor and exhibitor. During 3 days, (from 27th to 29th of April), we had the opportunity to connect in a very friendly but also efficient and innovative way with so many customers and partners and also to participate to meaningful workshops.</p> <p>Marco POGGIO, Touax Container CEO, along with other container industry's experts, took part in a very informative conference "SHIPPING CONTAINER SUPPLY: A LOOK TO THE FUTURE", sharing his unique insights on the current state of the industry and how things may evolve in the future.</p> <p>Thank you to all of you who visited us at our booth and let's stay connected!</p>
	<h2>CONTEST "WIN A CONTAINER"</h2> <p>Touax Container has launched a special contest on the North American market to give its most loyal customers a chance to get a FREE 20DC One Tripper!!!</p> <p>Starting on May, 15th 2021, amongst a batch of 500 one-trip containers arriving into North America, one has the winning message inside "Congratulations, I'm for free!".</p>
	<h2>INTERMODAL CONNECT</h2> <p>From March 16th to 18th, Touax Container sales team participated in the virtual Intermodal Connect Event during which they were so pleased to see both some familiar faces and meet new customers.</p> <p>Over those busy 3 days and 32 different Zoom meetings we spoke about our industry, the market outlook for 2021 and the ongoing Touax Container containers' production in China. This virtual event has been a great alternative to the usual trade fair, it was a very valuable experience.</p>
	<h2>US INSTAGRAM ACCOUNT</h2> <p>Want to know more about Touax Container and always be update on our News, just follow us on Instagram, our latest social network activation.</p> <p>Don't forget, We are also present on LinkedIn and Facebook.</p> <p>So keep in touch!</p>
	<h2>CHEERS EVERYONE!</h2> <p>To celebrate our great 2020 results and as we cannot enjoy meeting each other again, Touax Group has invited all its employees to a virtual aperitif! Our staff all over the world has received at home a lovely box, containing delicious finger food and a bottle of champagne to toast all together during 2 organised remote aperitifs hosted by the Managing Partners, Fabrice and Raphaël Walewski.</p> <p>So good to celebrate and share a friendly moment together even from home!</p>

Publication Director: Marco Poggio

Any questions, ideas or comments on this Newsletter, please contact:

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