YOUR LEASING SOLUTION FOR SUSTAINABLE TRANSPORT

2023 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

This universal registration document was filed on March 22nd, 2024 with the AMF, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of this Regulation.

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1. PERSONS RESPONSIBLE, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY

1.1. PERSONS RESPONSIBLE

Fabrice and Raphaël Walewski, Managing Partners.

1.2. DECLARATION OF RESPONSIBLE PERSONS

“We confirm that, to the best of our knowledge, the information in this document gives a true and fair view and does not contain any omission likely to change the scope thereof. We confirm that, to the best of our knowledge, the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial position and profit or loss of the Company and all the companies included in its consolidation, and that the management report contained in this document presents a true and fair view of the development and performance of the business, profit or loss and financial position of the company and all the companies included in its consolidation, together with a description of the principal risks and uncertainties that it faces.”

22 March 2024

Fabrice and Raphaël WALEWSKI

Managing Partners

1.3. EXPERT STATEMENT OR REPORT

N/A

1.4. CERTIFICATE RELATING TO INFORMATION FROM A THIRD PARTY

N/A

2. STATUTORY AUDITORS

2.1. STATUTORY AUDITOR DETAILS

	Date first appointed	Mandate expiry
Principal Statutory Auditors		
DELOITTE & Associés Represented by Mr. Albert AÏDAN Tour Majunga 6, place de la Pyramide 92908 Paris La Défense CEDEX	Appointed at the Ordinary General Meeting on 6 June 2000, renewed at the Ordinary General Meeting on 14 June 2023.	Following the Ordinary General Meeting held in 2029 to approve the 2028 financial statements.
RSM PARIS Represented by Mrs. Régine STEPHAN 26 rue Cambacérès 75008 Paris	Appointed by the Ordinary General Meeting held on 9 June 2016, renewed at the Ordinary General Meeting on 22 June 2022.	Following the Ordinary General Meeting held in 2028 to approve the 2027 financial statements.

2.2. CHANGE IN STATUTORY AUDITORS

Not applicable

3. RISK FACTORS

TOUAX has carried out a review of its risk factors, taking into account their importance according to the probability of seeing these occur (frequency) and the estimated level of their negative impact (impact). In this new approach, the number of categories and, where applicable, sub-categories of risks has been reduced with, in each category and sub-category, the most significant risks presented first. The potential impact of each risk has been specified taking into account the risk management processes. The information has been reduced to include only significant risks specific to Touax (and/or its actions) and which are important for making an investment decision. These risks have been submitted to the Audit Committee. In July 2023, the Group's Executive Committee received training in "preventive crisis management" concerning the Group's main risks.

The risks specific to the activity of Touax, on the date on which the universal registration document was filed, are therefore presented in compliance with article 16 of Regulation (EU) 2017/1129 called "Prospectus 3" of 14 June 2017, whose provisions relative to risk factors came into force on 21 July 2019, under 5 principal categories:

1 risks related to the equipment;

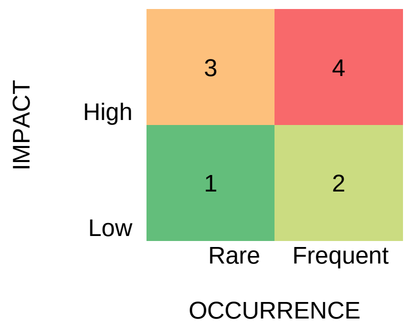
2. risks linked to dependence on our partners;

3. risks linked to the geopolitical and international context and world economy;

4. legal and regulatory risks;

5. financial risks;

A risk assessment is carried out according to the following Frequency/Impact matrix:



This assessment, presented in the following table, is by nature subjective and should be read with caution.

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3.1. RISKS RELATED TO THE EQUIPMENT

3.1.1. Leasing rates are highly dependent on the purchase price of new equipment

When the purchase price of new equipment varies, customers also expect a variation in leasing prices for older equipment, as well as a variation in selling prices for used equipment. In a context of falling purchase prices for new equipment, the leasing prices or the resale value of used equipment could decrease and would have an impact on our business, income from our operations and our financial position, even if this price reduction also makes it possible to buy new equipment at a lower cost. The logistical disruptions generated by the Covid-19 health crisis created very high inflation in the price of new equipment in 2021 followed by a sharp drop in the prices of certain equipment in 2022 and 2023 which may, as a result, generate pressure on leasing prices. The impact on average leasing rates has not been significant to date.

We have difficulties predicting how these trends will evolve over the medium term.

3.1.2. The margins associated with the sale of used equipment can fluctuate

We sell used containers that we manage or that we buy for the purpose of selling them. The margins associated with sales of used equipment depend on sales volumes, selling prices and the book value of the equipment.

Used containers are sold after their yield prospects, book value, remaining usable lifespan, conditions of repair, the option of leasing or use for other purposes and current local selling price have been evaluated.

Sales volumes may decrease if the supply of used containers is reduced because our customers continue to use this equipment for a longer period of time or because there is a shortage of equipment which does not allow us to buy the stock needed for resale.

The selling price of used containers varies in accordance with factors that are beyond our control such as raw steel prices, applicable maintenance standards, refurbishment needs, comparable new container costs, used container availability, used container demand, inflation rates, market conditions, materials and labour costs and container obsolescence and damages.

Changes in depreciation policies could change our depreciation expenses, as well as the gain or loss achieved upon disposal of equipment.

Sales of used containers and commissions obtained through the sale of containers under management at significantly lower prices or in lesser quantities may thus have a negative impact on our revenues, our operating results and our cash flows.

Since the end of 2022, the number of containers returned by shipping lines has increased following the end of the shortage created by the disruption caused by the global pandemic, with a consequent fall in the purchase prices of new containers and the sale prices of used containers. On the other hand, the sales volumes of used containers, which had reached minimum levels, should increase to return to a more normalised level. New shipping disruptions on the Red Sea may have an impact on container reshipments, but the consequences are unknown.

We cannot predict how these trends will evolve over the medium term.

3.1.3. Significant expenses may be incurred for non-leased equipment, in particular storage costs, making it difficult to generate a return on investment on such equipment

As part of the normal course of business, some of our equipment fleet is unused at one time or another. If we are unable to lease or sell equipment in a timely fashion, the size of our unused fleet may increase, which may generate significant storage and maintenance costs to prepare them for leasing that may not be able to be passed through to our customers through higher rents or sales prices. If such equipment remains unused for an extended period of time, it could fall into disrepair and/or any certificate or authorisation required to operate such equipment could expire or be revoked. The result of either of those events would be the partial loss of such equipment's residual value. If demand picks up for a particular asset class and we are unable to mobilise the equipment we have in stock in a timely fashion or if we are forced to write off all or a part of our inventory, we may lose market share to our competitors who are able to meet customers' needs more rapidly. The occurrence of any of these events could adversely affect our business, financial position, operating results and cash flows.

The use of equipment depends on macro and microeconomic factors that we cannot predict.

3.1.4. Our fleet is comprised of a large quantity of equipment and it therefore faces numerous ownership risks. The expansion of our internally-owned fleet has led to an increase in own debt

Ownership of equipment entails greater risk than management of equipment for third-party investors. The amount of equipment in our owned fleet fluctuates over time as we purchase new equipment, sell used equipment into the secondary resale market, and acquire other fleets. In terms of gross book value, as at 31 December 2023, we owned 70% of our freight railcar fleet, 97% of our river barge fleet and 25% of our shipping container fleet. In general, any increase in the amount of owned equipment proportionately increases our ownership risk, which may result in increased exposure to financing costs and risks, re-leasing risks, changes in utilisation rates, non-payment by lessees, risk of litigation with lessees, repositioning costs, depreciation charges, risks associated with interest rate changes and variations in resale prices during the disposal, particularly for containers. Furthermore, the various additional costs associated with overcapacity such as the occurrence of additional storage and maintenance costs, as well as equipment deterioration and partial or total loss of its residual value, could harm our business, operating results and financial position.

Conversely, when we manage equipment for third-party investors, these risks are assumed by these investors.

As ownership of equipment in our fleet grows, we will likely have more capital at risk and may need to maintain higher debt balances. We are in debt after financing equipment, and we may not be able to access additional loans or refinance our existing debts, as needed, or it could be the case that these actions, where possible, be conducted on more unfavourable commercial terms.We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business or may not have access to financing on attractive terms. An inability to acquire additional assets would have an adverse impact on our company, operating results and financial position.

Ownership and financing risk is inherent in our activity as an operational lessor of transport equipment.

3.1.5. Poor design, manufacture, repair and maintenance of our equipment may result in depreciation costs and potential litigation

We do not design, manufacture or repair the Equipment we lease in our Freight Railcars, River Barges and Shipping Container divisions. However, any defects generated by our suppliers in the design, manufacture, repair or maintenance of our equipment and the equipment that we manage for third-party investors expose us to possible litigation and depreciation of value.

We design and manufacture modular buildings in our factory in Morocco. If we do not properly manage the design or manufacture of these modular buildings, we will incur expenses and charges to remedy these failures.

These risks may also have a significant adverse effect on our future business, operating results, financial situation and cash flows.

3.1.6. We could be held liable for damage caused by the equipment that we lease or sell

The nature of our business and our assets potentially exposes us to personal injury and equipment damage claims and litigation. For example, our customers may use our equipment to transport hazardous materials, and an accident involving a shipping container, freight railcar or river barge carrying such materials could lead to legal dispute and subject us to significant liability, particularly where the accident involves significant damage, serious personal injuries or the loss of life. In some countries, for example the United States, shipping container owners may be liable for any environmental damage caused as containers are unloaded. Our failure to maintain our equipment in compliance with governmental and industry regulations could also expose us to personal injury, property damage, and environmental claims. could also expose us to personal injury, property damage, and environmental claims. Moreover, a substantial adverse judgement against us could have a significant effect on our financial position, operating results and cash flow.

We obtain warranties from the manufacturers of our equipment. When defects in equipment occur, we work with the manufacturers to identify and rectify the problem. In the case of derailment, for example, the cause of the derailment is sought and its liability could be assigned to a defect on a railcar. However, there can be no assurance that manufacturers or maintenance workshops are able or willing to honour their warranty obligations. If defects are discovered in equipment that is not covered by manufacturer warranties, we could be required to spend significant sums of money to repair it, the useful lives of the equipment could be shortened and the value of the assets reduced. In addition, if equipment manufacturers do not honour warranties covering these defects, or if the defects occur after the warranty period expires, we could be required to expend significant amounts of money to repair or sell equipment earlier than expected, to rectify equipment or environmental damage caused by our equipment. This could have a significant adverse effect on our operating results and financial position.

These risks depend on the occurrence of events that cannot be predicted.

3.1.7. Certain liens over our equipment may arise during the ordinary course of conducting business

Sometimes, depot operators, repairers and transporters may have a right of retention on our equipment from time to time and have sums due to them from the lessees or sub-lessees of the equipment. These cases are rare but have happened in the past during the bankruptcy of shipowners and in particular in warehouses in China, for small amounts. In the event of non-payment of those charges by the lessees or sub-lessees, we may be delayed in, or entirely barred from, repossessing the equipment, or be required to make payments or incur expenses to discharge liens on our equipment, which could have a significant adverse effect on our activity, financial position, operating results and cash flow.

3.2. Risks linked to dependence on our partners

3.2.1. We are dependent on the level of demand from our customers to lease or buy our equipment

We are reliant on customer demand for the freight railcars, river barges and shipping containers that we lease or sell as well as for the modular buildings that we build and sell. Customer demand for our products and services may change based on many factors, including factors beyond our control, such as the choice of a different mode of transportation, a change in the supply chain, the availability of substitute products, a change in the volume of harvest or production, the development or postponement of infrastructure projects or other operational needs.

Cash flow generated from our equipment, which is principally derived from leasing, management fees and income from the sale of our owned equipment, are affected significantly by our ability to collect payments under leases and other usage contracts for the use of our equipment and our ability to replace cash flow that comes from terminating leases by re-leasing or selling equipment on favourable terms. When we purchase newly manufactured equipment, we typically lease it out under long-term leases (typically between three and ten years for freight railcars and river barges and between three and five years for shipping containers), at a lease rate that is correlated to the price paid for the asset. As these assets are not initially leased out for their full economic life, we face risks associated with re-leasing them after their initial long-term lease at a rate that continues to provide a reasonable economic return based on the initial purchase price of the asset. If prevailing asset lease rates decline significantly between the time the equipment is initially leased out and when its initial long-term lease expires, or if overall demand for this equipment declines, we may be unable to derive the expected return on our investment in our equipment through the re-leasing of equipment when the initial long-term lease on such equipment expires.

Other general factors affecting demand for equipment (including the utilisation rates), include the following:
- available supply and prices of new and used equipment;
- economic conditions and competitive pressures in our customers' industries;
- shifting trends and patterns of cargo traffic;
- the availability and terms of equipment financing;
- fluctuations in interest rates and foreign currency values;
- overcapacity or undercapacity of transport equipment manufacturers;
- the lead times required to purchase of materials, which may vary significantly and affect our ability to meet customer demand;
- the amount of equipment purchased by our competitors and lessees for their own equipment;
- equipment fleet overcapacity or under-capacity;
- the choice of a shipping company or logistics company to reposition its unused containers or railcars in higher-demand locations in lieu of leasing containers or railcars to meet this demand;
- consolidation or decrease in the number of equipment lessees in the shipping container, freight railcar and river barge industry;and
- natural disasters or health crises that are severe enough to affect local and global economies.

In our Freight Railcar, River Barges and Shipping Container divisions, where we derive the majority of our business from equipment leasing, our business model can be affected by a customer’s decision to simply buy equipment rather than to lease it. A customer’s decision to lease or buy equipment can be affected by a variety of factors, such as tax and accounting considerations, prevailing interest rates and the customer’s capital expenditure and other financial or operational flexibility. We believe that there is a trend towards increased leasing in both the shipping and rail freight transport industries, but we cannot guarantee that this trend will continue. A decrease in the marginal cost of shipping containers or freight railcars, which could be caused by oversupply by manufacturers or a drop in the price of steel, which is the primary raw material used in container and railcar construction, would make it less costly for companies to own such equipment outright and may encourage them to select ownership over leasing. Furthermore, consolidation of our customers in these divisions could create economies of scale and efficiency increases which would make it more attractive for them to buy equipment or to vertically integrate and manufacture equipment themselves.

All of these factors are inherently unpredictable and beyond our control. These factors vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a significant adverse effect on our business, financial position, operating results and cash flow.

3.2.2. In the case of misjudgement concerning demand for our equipment or the cancellation of a customer contract, we are unable to lease or sell new equipment shortly after we purchase it

We purchase new equipment in the ordinary course of our negotiating activities. In addition, we purchase new equipment so that our fleet meets customer demands.

Because of the dynamics of the shipping container industry and the relatively short lead time with which customers expect to be able to take delivery of a container once they have signed a sales agreement, we seek to have a supply of new containers available for immediate requests. We follow the prices of containers in order to buy new ones opportunely, when their prices are low and regularly buy containers to average the purchase prices. The price of containers depends largely on the price of steel, which is the major component used in their manufacture. The price at which we lease our containers is strongly correlated with the price at which we have purchased the containers, in order to optimise the return on our investment. The lead time between the moment we place our purchase order for new equipment with a manufacturer and when we receive such equipment depends on numerous factors beyond our control. If, in the meantime, prices fall further and customers manage to get containers at a lower price, we may not be able to sell the containers we reserved for future demand at a price that would allow us to obtain the expected return. Such a decline in new container prices, or our inability to sell our reserved containers could harm our company, operating results and financial position.

In relation to our leasing activity, we do not generally purchase new equipment for use in our Freight Railcar, River Barge and Shipping Container divisions unless we have signed a lease agreement with a customer. It is common practice to apply a longer period between the signing of a lease agreement and the delivery of the equipment when it is new. Despite this sourcing policy, we are nevertheless still at risk of having excess new inventory if a customer rescinds its agreement after we have made an irrevocable order for the new equipment or have taken delivery of such equipment. Furthermore, if market practices change and our customers demand significantly shorter lead times for the procurement of new equipment, we may have to change our sourcing policy and invest in new equipment without having corresponding leases signed in anticipation of such an investment. A discrepancy between our equipment supply and demand could cause an increase in our non-leased inventory and harm our business, operating results and financial position.

3.2.3. We face risks related to the management of a substantial portion of our freight railcar and shipping container fleets on behalf of third-party investors

We manage a significant portion of freight railcars and shipping containers on behalf of third parties. On 31 December 2023, 51% of our fleet of freight railcars and shipping containers under management (in terms of gross book value) were owned by third-party investors for whom we provided asset management services. We primarily seek out third-party investors to share the risks and rewards of equipment ownership, thus reducing our reliance on capital expenditure in order to grow our business. Asset management is a key part of our financing and business strategy going forward, and an inability to attract further investors could significantly and adversely affect our business. Management contracts govern the relationship between each of our investors and our Group. Although we do not guarantee any minimum returns on an investor's investment, an investor may terminate a management contract in specific circumstances, such as our significant non-fulfilment of our contractual obligations, our bankruptcy or winding up, our failure to pay revenues that we have collected and that are owing to the investors or a change in our majority shareholder. Our management contracts do not represent joint ventures, we do not lease equipment from investors and we do not act as partners with investors, we provide a management service remunerated by management fees that can disappear if investors terminate their contract.

3.3. RISKS LINKED TO THE GEOPOLITICAL, INTERNATIONAL AND GLOBAL CONTEXT

Touax is not directly exposed to the current Russian-Ukrainian conflict, having no subsidiaries, clients or leased transport assets in Ukraine or Russia. Indirectly, it is possible that the conflict creates inflation, a decline in European economic growth, logistical disruptions, a shortage of equipment, spare parts and raw materials in certain industrial sectors (including the railway sector) or other more significant events without currently knowing the consequences.

3.3.1. The international nature of the sectors in which we operate exposes us to geopolitical issues and challenges concerning compliance with local laws

For the financial year ended 31 December 2023, 99% of our revenue was generated outside of France through transactions in numerous countries and across five continents.Our presence in many countries and our day-to-day international operations mean we bear the risks associated with these, and that weigh heavily on our operations abroad and our international strategy.

For instance, we are subject to constantly changing and complex laws and regulations which govern, among other things, employment, health and safety, financial reporting standards, corporate governance, tax, trade regulations, export controls, and competitive practices in each jurisdiction where we conduct our activity. We are also required to obtain permits and other authorisations or licences from governmental authorities for some of our operations and must protect our intellectual property worldwide. Furthermore, we need to comply with various local standards and practices of different regulatory, tax, judicial and administrative bodies, specific to each jurisdiction in which we operate.

There are multiple risks associated with the global nature of our activity, including political and economic instability, geopolitical regional conflicts, terrorist attacks, threats and acts of war, political unrest, civil disturbances, corruption, epidemics and pandemics, as well as other economic or political uncertainties which could interrupt and negatively affect our business operations. Depending upon the severity, scope, and duration of these conditions or events, our financial position, operating results, and cash flows could be adversely affected. Any of these events may affect our employees, reputation, activity or financial results as well as our ability to meet our objectives.

These include the following business risks:
- negative economic developments in economies around the world;
- sudden changes in foreign currency exchange controls;
- discriminatory or conflicting tax policies;
- epidemics and pandemics, which may adversely affect our workforce and suppliers, and affect international transportation;
- • adverse changes in governmental policies, especially those affecting trade and investment;
- legislation or regulatory measures to enhance the safety of shipping containers, freight railcars and river barges against acts of terrorism that would affect the construction or operation of our assets; and debts or losses caused by acts of terrorism to our assets;
- inflation, recession, fluctuations in foreign currency exchange and interest rates, restrictive fiscal policies and transfer restrictions;
- threats that our operations or property could be subject to nationalisation and expropriation;
- difficulties enforcing contractual rights or foreclosing to obtain the return of our assets in certain jurisdictions;
- bad debts and longer collection cycles in some foreign countries;
- ineffective or delayed implementation of appropriate controls, policies, and processes across our diverse operations and for our employees; and
- nationalisation of properties by foreign governments, and imposition of additional or new tariffs, quotas, trade barriers, and similar restrictions on our international operations.

We may not be in full compliance at all times with the laws and regulations to which we are subject. Likewise, we may not have obtained or may not be able to obtain the permits and other authorizations or licenses that we need. We are also reliant on local managers to oversee the day-to-day functioning of our sites and to ensure their compliance with local laws, and, as a consequence, we may be subject to risk based on insufficient oversight.

In such cases, or if any of these international business risks were to materialise or be exacerbated, we could be fined or otherwise sanctioned by regulators, which could adversely affect our activity, financial position and operating results.

3.3.2. Any deceleration or reversal of the European or global economic recovery may have a significant negative impact

Our financial performance depends on the level of demand for the assets we lease, which is equally dependent on the underlying markets for our customers' products and services and the strength and growth of their businesses. Some of our customers operate in cyclical end-markets, such as the steel, chemical, agricultural and construction industries, which are susceptible to macroeconomic downturns and may experience significant changes in demand over time. We may not be able to predict the timing, extent or duration of the activity cycles in the markets in which we or our key customers operate. Each of these sectors is influenced by the state of the general global economy as well as by a number of more specific factors. A decline or slowed growth in any of these sectors in the markets or geographic regions where we operate and in other parts of the world may harm the leasing activity of some of our equipment, due to the lease of this not being renewed at the end of a lease term or being terminated as a result of a customer bankruptcy or default, which may have significant adverse effects on our business, operating results and financial position.

Demand for freight railcars, river barges and containers is linked to changes in traffic resulting from freight and goods transportation, as well as the total traffic generated by transport. Fluctuations depend on the level of global economic growth and of international trade. Economic downturns in one or more countries or regions, particularly in Europe, the United States, China and other consumer-oriented economies, or the establishment of customs barriers could result in a reduction in world trade growth and in the demand for our freight railcars, river barges and shipping containers. In addition, most of the investment programs under which we sell leased equipment portfolios (in particular freight railcars and shipping containers) employ a certain amount of debt in order to increase investor equity returns. Tighter credit markets make it more difficult for third-party investors wishing to access financing for future investment programs, which increases syndication risk and the probability that we may not be able to sell assets within investor programs in the future.

Failure to find investors to finance our equipment could have a significant adverse effect on our revenues, net income and cash flows, which would limit the level of growth in our operating fleet that we might otherwise be able to attain.

The United Kingdom exited the European Union under the terms of the withdrawal agreement and European Union law ceased to apply to the United Kingdom as of 31 December 2020. The departure of the United Kingdom from the European Union still presents uncertainties relating to the impact on the British and European economies. Several scenarios remain possible with very different consequences. It is likely that growth in the United Kingdom will be strongly affected by this departure for several years. It is also possible that the growth of the European Union decreases with more restrictive trade with the United Kingdom. The United Kingdom's relations with the rest of the world will also be put under duress as the United Kingdom re-establishes agreements with all the countries with which it trades. The decline in trade between the United Kingdom and the European Union, between the United Kingdom and the rest of the world and the decline in domestic consumption within the United Kingdom may have a negative impact on our activity and our financial situation. Uncertainty regarding future demand for our products in the United Kingdom, in the European union and worldwide could cause us to maintain excess equipment inventories and increase our expenditures beyond that which is necessary. In addition, the economic consequences of the United Kingdom's departure from the European Union could generate volatility in the exchange rate of the British pound. This volatility could have a negative impact on our activity, financial position, operating results and cash flow. Also, as part of our strategic business plans, we constantly have to make decisions with respect to the type, model and technical characteristics of the equipment that we purchase. We must make these decisions based on present demand and our forecasts for future demand. A fall in demand can lead to lower profitability given the long life of these assets. We cannot guarantee that our strategic investment decisions based on our forecasts of demand will be successful in the future and that we will be able to implement our strategy of optimising utilisation of assets in accordance with our plans or at all.

Our Freight Railcar activity primarily targets European and British as well as Indian customers, our River Barge activity is European and American (north and south) and our Container activity is global. Our Modular Buildings activity is mainly African. In 2023, the European and global economies continued to suffer from fluctuations related to the Russian-Ukrainian conflict, with inflation rising in particular. We have seen different effects on our activities, with both positive and negative consequences on customer demand.

The effects of fluctuations in the European and global economy are inherently unpredictable and beyond our control. These factors vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a significant adverse effect on our business, financial position, operating results and cash flows.

3.3.3. We rely on title registries to prove that we are the rightful owners of our assets. Failure to properly register or the lack of an international registry increases the risk of ownership disputes

There is no internationally recognised system of recording or filing to evidence our title to the types of equipment that we lease nor is there an internationally recognised system for filing security interests in the types of equipment that we lease. Although we have not experienced significant problems with respect to this lack of internationally recognised system in the past, the lack of an international title recording system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of the containers. Likewise, we may be subject to ownership disputes derived from unenforceable, voidable or void registration of our equipment due to our non-compliance with the required formalities. Failure to correctly record our properties in the appropriate registry could result in arbitration proceedings, litigation or ownership disputes, which could have a significant adverse effect on our activity, operating results and financial position.

3.4. LEGAL AND REGULATORY RISKS

3.4.1. We operate in many jurisdictions with highly complex and variable tax regimes, and any changes to tax rules and tax audits could have some effects

We conduct business around the world and are therefore subject to highly complex and often divergent tax laws and regulations, resulting in very challenging structuring and operational issues. The modification of tax regulations could have an impact on our financial results. The tax rates to which we are subject are variable. Our effective tax rate in any jurisdiction may depend on changes in the amount of our operating profit or in the applicable rate of taxation there, as well as on changes in estimated tax provisions due to new events. We currently have tax benefits in certain jurisdictions. These benefits may not be available in the future due to changes in relevant local tax regulations, which could cause our effective tax rate to increase and may result in an adverse effect on our activity, financial position and operating results.

In addition to tax losses carried forward, uncertainties may also result from disputes with local tax authorities about the transfer pricing of internal deliveries of goods and services or related to financing, acquisitions and disposals, the use of tax credits and permanent establishments. These uncertainties may have a significant impact on our local tax results. We also have various tax assets as a result of tax losses in certain legal entities. Tax authorities may challenge these tax assets. In addition, the value of the tax assets resulting from tax losses carried forward depends on our having sufficient taxable profits in the future. Although we believe that we have conducted our business in compliance with tax laws, if local authorities or an administrative court decide we have not been tax compliant, we can be subject to significant liability. Any or all of these tax issues could have an adverse effect on our activity, financial position and operating results.

Tax assets are also mentioned in the consolidated financial statements presented on page 54.

3.4.2. Our River Barges division is governed by the Jones Act

In the United States, our River Barges division is governed by the *Jones Act,* a U.S. federal coastal navigation law that allows domestic river transportation in the United States only for vessels built and registered in the United States, and manned and owned by United States citizens. We believe we comply with the requirements of the Jones Act. However, a change in interpretation of the *Jones Act* or a change in the coastal navigation law could have a significant adverse effect on our River Barges division in the United States. The requirements that our vessels be built in the United States and manned by United States citizens, the provisions relating to the crewing and equipment of the United States Coast Guard, as well as the application of United States labour and tax laws, increase the cost of United States flag vessels when compared with comparable foreign flag vessels.

3.4.3. Litigation to enforce our leases and recover our equipment has inherent uncertainties that are increased by having our equipment located in jurisdictions that have less developed legal systems

Our ability to enforce lessees' obligations will be subject to applicable laws in the jurisdiction in which enforcement is sought. As our shipping containers and river barges are predominantly located on international waterways, it is impossible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossessing our equipment from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the European Union and the United States, and in jurisdictions where the recovery of containers from defaulting lessees is more onerous. As a result, the relative success and expedience of enforcement proceedings with respect to shipping containers and river barges in various jurisdictions cannot be predicted. Similarly, freight railcars can make journeys across several countries, which can make it difficult to predict with certainty which jurisdiction will initiate the enforcement procedures. Inability to enforce our lessees' obligations could have significant adverse affects on our activity, operating results, financial situation and cash flows.

3.4.4. We may be affected by climate change or market or regulatory responses to climate change

Climate change and regulatory developments in the face of climate change could adversely affect the Group's activities, harm our customers and adversely affect our suppliers and the Group's stakeholders.

Changes to laws, rules and regulations, or actions by authorities under existing laws, rules or regulations, to address greenhouse gas emissions and climate change could negatively impact our customers and our activity. For example, freight railcars and river barges that are used to carry fossil fuels, such as coal, could see reduced demand if new government regulations mandate a reduction in fossil fuel consumption. Potential consequences of laws, rules or regulations addressing climate change could have an adverse effect on our financial situation, operating results and cash flows.

The weather risks presented are not new, and have all occurred in the past, as maritime, rail and river transport activities have been around for centuries. Today, the risk lies more in the frequency of climatic events than in the events themselves.

In October 2023, the Touax Group agreed to take part in an experimental application for the Banque de France with a view to establishing a Banque de France climate indicator.

This climate indicator aims to measure the company's exposure to climate risks (transition risk, physical risks) and its maturity in the face of climate challenges.

- Risks of climate change for the container shipping business

The container shipping business is particularly dependent on world trade. The consequences of climate change on world trade could have repercussions on our container business.

Sea freight transportation of goods is exposed to weather hazards such as storms, cyclones and high waves, which can lead to delays, damage to ships and pose safety risks for crews. Rising sea levels are also a concern, which can affect ports and coastal infrastructure.

These climatic events can lead to delays in deliveries and require adjustments in logistics planning to avoid high-risk areas. In addition, rising sea levels pose a long-term threat to port infrastructure and coastal areas, requiring investment in adaptation to minimize the risk of flooding and structural damage. These external climatic events (notably heatwaves) are likely to have an impact on container production at Chinese plants.

Climate change, such as melting ice in the Arctic, can open up new shipping routes. While this can offer opportunities in terms of logistical efficiency and shorter journeys, it can also introduce new challenges. Emerging sea routes can be exposed to unpredictable weather conditions, icebergs and less charted waters, which can increase navigation risks.

- Potential positive impacts of climate change on container rental:

Any slowdown in global maritime logistics due to climatic disruptions is likely to create a greater need for containers.

Cataclysmic climatic events (earthquakes, etc.) are likely to create a significant need for containers for storage or emergency housing.

The International Maritime Organisation (IMO) has set decarbonisation targets, with a 70% reduction in carbon intensity and a 50% cut in greenhouse gas emissions from the world fleet by 2050. Pending the arrival and deployment of alternative technologies to traditional fuel engines, shipping companies are reducing sailing speed to cut their emissions. This reduction in speed has had a positive worldwide impact on the number of containers required.

The drop in the number of refrigerated bulk carrier vessels (reefers) coupled with the obligation to comply with new environmental standards is generating increased needs for the rental of refrigerated containers (reefers).

Indeed, increasingly stringent environmental regulations can prompt shipowners to modernise their fleets to meet these standards, which can lead to the disposal or decommissioning of older, non-compliant vessels.This could potentially lead to a reduction in the number of reefer vessels in service, replaced by reefer containers.

- Climate change risks for the rail freight business

Rail freight transport is vulnerable to climatic hazards such as extreme weather, floods, landslides and extreme temperatures, which can cause delays and logistical disruptions or affect rail infrastructure.

Extreme weather, such as heavy rain or storms, can cause flooding and landslides along railroad lines, disrupting rail freight transport. These events can cause major delays in deliveries, and require considerable effort to restore damaged tracks and infrastructure. In addition, extreme temperatures, whether very low in winter or very high in summer, can affect rails, overhead wires and other components, putting a strain on rail network operations. This underscores the importance for the rail industry of taking climate risks into account in planning and operational management.

Floods, for example, can damage infrastructure, tracks and bridges, requiring costly repairs, and can lead to increased costs for maintenance, safety of rail operations and availability of spare parts (axles, stock, etc.). Companies in the sector also need to consider long-term implications, such as adapting infrastructures to cope with future climate change and reducing their vulnerability.

Heatwaves can cause trains to derail due to rail expansion. Extremely high temperatures can cause rails to expand, leading to thermal expansion problems. This can affect rail stability, increasing the risk of train derailment. Overhead wires, responsible for powering trains, can also be affected, as excessive heat can cause them to expand, causing problems with tension and geometry. That's why railway companies take measures to manage these risks during heatwaves.

- Climate change risks for river freight transport:

River freight transport is vulnerable to climatic hazards such as drought, flooding, water level variations and ice formation. These factors can cause navigation disruptions, delivery delays and increased operational costs.

Drought can have a significant impact on river freight transport by reducing water levels on waterways. This can lead to draught restrictions, limiting the ability of vessels to carry larger cargoes. Some examples of impacts include the need to reduce vessel loads, leading to higher operational costs and potential delays in deliveries. In addition, companies may face logistical challenges in adapting to changing waterway conditions during periods of drought.

As an example, according to the Kiel Institute for the World Economy, in November 2018, low water levels led to a 1.5% drop in industrial production, causing German GDP to fall by 0.4%.

Flooding along waterways can hamper navigation by increasing the risk of collisions, and necessitate adjustments in the management of locks and dams.Flooding can have an impact on customers with riverside port facilities. Variations in water levels, whether due to heavy precipitation or drought, can affect the ability of ships to carry goods due to draught restrictions. In addition, ice formation during severe winters can cause seasonal delays and require icebreaking efforts to keep waterways flowing. These climatic conditions can lead to additional operating costs and make logistics planning more complex for river freight transport.

- Potential positive impact of droughts on the barge leasing business:

For Touax, which offers barge leasing to river transport operators, drought periods can lead to an increased need for barge rentals to transport the same quantity of goods, as the shallower draught does not allow for optimal barge loading, necessitating the use of more barges. In the long term, however, long and recurrent dry spells would have an impact on barge leasing, as logistics operators might lose interest in river transport.

- Risks of climate change on the Modular Building residual business

In the long term, climate change could have negative impacts, particularly in Africa, on the continent's economic growth, creating a migratory and social crisis related to drought and food insecurity.

A natural disaster at our modular manufacturing plant in Morocco could affect our production capacity.

- Potential positive impact of climate change on the Modular Building business:

Extreme weather events (earthquakes, hurricanes, etc.) can create significant emergency needs (schools, emergency buildings, etc.) and positively impact our sales.

Climate change is also discussed in the report on social and environmental responsibility, in section (iv) page 172 of paragraph 22.2.

3.5. FINANCIAL RISKS

3.5.1. Liquidity risk

The TOUAX Group's top priorities for managing its liquidity risk are to ensure financial continuity, meet their due dates, and optimise the cost of debt. The Group has carried out a specific review of its liquidity risk, and considers it is able to meet its commitments at the future due dates.

Liquidity risk management is assessed according to the Group's requirements set forth in the notes to the consolidated financial statements note 33.3. The list of principal borrowing containing specific clauses and commitments is mentioned in note 24.3 and note 32 of the notes to the consolidated financial statements.

3.5.2. Interest and exchange rate risk

The TOUAX Group relies on different types of loans both for its development requirements and its investment policy. A large share of these loans apply a variable interest rate. The latter thus represent the main part of the potential rate risk borne by the Group. Indeed, variable rate loans, which after taking hedging instruments into account, represent 75% of the Group's outstanding debt. The return to a positive level of the reference rates would lead to an increase in the financial expenses related to the variable rate debts as well as the costs for refinancing the current debts and the issuance of new loans. In addition, the increase in interest rates has a negative impact on the Group's cash flows. By way of compensation, the group benefits from the possibility of reassessing its leasing rates when renegotiating its contracts and therefore increasing its rates.

Interest rate risk management is described in the notes to the consolidated financial statements on note 33.4 page 95.

The TOUAX Group has a strong international presence and is therefore naturally exposed to fluctuations in currencies. The consolidated financial results are recorded in euros; if the Group records sales or income in other currencies, the conversion of these revenues into euros may give rise to large variations in the amount of such sales and income. Information on exchange rate risk and its management is provided in note 33.5 page 96 of the notes to the consolidated accounts.

For accounting purposes, the assets and liabilities of our foreign operations, where the local currency is the functional currency, are converted at the exchange rates prevailing at the end of the year and revenues and expenses of our foreign operations are converted at average exchange rates for each year. Accounting impacts may exist for companies whose main operational flows are carried out in a currency other than the currency of the company's accounting reporting.

These fluctuations may affect the results of the TOUAX Group when converting accounts in euros for the various subsidiaries outside the Euro zone. In addition, exposure to foreign exchange risk is essentially linked to fluctuations in the US dollar against the euro and, to a lesser extent, the English pound sterling, the Moroccan dirham and the Indian rupee. Based on the results for the year ended 31 December 2023, the Group estimates that a 10% decrease in the exchange rate of the US dollar against the Euro would result in a 3.7% fall in current operating results. Nevertheless, these are estimates and future exchange rate fluctuations may have a greater positive or negative impact on current operating results compared to what TOUAX originally anticipated. The effect of strong fluctuations would lead to a significant impact on the Group, its financial situation and its operating results. Currency risk is hedged for intra-group loans/borrowings. However, as recorded in the past, the hedging may be ineffective or the provider providing the hedging may be in default.

In addition, currency risk exists when a Group entity enters into a purchase, sale or lease transaction using a currency other than the functional currency of the entity with which we carry out the transaction.

Finally, since future fluctuations in exchange rates and interest rates may have a negative impact on the Group's financial situation and operating results, the Group Treasury and Finance Department manages and optimises these on a daily basis in order to reduce these potentially negative impacts.

3.5.3. The fair market value of our long-lived assets may differ from the value of those assets reflected in our financial statements

Our assets primarily consist of long-term assets which may have a book value in our financial statements that may sometimes differ from their fair market value. These valuation differences may be positive or negative and could be significant depending on market conditions and demand for certain assets. We review long-term assets for impairment in accordance with applicable rules, including whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. Recoverability of the assets is measured by a comparison of the book value of the assets to the future net income expected to be generated by the assets. The profitability of the assets is measured by a homogeneous group of assets and mainly by asset category. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the book value of the assets exceeds the fair value of the assets. Assets are booked at either book value or fair value (depending on which is the lowest), minus selling costs.

There are many assumptions and estimates underlying the determination of a possible loss in value or an impairment event. The assumptions and estimates include, but are not limited to, estimated fair market value of the assets and estimated future cash flows expected to be generated by these assets, which are based on additional assumptions such as utilisation rates, number of years that the asset will be used and its estimated residual value. Although we believe our assumptions and estimates are reasonable, deviations from the assumptions and estimates could produce a significantly different result, which could have an adverse effect on our financial situation, operating results and cash flows.

3.5.4. Counterparty risk

Counterparty risk from Cash and Cash Equivalents, as well as from derivative financial instruments under contract with banks and/or financial institutions, is managed centrally by the Group's Treasury and Financing Department. This risk is set out in the notes to the consolidated financial statements note 33.3.

4. Issuer Information

4.1. Business name and commercial name

The name of the company is TOUAX SGTR – CITE – SGT - CMTE – TAF - SLM - TOUAGE INVESTISSEMENT REUNIES, by abbreviation "TOUAX SCA".

4.2. Place, registration number and LEI

Registration under number 305 729 352 on the Nanterre trade and companies register.

SIRET: 305 729 352 00222.

LEI: 969500QZJBA9R36U9J48.

APE (NAF): 70.10Z.

Listed on Euronext in Paris (TOUP) – Compartment C, ISIN Code: FR0000033003 - Reuters TETR.PA - Bloomberg TOUP: FP.

4.3. Date of incorporation and duration

The company was incorporated on 31 December 1898 and the incorporation will expire on 31 December 2104.

4.4. Legal status and legislation

› Company legal status

Partnership limited by shares under French law.

› Registered and administrative office

Tour Franklin – 23ème étage – 100-101 Terrasse Boieldieu – 92042 La Défense cedex – FRANCE.

Telephone: +33 1 46 96 18 00.

› Financial year

The financial year of TOUAX SCA commences on January 1 and ends on December 31.

› Share capital

On 31 December 2023 the company's capital comprised 7,011,547 shares with a par value of €8.

The capital is fully paid up.

› Company legislation

A partnership limited by shares, governed by the French Commercial Code.

› Viewing of the company's legal documents

Documents relating to TOUAX SCA can be consulted at the company's registered office.

› Information policy

A financial communication agreement has been signed with ACTIFIN – 76-78, rue Saint Lazare – 75009 – Paris – FRANCE.

This universal registration document, reference documents, annual reports, presentations to financial analysts and press releases are available in French and English on the Group's website (www.touax.com).

Significant news that may affect share prices is always broadcast through the press.

