

YOUR OPERATIONAL LEASING SOLUTION FOR SUSTAINABLE TRANSPORTATION

## Half-year report

June 30, 2020

# Touax<sup>®</sup>

The present half-year financial report has been drawn up in accordance with Article L451-1-2-III of the French Monetary and Financial Code and Articles 222-4 and 222-6 of the General Regulations of the French Financial Market Authority (AMF).

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# 1. HALF-YEAR PROGRESS REPORT ON THE INTERIM FINANCIAL STATEMENTS TO JUNE 30, 2020

## 1.1. KEY FIGURES

The tables below show extracts from the income statements, statements of financial position and cash flow statements from the condensed consolidated financial statements for the six-month periods to June 30, 2020 and June 30, 2019 and full-year 2019.

The financial information given below must be understood in the light of the condensed consolidated financial statements and the other information given in the half-year progress report given below.

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Total leasing activity	64 753	65 933	134 845
Total sales of equipment	16 099	12 724	32 242
Revenue	80 852	78 657	167 087
Fees on syndication	464	382	1 467
Capital gains or losses on disposals unrelated to recurring activities	15	456	455
Revenue from activities	81 331	79 495	169 009
EBITDAR (1)	45 467	43 057	90 290
EBITDA (2)	22 582	16 055	36 898
Operating income	10 815	5 581	15 135
Consolidated net attributable income - Group's share	2 475	(2 534)	(2 698)
<i>included the net income from retained operations</i>	2 523	(2 013)	(1 957)
<i>included the net income from discontinued operations</i>	(48)	(521)	(741)
Earnings per share (euro)	0,35	(0,36)	(0,39)

(1) EBITDAR corresponds to the current operating income restated by depreciation charges, provisions for capital assets and distributions to investors

(2) EBITDA corresponds to the current operating income restated by depreciation charges and provisions for capital assets

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Total assets	458 007	471 393	446 846
Gross tangible fixed assets (1)	447 053	423 254	414 734
Total non-current assets	347 551	330 205	325 165
Shareholders' equity - Group's share	97 193	102 068	97 764
Consolidated shareholder's equity	123 695	126 836	123 085
Minority interests	26 502	24 768	25 321
Gross financial debt	245 072	254 655	238 594
Net financial debt (2)	207 989	195 619	199 317
Net dividend per share (euro)	NA	NA	NA

(1) The gross tangible assets do not include the value of capital gains on internal disposals

(2) The net debt is the gross debt after deducting cash assets and liabilities on derivatives

## 1.2. REMINDER CONCERNING THE BUSINESSES

With operations across five continents, TOUAX leases and sells freight railcars, river barges and containers throughout the world, on its own behalf and on behalf of investors.

With managed assets worth €1.1 billion, TOUAX is one of the European leaders for leasing this type of equipment.

TOUAX achieved revenue from activities of €81.3 million in the first half of 2020, of which 99% was achieved outside France.

### ■ Freight Railcars division

TOUAX Rail Ltd, a wholly-owned subsidiary of TOUAX, operated circa 9,446 platforms (7,187 railcars) at the end of June 2020. The Group is specialized in 45', 60', 90' and 106' flat intermodal railcars, but also markets car-carrier railcars and hopper railcars.

The currency of the Freight Railcars division is the euro in Europe, the dollar in the United States and the Indian rupee in India.

In Europe, the Group offers its leasing and maintenance services via a network of agencies and agents located in most of the European countries. TOUAX may also sell used and new railcars.

TOUAX offers complete hedging to all its clients.

The Group mainly operates railcars on its own behalf (73% of the managed fleet) and partly through third-party asset management (27% of the managed fleet in number of platforms).

### **I River Barges division**

The TOUAX Group is present in Europe and North and South America with a fleet of 97 barges at the end of June 2020 for its own and for third parties, representing a capacity of over 253,000 tons.

TOUAX provides its services:

- in France on the Seine and Rhone,
- in Northern Europe on the Rhine (Meuse, Moselle, Main),
- in Central Europe on the Danube,
- in North America on the Mississippi,
- in South America on the Paraná-Paraguay.

TOUAX offers its customers comprehensive expertise in the field of river transport, in particular with leasing and trade in river transport equipment.

The currency of the River Barges division is the dollar in the United States and South America, and the euro in Europe.

TOUAX's customers are river logistics operators and industrial companies.

### **I Containers division**

Through Touax Global Container Solutions, TOUAX managed a fleet of about 418,000 CEU at the end of June 2020, making it the leader in Continental Europe and the eight largest leasing company in the world. The Group specializes in standard dry containers (20 feet, 40 feet, and 40 feet high capacity) which can be leased to all shipping companies worldwide. The average age of its fleet is of 10.3 years.

79% (number of CEU) of the containers are managed on behalf of third-party investors, and the remainder belongs to the Group.

The Containers division deals in US dollars.

TOUAX Global Container Solutions offers a very extensive range of contracts:

- Short-term operational leasing (annually renewable master lease or one way leasing),
- Long-term operational leasing (3 to 7 years) with or without an option to buy (these contracts account for 91.8% of the fleet managed),
- Financial leasing (sale and leaseback and lease-purchase program).

TOUAX also sells new and used containers.

The Group's utilization rate was of 95.7% on June 30, 2020.

TOUAX Global Container Solutions works with over 120 companies worldwide and with top 10 firms. Customers include for example Maersk Lines, Hapag Lloyd, Evergreen, Mediterranean Shipping Company, CMA-CGM, COSCO Shipping.

The company is established internationally through a network of 3 regional offices (Singapore for Asia, Miami for the Americas and Bremen/Hamburg for Europe, Middle East and Africa) and representations in the following locations: Philadelphia, Los Angeles, Sao Paulo, Genoa, Shanghai and Seoul.

With about 200 warehouses located in the main port zones in the world, TOUAX Global Container Solutions thereby offer a global cover to all its customers.

### **I Modular Buildings division in Africa**

The Modular Buildings activity continues in Africa. This activity is not significant in relation to the Group's other transportation activities and is presented in segment information in the miscellaneous category.

## **1.3. REVENUE FROM ACTIVITIES**

### **I Variation in revenue from activities**

Total revenue from activities increased by €1.8 million (equal to +2.3%), from €79.5 million in June 2019 to €81.3 million in June 2020. At constant scope and currency, revenue from activities increased by 1.9%. The dollar strengthened between the two periods, rising from \$1.1298 = €1 on the first semester of 2019 to \$1.1020 = €1 on the first semester of 2020.

- The Freight Railcars activity increased by €3.7 million thanks to a rise in rental prices and an increase in sales and syndication fees in the first half of 2020.
- The River Barges activity decreased by €0.8 million, with a drop in leasing revenues due to a decline in chartering in Europe.
- The Containers activity recorded a €1.5 million increase generated by a rise in container sales, which offset the decline in the leasing business.

The Leasing activity is down by €1.2 million, mainly due to the sale of old containers and the resulting decrease in the fleet, from €65.9 million at 30 June 2019 to €64.8 million at 30 June 2020, a drop of 1.8%. The variation in leasing activity at constant scope and currency is -2.9%.

Equipment sales increased by €3.4 million (or +26.5%), from €12.7 million in June 2019 to €16.1 million in June 2020.

Syndication fees and capital gains not related to recurring activities totalled €0.5 million (of which €0.4 million related to syndication fees) compared to €0.8 million in June 2019, equal to a variation of -€0.4 million.

### ■ Analysis by geographical area

Revenue from activities by geographical area (in thousands of euros)	06.2020	06.2019	Variation June		12.2019
			2019/2020		
International	40 973	39 217	1 756	4,5%	81 281
Europe	33 670	32 882	788	2,4%	67 603
Americas	1 459	1 378	81	5,9%	2 843
Africa	3 081	3 860	(779)	-20,2%	12 560
Asia	1 669	1 320	349	26,4%	2 800
<b>TOTAL Revenue</b>	<b>80 852</b>	<b>78 657</b>	<b>2 195</b>	<b>2,8%</b>	<b>167 087</b>
International	18	382	(364)	-95,3%	391
Europe	446		446		1 076
<b>TOTAL Fees on syndication</b>	<b>464</b>	<b>382</b>	<b>82</b>	<b>21,5%</b>	<b>1 467</b>
Europe		456	(456)	-100,0%	456
Other	15		15		(1)
<b>TOTAL Capital gains or losses on disposals unrelated to recurring activities</b>	<b>15</b>	<b>456</b>	<b>(441)</b>	<b>-96,7%</b>	<b>455</b>
<b>TOTAL REVENUE FROM ACTIVITIES</b>	<b>81 331</b>	<b>79 495</b>	<b>1 836</b>	<b>2,3%</b>	<b>169 009</b>

In the Freight Railcars and River Barges divisions, the services are provided in the sector where the markets and customers are located.

The Containers division is present at the international level, since the containers travel on hundreds of global trade routes.

### ■ Analysis by division

Revenue from activities by business (in thousands of euros)	06.2020	06.2019	Variation June		12.2019
			2019/2020		
<b>FREIGHT RAILCARS</b>	<b>31 685</b>	<b>28 432</b>	<b>3 253</b>	<b>11,4%</b>	<b>60 048</b>
Leasing activity	30 084	28 283	1 801	6,4%	58 384
Sale of equipment activity	1 601	149	1 452	974,5%	1 664
<b>RIVER BARGES</b>	<b>4 946</b>	<b>5 775</b>	<b>(829)</b>	<b>-14,4%</b>	<b>11 822</b>
Leasing activity	4 946	5 733	(787)	-13,7%	11 674
Sale of equipment activity		42	(42)	-100,0%	148
<b>CONTAINERS</b>	<b>41 044</b>	<b>39 217</b>	<b>1 827</b>	<b>4,7%</b>	<b>81 404</b>
Leasing activity	29 777	31 847	(2 070)	-6,5%	64 827
Sale of equipment activity	11 267	7 370	3 897	52,9%	16 577
<b>Miscellaneous &amp; eliminations</b>	<b>3 177</b>	<b>5 233</b>	<b>(2 056)</b>	<b>-39,3%</b>	<b>13 813</b>
Leasing activity	(54)	70	(124)	-177,1%	(40)
Sale of equipment activity	3 231	5 163	(1 932)	-37,4%	13 853
<b>TOTAL Revenue</b>	<b>80 852</b>	<b>78 657</b>	<b>2 195</b>	<b>2,8%</b>	<b>167 087</b>
Fees on syndication Freight Railcars	446		446		1 076
Fees on syndication Containers	18	382	(364)	-95,3%	391
<b>TOTAL Fees on syndication</b>	<b>464</b>	<b>382</b>	<b>82</b>	<b>21,5%</b>	<b>1 467</b>
Capital gains or losses on disposals unrelated to recurring activities Containers					(1)
Capital gains or losses on disposals unrelated to recurring activities Other	15	456	(441)	-96,7%	456
<b>TOTAL Capital gains or losses on disposals unrelated to recurring activities</b>	<b>15</b>	<b>456</b>	<b>(441)</b>	<b>-96,7%</b>	<b>455</b>
<b>TOTAL REVENUE FROM ACTIVITIES</b>	<b>81 331</b>	<b>79 495</b>	<b>1 836</b>	<b>2,3%</b>	<b>169 009</b>

- **Freight Railcars division**

Revenue from activities in the Freight Railcar division increased by €3.7 million, from €28.4 million on 30 June 2019 to €32.1 million on 30 June 2020.

Leasing activity increased by €1.8 million (or +6.4%), from €28.3 million in June 2019 to €30.1 million in June 2020. This rise can be explained by the increase in contractual leasing rates in 2019.

The sale of equipment activity increased by €1.5 million, from €0.1 million in June 2019 to €1.6 million in June 2020.

There was no syndication in 2019, while the first half of 2020 recorded syndication fees amounting to €0.4 million.

- **River Barges division**

Revenue from activities in the River Barges division decreased by €0.8 million (or -14.3%), changing from €5.8 million in June 2019 to €4.9 million in June 2020. This variation can be explained by the decline in the chartering activity in Europe, and in steel transport in particular, following the drop in automobile manufacturing as a result of the COVID-19 health crisis.

- **Containers division**

Revenue from activities in the Containers division increased by €1.5 million (or +3.7%), changing from €39.6 million in June 2019 to €41.1 million in June 2020. This variation is explained by an increase in the equipment sales activity, offset by a decrease in leasing activity.

The leasing activity in the Containers division decreased by €2.1 million (or -6.5%), from €31.8 million in June 2019 to €29.8 million in June 2020. At a constant Euro/Dollar exchange rate, the leasing activity of the Containers division decreased by 8.8%. The fall in leasing revenues is due to a slight decrease in daily leasing rates but especially to the decrease in the leasing fleet (-52,050 CEU compared to June 2019 (417,776 CEU on 30.06.2020)). The utilisation rate decreased, linked to the age of the fleet, with an average of 95.6% in the first half of 2020 compared to 97.7% in the first half of 2019. While the leasing revenues from equipment under management is decreasing, the share of leasing revenues from owned equipment is growing mainly thanks to repurchase of fleet made in the second half of 2019 and first half of 2020. Ancillary services (€3.7 million in June 2020 compared to €3.3 million in June 2019) correspond to re-invoicing of repairs following the return of containers.

The equipment sales activity increased by €3.9 million (or +52.9%), from €7.4 million in June 2019 to €11.3 million in June 2020. The division has continued to develop new container trading operations and has sold used containers on behalf of investors. These disposals are linked to the age of the fleet, in the normal cycle of the activity. At constant currency, the variation is +49.1%.

Container syndication fees decreased by €0.4 million, with fewer syndicated volumes.

- **Miscellaneous**

Revenues from the Modular Buildings division shows companies in North Africa and is grouped in the miscellaneous & eliminations segment. The activity of these subsidiaries is mainly focused on the sale of modular buildings manufactured by the Moroccan plant. In the first half of 2020, the division's sales in Africa were down by €1.9 million (€3.2 million at 30 June 2020) due to the COVID-19 health crisis, which resulted in the partial shutdown of construction sites, a temporary slowdown in production and the postponement of orders.

## 1.4. VARIATION IN THE GROUP'S RESULTS

Segment information is presented in accordance with IFRS 8 based on internal management reports.

Result (in thousands of euros)	06.2020	06.2019	Variation June 2019/2020	12.2019
<b>FREIGHT RAILCARS</b>				
Gross operating margin (EBITDAR)	17 450	12 935	4 515	28 633
Net distributions to investors	(3 471)	(2 658)	(813)	(5 552)
EBITDA	13 979	10 277	3 702	23 081
Segment-based current operating income	6 405	3 551	2 854	9 154
<b>RIVER BARGES</b>				
Gross operating margin (EBITDAR)	1 861	1 380	481	3 502
Net distributions to investors				
EBITDA	1 861	1 380	481	3 502
Segment-based current operating income	210	59	151	511
<b>CONTAINERS</b>				
Gross operating margin (EBITDAR)	25 701	28 156	(2 455)	56 666
Net distributions to investors	(19 414)	(24 344)	4 930	(47 840)
EBITDA	6 287	3 812	2 475	8 826
Segment-based current operating income	4 359	2 149	2 210	5 281
<b>TOTAL SEGMENTS (excluding Miscellaneous &amp; eliminations)</b>				
Gross operating margin (EBITDAR) (excluding Miscellaneous & eliminations)	45 012	42 471	2 541	88 801
Net distributions to investors	(22 885)	(27 001)	4 116	(53 392)
EBITDA (excluding Miscellaneous & eliminations)	22 127	15 468	6 659	35 409
Segment-based current operating income (excluding Miscellaneous & eliminations)	10 974	5 759	5 215	14 946
<b>Miscellaneous &amp; eliminations</b>	(161)	(178)	17	187
<b>Current operating income</b>	<b>10 813</b>	<b>5 581</b>	<b>5 232</b>	<b>15 135</b>
Other operating revenues and expenses	2		2	
<b>Operating income</b>	<b>10 815</b>	<b>5 581</b>	<b>5 234</b>	<b>15 135</b>
Financial result	(6 203)	(6 589)	386	(14 449)
<b>Profit before tax</b>	<b>4 612</b>	<b>(1 008)</b>	<b>5 620</b>	<b>686</b>
Corporate income tax	(901)	(509)	(392)	(1 485)
<b>EARNINGS FROM RETAINED OPERATIONS</b>	<b>3 711</b>	<b>(1 516)</b>	<b>5 227</b>	<b>(799)</b>
<b>EARNINGS FROM DISCONTINUED OPERATIONS</b>	<b>(48)</b>	<b>(521)</b>	<b>473</b>	<b>(741)</b>
<b>CONSOLIDATED NET INCOME</b>	<b>3 663</b>	<b>(2 037)</b>	<b>5 700</b>	<b>(1 540)</b>
- non controlling interests (Minority interests) from retained operations	1 188	496	692	1 158
- non controlling interests (Minority interests) from discontinued operations				
<b>CONSOLIDATED NET ATTRIBUTABLE INCOME</b>	<b>2 475</b>	<b>(2 534)</b>	<b>5 009</b>	<b>(2 698)</b>
Including EARNINGS FROM RETAINED OPERATIONS	2 523	(2 013)	4 536	(1 957)
Including EARNINGS FROM DISCONTINUED OPERATIONS	(48)	(521)	473	(741)

The **Freight Railcar** division presents a current operating income that has increased by €2.9 million. This increase is mainly due to the increase of syndication, sales of equipment to customers and leasing revenue, and the decrease of operating expenses.

The **River Barges** division presents a current operating income that has increased by €0.2 million compared to June 2019. The decrease in the leasing activity, and mainly the decrease of chartering activity, is offset by the decrease in operating expenses, including the chartering expenses.

The **Containers** division presents an operating income that has increased by €2.2 million on 30 June 2020. This increase is attributable to higher container sales.

## 1.5. OTHER ITEMS OF THE CONSOLIDATED RESULTS

### I Financial result

The financial result showed an expense of €6.2 million at June 30, 2020 compared with €6.6 million at June 30, 2019. The financial result mainly comprises interest charges.

**I Net result – Group’s share**

The consolidated net income (Group's share) returns positive with €2.5 million at June 30, 2020 compared with a loss of -€2.5 million at June 30, 2019.

Net earnings per share amounted to €0.35 (-€0.36 in June 2019).

**1.6. GROUP CONSOLIDATED BALANCE SHEET**

The consolidated balance sheet total at June 30, 2020 amounted to €458 million, compared with €446.8 million at December 31, 2019.

Non-current assets totalled €347.6 million (including property, plant and equipment worth €319.8 million) at June 30, 2020 compared with €352.2 million (including property, plant and equipment worth €296.9 million) at December 31, 2019.

Long-term financial assets amounted to €5.4 million at June 30, 2020 compared with €5.2 million at December 31, 2019.

Stocks at June 30, 2020 amounted to €35.9 million compared with €43.7 million at December 31, 2019.

Shareholders equity amounted to €123.7 million at June 30, 2020, compared with €123.1 million at December 31, 2019.

Non-current liabilities amounted to €129.2 million at June 30, 2020, stable compared with December 31, 2019 (€129.2 million).

Consolidated net financial indebtedness (after deducting cash and marketable securities and short-term derivative instruments assets) amounted to €208 million (€199.3 million in December 2019).

**1.7. PRINCIPAL OUTSTANDING INVESTMENTS**

**I Main investments (non-group) of the fleet managed by Touax for third parties (investors)**

- Freight railcars:
  - Sales of wagons belonging to investors, leading to a fall in the value of the fleet managed on behalf of third parties for €13 million (gross value), including €3.7 million bought back by the Touax Group.
  - Syndication for €7.7 million.
- Containers:
  - Sale of second-hand containers from investors leading to a decrease in the value of the fleet for €65.5 million (gross value), including €11.1 million of containers sold to the Touax Group.

**I Main investments on TOUAX’s own behalf**

Net capital assets investments <i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Net intangible investments		16	10
Net tangible investments	28 199	10 127	12 083
Net financial investments	251	61	(2 601)
<b>TOTAL NET INVESTMENTS IN ASSETS</b>	<b>28 450</b>	<b>10 205</b>	<b>9 492</b>

These are acquisitions of fixed assets in gross value less the gross values of the transfers of fixed assets.

Breakdown by business of net capital assets investments <i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Freight Railcars	16 318	9 535	3 930
River Barges	2 906	(270)	335
Containers	9 257	1 104	7 955
Miscellaneous	(31)	(165)	(2 728)
<b>TOTAL NET INVESTMENTS IN ASSETS</b>	<b>28 450</b>	<b>10 205</b>	<b>9 492</b>

**I Firm investment commitments**

Firm orders and investments at June 30, 2020 amounted to €64.8 million, consisting of €59.5 million for freight railcars and €5.3 million for containers.

## **1.8. POST BALANCE SHEET EVENTS**

The Covid-19 pandemic has cast doubt over future activities, although to date the Group has shown impressive resilience. Performance over the coming quarters could therefore be affected, depending on the timing and form of the global economic recovery. In anticipation of a potential delay in payments receivable from its customers, which would temporarily impact the revenues of the Group's French companies, in July 2020 Touax SCA signed a State Guaranteed Scheme for a total amount of €4.4 million, split evenly between two French banks.

On 7 August 2020, Touax SCA has announced that its subsidiary Touax Rail Limited has entered into a final agreement with DIF Capital Partners to increase its capital by €81.9 million to accelerate the development of its long term leasing activities of freight wagons in Europe and Asia. Touax SCA will remain the main shareholder holding 51% of the capital and 49% will be owned by its new partner DIF Capital Partners, through its DIF Core Infrastructure Fund II. Touax expects to close the transaction by the end of September. The Touax Group retains control of its subsidiary TOUAX RAIL Ltd.

## **1.9. OUTLOOK**

The economic outlook is highly dependent on how the health crisis develops, its management by government authorities, and the solutions implemented to mitigate the effects of the COVID-19 pandemic, protect people and the economy, and promote solidarity.

From a structural point of view, freight transport markets require the replacement of ageing railcar fleets in Europe and containers around the world.

In the short-term context, operators may opt to outsource their assets and seek financing solutions through the leasing of equipment.

In an economic environment presenting much lower growth, TOUAX could potentially generate growth in structurally promising renewal markets, and gradually increase its profitability by rebuilding its own asset base through the outsourcing of its customers' assets.

## **1.10. RISKS AND UNCERTAINTIES REGARDING THE SECOND HALF-YEAR**

Risk management is detailed in the 2019 universal registration document filed with the AMF under number D.20-0419 dated 30 April 2020. TOUAX does not anticipate any changes to the risks as described in the 2019 universal registration document.

The consequences of the COVID-19 coronavirus pandemic are difficult to predict, and it is impossible to determine the duration of the major economic disruptions that are, in particular, having an impact on international freight traffic and on the financial health of many companies. Such events could lead to the inability of Group companies to lease equipment and make it impossible for Group tenants to meet their leasing payment obligations to Group companies, which, in turn, would have a significant adverse effect on the Group's financial results. The health crisis may have the effect of accentuating the risks previously identified, such as currency volatility, falling demand, lower global growth, etc. These effects could adversely affect our financial situation, operating results and cash flows.

## **1.11. PRINCIPAL RELATED-PARTY TRANSACTIONS**

The nature of the transactions carried out by the Group with related parties is described in Note 35 of the Notes to the 2019 consolidated financial statements. There were no significant changes to related-party transactions during the first half of 2020.

## 2. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Consolidated income statement, presented by function (in thousands of euros)	06.2020	06.2019 (*)	12.2019 (*)
Leasing revenues on owned equipment	26 558	23 884	50 211
Leasing revenues on managed equipment	28 894	32 579	62 823
Ancillary services	9 301	9 470	21 811
<b>Total leasing activity</b>	<b>64 753</b>	<b>65 933</b>	<b>134 845</b>
Sales of owned equipment	13 089	10 196	27 348
Margin on sales of managed equipment	3 010	2 528	4 894
<b>Total sales of equipment</b>	<b>16 099</b>	<b>12 724</b>	<b>32 242</b>
<b>TOTAL REVENUE</b>	<b>80 852</b>	<b>78 657</b>	<b>167 087</b>
Fees on syndication	464	382	1 467
Capital gains or losses on disposals unrelated to recurring activities	15	456	455
<b>Revenue from activities</b>	<b>81 331</b>	<b>79 495</b>	<b>169 009</b>
Cost of sales of equipment	(10 406)	(8 785)	(22 644)
Operating expenses	(14 623)	(16 478)	(33 873)
Sales, general and administrative expenses	(10 835)	(11 175)	(22 202)
<b>GROSS OPERATING MARGIN (EBITDAR)</b>	<b>45 467</b>	<b>43 057</b>	<b>90 290</b>
Net distributions to investors	(22 885)	(27 002)	(53 392)
<b>EBITDA</b>	<b>22 582</b>	<b>16 055</b>	<b>36 898</b>
Depreciation, amortization and impairments	(11 769)	(10 474)	(21 763)
<b>CURRENT OPERATING INCOME</b>	<b>10 813</b>	<b>5 581</b>	<b>15 135</b>
Other operating revenues (expenses), net	2		
<b>OPERATING INCOME</b>	<b>10 815</b>	<b>5 581</b>	<b>15 135</b>
Interest income	15	20	38
Interest expense (**)	(6 071)	(5 287)	(11 884)
<b>Net interest expense</b>	<b>(6 056)</b>	<b>(5 267)</b>	<b>(11 846)</b>
Other financial income (expenses), net (**)	(147)	(1 322)	(2 603)
<b>NET FINANCIAL EXPENSE</b>	<b>(6 203)</b>	<b>(6 589)</b>	<b>(14 449)</b>
Profit (loss) of investments in associates			
<b>PROFIT BEFORE TAX</b>	<b>4 612</b>	<b>(1 008)</b>	<b>686</b>
Income tax benefit (expense)	(901)	(509)	(1 485)
Earnings from retained operations	3 711	(1 517)	(799)
Earnings from discontinued operations	(48)	(521)	(741)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>3 663</b>	<b>(2 038)</b>	<b>(1 540)</b>
<b>including portion attributable to</b>			
- non controlling interests (Minority interests) from retained operations	1 188	496	1 158
- non controlling interests (Minority interests) from discontinued operations			
<b>CONSOLIDATED NET INCOME (LOSS)</b>	<b>2 475</b>	<b>(2 534)</b>	<b>(2 698)</b>
Including earnings from retained operations	2 523	(2 013)	(1 957)
Including earnings from discontinued operations	(48)	(521)	(741)
Net earning per share (euro)	0,35	(0,36)	(0,39)
Diluted net earnings per share (euro)	0,35	(0,36)	(0,39)

(\*) On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method (see note 1.1).