› Persons responsible for the financial information

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5. BUSINESS OVERVIEW

5.1. CORE BUSINESSES

5.1.1.Types of operations and core activities

TOUAX is a leading global corporate services provider specialising in the operational leasing, sale and management of mobile standardised equipment. We mainly operate in three sectors with each one corresponding to the type of assets that we lease and manage: freight railcars, river barges and shipping containers.

Our Group's history began over 170 years ago as an operator of barges on the Seine river in France in 1853. We became a listed company on the Paris Stock Exchange (now Euronext Paris) in 1906.

Each of our three divisions holds leading market positions in the key regions in which it operates. In terms of shipping containers, we believe we are the seventh largest leasing company and the third largest asset manager in the world, while in Western Europe we are the leading leasing company and largest asset manager. In terms of intermodal railcars, we are one of the largest lessors in Europe, with these positions being based on the size of our fleet. Finally, we believe we are the only operational lessor of dry river barges in Europe and in the Paraná-Paraguay basin in South America.

We offer a wide range of services related to our equipment, which we either own or manage for the account of third-party investors, to a variety of customers around the world, providing us with diverse and recurring revenue streams. In addition to operational leasing of equipment, we also offer financial leasing, *purchase and leaseback*, as well as sales of new and used equipment. We also provide services ancillary to our equipment leases, such as maintenance and trading.

We operate a global and highly diversified business model, with 3 divisions operating in a total of approximately 40 countries on 5 continents. Income from the activities of the Shipping Containers division, which is international in nature, represented 43% of our income from activities for the year ended 31 December 2023. Our other two activities generated 41% of our total income from activities in Europe (of which 1% was in France), 2% in the Americas and 3% in Asia. The other activities represent 11% of income from activities which is mainly produced in Africa.

Over the years we have developed an extensive platform comprising a global network of branches, offices and depots, as well as a first-rate reputation enabling us to build long-term relationships with our customers. We serve several thousand customers worldwide in a vast range of end-markets, including some of the biggest shipping transport companies, international industrial groups, railway companies and logistics providers, with some of which we have long-standing relationships.

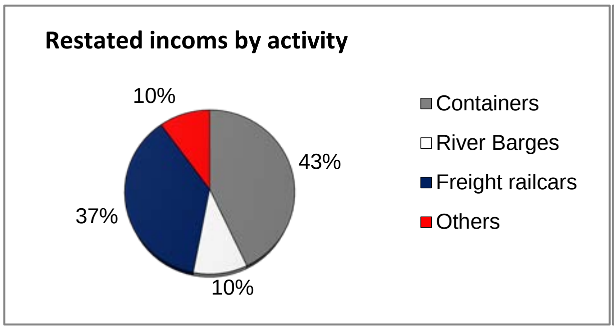
The key indicators of the Group's activity report are presented differently from the IFRS income statement to allow an understanding of the performance of the activities. For this, no distinction is made in management on behalf of third parties, which is presented in the exclusive form of an agent:

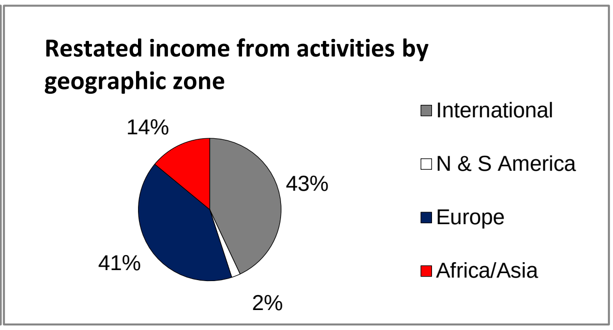
- Income from activities amounting to 195.4 million euros is restated in order to present owned activities on the one hand and management activities on the other. Thus, restated income from activities is 157.1 million euros (see note 3 of the notes to the consolidated financial statements page 71).
- For management activities, leasing revenue from equipment held by investors is replaced by management fees, which correspond to the net contribution of leasing management activity to the performance of the Group.

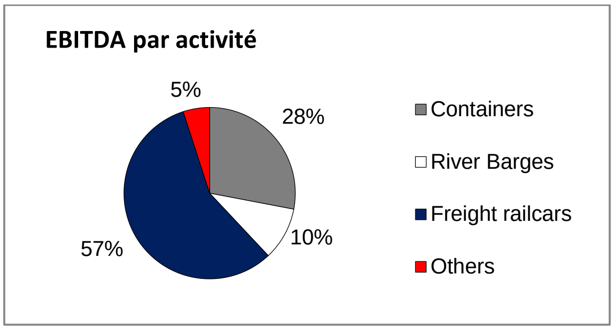
This presentation therefore allows direct reading of syndication commissions, sales commissions and management commissions, grouped together under management activity, distinct from owned activity.

The income from our activities at the end of December 2023 was 157.1 million euros and our EBITDA was 55.3 million euros.

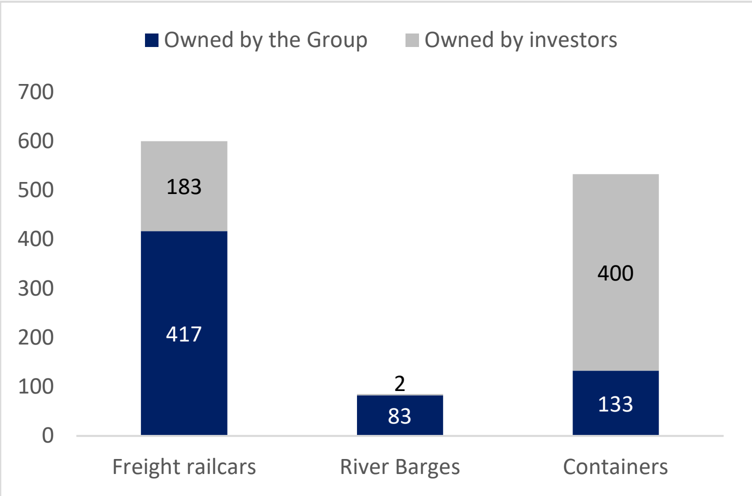
Below is a breakdown of our income by activity and by geographical area as well as our EBITDA by activity at the end of December 2023:







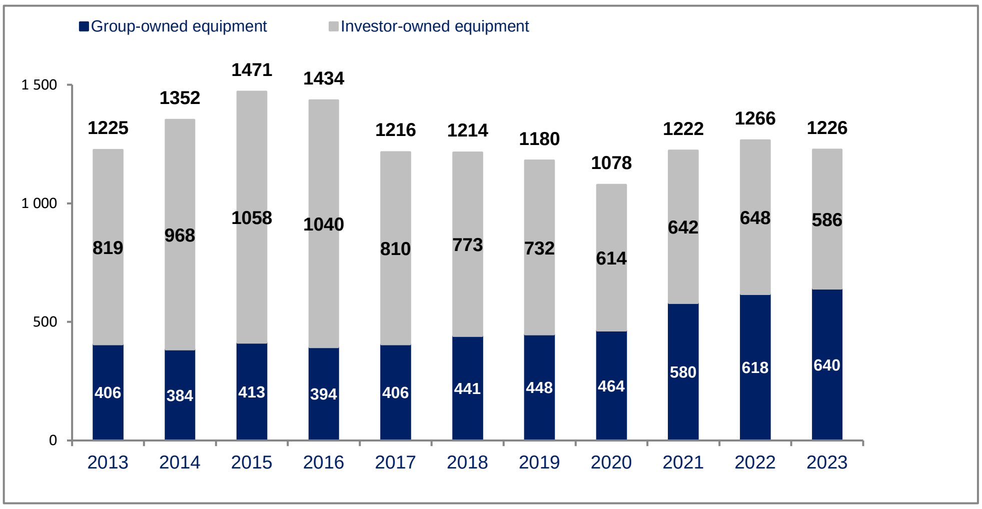
On 31 December 2023, we managed a fleet of assets with a total gross book value of approximately 1.2 billion euros, which are either directly owned by us or managed on behalf of third-party investors. This fleet comprises 13,191 freight railcars (platforms), 26% of which are managed on behalf of third-party investors, 107 river barges, 5 of which are managed on behalf of third-party investors and 327,922 containers twenty-foot equivalent units (TEU), 73% of which are managed on behalf of third-party investors.



In millions of euros.

In connection with our asset management activity, we purchase and subsequently syndicate portfolios of equipment (mostly shipping containers and freight railcars) for sale to third-party institutional and private investors. We enter into long-term agreements to operationally manage syndicated assets with third-party investors. We receive a syndication fee at the time of the sale of the portfolio to an investor, and through our management agreements (which tend to range from 12 to 15 years), we receive management fees based on the gross leasing revenue attributable to the managed portfolio. On 31 December 2023, our third-party investors owned 48% of the total gross book value of our leasing fleet.

The breakdown in terms of gross book value of our total fleet from the end of 2013 to the end of 2023 is as follows:



In millions of euros

Our diversified business model enables us to generate recurring revenue as a result of the standardised nature, long economic lifespan and low obsolescence rate of our assets. Our leasing revenue is generated by long-term lease agreements, securing long-term recurring income and predictable cash flows. Our asset management activity provides us with recurring revenue as a result of the long-term nature of our asset management contracts. These recurring streams are enhanced by opportunistic sales of used equipment, which we pursue based on prevailing market conditions.

As a Group engaged in an asset-based business, we resort to asset-backed financings to operate and grow our business. These assets were financed through a mix of equity, cash and debt.

Our competitive strengths

We benefit from long-lasting leading positions in markets which consolidates our experience and performance level

With our extensive network of sales offices, agencies and depots located in 40 countries on five continents, we have achieved leading positions in most of the divisions and sectors in which we operate. Most of our markets being characterized by significant barriers to entry, these leading positions have historically allowed us to fully benefit from available growth opportunities.

We believe we are one of the largest lessors of intermodal railcars in Europe based on the number of railcars in our fleet, with a total fleet of 11,687 railcars (platforms) representing a gross book value of approximately 600 million euros as at 31 December 2023, 30% of which consisted of railcars that we managed on behalf of third-party investors. We also manage the maintenance of 1,504 railcars.

Finally, we believe we are the only operational lessor of dry river barges in Europe and in the Paraná-Paraguay basin in South America. We are also present in the Mississippi and Missouri basins in the United States. Our fleet has 107 barges representing a gross book value of approximately 86 million euros as at 31 December 2023, 5 barges of which are managed on behalf of third-party investors.

Lastly, we believe that we are the 7th largest lessor and the 3rd largest asset manager of shipping containers in the world, based on the size of our fleet, and the leading lessor and manager of shipping containers in continental Europe. Our shipping container fleet totalled 327,922 twenty-foot equivalent units (TEU), representing a gross book value of approximately 533 million euros as at 31 December 2023, 75% of which is managed on behalf of third-party investors.

Experience and scale constitute a critical competitive advantage in our markets and underlie the success of only the largest market participants. Because our activities are capital intensive, building the appropriate platform, as well as appropriate assets to efficiently carry on our business, requires significant financial resources, and constitutes significant barriers to entry for new operators.

Our experience and size have allowed us to develop over the years the significant platform, know-how and global presence required to achieve operational efficiency in a highly competitive environment. We benefit from the experience of our management teams in the various industrial sectors and geographical end-markets to which we market our products and services. Our depth of experience provides us with insights into dynamics that are critical to the success of our business, such as the timing of investments and divestments of assets in our leasing fleet, where, when and at what price to make these assets available to potential lessees, and trends in customer demand in all our end-markets.

Furthermore, we have a first-rate reputation for technical expertise and operational excellence, which enables us to meet the quality standards demanded by our customers, particularly in the areas of maintenance and customer assistance. Our successful track record in the asset management business has also allowed us to attract and develop strong relationships with investors in portfolios of equipment. Leveraging upon our expertise, we have been able not only to grow our fleet but also to manage it proactively in order to maximize utilisation rates and revenues.

Finally, we have created a unique and efficient platform based on proprietary IT systems and have built an extended network of branches, offices, depots, workshops and agents, which in turn has allowed us to maintain strong and stable client and supplier relationships in all our activities. We believe that the critical mass resulting from our platform and network enables us to achieve economies of scale and accordingly offer attractive pricing to customers, thereby providing us with an advantage over smaller competitors that may not be able to access financing or equipment at rates as favourable as ours.

We operate a diversified business model, serving a broad customer base in different end-markets

Our business profile is highly diversified, with three divisions operating in a total of approximately 40 countries on five continents. Each of these divisions serves a broad customer base and operates through several business models such as leasing, selling, trading and asset management.

Our divisions (Freight Railcars, River Barges and Shipping Containers) operate on different business cycles. This enables us to mitigate our exposure to certain market conditions, such as potential shifts in demand among freight transport alternatives, and to shift our exposure to more profitable customer categories and end-markets. In addition, we serve several thousand customers worldwide that are exposed to a vast range of industry drivers and end-market dynamics, such as the development of international trade and the tightening of regulatory frameworks. On 31 December 2023, our top 10 customers (excluding investors in our asset management programmes) represented 36% of our total revenue.

Our activity is geographically diverse. Income from the Shipping Container business, which we consider to be international in nature, accounted for 43% of our total revenue at the end of December 2023. Our other activities represented 41% of our total income from activities in Europe (of which 1% was in France), 2% in the Americas, 11% in Africa and 3% in Asia. Our geographic diversification reduces our exposure to the general economic conditions affecting any single region, country or currency, and provides for cost-effective coverage of smaller customers at a local level, while also addressing the needs of larger international customers.

Furthermore, we benefit from three different sources of revenue. Our main revenue stream consists of leasing revenue and we also sell new or used equipment based on our analysis of prevailing market conditions. Some of our customers may opt, on the basis of micro- and macroeconomic factors, to buy rather than to lease their equipment. Because we both lease and sell equipment, we reduce the risks associated with the decisions of our customers to select one solution rather than another. We also offer certain third-party investors the possibility of investing in and owning equipment that we manage on their behalf, and we derive additional sources of income through fees and commissions in connection with the syndication, leasing, management and resale of such equipment. This enables us to expand our fleet while limiting the risks and capital expenditure associated with equipment ownership.

We own and manage a flexible and liquid asset base

We own and manage a fleet which on 31 December 2023 represented a total gross book value of approximately 1.2 billion euros, 52% of which is owned by us, and which is characterised by its quality, as well as its flexible and liquid nature. Our fleet is young and has a long lifespan. For example, on 31 December 2023, the average age (weighted by the gross value of the assets) of our fleet of freight railcars, river barges and shipping containers was 16.2 years, 14.9 years and 10 years respectively. On the other hand, the useful life (in relation to the accounting life) of our equipment is generally between 30 to 50 years for freight railcars and river barges and 30 to 40 years for shipping containers (up to 15 years at sea and another 20 years on land for storage purposes).

The majority of our fleet is comprised of standardised and highly versatile equipment, thereby enabling us to meet customer needs and optimise fleet utilisation. In addition to providing leasing revenue, which is our main source of revenues, the quality and the flexible and liquid nature of our asset base allow us to ensure high residual asset value, actively manage our asset base and optimise revenue streams from opportunistic used sales. Finally, because of our limited maintenance capital expenditure requirements, due to the age and quality of our fleet, a significant portion of our capital expenditures is discretionary in nature, which gives us substantial flexibility to adjust or reallocate our investments based on our business needs and the prevailing economic conditions.

We are engaged in an asset-based business, and we use asset-backed financing to invest in equipment and grow the size of our fleet. We limit our total debt to sustainable levels in accordance with the commitments of these asset-backed financings; and with our internal objectives. Since 2008, we have consistently maintained a ratio of total debt to total assets (excluding intangible assets) below 70%, with a ratio of 59% as at 31 December 2023.

We are present in end-markets with positive long-term fundamentals

Most of the markets that we address benefit from positive underlying long-term trends.

Our markets are driven by global economic growth and growth in international trade volumes as well as the need for annual renewal of transportation equipment. Through our geographically diversified operations, we benefit from the macroeconomic growth of advanced, developing and emerging economies. The need for equipment renewal is particularly significant. We estimate the annual renewal requirement at 14,000 European railcars (at a market value of approximately 1.4 billion euros). Over the period 2024-2027, we estimate the annual renewal requirement at approximately 2.6 million TEU containers (representing a market value of approximately 5.75 billion US dollars).

We also believe that our Freight Railcars division will benefit from an improvement in market conditions. As a result of the economic slowdown and rising interest rates, demand for new equipment fell, without necessarily creating significant overcapacity in railcar leasing fleets. In fact, the available supply of new railcars is limited by the small number of manufacturers, which limits growth during periods of economic expansion, but does not generate overcapacity in the event of a slowdown. The growth of the European freight railcar industry is likely to be further boosted by the structural mismatch between, on the one hand, railcar replacement needs due to the ageing of railcars and, on the other, limited railcar production capacity.We believe that these factors will boost business as soon as interest rates fall, and will benefit leasing companies like us with young fleets. The average age of our fleet was 16.2 years at the end of 2023.

Our River Barges division is also affected by international trade flows and economic conditions in the countries along the river basins in which we operate. We have focused our efforts in markets showing good prospects in Europe and potential growth in terms of demand. The South American market is gradually improving (increase in cereal transport and resumption of iron ore transport) but is occasionally subject to climatic events (drought).

Finally, the Containers division is also linked to world trade. The Shipping Containers business remained exceptionally buoyant during the Covid pandemic. Since then, we have seen a normalisation of the market and prices. Current events in the Red Sea are once again generating a need for containers. New container production worldwide was low in 2023, but is expected to grow in 2024.

We benefit from stable, recurring revenue streams

As a result of the standardised nature and low obsolescence rate of our equipment, we can generally enter into long-term leases, securing recurring income and cash flows. As a result, a large proportion of our leasing revenue is contractually locked in, thereby affording us significant visibility on revenue.

Our strong, flexible and liquid asset base, which generates recurring and stable revenue streams, enables us to implement syndication to finance a portion of our fleet under management.

We manage rental equipment for third-party investors to whom we sell the equipment. This enables us to serve our customers by further diversifying our business model and generating additional recurring revenue without incurring the operational, financial risks and investments risks associated with the ownership of equipment. Syndications thus also allow us to expand the size of our fleet of leasing equipment in order to serve new leasing customers and generate revenue from additional leasing contracts without increasing capital expenditures and incurring additional long-term indebtedness. We receive syndication fees at the beginning of our asset management relationships. Our asset management contracts, which tend to range from 12 to 15 years, provide us with recurring management revenues based on the performance of the assets in our portfolio. At the end of the useful life of equipment that is owned by an investor, we are often mandated by the investor to dispose of the asset, thereby providing us with a sales fee, which is another source of revenue.

We are led by an experienced management team

Supported by our Supervisory Board, our senior management has a proven track record of effectively managing our business over the years. Members of our top management are experienced in managing operations through the different economic cycles and each has at least 20 years' experience in the equipment sales and leasing business. Furthermore, each of our three divisions is led by a managing director. These managing directors have an average of approximately 20 years of experience in their respective industry.

Our management team's accumulated experience is an asset in identifying market dynamics and the right time to invest in a certain class of equipment in order to grow our business. Our managers' long-term relationships with many companies and individuals in the markets where we are present allow them to predict customer needs and identify key trends in our industrial and geographical end-markets. In a business where much of our success depends on providing our customers with what they want, where they want it and when they want it, our managers' ability to analyse market conditions to identify opportunities is critical. We believe that we will be able to continue to capitalize on their experience and their relationships to continue to grow our business and carry out our strategies.

We benefit from the long-term vision and support of our principal shareholders

We benefit from the strong entrepreneurial culture of the Walewsky family, which has managed our Group as a family business since the beginning of the 20th century and has developed it into a global business, that we consider to be a leading reference in each of the markets targeted by our three divisions. The WALEWSKI family is our principal shareholder. On 31 December 2023, members of the Walewsky family, Alexandre, Raphaël and Fabrice Walewsky, jointly owned approximately 31.41% of Touax shares. This is a testament to our shareholders' faith in our Group and demonstrates the alignment of our shareholders' interests with our long-term vision and growth prospects. We believe that our principal shareholders' experience and knowledge of the industry is a key factor in the continuing success of our business.

Our strategy

We intend to leverage our business expertise and unique platforms to continue to stand out from our competitors and to continue to grow our 3 activities. Through the implementation of our strategy, we intend to increase EBITDA while reinvesting positive free cash flow, by seeking additional financing and increasing syndication transactions with third-party investors. Thanks to our commercial actions, we intend to increase the utilisation rate of the existing fleet that we manage as well as leasing rates.

Consolidate our leading positions in mature markets

In mature markets, we intend to consolidate our leading positions by continuing to implement a well-structured differentiation strategy for each of our 3 divisions. We believe that differentiation is a key factor to enable us to maintain our broad customer base in highly competitive mature markets.

We intend to continue to differentiate ourselves by continuing to focus on our ability to understand our customer needs, build long lasting relationships and offer our equipment in the right place, at the right time and at the right price. In our Shipping Containers division, we will achieve this by relying on our in-depth business expertise, our top quality platform and our worldwide presence. For our other two divisions, we are developing our processes to minimise equipment downtime during overhauls and therefore enable our customers to optimise their use at a higher level than our competitors' equipment. Maintenance services are also an essential element of our strategy to stand out from our competitors in the Freight Railcars and the River Barges divisions.

We also intend to continue to differentiate ourselves from our competitors by providing associated high-quality services to our customers. In our Freight Railcars and Shipping Containers divisions, we will continue to offer services related to the monitoring and sharing of information about our equipment to our customers via the Internet, as well as online restitution services.

Improve utilization rates and operating efficiency to increase profitability and cash flow generation

We intend to increase the overall utilisation rate and the profitability of our existing fleet and continue to control our costs in order to improve our operating efficiency, increase our operating margins and reduce our leverage.

To increase our utilization rates in the Freight Railcars division, we are implementing more aggressive commercial policies in order to expand our customer base. More generally, we are seeking to further expand our commercial networks and strengthen our commercial teams across all divisions.

We also intend to improve the operational efficiency of our three divisions, also by standardising procedures. This enables our commercial teams to more readily adapt a particular asset to a specific customer need, thereby improving utilisation rates.

Controlling financial leverage through the continued pursuit of a sound financial strategy

We intend to continue our strategy of pursuing growth responsibly while focusing on controlling leverage. We believe we will be able to achieve such goal by pursuing initiatives aimed at increasing our utilisation rates, seeking out business opportunities and further improving our operational excellence in those markets in which we already have an established presence. We further believe we can continue taking advantage of our proven excellence in syndicating portfolios of assets in order to control investments and manage our levels of indebtedness. At the end of 2023, net debt amounted to 285.7 million euros and gross debt 329.3 million euros, bearing in mind that the Group's balance sheet held assets intended for sale to investors in 2023. EBITDA stood at 55.3 million euros in 2023 compared to 57.9 million euros in 2022.

Accompany the growth of our markets while keeping capital expenditures under control through asset management plans

Our objective is to support the growth of our markets and respond to customer demand without increasing investments or debt.

While maintaining the overall size of our owned fleet across our three divisions, we intend to keep a balanced owned asset portfolio among the divisions based on current and future market conditions. This balance in the composition of our asset base will provide us with a recurring source of revenues and will allow us to further optimise our asset mix and geographic positioning. This in turn will protect our overall business from severe market conditions that may from time to time affect some of our divisions.

We plan to expand the fleet that we manage for third-party investors through the further development of our asset management programs. We intend in particular to resume syndication of equipment in our Freight Railcars division. The syndication of new asset portfolios to third-party investors will enable us to finance the growth of our fleet, further strengthen our leading positions and develop further economies of scale. During 2023, the Group created syndications in the Freight Railcar and Shipping Container businesses and we hope to increase syndications across all businesses in 2024.

Grow our business in emerging markets

We intend to grow our business by seeking business opportunities in emerging markets. We believe that the most efficient way to expand our business and increase the volume of our operations in emerging markets is to establish partnerships with well-known local partners, who know the particularities of the local market, help us to increase our operational capacity and share the financial costs and business risks associated with each project. In this way, we intend to limit any additional indebtedness or capital expenditure related to the pursuit of such new opportunities.

In the long term, we plan to strengthen our presence in emerging markets mainly in our Freight Railcars division in India through our partnership with the leading freight railcar manufacturer in the country.

* * *

TOUAX specialises in the leasing, management and sale of standard, mobile and flexible equipment used for the transportation of goods.

Specifically we:

- sell new and used equipment;
- lease (through both operating and finance leases) such equipment;
- manage fleets consisting of such equipment that are owned by third-party investors;
- provide services related to each of these activities.

We operate through 3 principal divisions, each centred on one type of managed asset:

- our Freight Railcars division, through which we lease, sell and maintain a fleet of railcars that are used for freight transportation and that we either own or manage for third parties;
- our River Barges division, which allows us to lease and sell barges that we own or manage for third parties; and
- our Shipping Containers division, through which we lease and sell a fleet of standard containers that are used in maritime and overland transport and that we either own or manage for third parties.

On a more residual basis, Touax has retained modular building sales activity.

The activities and markets for each of these activities are detailed below, supplemented by the management report page 134.

The breakdown in revenues for each core business and geographic area is described in the notes to the consolidated financial statements section 18.1 page 54. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on 21 March 2024 is provided in paragraphnote 24.1 page 86.

5.1.2.Freight Railcar business

Market dynamics in the freight railcar sector generally vary from region to region. We are still in two geographic markets with distinct characteristics and outlooks: Europe mainly, including Great Britain and India.

Europe
We estimate that the European freight railcar leasing market totals approximately 550,000 freight railcars, including around 90,000 railcars in the UK, with an average age of around 32 years.The European market, which has seen a steady recovery over the past decade, continued to perform well in 2020 despite a slight decline in the first quarter of 2020 due to the health crisis (Covid-19), as well as in 2021. Then the war in Ukraine began in February 2022 with the immediate consequences of a drastic increase in the cost of steel and energy (at the end of 2022, the cost of steel returned to its pre-war level while the energy price remains very high) which has created a complicated situation between the manufacturers of freight railcars and their customers, in a context of higher inflation. 2023 saw a weakening of the intermodal sector combined with an overproduction of new railcars due to large orders in anticipation of future contracts from our competitors, while the automotive segment was in high demand from mid-2023 onwards. However, the

European rail freight market should continue to benefit from policies aimed at promoting rail freight and environmentally-friendly forms of transport. The continued need to renew freight railcar fleets will make it possible to meet existing demand.

India

Having been a core infrastructure in the Indian territory for over 150 years, rail transport is a key driver of the country's socio-economic development. They are also one of the leading modes of transport with more than 40% of freight transported by rail, and an increase in Tonne-Kilometres (tkms) from 720 billion to 872 billion tkms as of March 2022 (Source:Indian Railways Year Book 2021-2022). Statistics for 2023 are not yet available.

The creation of six lanes for freight ("Dedicated Freight Corridor") is the largest railway project ever launched by the Indian State and its national company Indian Railways, both in terms of the length of the network constructed and its cost (combined length of over 3,000 km). These new lines connect the main ports and the Indian cities of Delhi, Mumbai, Chennai and Calcutta. New dedicated corridors will be introduced in the coming years to increase the volume transported by rail.

The new freight corridors put into service in recent years may be used by different operators thanks to the tendering of Indian Railways. As of March 2022, India’s rail fleet includes 318,896 freight railcars -an increase of 5.4% on the previous year (302,663 freight railcars) - owned almost exclusively by Indian Railways (Source: Indian Railways Year Book 2021-2022).

Principal Market Drivers

Macroeconomic conditions affecting demand for freight railcars

The demand for freight railcars is closely tied to the underlying factors affecting demand for rail transport, which depends on developments in global and regional trade. Levels of freight railcar leasing are therefore subject to variation based on a host of macroeconomic factors such as industrial output and consumer demand.

Rail transport competes directly with other means of overland and inland freight transportation, particularly trucking. According to Eurostat, railways accounted for 18% of all inland freight transport in the European Union, whereas road traffic accounted for around 76%. This breakdown has remained stable for the past two decades. We believe that generally, rail will be favoured as companies are increasingly sensitive to environmental concerns and labour costs, as rail transportation is more environmentally friendly than trucking and requires less manpower.

Changes in the European regulatory landscape

We believe that the deregulation of the rail sector in Europe continues to have a beneficial impact on the overall demand for freight railcars.

Changes in European regulations have opened up railway transport to private companies, leading to a more flexible competitive landscape that challenges the dominance of incumbent state-owned railway companies. We believe that these changes will lead to an increased share of railcar supply being provided through leasing rather than through ownership. The reason for this development is that new entrants will likely be smaller and be less able to make significant capital expenditure necessary to build up a fleet of railcars. We believe that these companies will therefore favour leasing as a means of ensuring that they have a useful fleet at their disposal while being able to optimise capital expenditure levels. We estimate that in Europe, lessors represented approximately 20% of total freight railcar supply, whereas in the United States, where the railways have been deregulated for a longer time, lessors’ share of the market is significantly higher.

In addition, the European Commission also approved several investments over the next few years that we expect will modernize and significantly improve railway transportation in Europe. Investments in infrastructure have continued to increase in order to renovate and improve the service. We believe that these initiatives will further stimulate investments in the development and renovation of rail infrastructure, which had previously languished for decades.

Additionally, we believe that the adoption of standardised rules regarding railcar maintenance have made regulatory compliance a more streamlined process than it was prior to this change. We believe that these shifts in the European regulatory landscape will lead to the further development of long-distance rail traffic that is more competitive compared with road transport.

Mismatch between production capacity and replacement needs

The economic slowdown at the start of the decade was particularly difficult for manufacturers of railcars as demand for more equipment decreased. As a result, many manufacturers faced economic difficulty and a number were forced to go out of business. Since then, improvement of the economic environment in Europe and market conditions in recent years has contributed to the increase in demand for additional equipment.

Railcar manufacturers have become stronger by concentrating their operations and offering higher production capacity to absorb demand but with longer production lead times (like the automotive sector). This has shown itself to be more true over the past two years.

During the previous decade, many old railcars went unused and were not maintained. We believe that it will be difficult and too costly to restore this equipment to good working order. As a result, we believe that market participants with younger fleets will be in a better position to meet new demand.

Shift to increased leasing over ownership

We believe that as newer, smaller companies enter the rail freight market in the wake of deregulation, and legacy companies are forced to compete more directly with small operators, leasing a fleet of railcars will become more advantageous to the market as a whole. Leasing allows companies seeking to ship freight by rail to build up their fleet without incurring significant capital expenditure. In addition, lessors can provide lessees with value-added services such as fleet maintenance, thereby enabling lessees to avoid the need for expensive, in-house maintenance teams. Furthermore, sale and lease-back transactions and finance leasing can allow companies to manage their balance sheet while outsourcing the management of the their older railcars to lessors.

Competition

There are several large competitors operating in the freight railcar leasing industry. These companies tend to specialise in several types of railcars.

While we specialise in intermodal railcars and other dry goods transportation railcars, certain other market operators, such as GATX and ERMEWA, specialise more specifically in tank railcars.

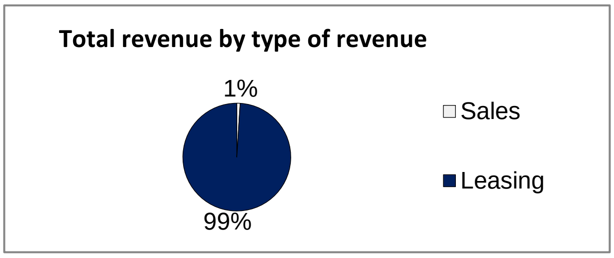
Our Freight Railcars division's key competitor in the intermodal railcar industry is VTG.

General presentation of the business

We lease and sell freight railcars to logistics companies, railway operators and industrial groups in Europe, including the United Kingdom, and in Asia. We believe we are one of the largest lessors of intermodal freight railcars in Europe, in terms of the number of railcars in our fleet.

We also provide maintenance services as an Entity in Charge of Maintenance (ECM-certified) under European regulations to customers in Europe and the United Kingdom. Our Freight Railcars division has offices and/or agents and covers about twenty countries in Europe and the United Kingdom.

Restated revenue (see page 71) is broken down as follows in terms of income:



Our Freight Railcars Fleet

On 31 December 2023, our total fleet of railcars consisted of 13,191 platforms with a gross book value of approximately 600 million euros, 30% of which consisted of railcars that we managed on behalf of third-party investors. The average utilisation rate for our leasing fleet was higher than 87% for the financial year ended 31 December 2023. Our fleet consists of different types of railcars, including:

- intermodal wagons, which are used to transport standard containers used in maritime transport or swap bodies and which are exchangeable containers that are lightweight and non-stackable, making them ideal for rail and road transport);
- car carrier railcars, which are used to transport cars by rail;
- coil carrying railcars, which are specially designed to transport large spools of steel, coils of cable or wire or other similarly spooled materials;
- sliding wall wagons, which are loaded from the sides for palletised products; and
- hopper cars and powder railcars which are used to transport loose bulk items.

Within the freight railcar industry, railcars are counted in terms of platforms rather than individual railcars. A 45-foot and a 60-foot railcar are each considered to be one platform, while 80-foot, 90-foot, 106-foot and car transport railcars are each considered to represent 2 platforms. As at 31 December 2023, our freight railcar fleet totalled 10,209 (or 13,191 platforms).

This includes 1,504 platforms that we technically manage on behalf of two of our customers.

Freight railcars are particularly long-lived assets, which can typically be used for 30 to 50 years. The average age of our freight railcar fleet as at 31 December 2023 was 10.40 years (excluding the ECM fleet). The average age of our technically managed fleet is 16.24 years. The weighted average age of the owned fleet was 10.90 years as at 31 December 2023.

Our Products and Services

Our Freight Railcars division offers three principal types of services to our customers: leasing and related services, railcar maintenance and asset management. To a limited extent, we also sell small components used in freight railcars.

Leasing and related services

We lease our fleet of freight railcars to logistics providers, railway companies and industrial groups in Europe, the United States and Asia. We also provide services related to our leased fleet, such as maintenance services. Leasing and related services accounted for 57.6 million euros, or 99% of restated revenues in the Freight Railcars division for the financial year ended 31 December 2023 (see. page 71).

We provide four types of packages to our freight railcar lessees based on their specific operational needs:

- full service leases, pursuant to which we are responsible for maintenance and repairs of leased railcars;
- net leases, pursuant to which our customer retains responsibility for the maintenance of and repairs to their leased freight railcars;
- mixed leases, pursuant to which we are responsible for inspections and checks of the leased freight railcars and repair of their wheel sets while our customer is responsible for all other corrective and day-to-day maintenance; and
- sale and lease-back transactions, pursuant to which we purchase railcars from our customers and lease the fleet back to them. We may provide maintenance of the railcars through the leaseback arrangement if the customer so desires.

Lessees under our freight railcar lease contracts generally undertake to lease a fixed number of freight railcars for the duration of the lease at a fixed per diem rate, although some lease agreements may also provide for the leasing of freight railcars on a pay-as-you-go basis for spare railcars.

Furthermore, our lease agreements generally include a yearly mileage limitation clause, which establishes a supplement per kilometre applicable to the contractual leasing rate in the case the freight railcars have travelled more than the agreed mileage. The duration of these leases generally varies from 1 to 2 years, although in certain cases it could be for as long as 8 years. At at 31 December 2023, the average term of our leases was 4.40 years. Leases are often automatically renewed at the end of their initial term for an additional one year term unless either party to the lease agreement delivers a notice of redelivery to the other party at least 3 months prior to the expiration of the initial leasing period. Further, contracts may not be terminated by the lessee unilaterally during the term of the lease.

Freight railcar maintenance

Since 2011, we were certified as an “Entity in Charge of Maintenance,” or ECM, pursuant to European Regulation 445/2001/EC. As of 01 January 2023, Touax Rail Ltd has obtained ECM certification dedicated to the UK. Our maintenance system received a new certification by external audit in January 2021 according to European directive 2016/798 of the European Parliament. The next external audit for the renewal of this certification is scheduled for the end of 2024. This regulation sets forth a mandatory compliance system designed to ensure the safety and reliability of freight transport by rail within the European Union, and prescribes standard guidelines similar to those of an ISO standard that must be applied in order for accreditation to be received. The promulgation of the regulation created a market in third-party maintenance providers to alleviate the time and cost burden of compliance by freight railcar holders.

We employ specialised technicians able to analyse a freight railcar’s technical issues remotely and recommend a detailed plan of action. The freight railcar is then dispatched to a nearby workshop to which we subcontract the actual repair work and whose mechanics are instructed to follow the recommendations of our technicians. We are also working on solutions that make it possible for railcars to be repaired or overhauled on site, i.e. without having to send them to the workshop - whenever possible -with the effect of increasing railcar availability and thus customer satisfaction, and reducing maintenance costs.

Our status as a certified ECM allows us to offer maintenance services to third parties independently of whether the freight railcars are part of our fleet. We currently provide such services to freight railcars owned by an affiliate of SNCF, the French national railway company. We intend to use our status as an ECM to pursue other opportunities to provide freight railcar maintenance services on a standalone basis.

To improve our operational management of maintenance and reduce the associated costs, we are gradually equipping our fleet of freight railcars with a GPS system. This also allows us to offer a more efficient service to our customers.

Asset management

As in our Shipping Containers division, we syndicate portfolios of freight railcars to third-party investors and operate as an asset manager for them. As at 31 December 2023, our Freight Railcars division had assets under management for third parties with a gross book value of approximately 183 million euros, or 30% of our total fleet of freight railcars.

Our portfolio selection, tracking, syndication process and contracts are similar to those used in our Shipping Containers division. Following syndication, we manage the syndicated portfolio as if it were part of the assets we manage for our own account.

Sales

To a very limited extent, we also sell components used in freight railcars, such as axles. We also have from time to time sold portfolios of second-hand freight railcars when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses.

Purchase of equipment

We rely on third-party manufacturers to supply the freight railcars that make up our fleet.

The new equipment that we buy is generally based on leasing or sales contracts signed with a customer. The equipment that we do purchase is selected based on our own internal ROI targets, which are affected by the price that we can charge under our leasing contract and the cost of financing the freight railcars.

We are not particularly dependent on any one supplier of freight railcars to meet our needs. However, we note that the available capacity of manufacturers of new freight railcars has fallen sharply due to strong market demand in recent years.

Financing our fleet

We purchase freight railcars for use in our leasing fleet for the purpose of either owning them on our balance sheet or syndicating railcars to third-party investors for whom we manage such assets. As at 31 December 2023, 30% of the gross book value of our freight railcar fleet was owned by third-party investors and 70% was owned by our Group.

When we purchase freight railcars to own on our balance sheet, we do so through cash on hand or drawings under our revolving credit facilities. When we purchase freight railcars, we use a credit line backed by our assets to finance these freight railcars. This finance line is a short-term revolving credit that is repaid when these railcars are syndicated.

Management of our fleet

Through our proprietary fleet management software platform, we are able to track our fleet of freight railcars as they are leased. Our platform allows us to provide monthly reports to our management and our investors on the status of our freight railcar fleet, leasing rates per type of railcar, utilisation rate, operating expenses and revenues attributable to a freight railcar, to a lessee or to an investor.

Freight railcars that are on lease but unused by our customers are stored in rail yards and sidings at their expense. We also store freight railcars that are not on lease at rail yards at our own expense. Our freight railcars are managed by our trained technicians and are sent to workshops or on-site to undergo maintenance and repair at the instruction of our technicians.

Marketing

Our primary means of marketing our services includes our regular participation in requests for tenders from logistics companies, railway operators or industrial groups. In general, a potential customer will specify the number and type of freight railcars it will need, and where it will need them. Our decision to tender is based on our ability to purchase or furnish freight railcars at a price that will generate an attractive return on our investment.

The length of the tender offer process varies depending on the potential customer's need for freight railcars. If the company is seeking to fulfil a need that will arise in the immediate short-term, the process can be quite rapid, whereas companies that are seeking to fulfil projected future needs typically set forth a schedule that is longer. We negotiate terms such as price, payment terms, additional services to be included in the contract (such as maintenance) and the terms of delivery and return of the leased freight railcars.

Key customers

Our Freight Railcars division caters primarily to three types of customers: logistic companies, railway operators and industrial groups. Our principal logistics company customers include GCA, Oceanogate, Hödlmayr, ARS Altmann. Our principal railway company customers include SNCF, Deutsche Bahn, SBB, Belgian Railways, Rail Cargo Austria and Rail Cargo Hungaria.

Our principal industrial sector customers include VW, BASF, Tata Steel and Solvay. During the financial year ended 31 December 2023, no single Freight Railcars leasing customer represented more than approximately 10% of revenue in our Freight Railcars leasing division. Our ten largest equipment leasing customers represented approximately 50% of revenues in our Freight Railcars leasing division for the financial year ended 31 December 2023.

5.1.3.River Barge business

Key Market Characteristics

Our River Barges division is installed in the Seine, the Rhine and the Danube river basins in Europe, the Mississippi and the Missouri river basins in the United States and the Paraná-Paraguay river basin in South America. Inland waterway freight traffic is significant in each of our markets.

In Europe, river transport represents approximately 500 million tonnes, with a transport capacity of around 130 billion tonne-kilometres. Goods transported include grain and agricultural bulk, construction aggregates, sand, stone and gravel, containers, coal, iron ore and metals for dry cargo, chemicals and petroleum products for liquid cargo.

The Rhine is Europe's main waterway. This Rhine route is a strategic asset for the logistics transition of the future. Two thirds of European river traffic is concentrated on the Rhine: Approximately 330 million tonnes are transported on it every year across this entire route. By way of comparison, the Seine basin handles 22 million tonnes of goods a year, and the Rhône-Saône basin nearly 6 million.

Europe's low-carbon strategy calls for a 28% reduction in CO_2 emissions from freight transport by 2030, and decarbonisation by 2050. With 500 million tonnes transported on inland waterways, river freight transport has kept the equivalent of 25,000,000 trucks off the roads. Today, the CO_2 savings that can be achieved by using river transport are estimated at almost 60 $gCO_2/t.km$.

Europe's inland navigation fleet included almost 10,000 boats registered in the Rhine countries, 3,500 in the Danube countries and 1,200 in other European countries. Overall, for several years now, there has been an upturn in new shipbuilding activity, which has been more pronounced for liquid cargoes than for dry cargoes.

Overall, the European outlook for freight transport looks favourable, particularly from 2024 onwards. However, it is difficult to make precise forecasts for the near future due to the unstable underlying geopolitical conditions, in particular the armed conflict between Russia and Ukraine and the ensuing energy crisis.

The U.S. inland waterway network consists of some 12,000 miles of lockable rivers on the Mississippi, Ohio, Tennessee-Tombigbee navigable route, Illinois, Snake and connecting rivers and canals. This is a strategic asset for freight transport, with almost 550 million tonnes transported every year. In 2023, in the United States, freight transport by inland waterway was down on 2022, due to technical problems on the networks at the start of the year, but it improved in the second half of the year, particularly with the improvement in agricultural yields, according to publications from *River Transport news* and the *National Transportation Statistics report*.

The Hidrovía Paraguay-Paraná (HPP) is one of South America's busiest freight rivers. Made up of the Paraná River and its tributaries, the system crosses and borders five countries: Brazil, Argentina, Paraguay, Uruguay and Bolivia. It carries around 15 million tonnes of freight a year, which is not much compared with the American network, and suffers from uncoordinated governance. But the river has great potential, being ideally located in existing agricultural centres, and there is a significant market for the export of agricultural products on the river. The return of water levels to normal has made it possible to resume river navigation, without restriction. Rainfall not only benefited the rivers but also cereal yields, bringing new volumes to be transported by this route. Iron ore production also improved, with new mining projects in southern Brazil. Volumes transported thus returned to 2015 levels, with nearly 6 million tonnes.

After the health crisis period, followed by a global geopolitical crisis, which led to an inflationary trend in the world economy, markets remain uncertain and trading volumes have slowed down overall. In spite of this, river barges will remain an important component of inland freight transportation in the future, in Europe with the European aim, driven by the Green Deal, to be carbon neutral by 2050, in the United States as a strategic economic asset and in South America as a natural transport route. In the short-term, the outlook is overall oriented towards growth for the period 2024-2025, due to an expected increase in industrial production on the main inland navigation outgoing markets (steel and chemical production, agriculture, and revival of building activity).

Principal Market Drivers

Macroeconomic factors affecting demand for freight traffic

The demand for the leasing and sale of river barges is closely linked to regulatory, political and macroeconomic factors affecting the transport of goods in the countries and regions where a particular river flows. These factors are for example: levels of agricultural and industrial production, local demand for goods, government policies relating to the import and export of goods and the structure of international trade.

We believe that demand for river barges will increase in the short term in Europe. Europe's largest seaports already make extensive use of inland water transportation in order to avoid road congestion and to address a lack of capacity in rail transportation or road infrastructure. We believe that river transport will continue to play an important role because of the steady increase in seaport traffic and the growing influence of the environmental constraints linked to greenhouse gas production. In South America, after the economic slowdown of recent years, the situation seems to be improving significantly, even if uncertainties remain in certain high-inflation countries such as Argentina. The cereal transport market has seen a rebound since 2022 with the improvement in weather conditions. According to the Paraguayan Chamber of Commerce, the food needs of the continent will lead to a doubling of volumes transported on the Paraná-Paraguay by 2025. According to the Argentine and Paraguayan chambers of commerce, the volumes of river cargo are estimated to increase up to 45 million tonnes between 2024 and 2030, by integrating new production such as paper pulp and cement, throughout the South American cone.

Cost efficiency and environmental concerns

We believe that river barges are one of the most energy-efficient means of inland transportation. With a growing global emphasis on "green" industries, the environmental benefits of river transportation over overland transportation are likely to become increasingly important market factors. We believe that river transportation is particularly cost effective, as it can transport large volumes of cargo while consuming fewer fossil fuels. According to a study published by the European Environment Agency, river transport emits more than four times less carbon dioxide than road transport.

We estimate that river transport is seven times cheaper than road transport. For example, a convoy of two barges can hold 6,000 metric tons of cargo, which is the equivalent of the cargo capacity of approximately 240 trucks on the road. Market estimates indicate that one ton of bulk cargo can travel 991 km by river on less than 4 litres of fuel, compared to 769 km by railcar or 241 km by truck.

Modal shift to rail and river is becoming a reality. The next step is to find more environmentally-friendly propulsion solutions (HVO, biofuels, e-fuels and hydrogen).

Competition

We believe that competition in the River Barges division is marked by a high degree of regional and local competition rather than competition from multinational companies. This results from the need for market participants to be familiar with the various regulations governing a particular river basin, the barge design constraints posed by a particular river and the locally concentrated customer base.

As an operating leasing company, we operate in a niche market and do not encounter significant competition from other lessors, who are more likely to be river operators with a different business model from ours.

General presentation of the business

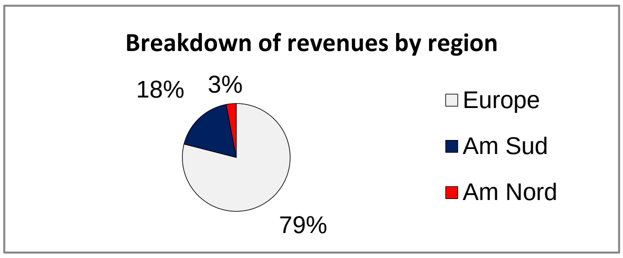
We lease and sell river barges to logistics companies and industrial groups in Europe, the United States and South America. In this niche market, we believe that we are the leading operational leasing company for bulk river barges in Europe and South America. Our barges operate along the Seine, Rhine and Danube river basins in Europe, the Mississippi and Missouri river basins in the United States and the Paraná-Paraguay river basin in South America.

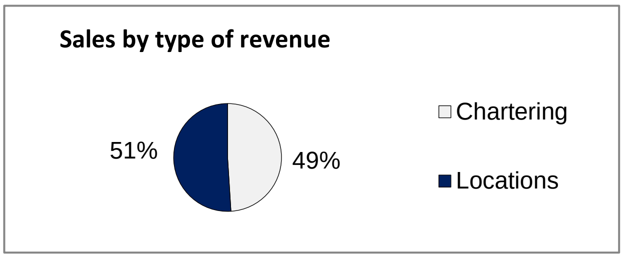
River barges are flat-bottomed boats that are built mainly for river and canal transport of bulk goods. To a larger extent, river barges are not self-propelled and must be towed or pushed by tow boats or pushboats. River barges are particularly long-lived assets, which can typically be used for 30 to 50 years.

For the financial year ended 31 December 2023, our River Barges division accounted for 15 million euros in revenue, or 10% of restated revenue from the Group's activities or 10% of total EBITDA.

Below is a breakdown of revenue in our River Barges division for the financial year ended 31 December 2023:

– Revenues in the River Barges division: 15 million euros





Our fleet

We specialise in dry bulk river barges, which are primarily used to transport dry bulk cargo such as coal, sand, gravel, steel, iron ore, grains, fertilisers, cement and iron ore as well as containers.

As at 31 December 2023, our river barge fleet in service consisted of 102 barges (excluding syndicated barges). The gross book value is approximately 79.9 million euros. The average age of our river barge fleet as at 31 December 2023 was 17.3 years. The weighted average age of their value of our own fleet was 13.9 years as at 31 December 2023. The average utilisation rate of our fleet is estimated at 100% for the year 2023.

Our Products and Services

We primarily lease river barges to logistics companies and industrial groups. However, we also sell barges from our own fleet from time to time. Although we are a historical operator of river barges, we have decided to refocus our business on leasing only. We do not operate the equipment we own, but instead lease it to operators.

We also offer our expertise for the preparation, construction monitoring and delivery of new barges for customers wishing to acquire or renew their fleet.

Leasing and related services

We offer river barge leasing and "purchase & lease back" solutions, i.e. the purchase of assets and the re-letting to their former owners. Some related services that we provide in connection with our leases include fleet management, transport of barges between different river basins, insurance and technical expertise regarding river transport. During the year ended 31 December 2023, leasing represented €7.7 million or 51% and associated services (chartering, management fees) will have represented €7.3 million or 49% of the total revenues of the River Barges division.

We generally enter into long-term leases with our river barge lessees. These leases can last for up to 10 years. As at 31 December 2023, the average term of our long-term river barge leases was approximately 5.2 years. Typically our contracts can be renewed, either tacitly or through the express agreement of the contracting parties. Most of our leasing is usually on a "dry lease" basis, which means that the lessee is responsible for recruiting their own crew, taking care of insurance and necessary repairs during the leasing period. Lessees agree to release us from the principles of liability associated with their use of our barges. Contracts may not be terminated by the lessee unilaterally during the term of the lease.

Trading and Sales

We engage in sales of second-hand river vessels from our own fleet from time to time when we believe it is financially attractive for us to do so, taking into account the location, sale price, cost of repair and possible repositioning expenses, as well as, to a very limited extent, direct operation of river barges. During the financial year ended 31 December 2023, a river barge in the Seine basin was sold.

Purchase of river barges

We call on external builders to construct new river barges in order to build up our fleet. We generally do not purchase new equipment unless we have signed a lease or sale agreement with a customer.

The price of a new river barge depends heavily on the technical specifications to be met, the place of manufacture or delivery required for the barge as well as general market conditions influencing demand at the time of purchase. For a standard dry bulk cargo barge, the purchase price can range from approximately 900,000 US dollars to 1.9 million US dollars, depending on specifications. It takes from 3 to 10 months from the signing of a purchase order for delivery of a new barge.

We do not believe we are dependent on any one supplier of river barges to meet our needs. However, the construction offer of river projects is dependent on the strength of the market.

In 2023, we purchased a used barge for a total amount of 675,000 euros (excl. VAT).

Financing Our River Barges Fleet

Our main means of liquidity in this division is cash in hand, shareholders' equity or borrowings under asset-based bilateral credit agreements to finance our acquisitions of new equipment.

Administrative management of our fleet

We manage our fleet of river barges from our headquarters in Paris and our local offices.We do not manage our fleet on a day-to-day basis, as the operations related to our river barges are carried out by our lessees or our local agents. However, we ensure that the administrative documents for our barges are up-to-date, that the navigation certificates are renewed regularly and we manage the processing of insurance premiums and claims and any modifications.

Marketing

We have offices dedicated to our River Barges division in Paris, Rotterdam, and Miami. Our marketing efforts are both centrally based (through our website and through brochures) and basin-based (through locally organised client events, appearances at trade fairs and advertisements in local publications). As our River Barges division is targeted at a niche market, we rely mainly on networking through our existing client base, advertisements, appearances at exhibitions and trade fairs and scouting prospects directly through our professional contacts as well as agents, to generate new business.

Key customers

Our River Barges leasing business primarily caters to logistics companies and industrial groups. Our main customers in the river logistics sector include Danube Shipping, Miller, Welbeck (P&O Maritime Services), Hidrovias do Brazil Paraguay, Cornamusa (ATRIA Logistics Group) Rhenus and Rederij De Jong. Our main customers in the industrial sector include Cemex, ArcelorMittal and Chimpex. During the financial year ended 31 December 2023, no single customer represented more than 25% of our River Barges division leasing revenue.

5.1.4.Shipping Container activity

Key Market Characteristics

The shipping container market is by its nature international in scope. As a result, growth in the shipping container industry is linked to international trade volumes.

The decline in international container traffic, combined with high container production in 2021 and 2022, has minimised demand for new containers in 2023. Annual container production, however, has been estimated at around 2.3 million twenty-foot equivalent units (TEUs) in 2023.

Shipping lines will typically use a combination of owned containers and leased containers. At the end of 2023, it was estimated that shipping lines owned approximately 49% of the total worldwide shipping container fleet (50 million TEU) while 51% of the total worldwide shipping container fleet was managed by leasing companies. In addition, it is estimated that 52% of shipping containers produced in 2023 were ordered by lessors.

In general, leasing prices for new shipping containers is determined largely by the purchase price of a new shipping container. The purchase price can vary due to several factors, including the price of raw materials and particularly the price of steel, which is the main component of a container, and market demand.

Principal Market Drivers

Shifts in trade volumes resulting from the regionalisation of traffic

We believe that trade flows resulting from globalisation constitute the main driver of growth in the underlying demand for shipping containers. As a greater proportion of industrial and consumer goods is traded internationally, we believe that it will become increasingly common to outsource labour-intensive processes such as manufacturing away from countries where the cost of labour is high to countries in the developing world with lower wages. This internationalisation of the production value chain means that goods will need to travel further afield from their place of manufacture to their end-markets. Over the past two decades, Asia (China in particular) has served as the main origin of the world's exports, while markets in North America, Europe and Japan have seen net inflows of imported goods. Following the pandemic of 2020-2021 and the increasing risk of geopolitical instability, the year 2023 saw a growth in intra-regional traffic, leading to increased demand for 20-foot containers for short- and medium-haul containerised traffic.

To meet the increased demand for maritime cargo transport, shipping companies have added more vessels to their fleets in order to increase the frequency of their ocean crossings. In addition to vessel availability, container availability is key to the successful management of cargo space. Each container ship has a predetermined number of "slots," which correspond to the space required for one twenty-foot equivalent unit (TEU) aboard the vessel. When a ship arrives at port, the containers on board are offloaded and are transported onward over land. A shipping company must therefore have containers already available at port for loading onto the vessel once it arrives to take on new cargo for the vessel's onward journey. According to a market research company, at the end of 2023 a shipping company required just under two containers per vessel slot to optimise its operations while minimising the unproductive time associated with not having a ready source of new containers at each port. This ratio is expected to remain relatively unchanged in 2024.

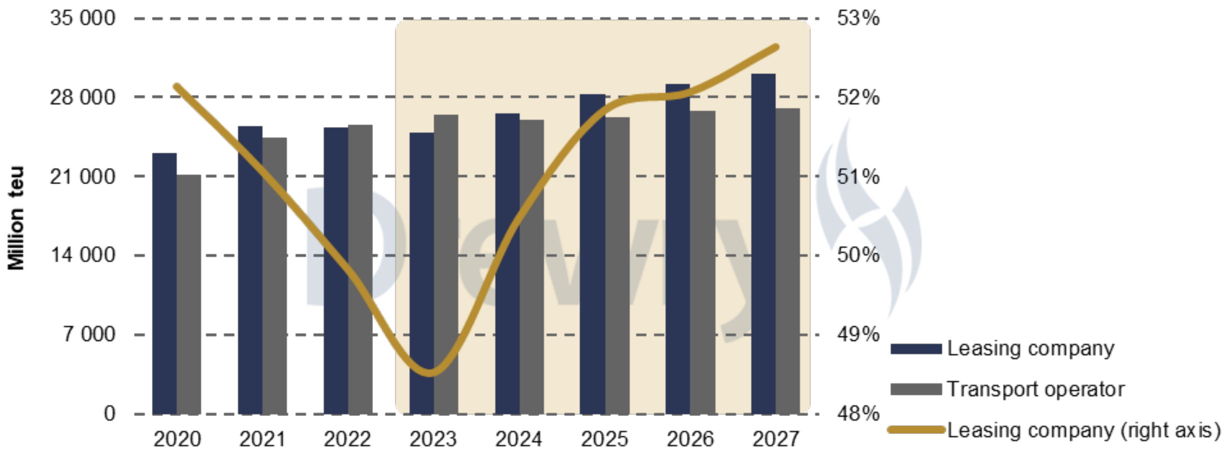
Increased shipping times leading to increased demand for shipping containers

Lengthier shipping times can have a positive effect on the demand for shipping containers, as it requires shipping companies to have access to a larger fleet of containers than what would have been necessary had turnaround times been more rapid. Several relatively recent developments have led to shipping lines moving goods more slowly than they have in the past. Firstly, the trend towards ever larger shipping vessels has meant that they are not able to physically pass through the Panama Canal and are thus forced to round the Cape Horn rather than take a more a direct route for intercontinental journeys. Moreover, the severe drought over the last two years has led to a drop in the water level in the Panama Canal, and a consequent reduction in the volume and weight of ships able to pass through it. Additionally, the high cost of using the Panama and Suez canals can counteract any financial benefits resulting from shorter transport times, and in particular give preference to longer routes such as the Cape of Good Hope. Secondly, shipping companies have voluntarily reduced the speed of their ships, a practice known as "slow steaming" or "extra-slow steaming", to reduce fuel costs. All of these factors have resulted in more time elapsing during a container's round-trip between its port of origin and its port of destination. If a shipping company were to experience a spike in demand for shipments while its containers are still away from port on board a slower-moving ship and on a longer journey, it would need access to more containers to meet that demand. The risks of piracy have led some shipowners to pass by the Cape of Good Hope rather than taking a more direct route through the Suez Canal.

Shift to increased container leasing versus ownership

We believe that the growth in lessor-managed shipping containers is part of a general decrease in the share of shipping containers purchased by shipping companies. In 2023, shipping lines have preferred to increase their share of leased containers, due to lower freight rates and consequently lower earnings, and we expect the balance between leasing and ownership to be maintained over the medium term.

The chart below shows the change in the worldwide container fleets (expressed in millions of TEU), distributed by ownership quality and global lessor share from 2020 to 2027 (data for years from 2023 onwards are based on forecasts).



Source: Drewry Maritime Research

It should be noted that the leasing of containers remained relatively stable during the financial crisis of 2008, that of 2015 and recently during the health crisis of 2020 and 2021. We believe this is due in part to the fact that leasing is advantageous to shipping lines for both operational and financial reasons. Because export volumes are subject to a host of different factors, it can be difficult for shipping lines to predict accurately their container requirements at different ports. Leasing allows shipping lines to lower their capital expenditures and to adjust their container fleets to match seasonal variation and short-term peaks in demand. The availability of a fleet of containers for lease at strategic ports around the world reduces the need for a shipping line to maintain excess container capacity and therefore reduces its investments and preserves cash. We believe that, following the gradual introduction of new environmental regulations concerning carbon dioxide emissions, carriers are now concentrating their investments on their main assets, the ships. The main shipping companies have also allocated their capital to strengthening their global presence, through the acquisition of competitors and port terminals, but also through a process of vertical integration of logistics and/or freight forwarding companies. Shipping lines can rely on container lessors for a long-term supply of assets at a fixed rate that reflects the benefits of scale available to lessors as purchasers of containers. Additionally, lessors are able to provide lessees with a variety of other value-added services, such as sale and leaseback transactions and/or finance leasing, enabling shipping lines to manage their balance sheets while effectively outsourcing to lessors the management of the disposal of their used containers.

Competition

The shipping container leasing sector is heavily consolidated: the top eight container leasing companies account for a significant proportion of the total containers in the world. The years 2015, 2016 and 2022 were characterised by a concentration among the leasing companies, with the disappearance of some big names from the top 10 worldwide. These giant mergers further extend the scope of operation of the rental companies, as well as the improvement of services and the value chain. Some smaller names have also disappeared or merged, thus reducing the share of companies outside the top ten to an even smaller percentage.

Alongside this, the shipping industry has also been consolidating for a number of years, generating an increase in the share of revenues from major shipping companies in our customer portfolio. These two dynamics combine to create a highly competitive environment for lessors of shipping containers. In such a highly concentrated market, the key competitive advantage is to have a strong network and platform in order to ensure that the right asset is available at the right time, in the right place and at the right price. In addition, shipping lines allocate their supplies over a number of lessors to reduce concentration risk issues.

Our main competitors in the Shipping Container division include Triton International, Textainer Group, Florens Container Leasing, Seaco, SeaCube Container Leasing, and CAI.

General presentation of the business

We manage a fleet of shipping containers that we own or manage on behalf of third-party investors. In addition, we sell new and used containers for mainly land-based purposes. Based on the information available from other publicly listed companies, we believe that we are the 3rd largest asset manager of shipping containers in the world and the largest manager of shipping containers in continental Europe. We believe we are the seventh largest lessor of shipping containers in the world and the leading lessor in continental Europe based on the size of our fleet as at 31 December 2023. Our division has offices and/or representatives in several countries.

Shipping containers constitute highly standardised, and therefore highly liquid, equipment. Containers are designed and built to meet norms set forth by the International Organization for Standardization ("ISO") and the World Customs Organization ("WCO"), among other international organisations. The industry-standard measurement unit is the Twenty-Foot Equivalent Unit ("TEU"), which compares the length of a container to a standard twenty-foot container. For example, a 20-foot container is equivalent to one TEU and a 40-foot container is equivalent to two TEUs. Each container is identified by a unique seven-digit number that is registered with the Bureau International des Containers et du Transport Intermodal, a non-governmental organisation that allocates codes to each container owner or operating company. These numbers, which are on a nameplate affixed to the doors of the container, enable the identification of the owner and the manufacturer of the container and the container's safe passage through customs under the mandate of the World Customs Organization.

For the financial year ended 31 December 2023, restated income from activities in our Shipping Containers division accounted for 66.9 million euros, equal to 43% of our restated income from total business activities (see. page 71).The EBITDA of our Containers division amounted to 15.2 million euros, or 28% of our total EBITDA. The container leasing and sales businesses are denominated in U.S. dollars, and both acquisitions and leases are made in U.S. dollars.

Our container fleet

As at 31 December 2023, we had a shipping container fleet of 327,922 TEUs. The gross book value of our fleet was approximately 533 million euros as at 31 December 2023, 76% of which consisted of shipping containers that we managed on behalf of third-party investors.

The chart below shows the growth of our fleet of shipping containers from 31 December 2018 to 31 December 2023, in thousands of TEUs:

	2023	2022	2021	2020	2019	2018
Number of new containers bought (in TEU*)	20.668	29.128	25.860	12.150	13.362	30.709
Number of containers sold (in TEU)	76.390	36.518	13.340	57.404	41.638	40.128
Container fleet under management on 31 December (in TEU*)	327.922	385.141	392.849	382.626	434.816	463.732

**TEU: Twenty-foot Equivalent Unit*

The average utilisation rate for our shipping container fleet was close to 95% for the financial year ended 31 December 2023.

The majority of our fleet comprises standard dry freight shipping containers. Standard dry freight shipping containers are typically 8 feet wide, come in lengths of 20 feet, 40 feet or 45 feet and are either 8 or 9 feet high. These types of containers are made with a steel frame, steel sides, a steel roof, a double door on one side, and a wooden floor. They are used to carry general cargo, such as manufactured component parts, consumer staples, electronics and apparel. As of 31 December 2023, the average age of owned containers weighted by their gross worth is 10 years. Our fleet consists of new containers, with a long useful leasing life and assets acquired from shipping companies through Purchase & Lease back contracts.

Containers tend to have high residual values even after their usefulness in the maritime context has ended, since they can be adapted to a wide variety of uses onshore, such as for storage or refuse of various materials. Shipping containers typically have usage lifespans of up to 15 years at sea and up to an additional 20 years of usage lifespans on land. New containers are typically leased under long-term leases, followed by a series of shorter-term leases as used containers. Our ability to re-lease a container at the end of its first lease depends on our Shipping Containers team's market expertise and our global platform to ensure that containers that are off-lease are positioned in areas of high demand so that we are able to provide customers with products that meet their needs when and where they arise.

Our Products and Services

Our Shipping Containers division offers three principal types of services : leasing and related services, asset management and trading and sales, for our own equipment and on behalf of third-party investors.

Leasing and related services

We offer a range of different types of leasing solutions for shipping companies. In 2023, leasing and related services accounted for 22.3 million euros in restated revenue, or 33% of the restated revenue in the Shipping Containers division (see. page 71).

- Long-term leases are designed for customers seeking to secure a steady supply of containers at a fixed price over the long-term. Lessees under these contracts undertake to lease a fixed number of containers for the duration of the lease at a fixed per diem rate. The initial term of these leases typically ranges from five to eight years. In 2023, some long-term contracts reached a duration of approximately 14 years. As at 31 December 2023, the average duration of our long-term leases (including renewals and extensions) was approximately 7 years. They are often renewed at the end of their initial term. Pricing is on a per diem basis and fixed for the duration of the lease. Our long-term lessees are typically responsible for the repair and maintenance of the shipping containers that they lease.

- Master leases are arrangements with customers that set up a flexible framework agreement whereby the customer may lease shipping containers on demand, with no minimum leasing period. These lease arrangements are designed to provide our customers with added flexibility. The terms and conditions set forth in a master lease are valid for a set period, typically one year, and provide the lessee with a more flexible arrangement than a long-term lease. For example, during the term of the framework agreement, the lessee can rent a container for one day only. To compensate for this flexibility, the per diem rate, which is fixed for the term of the lease, is typically higher for master leases than they are for long-term leases. Master leases are predominantly used by lessees to satisfy container needs within a single region and to a lesser extent for intercontinental needs.

- Finance leases are designed for customers that want to secure a steady supply of containers and finance their purchase in a different way from traditional bank loans. These leases can range in duration from three to ten years. At the end of the lease and upon making a final monthly payment, the customer becomes the owner of the shipping container.

In connection with our finance leases, we generally engage in back-to-back transactions with financial institutions to manage our exposure to a client's credit risk.

- One-way leases are spot leases provided on a one-time-only basis to customers for a given transport type. We seize the opportunities to offer this type of lease when it is advantageous for us to relocate a container to another port or as part of our new container trading business.
- Sale and leaseback contracts are contacts by which we purchase fleets from shipping companies in order to lease them back.

Our shipping container lessees are responsible for the maintenance of the containers they have leased, as well as for their insurance. We typically are not liable for any loss, damage to property (including cargo) owned by the lessee or third parties arising out of the possession or use of a leased container. Further, contracts may not be terminated by the lessee unilaterally during the term of the lease.

Asset management

We provide management of shipping container portfolios for private companies and other institutional investors. Through our dedicated asset management team, we identify and analyse investor objectives such as length of investment period, cost of financing, performance metrics, leverage level, dividend policy and asset and customer diversification preferences. The key metric for our investors is return on investment ("ROI"). When acquiring containers, our Shipping Container management team assembles a report that sets forth this analysis and the expected ROI levels to be derived from the shipment of containers.

We are mandated by our investor partners to build for them a portfolio of assets, which can comprise new shipping containers, existing containers in our leasing fleet or containers subject to sale and leaseback arrangements or any combination thereof, with the aim of meeting their return on investment objectives.

We enter into long-term management contracts with our investors, typically for a term of 12 to 15 years. Although we generally have already leased the containers to various lessees at the time we sell the portfolio to investors, generating a foreseeable cash flow stream for investors, we typically do not guarantee leasing rates or a rate of return on the portfolio to our investors.

For the duration of the asset management contract, we manage the assets concerned as if they were our own. At the start of the contract, we receive a syndication commission and then during the term of the management contract, the management commissions. When we sell the assets on behalf of the investor we receive sales commissions.

Asset pooling is a means of sharing both the risks and benefits of ownership of our leasing fleet. We include our owned assets and third-party owned assets of the same type and age in the same pool, in order to ensure our investors that our interests are aligned with theirs. Through this commingling, we are exposed to the danger of non-utilization of our assets to the same extent as our investors. In this way, our investors can take comfort that we are incentivised to manage syndicated equipment and manage our owned fleet in a similar manner. The grouping of assets does not constitute joint ventures.

We are able to track the performance of our assets under management through our proprietary fleet management platform. Our platform allows us to provide monthly reports to our investors on the status of our fleet, leasing rates per type of asset, utilisation rate, operating expenses and revenues attributable to an asset, to a lessee or to an investor. It also provides us with sophisticated tools that enable us to create "pools" of similar assets that allow the costs and revenues attributable to a particular unit to be distributed among various participants in a pool.

As at 31 December 2023, our assets under management for third parties had a gross book value of approximately 400 million euros, accounting for 76% of the gross book value of the total fleet of shipping containers that we manage.

Trading and Sales

We sell second-hand containers from our fleet that have reached the end of their useful life in the shipping transport industry, as part of our fleet renewal life cycle or when we believe it is financially attractive for us to do so, taking into account the location, sale price, cost of repair and possible repositioning expenses. We sell these containers for other uses than shipping; our customers include companies such as United Rental, Drybox, AceCastle, Interport Maintenance and Arnal, among others. In 2023, sales of equipment represented 67% of the restated revenue for the division (see. page 71).Our experienced Shipping Containers management team enables us to actively manage our fleet and seize second-hand sales opportunities as they arise.

Purchase of Shipping Containers

Consistent with market practice for all container lessors and the majority of shipping lines, we rely on third-party manufacturers to supply the shipping containers that make up our fleet. Production of shipping containers is highly concentrated. We estimate that three manufacturers serve about 81% of worldwide demand, with one manufacturer alone accounting for around 44% of the global production in 2023.

Because of the dynamics of the shipping container industry and the relatively short lead time in which customers expect to be able to take delivery of a container once they have signed a lease agreement, we seek to have a supply of new containers available for immediate leasing on demand. As a result, in addition to the purchase of new containers in the ordinary course of business to deliver signed orders, we also purchase new containers for our immediately available stock to meet increased customer demand. We have a policy limiting these purchases to $30 million at any one time with strict cash flow forecasting policies to ensure they are financed even if there are delays in sales or leases. As the case may be, we only purchase new containers if we have a leasing contract or syndication agreement in place.

We monitor the price of containers in order to purchase new containers opportunistically when we consider prices are attractive. The price of containers depends largely on the price of steel, which is the major component used in their manufacture. The price at which we lease our containers is strongly correlated with the price at which we have purchased the containers, in order to optimise the return on our investment. Nevertheless, because we regularly purchase containers in order to have a sufficient stock of containers ready to be leased upon customer demand, any effect of periodic fluctuations in container prices on our activity tends to level out with time.

The procurement cycle for a container is generally short. Manufacturers are usually able to provide us with a quote for containers meeting our specifications within two days, regardless of the size of our order. We negotiate terms such as price, the location and timing for delivery and payment terms. We benchmark the prices quoted with our general market intelligence, current leasing rates, historical price statistics and a cost analysis (based on steel prices at the time of the order as well as the exchange rate of the U.S. dollar to the Chinese Yuan). If we are able to negotiate satisfactory terms, we can confirm our order with a delivery date of 30-45 days after signing a purchase agreement. Production times can vary due to a number of factors, including the size of the order itself, general demand volume and the time of year.

Occasionally, we enter into purchase and leaseback arrangements, through which we purchase used containers from our customers and lease these same containers back to them, thereby enabling our customers to continue using these containers. Such arrangements also allow customers to effectively outsource the disposal of used containers to lessors, which tend to have a wider network of outlets for the sales of such containers. Lessees continue to be responsible for repair and maintenance of the containers they lease back.

Financing Our River Barges Fleet

We purchase containers for use in our leasing fleet for the purpose of either owning them on our balance sheet or syndicating them to third-party investors for whom we manage such assets. As at 31 December 2023, 76% of the gross book value of our container fleet was owned by third-party investors and 24% was owned by our Group.
When we purchase containers for our owned equipment fleet, we finance such purchases through revolving credit or with the liquidity we have available.In February 2023, Touax announced the conversion of all segments of its Shipping Container business financing contract into a Sustainability-Linked Loan.

When we buy containers for syndication, the financing process occurs in several stages. We have an asset-based revolving credit facility. Once the new container is leased, we then refinance the container through our asset financing line (TCAF) in anticipation of syndicating the container to a third-party investor, in effect a type of short-term bridge financing. The container will remain subject to the asset financing line (TCAF) until such time as we syndicate it to a third-party investor. Once the container is sold, the proceeds of the sale are used to repay the drawing under the TCF Warehouse Facility.

Management of our fleet

We believe that our ability to offer containers at the right place at the right time and at the right price is key to our success as a lessor. One of the main reasons why a shipping company may choose to lease rather than buy their own containers is to satisfy an imbalance of supply at key ports around the world, as the availability of a fleet of containers for lease at strategic ports around the world reduces the need for a shipping line to maintain excess container capacity and therefore reduces its investments and preserve cash.

To that end, we have developed a network of third-party owned and operated depots worldwide from which we can meet our customers' needs. As at 31 December 2023, we had over 180 of these depots serving our division in approximately 40 countries. The depots, which generally consist of a staging area, storage space for our containers and an area in which maintenance can be carried out, serve as a base from which we can deliver containers to a customer as well as a drop-off point for containers at the end of a lease. These depots are located close to ports, and at larger ports, we may have more than one depot.

We have a fleet management software platform that allows our lease customers to indicate when and where they will need to pick up a container for lease.

This system allows us to ensure that we are able to match our container fleet supply to demand at ports around the world. Upon the return of a container, our system automatically routes the container to the depot at that port, where it is evaluated. We are also able to effect repairs at our depots on returned containers to ensure that they are suitable for reuse. Any such repairs at the end of a lease are done at the expense of the lessee.

Business management

Our primary means of marketing our services is by periodically taking part in calls for tenders from shipping companies. In general, shipping companies put out calls for tenders in the fourth quarter of every year to address their anticipated container needs for the first half of the following year, and then again in May or June to fulfil their total requirements for the remainder of the year. Shipping companies will specify the number and type of containers they will need, and where they will need them. Our decision to tender is based on our existing stock levels and our ability to purchase containers (if needed) to meet the company's requirements.

The process of tendering and negotiating contracts usually takes one to two weeks. We negotiate terms such as price, payment terms, the duration of the build-up period which is the period of time given to a customer to take delivery of its containers, the duration of the build-down period which is the period of time given to a customer to return its containers, handling charges, the replacement value of a lost container, the depreciation rate on the value of each container and the list of locations where the customer can return its containers at the end of the lease.

Our key customers

We lease to numerous shipping companies, including the 25 largest shipping companies in the world, many of which have a history of leasing from us that dates back over 20 years. These customers include CMA-CGM, Evergreen, Hapag-Lloyd Container Line, Maersk, Mediterranean Shipping Company, Hyundai Merchant Marine, ONE, Yang Ming and ZIM. In 2023, no single customer represented more than 30% of the leasing revenue in the division.

5.1.5.Residual sales activity of modular buildings

Since the disposal in 2017 of the European and American leasing and sale activities relating to modular buildings, our only industrial modular building business is established in Morocco. We manufacture and sell modular buildings, industrialised buildings and prefabricated elements to customers established in different regions in Africa.

Modular buildings are steel structures assembled in different configurations, adapted to any type of building to meet the needs of each customer. A structure can be used on its own or combined with others to make larger, more complex buildings. Units are typically 2.5 meters in width and 6 meters in length, with steel frames that are mounted on a steel chassis. Once assembled, the modular buildings are equipped with electricity, running water, heating and air conditioning. Industrialised buildings are made to measure according to our customers' plans. These industrialised buildings are made from a metal structure sitting on a base of posts on flooring or a slab with load-bearing trusses to support the roofs. This technology makes it possible to manufacture large assemblies at low cost. Modular buildings can also be equipped with the materials used in traditional construction (interior and exterior trim, for example). Modular constructions and industrialised buildings can be used for a variety of purposes, such as the construction of temporary or permanent offices, classrooms, sales offices, outhouses and accommodation. We sell new prefabricated elements, according to the specifications of our customers.

We supply our customers in Africa from our plant in Morocco, which has an annual production capacity in its current set-up of approximately 100,000 m2 of units.

We believe that a number of fundamental factors make Africa a prime geographic market for the sale of modular buildings for various end markets in the private and public education, health and industrial sectors. Furthermore, the growth in infrastructure (ports, dams, mines, roads, social housing, for example) feeds the demand for industrialised modular buildings destined for use as they are or on construction sites. Modular and industrialised buildings are used in the construction and industrial sectors for living bases, offices, housing, changing rooms, restaurants, halls of worship, relaxation areas and changing rooms. They are also used by the education sector for classrooms or student accommodation, libraries, by the health sector for care centres and hospitals and by the defence sector for barracks and technical centres. Modular and industrialised technology also seems ideal for the African continent by allowing it to very quickly have facilities more quickly than traditional construction. Modular and industrialised buildings are, in fact, of industrial quality, more cost-efficient, more environmentally-friendly, more flexible and are installed much more quickly than traditional buildings, enabling immediate use.

We are the Moroccan benchmark for innovative, quick-to-build modular buildings, offering industrialised solutions for turnkey and customised projects. Our medium-term ambition is to be the leader in Africa (for French-speaking Africa) and a benchmark in Northern Europe (Netherlands, Germany, Poland) in modular building, offering innovative, quick-to-build industrialised solutions for turnkey and made-to-measure projects in the housing, education and healthcare sectors.

At Touax, our promise is to offer our customers an alternative to traditional construction by providing them with a turnkey building solution of better quality, at lower cost and with much shorter lead times, so that they can operate it more quickly and without worrying about its completion.

New product or service

Not applicable.

5.2. KEY MARKETS

See paragraph5.1.1.

5.3. IMPORTANT EVENTS

Not applicable.

5.4. STRATEGY AND OBJECTIVES

An operational strategy to improve performance and profitability

Our strategy and objectives are broken down by business with organic and selective growth in each business area:

In Freight Railcars, our objectives are:

- organic growth with investments in Europe and Asia financed by the Touax Rail Group and third-party investors

- an increase in revenue thanks to a strategy of international diversification (Europe and Asia), flexible offers (leasing with and without maintenance, and sale & lease back), responding favourably to the trend towards outsourcing.

A strong demand for renewal of the railcar fleet in a context of growth and a European objective of modal shift from road to rail with 30% market share should boost our growth.

In River Barges, our objectives are:

- selective investment in barges for the transport of dry bulk cargo in Europe
- initiation of an increase in the fleet managed by Touax and held by third-party investors in order to increase management fees alongside property income.

In Shipping Containers, our objectives are:

- an increase in the fleet managed by Touax and held by third-party investors in order to increase management fees alongside property income.

We also aim to improve our margins and resource management, while developing sustainable transport solutions in line with our CSR strategy.

The return of inflation observed since 2022 is generally positive for our leasing activities, enabling us to upgrade existing fleets and generate increases in leasing rates, utilisation rates and residual values.

Our objective is to optimise our costs: our three management platforms are flexible and scalable and can allow economies of scale with the potential for growth in leasing and trading activities at substantially equivalent cost scopes.

Alongside operational leasing, we aim to grow our sales business (new and used), which allows us to generate additional margins.

In addition, we continue to train our employees and develop our Group-wide Continuous Improvement Program ("Lean Six Sigma"). All Touax staff are trained at White Belt, Yellow Belt or Green Belt level.

Our objective for the Residual Modular Business in Africa is to draw value from our investment with a strategy based on improving volumes and margins. The focus is on value-added turnkey products in the education and health sector (schools, colleges and hospitals) without neglecting standard market products.

A development strategy for Asset Management

Touax is the exclusive operating partner of two sub-funds of a Luxembourg regulated AIFM fund (Real Asset Income Fund S.C.A. SICAV-SIF) managed by Lemanik Asset Management S.A. (alternative fund manager and risk management officer). Société Générale Bank & Trust S.A. acts as custodian, paying agent, central administrative and transfer agent, Waystone as domiciliation agent, and Deloitte as auditor.