(\*\*) Interests paid on lease agreement are presented under the item "Other financial income and expenses". It should be noted that interests paid on lease agreement were presented in the item "interest expense" in the condensed consolidated half-year financial statements presented on 30 June 2019.

<b>Consolidated income statement, presented by type</b>		<b>06.2020</b>	<b>06.2019</b>	<b>12.2019</b>
<b>note #</b>	<b>(in thousands of euros)</b>		<b>(*)</b>	<b>(*)</b>
	<b>Revenue</b>	<b>80 852</b>	<b>78 657</b>	<b>167 087</b>
	Fees on syndication	464	382	1 467
	Capital gains or losses on disposals unrelated to recurring activities	15	456	455
<b>5</b>	<b>Revenue from activities</b>	<b>81 331</b>	<b>79 495</b>	<b>169 009</b>
	Other purchases and external charges	(27 839)	(28 547)	(63 032)
<b>6</b>	Staff costs	(7 795)	(7 907)	(15 826)
	Other operating revenues & expenses	(1 511)	(490)	(1 878)
	<b>GROSS OPERATING PROFIT</b>	<b>44 186</b>	<b>42 551</b>	<b>88 273</b>
	Operating Provisions	1 281	506	2 017
	<b>GROSS OPERATING MARGIN (EBITDAR)</b>	<b>45 467</b>	<b>43 057</b>	<b>90 290</b>
<b>7</b>	Net distributions to investors	(22 885)	(27 002)	(53 392)
	<b>EBITDA</b>	<b>22 582</b>	<b>16 055</b>	<b>36 898</b>
	Depreciation, amortization and impairments	(11 769)	(10 474)	(21 763)
	<b>CURRENT OPERATING INCOME</b>	<b>10 813</b>	<b>5 581</b>	<b>15 135</b>
<b>8</b>	Other revenues (expenses), net	2		
	<b>OPERATING INCOME</b>	<b>10 815</b>	<b>5 581</b>	<b>15 135</b>
	Interest income	15	20	38
	Interest expense (**)	(6 071)	(5 287)	(11 884)
	<b>Net interest expense</b>	<b>(6 056)</b>	<b>(5 267)</b>	<b>(11 846)</b>
	Other financial income (expenses), net (**)	(147)	(1 322)	(2 603)
<b>9</b>	<b>NET FINANCIAL EXPENSE</b>	<b>(6 203)</b>	<b>(6 589)</b>	<b>(14 449)</b>
	Profit (loss) of investments in associates			
	<b>PROFIT BEFORE TAX</b>	<b>4 612</b>	<b>(1 008)</b>	<b>686</b>
<b>10</b>	Income tax benefit (expense)	(901)	(509)	(1 485)
	Earnings from retained operations	3 711	(1 517)	(799)
<b>11</b>	Earnings from discontinued operations	(48)	(521)	(741)
	<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>3 663</b>	<b>(2 038)</b>	<b>(1 540)</b>
	<b>Including portion attributable to:</b>			
	- non controlling interests (Minority interests) from retained operations	1 188	496	1 158
	- non controlling interests (Minority interests) from discontinued operations			
	<b>CONSOLIDATED NET INCOME (LOSS)</b>	<b>2 475</b>	<b>(2 534)</b>	<b>(2 698)</b>
	Including earnings from retained operations	2 523	(2 013)	(1 957)
	Including earnings from discontinued operations	(48)	(521)	(741)
<b>12</b>	Net earnings per share	0,35	(0,36)	(0,39)
<b>12</b>	Diluted earnings per share	0,35	(0,36)	(0,39)

(\*) On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method (see note 1.1).

(\*\*) Interests paid on lease agreement are presented under the item "Other financial income and expenses". It should be noted that interests paid on lease agreement were presented in the item "interest expense" in the condensed consolidated half-year financial statements presented on 30 June 2019.

Statement of comprehensive income for the period			
(in thousands of euros)	06.2020	06.2019	12.2019
<b>Profit (loss) for the financial year</b>	<b>3 663</b>	<b>(2 038)</b>	<b>(1 540)</b>
<b>Other items of the comprehensive income, net of taxes</b>			
Differences on conversion	(341)	277	350
Differences on conversion on net investment in subsidiaries	(246)	87	434
Gains and losses made on cash-flow hedging instruments (effective portion)	(62)	(649)	(247)
Tax on comprehensive income items	7	79	30
<b>Other items of the comprehensive income that may be subsequently reclassified as net income</b>	<b>(642)</b>	<b>(206)</b>	<b>567</b>
ORNANE fair value change attributable to credit risk (application of IFRS 9)		141	390
<b>Other items of the comprehensive income that cannot be subsequently reclassified as net income</b>		<b>141</b>	<b>390</b>
<b>Total Other items of comprehensive income, net of taxes</b>	<b>(642)</b>	<b>(65)</b>	<b>957</b>
of which non-controlling interests (minority interests)	(380)	71	(45)
of which Owners of the Group's parent company	(262)	(136)	1 002
	<b>(642)</b>	<b>(65)</b>	<b>957</b>
<b>Net income for the year</b>			
of which non-controlling interests (minority interests)	1 188	496	1 158
of which Owners of the Group's parent company	2 475	(2 534)	(2 698)
	<b>3 663</b>	<b>(2 038)</b>	<b>(1 540)</b>
<b>Global income for the year</b>			
of which non-controlling interests (minority interests)	808	567	1 113
of which Owners of the Group's parent company	2 213	(2 670)	(1 696)
<b>GLOBAL PROFIT/LOSS</b>	<b>3 021</b>	<b>(2 103)</b>	<b>(583)</b>

Consolidated balance sheet		06.2020	06.2019 (*)	12.2019 (*)
note #	(in thousands of euros)			
<b>ACTIF</b>				
13	Goodwill	5 101	5 101	5 101
	Intangible assets	638	695	714
14	Rental equipment & other property plant & equipment, net	319 845	296 369	296 856
16	Right of use	15 330	15 711	16 140
15	Long-term financial assets	5 364	11 195	5 250
15	Other non-current assets	1 273	1 042	1 104
	Deferred tax assets		92	
<b>Total non-current assets</b>		<b>347 551</b>	<b>330 205</b>	<b>325 165</b>
17	Inventory and work-in-progress	35 899	48 120	43 666
	Trade receivables, net	26 417	28 127	28 474
18	Other current assets	11 060	5 905	10 264
19	Cash and cash equivalents	37 080	59 036	39 277
<b>Total current assets</b>		<b>110 456</b>	<b>141 188</b>	<b>121 681</b>
<b>TOTAL ASSETS</b>		<b>458 007</b>	<b>471 393</b>	<b>446 846</b>
<b>LIABILITIES</b>				
	Share capital	56 092	56 092	56 092
	Hybrid capital	50 161	50 161	50 161
	Reserves	(11 535)	(1 651)	(5 791)
	Profit (loss) for the fiscal year, Group's share	2 475	(2 534)	(2 698)
<b>Equity attributable to the owners of the parent company</b>		<b>97 193</b>	<b>102 068</b>	<b>97 764</b>
	Non-controlling interests (Minority interests)	26 502	24 768	25 321
21	<b>Consolidated shareholders' equity</b>	<b>123 695</b>	<b>126 836</b>	<b>123 085</b>
19	Loans and borrowings	115 906	125 971	115 009
20	Long-term lease liabilities	10 166	8 936	11 097
	Deferred tax liabilities	3 144	2 017	2 616
	Employee benefits	439	353	439
	Other long-term liabilities	1 201	42	
<b>Total non-current liabilities</b>		<b>130 856</b>	<b>137 319</b>	<b>129 161</b>
22	Provisions	70	93	95
20	Short-term lease liabilities	1 976	1 461	1 895
19	Loans and borrowings	129 166	128 684	123 585
	Trade payables	18 522	18 168	16 099
23	Other current liabilities	53 722	58 832	52 926
<b>Total current liabilities</b>		<b>203 456</b>	<b>207 238</b>	<b>194 600</b>
<b>TOTAL LIABILITIES</b>		<b>458 007</b>	<b>471 393</b>	<b>446 846</b>

(\*) On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method (see note 1.1).

Change in consolidated shareholders' equity

	Share capital (2)	Premiums (2)	Consolidated reserves	Conversion reserves	Cash flow hedge (1)	Overall income for the period	Shareholders' equity attributable to owners of parent company	Non controlling interests (Minority interests)	TOTAL Shareholders' equity
<i>(in thousands of euros)</i>									
<b>Situation on 1 January 2019</b>	<b>56 092</b>	<b>6 926</b>	<b>36 183</b>	<b>10 735</b>	<b>(721)</b>	<b>(4 158)</b>	<b>105 057</b>	<b>24 057</b>	<b>129 114</b>
Other items of the comprehensive income that may be subsequently reclassified as net income				277	(554)		(277)	71	(206)
Other elements of the comprehensive income that cannot be subsequently reclassified as net income					141		141		141
Profit/loss for the period						(2 534)	(2 534)	496	(2 038)
<b>TOTAL accounted expenses and income</b>				<b>277</b>	<b>(413)</b>	<b>(2 534)</b>	<b>(2 670)</b>	<b>567</b>	<b>(2 103)</b>
Capital increases								380	380
Repayment of shareholders' equity									
Appropriation of overall 2018 net income			(4 158)			4 158			
Statutory remuneration of general partners		(257)					(257)		(257)
Dividends								(310)	(310)
Change in the scope of consolidation and others			(74)				(74)	74	
Treasury shares			12				12		12
<b>On 30 June 2019</b>	<b>56 092</b>	<b>6 669</b>	<b>31 963</b>	<b>11 012</b>	<b>(1 134)</b>	<b>(2 534)</b>	<b>102 068</b>	<b>24 768</b>	<b>126 836</b>
<b>Situation on 1 January 2020</b>	<b>56 092</b>	<b>6 669</b>	<b>26 685</b>	<b>11 556</b>	<b>(540)</b>	<b>(2 698)</b>	<b>97 764</b>	<b>25 321</b>	<b>123 085</b>
Other items of the comprehensive income that may be subsequently reclassified as net income				(211)	(51)		(262)	(380)	(642)
Other elements of the comprehensive income that cannot be subsequently reclassified as net income									
Profit/loss for the period						2 475	2 475	1 188	3 663
<b>TOTAL accounted expenses and income</b>				<b>(211)</b>	<b>(51)</b>	<b>2 475</b>	<b>2 213</b>	<b>808</b>	<b>3 021</b>
Capital increases								779	779
Repayment of shareholders' equity									
Appropriation of overall 2019 net income			(2 698)			2 698			
Statutory remuneration of general partners		(369)					(369)		(369)
Dividends								(392)	(392)
Hybrid Capital Coupon			(2 439)				(2 439)		(2 439)
Change in the scope of consolidation and others			10				10	(14)	(4)
Treasury shares			14				14		14
<b>On 30 June 2020</b>	<b>56 092</b>	<b>6 300</b>	<b>21 572</b>	<b>11 345</b>	<b>(591)</b>	<b>2 475</b>	<b>97 193</b>	<b>26 502</b>	<b>123 695</b>

(1) The effective part of the cash flow hedge on interest rate instruments is recognised in shareholders' equity

(2) Including redeemable warrants and stock options

Consolidated shareholders' equity includes hybrid debt of €50.2 million.