The “Touax Transportation Asset Income EUR Sub Fund I” was launched in July 2016 and has more than 20 investors (family offices and corporate investors). It is invested in two Irish SPVs holding 1,877 freight railcars and 5 barges (market value 134.7 million euros).

The “Touax Transportation Asset Income USD Sub Fund I” was launched in 2018. It owns shares in an Irish SPV with a portfolio of over 26,211 containers (Ceus). Financing of $35 million was put in place in 2022 to generate additional investment capacity.

Since the end of 2023, Touax has been the operating partner of a second Luxembourg fund supported by the European Investment Bank. The fund plans to invest 240 million euros over four years.

In addition, Touax works directly with infrastructure funds and institutional investors who invest directly in tangible assets managed by the Touax Group.

In 2023, shipping containers and railcars were syndicated amounting to an overall total value of 31.7 million euros. For 2024, additional syndication capacity is estimated at 134 million euros (34 million euros in railcars, 85 million U.S. dollars in shipping containers and 20 million euros in barges).

Freight Railcars - Our medium-term objectives are: to increase the fleet to over 15,000 railcars

The Freight Railcars market is structurally buoyant with:

- the "Green agenda" in industry pushing the ecological transition with a modal shift, expanding infrastructure and railway innovations.
- Rail freight growth in Europe, measured in tonne-kilometres
- The need for infrastructure in India with 7% growth of GDP expected in 2024

The market share of lessors is significant, with 75% of new railcar purchases in Europe, replacing an ageing fleet and for growth. The low production capacity in the sector means that creating a situation of overcapacity is avoided.

Our objectives are:

- to increase the fleet owned directly and on behalf of third parties to more than 15,000 railcars (75% in Europe and 25% in India) through organic growth,
- to respond, following the liberalisation of the sector, to the trend towards fleet outsourcing by supporting our customers and seizing opportunities to buy back existing fleets, to boost growth,

- to pursue our growth in the promising market of India, and to develop value-added services there (*full service* leasing including maintenance),
- to increase the innovation effort (predictive maintenance, new types of railcars) and continuously improve operational excellence,
- to grow by diversifying the range of railcars offered to our customers, so as to keep abreast of market and customer developments.

River barges - Our medium-term objectives are: to increase the fleet to over 150 barges

The River Barges market is well positioned with:

- a buoyant global market for cereals and energy-related raw materials,
- in Europe, a favourable trend with industrial operators seeking decarbonisation,
- sustained current demand in European basins (aggregates, biomass, cereals, raw materials),
- a buoyant market in the Americas,
- despite the negative impacts of climate change on the navigability of certain rivers (low water), but creating a need for optimised barges.

Our objectives are:

- to increase fleets through organic growth, financed by our own resources and by third-party investors through new partnerships,
- to concentrate investments in Europe in the coming years (aggregates on the Seine, biomass and chartering on the Rhine, cereals on the Danube)
- to make selective investments in the United States and South America,
- to develop asset rotation (trading and syndication) to renew the fleet and generate sales and management margins,
- to benefit from the European "Green Deal" favouring eco-friendly transportation and the intermodality provided by river barges.

Containers - Our medium-term objectives are: to develop revenue from leasing and related services (management and trading)

The Shipping Container market is positive with:

- existing long-term leases providing good visibility on future cash flows,
- a leased fleet utilisation rate of over 95%,
- new and used container sales markets still active,
- normalisation of container demand, with low production in 2023,
- an expected return of containerised traffic to normal levels: +5.5% expected in 2024*, compared with 1.6% in 2023

(*) source: Clarkson January 2024 - Container Trade % growth (TEU-miles)

Our objectives are:

- to reinvest free cash flows in order to naturally increase the share of the fleet owned
- to pool the platform through management on behalf of third parties and generate additional management margins
- to increase new container sales activities from 10.5k to 25k Ceus annually, over a 5-year horizon
- to expand the customer portfolio (leasing and sale) and maintain European leadership
- expand the range of assets offered (specialised containers) across the 5 continents

5.5. Dependence on patents, licences and contracts

Not applicable.

5.6. Competitive position

See paragraph 5.1.1 page 17.

5.7. Investments

5.7.1. Significant investments made

The Group is in the business of leasing transport equipment (freight railcars, river barges and shipping containers), which requires it to own or manage assets on behalf of third parties.

The Group's growth is achieved through the signing of new equipment leasing contracts with customers, which generates investments in equipment that are financed by the Group through its own financing resources or as part of management programmes on behalf of third-party investors. The investment strategy of each division is described in the paragraph beginning on page 22 for Freight Railcars, page 26 for River Barges and page 29 for Shipping Containers ("purchase" of equipment section).

The Group is keen to pursue growth by increasing the fleet of new equipment on long-term lease agreements. In 2024, the Group will continue to share new investments between internally-funded and third-party investors. The aim is to strengthen economies of scale, and to increase the return on equity. The return on equity corresponds to the ratio of net profit/shareholders' equity This is the concept usually calculated by financial analysts. These investments include Group-owned and third-party assets. To achieve these objectives, the Group balances out the ratio between managed and proprietary assets using a distribution rule that varies according to the business, and the owned and managed equipment. As at 31 December 2023, the distribution of managed assets stood at 48% owned equipment and 52% equipment belonging to a third-party. The assets held by fully consolidated subsidiaries are wholly included in the Group's assets, even if the Group has invested in partnership with minority stockholders.

The Group's strategy of investing mainly in new long-term contracts helps limit the risks of re-leasing and the sensitivity of the equipment's residual value. This strategy also facilitates the Group’s ability to find third-party investors and to finance itself in order to continue its development.

The Group’s investment policy is to finance owned assets in compliance with an LTV (*Loan to Value*) of 70% maximum. This ratio is calculated by comparing the total assets (excluding intangible assets and goodwill) with gross debt. Debt is made up of recourse debt and "non recourse" debt whose reimbursement is only guaranteed with leasing income or the proceeds from selling the financed assets. Non-recourse financing is not guaranteed by the TOUAX SCA parent company. This type of financing supports the Group’s growth, while reducing risks for shareholders. The policy adopted by the Group is to maintain a debt-to-equity ratio (including non-recourse debt) of 2.5 to 1. This policy enables the Group to pre-finance assets to be sold to investors. Selling assets to investors is part of the Group’s strategy and it generates growth with limited recourse to debt. The Group’s growth generates economies of scale and increases margins.

The Group has access to all types of financing, short, medium and long-term loans, loans without recourse, operational leasing, leasing, factoring and assignment of receivables.

Lease agreements are classified as financial lease agreements when the Group benefits from the advantages and risks inherent in ownership. For example, clauses for the automatic transfer of ownership, options to buy at a value far below the estimated market value, equivalence between the lease term and the life of the asset or between the discounted value of future lease payments and the value of the asset are features that generally lead to leases being classified as finance contracts.

Investments made in 2023 amounted to 29.6 million euros (net of equipment).

It should also be noted that the Group or investors may have disposed of assets during 2023, in parallel with the acquisitions.

5.7.2.Significant investments in progress or firm investment commitments

As at 31 December 2023, orders and firm investments in productive assets from third parties amounted to 32.9 million euros, comprised of 19.2 million euros in shipping containers, 12 million euros in railcars and 1.7 million euros in river barges.

Firm investment commitments will be pre-financed via available credit lines. Most of these investments will be resold to third-party investors within the scope of syndications mostly undertaken within the Freight Railcars and Shipping Container divisions.

5.7.3.Companies in which the issuer holds a share of capital likely to have a significant impact on its financial situation

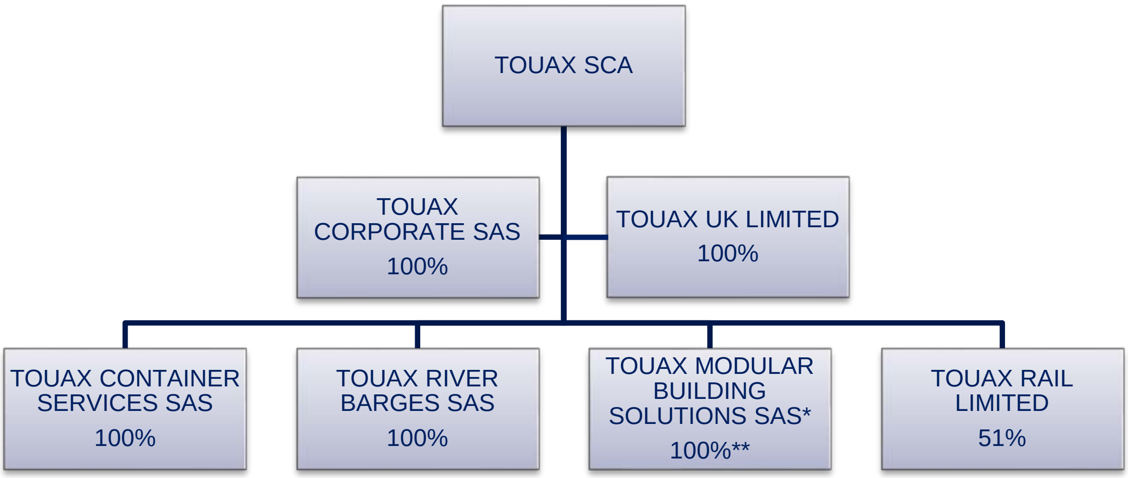
Not applicable.

5.7.4.Environmental issues that may influence the use of tangible assets

Environmental issues that could influence the use of our tangible fixed assets are set out in section 3 "Risk factors" page 12 and in the environmental information of the Report on social, environmental and societal responsibility of this universal registration document page 166.

6. ORGANISATIONAL STRUCTURE

6.1. SIMPLIFIED GROUP ORGANISATIONAL CHART



** following the change of corporate name voted on February 21, 2023 (formerly Touax Africa SAS)*

*** following the acquisition of 100% of the shares on January 5, 2023*

6.2. LIST OF MAJOR SUBSIDIARIES

A list of all the Group's consolidated subsidiaries is presented in note 2.2 page 71 of the notes to the consolidated financial statements. The subsidiaries of TOUAX SCA are described in the table of subsidiaries and shareholdings in note 24.7 page 113 of the notes to the company financial statements.

The Group's two major subsidiaries in terms of revenue are TOUAX Container Leasing Pte Ltd, a Singaporean company and TOUAX Rail Ltd, an Irish company. TOUAX Container Leasing Pte Ltd is a shipping container leasing business serving almost all of our customers throughout the world and it manages the TOUAX container fleet. Its business is significant in view of the large amount of equipment for leasing. TOUAX Rail Limited has a freight railcar leasing and sales business in Europe and it manages TOUAX's European freight railcar fleet.

The organisational chart below is a simplified organisational chart of the main operational companies of the Group classified by business activity. The percentages shown are rounded and correspond to the percentage of capital control, direct or indirect, of these entities by TOUAX SCA, parent company.

Activité Wagons de Fret			
TOUAX Rail Ltd	**Irlande**	**51%**	**Location et vente de wagons de fret**
TOUAX Texmaco Railcar leasing Pte	Inde	50%	Location de wagons
Activité Barges Fluviales			
TOUAX River Barges SAS	**France**	**100%**	**Location et vente de barges fluviales**
TOUAX Leasing Corp.	USA	100%	Location et vente de barges fluviales
TOUAX Hydrovia Corp.	Panama	100%	Location et vente de barges fluviales
Eurobulk Transport Maatschappij BV	Pays-Bas	100%	Location / affrètement de barges fluviales
CS de Jonge BV	Pays-Bas	100%	Location / affrètement de barges fluviales
Activité Conteneurs			
TOUAX Container Services SAS	**France**	**100%**	**Location et vente de conteneurs**
TOUAX Container Leasing Pte Ltd	Singapour	100%	Location de conteneurs
TOUAX Container Investment Ltd	Hong Kong	100%	Vente de conteneurs
TOUAX Corp.	USA	100%	Location et vente de conteneurs
Gold Container Corp.	USA	100%	Location et vente de conteneurs
Activité Constructions Modulaires			
TOUAX Modular Building Solutions SAS	**France**	**100%**	**Société de services**
TOUAX Maroc SARL	Maroc	100%	Vente de constructions modulaires
RAMCO SARL	Maroc	100%	Location de constructions modulaires

7. Analysis of the Financial Position and Income

7.1. Financial position

Evolution and income from activities

The review of the Group and the company's financial position is presented in the management report paragraph 22.1 page 134.

Future development of activities and R&D

The review of the Group and the company's future evolution is presented in the management report paragraph 22.1 page134.

There are no R&D activities.

7.2. Operating results

The review of the Group and the company's financial position is presented in the management report paragraph 22.1 page134.

Important or unusual factors and new developments

Not applicable

Major changes

Not applicable

8. CASH AND CAPITAL

8.1. GROUP CAPITAL

The Group's financial resources and cash flow are detailed in the notes to the consolidated financial statements paragraph 18.1 in note 24 page 86 and in note 33.3 on liquidity risks and note 33.4 on interest rate risks.

8.2. CASH FLOW

The Group's cash flows are detailed and explained in the management report paragraph 22.1.

FUNDING REQUIREMENTS AND STRUCTURE

The Group uses a wide range of instruments to meet its financing requirements:

- overdraft lines or other short-term lines are used for one-off financing of working capital requirements;
- bond loans used for general purposes and the Group's medium-term business;
- medium- and long-term loans and asset financing lines with recourse (leasing, financial leasing, etc.) are used for financing assets retained by the Group;
- non-recourse credit lines are sometimes used for pre-financing assets (shipping containers and freight railcars) as well as the long-term financing of assets that the Group wishes to keep on its Balance Sheet.

The note 24 of the notes to the consolidated financial statements page 86 gives further details about borrowing conditions and the financing structure.

8.3. RESTRICTION ON THE USE OF CAPITAL THAT HAS HAD OR COULD HAVE A SIGNIFICANT DIRECT OR INDIRECT EFFECT ON THE ISSUER'S OPERATIONS

To the best of our knowledge, there are no restrictions on the cash flow of subsidiaries wholly-owned by the Group to the parent company, nor any restrictions on the use of this cash, with the exception of finance companies and subject to the compliance with certain financial ratios presented in the note 24 of the notes to the consolidated financial statements page 86.

The cash and cash equivalents balances on the Group’s balance sheet as at 31 December 2023 include (i) 15.0 million euros in cash from companies not owned at 100%, including 7.7 million euros in contractual reserves related to asset financing and (ii) 1.7 million euros to contractual reserves related to the financing of assets for companies owned at 100%.

8.4. EXPECTED SOURCES OF FINANCING IN ORDER TO MEET INVESTMENT COMMITMENTS

The financing sources are detailed in the firm investment commitments in paragraph 5.7 page 37.

9. REGULATORY ENVIRONMENT

Where applicable, the regulatory environment in which we operate and which may have a significant influence on our activities, measures or factors of an administrative, economic, budgetary, monetary or political nature that have had a significant impact or that may have a significant impact, directly or indirect, on our activities, are described in the section 3.4 “Risk Factors” of this universal registration document.

10. TREND INFORMATION

10.1. KEY TRENDS UP TO THE DATE OF THE UNIVERSAL REGISTRATION DOCUMENT

The main trends are detailed in the management report paragraph 22.1 page 134 and in the presentation of the Group's prospects presented at the SFAF meeting of 21 March 2024 detailed in paragraph 24.1 page 205.

10.2. KNOWN TRENDS, UNCERTAINTIES, REQUESTS, ANY COMMITMENTS OR EVENTS LIKELY TO SIGNIFICANTLY AFFECT THE CURRENT FINANCIAL YEAR

According to the International Monetary Fund’s January 2024 forecast, global growth is expected to settle at 3.1% in 2024 and 3.2% in 2025. This forecast presents a better outlook than previously estimated but remains below the historical average of 3.8% of the pre-Covid period 2000-2019. The improvement in this forecast is due to higher-than-expected resilience in the USA and several major emerging and developing economies, as well as budgetary support in China. Inflation is decreasing in most regions, while supply-side problems and restrictive monetary policy are easing. Global inflation is set to fall to 5.8% in 2024 and 4.4% in 2025, with forecasts for 2025 revised downwards.

The likelihood of a hard landing seems to have receded, and the risks to global growth are broadly balanced. On the positive side, faster disinflation could lead to further easing of financial conditions. On the other hand, further surges in commodity prices due to geopolitical shocks - including the continuation of attacks in the Red Sea - and supply disruptions, or more persistent underlying inflation, could prolong the tightening of monetary conditions.

Successfully managing the final descent of inflation towards the central banks’ target is a major factor in future growth. On the one hand, it is necessary to calibrate monetary policies in line with inflation dynamics by adopting a less restrictive stance. But at the same time, with inflation falling and economies better able to absorb the effects of budgetary tightening, a renewed focus on budgetary consolidation is needed to rebuild the budget’s capacity to cope with future shocks. Targeted and carefully-phased structural reforms are needed to boost productivity growth and debt viability. More effective multilateral coordination is also needed, among other things, for debt resolution, to avoid over-indebtedness and create space for the necessary investments, as well as to mitigate the effects of climate change.

The Group's transport activities benefit from the leasing strategy on long-term contracts. Variations in economic cycles thus have a moderate, spread-out impact on the Group’s businesses. It is possible that these impacts will be felt in the more or less short term depending on the intensity of the variation in global growth, the easing of credit conditions, and the fall in interest rates and inflation.

A presentation of the outlook for the Group given at the SFAF Meeting on 21 March 2024 is detailed in paragraph 24.1 205.

11. PROFIT FORECASTS OR ESTIMATES

11.1. FORECAST OR ESTIMATED PROFIT PUBLISHED

Not applicable

11.2. MAIN ASSUMPTIONS

Not applicable

11.3. BASIS FOR FORECAST

Not applicable.

12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND THE GENERAL MANAGEMENT

12.1. CONTACT DETAILS FOR ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND THE GENERAL MANAGEMENT

The administrative, management and supervisory bodies are presented in the Report of the Supervisory Board in paragraph 23.2.4 page 186.

12.2. CONFLICTS OF INTEREST BETWEEN THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT

Conflicts of interest are presented in the Report of the Supervisory Board in paragraph 23.2 page 185.

13. REMUNERATION AND BENEFITS

13.1. REMUNERATION PAID TO CORPORATE OFFICERS

Remuneration paid to executive directors

Terms for determining remuneration

The remuneration of the Managing Partners is specified in article 11.5 of the articles of association, which stipulates:

"*Each Managing Partner's annual remuneration within the scope of the general social security scheme is determined as follows:*

A fixed gross portion amounting to €129,354, together with benefits in kind up to a limit of 15% of the fixed remuneration, it being specified that this amount does not include remuneration or repayments of expenses received by the Managing Partners in respect of corporate mandates or duties performed in any of the company's subsidiaries, up to a limit of €80,000 per Managing Partner

A gross amount of €850 per day during business trips outside France, as a family separation allowance

The General Partners may only adjust these amounts within the limit of the cumulative change in the annual inflation rate published by the French national institute of statistics and economic studies (INSEE).

A variable portion not exceeding 0.50% of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. For the purposes of this calculation, it is specified that the EBITDA is the consolidated gross operating surplus after deducting the net operating provisions. »

The remuneration of the Managing Partners is revised annually in accordance with the provisions of the Articles of Association.

Any changes to their remuneration require the approval of the General Meeting of Shareholders and the express, written and unanimous agreement of the General Partners. »

The most recent change agreed at the General Meeting of 18 June 2008, was for the reduction of the variable portion of the Managing Partners' remuneration to 0.5% of the Group's consolidated EBITDA less the leasing revenues owed to investors, instead of the previous 1% rate.

The terms of remuneration of the Managing Partners are specified in the report of the Supervisory Board in paragraph 23.2.5 page 199.

Global remuneration

Table summarising the remuneration, options and shares attributed to each director *(in thousands of euros)*	**2023**	**2022**
Raphaël WALEWSKI - Managing Partner		
Remuneration due for the financial year	**743,8**	**694,2**
Valuation of options granted during the financial year		
Valuation of performance-related shares granted during the financial year		
TOTAL	**743,8**	**694,2**
Fabrice WALEWSKI - Managing Partner		
Remuneration due for the financial year	**772,5**	**695,2**
Valuation of options granted during the financial year		
Valuation of performance-related shares granted during the financial year		
TOTAL	**772,5**	**695,2**

The details of the composition of the remuneration of each executive are specified in article 23.2.5.1 of this report.

Table summarising the remuneration earned by each Director				
Raphaël WALEWSKI **Gérant**	**2022 (in thousands of euros)**		**2023 (in thousands of euros)**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fix remuneration (1)	167,8	167,8	176	176
Annual variable remuneration (1) (2)	289,7	265,1	276,7	293,7
Travel bonus	132,3	132,3	138,8	138,8
Reimbursment of statutory fees	103,8	103,8	108,9	108,9
Benefits in kind	25,2	25,2	26,4	26,4
TOTAL	**718,8**	**694,2**	**726,8**	**743,8**

Table summarising the remuneration earned by each Director				
Fabrice WALEWSKI **Gérant**	**2022 (in thousands of euros)**		**2023 (in thousands of euros)**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fix remuneration (1)	167,8	167,8	176	176
Annual variable remuneration (1) (2)	289,7	242,9	276,7	293,4
Travel bonus	155,5	155,5	167,8	167,8
Reimbursment of statutory fees	103,8	103,8	108,9	108,9
Benefits in kind	25,2	25,2	26,4	26,4
TOTAL	**742**	**695,2**	**755,8**	**772,5**

TOUAX provides the Managing Partners with the necessary equipment to perform their duties (car, mobile phone, computer, etc.).

Stock purchase or subscription options granted

No stock options were attributed to the executive directors

Free or performance-related shares

No performance-related shares or free shares were attributed to executive directors during the financial year or in a previous financial year.

Stock warrants

No equity warrants (free of charge) under Articles L.22-10-59 et seq. of the French Commercial Code were attributed to the executive directors during the financial year.

More generally, no equity securities, debt securities or securities giving access to capital or entitlement to the allocation of debt securities were allocated to the executive directors of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2023 financial year. The Managing Partners are not shareholders of TOUAX SCA.

Remuneration paid to members of the supervisory board

Table of remuneration received by members of the supervisory board		
Members of the supervisory board	**Amounts paid in 2022 (in thousands of euros)**	**Amounts paid in 2023 (in thousands of euros)**
Jérôme Bethbeze		
Supervisory board	8.5	8.2
Audit Committee	1.5	1.5
François Soulet de Brugière*		
Supervisory board	8.5	3,7
Marie Filippi		
Supervisory board	8.5	8.2
Sylvie Perrin		
Supervisory board	8.5	8.2
Audit Committee	1.5	1.5
ESG Committee	1.5	1.5
Marie-Axelle ANNICCHIARICO		
Supervisory board	4.2	7.1
Jerome VERNY		
Supervisory board	4.2	8.2
Alexandre WALEWSKI		
Supervisory board	17.1	16.4
Other remuneration	192.7	192.7
TOTAL	**257.2**	**257.2**

* mandate expiry on June 14, 2023

The rules for distributing the remuneration allocated to the Supervisory Board are specified in the Supervisory Board's report page 199.

The members of the Supervisory Board and Audit Committee do not receive any other remuneration, apart from the fixed allowance that Alexandre WALEWSKI receives to cover expenses incurred in the course of his duties as Chair of the Supervisory Board. This allowance amounts to $48,175 per quarter in 2023, as it did in 2022.

No equity securities, debt securities or securities giving access to capital or entitlement to allocation of debt securities were allocated to the members of the Supervisory Board of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2023 financial year.

13.2. PENSIONS, RETIREMENT AND OTHER BENEFITS

The Managing Partners benefit from the same pension scheme as the other managers of the Group. The Group has no "umbrella" pension scheme. They do not have supplementary pension plans.

The Managing Partners shall not be entitled to any remuneration, indemnities or benefits due or likely to be due as a result of the taking, terminating or changing their position or subsequent thereto. The Managing Partners are also not entitled to any indemnities relating to a non-competition clause.

The Managing Partners have no labour contract with TOUAX SCA.

14. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

14.1. DURATION OF OFFICE

The operation of the supervisory and management bodies is presented in the Supervisory Board report paragraph 23.2 page 185.

14.2. REGULATED AGREEMENTS

Regulated agreements are listed in the management report page 134 and included in the auditors' report page 126. Information about related parties appears in note 34 in the notes to the consolidated financial statements page 97.

14.3. INFORMATION ON THE VARIOUS COMMITTEES

The report by the Chair of the Supervisory Board sets out the functioning and organisation of the audit committee in paragraph 23.2 page190.

14.4. STATEMENT OF CONFORMITY WITH THE CORPORATE GOVERNANCE SCHEME

The statement of conformity with the company's governance system is presented in the Supervisory Board report paragraph 23.2.3 page 186, with the Group referring to the Middlenext Code.

14.5. SIGNIFICANT IMPACTS ON CORPORATE GOVERNANCE

The operation of the supervisory and management bodies is presented in the Supervisory Board report paragraph 23.2 page 185.

15. EMPLOYEES

15.1. BREAKDOWN OF THE WORKFORCE

The breakdown in employees by geographic location and activity as of 31 December 2023 is as follows:

	Freight railcars			River Barges			Containers			Modular Buildings			Central Services			TOTAL		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Europe	72	71	68	9	9	10	15	17	20				23	24	22	119	121	120
Asie							14	12	10							14	12	10
Afrique										102	103	105				102	103	105
Amériques							9	9	8				2	3	3	11	12	11
TOTAL	**72**	**71**	**68**	**9**	**9**	**10**	**38**	**38**	**38**	**102**	**103**	**105**	**25**	**27**	**25**	**246**	**248**	**246**

Paragraph 1 in section 22.2 page 157 details the Group's social information.

15.2. PROFIT-SHARING AND STOCK OPTIONS

The main profit sharing for the managing partners, general partners, and directors are detailed in chapter 16 page 50 of the universal reference document with the profit sharing of Alexandre Walewski (Chair of the Supervisory Board), Fabrice Walewski (Managing Partner), Raphaël Walewski (Managing Partner), SHGP (general partner), and SHGL (general partner).

The company has not issued any stock options.

15.3. EMPLOYEE PROFIT-SHARING IN THE CAPITAL

An employee profit-sharing agreement has been put in place for all French entities, which does not give entitlement to shares in the capital. No profit-sharing was paid in 2023.

TOUAX SCA does not have any profit-sharing agreements or employee shareholding plans.

16. MAIN SHAREHOLDERS

16.1. BREAKDOWN IN CAPITAL AND VOTING RIGHTS

There are no categories of shares or securities which do not represent capital. There is no treasury stock (TOUAX SCA shares held by its subsidiaries). The amount of TOUAX SCA shares held by TOUAX SCA is insignificant (0.37% on 31 December 2023).

Distribution of share capital and voting rights on 31 December 2023

Shareholders	No. of shares	of capital	Number of voting rights that can be exercised	of voting rights that can be exercised	of which double voting rights
Alexandre WALEWSKI	814 854	11,62%	969 474	11,64%	154 620
SHGL	656 586	9,36%	1 200 498	14,42%	543 912
SHGP	731 331	10,43%	1 345 237	16,16%	613 906
Total Majority Group	**2 202 771**	**31,41%**	**3 515 209**	**42,22%**	**1 312 438**
City Financial Absolute Equity Fund (OEIC)*	374 220	5,34%	374 220	4,49%	0
IPConcept (Luxembourg) SA*	419 605	5,98%	419 605	5,04%	0
Public - registered securities	78 013	1,11%	105 274	1,26%	27 261
Public - bearer securities	3 911 211	55,78%	3 911 211	46,98%	0
Treasury shares	25 727	0,37%	0	0,00%	0
TOTAL	**7 011 547**	**100,00%**	**8 325 519**	**100,00%**	**1 339 699**

** To the knowledge of TOUAX*

TOUAX SCA is controlled by Alexandre, Fabrice and Raphaël WALEWSKI. SHGL and SHGP are the two General Partners of TOUAX SCA and are respectively wholly owned by Raphaël and Fabrice WALEWSKI. The Managing Partners are not shareholders of TOUAX SCA.

It is commonly considered that Alexandre, Fabrice, Raphaël WALEWSKI, through the SHGL and SHGP act in concert, without any formal agreement having been concluded and that they jointly own 31.41% of TOUAX SCA, representing 42.22% of the voting rights as of 31 December 2023.

TOUAX SCA does not have an employee shareholding scheme.

The different types of voting rights are described in paragraph 16.2 below.

Breakdown of shares

On 31 December 2023, 32.53% of the shares issued by TOUAX SCA were registered, and the remainder were bearer shares. Around 97% of registered shares are held by persons residing outside France.

Number of shareholders

The company does not regularly ask for reports on identifiable bearer shares and therefore does not know the exact number of shareholders. On 31 December 2023, there were 76 registered shareholders. The attendance sheet of the last Combined General Meeting of 14 June 2023, certified accurate by the members of the board, shows that the shareholders present (including the general partners), represented or having voted by correspondence, together represent 3 125 659 shares and 4 453 880 voting rights, or 44,65% of the shares with voting rights.

Declarations and information to the AMF

In accordance with the Banking and Financial Regulation Act of 22 October 2010, the threshold for the obligation to file a draft takeover bid was lowered on 1 February 2011 from one third to 30% of the share capital and voting rights. A so-called grandfather clause applies for an unlimited period to shareholders who held between 30% and one third of the capital and voting rights on 1 January 2010: the previous threshold (33.33%) for a compulsory takeover bid will apply to these shareholders, provided that their interest remains between these two thresholds (Article 234-11 paragraph 1 of the General Regulation of the AMF).

The WALEWSKI family concert, comprising Alexandre WALEWSKI, SHGL and SHGP, which held an interest of between 30% and 33.33% on 1 January 2010 (31.13% of the share capital representing 35.75% of the voting rights on this date) is affected by the provisions of Article 234-11 paragraph 1 of the AMF General Regulation for its share capital holding and to this end made a shareholding declaration to the AMF published on 18 July 2011 in Notice No. 211C1275. In other words, if the alliance exceeds the threshold of one third of the capital, it will be obliged to file a compulsory draft takeover bid.

To the knowledge of TOUAX, all of the shareholders who hold more than 5% of the share capital or voting rights are mentioned in the table above.

Changes in the shareholding

Shareholders	31/12/2023		31/12/2022		31/12/2021		30/04/2021**	
	Capital %*	Voting rights %*	Capital %*	Voting rights %*	Capital %*	Voting rights %*	Capital %*	Voting rights %*
Alexandre WALEWSKI	11,62%	11,64%	11,62%	10,81%	11,62%	10,80%	11,62%	10,21%
SHGL	9,36%	14,42%	9,36%	14,53%	9,36%	14,55%	9,36%	14,79%
SHGP	10,43%	16,16%	10,43%	16,28%	10,43%	16,30%	10,43%	15,70%
Total WALEWSKI concert	**31,41%**	**42,22%**	**31,41%**	**41,62%**	**31,41%**	**41,65%**	**31,41%**	**40,71%**
Treasury shares	0,37%	0,00%	0,18%	0,00%	0,09%	0,00%	0,14%	0,00%
IPConcept (Luxembourg) SA	5,98%	5,04%	5,99%	5,08%	5,98%	5,07%	5,98%	5,16%
City Financial Absolute Equity Fund (OEIC)	5,34%	4,49%	5,34%	4,53%	5,34%	4,52%	5,34%	4,60%
Public (nominative and bearer)	56,90%	48,24%	57,08%	48,77%	57,18%	48,76%	57,13%	49,53%
TOTAL	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**

* to the knowledge of TOUAX ** calculation made on the basis of the revision of the voting rights of the Walewski concert in April 2021

16.2. VARIOUS VOTING RIGHTS

Double voting rights

Double voting rights are granted for registered shares held at least five years by the same stockholder. Furthermore, free shares allocated on the basis of old shares with double voting rights also feature double voting rights. This clause is stipulated in the company's Articles of Association.

Limitation of voting rights

The company's shares do not have any limitation of voting rights, except where stipulated by law.

16.3. DESCRIPTION OF THE TYPE OF CONTROL

The TOUAX Group is a partnership limited by shares under French law which by nature is controlled by the general partners. It has two general partners: SHGP and SHGL. These two companies belong to Fabrice and Raphaël WALEWSKI respectively.

Furthermore, Alexandre WALEWSKI, SHGP and SHGL are deemed to have acted in concert in 2023. This alliance is a de facto alliance that was established in 2005 during the conversion into a partnership limited by shares under French law. In total, on 31 December 2023 this concert held 31.41% of the shares and 42.22% of the voting rights.

A change of control requires, therefore, a change in the composition of both general partners and limited partners.

The Supervisory Board provides ongoing supervision of the management of Managing Partners but cannot intervene in the management of the company.

The Group endeavours to comply with the governance rules recommended by the Middlenext Code.

The general partners cannot participate in the vote regarding the appointment of members of the Supervisory Board at an annual general meeting.

Finally, the Supervisory Board produces a report on the conduct of company affairs and on the financial statements at the Annual General Meeting.

16.4. AGREEMENT THAT MAY RESULT IN A CHANGE OF CONTROL

There is no shareholder pact type agreement providing preferential conditions for the sale or purchase of shares likely to be transmitted to the French Financial Markets Authority (AMF).

17. TRANSACTIONS WITH RELATED PARTIES

The Group has not entered into any significant transactions with related parties other than those described in the Notes to the consolidated financial statements paragraph 18.1 note 34 page 97 (see the auditors' report on regulated agreements and commitments, page 125).

18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND INCOME

18.1. HISTORICAL FINANCIAL INFORMATION

Consolidated accounts

The consolidated accounts of TOUAX SCA are presented in accordance with international accounting standards (International Financial Reporting Standards – IFRS) as adopted by the European Union.

Consolidated income statement, presented by type at 31 December *(in thousands of euros)*	note no.	**2023**	2022
Revenue from activities	4	**195,421**	**210,555**
Purchases and other external expenses	5	(97,669)	(99,077)
Staff Costs	6	(19,214)	(17,502)
Other operating income and expenses	7	1,604	1,095
Operating provisions	8	746	(785)
Net distributions to investors	9	(25,550)	(36,339)
EBITDA		**55,338**	**57,947**
Depreciation and impairments	10	(29,451)	(26,862)
CURRENT OPERATING INCOME		**25,887**	**31,085**
Other operating income and expenses	11	2,439	-
OPERATING INCOME		**28,326**	**31,085**
Income in cash and cash equivalent		265	113
Gross cost of financial debt		(20,284)	(14,926)
Net cost of financial debt		**(20,019)**	**(14,813)**
Other financial income and expenses		(984)	(586)
NET FINANCIAL EXPENSE	12	**(21,003)**	**(15,399)**
CURRENT INCOME BEFORE TAXES		**7,323**	**15,686**
Taxes on profits	13	(1,482)	(6,283)
GLOBAL CONSOLIDATED NET INCOME		**5,841**	**9,403**
Non controlling interests (Minority interests)		2,234	1,936
GROUP SHARE OF NET INCOME		**3,607**	**7,467**
Net income per share (Euro)	14	**0.52**	**1.07**
Diluted net earnings per share (Euro)	14	**0.52**	**1.07**

Statement of comprehensive income for the period *(in thousands of euros)*		**2023**	2022
Global consolidated net income	**(I)**	**5,841**	**9,403**
Differences on conversion		(3,545)	2,048
Gains and losses made on cash-flow hedging instruments (effective portion)		(4,125)	6,450
Tax on comprehensive income items		359	(449)
Other elements of the comprehensive income that may be subsequently reclassified as net income	**(II)**	**(7,311)**	**8,049**
Pension liability (actuarial difference)		(24)	51
Other elements of the comprehensive income that cannot be subsequently reclassified as net income	**(III)**	**(24)**	**51**
Total Other items of comprehensive income, net of taxes	**(IV) = (II) + (III)**	**(7,335)**	**8,100**
of which Non-controlling interests (minority interests)		(2,105)	1,789
of which Owners of the Group’s parent company		(5,230)	6,311
Non-controlling interests (minority interests)		2,234	1,936
Owners of the Group’s parent company		3,607	7,467
Global consolidated net income	**(I)**	**5,841**	**9,403**
Non-controlling interests (minority interests)		129	3,725
Owners of the Group's parent company		(1,623)	13,778
GLOBAL PROFIT/LOSS	**(V) = (I) + (IV)**	**(1,494)**	**17,503**

Consolidated balance sheet on 31 December *(in thousands of euros)*	note no	2023	2022
ASSETS			
Goodwill	15	5,101	5,101
Intangible assets	16	1,287	582
Tangible assets	17	374,664	363,401
Right of use	18	13,845	15,358
Long-term financial assets	19	1,170	1,060
Other non-current financial assets	19	10,188	9,098
Deferred tax assets	13	-	-
TOTAL non-current assets		**406,255**	**394,600**
Inventories and Work in Progress	20	85,007	86,322
Trade receivables	21	24,572	28,708
Other current financial assets	22	8,573	6,082
Cash and cash equivalents	23	39,000	56,014
Total current assets		**157,152**	**177,126**
TOTAL ASSETS		**563,407**	**571,726**
LIABILITIES			
Share capital		56,092	56,092
Reserves and share premium		17,207	27,144
Group share of net income		3,607	7,467
Shareholders' equity attributable to owners of the Group's parent company		**76,906**	**90,703**
Non controlling interests (Minority interests)		70,706	62,959
Total shareholders' equity	26	**147,612**	**153,662**
Loans and Financial liabilities	24	298,696	296,214
Long-term lease liability	25	9,850	11,540
Deferred tax liabilities	13	7,031	6,952
Pension and similar liabilities	28	562	481
Other long-term liabilities	29	696	749
Total non-current liabilities		**316,835**	**315,936**
Provisions	27	-	77
Short-term lease liability	25	2,031	1,806
Borrowings and current bank facilities	24	30,594	40,634
Trade payables	30	14,139	12,338
Other current liabilities	31	52,196	47,273
TOTAL current liabilities		**98,960**	**102,128**
TOTAL LIABILITIES		**563,407**	**571,726**

Change in consolidated shareholders' equity *(in thousands of euros)*	Share capital	Share premium	Hybrid capital	Consolidated reserves	Conversion reserves	Cash flow hedge	Net profit/loss for the period	Shareholders' equity attributable to owners of parent company	Non controlling interests (Minority interests)	TOTAL Shareholders' equity
Situation as at 01 January 2022	**56,092**	**5,758**	**25,936**	**(3,604)**	**11,856**	**(629)**	**12,552**	**107,961**	**56,999**	**164,960**
Other elements of the comprehensive income that may be subsequently reclassified as net income	-	-	-	-	3,119	3,141	-	**6,260**	1,789	**8,049**
Other elements of the comprehensive income that cannot be subsequently reclassified as net income	-	-	-	51	-	-	-	**51**	-	**51**
Net profit/loss for the period							7,467	**7,467**	1,936	**9,403**
Global income	**-**	**-**	**-**	**51**	**3,119**	**3,141**	**7,467**	**13,778**	**3,725**	**17,503**
Capital increases	-	-	-	-	-	-	-	**-**	3,174	**3,174**
Repayment of hybrid capital	-	-	(26,575)	-	-	-	-	**(26,575)**	-	**(26,575)**
Reclassification of hybrid capital issue costs	-	-	639	(639)	-	-	-	**-**	-	**-**
Statutory remuneration of general partners	-	-	-	(907)	-	-	-	**(907)**	-	**(907)**
Allocation of net income - 2021 period	-	-	-	12,552	-	-	(12,552)	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	**-**	(2,604)	**(2,604)**
Hybrid Capital Coupon	-	-	-	(1,803)	-	-	-	**(1,803)**	-	**(1,803)**
Operation with minority shareholders	-	-	-	(1,665)	-	-	-	**(1,665)**	1,665	**-**
Other	-	-	-	(34)	-	-	-	**(34)**	-	**(34)**
Treasury shares	-	-	-	(52)	-	-	-	**(52)**	-	**(52)**
as at 31 December 2022	**56,092**	**5,758**	**-**	**3,899**	**14,975**	**2,512**	**7,467**	**90,703**	**62,959**	**153,662**
Situation as at 01 January 2023	**56,092**	**5,758**	**-**	**3,899**	**14,975**	**2,512**	**7,467**	**90,703**	**62,959**	**153,662**
Other elements of the comprehensive income that may be subsequently reclassified as net income	-	-	-	-	(2,982)	(2,233)	-	**(5,215)**	(2,096)	**(7,311)**
Other elements of the comprehensive income that cannot be subsequently reclassified as net income	-	-	-	(15)	-	-	-	**(15)**	(9)	**(24)**
Net profit/loss for the period	-	-	-	-	-	-	3,607	**3,607**	2,234	**5,841**
Global income	**-**	**-**	**-**	**(15)**	**(2,982)**	**(2,233)**	**3,607**	**(1,623)**	**129**	**(1,494)**
Capital increases	-	-	-	-	-	-	-	**-**	1,906	**1,906**
Statutory remuneration of general partners	-	-	-	(803)	-	-	-	**(803)**	-	**(803)**
Allocation of net income - 2022 period	-	-	-	7,467	-	-	(7,467)	**-**	-	**-**
Dividends	-	-	-	(706)	-	-	-	**(706)**	(4,825)	**(5,531)**
Operation with minority shareholders	-	-	-	(10,534)	-	-	-	**(10,534)**	10,537	**3**
Other	-	-	-	(47)	-	-	-	**(47)**	-	**(47)**
Treasury shares	-	-	-	(84)	-	-	-	**(84)**	-	**(84)**
as at 31 December 2023	**56,092**	**5,758**	**-**	**(823)**	**11,993**	**279**	**3,607**	**76,906**	**70,706**	**147,612**

Table of consolidated cash flow on 31 December *(in thousands of euros)*		**2023**	2022
Global consolidated net income		5,841	9,403
Depreciation and provisions		27,541	29,131
Change in deferred tax items		754	1,391
Capital gains and losses on disposal of fixed assets		(1,882)	(6,520)
Other non-cash income and expenses		(3,427)	1,755
Self-financing capacity after cost of net financial debt & tax payable		**28,827**	**35,160**
Financial interests		20,003	13,104
Interest paid on leases and assets financed through leaseback		385	373
Tax payable		727	4,892
Self-financing capacity before cost of net financial debt & tax		**49,942**	**53,529**
Tax paid / collected		(835)	(222)
Change in working capital requirement related to activity excluding changes in inventories	A	1,584	5,230
Stock variation	B	(15,938)	(15,062)
Change in investment working capital requirement	C	10,275	(24,134)
Acquisition of assets for leasing		(48,709)	(52,923)
Proceeds from sale of owned equipment		24,740	31,890
Collection of finance leasing receivables		79	211
under - total		(29,553)	(60,018)
CASH FLOW GENERATED BY OPERATING ACTIVITIES	**(I)**	**21,138**	**(1,481)**
Investment Operations			
Acquisition of intangible & tangible assets		(1,817)	(314)
Net change in loans and advances		(5,317)	(134)
Proceeds from disposal of assets other than those intended for leasing		1	9
Change in the scope of consolidation (exit)		-	-
CASH FLOWS RELATING TO OTHER INVESTMENT OPERATIONS	**(II)**	**(7,133)**	**(439)**
Financing Operations			
Receipts related to new borrowings		87,620	140,026
Repayment of borrowings		(93,497)	(92,733)
Net change in financial debts		**(5,877)**	**47,293**
Leasing liabilities		(1,837)	844
Net increase/decrease in shareholders' equity		1,909	3,150
Repayment of hybrid capital		-	(26,575)
Financial interest paid		(18,211)	(12,512)
Interest paid on leases and assets financed through leaseback		(385)	(373)
Distribution of dividends to TOUAX SCA shareholders		(706)	-
Distribution of dividends to minority shareholders		(4,826)	(3,647)
Statutory remuneration of general partners		(803)	(907)
Hybrid capital payment coupons		-	(1,803)
Other		(44)	(35)
Disposal (acq.) Net treasury shares		(84)	(52)
CASH FLOW RELATED TO FINANCING OPERATIONS	**(III)**	**(30,864)**	**5,383**
Effect of exchange rate fluctuations		(143)	(28)
CASH FLOW RELATED TO EXCHANGE RATE CHANGES	**(IV)**	**(143)**	**(28)**
CHANGE IN NET CASH	**(I) + (II) + (III) + (IV)**	**(17,002)**	**3,435**
Analysis of cash flow change			
Cash at beginning of year		56,001	52,566
Cash at end of year		38,999	56,001
CHANGE IN NET CASH		**(17,002)**	**3,435**

(in thousands of euros)		**2023**	2022
Decrease / (Increase) in inventories and work in progress		(15,938)	(15,062)
Change in inventory	**B**	**(15,938)**	**(15,062)**
Decrease / (Increase) in trade receivables		3,746	3,767
Decrease / (Increase) in other current assets		(1,339)	3,339
(Decrease) / Increase in trade payables		1,839	(402)
(Decrease) / Increase in other liabilities		(2,662)	(1,474)
Change in WCR related to activity excluding inventory change	**A**	**1,584**	**5,230**
Decrease/(Increase) in receivables/fixed assets & related accounts			
(Decrease)/Increase in liabilities/fixed assets & related accounts		10,275	(24,134)
Change in investment WCR	**C**	**10,275**	**(24,134)**

The net change in cash presented in the cash flow statement corresponds to the change in cash and cash equivalents included on the balance sheet after deducting bank overdrafts. As at 31 December 2023, there are no current bank loans.

The change in inventories in the cash flow statement shows an increase in inventories corresponding to a cash outflow. The change in inventories appearing on the balance sheet shows a decrease, due to the reclassification of equipment from inventories to tangible assets, with no cash impact (see note 17).

According to IFRS standards: *"cash payments to manufacture or acquire assets held for leasing to others and subsequently held for sale as described in paragraph 68A of IAS 16 "Property, plant and equipment" are cash flows resulting from operating activities. The cash receipts from leasing and subsequent sales of such assets are also cash flows from operating activities.*

Therefore, the cash flow statement shows the Group's investments in leasing equipment and the income from sales of leasing equipment under cash flow from operations instead of cash flows from investing activities, in accordance with IFRS. Similarly, repayments of finance lease receivables are presented in operating flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED ACCOUNTS

Significant facts for the Touax Group and post-balance sheet events

› **Significant events**

Buyout of minority interests:

The buyout of the minority shareholding in the Modular Buildings division in January 2023 had a positive impact of 3.5 million euros on income (see note 11) and a negative impact of 9 million euros on Group shareholders' equity.

Operational performance:

2023 is marked by a decline in container sales after an exceptional year in 2022. As a result, the Container division recorded a decline in operating performance, while the Freight Railcars division was stable and the River Barges and Modular Buildings divisions improved.

Financing transaction:

On 16 May 2023, Touax SCA issued a 5.35 million euros loan. This issue is comparable to the €PP 07/2027 June 2022 issue (same residual maturity, same coupon and same maturity schedule). This loan was issued at 95.2% of par value (i.e. 5.09 million euros).

On 27 July 2023, Touax SCA signed a 40 million euros senior secured loan with a 4-year maturity. This financing extends the average maturity of the Group's debt and is in line with its growth and profitability strategy, replacing the senior secured loan maturing in June 2024 for the same amount. This financing was organized in the form of a bank club deal.

› **Post-balance sheet events**

None

NOTE 1. ACCOUNTING RULES AND METHODS

note 1.1. BASIS FOR PREPARATION AND PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

₪ **Approval of the financial statements**

The annual financial statements up to 31 December 2023 and the associated notes were fixed by the TOUAX SCA Management Board on 20 March 2024 and presented to the Supervisory Board on 21 March 2024.

₪ **Accounting rules and methods**

Pursuant to Regulation No. 1606/2002 adopted on 19 July 2002 by the European Parliament and the European Council, the consolidated financial statements of the TOUAX Group for the 2023 financial year were prepared in accordance with IFRS (*International Financial Reporting Standards*) published by the IASB (*International Accounting Standards Board*) on the balance sheet date as at 31 December 2023 as adopted by the European Union.

₪ **Standards, amendments and interpretations adopted by the European Union and which must be applied from 01 January 2023**

The standards and interpretations mandatorily applicable from 01 January 2023 have no material impact on the 2023 consolidated financial statements.

- Amendment to IAS 1 "Disclosure of accounting policies". The purpose of the amendment is to provide information on significant accounting policies by guiding entities in applying the concept of relative importance to better identify and present accounting policies that provide significant information to be included in the financial statements, with other insignificant methods to be excluded. There was no impact on the financial statements as at 31 December 2023.
- Amendment to IAS 8 "Definition of an accounting estimate". The amendment defines the notion of accounting estimate and aims to facilitate the distinction between changes in accounting methods and changes in accounting estimates. There was no impact on the financial statements as at 31 December 2023.
- Amendment to IAS 12 "Deferred taxes related to assets and liabilities resulting from a single transaction". The amendment removes the exception to the recognition of deferred taxes for transactions which simultaneously give rise to assets and liabilities with temporary differences the other way around. It requires the recognition of deferred taxes

on leasing contracts and provisions for decommissioning. There was no impact on the financial statements for the year ended 31 December 2023.
- Amendment to IAS 12 "International Tax Reform, Pillar 2". The amendment treats the "Pillar 2" additional tax as income tax; introduces a mandatory temporary exception to the deferred taxes that would result from these provisions; requires disclosure in the appendices of the entity's exposure to the new tax consequences. The Group does not fall within the scope of Pillar 2.

These amendments have no impact on the consolidated financial statements of 2023.

Standards and interpretations adopted by the IASB but not yet applicable on 31 December 2023

The Group has not anticipated any of the new standards and interpretations mentioned below which could concern it and whose application is not mandatory as at 01 January 2023:

- Amendment to IAS 21 "Absence of exchangeability";
- Amendment to IAS 1 "Classification of current and non-current liabilities";
- Amendment to IAS 1 "Non-current liabilities with covenants";
- Amendment to IFRS 16 "Lease liability in a sale and leaseback transaction";
- Amendments to IAS 7 and IFRS7 "Supplier agreements and financing";

An analysis of the impacts and practical consequences of the application of these amendments to standards is under way. In principle, these amendments do not contain any provisions that run counter to the Group's current accounting practices.

note 1.2. USE OF ESTIMATES

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

Since these assumptions are intrinsically uncertain, actual information 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 statements and information subject to significant estimates concern in particular the valuation of goodwill (see note 15), the assessment of any potential loss value in tangible assets (see note 17), financial assets (see note 19), derivative financial instruments (see note 24), inventories and items in progress (see note 20), provisions for risks and charges (see note 27), deferred taxes (see note 13.3) and leasing liabilities (see note 25).

IMPACTS OF CLIMATE RISK:

Climate change could affect us, as well as our customers, who transport goods using the barges, containers and railcars that we make available to them, and our suppliers, who produce our products and who may emit greenhouse gases during the production process. Reduction in demand due to climate change could have an adverse effect on our activity, operating results and financial position.

Changes to laws, rules and regulations, and actions taken by the authorities under existing laws with the aim of addressing greenhouse gas emissions and contain climate change could negatively impact our customers and our business activity. The potential consequences of laws, rules and regulations concerning the fight against climate change could have an adverse effect on our financial situation, operating results and cash flows. The Group has no knowledge of the future indirect effects of climate risk and has therefore not taken them into account in its estimates.

IMPACT OF RISING INTEREST RATES:

To carry out its investment policy, the TOUAX Group uses debt. A part of the Group's debt is concluded at variable rates. Interest rate risk is thus mainly linked to these variable rate loans.

In order to limit the negative impact of a rise in short-term rates, the Group applies a policy of non-speculative rate management by using standard derivative instruments and by negotiating its new loans at fixed or variable rates depending on the desire to modify the fixed rate distribution - variable rate distribution of its debt.

The hedges put in place do not necessarily change the split between fixed and variable rates: debt may remain at variable rates, but exposure may be hedged by "caps" or "tunnels". At the end of 2023, 67% of variable-rate debt is hedged. In all, 75% of the Group's debt is at fixed or hedged variable rates.

note 1.3. CONSOLIDATION METHODS

IFRS 10 "Consolidated financial statements" applies to all aspects relating to control and consolidation procedures using the full consolidation method.

It defines the concept of control of an entity on the basis of three criteria:

- the power over the entity, that is, the ability to direct the activities that have the greatest impact on its profitability;
- exposure to the entity's variable returns, which may be positive, in the form of a dividend or any other economic advantage, or negative;

- and the ability to exercise power over the entity so as to affect the amount of returns obtained.

Companies in which the Group directly or indirectly holds a majority of the voting rights at General Assembly, the Board of Directors or the Management Board, giving it the power to govern financial and operating policy are verified and consolidated by the global integration method. Additional analyses are carried out when agreements exist between shareholders in accordance with the recommendations of the standard.

The list of companies included in the consolidation appears below in note 2.2 in addition to the method of consolidation.

Commercial and financial transactions and internal profits generated between consolidated companies are eliminated.

note 1.4. FOREIGN CURRENCY CONVERSION

note 1.4.1. CONVERSION OF CURRENCY FINANCIAL STATEMENTS FOR FOREIGN SUBSIDIARIES

The reporting currency of the Group is the euro.

The functional currency of subsidiaries is the currency in which the majority of the subsidiary's transactions are carried out.

Financial statements for the Group’s companies are prepared in their functional currency. Financial statements of companies are converted into the Group’s reporting currency (Euro) as follows:
- Assets and liabilities are converted into euros at the closing exchange rate;
- Shareholders’ equity, maintained at the historical rate, is converted at the closing exchange rate;
- The income and cash flow statements are converted at the average exchange rate for the period;
- Profits or losses resulting from the conversion of the financial statements are recognised in a conversion reserve included in the consolidated shareholders’ equity.

Goodwill generated during the acquisition of companies is recognised in the functional currency of the acquired company. The goodwill is then converted at the closing into the Group’s presentation currency. Any differences resulting from the conversion are recognised in the Consolidated Shareholders’ Equity.

Parity: Currency = 1 euro

Exchange rate of currencies	Closing rate		Average rate	
	2023	2022	2023	2022
American dollar (USD)	1.1050	1.0666	1.0816	1.0530
Moroccan dirham (MAD)	10.9445	11.1592	10.9591	10.7139
British pound (GBP)	0.8691	0.8869	0.8699	0.8527
Indian rupee (INR)	91.9045	88.1710	89.3249	82.6863

note 1.4.2. CONVERSION OF TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency operations by consolidated companies have been converted into their functional currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currency have been converted at the exchange rates prevailing on the Balance Sheet date. Exchange rate differences resulting from this conversion (latent gains and losses) are recognised as net financial profit or loss.

Currency gains/losses arising from a monetary component, which is essentially an integral part of the net investment in a consolidated foreign subsidiary, are booked under shareholders' equity (under the item "conversion reserves") until the net investment has been sold or liquidated.

note 1.5. RECORDING OF ASSET COMPANIES OWNED BY INVESTORS

Third-party management enables the Group to increase its capacity as an operational lessor by calling on outside investors who acquire assets.

Analysis of asset companies owned by investors

In the case of asset companies owned by investors, the management of activities is sometimes governed by contractual agreements.

In this case analysis of the contractual agreements makes it possible to assess whether the investor has power over the entity. Some indicators in accordance with IFRS 10:
- The purpose and structuring of the entity: mode of decision making in relation to relevant activities, who has the ability to direct the activities, who receives the yields from these activities, who bears the risks etc;
- The rights given by the contractual agreements established during the creation;
- The commitment by the investor to ensure that the actual operation of the entity conforms to its original concept;
- The relationship between the investor and the entity: Managerial, technological or financial dependence.

Investors' asset companies are not consolidated if the Group does not hold executive authority over activities affecting their performance or assets.

note 1.6. GOODWILL

Goodwill corresponds, on the acquisition date, to the difference between:

- the fair value of the consideration transferred plus the amount of the minority interests in the company acquired and, in a merger of acquisition carried out in steps, the acquisition-date fair value of the acquirer's previously-held holding in the company acquired, revalued by the income statement, and
- the net balance of the amounts of the identifiable assets acquired and liabilities taken over measured at acquisition-date fair value.

For significant acquisitions, this fair-value measurement is carried out by independent experts.

Minority interests are either valued at their fair value, or at their share in the net identifiable assets of the acquired company. This option is available on a case-by-case basis for each merger operation.

The direct costs related to the acquisition are accounted for in the period's expenses and are displayed in the consolidated income statement under "Other operating income and expenses".

Possible price adjustments for the acquisition or merger are valued at the fair value on the date of acquisition even if it is improbable that resources will be needed to discharge that obligation. After the acquisition date, the price adjustment is valued at its fair value at each year-end closing. After twelve months from the acquisition date, any change in the fair value of this price adjustment will be accounted for in the income statement.

In accordance with IFRS 3 "Business Combinations", goodwill assets are not depreciated.

In accordance with IAS 36 "Impairment of Assets", they are subjected to an impairment test at least once a year, and at shorter intervals if there is any indication of a loss of value. The test is designed to ensure that the recoverable value of the cash-generating unit to which the goodwill is applied is at least equal to its net book value (see appendix to the consolidated financial statements note 1.9). If an impairment is found, then an irreversible provision is charged to operating income, on a line of its own "Other operating income and expenses".

Should the TOUAX Group increase its percentage stake in an entity it already controls, the additional equity purchase is booked directly to shareholders' equity as the difference between the price paid for the shares and the additional proportion of the entity acquired. The consolidated value of the entity's identifiable assets and liabilities, as well as the goodwill, remain unchanged.

In the event that shares are sold without loss of exclusive control, the difference between the shares' sale price and the share of consolidated equity at the date of the sale is noted as shareholders' equity (Group's share). The consolidated value of the entity's identifiable assets and liabilities, as well as the goodwill, remain unchanged.

In the event that shares are sold with loss of exclusive control, the income from the sale is calculated on the entire holding at the date of the operation. If there is residual interest, it is evaluated at its fair value in the income statement at the moment that exclusive control is lost.

note 1.7. INTANGIBLE ASSETS

Intangible assets mainly correspond to software and the licence to operate railcars in Asia. Depreciation of software is calculated on a straight-line basis over its useful life. Railcar operating licences are depreciable over 35 years.

note 1.8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly correspond to equipment (freight railcars, river barges, logistics containers) that are leased.

note 1.8.1. VALUATION AT COST NET OF AMORTISATION AND IMPAIRMENT

Except when acquired as part of a company takeover, property, plant and equipment are recorded at their acquisition or production cost. Gains resulting from intra-group transfers or purchases are eliminated in the consolidated accounts, as are revaluations due to mergers or partial takeovers. At each closing, the acquisition cost is reduced by cumulative depreciation and depreciation determined in accordance with IAS 36 "depreciation of assets" (see note 1.9).

The costs of loans used to finance eligible assets defined by IAS 23 are included in the cost of the assets involved. At present, no assets are eligible for application of the IAS 23.

note 1.8.2. "COMPONENT" APPROACH

IAS 16 "Property, plant and equipment" requires that an asset's main components with a useful lifetime shorter than that of the asset itself should be identified so as to be depreciated over its own useful lifetime.

The component approach is particularly applicable to the River Barges and Freight Railcars businesses. In the River Barges business, the purchase price of barges is split into hull, navigation certificate, bow thruster and cover. In the Freight Railcars business, the railcars are divided between the railcars itself and the revisions.

note 1.8.3. DEPRECIATION

Tangible assets are depreciated and are calculated using the straight-line method over the asset's useful lifetime. Land is not depreciated.

- **Terms of depreciation of new goods acquired:**

Useful lifetimes for equipment acquired new are in the following brackets:

- Freight Railcars 25 years old (India) to 36 years old (Europe)
- River Barges (barges, pushers and hulls) 30 years
- Containers (of type "dry") 13 years

The railcars and their axles are reviewed according to a timetable specified by the European standards. By incorporating European standard VPI, servicing of railcars and their axles are amortized over a period of 3 to 12 years depending on the type of servicing.

Covers and barge motors are amortized over 20 and 10 years respectively.

The depreciation of the containers provides for a residual value, which varies according to the type of container, in accordance with industry standards:

- 20'DC: $1,000
- 40'DC: $1,200
- 40'HC: $1,400

No residual value is retained for freight railcars and river barges.

- **Terms of depreciation of used goods acquired:**

Equipment acquired second-hand is depreciated using the straight-line method over their remaining useful lifetime.

Useful lifetimes of second-hand barges depend on the construction date of the barge, the previous condition of use of the barges, and the materials carried (some materials being more corrosive than others).

note 1.9. IMPAIRMENT OF ASSETS

According to IAS 36 "Impairment of Assets", the recoverable value of Property, plant and equipment and Intangible Assets must be tested as soon as there is any indication of a loss of value (to the company or in the market), and is reviewed at the end of each financial period. This test is carried out at least once a year in the case of assets with an indefinite lifetime, which in the Group's case means goodwill.

For this test, fixed assets are grouped into Cash-Generating Units (CGUs). These are homogeneous groups of assets whose continuous use generates cash flows largely independent of the cash flows generated by other groups of assets. The recoverable value of these units is most often calculated from their value in use, i.e. from the discounted future net cash flows expected on the basis of business scenarios and on forecast operating budgets approved by senior management.

If a CGU's recoverable value is below its net book value, then an impairment is recorded. If the CGU contains goodwill, the loss in value primarily reduces the goodwill, before depreciation is recorded, where applicable, on the other fixed assets of the CGU.

The cash generating units in the Group are:

- The Freight Railcars business as a whole,
- The River Barges business as a whole,
- The Containers business as a whole,
- The Modular Buildings business in Africa as a whole.

Since right of use (property, vehicle) do not generate cash flows independent of those generated by other assets, the amount recoverable for this right of use cannot be determined individually. They are then tested for impairment at the level of the CGU to which they belong.

note 1.10. INVENTORIES

Inventories essentially consist of goods bought for resale in the Freight Railcars and Containers divisions, and to a lesser extent in the Modular Buildings division. The inventory turnover period is under a year.

Inventories comprise goods purchased for lease and resale. Equipment leased to customers and not resold in the year of acquisition is capitalized.

Inventories are valued at the lower of their cost and net realizable value. Inventories of equipment are depreciated when forecast sales prices are lower than their book values.

Net realizable value is the estimated price of a sale in the normal course of business, less estimated finishing and selling costs.

Stocks also include spare parts required for the maintenance of freight railcars.

note 1.11. PROVISIONS FOR RISKS AND CHARGES

A provision is made in the accounts if, on the relevant Balance Sheet date, the Group has contracted an obligation (whether legally expressed or implicit) and it is probable that a reliably predictable amount of resources will be needed to discharge that obligation.

Provision is made for lawsuits and disputes (industrial, technical) as soon as there is an obligation by the Group to another party on the Balance Sheet date. The amount of the provision made depends on the best estimate of the foreseeable expense.

note 1.12. PENSION AND SIMILAR LIABILITIES

The Group's pension commitments consist only of severance payments for its French companies' employees which correspond, under the terms of IAS 19 "Employee Benefits" to "defined benefit plans". Under these schemes, the Group undertakes to pay benefits either on leaving the Group (severance payments) or during retirement. The Group's schemes are not funded, and a provision is made for them in the accounts. The Group is not involved in any other significant defined benefit plan.

The Group accounts for these superannuation commitments according to the Projected Unit Credit method as required under IAS 19. The method calls for long term actuarial assumptions concerning demographic parameters (staff revenues, mortality) and financial parameters (salary increases, discount rate) to be taken into account. These parameters are reviewed annually. The effect on the amount of the commitment of any changes in the actuarial assumptions is entered under Actuarial Differences. In accordance with IAS 19, the Group recognises these actuarial gains and losses through shareholders' equity and service costs through profit or loss.

Post-employment benefits for periods of service are granted only to the periods during which the employee renders the services which entitle them to these benefits and no benefit is granted outside of these periods, even if the employee renders services during this time.

note 1.13. SUBSIDIES

The Group has adopted as an accounting method, in accordance with IAS 20, to present public operating subsidies in the financial statements, as a deduction from the expenses to which they are linked, and investment subsidies less the assets concerned to be amortised over the same period.

The Touax Group benefits from energy saving certificates as part of the acquisition of new River Barges. In the absence of precision in accounting standards and texts, the Touax Group applies French accounting rules and doctrines (ANC 2014-03 and CNCC chronicle) and therefore considers that these certificates are comparable to an investment subsidy.

note 1.14. LONG-TERM NON-CURRENT LIABILITIES

Other long-term liabilities record the share at more than one year of liabilities other than borrowings and financial liabilities.

note 1.15. TREASURY STOCK

The treasury stock held by the Group is registered at its acquisition cost as a deduction from shareholders' equity. Gains from the disposal of treasury stock are stated directly as an increase in shareholders' equity, such that capital gains or losses do not affect the consolidated result.

note 1.16. FINANCIAL INSTRUMENTS

note 1.16.1. FINANCIAL ASSETS NON-CASH AND CASH EQUIVALENTS

In accordance with the standard IFRS 9:

- The provisions relating to the ranking and valuation of financial assets are now based on the joint analysis of the management model of each asset portfolio and the contractual characteristics of the financial assets;
- the impairment model is based on an approach that takes expected credit losses;
- the provisions relating to the classification and evaluation of financial liabilities require that variations in fair value related to credit risk for financial liabilities accounted for at their fair value in income be isolated and recognized as reserves that cannot be subsequently reclassified in net income;
- provisions relating to hedge accounting, which the Group has chosen to apply from 1 January 2018:
  - make more strategies likely to be eligible for hedge accounting ;
  - require that effectiveness be demonstrated by the existence of an economic relationship between the hedged item and the hedging instrument, the absence of domination of the effect of credit risk in the change in value of this economic relationship, the existence of a coverage ratio approaching that of management, knowing that any inefficiency is recorded in profit or loss.

- **Classification and valuation of financial assets**

IFRS 9 introduces a model for the classification and evaluation of financial assets, based on:

- the business model of the entity for the management of financial assets, and
- the characteristics of the contractual cash flows of the financial asset.

For a financial asset within the scope of IFRS 9, there are 3 types of economic models:

- The objective of the business model is to only hold financial assets to pay in contractual cash flows: if the characteristics of the financial asset are designed for solely payments of principal and interest ('SPPI'), the financial asset is evaluated at the amortized cost.
- The objective of the business model is both to hold financial assets to pay in contractual cash flows and to sell financial assets: when the characteristics of the financial asset are SPPI, the financial asset is measured at fair value through other global income.
- Interest rate financial assets that are not held in either of the two business models above are measured at fair value through profit or loss.

- **Impairment of financial assets**

A detailed analysis of the impairment model of financial assets, and in particular of receivables, has been carried out. The Group has opted for the simplified method proposed by IFRS 9 for measuring depreciation relating to commercial receivables and financing leasing receivables.

The Group's financial assets include the following:
- non-current financial assets in the scope of IFRS 9: guarantees and other deposits for equity securities of non-consolidated companies, loans, derivatives;
- non-current financial assets outside the scope of IFRS 9 for the classification and initial evaluation part: the Group reports as assets those assets held under finance leasing in which it operates as a lessor and customer receivables are over one year past their due date.
- current financial assets including short-term trade receivables and finance lease receivables at less than one year.

Short-term customer receivables from Freight Railcars and Containers are amortized based on unpaid invoices over 30 days past their due date. For the River Barge and Modular Buildings businesses, provisioning is set aside on a case-by-case basis to identify the source of the delay (major financial difficulties, proven disputes, simple cultural delays, etc.).

note 1.16.2. CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents Balance Sheet item is made up of current bank account balances and cash-based UCITS holdings that can be liquidated in the short term.

UCITS holdings with a negligible risk of changing value are categorized as highly liquid short-term holdings and are evaluated at fair value.

The net cash position from the cash flow statement is determined on the basis of cash holdings, as defined above, less current bank advances and overdrafts.

note 1.16.3. FINANCIAL LIABILITIES

The Group's financial liabilities include bank loans, interest-bearing bonds, supplier debt and derivatives.

The loans are broken down into current liabilities (the part repayable within the twelve months following the balance sheet date) and non-current liabilities (with due dates of over twelve months).

Subsequently, they are subsequently evaluated at amortized cost using the effective interest rate method.

To date, only hedging instruments are valued at fair value.

Loans are initially recorded at fair value adjusted by directly attributable transaction costs. These other financial liabilities are measured at amortized cost.

note 1.16.4. DERIVATIVE FINANCIAL INSTRUMENTS

In 2023, the Group signed forward exchange contracts (due date in 2023) to hedge foreign exchange risk exposure on the US dollar. Subscribed derivatives are recognised at fair value. Their impact on income fully or partially offsets gains and losses recorded in profit or loss on foreign currency exposure.

Some of the Group's operations are financed by variable-rate loans, some of which are hedged by interest rate derivatives, within the scope of the cash-flow hedges, in order to reduce the Group's exposure to interest rate risk.

Changes in the fair value of swap contracts and tunnels are accounted for as recyclable reserves for the effective part. The ineffective part is recognised directly in the financial result.

The Group also has derivative financial instruments (Caps/Floors) whose change in fair value is accounted for solely in the income statement.

The Group believes that existing hedges and qualifying hedges meet the hedge accounting eligibility criteria in accordance with IFRS 9.

note 1.17. TAXES ON PROFITS

Deferred taxes are recognised (undiscounted) according to the method of variable carrying-forward of the differences due to timing between the assets' and liabilities' values for tax purposes and their book values in the consolidated accounts. In this way each financial period is assigned its appropriate tax charge, particularly in view of the temporary discrepancies that may arise between the date when certain revenues and charges are booked and their effective date for tax purposes.

Any deferred tax assets resulting from these temporary differences or tax losses to be carried forward are only retained on the books to the extent that the companies or groups of companies consolidated for tax purposes are reasonably sure of realizing the benefits in subsequent years.

The rates used to calculate deferred taxes are the tax rates voted on the closing date of the accounts, which will be in force on the day the temporary differences are reversed.

Tax assets and liabilities applying to the same tax entity (or fiscally-consolidated group) are offset in the Balance Sheet.

Deferred taxes have always been calculated on lease agreements.

Deferred or current tax is accounted for as income or an expense in the income statement unless it relates to a transaction or event accounted for directly in shareholders' equity.

The Group does not fall within the scope of Pillar 2 from 2024 (minimum 15% tax for international groups with revenues amounting to 750 million euros or more in at least two countries).

Deferred taxes are presented on their own lines in the Balance Sheet, under Fixed Assets or Non-Current Liabilities, as the case may be.

note 1.18. REVENUE AND EXPENSES FROM OPERATIONS

The Group is an operational lessor of standard sustainable transport equipment (Freight Railcars, River Barges, Logistics Containers). Leased equipment may be owned by the Group or by active or passive investors and managed by the Group under management contracts. In addition to its leasing activity, the group buys and sells Freight railcars, River barges and Logistics containers.

note 1.18.1. CLASSED AS AGENT OR PRINCIPAL

In accordance with the requirements of IFRS 15, the Group must determine if it is acting as principal or agent in the provision of goods or services to a client.

The Group must meet the following criteria to qualify as principal, otherwise the Group will be classified as an agent and will have to record the margin or fee as revenues:

- The Company has the primary responsibility for providing goods or services, for example by being responsible for the quality of goods and services ordered or sold to the customer.
- The company bears the risks associated with holding stocks before the client order, during transportation or in case of return.
- The company is free to set selling prices, directly or indirectly.

The Group operates and manages equipment on behalf of third-parties as part of its container and freight railcar leasing businesses. Pools of equipment are sometimes put together for this purpose, bringing together several investors, including sometimes the Group. These pools correspond to a group of equipment usually of the same type and age. This organisation enables the pooling of revenues and expenses of equipment grouped in the same pool, governed within the scope of management contracts. These management contracts do not constitute joint ventures.

In the context of management on behalf of investors, the Group may act as principal or as agent depending on whether the investors are respectively passive or active. Investors are active when they make decisions on the conditions of use of their equipment. The new management contracts signed with investors since 2019 qualify the Group as agent, whereas the Group previously acted as principal.

Thus when the Group acts as "principal" for management on behalf of passive investors, it records:

- gross leasing income invoiced to its clients for equipment managed as leasing revenues
- the operating expenses of all the equipment managed are booked under Operating Expenses
- the share of net income distributed to investors as expenses under the "Distributions to investors" section (see notes to the consolidated financial statements note 1.20).

When the Group acts as an "agent" for management on behalf of active investors, it only records the management fee as revenue. It should be noted that the management fee corresponds to gross leasing income, less operating expenses and distributions paid to investors.

Therefore the accounting processes resulting from the designation of agent or principal have no impact on EBITDA or income. The only effect of these processes is a different presentation in the income statement, offset reversed in the case of principal and offset in the case of agent.

note 1.18.2. REVENUE FROM ACTIVITIES: THE DIFFERENT COMPONENTS

The Group therefore records leasing revenues in leasing activity (see note 1.18.1) which is broken down, for greater transparency, between equipment held directly, equipment held by passive investors and management fees relating to equipment held by active investors:

- Leasing revenues from equipment owned by the Group
- Leasing revenues from equipment owned by passive investors
- Management fees for assets held by active investors

When the Group leases equipment to its clients, it may invoice ancillary services (see note 1.18.4) such as the repair of equipment if damaged by customers. The Group thus records:

- Ancillary services

The Group also sells equipment (see note 1.18.5). When equipment is owned by the Group, it records the proceeds from the sale of this equipment. When the equipment is owned by investors, the Group records the margin generated between the sale price of the equipment and the price paid to the investor. This margin is generally called the marketing commission. The Group thus records:

- Sales of owned equipment
- Commissions on the sale of equipment held by investors.

For greater clarity, the Touax Group is mandated by the investor to sell its assets at the most opportune moment in the asset's life cycle and market conditions. The Touax Group's commission for selling these assets is determined when the management contract is signed with the investor. The sale of investor assets is always conditional on the investor's agreement on the sale and the sale price. As soon as the investor's agreement is given and the containers are transferred, the sale is considered perfect and the sales commission is due. The investor therefore no longer has any rights or interests in the transferred assets. The Touax group can then acquire these containers from the client without altering the previous sale between the investor and the client. In this case, the transfer commission relating to the sale between the investor and the client, due by the investor, is recorded immediately on the day of the sale in "sale fees".

In addition, the Group sells equipment to investors under third-party management agreements (see note 1.18.6). The Group purchases new equipment, carries it on its balance sheet and leases it to its clients. It may then sell some of its equipment managed concurrently under a management contract to investors. The sale of equipment to investors is known as syndication and is compensated by a margin equivalent to the difference between the equipment purchase and the equipment sale price. This margin is called the syndication fee. The Group thus records revenue from the following activities:

- Syndication fees.

Finally, the Group sometimes sells fixed assets that are not part of its recurring leasing activity. The difference between the sale price and the net book value of fixed assets is classed as a capital gain or loss on disposal. The Group records revenue activities:

- Capital gains or losses on disposals unrelated to recurring activities.

note 1.18.3. LEASING REVENUE AND LEASES

The Group purchases and leases standard mobile equipment to its clients. The vast majority of client leases are operating or finance leases if Group indicators qualify them as such.

Once the equipment is leased to clients, the Group may decide to sell certain equipment to investors, thereby transferring ownership of the leased equipment to them. Depending on whether the investors are active or passive, the Group acts as an agent or as a principal.

These leases define the standard leasing terms: the price per day, duration, payment date, obligations and rights of the lessee. The vast majority of leases are operating leases. Contracts are categorised as operating or finance leases in accordance with the IFRS 16 standard on the date the lease is signed. The qualification of contracts prior to 1 January 2019 was only reviewed for sublease contracts in accordance with the standard and resulted in an operating sub-lease classification.

As part of the management of equipment on behalf of passive investors, it was decided that the Group was classified as an intermediate lessor according to IFRS 16. As part of the management of equipment on behalf of active investors, the Group acting as an agent and IFRS 16 not being applicable, only the management fees for this equipment are recorded as leasing activity.

Thus, the income from the leasing activity, recorded in turnover, comes from:

- the leasing of equipment owned by the Group,
- and the leasing of equipment held by passive investors.

Leasing revenues from equipment owned by the group is recorded under the heading “leasing revenues from directly owned equipment". It should also be noted that interest income from finance leasing granted to customers is also recorded is also included in the leasing revenues of owned equipment (10 thousand euros in 2023, 258 thousand euros in 2022).

Leasing revenues from equipment owned by passive investors is recorded under the heading “leasing revenues from directly owned equipment".

Leasing revenue from equipment held by active investors is not recorded as revenue, only the management fee for this equipment being recorded in the section “Management fees”.

Changes in leasing revenues are therefore directly connected with the fleets and pools of equipment owned or managed by the Group, the leasing rates, and the utilisation rate of the equipment.

note 1.18.4. INVOICING OF ANCILLARY SERVICES

Ancillary services are invoiced at the time of equipment leasing. Ancillary services also include revenue from the River Barges business resulting from chartering activities.

- Ancillary services to the leasing of containers:
  - Collection charges: costs charged to lessees for container removal;
  - Delivery costs: costs charged to lessees when returning containers to certain areas;
  - Repairs re-invoiced: costs re-invoiced to lessees for repairs to containers at the end of the lease period;
  - Handling re-invoiced: costs re-billed to lessees for handling fees paid to depots.
- Services ancillary to Freight Railcar leasing:
  - Repair costs: costs re-invoiced to lessees for repairs to railcars during or at the end of the lease period.
  - Transport costs: costs re-invoiced to lessees for transport costs incurred during the lease period and generated by repairs, for example in workshops.
- Ancillary services in the Barges division:
  - Chartering: this activity includes organising the transport of goods or bulk goods by river (including loading and unloading) as a sub-contractor to river operators. The price of services is based on a price per tonne transported with variable components such as the price of diesel, water level.

The prices of the services provided to lessees are clearly defined in the leases leading to the recording of these separate re-invoices in accordance with IFRS 15, without any problem of price allocation between the lease and the provision of the service.

note 1.18.5. SALE OF EQUIPMENT

The sale of equipment to clients is a regular activity of equipment leasing companies. The Touax Group buys, leases and sells equipment but also carries out trading activities (buying/selling). The equipment sold may be new or used equipment belonging to the Touax Group or to investors.

a. Equipment belonging to the Touax Group (trading/used equipment activity)

The Touax Group sells its own equipment to end clients, whether this relates to new or used equipment. The transfer of the control of the asset takes place at the moment possession of the material is taken and payment is made by the client. The Group accounts for this transaction as revenues for the amount invoiced and its exit price in the balance sheet as “Cost of sales of equipment”.

Sales of equipment owned include revenues generated by sales to end customers and from the transfer of assets held for leasing. Purchases and the corresponding net book values of equipment sold are accounted for in “Purchases and external expenses” in the presentation of the income statement by type, and in “Cost of sales of equipment” in the presentation of the income statement by sectoral activity and by function as presented in note 3. Equipment purchased intended for sale and not yet resold appears in end-of-period stocks (see note 1.10).

b. Investor-owned materials (used equipment)

The Touax Group, acting as agent for investors in connection with the sale of their equipment, records the sales commission as revenue (see note 1.18.1).

c. Sale of modular buildings in Africa

The Group records sales of modular buildings either on completion or on a given date depending on the performance obligation it must meet.

To determine whether a performance obligation should be accounted for on completion or on a given date, contracts must be analysed according to the following criteria:
(i) the client benefits from the service as the entity's performance improves;
(ii) the client controls the asset as it is constructed by the entity;
(iii) the asset has no alternative purpose for the entity and the entity has, at any time, in the event of termination by the client, an enforceable right to payment for the value of work carried out to date.

If one of the three criteria is met, the performance obligation is accounted for by percentage of completion.

note 1.18.6. SYNDICATION FEES (SALES OF EQUIPMENT TO INVESTORS)

Within the scope of management on behalf of third parties, the Group buys new equipment, carries them on its balance sheet, leases them and can then sell certain equipment to investors. A management contract is then concluded between the Group and the investors. The transfer of equipment to investors is called syndication and is remunerated by a syndication fee. At the end of the management period, the Group sells equipment belonging to investors to end customers or other investors.

According to the criteria of IFRS standards, syndication entails the transfer to the investor of control over the asset. Syndication transactions previously carried out with passive investors fall within the scope of IFRS 16 of sale-leaseback transactions. In accordance with this standard, transactions prior to 1 January 2019 are not restated. No syndication transaction has been carried out with passive investors since that date. Syndication transactions carried out with active investors do not fall within the scope of IFRS 16. In this case, the syndication fee is analysed according to the criteria of IFRS 15 and recorded at the time of the transfer.

note 1.19. OPERATING PROVISIONS

This item mainly records allocations and reversals relating to provisions for bad debts.