<b>Consolidated Cash Flow Statement</b>			
<i>(in thousands of euros)</i>			
	<b>06.2020</b>	<b>06.2019 (*)</b>	<b>12.2019 (*)</b>
Net income from continuing activities	3 711	(1 517)	(799)
Net income from discontinued operations	(48)	(521)	(741)
Depreciation and amortization	11 767	10 064	21 359
Change in deferred taxes	537	(14)	626
Capital gains & losses on disposals	(518)	(790)	(2 393)
Other non-cash income (expenses), net	333	835	1 453
<b>Self-financing capacity after cost of net financial debt &amp; tax</b>	<b>15 782</b>	<b>8 057</b>	<b>19 505</b>
Net interest expense (***)	6 056	5 267	11 846
Interests paid on lease agreement (**)	220	156	366
Income tax paid	363	523	859
<b>Self-financing capacity before cost of net financial debt &amp; tax</b>	<b>22 421</b>	<b>14 003</b>	<b>32 576</b>
Income tax paid	(363)	(523)	(859)
A Change in working capital (excluding changes in inventory)	6 364	14 329	4 529
B Change in inventory	2 255	1 318	6 053
C Change in working capital related to rental equipment purchases	(1 438)	(17 427)	(17 027)
Purchase of rental equipment	(31 323)	(9 679)	(31 856)
Proceed from sale of rental equipment	2 580	1 934	14 639
Net impact of finance leases granted to customers	97	145	293
<b>Sub-total</b>	<b>(27 829)</b>	<b>(23 709)</b>	<b>(27 898)</b>
<b>I - CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>593</b>	<b>4 100</b>	<b>8 348</b>
<b>Investing activities</b>			
Acquisition of PPE and intangible assets	(206)	(151)	(291)
Acquisition of equity interests			
Net change in financial fixed assets	(351)	(206)	2 304
Proceed from sale of property, plant and equipment	16	456	456
Cash flows from the subsidiaries (perimeter entries or exits)	(22)	541	468
Proceeds from disposal of financial assets			73
<b>II - CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(563)</b>	<b>640</b>	<b>3 010</b>
<b>Financing transactions</b>			
Receipt from borrowings	11 052	46 127	63 481
Repayments of borrowings	(6 564)	(11 868)	(43 972)
<b>Net change in borrowings (***)</b>	<b>4 488</b>	<b>34 259</b>	<b>19 509</b>
Repayments of lease liabilities	(1 013)	(3 906)	(1 825)
Net increase in shareholders' equity (capital increase)	779	382	385
Net interest expense (***)	(6 056)	(5 267)	(11 846)
Interests paid on lease agreement (**)	(220)	(156)	(366)
Dividends to shareholders of TOUAX SCA			
Dividends to minority shareholders		(31)	(30)
General Partners' statutory compensation			(257)
Hybrid capital coupons	(2 439)		(5 230)
Others	(50)	(23)	(24)
Net sale (acquisition) of treasury shares	15	12	15
<b>III - CASH FLOW FROM FINANCING TRANSACTIONS</b>	<b>(4 496)</b>	<b>25 270</b>	<b>331</b>
Effect of exchange rate fluctuations	88	(50)	28
<b>IV - CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS</b>	<b>88</b>	<b>(50)</b>	<b>28</b>
<b>CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)</b>	<b>(4 378)</b>	<b>29 960</b>	<b>11 717</b>
<b>Analysis of cash flow</b>			
Cash position at start of year	38 574	26 857	26 857
Cash position at year end	34 196	56 817	38 574
<b>CHANGE IN NET CASH POSITION</b>	<b>(4 378)</b>	<b>29 960</b>	<b>11 717</b>

(\*) On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method (see note 1.1).

(\*\*) Interests paid on lease agreement are presented under the item "Other financial income and expenses" of the Consolidated income statement. These interests has been reclassified on June 30, 2019.

(\*\*\*) The financial interest paid is shown in the lines "Net interest expense" and "Net change in borrowings" for a total of €4,961 thousand at 30/06/2020, of €4,294 thousand at 30/06/2019 and €11,112 thousand at 31/12/2019.

Net cash includes current bank facilities.

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
<b>Change in the operational working capital</b>			
Decrease/(increase) in inventory	2 255	1 318	6 053
<b>B Change in inventory (2)</b>	2 255	1 318	6 053
Decrease/(increase) in trade receivables	2 058	1 204	1 154
Decrease/(increase) in other current assets	(926)	116	(1 018)
(Decrease)/increase in trade payables	2 530	5 216	3 218
(Decrease)/increase in other liabilities	2 702	7 793	1 175
<b>A Change in operating working capital excluding change in inventory (1)</b>	6 364	14 329	4 529
<b>Change in the working capital (1)+(2)</b>	<b>8 619</b>	<b>15 647</b>	<b>10 582</b>
<b>C Change in Working Capital for investment</b>			
Decrease / (increase) in receivables / fixed assets			
Decrease / (increase) in liabilities / fixed assets	(1 438)	(17 427)	(17 027)
<b>Change in Working Capital for investment</b>	<b>(1 438)</b>	<b>(17 427)</b>	<b>(17 027)</b>

## NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

### note 1. ACCOUNTING RULES AND METHODS

#### note 1.1. BASIS FOR PREPARING AND PRESENTING THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD TO JUNE 30, 2020

The consolidated financial statements of TOUAX SCA are presented in accordance with international standards (IFRS – International Financial Reporting Standards) approved by the European Union. The condensed consolidated half-year financial statements have been drawn up in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated half-year accounts do not contain all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated accounts for the year ended 31 December 2019 available in the Group's 2019 universal registration document.

The accounting principles and methods of assessment have been applied consistently for the periods presented. The interim financial statements have been drawn up in accordance with the same rules and methods used to draw up the annual financial statements, except for the changes from new standards applicable at 1 January 2020 and for the calculation of the current and deferred income tax expense. The income tax expense has been calculated by applying the estimated annual average tax rate for the current fiscal year for each entity or tax group, to the accounting income for the period.

However, for the interim financial statements, in accordance with IAS 34, certain assessments (unless otherwise indicated) may be based to a greater extent on estimates rather than on the annual financial data.

The condensed consolidated half-year financial statements for the period to June 30, 2020 and the notes to these financial statements were approved on September 9, 2020 by the TOUAX SCA Management Board.

The condensed interim consolidated financial statements are presented in euros rounded up or down to the nearest thousand euros, unless otherwise stated.

#### ■ Standards, amendments and interpretations adopted by the European Union and which must be applied from 1 January 2020

##### Impact of IFRS 16 "Leases" on the consolidated accounts:

For contracts in which the Group is a lessee, Touax has used the simplified retrospective transition approach, without measuring the value of the right of use underlying the contract for the application of IFRS 16 at 1st January 2019.

Touax Group is an operational rental company of standardised and sustainable transport equipment. Touax therefore signs rental contracts with its customers. These contracts are evaluated as lessor according to IFRS 16 as specified below.

##### Touax as lessor, or intermediate lessor:

- As part of its activity as an equipment rental company, the Group may own equipment outright, or manage it on behalf of third parties ("investors"). It is a lessor when it leases equipment directly owned by the Group, and an intermediate lessor when it sublets managed equipment on behalf of investors.
- A lease (or sublease) is classed as a financial lease if the lessor (or the intermediate lessor) transfers almost all of the risks and benefits of owning the asset to the lessee. In the case of subleases, the asset is the right of use and not the equipment itself.
- Under the current lease or sublease contracts where Touax acts as lessor or as intermediate lessor respectively:
  - Touax does not transfer ownership of the asset to the lessee at the end of the contract term.
  - To date, no rental contract covers the majority of the remaining life of the equipment or right of use, as the case may be.

- At contract inception, the present value of lease payments is never at least equal to the majority share of the fair value of the leased asset (equipment or right of use).
- The equipment leased is standard and never bespoke.
- Touax, whether it owns the equipment or manages it on behalf of a third party, decides when the equipment will be sold, if at all.

For these reasons, current equipment lease and sublease contracts are classed as operating leases.

Touax in the context of syndication transactions:

- The Group purchases equipment and carries them on its balance sheet. It leases its equipment to its customers. It then sells some of its equipment to investors and at the same time signs management contracts with them ("syndication transaction"). A return is not guaranteed to investors.

Within the meaning of IFRS 16, syndication transactions are analysed as sale and leaseback transactions (where Touax is the seller-lessee and the investor the buyer-lessor) in which leases to customers become sublease contracts (where Touax is the intermediate lessor and the customer is the lessee). Touax gives the investor the income actually collected as part of the subleases, net of a management commission, operational expenses relating to the management of assets, and payment defaults. From an accounting standpoint, these redistributions to investors constitute variable rent paid by the Group.

- Discussions have taken place within the IFRS Interpretation Committee (IFRS-IC) regarding sale and leaseback transactions which include variable rents. These discussions resulted in the publication of a final decision on 29 June 2020. The application of the IFRS IC decision of June 2020 will have an impact on the Group's financial statements when it can be implemented.

Based on the current provisions of IFRS 16 relating to sale and leaseback transactions, until June 2020 Touax considered that syndication fees, which correspond to the gain on sales, should be fully recognised in profit or loss without recognition of a right of use or of a lease liability for the leasing of assets sold to investors, because the income distributed to investors is variable and depends entirely on the profitability of the equipment (the Group does not guarantee any return). Syndication transactions carried out since 1<sup>st</sup> January 2019 have therefore given rise to the recognition of a gain of €1.5 million for the 2019 financial year, €0.4 million for the first half of 2019, and €0.5 million for the first half of 2020 under "Fees on syndication" in the income statement.

The IFRS-IC has definitively concluded that leases resulting from a sale and leaseback transaction must give rise to the recognition of a right of use and a liability even if the rents are fully variable. IFRS 16 requires that in the context of sale and leaseback transactions, the share of gain on sale to be recognised in the income statement should be determined on the basis of the share of the asset effectively transferred to the investor, and the right-of-use asset valued as the proportion of the carrying amount of the asset that relates to the right of use retained. IFRS IC therefore considers that the variable nature of lease payments in a sale and leaseback transaction has no impact on the measurement of the right of use and the liability.

For Touax, this means that:

- Fees on syndication may only be partially recognised in the income statement at the time of the syndication transaction;
- A right of use and a liability relating to the leaseback of assets sold to investors could be recognised in the balance sheet.
- Subleases resulting from syndication transactions carried out since 1<sup>st</sup> January 2019 could then be classified as either an operating or finance lease with reference to this right of use.

This decision does not deal with the classification of the liability as either a rental debt or a financial liability, nor the terms of its subsequent valuation. Discussions are ongoing on this topic at the IASB with a view to amending IFRS 16 on these points.

In light of the IFRS IC's decision issued on 29 June, the day before the end of the half-year reporting period, which requires the use of estimates based on uncertainties, Touax is currently analysing the accounting impacts on syndication transactions and the classification of subleases of syndicated equipment, but is currently unable to determine the precise effects on the evaluation of the right of use, lease liabilities, gains from the sale of syndication transactions, due to:

- the use of very broad estimates to determine details such as the transferred/retained portion of the assets and the marginal debt ratio to be used for the subsequent valuation of liabilities, because the estimates have to be based on a long-term outlook with variable rents depending entirely on future events,
- heavy reliance on the exercise of judgement when determining the relevant accounting principles for the subsequent valuation of the liability, pending explicit provisions on the matter from the IASB as a result of its discussions on this subsequent valuation,
- the significant volume of the assets concerned.

Consequently, given how close the final IFRS IC decision (29 June) was to the half-year reporting date, the complexity of its implementation and the additional details expected from the IASB, the Group was unable to apply the decision to the condensed consolidated half-year financial statements for the period ending 30 June 2020. However, the Group does not expect the IFRS-IC decision to have a significant impact on the classification of subleases, based on the criteria described above.

This decision will be taken into account retrospectively as of 1<sup>st</sup> January 2019 during the next account publication.

Indeed, only transactions completed after 1<sup>st</sup> January 2019 are affected by the decision from the IFRS-IC, since paragraph C16 of IFRS 16 stipulates that entities should not reassess any transfers of control under IFRS 15 for sale and leaseback transactions prior to the date of initial application, nor should they revise the accounting treatment of transactions prior to the transition date. In accordance with IFRS 16.C18.a, Touax has accounted for operating leases from past transactions like other contracts in which Touax is a lessee, with no right of use recognised on the balance sheet, since the lease payments made to investors are totally variable.

In summary, as of 30 June 2020, the Group's current analyses relate only to syndication transactions carried out from the 1<sup>st</sup> January 2019. These analyses are notably based on assumptions, the reality of which is uncertain pending the provisions of the IASB with regard to the subsequent valuation of liabilities.