The unrecoverable losses are presented in other operating income and expenses.

note 1.20. NET DISTRIBUTIONS TO INVESTORS

Net distributions to investors correspond to the net income paid to passive investors (variable lease payments in the accounting plan), within the framework of management contracts resulting from syndication transactions carried out before the 1 January 2019. As a reminder, under these contracts, the income from the leasing of such equipment by the Group to its clients, is paid to investors after deduction of the Group's management fees and equipment expenses incurred. No return is guaranteed to investors and the net income paid to investors is variable as it depends on the leasing of this equipment, the payment of these leases by clients and related equipment expenses.

As described previously, management contracts entered into prior to the application of IFRS 16 (1 January 2019) have been analysed as leases, taking into account the criteria of the standard, and net distributions to investors as totally variable lease payments not based on indices or rates. In accordance with the transition provisions (paragraph C18), these contracts are treated like any lease at the transition date without reassessing - as per the provisions of IFRS 16 - the treatment of the sale and leaseback transaction underlying it. Consequently, the right of use and the resulting lease debt are zero and net distributions to investors are recognised as expenses in the year in which they are incurred.

note 1.21. OTHER OPERATING INCOME AND EXPENSES

Significant, unusual or infrequent elements are presented separately in the income statement under Other operating income and expenses. As an example, this section includes goodwill impairment, acquisition costs of the equity investments, variations in the fair value of the additional amounts included in the prices agreed when acquiring stock and restructuring costs.

note 1.22. OPERATING INCOME

Operating income is obtained by the difference in expenses and income before taxes, other than those of a financial nature, and excluding net income from discontinued operations.

note 1.23. EBITDA

EBITDA (Earnings before interest, tax, depreciation and amortization) is an important indicator for the Group, allowing it to assess economic performance. It is the current operating income after depreciation and impairment losses restated under IAS 36 impairment tests (see note 1.8 and note 1.9).

note 1.24. SECTOR INFORMATION

In view of the basic structure of the Group’s internal organisation and management, the first level of sector information applied in accordance with IFRS 8 “Sector information” is that based on the Group’s activities.

The Group's business is the operational leasing of standard sustainable transport equipment. It conducts its main business in three areas: Freight Railcars, River Barges and Containers. The Modular Buildings, property and central costs activities that remain insignificant are grouped together in a single "miscellaneous" sector.

Geographic sectors depend on the location of markets and reflect asset locations.

For the Freight Railcars and River Barges activities, the services, markets and clients are in identical locations.

In the Containers business, markets are in other locations than those of the clients and services. The location of the markets and geographic zones of the Containers business correspond to the location of the assets. Containers are moved regularly from country to country via international trade over hundreds of trading routes. The TOUAX Group has neither knowledge nor control over the location or movements of leased containers. Based on Container leases in force at 31 December 2023, Containers may be in the ports of over a hundred countries worldwide. As a result, it is not possible to break down the revenue or assets of the Container business by geographic zone. The Container business is categorised in the international zone. This presentation is consistent with the practices of the container industry.

NOTE 2. SCOPE OF CONSOLIDATION

note 2.1. CHANGES IN THE SCOPE OF CONSOLIDATION

Number of consolidated companies	2023	2022
French companies	6	6
Foreign companies	21	22
TOTAL	**27**	**28**
Of which perimeter entries		1
Of which perimeter exits	1	

The Touax Group has liquidated Touax Rail Romania as it was no longer in business.

note 2.2. LIST OF CONSOLIDATED COMPANIES IN 2023

Company name	Activity	Geographical area	Percentage of control	Percentage of share	Consolidation method
TOUAX SCA	Holding, parent company	Europe			
TOUAX CORPORATE SAS	Services	Europe	100%	100%	FC*
TOUAX UK LIMITED	Services	Europe	100%	100%	FC*
GOLD CONTAINER Corporation	Containers	North America	100%	100%	FC*
TOUAX CONTAINER Asset Financing Ltd	Containers	Europe	100%	100%	FC*
TOUAX CONTAINER Investment Ltd	Containers	Asia	100%	100%	FC*
TOUAX CONTAINER Leasing Pte Ltd	Containers	Asia	100%	100%	FC*
TOUAX CONTAINER SERVICES SAS	Holding of the division	Europe	100%	100%	FC*
TOUAX CORP	Containers	North America	100%	100%	FC*
TOUAX MODULAR BUILDING SOLUTIONS	Holding of the division	Europe	100%	100%	FC*
TOUAX MAROC CAPITAL SARL	Modular Buildings	Africa	100%	100%	FC*
TOUAX MAROC SARL	Modular Buildings	Africa	100%	100%	FC*
RAMCO SARL	Modular Buildings	Africa	100%	100%	FC*
SRF RAILCAR LEASING Ltd	Freight Railcars	Europe	100%	51%	FC*
TOUAX RAIL Ltd	Holding of the division	Europe	51%	51%	FC*
TOUAX RAIL FINANCE Ltd	Freight Railcars	Europe	100%	51%	FC*
TOUAX RAIL FINANCE 2 Ltd	Freight Railcars	Europe	100%	51%	FC*
TOUAX RAIL FINANCE 3 Ltd	Freight Railcars	Europe	100%	51%	FC*
TOUAX RAIL INDIA Ltd	Freight Railcars	Europe	100%	51%	FC*
TOUAX RAIL SERVICES	Freight railcars	Europe	100%	51%	FC*
TOUAX TEXMACO RAILCAR LEASING Pte Ltd	Freight Railcars	Asia	50%+	25.50%	FC*
CS DE JONGE BV	River Barges	Europe	100%	100%	FC*
EUROBULK TRANSPORTMAATSCHAPPIJ BV	River Barges	Europe	100%	100%	FC*
TOUAX RIVER BARGES SAS	Holding of the division	Europe	100%	100%	FC*
TOUAX LEASING Corp	River Barges	North America	100%	100%	FC*
TOUAX HYDROVIA Corp	River Barges	South America	100%	100%	FC*
TOUAX HYDRO LEASE Corp	River Barges	South America	100%	100%	FC*

* Full Consolidation

NOTE 3. SECTOR INFORMATION

To facilitate understanding of business performance, the key indicators in the Group's activity report are presented differently from the IFRS income statement. For this, no distinction is made in third-party asset management, which is presented in exclusive form of agent.

This presentation provides a direct view of syndication fees, sales fees and management fees.

This presentation has no impact on EBITDA, operating income or net income.

note 3.1. TABLE OF TRANSITIONS

Table showing transition of published figures to restated figures as presented in note 3.2:

Consolidated income statement, presented by function (in thousands of euros)	31.12.2023				31.12.2022			
	Published	Restatements		Restated	Published	Restatements		Restated
		Freight Railcars	Containers			Freight Railcars	Containers	
Leasing revenues on owned equipment	71,046	-	-	71,046	67,127	-	-	67,127
Ancillary services	23,867	(478)	(3,665)	19,724	32,729	(1,323)	(6,794)	24,612
Total leasing activity	**94,913**	**(478)**	**(3,665)**	**90,770**	**99,856**	**(1,323)**	**(6,794)**	**91,739**
Sales of owned equipment	57,178	-	-	57,178	58,786	-	-	58,786
Total sales of equipment activity	**57,178**	**-**	**-**	**57,178**	**58,786**	**-**	**-**	**58,786**
Total of owned activity	**152,091**	**(478)**	**(3,665)**	**147,948**	**158,642**	**(1,323)**	**(6,794)**	**150,525**
Leasing revenue on managed equipment	36,669	(13,133)	(23,536)	-	44,399	(11,634)	(32,765)	-
Syndication fees	1,209	-	-	1,209	2,737	-	-	2,737
Management fees	1,563	1,344	1,174	4,081	1,286	1,159	2,257	4,702
Sales fees	3,888	-	-	3,888	3,484	-	-	3,484
Total of management activity	**43,329**	**(11,789)**	**(22,362)**	**9,178**	**51,906**	**(10,475)**	**(30,508)**	**10,923**
Capital gains or losses on disposals unrelated to recurring activities	1	-	-	1	7	-	-	7
Revenue from activities	**195,421**	**(12,267)**	**(26,027)**	**157,127**	**210,555**	**(11,798)**	**(37,302)**	**161,455**
Cost of equipment sales	(49,426)	-	-	(49,426)	(50,239)	-	-	(50,239)
Operating expenses	(38,308)	6,306	6,438	(25,564)	(41,006)	5,952	6,809	(28,245)
Sales, general and administrative expenses	(26,799)	-	-	(26,799)	(25,024)	-	-	(25,024)
Net distributions to investors	(25,550)	5,961	19,589	-	(36,339)	5,846	30,493	-
EBITDA	**55,338**	**-**	**-**	**55,338**	**57,947**	**-**	**-**	**57,947**
OPERATING INCOME	**28,326**	**-**	**-**	**28,326**	**31,085**	**-**	**-**	**31,085**
GROUP SHARE OF NET INCOME	**3,607**	**-**	**-**	**3,607**	**7,467**	**-**	**-**	**7,467**

note 3.2. INCOME STATEMENT BY ACTIVITY, PRESENTED BY FUNCTION

2023 (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & Eliminations	Total
Leasing revenues on owned equipment	47,039	7,537	16,451	19	71,046
Ancillary services	8,265	7,361	4,101	(3)	19,724
Total leasing activity	**55,304**	**14,898**	**20,552**	**16**	**90,770**
Sales of owned equipment	432	52	39,811	16,883	57,178
Total sales of equipment activity	**432**	**52**	**39,811**	**16,883**	**57,178**
Total of owned activity	**55,736**	**14,950**	**60,363**	**16,899**	**147,948**
Syndication fees	295	-	914	-	1,209
Management fees	2,253	76	1,752	-	4,081
Sales fees	-	-	3,888	-	3,888
Total of management activity	**2,548**	**76**	**6,554**	**-**	**9,178**
Capital gains or losses on disposals unrelated to recurring	-	-	-	1	1
RESTATED REVENUE FROM ACTIVITIES	**58,284**	**15,026**	**66,917**	**16,900**	**157,127**
Cost of equipment sales	(216)	(76)	(38,243)	(10,891)	(49,426)
Operating expenses	(13,517)	(6,780)	(4,915)	(352)	(25,564)
General and administrative expenses	(13,152)	(2,890)	(8,515)	(2,242)	(26,799)
EBITDA	**31,399**	**5,280**	**15,244**	**3,415**	**55,338**
Depreciation and impairments	(20,302)	(3,393)	(4,820)	(936)	(29,451)
CURRENT OPERATING INCOME	**11,097**	**1,887**	**10,424**	**2,479**	**25,887**
Other operating income and expenses	(16)	(924)	-	3,379	2,439
OPERATING INCOME	**11,081**	**963**	**10,424**	**5,858**	**28,326**
FINANCIAL PROFIT OR LOSS					**(21,003)**
CURRENT INCOME BEFORE TAXES					**7,323**
Taxes on profit					(1,482)
GLOBAL CONSOLIDATED NET INCOME					**5,841**
Non-controlling interests (minority interests)					2,234
GROUP SHARE OF NET INCOME					**3,607**

2022 *(in thousands of euros)*	**Freight Railcars**	**River Barges**	**Containers**	**Miscellaneous & Eliminations**	**Total**
Leasing revenues on owned equipment	44,746	7,098	15,263	20	67,127
Ancillary services	7,418	10,299	6,896	(1)	24,612
Total leasing activity	**52,164**	**17,397**	**22,159**	**19**	**91,739**
Sales of owned equipment	1,550	16	50,831	6,389	58,786
Total sales of equipment activity	**1,550**	**16**	**50,831**	**6,389**	**58,786**
Total of owned activity	**53,714**	**17,413**	**72,990**	**6,408**	**150,525**
Syndication fees	447	-	2,290	-	2,737
Management fees	1,981	41	2,680	-	4,702
Sales fees	-	-	3,484	-	3,484
Total of management activity	**2,428**	**41**	**8,454**	**-**	**10,923**
Capital gains or losses on disposals unrelated to recurring	-	-	-	7	7
RESTATED REVENUE FROM ACTIVITIES	**56,142**	**17,454**	**81,444**	**6,415**	**161,455**
Cost of equipment sales	(667)	-	(43,418)	(6,154)	(50,239)
Operating expenses	(12,456)	(9,717)	(5,536)	(536)	(28,245)
General and administrative expenses	(12,464)	(2,767)	(9,647)	(146)	(25,024)
EBITDA	**30,555**	**4,970**	**22,843**	**(421)**	**57,947**
Depreciation and impairments	(19,039)	(3,273)	(3,431)	(1,119)	(26,862)
CURRENT OPERATING INCOME	**11,516**	**1,697**	**19,412**	**(1,540)**	**31,085**
Other operating income and expenses	-	-	-	-	-
OPERATING INCOME	**11,516**	**1,697**	**19,412**	**(1,540)**	**31,085**
FINANCIAL PROFIT OR LOSS					**(15,399)**
CURRENT INCOME BEFORE TAXES					**15,686**
Taxes on profit					(6,283)
GLOBAL CONSOLIDATED NET INCOME					**9,403**
Non controlling interests (Minority interests)					1,936
GROUP SHARE OF NET INCOME					**7,467**

note 3.3. BALANCE SHEET BY DIVISION

31 December 2023 *(in thousands of euros)*	Freight Railcars	River Barges	Containers	Miscellaneous & Eliminations	TOTAL
ASSETS					
Goodwill	5,101	-	-	-	5,101
Intangible assets	1,132	-	49	106	1,287
Tangible assets	262,998	35,481	74,136	2,049	374,664
Right of use	112	11,788	332	1,613	13,845
Long-term financial assets	783	12	99	276	1,170
Other non-current financial assets	9,225	-	963	-	10,188
Deferred tax assets				-	-
TOTAL non-current assets	**279,351**	**47,281**	**75,579**	**4,044**	**406,255**
Inventories and Work in Progress	34,405	-	45,123	5,479	85,007
Trade receivables	7,735	1,536	11,860	3,441	24,572
Other current financial assets	3,159	757	367	4,290	8,573
Cash and cash equivalents				39,000	39,000
Total current assets	**45,299**	**2,293**	**57,350**	**52,210**	**157,152**
TOTAL ASSETS					**563,407**
LIABILITIES					
Share capital				56,092	56,092
Reserves and share premium				17,207	17,207
Group share of net income				3,607	3,607
Shareholders' equity attributable to owners of the Group's parent company				**76,906**	**76,906**
Non-controlling interest (Minority interests)	70,706	-	-	-	70,706
Total shareholders' equity				**76,906**	**147,612**
Loans and Financial liabilities				298,696	298,696
Long-term lease liability				9,850	9,850
Deferred tax liabilities				7,031	7,031
Pension and similar liabilities	246	61	73	182	562
Other long-term liabilities	498	141	-	57	696
Total non-current liabilities	**744**	**202**	**73**	**315,816**	**316,835**
Provisions	-	-	-	-	-
Short-term lease liability				2,031	2,031
Borrowings and current bank facilities				30,594	30,594
Trade payables	7,879	1,070	2,780	2,410	14,139
Other current liabilities	21,628	446	22,167	7,955	52,196
TOTAL current liabilities	**29,507**	**1,516**	**24,947**	**42,990**	**98,960**
TOTAL LIABILITIES					**563,407**
Intangible & tangible investments over the period	47,698	839	1,822	167	50,526
Workforce by business (FTE)	**71**	**9**	**39**	**127**	**246**

31 December 2022 *(in thousands of euros)*	Freight Railcars	River Barges	Containers	Miscellaneous & Eliminations	TOTAL
ASSETS					
Goodwill	5,101	-	-	-	5,101
Intangible assets	401	-	124	57	582
Tangible assets	238,442	38,002	84,856	2,101	363,401
Right of use	154	12,669	564	1,971	15,358
Long-term financial assets	709	13	127	211	1,060
Other non-current financial assets	7,642	18	1,438	-	9,098
Deferred tax assets				-	-
TOTAL non-current assets	**252,449**	**50,702**	**87,109**	**4,340**	**394,600**
Inventories and Work in Progress	23,153	-	61,001	2,168	86,322
Trade receivables	7,608	2,314	15,166	3,620	28,708
Other current financial assets	2,454	846	396	2,386	6,082
Cash and cash equivalents				56,014	56,014
Total current assets	**33,215**	**3,160**	**76,563**	**64,188**	**177,126**
TOTAL ASSETS					**571,726**
LIABILITIES					
Share capital				56,092	56,092
Reserves and share premiums				27,144	27,144
Group share of net income				7,467	7,467
Shareholders' equity attributable to owners of the Group's parent company				**90,703**	**90,703**
Non-controlling interest (Minority interests)	71,961	-	-	(9,002)	62,959
Total shareholders' equity				**81,701**	**153,662**
Loans and Financial liabilities				296,214	296,214
Long-term lease liability				11,540	11,540
Deferred tax liabilities				6,952	6,952
Pension and similar liabilities	-	52	62	367	481
Other long-term liabilities	575	117	-	57	749
Total non-current liabilities	**575**	**169**	**62**	**315,130**	**315,936**
Provisions	-	-	25	52	77
Short-term lease liability				1,806	1,806
Borrowings and current bank facilities				40,634	40,634
Trade payables	6,171	1,817	2,918	1,432	12,338
Other current liabilities	5,801	820	32,190	8,462	47,273
TOTAL current liabilities	**11,972**	**2,637**	**35,133**	**52,386**	**102,128**
TOTAL LIABILITIES					**571,726**
Intangible & tangible investments, during the period	25,323	2,717	25,077	120	53,237
Workforce by activity (FTE)	**70**	**9**	**39**	**124**	**242**

note 3.4. GEOGRAPHICAL INFORMATION

(in thousands of euros)	International	Europe	N & S America	Other	TOTAL
2023					
Restated revenue from activities	66,917	64,554	3,097	22,559	157,127
Intangible and tangible investments	1,822	21,257	-	27,447	50,526
Non-current assets (excluding deferred tax assets)	75,579	245,466	21,410	63,800	406,255
2022					
Restated income from activities	81,445	65,694	3,010	11,306	161,455
Intangible and tangible investments	25,077	25,278	-	2,882	53,237
Non-current assets (excluding deferred tax assets)	92,220	243,380	23,463	35,537	394,600

The “International” column records the Containers business, which by its very nature is worldwide.

NOTES REGARDING THE INCOME STATEMENT

NOTE 4. REVENUE FROM ACTIVITIES

Breakdown by type *(in thousands of euros)*	2023	2022	2023/2022 variation	
Leasing revenues on owned equipment	71,046	67,127	3,919	5.8%
Ancillary services	23,867	32,729	(8,862)	-27.1%
Total leasing activity	**94,913**	**99,856**	**(4,943)**	**-5.0%**
Sales of owned equipment	57,178	58,786	(1,608)	-2.7%
Total sales of equipment activity	**57,178**	**58,786**	**(1,608)**	**-2.7%**
Total of owned activity	**152,091**	**158,642**	**(6,551)**	**-4.1%**
Leasing revenue on managed equipment	36,669	44,399	(7,730)	-17.4%
Syndication fees	1,209	2,737	(1,528)	-55.8%
Management fees	1,563	1,286	277	21.5%
Sales fees	3,888	3,484	404	11.6%
Total of management activity	**43,329**	**51,906**	**(8,577)**	**-16.5%**
Capital gains or losses on disposals unrelated to recurring activities	1	7	(6)	-85.7%
Total Revenue from activities	**195,421**	**210,555**	**(15,134)**	**-7.2%**

Revenue from activities decreased by 15.1 million euros (-7.2%), from 210.6 million euros in December 2022 to 195.4 million euros in December 2023. At constant currency and scope, the change is -5.7%.

Owned activity

The leasing business includes leasing income, chartering income, income from the provision of services associated with the leasing of equipment and financial income from financing leases (10 thousand euros in 2023, 258 thousand euros in 2022) in which the Group is lessor.

Leasing business decreased by 4.9 million euros, shifting from 99.9 million euros in 2022 to 94.9 million euros in 2023, representing a change of -5%. This variation is explained by the contrast between lease revenues for owned equipment, which benefited from an increase in utilization rates and in the fleet, and the unfavourable trend in ancillary services, which include variation in “Pick up charges” that benefited from exceptional opportunities in 2022.

Sales of equipment include sales of new or used equipment to end clients.

Sales of equipment activity decreased by 1.6 million euros (+2.7%), rising from 58.8 million euros in 2022 to 57.2 million euros in 2023, and mainly relates to Containers and Freight Railcars. Modular Buildings sales grows significantly in 2023, after a “blank” year in 2022 as the pandemic recedes.

Management activity

Management activity was down 16.5%, mainly due to lower revenues from equipment held by investors in the Containers business, resulting from the sale of their equipment to customers.

Syndication fees decreased overall by 1.5 million euros.

NOTE 5. PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and other external expenses decreased by 1.4 million euros or -1% in 2023. Costs of equipment sales decreased by 1.3 million euros, in line with sales revenues (see note 4). Other external services fell slightly by 0.1 million euros.

Operating expenses for assets held by active investors are not recorded in other external expenses (see note 1.18.1).

NOTE 6. STAFF COSTS

(in thousands of euros)	2023	2022	2023/2022 variation	
Salaries & social security contributions	(19,214)	(17,502)	(1,712)	9.8%
WORKFORCE (FTE*) AS AT 31 DECEMBER	**246**	**242**	**4**	**1.7%**

* FTE = full-time equivalent employee

In order to enable the employees of the French economic and social unit (which includes the companies TOUAX Corporate, TOUAX Container Services and TOUAX River Barges) to share in the Group's performance, a compulsory profit-sharing agreement allows the payment to be made to employees which they can invest in the Company Savings Plan. The formula adopted is the legal calculation formula. Half of the amount is distributed in proportion to attendance time in the company during the financial year, and half is distributed in proportion to the salary of each beneficiary during the financial year concerned. A profit sharing of 28 thousand euros will be distributed in 2024 in respect of the 2023 financial year. It should also be noted that all Group employees benefit from individual performance bonuses.

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	**2023**	2022	Variation 2023/2022	
Other operating income	1,970	3,133	(1,163)	-37.1%
Other operating expenses	(366)	(2,038)	1,672	82.0%
TOTAL OTHER OPERATING INCOME AND EXPENSES	**1,604**	**1,095**	**509**	**46.5%**

In 2023, other income and expenses mainly include a credit note from a container supplier for 0.6 million euros and 0.6 million euros in payments for customer receivables previously recorded as bad debts for the Freight Railcars division. In 2022, bad debt losses amounted to 1.8 million euros.

Some receivables written off were provisioned and the reversal of these provisions appears in the Operating provisions section (see note 8).

NOTE 8. OPERATING PROVISIONS

(in thousands of euros)	**2023**	2022	Variation 2023/2022	
Reversals of operating provisions	5,117	3,978	1,139	28.6%
Allocations for operating provisions	(4,371)	(4,763)	392	-8.2%
TOTAL OPERATING PROVISIONS	**746**	**(785)**	**1,531**	**195.0%**

In 2023, operating provisions amount to 0.7 million euros (compared with -0.8 million euros in 2022) and correspond to net provisions for bad debts and inventories.

NOTE 9. NET DISTRIBUTIONS TO INVESTORS

Net distributions to investors are broken down by division as follows:

(in thousands of euros)	**2023**	2022	Variation 2023/2022	
Freight Railcars	(5,962)	(5,846)	(116)	2.0%
Containers	(19,588)	(30,493)	10,905	-35.8%
TOTAL	**(25,550)**	**(36,339)**	**10,789**	**-29.7%**

Net distributions to investors correspond to the variable payments of the net income of expenses and the management commission of the assets belonging to investors who are managed by the Group and leased to its clients. The majority of these assets are containers. Containers are purchased in US dollars and leased in US dollars.

On a constant currency basis, distributions to investors decreased by 10.3 million euros or -28% due to the decrease in the fleet in the Containers division.

The share of net income returned to active investors is not recorded as distributions to investors (see note 1.18.1).

Freight Railcars

The Group managed 2,394 railcars (equivalent to 3,412 platforms) on behalf of third parties in 2023, compared to 2,330 railcars (3,284 platforms) in 2022.

Containers

As at 31 December 2023, the Group managed 222,270 CEUs for third parties, compared to 257,195 CEUs as at 31 December 2022. The decrease in distribution to investors is explained by the reduction in the fleet of containers under management with passive investors, following the disposal of older containers.

NOTE 10. DEPRECIATION AND IMPAIRMENTS

(in thousands of euros)	**2023**	2022	Variation 2023/2022	
Allocation for depreciation and impairment of assets	(27,543)	(25,001)	(2,542)	10.2%
Amortization of rights of use	(1,850)	(1,814)	(36)	2.0%
Allocations to depreciation	**(29,393)**	**(26,815)**	**(2,578)**	**9.6%**
Other provisions	(58)	(47)	(11)	23.4%
TOTAL	**(29,451)**	**(26,862)**	**(2,589)**	**9.6%**

In 2023, the 2.6 million euro increase in allocations to depreciation and depreciation of assets is mainly explained by investments.

NOTE 11. OTHER OPERATING INCOME AND EXPENSES

The buyout of the minority shareholding in the Modular Buildings division in January 2023 had a positive impact on earnings of 3.5 million euros. A charge of 1 million US dollars was recorded following the conviction in the USA of a former dispute involving the Modular Buildings subsidiary in the USA.

NOTE 12. NET FINANCIAL EXPENSE

(in thousands of euros)	2023	2022	2023/2022 variation	
Income in cash and cash equivalent	**265**	**113**		
Interest charges on financing operations	(20,283)	(14,926)		
Gross cost of financial debt	(20,283)	(14,926)		
Net cost of financial debt	**(20,019)**	**(14,813)**	**(5,206)**	**35.1%**
Exchange differences	222	80		
Interest paid on leases and assets through leaseback	(385)	(373)		
Discounted financial income and expenses	(266)	12		
Financial income and expenses	(556)	(305)		
Other financial income and expenses	**(984)**	**(586)**	**(398)**	**67.9%**
NET FINANCIAL EXPENSE	**(21,003)**	**(15,399)**	**(5,604)**	**36.4%**

The net financial expense increased by 5.6 million euros (+36.4%), changing from an expense of 15.4 million euros in 2022 to an expense of -21 million euros in 2023. 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 5.3 million euros between the two periods, mainly due to higher interest rates.
- Other financial income and expenses increased by 0.4 million euros to stand at -1 million euros. The change is due to:
    - Exchange differences: + 142 thousand euros
    - Interest paid on leases and assets through leasebacks: - 12 thousand euros
    - Discounted financial income and expenses: - 277 thousand euros (increase in interest rates)
    - Other financial income and expenses: - 251 thousand euros

NOTE 13. TAXES ON PROFITS

note 13.1. ANALYSIS OF THE TAX CHARGE RECOGNISED IN THE INCOME STATEMENT

Taxes on profits consist of taxes currently payable by Group companies and deferred tax arising from tax losses and temporary discrepancies between consolidated income shown in the Group's Financial Statements and income established for tax purposes.

The Group has opted for the tax consolidation system in the United States, France and the Netherlands and has formed the following groups:

- TOUAX Corp. and Gold Container Corp. : American tax group;
- TOUAX SCA, TOUAX Container Services SAS, TOUAX Corporate SAS and TOUAX River Barges SAS: French tax group;
- Eurobulk Transport Maatschappij BV and CS de Jonge BV: Dutch tax group.

note 13.1.1. BREAKDOWN OF THE INCOME TAX

The tax charge accounted for in income for the year amounted to 1.5 million euros. It is broken down as follows:

	2023			2022		
(in thousands of euros)	Current	Deferred	TOTAL	Current	Deferred	TOTAL
Europe	(29)	(47)	(76)	-	(348)	(348)
Other	(698)	(708)	(1,406)	(4,892)	(1,043)	(5,935)
TOTAL	**(727)**	**(755)**	**(1,482)**	**(4,892)**	**(1,391)**	**(6,283)**

In 2022, following a dispute with a foreign tax authority, a Container division subsidiary was forced to pay security deposits amounting to 3.78 million euros since 2014. After a lengthy procedure with this administration, the dispute was brought before the courts and dismissed at first instance. The Group is appealing this decision, but as it follows negative rulings and the amount has already been disbursed, a provision of 3.78 million euros has been recognized as a tax expense in the consolidated financial statements for the year ended 31 December 2022.

note 13.1.2. RECONCILIATION BETWEEN THE GROUP'S THEORETICAL TAX CHARGE AND THE TAX CHARGE ACTUALLY RECOGNISED

(in thousands of euros)		2023	2022
Current net income before global tax		**7,323**	**15,686**
Theoretical tax at the current French rate of taxation	25.00%	(1,831)	(3,921)
Restrictions on deferred tax items		(421)	(1,860)
Permanent differences		34	494
Use of previously limited deficits		378	716
Difference in tax rate		174	2,429
Other taxes, miscellaneous		176	(318)
Adjustment		8	(3,823)
EFFECTIVE TAX INCOME	20.24%	**(1,482)**	**(6,283)**

The effective tax rate was 20.24%.

The balance of French deferred tax assets not recorded in the accounts is estimated at 31.4 million euros, or an unrecognised deficit stock of 125.7 million euros. The balance of Dutch deferred tax assets not recorded in the accounts is estimated at 0.1 million euros for the River Barges division, equating to an unrecorded deficit stock of 0.3 million euros. The balance of deferred tax assets not recorded in the accounts is estimated at 10.9 million euros for the Freight Railcars division, equating to an unrecorded deficit stock of 87.2 million euros.

note 13.2. TAXES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

Deferred taxes are recorded as shareholders' equity for the evaluation of swaps and forward purchases.

(in thousands of euros)	2022	Equity variation	Reclassification	2023
Redeemable stock warrants	(54)	-	-	(54)
Evaluation of derivative instruments	(358)	359	(34)	(33)
TOTAL	**(412)**	**359**	**(34)**	**(87)**

note 13.3. DEFERRED TAX ASSETS AND LIABILITIES

The positions of deferred tax assets and liabilities is as follows:

(in thousands of euros)	2023	2022
Deferred tax assets	-	-
Deferred tax liability	(7,031)	(6,952)
TOTAL	**(7,031)**	**(6,952)**

Net deferred tax liabilities are broken down as follows:

(in thousands of euros)	2023	2022
Impairment of non-current assets	(20,920)	(21,317)
Deferred losses	14,122	15,138
Discounting of long-term financial assets	54	(10)
Other	(287)	(763)
NET BALANCE	**(7,031)**	**(6,952)**

NOTE 14. NET INCOME PER SHARE

Basic earnings per share are calculated by dividing the company's net income by the weighted mean number of shares in circulation during the financial year. The shares held by the company are deducted.

Diluted income per share is calculated by adjusting the weighted mean number of shares in circulation so as to take account of the conversion of all the Shareholders' equity instruments that could dilute this figure.

	2023	2022
Net income in euros	**3,607,270**	**7,466,762**
Shares in circulation at 31 December	7,011,547	7,011,547
Weighted average number of shares in circulation	6,998,194	7,002,763
Weighted mean number of shares for calculating diluted income per share	**7,014,043**	**7,014,043**
NET INCOME PER SHARE		
- basic	0.52	1.07
- diluted	0.52	1.07

NOTES RELATING TO THE BALANCE SHEET

ASSETS

NOTE 15. GOODWILL

Changes in goodwill were as follows:

(in thousands of euros)	Opening	Decreases	Conversion adjustment	Change in the scope of consolidation	2023
Freight Railcars	**5,101**	-	-	-	**5,101**

No change in Goodwill was recorded in 2023.

Impairment tests

Impairment tests have been carried out for each cash-generating unit (CGU) for which goodwill is presented in the accounts. The recoverable value is based on the unit's value in use, equal to the amount of future cash flow, discounted using the weighted average cost of capital. Future cash flows are based on a four-year forecast and a terminal value assessed from the cash flow forecast.

The table below describes the main assumptions for the CGUs presenting goodwill:

(in thousands of euros)	Value of associated goodwill	2022 discount rate	Uncapped growth rate 2022	2023 discount rate	Uncapped growth rate 2023
Freight Railcars	5,101	7.91%	1.90%	6.78%	1.90%
TOTAL	**5,101**				

The discount rates used in 2023 correspond to the estimated weighted average cost of capital.

The growth rate used of 1.9% corresponds to the internal growth objectives for the European zone of the Freight Railcars division based on the rate of inflation.

Sensitivity analyses of the recoverable value to a possible change in a key assumption (in particular variation of +/-50 basis points in the discount rate; variation of + /- 50 basis points of the perpetual growth rate and variation of + /- 50 basis points of the forecast cash flows integrated into the terminal value) were realised on the freight railcar CGU with an asset with an indefinite useful life.

These sensitivity analyses showed that a change of 50 base points in the hypotheses of discount rates, growth rates or in projected cash-flows would not result in a depreciation in the Group's consolidated financial statements as at 31 December 2023.

(in millions of Euros)	Discount rate		Indefinite growth rate		Change in future cash flows from terminal value	
	+50 bp	-50 bp	+50 bp	-50 bp	+50 bp	-50 bp
Freight Railcars	(44.3)	54.6	47.2	(38.4)	19.7	(19.7)

A discount rate of 8.75% would give a recoverable amount equivalent to the book value. A negative perpetual growth rate of -0.51% would result in a recoverable amount equivalent to the book value.

NOTE 16. INTANGIBLE ASSETS

(in thousands of euros)	**Opening**	Purchases	Sales	Allocations during the year	Exchange rate variations	Reclassifications and changes in the scope of consolidation	**2023**
Freight Railcars	401	717	-	(165)	(16)	195	1,132
River Barges	-	-	-	-	-	-	-
Containers	124	7	-	(80)	-	(2)	49
Other	57	16	-	(34)	1	66	106
TOTAL	**582**	**740**	**-**	**(279)**	**(15)**	**259**	**1,287**

(in thousands of euros)	**Opening**	Purchases	Disposals	Allocations during the year	Exchange rate variations	Reclassifications and changes in the scope of consolidation	2022
Freight Railcars	436	-	-	(17)	(18)	-	401
River Barges	-	-	-	-	-	-	-
Containers	147	45	-	(105)	-	37	124
Other	104	-	-	(44)	(3)	-	57
TOTAL	**687**	**45**	**-**	**(166)**	**(21)**	**37**	**582**

Intangible assets mainly record licences and software.

NOTE 17. TANGIBLE ASSETS

note 17.1. BREAKDOWN BY TYPE

	2023			2022
(in thousands of euros)	**Gross val.**	**Deprec.**	**Val. net**	Val. net
Land and buildings	5,166	(3,248)	1,918	1,939
Equipment	544,884	(177,379)	367,505	356,108
Other tangible assets	4,619	(4,391)	228	409
Assets in progress	5,013	-	5,013	4,945
TOTAL	**559,682**	**(185,018)**	**374,664**	**363,401**

Fixed assets in progress include software development costs of 1.8 million euros.

note 17.2. CHANGE BY TYPE

(in thousands of euros)	**Opening**	Purchases	Deprec.	Disposal	Exchang	Reclassification	**2023**
Land and buildings	5,052	20	-	(3)	97	-	5,166
Equipment	510,122	45,460	-	(25,400)	(6,552)	21,254	544,884
Other tangible assets	8,421	111	-	(1,283)	8	(2,638)	4,619
Assets in progress	4,945	4,196	-		(124)	(4,004)	5,013
TOTAL (GROSS VALUES)	**528,540**	**49,787**	**-**	**(26,686)**	**(6,571)**	**14,612**	**559,682**
Land and buildings	(3,113)	-	(75)	-	(60)	-	(3,248)
Equipment	(154,014)	-	(27,078)	2,576	1,181	(44)	(177,379)
Other tangible assets	(8,012)	-	(110)	1,286	(6)	2,451	(4,391)
Assets in progress	-	-	-	-	-	-	-
TOTAL (DEPRECIATION)	**(165,139)**	**-**	**(27,263)**	**3,862**	**1,115**	**2,407**	**(185,018)**
Land and buildings	1,939	20	(75)	(3)	37	-	1,918
Equipment	356,108	45,460	(27,078)	(22,824)	(5,371)	21,210	367,505
Other tangible assets	409	111	(110)	3	2	(187)	228
Assets in progress	4,945	4,196	-	-	(124)	(4,004)	5,013
TOTAL (NET VALUES)	**363,401**	**49,787**	**(27,263)**	**(22,824)**	**(5,456)**	**17,019**	**374,664**

(in thousands of euros)	**Opening**	Purchases	Deprec.	Disposal	Exchang	Reclassification	2022
Land and buildings	5,533	-	-	(175)	(306)	-	5,052
Equipment	457,350	48,142	-	(16,164)	4,889	15,905	510,122
Other tangible assets	8,537	270	-	(9)	(30)	(347)	8,421
Assets in progress	3,487	4,781	-	-	(182)	(3,141)	4,945
TOTAL (GROSS VALUES)	**474,907**	**53,193**	**-**	**(16,348)**	**4,371**	**12,417**	**528,540**
Land and buildings	(3,226)	-	(245)	174	184	-	(3,113)
Equipment	(141,335)	-	(24,364)	2,829	(980)	9,836	(154,014)
Other tangible assets	(7,821)	-	(225)	9	25	-	(8,012)
Assets in progress	-	-	-	-	-	-	-
TOTAL (DEPRECIATION)	**(152,382)**	**-**	**(24,834)**	**3,012**	**(771)**	**9,836**	**(165,139)**
Land and buildings	2,307	-	(245)	(1)	(122)	-	1,939
Equipment	316,015	48,142	(24,364)	(13,335)	3,909	25,741	356,108
Other tangible assets	716	270	(225)	-	(5)	(347)	409
Assets in progress	3,487	4,781	-	-	(182)	(3,141)	4,945
TOTAL (NET VALUES)	**322,525**	**53,193**	**(24,834)**	**(13,336)**	**3,600**	**22,253**	**363,401**

Acquisitions concern the Freight Railcars business for 47 million euros, the River Barges business for 0.8 million euros and the Container business for 1.8 million euros. As at 31 December 2022, acquisitions concern the Freight Railcar business for 25.3 million euros, the River Barges business for 2.7 million euros and the Container business for 25 million euros.

Sales (gross value) relate to the Freight Railcars business for 0.4 million euros, the River Barge business for 41 million euros and the Container business for 26 million euros.

The Group's Property, plant and equipment are made up of leasing equipment (freight railcars, river barges and containers). Unit values of Freight Railcars range from 10,000 euros for used Railcars to 150,000 euros for new, intermodal Railcars. The unit values of river barges range from €150,000 for used barges (1,700-ton), to over €1m for new barges (2,800-ton). Unit values for Containers (20-foot) fluctuate without exceeding 3,800 dollars over the 2023 period.

NOTE 18. RIGHT OF USE

Assets leased or financed under financing leases varied as follows:

Right of use *(in thousands of euros)*	**Property**	**Barges**	**Vehicles and copiers**	**2023**	2022
Opening total	**2,273**	**12,622**	**463**	**15,358**	**11,481**
Increases	55	-	328	383	5,698
Decreases	-	(35)	-	(35)	-
Depreciation	(741)	(872)	(237)	(1,850)	(1,813)
Exchange rate fluctuations	(14)	-	3	(11)	(8)
Closing total	**1,573**	**11,715**	**557**	**13,845**	**15,358**

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

Right of use	2023			2022
(in thousands of euros)	**Val. gross**	**Deprec.**	**Val. net**	Val. net
Freight Railcars Division	**284**	**(172)**	**112**	**154**
Real estate leases	186	(118)	68	94
Leases on vehicles	98	(54)	44	60
River Barges Division	**19,302**	**(7,514)**	**11,788**	**12,669**
Real estate leases	55	(7)	48	-
Leases on barges	19,134	(7,419)	11,715	12,622
Leases on vehicles	113	(88)	25	47
Containers Division	**621**	**(289)**	**332**	**564**
Real estate leases	562	(258)	304	510
Leases on vehicles and copier	59	(31)	28	54
Modular Buildings Division	**345**	**(148)**	**197**	**213**
Leases on vehicles	345	(148)	197	213
Corporate Division	**1,968**	**(552)**	**1,416**	**1,758**
Real estate leases	1,537	(384)	1,153	1,669
Leases on vehicles and copiers	431	(168)	263	89
TOTAL	**22,520**	**(8,675)**	**13,845**	**15,358**

NOTE 19. FINANCIAL ASSET INSTRUMENTS

Fair value of financial asset instruments

Financial assets valued at fair value by the corresponding income consist mainly of negotiable securities, which are carried at fair value. Long-term financial assets are discounted at the rate for risk-free lending (government bonds). The impact of financial instruments on net income is explained in note 24.5 below.