**Other standards applicable at 1<sup>st</sup> January 2020:**

- Amendment to IFRS 3, Business Combinations: this amendment has no significant impact on the half-year consolidated financial statements at 30 June 2020.
- Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendment improves the definition of materiality to help companies determine whether information should be disclosed in financial statements. This amendment has no significant impact on the half-year consolidated financial statements at 30 June 2020.
- Amendments to IFRS 9, IAS 39 and IFRS 7: The amendment introduces temporary and limited exemptions in terms of hedge accounting during the transition period between the old and new benchmark rates as a result of the reform of these rates (IBOR reform). This amendment has no significant impact on the half-year consolidated financial statements at 30 June 2020.
- Amendments to references to the Conceptual Framework in IFRS standards: This amendment updated the references made to this Framework in various standards compared to the Conceptual Framework published in 2018.

**■ Standards and interpretations adopted by the IASB but not yet applicable on 30 June 2020**

The Group does not anticipate that any of the new standards and interpretations listed below may be relevant to it and the application of which is not mandatory on 1<sup>st</sup> January 2020:

- IFRS 16 Amendment – COVID-19 Related Rent Concessions: The amendment is effective for financial periods beginning on or after 1 June 2020, with earlier application permitted. It introduces an optional practical expedient whereby lessees, under certain conditions, are not required to assess whether rent concessions resulting from COVID-19 are a lease modification, and can therefore account for them as if they were not.
- Amendment to IAS 1 – Classification of liabilities as current or non-current: The amendment aims to clarify the conditions for classifying a liability as current or non-current. The classification should be based on whether or not a right is in existence at the end of the reporting period, to defer settlement of the liability. It is not affected by the entity's intentions for this payment or by the likelihood of it exercising its right to defer.
- Amendment to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: The amendment defines the unavoidable costs to be taken into account when measuring the costs for assessing whether a contract is onerous.

**note 1.2. ESTIMATES**

Drawing up financial statements in accordance with IFRS standards has led the management to make estimates and assumptions affecting the book value of certain assets and liabilities, income and expenses, as well as the information given in certain notes to the financial statements.

Since these assumptions are intrinsically uncertain, the actual figures may differ from the estimates. The Group regularly reviews its estimates and assessments in order to take past experience into account and factor in any elements considered relevant regarding economic conditions.

The financial assets and information subject to significant estimates concern in particular the appraisal of any loss in value of tangible assets, valuation of goodwill (see note 13), financial assets (see note 15), derivative financial instruments (see note 15), inventories and work in progress (see note 17), provisions for risks and charges (see note 22), and deferred taxes (see note 10).

The average interest rates used to calculate future rents are 4.25% for property leases and 2.45% for equipment leases.

- For property leases, the rate applied was determined on the basis of the historical borrowing rate.
- For equipment leasing contracts:

At the Euribor rate corresponding to the duration of each lease, a credit spread was applied to the Freight Railcars and Containers operational entities established using the latest asset financings carried out in 2018. These spreads reflect the level at which the operational divisions could refinance over a period of 2 to 5 years.

**note 1.3. SEASONAL NATURE OF THE BUSINESS**

The Group's businesses do not show a marked seasonal activity.

**note 2. THE IMPACT OF THE COVID-19 FOR THE TOUAX GROUP**

Significant health measures have been implemented by many countries to limit the spread of the virus: travel restrictions, compulsory quarantine periods for people from affected regions, closing of borders, confinement of populations, closing of shops other than those selling basic necessities, closing of hotels, theatres, public places, etc. These measures are causing major economic disruption with implications for international freight traffic and the financial health of many businesses. Such events could lead to the inability of Group companies to lease equipment and make it impossible for Group tenants to meet their leasing payment obligations to Group companies, which, in turn, would have a significant adverse effect on the Group's financial results.

The Group has not been significantly impacted by the health crisis during the first half of 2020. To date, the performance of the Group's activities has been better than in 2019. We are unable to anticipate the impact of the pandemic on the Group for the second half of 2020 and the following periods due to the extreme unpredictability of these events.

The Group has not made use of the French partial unemployment scheme.

**note 3. CHANGES IN THE SCOPE OF CONSOLIDATION**

In the first quarter of the year, the Touax Group, through its subsidiary Touax Rail Ltd, sold its shares in CFCL Touax Llc, which is therefore no longer part of the Touax Group. The impacts of this transaction are not significant.

**note 4. SEGMENT INFORMATION**

In accordance with IFRS 8 Operating Segments, the information presented below for each operating segment comes from the internal management discussion and analysis and is the same as that presented to the Group's management.

**note 4.1. INCOME STATEMENT BY DIVISION**

June 30, 2020 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	Total
Leasing revenues on owned equipment	18 322	3 053	5 159	24	26 558
Leasing revenues on managed equipment	7 979		20 915		28 894
Ancillary services	3 783	1 893	3 703	(78)	9 301
<b>Total leasing activity</b>	<b>30 084</b>	<b>4 946</b>	<b>29 777</b>	<b>(54)</b>	<b>64 753</b>
Sales of owned equipment	1 601		8 257	3 231	13 089
Margin on sales of managed equipment			3 010		3 010
<b>Total sales of equipment</b>	<b>1 601</b>		<b>11 267</b>	<b>3 231</b>	<b>16 099</b>
<b>TOTAL REVENUE</b>	<b>31 685</b>	<b>4 946</b>	<b>41 044</b>	<b>3 177</b>	<b>80 852</b>
Fees on syndication	446		18		464
Capital gains or losses on disposals unrelated to recurring activities				15	15
<b>REVENUE FROM ACTIVITIES</b>	<b>32 131</b>	<b>4 946</b>	<b>41 062</b>	<b>3 192</b>	<b>81 331</b>
Cost of sales of equipment	(755)		(6 924)	(2 727)	(10 406)
Operating expenses	(8 380)	(1 733)	(4 329)	(181)	(14 623)
General, commercial and administrative expenses	(5 546)	(1 352)	(4 108)	171	(10 835)
<b>GROSS OPERATING MARGIN (EBITDAR)</b>	<b>17 450</b>	<b>1 861</b>	<b>25 701</b>	<b>455</b>	<b>45 467</b>
Net distributions to investors	(3 471)		(19 414)		(22 885)
<b>EBITDA</b>	<b>13 979</b>	<b>1 861</b>	<b>6 287</b>	<b>455</b>	<b>22 582</b>
Depreciation, amortization and impairments	(7 574)	(1 651)	(1 928)	(616)	(11 769)
<b>CURRENT OPERATING INCOME</b>	<b>6 405</b>	<b>210</b>	<b>4 359</b>	<b>(161)</b>	<b>10 813</b>
Other revenues (expenses), net	(5)			7	2
<b>OPERATING INCOME</b>	<b>6 400</b>	<b>210</b>	<b>4 359</b>	<b>(154)</b>	<b>10 815</b>
<b>Net financial expense</b>					<b>(6 203)</b>
Shares of profit/(loss) of associates					
<b>PROFIT BEFORE TAX</b>					<b>4 612</b>
Income tax benefit (expense)					(901)
Earnings from retained operations					3 711
Earnings from discontinued operations					(48)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>					<b>3 663</b>
Of which non-controlling interests (Minority interests) from retained businesses					1 188
Of which non-controlling interests (Minority interests) from discontinued operations					
<b>CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE</b>					<b>2 475</b>
Including earnings from retained businesses					2 523
Including earnings from discontinued operations					(48)

June 30, 2019 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	Total
Leasing revenues on owned equipment	17 776	3 173	2 889	46	23 884
Leasing revenues on managed equipment	6 929		25 650		32 579
Ancillary services	3 578	2 560	3 308	24	9 470
<b>Total leasing activity</b>	<b>28 283</b>	<b>5 733</b>	<b>31 847</b>	<b>70</b>	<b>65 933</b>
Sales of owned equipment	149	42	4 842	5 163	10 196
Margin on sales of managed equipment			2 528		2 528
<b>Total sales of equipment</b>	<b>149</b>	<b>42</b>	<b>7 370</b>	<b>5 163</b>	<b>12 724</b>
<b>TOTAL REVENUE</b>	<b>28 432</b>	<b>5 775</b>	<b>39 217</b>	<b>5 233</b>	<b>78 657</b>
Fees on syndication			382		382
Capital gains or losses on disposals unrelated to recurring activities				456	456
<b>REVENUE FROM ACTIVITIES</b>	<b>28 432</b>	<b>5 775</b>	<b>39 599</b>	<b>5 689</b>	<b>79 495</b>
Cost of sales of equipment	(45)		(4 289)	(4 451)	(8 785)
Operating expenses	(10 235)	(2 980)	(2 807)	(456)	(16 478)
General, commercial and administrative expenses	(5 217)	(1 415)	(4 348)	(195)	(11 175)
<b>GROSS OPERATING MARGIN (EBITDAR)</b>	<b>12 935</b>	<b>1 380</b>	<b>28 155</b>	<b>587</b>	<b>43 057</b>
Net distributions to investors	(2 658)		(24 344)		(27 002)
<b>EBITDA</b>	<b>10 277</b>	<b>1 380</b>	<b>3 811</b>	<b>587</b>	<b>16 055</b>
Depreciation, amortization and impairments	(6 726)	(1 321)	(1 662)	(765)	(10 474)
<b>CURRENT OPERATING INCOME</b>	<b>3 551</b>	<b>59</b>	<b>2 149</b>	<b>(178)</b>	<b>5 581</b>
Other revenues (expenses), net					
<b>OPERATING INCOME</b>	<b>3 551</b>	<b>59</b>	<b>2 149</b>	<b>(178)</b>	<b>5 581</b>
<b>Net financial expense</b>					<b>(6 589)</b>
Shares of profit/(loss) of associates					
<b>PROFIT BEFORE TAX</b>					<b>(1 008)</b>
Income tax benefit (expense)					(509)
Earnings from retained operations					(1 517)
Earnings from discontinued operations					(521)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>					<b>(2 038)</b>
Of which non-controlling interests (Minority interests) from retained businesses					496
Of which non-controlling interests (Minority interests) from discontinued operations					
<b>CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE</b>					<b>(2 534)</b>
Including earnings from retained businesses					(2 013)
Including earnings from discontinued operations					(521)

December 31, 2019 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	Total
Leasing revenues on owned equipment	36 322	6 227	7 584	78	50 211
Leasing revenues on managed equipment	13 842		48 981		62 823
Ancillary services	8 220	5 447	8 262	(118)	21 811
<b>Total leasing activity</b>	<b>58 384</b>	<b>11 674</b>	<b>64 827</b>	<b>(40)</b>	<b>134 845</b>
Sales of owned equipment	1 664	148	11 683	13 853	27 348
Margin on sales of managed equipment			4 894		4 894
<b>Total sales of equipment</b>	<b>1 664</b>	<b>148</b>	<b>16 577</b>	<b>13 853</b>	<b>32 242</b>
<b>TOTAL REVENUE</b>	<b>60 048</b>	<b>11 822</b>	<b>81 404</b>	<b>13 813</b>	<b>167 087</b>
Fees on syndication	1 076		391		1 467
Capital gains or losses on disposals unrelated to recurring activities			(1)	456	455
<b>REVENUE FROM ACTIVITIES</b>	<b>61 124</b>	<b>11 822</b>	<b>81 794</b>	<b>14 269</b>	<b>169 009</b>
Cost of sales of equipment	(640)	(25)	(10 201)	(11 778)	(22 644)
Operating expenses	(21 115)	(5 507)	(6 245)	(1 006)	(33 873)
General, commercial and administrative expenses	(10 735)	(2 787)	(8 682)	2	(22 202)
<b>GROSS OPERATING MARGIN (EBITDAR)</b>	<b>28 633</b>	<b>3 502</b>	<b>56 666</b>	<b>1 487</b>	<b>90 290</b>
Net distributions to investors	(5 552)		(47 840)		(53 392)
<b>EBITDA</b>	<b>23 081</b>	<b>3 502</b>	<b>8 826</b>	<b>1 487</b>	<b>36 898</b>
Depreciation, amortization and impairments	(13 927)	(2 991)	(3 545)	(1 300)	(21 763)
<b>CURRENT OPERATING INCOME</b>	<b>9 154</b>	<b>511</b>	<b>5 281</b>	<b>187</b>	<b>15 135</b>
Other revenues (expenses), net					
<b>OPERATING INCOME</b>	<b>9 154</b>	<b>511</b>	<b>5 281</b>	<b>187</b>	<b>15 135</b>
<b>Net financial expense</b>					<b>(14 449)</b>
Shares of profit/(loss) of associates					
<b>PROFIT BEFORE TAX</b>					<b>686</b>
Income tax benefit (expense)					(1 485)
Earnings from retained operations					(799)
Earnings from discontinued operations					(741)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>					<b>(1 540)</b>
Of which non-controlling interests (Minority interests) from retained businesses					1 158
Of which non-controlling interests (Minority interests) from discontinued operations					
<b>CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE</b>					<b>(2 698)</b>
Including earnings from retained businesses					(1 957)
Including earnings from discontinued operations					(741)

note 4.2. BALANCE SHEET BY DIVISION

June 30, 2020 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
<b>ASSETS</b>					
Goodwill	5 101				5 101
Intangible assets	460	15	134	29	638
Rental equipment & other PPE, net	212 206	38 590	65 868	3 181	319 845
Right of use	160	12 964	440	1 766	15 330
Long-term financial assets	1 244	18	3 780	322	5 364
Other non-current assets	1 116	154		3	1 273
Deferred tax assets					
<b>TOTAL non-current assets</b>	<b>220 287</b>	<b>51 741</b>	<b>70 222</b>	<b>5 301</b>	<b>347 551</b>
Inventory and work-in-progress	24 435	2	8 928	2 534	35 899
Trade receivables, net	7 720	1 051	13 596	4 050	26 417
Other current assets	3 304	992	305	6 459	11 060
Cash and cash equivalents				37 080	37 080
<b>TOTAL current assets</b>	<b>35 459</b>	<b>2 045</b>	<b>22 829</b>	<b>50 123</b>	<b>110 456</b>
<b>TOTAL ASSETS</b>					<b>458 007</b>
<b>LIABILITIES</b>					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				(11 535)	(11 535)
Profit (loss) for the fiscal year, Group's share				2 475	2 475
<b>Equity attributable to the owners of the parent company</b>				<b>97 193</b>	<b>97 193</b>
Non controlling interests (Minority interests)	35 629			(9 127)	26 502
<b>Consolidated shareholders' equity</b>				<b>88 066</b>	<b>123 695</b>
Loans and borrowings				115 906	115 906
Long-term lease liabilities				10 166	10 166
Deferred tax liabilities				3 144	3 144
Employee benefits		40	52	347	439
Other long-term liabilities	1 201				1 201
<b>TOTAL non-current liabilities</b>	<b>1 201</b>	<b>40</b>	<b>52</b>	<b>129 563</b>	<b>130 856</b>
Provisions				70	70
Short-term lease liabilities				1 976	1 976
Loans and borrowings				129 166	129 166
Trade payables	12 187	981	1 839	3 515	18 522
Other current liabilities	8 722	704	31 333	12 963	53 722
<b>TOTAL current liabilities</b>	<b>20 909</b>	<b>1 685</b>	<b>33 172</b>	<b>147 690</b>	<b>203 456</b>
<b>TOTAL LIABILITIES</b>					<b>458 007</b>
<b>Tangible &amp; intangible investments during the period</b>	<b>17 412</b>	<b>2 925</b>	<b>11 093</b>	<b>99</b>	<b>31 529</b>
<b>Workforce by business (FTE)</b>	<b>60</b>	<b>8</b>	<b>37</b>	<b>129</b>	<b>234</b>

June 30, 2019 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
<b>ASSETS</b>					
Goodwill	5 101				5 101
Intangible assets	514	25	142	14	695
Rental equipment & other PPE, net	209 506	36 760	46 468	3 634	296 369
Right of use	400	8 389	673	6 248	15 711
Long-term financial assets	1 225	115	3 741	6 114	11 195
Other non-current assets	795	196	51		1 042
Deferred tax assets				92	92
<b>TOTAL non-current assets</b>	<b>217 541</b>	<b>45 486</b>	<b>51 076</b>	<b>16 102</b>	<b>330 205</b>
Inventory and work-in-progress	27 072	2	19 605	1 441	48 120
Trade receivables, net	7 558	1 518	16 018	3 033	28 127
Other current assets	927	930	682	3 367	5 905
Cash and cash equivalents				59 036	59 036
<b>TOTAL current assets</b>	<b>35 557</b>	<b>2 449</b>	<b>36 305</b>	<b>66 877</b>	<b>141 188</b>
<b>TOTAL ASSETS</b>					<b>471 393</b>
<b>LIABILITIES</b>					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				(1 651)	(1 651)
Profit (loss) for the fiscal year, Group's share				(2 534)	(2 534)
<b>Equity attributable to the owners of the parent company</b>				<b>102 068</b>	<b>102 068</b>
Non controlling interests (Minority interests)	33 239			(8 471)	24 768
<b>Consolidated shareholders' equity</b>				<b>93 597</b>	<b>126 836</b>
Loans and borrowings				125 971	125 971
Long-term lease liabilities				8 936	8 936
Deferred tax liabilities				2 017	2 017
Employee benefits		31	38	284	353
Other long-term liabilities			42		42
<b>TOTAL non-current liabilities</b>		<b>31</b>	<b>80</b>	<b>137 207</b>	<b>137 319</b>
Provisions				93	93
Short-term lease liabilities				1 461	1 461
Loans and borrowings				128 684	128 684
Trade payables	11 299	1 112	2 142	3 615	18 168
Other current liabilities	7 588	889	43 433	6 922	58 832
<b>TOTAL current liabilities</b>	<b>18 888</b>	<b>2 001</b>	<b>45 575</b>	<b>140 775</b>	<b>207 238</b>
<b>TOTAL LIABILITIES</b>					<b>471 393</b>
<b>Tangible &amp; intangible investments during the period</b>	<b>9 340</b>	<b>138</b>	<b>287</b>	<b>65</b>	<b>9 830</b>
<b>Workforce by business (FTE)</b>	<b>59</b>	<b>8</b>	<b>39</b>	<b>157</b>	<b>263</b>

December 31, 2020 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
<b>ASSETS</b>					
Goodwill	5 101				5 101
Intangible assets	494	20	165	35	714
Rental equipment & other PPE, net	201 601	36 694	55 152	3 409	296 856
Right of use	173	13 429	547	1 991	16 140
Long-term financial assets	1 257	17	3 771	205	5 250
Other non-current assets	928	176			1 104
Deferred tax assets					
<b>TOTAL non-current assets</b>	<b>209 554</b>	<b>50 336</b>	<b>59 635</b>	<b>5 640</b>	<b>325 165</b>
Inventory and work-in-progress	30 014	2	12 170	1 480	43 666
Trade receivables, net	7 722	1 023	16 032	3 697	28 474
Other current assets	3 112	731	404	6 017	10 264
Cash and cash equivalents				39 277	39 277
<b>TOTAL current assets</b>	<b>40 848</b>	<b>1 756</b>	<b>28 606</b>	<b>50 471</b>	<b>121 681</b>
<b>TOTAL ASSETS</b>					<b>446 846</b>
<b>LIABILITIES</b>					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				(5 791)	(5 791)
Profit (loss) for the fiscal year, Group's share				(2 698)	(2 698)
<b>Equity attributable to the owners of the parent company</b>				<b>97 764</b>	<b>97 764</b>
Non controlling interests (Minority interests)	33 961			(8 640)	25 321
<b>Consolidated shareholders' equity</b>				<b>89 124</b>	<b>123 085</b>
Loans and borrowings				115 009	115 009
Long-term lease liabilities				11 097	11 097
Deferred tax liabilities				2 616	2 616
Employee benefits		39	52	348	439
Other long-term liabilities					
<b>TOTAL non-current liabilities</b>		<b>39</b>	<b>52</b>	<b>129 070</b>	<b>129 161</b>
Provisions				95	95
Short-term lease liabilities				1 895	1 895
Loans and borrowings				123 585	123 585
Trade payables	9 086	819	2 261	3 933	16 099
Other current liabilities	12 294	641	33 149	6 842	52 926
<b>TOTAL current liabilities</b>	<b>21 380</b>	<b>1 460</b>	<b>35 410</b>	<b>136 350</b>	<b>194 600</b>
<b>TOTAL LIABILITIES</b>					<b>446 846</b>
<b>Tangible &amp; intangible investments during the period</b>	<b>19 736</b>	<b>1 568</b>	<b>10 687</b>	<b>155</b>	<b>32 146</b>
<b>Workforce by business (FTE)</b>	<b>60</b>	<b>8</b>	<b>36</b>	<b>129</b>	<b>233</b>

note 4.3. GEOGRAPHICAL SEGMENT REPORTING

<i>(in thousands of euros)</i>	International	Europe	Americas	Other	TOTAL
<b>06.2020</b>					
Revenue from activities	40 992	34 115	1 459	4 765	81 331
Tangible & intangible investments	3 135	25 533	2	2 859	31 529
Sectoral non-current assets	11 015	286 287	20 125	30 124	347 551
<b>06.2019</b>					
Revenue from activities	39 599	33 339	1 378	5 179	79 495
Tangible & intangible investments	6	9 276		548	9 830
Sectoral non-current assets	4 866	279 046	21 009	25 192	330 113
<b>12.2019</b>					
Revenue from activities	81 671	69 135	2 844	15 359	169 009
Tangible & intangible investments	4 117	22 729	4	5 296	32 146
Sectoral non-current assets	8 754	266 693	20 672	29 046	325 165

The geographical segments correspond to the location of Group companies, except for the Containers business which reflects the location of the assets, which is international by nature (international zone).

## NOTES TO THE INCOME STATEMENT

### note 5. REVENUE FROM ACTIVITIES

<i>Breakdown by type</i> <i>(in thousands of euros)</i>	06.2020	06.2019	Variation June 2020/2019	12.2019
Leasing revenues on owned equipment	26 558	23 884	11,2%	50 211
Leasing revenues on managed equipment	28 894	32 579	-11,3%	62 823
Ancillary services	9 301	9 470	-1,8%	21 811
<b>Total leasing activity</b>	<b>64 753</b>	<b>65 933</b>	<b>-1,8%</b>	<b>134 845</b>
Sales of owned equipment	13 089	10 196	28,4%	27 348
Margin on sales of managed equipment	3 010	2 528	19,1%	4 894
<b>Total sales of equipment</b>	<b>16 099</b>	<b>12 724</b>	<b>26,5%</b>	<b>32 242</b>
<b>TOTAL Revenue</b>	<b>80 852</b>	<b>78 657</b>	<b>2,8%</b>	<b>167 087</b>
Fees on syndication	464	382	21,5%	1 467
Capital gains or losses on disposals unrelated to recurring activities	15	456	-96,7%	455
<b>Revenue from activities</b>	<b>81 331</b>	<b>79 495</b>	<b>2,3%</b>	<b>169 009</b>

### note 6. PAYROLL EXPENSE

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Salaries and social security charges	(7 795)	(7 907)	(15 826)
Workforce (FTE)	234	263	233

### note 7. NET DISTRIBUTIONS TO INVESTORS

Les distributions nettes aux investisseurs se répartissent par activité comme suit :

<i>(in thousands of euros)</i>	06.2020	06.2019	Variation June 2019/2020	Variation (%)	12.2019
Freight Railcars	(3 471)	(2 658)	(813)	30,6%	(5 552)
Containers	(19 414)	(24 344)	4 930	-20,3%	(47 840)
<b>TOTAL</b>	<b>(22 885)</b>	<b>(27 002)</b>	<b>4 117</b>	<b>-15,2%</b>	<b>(53 392)</b>

They represent the payment of the leasing revenues from equipment belonging to investors minus the management costs of this equipment (repair, storage, overhaul, etc.). These amounts are variable.

### note 8. OTHER OPERATING REVENUES (EXPENSES), NET

In 2020, other operating income and expenses show an income of €2 thousand.

In 2019, there was no other operating revenue (expense).

**note 9. NET FINANCIAL EXPENSE**

<i>(in thousands of euros)</i>	06.2020	06.2019	Variation June 2019/2020	12.2019
<b>Interest income</b>	<b>15</b>	<b>20</b>	<b>(5)</b>	<b>38</b>
Interest expense	(6 071)	(5 287)	(784)	(11 884)
<b>Cost of loans and borrowings</b>	<b>(6 071)</b>	<b>(5 287)</b>	<b>(784)</b>	<b>(11 884)</b>
<b>Net interest expense</b>	<b>(6 056)</b>	<b>(5 267)</b>	<b>(789)</b>	<b>(11 846)</b>
Profit and loss on debt extinguishment	258	(1 380)	1 638	(1 883)
Dividends	17	19	(2)	19
Interest paid on leases	(220)	(156)	(64)	(366)
Financial income and charges from discounting	18	60	(42)	43
Other	(220)	135	(355)	(416)
<b>Other financial income (expenses), net</b>	<b>(147)</b>	<b>(1 322)</b>	<b>1 175</b>	<b>(2 603)</b>
<b>NET FINANCIAL EXPENSE</b>	<b>(6 203)</b>	<b>(6 589)</b>	<b>386</b>	<b>(14 449)</b>

Net financial expense decreased by €0.4 million (or -6%), changing from an expense of -€6.6 million in June 2019 to an expense -€6.2 million in June 2020.

The net financial expense is broken down into the cost of net financial debt and other financial income and expenses:

- The cost of financial debt increased by €0.8 million between the two periods. This variation is explained by new financing in the Corporate Division since the second half of 2019.
- The sub-total of other financial income and expenses fell by €1.2 million. This variation primarily comes down to the recognition in 2019 of the execution of the foreign exchange hedging contract by the broker MONEX (with whom the Group is in dispute over this transaction) concerning the Corporate division. IFRS 16 has had an impact on "Other financial income and expenses" for an amount of €0.2 million through the line "Interest paid on leases".