The financial risk management policy is presented in of the note 33.

Derivative instruments and the “cash and cash equivalents” item are evaluated at fair value. For trade receivables, the book value is used for the fair value, as these credits are all very short term.

Other non-current financial assets are valued at their depreciated cost calculated using the effective interest rate.

Other non-current financial assets and other non-current fixed assets undergo impairment tests on the basis of the estimated future income streams.

note 19.1. LONG-TERM FINANCIAL ASSETS

Financial assets at fair value *(in thousands of euros)*	2023	2022
Opening total	1	1
Closing total	**1**	**1**

Other non-current financial assets - Gross value *(in thousands of euros)*	2023	2022
Opening total	4,839	4,550
Increases	327	56
Decreases	(105)	(10)
Conversion adjustment	(35)	243
Other changes	(77)	-
Closing total	**4,949**	**4,839**

Other non-current financial assets - Impairment in income statement *(in thousands of euros)*	2023	2022
Opening total	(3,780)	-
Impairment	-	(3,780)
Closing total	**(3,780)**	**(3,780)**

Other non-current financial assets - Net value *(in thousands of euros)*	2023	2022
Opening total	**1,059**	**4,550**
Closing total	**1,169**	**1,059**

TOTAL Long-term financial assets	**1,170**	**1,060**

- **Financial asset at fair value**

Not significant.

- **Other non-current financial assets**

Other non-current financial assets mainly comprise guarantee deposits.

In 2022, the variation of 3.78 million euros corresponded to the depreciation of guarantee deposits paid to a foreign tax authority, the repayment of which has become uncertain following a decision by a court of the first instance (see note 12.1.1).

note 19.2. OTHER NON-CURRENT FINANCIAL ASSETS

Finance lease receivables - Gross value *(in thousands of euros)*		2023	2022
Opening total		19	10,955
Decreases		(19)	(12,094)
Conversion adjustment		-	822
Other changes		-	336
Closing total		**-**	**19**

Finance lease receivables - Impairment in income statement *(in thousands of euros)*		2023	2022
Opening total		-	-
Closing total		**-**	**-**

Finance lease receivables - Net value *(in thousands of euros)*		2023	2022
Opening total		19	10,955
Closing total	**(I)**	**-**	**19**

Derivative asset instruments at fair value *(in thousands of euros)*		2023	2022
Opening total		7,815	1,002
Increases		355	545
Change in fair value		(3,361)	5,916
Conversion adjustment		(41)	(17)
Other changes		(207)	369
Closing total	**(II)**	**4,561**	**7,815**

Other non-current assets - Gross value *(in thousands of euros)*		2023	2022
Opening total		1,264	1,742
Increases		4,731	5
Decreases		-	(463)
Conversion adjustment		(179)	(51)
Other changes		(189)	31
Closing total		**5,627**	**1,264**

Other non-current assets - Impairment in income statement *(in thousands of euros)*		2023	2022
Opening total		-	-
Closing total		**-**	**-**

Other non-current assets - Net value *(in thousands of euros)*		2023	2022
Opening total		1,264	**1,742**
Closing total	**(III)**	**5,627**	**1,264**

TOTAL Other non-current financial assets	**(I) + (II) + (III)**	**10,188**	**9,098**

As at 31 December 2023, financing lease-sale receivables in which the Group acts as lessor are erased.

EBITDA

For the Group, EBITDA corresponds to recurring operating income adjusted for allocations towards depreciation and losses of value. EBITDA is a non-accounting concept but is particularly used by financial analysts, investors and other users of financial statements to measure the operational performance of the activity. Users of the Group's Financial Statements would find the restated EBITDA shown below to be a better measure of this performance.

Restated EBITDA

Adjusted EBITDA is EBITDA plus the capital repayments of the net investment in finance leasing-sales granted to customers, amounting to 80 thousand euros as at 31 December 2023.

(in thousands of euros)	Freight Railcar	River Barges	Containers	Other	2023
EBITDA	**31,399**	**5,280**	**15,244**	**3,415**	**55,338**
Principal payments of finance-lease receivables received	-	80	-	-	80
Restated EBITDA	**31,399**	**5,360**	**15,244**	**3,415**	**55,418**

(in thousands of euros)	Freight Railcar	River Barges	Containers	Other	2022
EBITDA	**30,555**	**4,970**	**22,843**	**(421)**	**57,947**
Principal payments of finance-lease receivables received		52	159		211
Restated EBITDA	**30,555**	**5,022**	**23,002**	**(421)**	**58,158**

Operating leases restated for accounting purposes according to IFRS standards are not re-included in this calculation.

NOTE 20. INVENTORIES AND WORK IN PROGRESS

Inventories and WIP include equipment to be sold as well as spare parts. The equipment is mainly intended for trading or sale to investors under asset management programs.

	2023			2022	
(in thousands of euros)	**Val. gross**	**Prov.**	**Val. net**	**Val. net**	**Change**
Equipment	59,150	(423)	58,727	65,407	(6,680)
Spare parts or raw materials	23,623	-	23,623	19,899	3,724
Goods or in the production process	2,756	(99)	2,657	1,016	1,641
TOTAL	**85,529**	**(522)**	**85,007**	**86,322**	**(1,315)**

The inventory of the Freight Railcars division holds spare parts stock amounting to 20.9 million euros and for railcars 13.5 million euros.

The inventory for containers equals approximately 22,783 CEUs amounting to 45.1 million euros.

The Modular Buildings business has an inventory of goods or goods in production amounting to 2.7 million euros and raw materials amounting to 2.8 million euros.

NOTE 21. TRADE RECEIVABLES

Trade receivables - Gross value *(in thousands of euros)*	**2023**	2022
Opening total	32,144	35,939
Change	(2,635)	(5,251)
Conversion adjustment	(411)	681
Other changes	-	775
CLOSING TOTAL	**29,098**	**32,144**

Trade receivables - Impairment in income statement *(in thousands of euros)*	**2023**	2022
Opening total	(3,436)	(4,975)
Increases	(2,520)	(2,357)
Decreases	1,409	3,841
Conversion adjustment	21	55
CLOSING TOTAL	**(4,526)**	**(3,436)**

Trade receivables - Net value *(in thousands of euros)*	**2023**	2022
Opening total	28,708	30,964
CLOSING TOTAL	**24,572**	**28,708**

On first booking, trade receivables are recognised at their fair value which corresponds to their nominal value. As at 31 December 2023, outstanding customer trade receivables and related accounts amounted to 24.6 million euros on the balance sheet. This is a reasonable estimate of the fair value.

Before a new client is accepted, the Group checks its solvency with credit rating agencies and determines the applicable credit limits.

As at 31 December 2023, the Group recorded overdue net receivables amounting to 8.9 million euros, the vast majority of which has been outstanding for less than six months compared to 8.7 million euros as at 31 December 2022.

Aged balance 2023 *(in thousands of euros)*	**Trade receivables, gross**	**Impairment**	**Trade receivables**
Unmatured	16,664	(986)	15,678
0 - 6 months	7,672	(1,085)	6,587
6 -12 months	763	(132)	631
> 1 year	3,999	(2,323)	1,676
TOTAL	**29,098**	**(4,526)**	**24,572**

Aged balance 2022 *(in thousands of euros)*	**Trade receivables, gross**	**Impairment**	**Trade receivables**
Unmatured	20,067	(9)	20,058
0 - 6 months	7,903	(475)	7,428
6 -12 months	774	(105)	669
> 1 year	3,400	(2,847)	553
TOTAL	**32,144**	**(3,436)**	**28,708**

NOTE 22. OTHER CURRENT FINANCIAL ASSETS

(in thousands of euros)	**2023**	2022
Deferred expenses	1,192	727
Taxes	5,942	4,570
Finance leasing receivables of less than one year	-	61
Other	1,439	724
TOTAL	**8,573**	**6,082**

Other current assets are all recoverable within one year.

Taxes and Duties are mainly made up of VAT at the end of period.

NOTE 23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents *(in thousands of euros)*	**2023**	2022
Investments of less than three months	4,348	12,500
of which, Negotiable securities	*668*	*2,486*
Cash	34,652	43,514
CLOSING TOTAL	**39,000**	**56,014**

The cash and cash equivalents balances on the Group's balance sheet as at 31 December 2023 include (i) 15 million euros in cash from companies not fully owned, including 7.7 million euros in contractual reserves related to asset financing and (ii) 1.7 million euros to contractual reserves related to the financing of assets for companies fully owned.

NOTE 24. FINANCIAL LIABILITIES

note 24.1. ANALYSIS OF FINANCIAL LIABILITIES BY CATEGORY

	2023			2022		
(in thousands of euros)	**Non-current**	**Current**	**TOTAL**	**Non-current**	**Current**	**TOTAL**
Bonds	38,125	1,096	39,221	32,898	15,919	48,817
Medium/long-term loans with recourse	52,286	1,455	53,741	53,957	1,795	55,752
Debts without recourse	208,285	27,272	235,557	209,359	22,274	231,633
Bank overdrafts payable with recourse	-	-	-	-	4	4
Bank overdrafts payable without recourse	-	-	-	-	9	9
Derivative instruments without recourse	-	771	771	-	633	633
TOTAL FINANCIAL LIABILITIES	**298,696**	**30,594**	**329,290**	**296,214**	**40,634**	**336,848**

Non-recourse debts are not guaranteed by the Group's parent company, TOUAX SCA. This relates to:

- Asset financing, for which the debt must be serviced by the income generated from the assets financed (from leasing income and sale proceeds);
- Financing is granted to consolidated subsidiaries even if not 100% owned by the Group.

According to IAS 7, changes in gross financial debt are presented in the table below:

2023 *(in thousands of euros)*	**Opening**	**Net cash flow**	**Non cash "variations"** Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	**Closing**
Bonds	48,817	(9,806)	-	-	210	210	**39,221**
Medium/long-term loans with recourse	55,752	(2,491)	(291)	-	771	480	**53,741**
Debts without recourse	231,633	6,420	(3,342)	-	846	(2,496)	**235,557**
Derivative instruments with and without recourse	633	-	(16)	361	(207)	138	**771**
Sub-total	**336,836**	**(5,877)**	**(3,649)**	**361**	**1,620**	**(1,668)**	**329,290**
Bank overdrafts payable with and without recourse	13	(13)	-	-	-	-	-
Total financial liabilities	**336,848**	**(5,890)**	**(3,649)**	**361**	**1,620**	**(1,668)**	**329,290**

2022 *(in thousands of euros)*	Opening	Net cash flow	Non cash "variations" Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	Closing
Bonds	27,406	21,214	-	-	197	197	48,817
Medium/long-term loans with recourse	49,664	5,540	157	-	391	548	55,752
Debts without recourse	206,864	20,539	2,457	-	1,773	4,230	231,633
Derivative instruments with and without recourse	272	-	(8)	-	369	361	633
Sub-total	**284,207**	**47,293**	**2,606**	**-**	**2,730**	**5,336**	**336,836**
Bank overdrafts payable with and without recourse	1,252	(1,236)	(3)	-	-	(3)	13
Total financial liabilities	**285,458**	**46,057**	**2,603**	**-**	**2,730**	**5,333**	**336,848**

According to IFRS 7.8 defines the following categories of financial instruments:

As at 31 December 2023					
Financial liabilities categories *(in thousands of euros)*	**Consolidated financial statements**	**Measured at fair value**	**% diff.**	**Sensitivity: +1%**	**diff. with fair value**
Financial liabilities valued at depreciated cost	328,519	330,787	0.69%	328,410	-0.72%
Financial liabilities valued at fair value*	771	771	0.00%		0.00%
TOTAL	**329,290**	**331,558**	**0.69%**	**328,410**	**-0.95%**

As at 31 December 2022					
Financial liabilities categories *(in thousands of euros)*	**Consolidated financial statements**	**Measured at fair value**	**% diff.**	**Sensitivity: +1%**	**diff. with fair value**
Financial liabilities valued at depreciated cost	336,215	338,490	0.68%	335,740	-0.81%
Financial liabilities valued at fair value*	633	633	0.00%		0.00%
TOTAL	**336,848**	**339,123**	**0.68%**	**335,740**	**-1.00%**

* Financial liabilities measured at fair value relate only to derivative instruments.

Applying the fair value principle would value financial liabilities at 332 million euros, hypothetically using the average rate of fixed-rate debt as at 31 December 2023.

The fair value of fixed-rate debt is determined for each borrowing by discounting future cash-flows. The discount rate used is the average rate of fixed-rate debt considered representative of the financing rate for the Group's risk class in the absence of listed securities (credit derivatives or bond yields).

The net book value of variable-rate debt (both long-term and short-term) provides a reasonable approximation of their fair value.

Derivative liabilities are assessed using the values obtained from first-rate financial institutions.

note 24.2. BREAKDOWN BY DUE DATE OF LOANS AS AT 31 DECEMBER 2023

(in thousands of euros)	2024	2025	2026	2027	2028	+5 years	TOTAL
Bonds with recourse	1,096	(211)	(216)	38,552			39,221
Medium/long-term loans with recourse	1,455	1,667	7,125	39,626	816	3,052	53,741
Debts without recourse	23,482	137,524	57,088	2,840	2,586	8,247	231,767
TOTAL CAPITAL FLOW ON LOANS	**26,033**	**138,980**	**63,997**	**81,018**	**3,402**	**11,299**	**324,729**
Future interest flow on loans	20,550	16,085	8,411	4,554	957	2,175	52,732
TOTAL FLOW ON LOANS	**46,583**	**155,065**	**72,408**	**85,572**	**4,359**	**13,474**	**377,461**

For variable-rate loans, future interest has been estimated on the basis of interest rates in force as at 31 December 2023, and does not include the favourable effects of the interest-rate hedges put in place.

Borrowing maturities include the regular annual depreciation of loans up to their extension and the depreciation of certain loans.

To ensure its ability to repay these debts in fine, the Group particularly monitors the loan-to-value ratio and the amounts of assets to be refinanced or that are free of finance which enable it to refinance these lines.

note 24.3. COMMITMENTS AND SPECIFIC CLAUSES OF THE LOANS

The default clauses on non-compliance with financial ratios (financial covenants) of recourse debts concern medium-term bank and obligatory loans (€PP). They entitle credit institutions and/or investors to insist on early repayment if the terms of these are not met.

The financial covenants calculated on the Group's consolidated financial statements are presented in the following table:

Borrower	Touax SCA	Touax SCA
Type of facility	Bank loan	Private Euro Placement
Period and issue mode	4 years	5 years in fine
Maximum amount	€40m	38.7 million euros (2 issues of 33.3 million euros and 5.4 million euros)
Outstanding 31/12/23	€40m	38.7 million euros
Scope of calculation	TOUAX SCA consolidated financial statements	TOUAX SCA consolidated financial statements
Loan to Value	less than or equal to 70%	less than or equal to 70 %
Interest Coverage (restated EBITDA after distribution / Net financial expenses)	greater than or equal to 2	greater than or equal to 2
Annual Asset Valuation Ratio (FMV/NBV)	greater than or equal to 1	
Frequency of covenant calculations	Semi-annual / Annual	Annual
Loan maturity date	28/05/2027	28/06/2027
Guarantees	Pledging of shares in parent companies of divisions	no
Cross-default clauses	**default on a debt greater than €5 million within the scope of calculation**	**default on a debt greater than €5 million within the scope of calculation**

Financing of assets and acquisitions borne by dedicated companies also include financial covenants that may result in compulsory prepayment of the loans concerned.

Within the legal documentation, clauses requiring control of the Group by the WALEWSKI family have also been included.

Note that the TOUAX Group has no official financial credit rating and that in the financing agreements there is no advanced repayment clause which could be triggered by a lower credit rating.

All existing contractual financial ratios relating to Touax SCA's medium-term debt will be met as at 31 December 2023. Consolidated financial ratios as at 31 December 2023 are as follows:

- 2.77 for the Interest Coverage Ratio over a sliding 12-month period (= adjusted EBITDA of 55.4 million euros / net cost of financial debt of 20 million euros);
- 59.1% for Loan-to-Value (= Gross financial debt amounting to 329.3 million euros / Total assets adjusted for goodwill and intangible assets amounting to 557 million euros);
- 1.32 for the Asset Valuation Ratio (= Fair Market Value of the fleet owned by the Group of 372.7 million euros / Net Book Value of the fleet owned by the Group of 282.5 million euros).

Adjusted EBITDA is EBITDA plus the repayment of principal of the net investment of the lease-sales granted to customers.

With regard to the 40 million euros bank loan, additional credit management constraints also exist on the Touax SCA corporate entity:

- Touax SCA's corporate debt as at 31 December 2023 is 82 million euros, below the 92.3 million euros ceiling authorized by the banking documentation;

- The sum of the dividend paid to Touax SCA shareholders and the share buybacks carried out during 2023 amounted to 0.8 million euros, corresponding to 11% of the 2022 Group share of consolidated net income; this percentage is lower than the ceiling authorized by banking documentation (applicable in 2024 on the basis of 2023 results).

note 24.4. ANALYSIS OF THE DEBT

Consolidated net financial debt is as follows:

(in thousands of euros)	**2023**	2022
Financial liabilities (gross financial debt)	329,290	336,848
Derivative asset instruments	(4,561)	(7,815)
Negotiable securities & other investments	(4,348)	(12,500)
Cash	(34,652)	(43,514)
CONSOLIDATED NET FINANCIAL DEBT	**285,729**	**273,019**
Debt without recourse	231,767	224,460
FINANCIAL INDEBTEDNESS EXCLUDING DEBT WITHOUT RECOURSE	**53,962**	**48,559**

Net financial debt corresponds to gross financial debt including cash and now including asset derivative instruments. Net debt will thus be 286 million euros at the end of 2023, compared to 273 million euros at the end of 2022.

Recourse debt corresponds to asset financing for which TOUAX SCA does not collateralize. The lenders are secured primarily by the assets being financed and their underlying leases.

Main financing operations in 2023:

- On 16 May 2023, Touax SCA issued an additional Euro-PP bond for a nominal amount of 5.35 million euros on the existing 33.3 million euros issue maturing on 28 June 2027, and then finalized on 7 June 2023 on repayment of its mandatory 2018 Euro-PP bond issue at a notional amount of 14.63 million euros.
- On 27 July 2023, Touax SCA took out a 40 million euros senior secured bank loan with a 4-year maturity. This financing makes it possible to extend the average maturity of the Group's debt and is in line with its growth and profitability strategy, with the aim of refinancing the senior secured disintermediated loan maturing in June 2024 for the same amount. This financing was organized in the form of a bank club deal.
- Touax Rail Ltd has renewed its 2020 framework financing agreement by topping up its revolving line to 40 million euros (with a concertina option for a further 20 million euros), combined with a term loan of 125 million euros on assets already financed and additional lines of 15 million euros. The contract's maturity remains unchanged as at December 2025. All the contract's compartments comply with European taxonomy and are therefore 'green loans'.

₪ Financial liabilities broken down by currency

(in thousands of euros)	**2023**	2022
Euro (EUR)	208,351	204,530
US dollar (USD)	70,732	89,262
Pound (GBP)	21,472	22,309
Other	24,174	12,932
TOTAL	**324,729**	**329,033**

₪ Fixed rate breakdown – variable rate of the gross debt (including hedging instruments)

As at 31 December 2023, the total hedged notional amount of interest-rate derivatives (CAP & FLOOR) is 163.7 million euros. CAP & FLOOR hedging transactions do not affect the variable-rate portion.

₪ End-of-period gross debt rate by currency

	2023	2022
End-of-period rate for debt in euros (EUR)	5.10%	4.53%
End-of-period rate for debt in US dollars (USD)	6.75%	6.59%
End-of-period rate for debt in pounds sterling (GBP)	4.42%	3.92%
End-of-period rate for debt in other currencies	8.87%	8.74%
END-OF-PERIOD RATE OF TOTAL GROSS DEBT	**5.69%**	**5.21%**

For the full year 2023, the average debt rate increased by 0.6% compared to the average debt rate over the full 2022 year.

note 24.5. EFFECT OF FINANCIAL INSTRUMENTS ON NET INCOME

(in thousands of euros)	Financial assets measured at amortized cost	Financial instruments at fair value	2022
Dividends received	-	-	-
Financial expenses	(14,874)	156	(14,718)
Interest paid on leases and assets financed through leaseback	(373)	-	(373)
Effect on income	**(15,247)**	**156**	**(15,091)**
Currency gain/loss			80
Effect of present value adjustment,			12
Earnings from cash deposits			113
Other			(513)
FINANCIAL PROFIT OR LOSS			**(15,399)**

NOTE 25. LEASE LIABILITIES

The interest rates used for barges leases are the financing rates, the weighted average of which is 2.99%.

The average interest rates used to calculate future rents are 4.25% for property leases and 2.45% for leases of movable assets other than River Barges.

For property leases, the rate applied was determined on the basis of the historical loan rate.

For movable asset leases: 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 from the latest asset financing. These margins reflect the level at which the operational divisions could refinance over a period of 2 to 5 years.

- **Lease liabilities by sector and by type**

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

Lease liabilities	**2023**			2022		
(in thousands of euros)	Non-current	Current	Total	Non-current	Current	Total
Freight Railcars Division	**76**	**45**	**121**	**120**	**43**	**163**
Real estate leases	47	28	75	75	27	102
Equipment leases on vehicles	29	17	46	45	16	61
River Barges Division	**8,695**	**1,096**	**9,791**	**9,714**	**1,058**	**10,772**
Real estate leases	35	13	48	-	-	-
Equipment leases on barges	8,651	1,066	9,717	9,688	1,036	10,724
Equipment leases on vehicles	9	17	26	26	22	48
Containers Division	**138**	**207**	**345**	**357**	**213**	**570**
Real estate leases	124	192	316	327	188	515
Equipment leases on vehicles and copier	14	15	29	30	25	55
Modular Buildings Division	**105**	**82**	**187**	**138**	**74**	**212**
Equipment leases on vehicles	105	82	187	138	74	212
Corporate Division	**836**	**601**	**1,437**	**1,211**	**418**	**1,629**
Real estate leases	664	507	1,171	1,170	367	1,537
Equipment leases on vehicles and	172	94	266	41	51	92
TOTAL	**9,850**	**2,031**	**11,881**	**11,540**	**1,806**	**13,346**

- **Breakdown by due date of lease liability**

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

(in thousands of euros)	**2023**	2022
Less than a year	2,031	1,806
From 1 to 5 years	5,165	5,840
More than 5 years	4,685	5,700
TOTAL	**11,881**	**13,346**

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

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

2023 (in thousands of euros)	Opening	Net cash flow	Non cash "variations" Exchange rate effects	Other variations	Closing
Real estate leases	2,154	(585)	(14)	55	1,610
Equipment leases for barges and other equipment	10,724	(1,007)	-	-	9,717
Equipment leases for vehicles and copiers	468	(245)	3	328	554
Total lease liabilities	**13,346**	**(1,837)**	**(11)**	**383**	**11,881**

2022 (in thousands of euros)	Opening	Net cash flow	Non cash "variations" Exchange rate effects	Other variations	Closing
Real estate leases	905	(745)	1	1,993	2,154
Equipment leases for barges and other equipment	8,591	1,793	-	340	10,724
Equipment leases for vehicles and copiers	390	(204)	(9)	291	468
Total lease liabilities	**9,886**	**844**	**(8)**	**2,624**	**13,346**

NOTE 26. SHAREHOLDERS' EQUITY

Equity is detailed in the table of changes in equity (see page 4; note 1.3).

Management of capital

The Group's objective in managing its Shareholders' equity is to maximise the company's value by arranging for an optimal capital structure that minimises the cost of capital and ensures the best possible return to shareholders.

The Group manages the structure of its financing by optimising the equity mix – debts in view of changes in economic conditions, its objectives and the 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.

The Group manages its equity mix – debts with the gearing ratio as an indicator. This ratio corresponds to the net debt with and without recourse divided by Shareholders' Equity. The debt/equity ratios are as follows:

note no.	*(in thousands of euros)*	2023	2022
24.1	Recourse financial liabilities	92,962	104,573
24.1	Non-recourse financial liabilities	236,328	232,275
19.2	Non-recourse derivative asset instruments	(4,561)	(7,815)
	Total shareholders' equity	147,612	153,662
	Debt ratio (excluding debt without recourse)	0.63	0.68
	Debt ratio of debt without recourse	1.57	1.46
	DEBT RATIO	2.20	2.14

Hybrid securities

The Group no longer has any undated super-subordinated notes, as the Touax Group has fully repurchased and cancelled all these securities in 2022.

Non-controlling interests (minority interests)

The amount of the equity category "non-controlling interests" amounted to 70.7 million euros as at 31 December 2023, compared to 63 million euros as at 31 December 2022.

Touax Rail Limited is the holding company for the Freight Railcars business subsidiaries. As at 31 December 2023, non-controlling interests equate to 49% of the Touax Rail Limited subsidiary. The Touax Group owns 51% of this subsidiary. Non-controlling interests in the Touax Texmaco Rail Limited subsidiary equate to 49.99%, Touax Rail Limited holds 50.01% of this subsidiary. Financial information is provided in the notes appended to the consolidated financial statements.

It should be noted that dividends paid to non-controlling interests amount to 4.8 million euros in 2023 and 2.6 million euros in 2022.

By 2022, Touax Modular Buildings Services owns 51% of the Modular Buildings business. The non-controlling interest therefore held 49% of this business.

The non-controlling interest in the Modular Buildings Business was acquired by the Touax Group in January 2023, and was transferred to the Group's equity for -8.9 million euros.

NOTE 27. PROVISIONS

(in thousands of euros)	Opening	Allocation	Reversal used	Reversal not used	**2023**
Containers	25	-	(25)	-	-
Other (Holding company)	52	-	(52)	-	-
Provision for Risks	**77**	**-**	**(52)**	**-**	**-**

(in thousands of euros)	Opening	Allocation	Reversal used	Reversal not used	2022
Containers	25	-	-	-	25
Other (Holding company)	60	52	(60)	-	52
Provision for Risks	**85**	**52**	**(60)**	**-**	**77**

Risk provisions consisted of provisions for industrial tribunal risks.

NOTE 28. PENSION AND SIMILAR LIABILITIES

Movements related to pension commitments can be caused by:

- of personnel movements (arrivals of new personnel and departures),
- acquisition of entitlement by staff members during their employment within the business,
- changes in pay, and other actuarial assumptions.

(in thousands of euros)	Opening	Allocation	Reversal	Change in exchange rate	Reserves	**2023**
Freight railcars	-	23	-	-	18	41
River Barges	52	6	-	-	2	60
Containers	62	71	(62)	-	2	73
Other	367	40	(21)	-	2	388
TOTAL	**481**	**140**	**(83)**	**-**	**24**	**562**

Change in commitments *(in thousands of euros)*	**2023**	2022
Opening commitment	**481**	**484**
Cost of services delivered	40	42
Interest expense	15	5
Accretion costs	24	(51)
Past service costs	2	-
Commitment on financial closing	**562**	**481**

The following assumptions were made to assess superannuation commitments:

- Employees' predicted length of service upon retirement is calculated according to age,
- A discount rate of 3.2%,
- Pay rises of 2.53%,
- Changes in assumptions set the retirement age at 64 for non-executives and 65 for executives,
- Collective agreement: Metallurgy,
- INSEE mortality table F2017-2019,
- Charge rate of 48% for non-executives and 49% for executives.

In 2022, the following assumptions used to value pension commitments were as follows:

- Employees' predicted length of service upon retirement is calculated according to age,
- A discount rate of 3%,
- Pay rises of 2.53%,
- Changes in assumptions set the retirement age at 62 for non-executives and 65 for executives.
- Collective agreement: Metallurgy
- INSEE mortality table F2016-2018
- Charge rate of 49%

NOTE 29. OTHER LONG-TERM LIABILITIES

(in thousands of euros)	**2023**	2022
Freight Railcars	498	575
River Barges	141	117
Other	57	57
TOTAL	**696**	**749**

Other long-term liabilities mainly represent the maturity of debt related to the purchase of railcars and security deposits at more than one year.

NOTE 30. TRADE PAYABLES

(in thousands of euros)	**2023**	2022
Freight Railcars	7,395	5,568
River Barges	914	1,681
Containers	2,228	2,420
Other	3,602	2,669
TOTAL	**14,139**	**12,338**

All Trade Payables are due within one year.

NOTE 31. OTHER CURRENT LIABILITIES

(in thousands of euros)	**2023**	2022
Trade payables of assets	20,054	10,321
Tax and social debts	9,148	6,861
Operating liabilities	18,620	19,262
Deferred income	360	862
Other current liabilities	4,014	9,967
TOTAL	**52,196**	**47,273**

In 2023, supplier asset-liability debt represented 5.8 million euros for the purchase of Containers and 14.2 million euros for the purchase of railcars. In 2022, it represented 10 million euros for the purchase of Containers and 0.3 million euros for the purchase of ailcars.

Operating liabilities mainly represent debts related to the distribution to investors of leasing and sales activities. The variation is mainly due to the container activity.

Other current liabilities mainly include the amounts due to investors in respect of compensation paid by clients in relation to lost or damaged equipment.

NOTE 32. CONTINGENT LIABILITIES AND POTENTIAL TAX RISKS

note 32.1. 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 we responded in a precise and documented manner. In order to continue the adversarial procedure, the Group was obliged by regulations to purchase Tax Reserve Certificates (equivalent to 4 million USD). As the company and the tax authorities remained in disagreement, the case was filed with the court of first instance with a hearing taking place in June 2020. At the end of 2022, the court of first instance ruled in favour of the tax authorities, and the Group consequently depreciated all of the Tax Reserve Certificates receivables in its accounts, recorded as taxes. However, the Group appealed this decision and a new hearing was set for 02 November 2023, and thereafter adjourned to 7 March 2024.

note 32.2. GUARANTEE OF LIABILITIES

As part of the transfer of the European modular buildings activity in 2017, an assets and liabilities guarantee was agreed with the purchaser, WH BIDCO. The escrow account for an outstanding amount of 3.3 million euros, paid under this liability guarantee has been reimbursed in full at the start of 2021. To date, no compensation has been paid.

note 32.3. CONTINGENT LIABILITIES

A derailment and fire involving tank railcars occurred at Llangennech in Wales in August 2020. Network Rail and DB Cargo (UK) Limited submitted a letter of complaint to us, the contents of which are disputed by Touax. We have also received a non-detailed claim from DB Cargo UK.

Touax has an insurance policy with HDI covering up to 25 million euros. In addition, the customer using the railcars involved in the accident also holds an insurance policy which, according to the lease agreement, must protect Touax against any third-party claims.

A report was issued in 2022 by the Railway Accident Investigation Service in England. To date, no legal action has been taken, and it could take several years to resolve this case. The lack of detailed calculations makes it difficult to fully assess the financial impact, and this case is consequently considered a contingent liability.

NOTE 33. RISK MANAGEMENT

note 33.1. MARKET RISK

Financial and market risks include currency risk, interest-rate risk, equity risk, and counterparty risk.

Interest rate and currency risks are monitored through monthly reporting and are managed centrally within the Group Treasury and Finance department, which reports them to the Management Committee on a monthly basis.

This reporting includes loans from financial institutions as well as loans made between Group subsidiaries under treasury agreements. The information is checked, analysed, consolidated and forwarded to the Executive Committee.

note 33.2. CREDIT RISK

Credit risk is described in note 21.

note 33.3. LIQUIDITY RISK AND COUNTERPARTY RISK

- **Liquidity risk**

Liquidity risk is managed by the Treasury and Financing Department, which reports to the General Administration and Finance Department. Overall cash flow management at Group level allows compensation for surplus cash and cash requirements in order to limit the use of financial borrowing.

Liquidity risk management is assessed based on the Group's 5-year plan, the annual cash flow budget and quarterly, monthly, weekly and daily cash-flow forecasts. These forecasts reflect the anticipated operating cash flows of each of the divisions and the Group's debt maturities. They therefore make it possible to define the financial strategy established with the executive committee. The objective is to meet the Group's maturities, to best back the service of debts to the income generated by the assets, while trying to optimise the financial cost of the debt and to finance, if necessary, the Group's growth.

To this end, the Group has credit lines confirmed by its financial partners, mainly in the form of (i) medium-long-term loans, (ii) asset financing lines (borrowing and finance leasing) and (iii) bond borrowing.

All of the loans are negotiated or approved by the Treasury and Finance Department after agreement from the Group's management in order to control the legal and financial commitments (both on and off the balance sheet) made by the Group.

Some loans include clauses with drawdown conditions (asset eligibility) and others include financial commitments (ratios) that the Group must abide by, as indicated in note 24.3.

In order to meet its loan obligations, the Group has cash flow from asset leasing and sale activities and is implementing an asset refinancing program to renew or refinance the repayable lines finely detailed in note 24.2.

A liquidity risk can occur if the Group does not have sufficient resources to meet its short-term needs, particularly its loan maturity dates. The liquidity risk of the Group thus largely depends on its ability to refinance the in fine lines coming to maturity.

The Group’s refinancing capacity depends on the amount of unfunded assets and the Group’s loan to value ratio, which stood at 59% at the end of 2023, relatively stable against 60% at the end of 2022. Where appropriate, the Group may have to implement larger syndications or disposals of assets in the short or medium term.

At the end of December 2023, the Group also had 39 million euros in cash, including 4.4 million euros invested, and 6.7 million euros in undrawn available lines.

The Group's future maturities are detailed in the note 24.2. The breakdown of 2024 with recourse and non-recourse debt maturities is as follows:

(in millions of euros)	**2024**
Maturities of medium long-term credit with recourse	1.5
Maturities of bonds with recourse	1.1
Non-recourse debt maturities	23.5
Annually revolving credit terms	-
TOTAL	**26.1**
Financial costs (estimated)	20.5
TOTAL	**46.6**

The amortization and repayment value of medium- and long-term loans with recourse amounting to 1.5 million euros equates to debt amortization and asset financing for the River Barges division.

The value of amortization and repayment of bond debts with recourse amounting to 1.1 million euros, corresponds mainly to the spreading of accrued interest.

The value of amortization and repayment of non-recourse bond debt (adjusted for asset derivative instruments) amounts to 23.5 million euros mainly equating to asset financing amounting to 9.9 million euros for the Containers division and 12.3 million euros for the Freight Railcars division.

The Group intends to repay its loans from operational cash flows or through asset sales (syndications) to investors, and to refinance part of these outstanding sums through new asset and/or corporate financing. The Group believes that it is able to cope with these refinancings thanks to favourable Loan to Value levels of this financing.

The timetable of dates when the Group’s debt falls due is as follows:

(in millions of euros)	TOTAL	2024	2025	2026	2027	2028	+5 years
Debts with recourse	93.0	2.5	1.5	6.9	78.2	0.8	3.1
Debts without recourse	231.7	23.5	137.5	57.1	2.8	2.6	8.2
TOTAL	**324.7**	**26.0**	**139.0**	**64.0**	**81.0**	**3.4**	**11.3**

Counterparty risk for the Group

It consists of the following 3 main risks:

- cancellation of approved credit lines following the default of a lender;
- counterparty default in the unwinding of an over-the-counter derivative;
- non-repayment of cash surpluses invested in spot or futures markets with a financial institution or as part of an investment.

The Group prefers financial institutions with first-rate banks, in other words institutions with excellent credit ratings from international credit rating agencies, for both renewable credit facilities and over-the-counter trading of hedging derivatives.

The Group only invests its surpluses in non-dynamic monetary investment products with first-rate banks in spot or futures markets.

Accordingly, the TOUAX Group believes that its exposure to counterparty risk remains limited. The Group therefore does not use any derivative instruments to manage this counterparty risk.

note 33.4. INTEREST-RATE RISK

To carry out its investment policy, the TOUAX Group uses debt. A part of the Group's debt is concluded at variable rates. Interest rate risk is thus mainly linked to these variable rate loans.

In order to limit the negative impact of a rise in short-term interest rates, the Group's policy is non-speculative in interest rates. It uses plain vanilla derivatives, and by negotiating its new loans at fixed or variable rates depending on the desire to modify the fixed rate distribution - variable rate distribution of its debt.

The hedges put in place do not change the split between fixed and variable rates: debt remains at variable rates, but exposure is hedged. At the end of 2023, 67% of variable-rate debt is hedged. In all, 75% of the Group's debt is at fixed or hedged variable rates.

Hedging of Interest Rate Risk

The Group obtains financing at both variable and fixed rates, and uses interest rate derivatives in order to reduce its net exposure to interest rate risk. It should be recalled that these instruments are never held for speculative purposes.

These instruments are interest rate swaps or interest rate options (cap / floor). These instruments are traded over-the-counter with first-rate bank counterparties.

In accordance with the lenders' requirements, the Group has set up the following hedging instruments:

- In 2023, new hedging instruments (Cap, Tunnel) in USD, GBP and Euro have been put in place for the Containers, Freight Railcars and Corporate divisions to cover a rise in interest rates.
- In November 2022, during the refinancing of the asset lines of its Containers division amounting to a total of 100.5 million dollars, several hedging instruments have been put into place (Cap, Tunnel) aimed at hedging against a rise in interest rates.
- Similarly, when the Freight Railcars division was refinanced in 2020 amounting to a total of 180 million euros (denominated in euros and pounds sterling), including a five-year ecological loan of 120 million euros and a confirmed credit line of 60 million euros, caps were also put in place amounting to 36 million euros and 14.8 million pounds sterling to hedge against a rise in interest rates.

The fair value of these hedges was 3,872 thousand euros as at 31 December 2023. As at 31 December 2023, asset derivative instruments amounted to 4.6 million euros. Derivative liability instruments amounted to 0.8 million euros.

The impact of derivative instruments on the gross debt per currency is presented below :

(in thousands of euros)	Before taking into account derivative instruments		Hedging operations		After taking into account derivative instruments	
	AMOUNT	AVERAGE RATE	SWAP (1)	CAP/FLOOR (2)	AMOUNT	AVERAGE RATE
Euro at fixed rate	49,639	5.80%			49,639	5.80%
Euro at variable rate	158,712	6.44%		97,300	158,712	4.88%
TOTAL EUROS	**208,351**	**6.29%**			**208,351**	**5.10%**
Dollar at fixed rate	7,705	5.42%			7,705	5.42%
Dollar at variable rate	63,027	8.15%		50,226	63,027	6.92%
TOTAL DOLLARS	**70,732**	**7.86%**			**70,732**	**6.75%**
GBP at fixed rate	-	0.00%			-	0.00%
GBP at variable rate	21,472	7.56%		16,167	21,472	4.42%
TOTAL GBP	**21,472**	**7.56%**			**21,472**	**4.42%**
Other currencies at fixed rate	24,174	8.87%			24,174	8.87%
Other currencies at variable rat	0	6.00%			0	6.00%
TOTAL OTHER CURRENCIES	**24,174**	**8.87%**			**24,174**	**8.87%**
TOTAL fixed rate debt	**81,518**	**6.67%**			**81,518**	**6.67%**
TOTAL variable rate debt	**243,211**	**6.98%**			**243,211**	**5.37%**
TOTAL DEBTS	**324,729**	**6.90%**			**324,729**	**5.69%**

(1): SWAP hedges increase the fixed-rate portion and reduce the variable-rate portion

(2): CAP & FLOOR hedges do not modify the variable-rate portion of the hedge

Sensitivity to changes in interest rates

A 1% increase in short-term interest rates would have a direct impact on the Group’s financial costs of approximately 0.8 million euros, or approximately 4.3% of theoretical financial expenses as at 31 December 2023. This theoretical calculation is determined after taking into account derivatives, on the assumption that gross debt remains stable over the coming financial year.

note 33.5. CURRENCY RISK

Operational currency risk

The TOUAX Group has an international presence and operations. It is therefore exposed to currency fluctuations. Indeed, the US dollar represented nearly 50% of the Group’s business revenue in 2023 (mainly in the Containers and River Barges divisions).

Despite this significant exposure to currencies, the Group considers that it is subject relatively little to operational currency risk because most of its expenses are denominated in the same currency as income. In addition, financing for Group subsidiaries is denominated in the same currency as revenues.

However, the Group may need to set up hedges for its budget or for orders when operational currency risks are identified. In this case, the hedging instruments used are forward sales or purchases, or plain vanilla options.