**note 10. INCOME TAX EXPENSE**

The income tax expense included on the income statement is broken down as follows:

<i>(in thousands of euros)</i>	06.2020			06.2019			12.2019		
	Payable	Deferred	Total	Payable	Deferred	Total	Payable	Deferred	Total
Europe	(9)	(417)	(426)	(8)	14	6	(52)	(609)	(661)
United States		8	8					4	4
Other	(355)	(128)	(483)	(515)		(515)	(807)	(21)	(828)
<b>TOTAL</b>	<b>(364)</b>	<b>(537)</b>	<b>(901)</b>	<b>(523)</b>	<b>14</b>	<b>(509)</b>	<b>(859)</b>	<b>(626)</b>	<b>(1 485)</b>

Income tax records a tax expense of €0.9 million for pre-tax income before tax of €4.6 million. It breaks down into deferred tax income of -€0.5 million and a current tax charge of -€0.4 million.

**note 11. NET INCOME FROM DISCONTINUED OPERATION**

On June 2019, net income from discontinued operations recorded a price adjustment of €572 thousand (provisioned for €331 thousand on 31 December 2018), as well as legal fees (see note 24.1).

**note 12. NET EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the company's net income by the weighted average number of outstanding shares during the period. Treasury shares are accounted in deduction.

Diluted income per share is calculated by adjusting the weighted average number of outstanding shares, to take into account the conversion of all potentially dilutive equity instruments. At 30 June 2020, the Group did not have any potentially dilutive equity instruments.

	06.2020	06.2019	12.2019
Net earnings in euros	2 475 333	(2 533 596)	(2 697 896)
Outstanding shares	7 011 547	7 011 547	7 011 547
Weighted average number of outstanding ordinary shares	7 001 208	7 001 568	7 002 819
Potential number of shares			
- 2015 bond (ORNANE)			
<b>Weighted average number of shares for calculation of the diluted earning per share</b>	<b>7 001 208</b>	<b>7 001 568</b>	<b>7 002 819</b>
<b>NER EARNINGS PER SHARE</b>			
- basic	0,35	(0,36)	(0,39)
- diluted	0,35	(0,36)	(0,39)

## NOTES TO THE BALANCE SHEET

### note 13. GOODWILL

There is no variation in goodwill:

<i>(in thousands of euros)</i>	06.2019	12.2019	Increase	Reduction	Currency translation	Discontinued operations	06.2020
<b>Freight Railcars</b>							
SRF Railcar Leasing	547	547					547
Touax Rail Limited	4 554	4 554					4 554
<b>TOTAL</b>	<b>5 101</b>	<b>5 101</b>					<b>5 101</b>

At 30 June 2020, the Group has not identified any indication of impairment of goodwill.

### note 14. FIXED ASSETS

Fixed assets mainly record leasing equipment.

#### note 14.1. BREAKDOWN BY TYPE

<i>(in thousands of euros)</i>	06.2020			06.2019	12.2019
	Gross value	Amort.	Net value	Net value	Net value
Land and buildings	5 308	(2 660)	2 648	2 966	2 841
Equipment	424 981	(116 941)	308 040	289 151	287 681
Other tangible fixed assets	8 306	(7 607)	699	862	707
Current tangible fixed assets	8 458		8 458	3 390	5 627
<b>TOTAL</b>	<b>447 053</b>	<b>(127 208)</b>	<b>319 845</b>	<b>296 369</b>	<b>296 856</b>

#### note 14.2. CHANGES IN GROSS VALUE, BY TYPE

<i>(in thousands of euros)</i>	01.01.2020	Purchases	Amort.	Sales	Variation in conversion	Reclassification	06.2020
Land and buildings	5 377			(1)	(68)		5 308
Equipment	395 327	26 044		(3 055)	(1 025)	7 690	424 981
Other tangible assets	8 403	206		(274)	(29)		8 306
Tangible assets in progress	5 627	5 299			(303)	(2 165)	8 458
<b>TOTAL (GROSS VALUES)</b>	<b>414 734</b>	<b>31 549</b>		<b>(3 330)</b>	<b>(1 425)</b>	<b>5 525</b>	<b>447 053</b>
Land and buildings	(2 536)		(158)	1	33		(2 660)
Equipment	(107 646)		(10 354)	959	100		(116 941)
Other tangible assets	(7 696)		(212)	274	27		(7 607)
Tangible assets in progress							
<b>TOTAL (AMORTIZATION)</b>	<b>(117 878)</b>		<b>(10 724)</b>	<b>1 234</b>	<b>160</b>		<b>(127 208)</b>
Land and buildings	2 841		(158)		(35)		2 648
Equipment	287 681	26 044	(10 354)	(2 096)	(925)	7 690	308 040
Other tangible assets	707	206	(212)		(2)		699
Tangible assets in progress	5 627	5 299			(303)	(2 165)	8 458
<b>TOTAL (NET VALUES)</b>	<b>296 856</b>	<b>31 549</b>	<b>(10 724)</b>	<b>(2 096)</b>	<b>(1 265)</b>	<b>5 525</b>	<b>319 845</b>

At 30 June 2020, the Group has not identified any indication of impairment of tangible fixed assets.

### note 15. NON-CURRENT FINANCIAL ASSETS

Long-term financial assets at June 30, 2020 totalled €5.4 million compared to €5.3 million at December 31, 2019.

Financial assets mainly consist of:

- Security deposits with tax authorities for €3.6 million.
- Touax Rail Limited's stake in an asset company for €0.9 million.
- Other security deposits for the balance.

Other non-current assets totalled €1.3 million at June 30, 2020 compared to €1.1 million at December 31, 2019.

They comprise finance leases granted to customers with a maturity of more than one year for €0.2 million and a VAT receivable for €1.1 million.

**note 16. RIGHT OF USE**

Leased assets have changed as follows:

Right of use (in thousands of euros)	Real estate	Barges	Equipment	Vehicles and copiers	TOTAL
<b>Amount at 31/12/2018</b>		<b>12 380</b>	<b>59</b>		<b>12 439</b>
Capitalization of leases (first application of IFRS 16)	2 762			320	3 082
Increases	371	6 051		132	6 554
Reductions		(4 339)			(4 339)
Depreciation	(741)	(723)	(6)	(127)	(1 597)
Exchange rate fluctuations					
<b>Amount at 31/12/2019</b>	<b>2 392</b>	<b>13 368</b>	<b>54</b>	<b>326</b>	<b>16 140</b>
Increases				165	165
Depreciation	(378)	(505)	(3)	(87)	(973)
Exchange rate fluctuations	3		1	(1)	1
Other				(4)	(4)
<b>Amount at 30/06/2020</b>	<b>2 017</b>	<b>12 863</b>	<b>52</b>	<b>399</b>	<b>15 329</b>

The table below presents the right of use by sector and by type:

Right of use (in thousands of euros)	06.2020			06.2019	12.2019
	Gross value	Amort.	Net value	Net value	Net value
<b>Freight Railcars Division</b>	<b>187</b>	<b>(26)</b>	<b>161</b>	<b>400</b>	<b>173</b>
Property lease	187	(26)	161	198	173
Property leases on vehicles				202	
<b>River Barges Division</b>	<b>17 888</b>	<b>(4 924)</b>	<b>12 964</b>	<b>8 389</b>	<b>13 429</b>
Property lease	61	(26)	35	52	43
Property leases on barges	17 746	(4 883)	12 863	8 317	13 369
Property leases on vehicles	81	(15)	66	20	17
<b>Containers Division</b>	<b>761</b>	<b>(322)</b>	<b>439</b>	<b>674</b>	<b>547</b>
Property leases	652	(276)	376	576	466
Property leases on vehicles and copiers	109	(46)	63	98	81
<b>Africa Modular Constructions Division</b>	<b>303</b>	<b>(102)</b>	<b>201</b>	<b>221</b>	<b>245</b>
Property leases on equipment	62	(12)	50	57	54
Property leases on vehicles	241	(90)	151	164	191
<b>Corporate Division</b>	<b>2 391</b>	<b>(826)</b>	<b>1 565</b>	<b>6 027</b>	<b>1 745</b>
Property lease	2 236	(789)	1 447	5 975	1 709
Property leases on vehicles and copiers	155	(37)	118	52	36
<b>TOTAL</b>	<b>21 530</b>	<b>(6 200)</b>	<b>15 330</b>	<b>15 711</b>	<b>16 140</b>

**note 17. INVENTORIES AND WORK IN PROGRESS**

Inventories and WIP include equipment to be sold as well as spare parts.

(in thousands of euros)	06.2020			06.2019	12.2019
	Gross value	Depreciation	Net value	Net val.	Net val.
Equipment	10 568	(110)	10 458	23 011	18 213
Spare parts	25 441		25 441	25 109	25 453
<b>TOTAL</b>	<b>36 009</b>	<b>(110)</b>	<b>35 899</b>	<b>48 120</b>	<b>43 666</b>

**note 18. OTHER CURRENT ASSETS**

(in thousands of euros)	06.2020	06.2019	12.2019
Accrued expenses	998	844	707
Taxes & duties	5 057	4 051	5 107
Receivables due within 1 year - Finance lease	42	240	116
Other	4 963	770	4 334
<b>TOTAL</b>	<b>11 060</b>	<b>5 905</b>	<b>10 264</b>

**note 19. FINANCIAL LIABILITIES**

Non-current and current financial liabilities correspond to “loans and borrowings” and “current bank loans”.

**I Analysis of financial liabilities by category**

The table below shows the group's debt on 30 June 2020.

<i>(in thousands of euros)</i>	06.2020			06.2019			12.2019		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Bond	26 326	1 307	<b>27 633</b>	16 434	24 599	<b>41 033</b>	26 282	781	<b>27 063</b>
Medium-term loans with recourse	45 550	10 365	<b>55 915</b>	40 425	12 157	<b>52 582</b>	41 584	10 965	<b>52 550</b>
Renewable credit with recourse		3 000	<b>3 000</b>		3 000	<b>3 000</b>		3 000	<b>3 000</b>
Renewable credit without recourse	44 030	110 899	<b>154 929</b>	69 112	85 298	<b>154 410</b>	47 142	107 285	<b>154 427</b>
Current bank facilities with recourse		2 723	<b>2 723</b>		2 055	<b>2 055</b>		597	<b>597</b>
Current bank facilities without recourse		161	<b>161</b>		164	<b>164</b>		107	<b>107</b>
Derivative liabilities without recourse		711	<b>711</b>		1 411	<b>1 411</b>		850	<b>850</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>115 906</b>	<b>129 166</b>	<b>245 072</b>	<b>125 971</b>	<b>128 684</b>	<b>254 655</b>	<b>115 009</b>	<b>123 585</b>	<b>238 594</b>

Debts "without recourse" are not secured by TOUAX SCA the parent company of the Group. They concern financing of assets for which the debt must be serviced from income generated by the assets (both leasing revenue and proceeds from sale).

Changes in financial debt are presented in the table below:

<i>(in thousands of euros)</i>	June 30, 2020		Non cash "variations"					Closing
	Opening	Cash flow	Changes in scope of consolidation	Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	
Bond issue	27 063	526				44	44	<b>27 633</b>
Medium/long-term loans with recourse	52 550	1 241			11	2 113	2 124	<b>55 915</b>
Revolving lines of credit with recourse	3 000							<b>3 000</b>
Debt without recourse	154 427	2 721		(580)		(1 640)	(2 219)	<b>154 929</b>
Liabilities on derivatives with and without recourse	850				(113)	(26)	(139)	<b>711</b>
<b>Subtotal</b>	<b>237 891</b>	<b>4 488</b>		<b>(568)</b>	<b>(113)</b>	<b>490</b>	<b>(190)</b>	<b>242 188</b>
Bank overdrafts payable with and without recourse	704	2 182		(2)			(2)	<b>2 884</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>238 594</b>	<b>6 670</b>		<b>(570)</b>	<b>(113)</b>	<b>490</b>	<b>(192)</b>	<b>245 072</b>

The change in rental liabilities is presented in note 20.

<i>(in thousands of euros)</i>	June 30, 2019		Non cash "variations"					Closing
	Opening	Cash flow	Changes in scope of consolidation	Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	
Bond issue	40 677				(217)	574	357	<b>41 033</b>
Medium/long-term loans with recourse	13 589	38 878		89		26	115	<b>52 582</b>
Finance lease commitments with recourse (1)	6 295					(6 295)	(6 295)	
Revolving lines of credit with recourse	2 000	1 000						<b>3 000</b>
Debt without recourse	159 713	(5 620)		413		(96)	318	<b>154 410</b>
Liabilities on derivatives with and without recourse	853				558		558	<b>1 411</b>
<b>Subtotal</b>	<b>223 127</b>	<b>34 258</b>		<b>503</b>	<b>341</b>	<b>(5 791)</b>	<b>(4 947)</b>	<b>252 436</b>
Bank overdrafts payable with and without recourse	2 389	142	(316)			4	(312)	<b>2 219</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>225 516</b>	<b>34 400</b>	<b>(316)</b>	<b>503</b>	<b>341</b>	<b>(5 786)</b>	<b>(5 258)</b>	<b>254 655</b>

(1) At 30 June 2019, finance lease commitments are recognized as lease liabilities (excluding borrowings), following the application of IFRS 16.

**Change in indebtedness**

On 30 June 2020, consolidated net indebtedness is as follows:

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Financial liabilities	245 072	254 655	238 594
Derivative instruments asset	3		
Cash assets & Negotiable securities	37 080	59 036	39 277
<b>Consolidated net financial indebtedness</b>	<b>207 989</b>	<b>195 619</b>	<b>199 317</b>
Non-recourse debt	155 800	155 986	155 384
Financial indebtedness excluding non-recourse debt	52 189	39 633	43 933

All contractual financial ratios existing on certain short and medium term bank loans are respected at 30 June 2020.

Extension of funding:

- Extension of the term of TCAF's RCF from May 2020 to November 2020
- Extension of the term of the SRFRL Term Loan from June 2020 to December 2020

**note 20. LEASE LIABILITIES**

**Lease liabilities by segment and by type**

The table below presents the lease liability by segment and by type:

Lease liabilities <i>(in thousands of euros)</i>	06.2020			06.2019			12.2019		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
<b>Freight Railcars Division</b>	<b>140</b>	<b>24</b>	<b>164</b>	<b>276</b>	<b>127</b>	<b>403</b>	<b>152</b>	<b>24</b>	<b>176</b>
Property lease	140	24	164	110	89	199	152	24	176
Property leases on vehicles				166	38	204			
<b>River Barges Division</b>	<b>8 707</b>	<b>1 124</b>	<b>9 831</b>	<b>2 309</b>	<b>580</b>	<b>2 889</b>	<b>9 290</b>	<b>1 050</b>	<b>10 339</b>
Property lease	18	17	35	35	17	52	27	17	44
Property leases on barges	8 639	1 090	9 729	2 260	557	2 817	9 251	1 027	10 278
Property leases on vehicles	50	17	67	14	6	20	11	6	17
<b>Containers Division</b>	<b>233</b>	<b>222</b>	<b>455</b>	<b>466</b>	<b>214</b>	<b>680</b>	<b>344</b>	<b>215</b>	<b>560</b>
Property leases	204	186	390	402	180	582	297	180	478
Property leases on vehicles and copiers	29	36	65	64	34	98	47	35	82
<b>Africa Modular Constructions Division</b>	<b>92</b>	<b>87</b>	<b>179</b>	<b>150</b>	<b>59</b>	<b>209</b>	<b>137</b>	<b>91</b>	<b>228</b>
Property leases on equipment	3	21	24	34	10	44	12	22	34
Property leases on vehicles	89	66	155	116	49	165	125	69	194
<b>Corporate Division</b>	<b>994</b>	<b>519</b>	<b>1 513</b>	<b>5 735</b>	<b>481</b>	<b>6 216</b>	<b>1 173</b>	<b>515</b>	<b>1 689</b>
Property lease	914	480	1 394	5 712	451	6 163	1 158	494	1 652
Property leases on vehicles and copiers	80	39	119	23	30	53	15	21	36
<b>TOTAL</b>	<b>10 166</b>	<b>1 976</b>	<b>12 142</b>	<b>8 936</b>	<b>1 461</b>	<b>10 397</b>	<b>11 097</b>	<b>1 895</b>	<b>12 992</b>

**Breakdown by due date of lease liabilities**

Future payments relating to lease debts are broken down by due date as follows:

<i>(in thousands of euros)</i>	06.2020
Less than a year	1 976
From 1 to 5 years	5 784
More than 5 years	4 382
<b>TOTAL</b>	<b>12 142</b>

**Variation in lease liabilities according to IAS 7**

As per IAS 7, variations to lease liability are presented in the table below:

June 30, 2020 <i>(in thousands of euros)</i>	Opening	Net cash flow	"non-cash" variations			Closing
			Exchange rate effects	Other variations	Total "non cash"	
Real estate leases	2 350	(370)	3		3	1 983
Equipment leases for barges and other equipment	10 312	(559)				9 753
Equipment leases for vehicles and copiers	330	(84)	(2)	162	160	406
<b>Total lease liabilities</b>	<b>12 992</b>	<b>(1 013)</b>		<b>162</b>	<b>163</b>	<b>12 142</b>

**note 21. SHAREHOLDERS' EQUITY**

Details of Shareholders' Equity are given in the Schedule of Changes in Shareholders' Equity.

**Management of capital**

The Group manages its borrowing structure by optimizing its debt/equity ratio in the light of changes in economic conditions, its own objectives, and management of its risks. It assesses its working capital requirements and its expected return on investment, in order to control its financing requirements. Depending on the growth of its market and expectations of managed assets' profitability, the Group decides whether to issue new equity or to sell assets to reduce its debt.

**Hybrid debt**

The Group made two issues of Undated Super Subordinated Notes (TSSDI) in 2013 and another in 2014, constituting a single stub to the amount of €50.8 million. In accordance with IFRS standards, these securities are accounted for as equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of the Group's assets and its business development financing requirements.

Hybrid debt <i>(in thousands of euros)</i>	Part 1	Part 2	Part 3	TOTAL
Issue price	20 525	12 250	18 025	50 800
Costs	(481)	(156)	(2)	(639)
<b>Hybrid debt after deduction of loan issuing charges</b>	<b>20 044</b>	<b>12 094</b>	<b>18 023</b>	<b>50 161</b>
Coupons received		301	1 158	1 460
<b>TOTAL</b>	<b>20 044</b>	<b>12 395</b>	<b>19 182</b>	<b>51 621</b>

**note 22. PROVISIONS**

<i>(in thousands of euros)</i>	2019	Allocation	Reversal used	Reversal not used	Exchange rate fluctuations	Reclassification	06.2020
Other (Africa and Holding)	95					(25)	70
<b>TOTAL</b>	<b>95</b>					<b>(25)</b>	<b>70</b>

**note 23. OTHER CURRENT LIABILITIES**

<i>(in thousands of euros)</i>	06.2020	06.2019	12.2019
Capital creditors	7 877	8 291	8 919
Tax and social security liabilities	8 514	4 418	8 983
Accounts payable	26 411	35 874	25 488
Other current liabilities	9 493	9 449	8 760
Deferred revenue	1 427	800	776
<b>TOTAL</b>	<b>53 722</b>	<b>58 832</b>	<b>52 926</b>

Accounts payable mainly constitute income due to investors from the Containers and Freight Railcars businesses.

**note 24. OFF-BALANCE SHEET COMMITMENTS**

**Bank guarantees issued on the Group's behalf at June 30, 2020**

<i>(in thousands of euros)</i>	Amount	Maturity date
<b>Bank guarantee</b>	<b>1 828</b>	
River Barges	6	Undated
Modular Buildings Africa	1 822	Undated

**Firm orders for equipment**

Firm orders and investments at June 30, 2020 amounted to €64.8 million, including €59.5 million for freight railcars and €5.3 million for containers.

**Secured debt provided**

To guarantee the loans granted to finance the Group's proprietary assets or assets under management, TOUAX SCA and its subsidiaries have granted the following security interests:

<i>(in thousands of euros)</i>	Commencement	Maturity	30 June 2020		%
			Asset pledged (gross value)	Total of balance sheet item (gross value)	
<b>Mortgages (River Barges)</b>			<b>25 022</b>	<b>61 159</b>	<b>40,9%</b>
	2012	2025	5 090		
	2012	2021	9 966		
	2013	2021	9 966		
<b>Tangible assets pledged</b>			<b>247 072</b>	<b>408 800</b>	<b>60,4%</b>
<b>Freight Railcars</b>			<b>185 334</b>	<b>326 512</b>	
	2018	2023	91 024		
	2018	2021	8 518		
	2015	2020	85 792		
<b>Containers</b>			<b>61 738</b>	<b>82 289</b>	
	2018	2020	61 738		
<b>TOTAL GROUP</b>			<b>272 094</b>	<b>469 959</b>	

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings. No other special conditions apply.

**Guarantees**

Guarantees are given by the parent company in return for the bank loans granted to its subsidiaries.

<i>(in thousands of euros)</i>	less than one year	1 to 5 years	more than 5 years	TOTAL
Securities given to banks in consideration of bank loans used by the subsidiaries - remaining capital	2 278	11 413	8 280	<b>21 971</b>

**note 24.1. CONTINGENT LIABILITIES**

**Tax audit**

Touax Container Investment Ltd has been audited by the tax authorities since 2012. This audit resulted in numerous requests for information to which the entity responded in a precise and documented manner. In continuance of the adversarial procedure, the Group was legally obliged to buy Tax Reserve Certificates (equivalent to 4 million USD since the beginning of the audit to date). Since the company and tax administration have continued to disagree, the case was presented to the courts for an initial ruling, given in June 2020. The court's decision is expected by the end of the year or early 2021 with the possibility of appeal for both parties. Our analysis shows that the administration's position is unfounded, so no current or deferred tax adjustment has been recorded in the accounts to date.

Touax Maroc was audited for tax for the period 2014 to 2017. The accounts were rejected and we initiated an appeal to the National Tax Appeal Commission in parallel with ongoing exchanges with the tax authorities. Because the administration's position appears in our analysis largely unfounded and the acceptable adjustments would only have an impact on non-activated tax deficits, no current or deferred tax provisions have been recorded in the accounts as a result.

**I Guarantee of Liabilities**

A guarantee of assets and liabilities was agreed in 2017 with the purchaser of European modular buildings activity, WH BIDCO.

This guarantee on asset and liability granted for potential corporate and commercial litigation is still applicable. No provision has been recorded against this guarantee in the accounts to 30 June 2020.

An escrow account for an outstanding amount of €3.3 million was paid within the framework of this guarantee of liabilities. As at 30 June 2020, according to our analyses, we estimate to recover this receivable within a period of less than 1 year. As such, on 30 June 2020, this receivable is recorded in current financial assets.

**note 25. POST BALANCE SHEET EVENTS**

As specified in the half-year report:

In anticipation of potential delays in payments to be received from its customers as a result of the COVID-19 health crisis, which would temporarily impact the cash flow of the Group's French companies, on July 2020 Touax SCA signed a State Guaranteed Scheme for a total amount of €4.4 million, split evenly between two French banks.

On 7 August 2020, Touax SCA has announced that its subsidiary Touax Rail Limited has entered into a final agreement with DIF Capital Partners to increase its capital by €81.9 million to accelerate the development of its long term leasing activities of freight wagons in Europe and Asia. Touax SCA will remain the main shareholder holding 51% of the capital and 49% will be owned by its new partner DIF Capital Partners, through its DIF Core Infrastructure Fund II. Touax expects to close the transaction by the end of September. The Touax Group retains control of its subsidiary TOUAX RAIL Ltd.

### 3. ATTESTATION BY THE AUTHORS OF THE HALF-YEAR FINANCIAL REPORT

"We certify that, to the best of our knowledge, the condensed consolidated half-year financial statements for the past half year have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the company and of all of the companies included in the consolidation perimeter, and that the half-year progress report gives a true and fair view of the important events that occurred during the first six months of the financial year, their impact on the financial statements, the main related-party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

September 15, 2020

Fabrice and Raphaël Walewski,

Managing Partners

## 4. STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL REPORT

This is a free translation into English of the statutory auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as statutory auditors by your Shareholders' Meeting and pursuant to the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the limited review of the accompanying condensed consolidated half-year financial statements of Touax, for the six-month period from January 1 to June 30, 2020;
- the verification of the information contained in the half-year management report.

These condensed consolidated half-year financial statements have been prepared under the responsibility of the Management Board on 9 September 2020, based on information available at that date against the background of rapid developments in the Covid-19 crisis and difficulties assessing its impact and the resulting outlook. Our role is to express a conclusion on these financial statements based on our limited review.

### I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of the executive management team responsible for financial and accounting matters and applying analytical and other review procedures. These inquiries are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements taken as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that these condensed consolidated half-year financial statements are not prepared in accordance with IAS 34, as adopted by the European Union applicable to interim financial information.

### II. Specific verification

We also verified the information presented in the half-year management report, completed on 9 September 2020, commenting the condensed consolidated half-year financial statements subject to our limited review. We have no comments to make on its fair presentation and its consistency with the condensed consolidated half-year financial statements.

Paris and Paris La Défense, September 15, 2020

The Statutory Auditors

RSM PARIS

Deloitte & Associés

Stéphane MARIE

Albert AIDAN