The Group's main identified operational currency risks are related to :

- the structure of overheads for the Containers activity, which are mostly in euros or Singapore dollars while revenues are in US dollars;
- the production of modular buildings, where the Moroccan dirham is the main currency but sales are in euros or foreign currencies.

There is no operational currency risk hedge as at 31 December 2023.

Financial currency risk

The Group's objective is to minimise financial currency risks, i.e. risks related to financial operations in a currency whose fluctuations would affect financial income. Balance sheet positions in foreign currency are tracked monthly and reported to the Executive Committee. As at 31 December 2023, these positions mainly include current account positions with subsidiaries, particularly on the US dollar, which are therefore hedged satisfactorily by futures.

As part of its overall cash flow management, the Group is led to change surpluses of a currency into euros, in order to minimise financial expenses and recourse to bank debt. As part of this multi-currency cash management, the Group regularly sets up forward buying/selling contracts making it possible to offset variations in the value of inter-company loans. These forward contracts are taken out with first-rate banking counterparts.

Currency risk on Investments

Due to its presence in various countries, the Group is subject to currency risks related to its investments in foreign subsidiaries. This risk arises in the changes in the Group's equity (net investment rule) and in the conversion of the subsidiary's income into euros in the parent company.

The Group does not hedge the foreign exchange risk weighing on its shareholders' equity or the risk of translation into euros of the results in foreign currencies of its subsidiaries.

Hedging of Currency Risk

The Group therefore sets up forward exchange transactions in order to hedge its exposure linked to managing its cash in foreign currencies.

The following describes the portfolio of future currency exchange operations as at 31 December 2023:

(in thousands of euros)	Nominal amount	Maximum term
Term Sale Portfolio USD	9,900	31/01/2024
TOTAL TERM SALE PORTFOLIOS	**9,900**	

› **Currency risk management**

(in thousands of euros)	2023
Change in fair value of hedge	(81)
Change in fair value of hedged item	(2)
NET IMPACT ON GROUP INCOME FROM HEDGES OF FAIR VALUE	(83)

Impact of the exchange rate on the operating income and on shareholders' equity

The Group's exposure to fluctuations in exchange rates is mainly concentrated on shifts in the US dollar, the Moroccan Dirham and the Indian Rupee. other foreign currencies are insignificant. The parity used to convert foreign currency accounts of subsidiaries into euros has the following impact on the Group's income and shareholders' equity - Group share – if it depreciated by 10%.

	Impact on current operating income as at 31/12/2023	Impact on Shareholders' equity - Group share as at 31/12/2023
10% fall in the US dollar	-3.66%	-6.44%
10% fall in the Moroccan Dirham	-1.13%	1.24%
10% fall in the Indian rupee	-1.35%	-0.77%

The Modular Buildings business is mainly denominated in euros and Moroccan dirhams. The River Barges and Freight Railcars activities are mainly denominated in euros in Europe, in US dollars in the United States and South America (for barges), and in Indian rupees in India (for railcars). The leasing and sale of Containers is international, and is mostly denominated in US dollars.

For long-term assets and liabilities the Group's policy is to correlate fixed assets labelled in foreign currency with borrowings in the same currency, so as to avoid exposure to a currency risk.

note 33.6. EQUITY RISK

Equity risk is the risk of an adverse change in the price of equity securities held by the Group.

The Group's investment strategy provides for only investing surplus liquidity in cash-based mutual funds (UCITS) for short periods. The Group has no dealings on the financial stock markets.

The main equity risk concerns the liquidity agreement that the Group signed with an investment services provider. The amounts currently invested do not represent a significant risk for the Group.

note 33.7. RAW MATERIAL PRICES RISK

This risk is further explained under risk factors, paragraph 3.1.1 of the universal registration document.

note 33.8. TAX RISK

See note 32.1 Contingent liability in the appendix to the consolidated financial statements.

note 33.9. EMPLOYMENT RISK

See on Contingent liability note 32.2 in the appendix to the consolidated financial statements.

NOTE 34. RELATED PARTIES AS DEFINED IN IAS 24

The definition used for related parties is that given in IAS 24. Related parties are the key management personnel of TOUAX SCA, i.e. those who have authority and responsibility for planning, managing, and controlling the Group's activities. The officers who fit this description are Fabrice and Raphaël WALEWSKI, the Managing Partners of TOUAX SCA, as well as Société Holding de Gestion et de

Participation (SHGP) and Société Holding de Gestion et de Location (SHGL), General Partners. Members of the Supervisory Board, in view of their control function, are also regarded as related parties.

The amount allocated to general partners in 2023 in respect of their statutory remuneration for 2022 is 803 thousand euros.

A related party has a significant influence if it is able to take part in financial and operational policy decisions, without however exerting control over these policies. This influence is deemed to be significant if a physical person, legal entity or group of persons holds over 20% of the voting rights: Alexandre, Fabrice and Raphaël WALEWSKI acting together hold directly and indirectly over 20 % of the shares.

The Group has not concluded any significant transactions with related parties.

The remuneration of corporate officers is detailed in chapters 13 and 23.2.5 of the universal registration document. The total remuneration of corporate officers in 2023 was 1,483 thousand euros to which 193 thousand US dollars is added.

A transaction was indirectly concluded between TOUAX SCA and one of its Managing Partners, through a real estate company, relating to the leasing and maintenance of its premises in the Tour Franklin amounting to a total of 1.1 million euros per year. This lease is subject to an IFRS 16 restatement for 1.2 million euros in right of use and lease liabilities.

The remuneration of members of the Supervisory Board is detailed in chapter 13 of the universal registration document. It amounted to 64.5 thousand euros.

Relations between the parent company and its subsidiaries are explained in section 6 of the universal registration document, in note 2 of the notes appended to the consolidated financial accounts and in note 25.6 of the appendix to the financial statements.

NOTE 35. IFRS 16

Summary

- The accounting principle and method are presented in note 1.18.3.
- Leases are presented in note 1.18.3 (lessor perspective).
- Business revenues are presented in note 1.18 and note 4.
- Net distributions to investors are presented in note 1.20 and note 9 (lessee perspective).
- Amortization charges on leases are included in the rights of use presented in note 10.
- Interest paid on leases is included in the Net financial expense note presented in note 12.
- Rights of use on leases are included in the Right of use note presented in note 18.
- Lease liabilities under leases are included in the Lease liabilities note presented in note 25.
- Leases exempt from the standard (whose term is less than 1 year or whose asset value is less than $5,000) are presented in note 36.1.

Lease payments

The total amount of lease payments made in 2023 was 2 million euros:

note no	*(in thousands of euros)*	2023
25	Lease payments related to real estate leases	585
25	Lease payments related to equipment leases for barges and other equipment	1,007
25	Lease payments related to equipment leases for vehicles and copiers	245
36.1	Lease payments related to short-term leases or for low-value goods	157
	TOTAL	**1,994**

The amount disbursed does not differ significantly from the lease expenses.

It is also to be noted that the payment of 25,550 million euros in distributions to investors corresponding to the net income generated by their equipment managed by the Group, which could be assimilated to variable rents according to the standard IFRS 16.

NOTE 36. OFF-BALANCE SHEET COMMITMENTS

The note presents all off-balance sheet commitments in accordance with current accounting standards.

note 36.1. NON-CAPITALISED OPERATING LEASES

According to IFRS 16, most operating leases are now capitalised. The group has retained the exemption proposed by the standard not to activate short-term or low-value contracts.

The table below therefore presents the leases whose term is less than 1 year or whose underlying asset has a value of less than $5,000 when new:

(in thousands of euros)	Freight Railcars	River Barges	Containers	Other	TOTAL
Leases on property contracts	94	-	-	50	144
Leases relating to non-operating property leases	-	1	5	7	13
Total leasing charges in 2023	**94**	**1**	**5**	**57**	**157**
Leases on property contracts	94	-	-	50	144
Leases relating to non-operating property leases	-	1	22	7	30
Total leasing commitments in 2024	**94**	**1**	**22**	**57**	**174**

note 36.2. OTHER COMMITMENTS MADE

Bank guarantees issued to Group subsidiaries as at 31 December 2023

(in thousands of euros)	Amount	Maximum term
Bank guarantees	**1,441**	
River barges	80	2025
Modular Buildings	1,361	2024

Firm orders of equipment from external suppliers

As at 31 December 2023, orders and firm investments in operational assets from third parties amounted to 32.9 million euros, made up of 19.2 million euros in Containers, 12 million euros in Freight Railcars and 1.7 million euros in River Barges.

note 36.3. OTHER COMMITMENTS RECEIVED

Non-cancellable operating lease agreements

Minimum future payments to be received under operating leases amount to 249.4 million euros.

(in thousands of euros)	0 - 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	2023
Owned	21,302	18,349	20,993	10,848	6,078	5,419	41,257	124,246
Managed	6,409	5,521	6,554	4,048	3,196	2,292	5,516	33,536
Freight railcars	**27,711**	**23,870**	**27,547**	**14,896**	**9,274**	**7,711**	**46,773**	**157,782**
Owned	3,750	3,487	4,184	3,337	2,698	2,503	7,013	26,973
River Barges	**3,750**	**3,487**	**4,184**	**3,337**	**2,698**	**2,503**	**7,013**	**26,973**
Owned	4,966	3,997	6,554	5,672	4,740	4,134	16,235	46,297
Managed	6,933	3,549	3,587	2,192	1,570	425	68	18,323
Containers	**11,899**	**7,546**	**10,141**	**7,864**	**6,310**	**4,558**	**16,303**	**64,620**
TOTAL OPERATIONAL RENTS	**43,360**	**34,904**	**41,871**	**26,097**	**18,282**	**14,772**	**70,089**	**249,375**

(in thousands of euros)	0 - 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	2022
Owned	19,395	17,690	18,191	10,694	6,570	2,936	5,836	81,313
Managed	5,432	3,667	3,370	1,861	-	-	-	14,329
Freight railcars	**24,827**	**21,357**	**21,561**	**12,555**	**6,570**	**2,936**	**5,836**	**95,643**
Owned	3,692	3,707	6,664	3,768	3,094	2,448	9,398	32,771
River Barges	**3,692**	**3,707**	**6,664**	**3,768**	**3,094**	**2,448**	**9,398**	**32,771**
Owned	6,330	5,801	8,570	5,611	4,293	3,367	14,773	48,745
Managed	10,433	7,962	9,816	3,018	1,725	1,440	560	34,953
Containers	**16,763**	**13,763**	**18,387**	**8,628**	**6,018**	**4,807**	**15,333**	**83,698**
TOTAL OPERATIONAL RENTS	**45,281**	**38,827**	**46,613**	**24,951**	**15,682**	**10,190**	**30,567**	**212,111**

note 36.4. SECURED DEBT PROVIDED

To guarantee the loans granted to finance the Group's proprietary assets (apart from leasing agreements), the Group's subsidiaries have granted the following security interests:

(in thousands of euros)	Commencement	Maturity	31 December 2023 Pledged asset (original collateral value)	Balance Sheet item gross value	%
Mortgages (river barges)					
	2012	2025	5,158		
	2022	2027	8,145		
	2021	2031	1,532		
	2022	2032	1,000		
	2023	2033	600		
TOTAL			**16,435**	**61,385**	**26.8%**
Tangible assets pledged					
Railcar Freight			**206,826**	**435,635**	
	2020	2025	206,826		
Containers			**117,960**	**132,624**	
	2022	2026	117,960		
TOTAL			**324,787**	**568,259**	**57.2%**

(in thousands of euros)	Commencement	Maturity	31 December 2022 Pledged asset (original collateral value)	Balance Sheet item gross value	%
Mortgages (river barges)					
	2012	2025	5,344		
	2022	2027	8,438		
	2021	2031	1,532		
	2022	2032	1,000		
TOTAL			**16,314**	**61,914**	**26.3%**
Tangible assets pledged					
Railcar Freight			**192,752**	**382,670**	
	2020	2025	192,752		
Containers			**142,222**	**160,342**	
	2022	2026	142,222		
TOTAL			**334,974**	**543,012**	**61.7%**

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings.

note 36.5. SECURITY AND GUARANTEES

The security and guarantees are issued by the parent company in return for bank loans granted to its subsidiaries.

Subsidiaries concerned *(in thousands of euros)*	Year of implementation of guarantees	Original amount of guarantees granted	Guarantees maturing in less than one year	Guarantees maturing between 1 and 5 years	Guarantees maturing in over 5 years	Outstanding capital balance as at 31/12/2023
	2023	-	-	-	-	-
	Before 2023	16,467	-	-	12,106	12,106
TOUAX River Barges SAS		**16,467**	**-**	**-**	**12,106**	**12,106**
	2023	-	-	-	-	-
	Before 2023	2,280	-	873	-	873
TOUAX LEASING Corp		**2,280**	**-**	**873**	**-**	**873**
	2023	-	-	-	-	-
	Before 2023	9,000	-	6,896	-	6,896
TOUAX Hydrovia Corp.		**9,000**	**-**	**6,896**	**-**	**6,896**
GENERAL TOTAL OF GUARANTEES GRANTED		**27,747**	**-**	**7,769**	**12,106**	**19,875**

Subsidiaries concerned *(in thousands of euros)*	Year of implementation of guarantees	Original amount of guarantees granted	Guarantees maturing in less than one year	Guarantees maturing between 1 and 5 years	Guarantees maturing in over 5 years	**Outstanding capital balance as at 31/12/2022**
	2022	3,767	-	-	3,537	3,537
	Before 2022	12,700	-	-	9,777	9,777
TOUAX River Barges SAS		**16,467**	**-**	**-**	**13,314**	**13,314**
	2022	-	-	-	-	-
	Before 2022	2,138	-	1,225	-	1,225
TOUAX LEASING Corp		**2,138**	**-**	**1,225**	**-**	**1,225**
	2022	8,438	-	7,819	-	7,819
	Before 2022	-	-	-	-	-
TOUAX Hydrovia Corp.		**8,438**	**-**	**7,819**	**-**	**7,819**
GENERAL TOTAL OF GUARANTEES GRANTED		**27,043**	**-**	**9,044**	**13,314**	**22,358**

The original amount of the guarantees given with regard to the above bank loans was 27.7 million euros. The bank loans to which these security and guarantees relate are included in the debt with recourse.

NOTE 37. FEES OF THE STATUTORY AUDITORS

2023 *(in thousands of euros)*	Deloitte Statutory Auditor (Deloitte & Associés)	Network	RSM Statutory Auditor (RSM Paris)	Network
Certification and semi-annual limited review of individual and consolidated accounts				
• Issuer	128		133	
• Fully consolidated subsidiaries	11	89	24	17
Sub-total	139	89	157	17
Services other than certification of accounts				
• Issuer	20		20	
• Fully consolidated subsidiaries	53	25	50	
Sub-total	73	25	70	
TOTAL	**212**	**114**	**227**	**17**

Financial statements

The financial statements of TOUAX SCA are presented in accordance with the accounting principles generally applied in France.

Income Statement			
note no.	*(in thousands of euros)*	**2023**	2022
3	Revenues	1 571	1 515
4	Reversal of provisions and transfer of expenses	5	0
5	Other income	3	22
	TOTAL Operating Income	1 579	1 537
6	Other purchases and external charges	(2 109)	(1 596)
7	Taxes	(8)	(8)
8	Staff Costs	(64)	(62)
9	Depreciation allocations	(922)	(608)
10	Allocations for operating provisions	0	0
	TOTAL operating expenses	(3 103)	(2 273)
	NET OPERATING INCOME	(1 524)	(736)
	Income attributed to joint operations		
	Financial income from equity	9 915	8 476
	Income from other securities and receivables from fixed assets	782	930
	Reversals of provisions and transfer of charges	14	400
	Other financial income	226	474
	TOTAL financial income	10 937	10 280
	Financial allowances for depreciation and provisions	(3 562)	(14)
	Interest and similar expenses	(5 686)	(6 420)
	Other financial expenses	(85)	(135)
	TOTAL financial expenses	(9 333)	(6 569)
11	FINANCIAL PROFIT OR LOSS	1 604	3 711
	Current income before tax	80	2 975
12	EXTRAORDINARY PROFIT OR LOSS	3 457	(52)
13	Taxes on profits	178	0
	NET INCOME FOR THE YEAR	**3 716**	**2 923**

Notes accompanying the appendix form an integral part of the company's financial statements

Balance sheet			
note no.	*(in thousands of euros)*	**2023**	2022
	ASSETS		
	Gross intangible assets		
	Intangible asset depreciation		
	Net intangible assets		
14	Gross tangible assets	114	114
	Depreciation on Property, plant and equipment	(87)	(87)
	Net Property, plant and equipment	27	27
15	Financial assets	200 467	197 478
	Provisions on financial assets	(10 482)	(6 967)
	Net financial assets	189 985	190 511
	TOTAL current fixed assets	190 012	190 538
16	Trade receivables	3 783	4 477
17	Other operating receivables	209	462
	Investment securities	3 860	11 670
	TOTAL current assets	7 851	16 609
18	Prepayments and accruals	2 225	1 395
	TOTAL ASSETS	**200 088**	**208 542**
	LIABILITIES		
	Share capital	56 092	56 092
	Revaluation difference	44 672	44 672
	Reserves	9 478	9 332
	Balance brought forward	1 268	0
	Profit or loss for the financial year	3 716	2 923
19	Shareholders' equity	115 226	113 019
	Share issues	0	0
20	Other shareholders' equity	0	0
	Provisions for risk	0	58
	Provisions for charges	0	0
21	TOTAL provisions for risk and charges	0	58
22	Financial indebtedness	84 433	94 996
23	Operating liabilities	260	304
24	Prepayments and accruals	169	165
	TOTAL LIABILITIES	**200 088**	**208 542**

Notes accompanying the appendix form an integral part of the company's financial statements

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

Unless otherwise provided, all the figures are given in thousands of euros.

NOTE 1. SIGNIFICANT EVENTS AND POST-CLOSURE EVENTS

› Significant events

On 16 May 2023, the Company issued a 5.35 million euro loan. This issue is comparable to the Euro PP 07/2027 June 2022 issue (same residual maturity, same coupon and same maturity schedule). This loan was issued at 95.2% of nominal value (i.e. 5.09 million euros). The difference between the issue price and the nominal value of the bonds generated a redemption premium of 257,000 euros.

On 27 July 2023, the Company signed a senior secured loan of 40 million euros with a 4-year maturity. This financing makes it possible to extend the average maturity of the Group's debt and is in line with its growth and profitability strategy, to replace the senior secured loan maturing in June 2024 for the same amount. This financing was organised in the form of a bank club deal.

Details of the Company's financial debt are provided in note 22.

On 5 January 2023, the Company acquired the minority share of the Modular Buildings business.

› Post-balance sheet events

N/A

NOTE 1. ACCOUNTING PRINCIPLES

The annual accounts are drawn up in accordance with general accounting standards, in accordance with the amended regulation ANC 2014-03 of 5 June 2014, with regulations at end year date and the Commercial Code. They comply with the recommendations of the Accounting Standards Authority (Autorité des normes comptables,), the Association of Chartered Accountants (Ordre des Experts Comptables) and the National Company of Auditors Compagnie Nationale des Commissaires aux Comptes).

The Company accounts were approved by the Management Board of TOUAX SCA on 20 March 2024. In accordance with French law, the financial statements will be considered final once they have been approved by the Group's shareholders at the Ordinary General Shareholders' Meeting to be held on 12 June 2024.

The methods used to prepare the accounts for the 2023 financial year remain unchanged from those of the previous financial year.

The general accounting conventions have been applied in accordance with the basic assumptions:
Continuity of operation,
Consistency of accounting methods from one financial year to another,
Independence of financial years.

These financial statements are presented in euros, the operational currency of Touax SCA. All figures are expressed in euros rounded to the nearest thousand.

note 1.1. INTANGIBLE ASSETS

Intangible assets are recognised at their acquisition cost and include software programs acquired. These assets are depreciated using the straight-line method over their remaining useful lifetime.

note 1.2. PROPERTY, PLANT AND EQUIPMENT

The ANC 2014-03 regulation requires that an asset's main components with a useful lifetime shorter than that of the asset itself should be identified so as to be depreciated over its own useful lifetime.

Property, plant and equipment are recorded at their acquisition cost. Depreciation is calculated using the straight-line method without deducting a residual value. The depreciation periods retained depend on the assets' estimated useful lifetimes. The depreciation periods of significant fixed assets are reviewed at the end of each financial year. The initial useful lifetime is extended or reduced if deemed necessary by the conditions of use of the item in question.

The useful lifetimes are as follows:

Administrative and commercial buildings	20 years
Fixtures and fittings	10 years
Office and computer equipment	4 years
Office furniture	5 years

note 1.3. EQUITY SECURITIES AND RELATED DEBT

Equity securities are calculated at their acquisition cost excluding acquisition fees and excluding incidental costs.

When the value in use of equity securities is lower than the gross value, a depreciation is comprised of the amount of the difference. This depreciation is recovered when the value in use appreciates again.

The value in use of equity securities is determined based on:
the share of shareholders' equity of the subsidiary,
the share of shareholders' equity of the sub-group possibly formed by the subsidiary or,
the enterprise value after the deduction of debts obtained using the Discounted Cash Flow (DCF) method.

Debt linked to shares are subject to the closing of depreciation tests and depreciation is booked if the recoverable value of the debt is no longer certain.

Equity stock is recorded as financial assets at historical cost. At the end of the financial year, this item represents 25,727 shares equating to a value of 144,365 euros.

A depreciation is constituted when the closing price is less than the purchase value.

note 1.4. RECEIVABLES

Receivables are valued at their nominal value. Depreciation is recognised when the recoverable amount of debt is no longer certain.

With regard to current accounts of subsidiaries, a depreciation is noted when recovery of these receivables is no longer certain.

note 1.5. INVESTMENT SECURITIES

Investment securities are evaluated at their acquisition cost.

Upon sale of similar stock (conferring the same rights), the value of the stock sold is determined using the first in, first out method.

If the price on the last day of the financial year is less than the purchase price of the stock, an impairment is recorded to cover the latent capital loss.

note 1.6. SHAREHOLDERS' EQUITY

Capital increase expenses are deducted from the issue premium.

note 1.7. PROVISIONS FOR RISKS AND CHARGES

Risks with a provision under this section include mainly the employment, tax and exchange rate risks.

The calculation of provisions for risks and charges takes into account the provisions of ANC Regulation 2014-03 concerning liabilities.

note 1.8. FOREIGN CURRENCY OPERATIONS

Payables and receivables denominated in foreign currencies are converted at the rates applicable at 31 December of the financial year.
covered receivables and liabilities generate no impact on income given the symmetrical revaluation of foreign currency hedging.
differences resulting from the conversion of debts and receivables in unhedged foreign currency are accounted for as exchange rate differences.

In accordance with the precautionary principle, unrealized losses are subject to a provision for risks. Unrealized gains have no impact on net income.

note 1.9. PENSION AND OTHER RETIREMENT LIABILITIES

Provisions for pension compensation is calculated according to the evaluation rules of the revised IAS 19 standard. Variation of provisions are entered in the income statement. For TOUAX, this compensation only refers to the retirement packages of employees.

note 1.10. FISCAL CONSOLIDATION

The company has chosen to use the group tax system set out in article 223 A of the French general tax code. In accordance with the integration agreement:
The company is accountable to the Tax Office for corporation tax calculated on the total consolidated fiscal income;
the group employs the 'neutrality' method for the calculation of applicable taxation. This method involves posting the tax owed by the consolidated subsidiaries as if they were taxed separately.
TOUAX SCA records the group's additional corporation tax expense or corporation tax savings according to the applicable method.

note 1.11. EXPENSES TO BE DISTRIBUTED

The expenses to be distributed concern the loan issue expenses. They are subject to a linear depreciation over the term of the loan, in equal proportion.

NOTES REGARDING THE INCOME STATEMENT

NOTE 2. REVENUES BY ACTIVITY

(in thousands of euros)	**2023**	2022
Property	18	20
Intra-group services	1 554	1 495
TOTAL	**1 571**	**1 515**

Property

The property activity refers to the leasing of buildings for private or office use.

Intra-group services

Intra-group services represent the sub-leasing of offices and consulting services provided by TOUAX to the French companies within the Group.

NOTE 3. RECOVERY OF PROVISIONS AND EXPENSE TRANSFERS

Not significant

NOTE 4. OTHER INCOME

Not significant

NOTE 5. OTHER PURCHASES AND EXTERNAL EXPENSES

(in thousands of euros)	**2023**	2022
Purchases of goods and consumables	0	1
TOTAL	0	1
Leasing and property leasing fees	1 128	839
Maintenance and repairs	0	1
Insurance premiums	43	29
TOTAL	1 171	870
Payment of intermediaries and fees	368	445
Advertising and Publications	20	13
Bank charges	331	86
Other	152	117
TOTAL	870	661
Bad debts	6	0
Attendance fees	62	63
Other management expenses	0	1
TOTAL	67	65
TOTAL OTHER PURCHASES AND EXTERNAL EXPENSES	**2 109**	**1 596**

Leasing and property leasing fees

This item mainly concerns the leasing of offices. Most of the leasing expenses were invoiced to the subsidiaries occupying the offices (see note 2).

The increase in this item over the financial year corresponds mainly to additional leasing expenses not passed on to subsidiaries.

Insurance premiums

This item includes insurance premiums for insurance policies covering the property leased by the company and to cover the third party liability of managers working under contract.

Payment of intermediaries and fees

The payment of intermediaries and fees concerns the fees paid to third parties for their legal, assistance and consulting assignments.

NOTE 6. TAXES

(in thousands of euros)	**2023**	2022
On remuneration	7	7
Other taxes	0	0
TOTAL	**8**	**8**

NOTE 7. STAFF COSTS

(in thousands of euros)	**2023**	2022
Salaries and wages	44	46
Social contributions	21	16
TOTAL	**64**	**62**

The average workforce over the year is 2 people.

NOTE 8. ALLOCATIONS TO DEPRECIATION

(in thousands of euros)	**2023**	2022
Property	0	1
Expenses to be distributed	922	607
Total	**922**	**608**

Amortization of operating expenses for the financial year is comprised entirely of the amortization of expenses to be distributed and correspond to the share of the costs for the issuing of loans spread over the duration of the corresponding loans.

NOTE 9. ALLOCATIONS FOR OPERATING PROVISIONS

None.

NOTE 10. FINANCIAL PROFIT OR LOSS

(in thousands of euros)	**2023**	2022
Dividends and other equity income	**9 915**	**8 476**
FINANCIAL EXPENSES AND INCOME		
Financial income	960	1 078
Income from transfer of V.M.P	(43)	16
Financial expenses	(5 686)	(6 420)
Net financial costs	**(4 768)**	**(5 326)**
PROVISIONS		
Reversals	14	400
Allocations	(3 562)	(14)
Net change	**(3 548)**	**386**
CURRENCY GAINS/LOSSES		
Positive	39	298
Negative	(34)	(123)
Net exchange rate difference	**6**	**175**
FINANCIAL PROFIT/LOSS	**1 604**	**3 711**

note 10.1. DIVIDENDS AND PROFIT SHARE

Income from equity securities received over the financial year corresponds to dividends paid by its subsidiaries.

note 10.2. FINANCIAL EXPENSES AND REVENUES

Financial revenues consist mainly of financial interest received by the company under long-term loan agreements with its subsidiaries.

The financial expenses for the financial year mainly include the following:

- in the amount of 5,614,000 euros for financial interest on loans entered into with credit institutions;
- in the amount of 68,000 euros for financial interest paid on funds advances which were directly or indirectly made available to the Company by the Group's companies.

note 10.3. PROVISIONS AND DEPRECIATIONS

The allocation for the financial year mainly includes:

- an allocation of 3,522,000 euros for the depreciation of equity securities held in the French subsidiary Touax Modular Building Solutions SAS. This allocation was booked to offset the gain of the same amount booked under exceptional financial result (see note 12),
- an allocation of 39,000 euros for amortization of the redemption premium on the loan issued on 16 May 2023 (see note 1).

note 10.4. CURRENCY GAIN/LOSS

Foreign exchange gains and losses for the year were not significant.

NOTE 11. EXTRAORDINARY PROFIT OR LOSS

At the beginning of 2023, the Company acquired all the shares of Touax Modular Building Solutions SAS minority shareholders and their current account at a price well below its nominal value. An exceptional gain of 3.5 million euros was booked on this current account, as it was repaid over the financial year at its original nominal value following an "accordion squeeze" operation on the subsidiary's capital. This gain was offset by a 3.5 million euros allocation for the depreciation of equity securities held in the French subsidiary Touax Modular Building Solutions SAS.

The exceptional financial result includes the final amount of 117,000 euros paid to the Romanian tax authorities relating to a tax audit of the Company's Romanian subsidiary, leading to its definitive liquidation. The allocation of 52,000 euros booked at the previous year-end has been recovered in full.

NOTE 12. TAXES ON PROFITS

As stated in note 1.10, the Group has adopted the so-called "neutrality" method to account for corporation tax.

The Company's accounting revenues before tax is a profit of 3.5 million euros. In view of tax reincorporation and deductions, the individual taxable income for the financial year, before allocation of deficits, shows a taxable loss of 2.3 million euros.

In accordance with the Group's incorporation agreement, the neutrality method is used by the Group to account for corporate income tax. The amount of corporate income tax recorded at the end of the financial year corresponds to the tax savings realised by the tax group in 2023.

At the end of the financial year, the amount of tax losses carried forward for the group formed by the Company and its French subsidiaries was 128.8 million euros.

NOTES ON THE BALANCE SHEET

ASSETS

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

note 13.1. DISTRIBUTION OF PROPERTY, PLANT AND EQUIPMENT

	2023			2022
(in thousands of euros)	Gross value	Depreciation	Value net	Value net
Land and buildings	103	76	27	27
Other Property, plant and equipment	11	11	0	(0)
TOTAL	**114**	**87**	**27**	**27**

Movements associated with Property, plant and equipment are shown in note 13.2 and note 13.3.

note 13.2. ACQUISITIONS IN 2023

None.

note 13.3. DISCONTINUATIONS AND REDUCTIONS IN 2023

None.

NOTE 14. LONG-TERM INVESTMENTS

	2023			2022
(in thousands of euros)	Gross value	Impairment	Net value	Net value
Holdings	184 071	7 452	176 620	169 024
Loans and receivables on holdings	16 068	3 031	13 037	21 273
Other loans and financial assets	328	0	328	214
TOTAL	**200 467**	**10 482**	**189 985**	**190 511**

note 14.1. EQUITY INVESTMENTS

	2023			
(in thousands of euros)	Historical cost	Revaluation	Impairment	Net value
Europe				
TOUAX RAIL Ltd	46 803	34 699		81 502
TOUAX River Barges SAS	38 129	0		38 129
TOUAX CONTAINER SERVICES SAS	19 057	32 873		51 930
TOUAX CORPORATE SAS	2 591	0	(1 731)	860
TOUAX Modular Building Solutions SAS	9 917	0	(5 720)	4 197
Other	0	0		0
International				
TOUAX UK	0	0		0
TOTAL	**116 498**	**67 572**	**(7 452)**	**176 619**

note 14.2. LOANS AND DEBTS LINKED TO SHARES

(in thousands of euros)	2023			2022
	Gross value	Impairment	Value net	Value net
TOUAX MODULAR BUILDING SOLUTIONS SAS	12 670	(3 031)	9 639	13 576
TOUAX RAIL Ltd	3 398		3 398	6 796
TOUAX River Barges SAS	0		0	900
TOTAL	**16 068**	**(3 031)**	**13 037**	**21 273**

This item records the long-term portion of intra-group loans at year-end. These intra-group loans were subject to a specific intra-group treasury agreement.

These receivables are all over one year old.

note 14.3. OTHER LONG-TERM INVESTMENTS

Other financial assets totalled 328,000 euros in gross value, and corresponded to the amount of own equity held by the Company in the amount of 144,000 euros and the security deposit paid as part of the rental of offices amounting to 184,000 euros.

NOTE 15. BREAKDOWN OF RECEIVABLES AND RELATED ACCOUNTS BY BUSINESS ACTIVITY

(in thousands of euros)	2023			2022		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Intra-group	3 781		3 781	4 474		4 474
Other	2		2	8	5	3
TOTAL	**3 783**	**0**	**3 783**	**4 482**	**5**	**4 477**

Intragroup debts correspond to invoices for services rendered and financial interest invoiced by the Company to Group companies. These intra-group receivables will mature within one year of the financial year end.

The miscellaneous item is comprised of receivables from third parties due within one year.

NOTE 16. OTHER OPERATING RECEIVABLES

(in thousands of euros)	2023			2022		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
State and social institutions	51		51	33		33
Intra-group receivables	102		102	410		410
Various debtors	55		55	19		19
TOTAL	**209**	**0**	**209**	**462**	**0**	**462**

Other receivables are mainly all due within one year.

note 16.1. STATE AND SOCIAL INSTITUTIONS

This item mainly includes VAT to be recovered by the company.

note 16.2. INTRA-GROUP RECEIVABLES

Intragroup debts are due in less than one year.

NOTE 17. PREPAYMENTS AND ACCRUALS

(in thousands of euros)	2023	2022
Expenses to be distributed	1 620	1 177
Deferred expenses	386	211
Bond redemption premiums	218	
Unrealised exchange rate gains/losses	0	6
TOTAL	**2 225**	**1 395**

The expenses to be distributed mainly correspond, at the end of the financial year, to the outstanding loan issue costs to be spread over the term of the corresponding loans.

Prepaid expenses are mainly composed of office rents and insurance premiums for the share relating to the 2024 financial year.

A redemption premium of 257,000 euros has been booked to reflect the fact that bonds were issued below their nominal value (see note 1). This redemption premium is amortised on a straight-line basis over the term of the loan issue.

NOTE 18. SHAREHOLDERS' EQUITY

note 18.1. CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	01/01/2023	Allocation of the 2022 profit	Increases	Decreases	**31/12/2023**
Share capital	56 092				56 092
Issue and merger premiums	5 758				5 758
Revaluation difference	44 672				44 672
Legal reserve	3 410	146			3 556
Other reserves	165	0			165
Balance brought forward	0	1 268			1 268
Profit/loss for the financial year	2 923	(2 923)	3 716		3 716
Statutory remuneration of general partners		803			
Dividends paid		706			
TOTAL	**113 020**	**0**	**3 716**	**0**	**115 226**

note 18.2. CHANGE IN THE CAPITAL STOCK

The value of Company capital is 56,092,000 euros on financial year closing. It comprises 7,011,547 ordinary shares.

(in Euros)	Number of capital shares	Nominal share value	Total capital
Share capital at 31.12.2017	7 011 547	8	56 092 376
Share capital at 31.12.2018	7 011 547	8	56 092 376
Share capital at 31.12.2019	7 011 547	8	56 092 376
Share capital at 31.12.2020	7 011 547	8	56 092 376
Share capital at 31.12.2020	7 011 547	8	56 092 376
Share capital at 31.12.2021	7 011 547	8	56 092 376
Share capital as at 31/12/2022	7 011 547	8	56 092 376
Share capital as at 31/12/2023	**7 011 547**	**8**	**56 092 376**

note 18.3. REVALUATION DIFFERENCE

On 2021 financial year closing, a free revaluation operation of all tangible and financial assets led to the noting of a revaluation deviation, amounting to 67.6 million euros booked in the Company's own equity. Part of this revaluation deviation was incorporated into the share capital over the 2022 financial year.

The Company has undertaken to comply with the provisions of article 238 bis JB paragraph 2, no. 1 of the French General Tax Code.

On financial year closing, the amount of the free revaluation deviation was 44.6 million euros.

NOTE 19. OTHER SHAREHOLDERS' EQUITY

None

NOTE 20. PROVISIONS FOR RISKS AND CHARGES

(in thousands of euros)	Provisions as at 01/01/2023	Allocations during the year	Reversals during the year	**Provisions as at 31/12/2023**
Miscellaneous contingencies	52		(52)	0
Foreign exchange loss	6		(6)	0
TOTAL	**58**	**0**	**(58)**	**0**

These provisions were recorded in the accounts in accordance with the ANC 2014-3 regulation.

The provision for miscellaneous contingencies on financial year opening corresponded to a contingency provision as part of an ongoing tax audit concerning one of the Company's Romanian subsidiaries. The tax audit has been completed, the adjustment amount was 117,000 euros, booked over the financial year, and the provision was fully recovered.

No situation has been identified where the company is committed to bear the losses of a subsidiary with negative equity and which would require the recognition of a provision for risks in this regard.

There is no provision for retirement commitments at the end of the financial year.

NOTE 21. FINANCIAL INDEBTEDNESS

note 21.1. ANALYSIS BY CATEGORY OF DEBT

(in thousands of euros)	**2023**		2022
Bonds	78 664		87 947
Medium-term loans from credit institutions	3 309		4 400
Short-term loans	0		0
Bank overdrafts and accrued interest payable	1 325	(1)	1 511
TOTAL loans	**83 298**		**93 858**
Intra-group debts	1 023		1 023
Collateral deposits received from customers	4		6
Collateral deposits received intra-group	108		108
TOTAL of other liabilities	**1 135**		**1 138**
TOTAL	**84 433**		**94 996**

(1) including 1.3 million euros of accrued interest

As indicated in note 1, several refinancing operations were carried out over the financial year, which made it possible to reduce medium-term debt by 10.5 million euros.

Medium-term loans from credit institutions correspond in full to a loan guaranteed by the State.

Intra-group debts correspond to intra-group loans entered into with group companies.

note 21.2. BREAKDOWN BY REPAYMENT DUE DATE

(in thousands of euros)	**2023**	2022
2023	1 325	17 235
2024	1 097	41 097
2025	1 103	1 103
2026	7 109	1 109
2027	72 664	33 314
2028		
More than 5 years	0	0
TOTAL	**83 298**	**93 858**

Loan maturities include regular annual loan depreciation up to their expiry as well as the depreciation of certain loans at end of term.

note 21.3. BREAKDOWN BY REPAYMENT CURRENCY

The financial debt is denominated in euros.

note 21.4. NET DEBT VARIATION

(in thousands of euros)	**2023**	2022
Financial debts	83 298	93 858
Investment securities	0	(10 013)
Liquid assets	(3 860)	(1 656)
NET DEBT	**79 438**	**82 188**

note 21.5. INFORMATION ON INTEREST RATES

(in thousands of euros)	**2023**	2022
Fixed rate loans	41 973	92 347
Variable rate loans	40 000	0
FINANCIAL DEBTS	**81 973 (1)**	**92 347**

(1) excluding accrued interest for the financial year

NOTE 22. OPERATING LIABILITIES

note 22.1. BREAKDOWN OF OPERATING LIABILITIES

(in thousands of euros)	**2023**	2022
Supplier debts and related accounts **(1)**	170	150
Intra-Group accounts receivable	12	11
TOTAL supplier debt and related accounts	**182**	**161**
Tax and social debts	46	32
Other intra-group operating liabilities	0	78
Other liabilities	32	34
TOTAL other operating liabilities	**78**	**143**
TOTAL	**260**	**304**

(1) including 130,000 euros in payable expenses

Operating debts are mainly due within one year.

NOTE 23. PREPAYMENTS AND ACCRUALS

(in thousands of euros)	**2023**	2022
Deferred income	169	161
Unrealised exchange rate losses	0	4
TOTAL	**169**	**165**

NOTE 24. OTHER INFORMATION

note 24.1. OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	**2023**
Securities given in return for bank overdrafts	
used by the subsidiaries and other guarantees of less than a year	0
Between 1 and 5 years	7 769
More than 5 years	12 106
TOTAL	**19 875**

The original amount of the guarantees provided above was 27.0 million euros.

Over the 2023 financial year, Touax SCA issued real securities, as part of a senior secured bank loan of 40 million euros, the shares of its subsidiaries Touax Rail Limited, Touax River Barges SAS, Touax Container Services SAS and Touax Modular Building Solutions SAS.

note 24.2. PROPERTY LEASING COMMITMENTS

TOUAX SCA has no property leasing commitments at the end of the financial year.

note 24.3. HEDGING OF CURRENCY RISK

Over the course of the financial year, the Company did not use hedging options against the risk of conversion of foreign currency results in its consolidated accounts.

The Group's objective is to minimise financial currency risk on operations in a currency whose fluctuations would affect financial income. On financial year closing, the Company had no outstanding forward currency purchases/sales.

Part of the Company's debt is exposed to interest rate fluctuations. To reduce this exposure, the Company uses interest-rate hedging instruments (Cap/Floor interest-rate options). It should be recalled that these instruments are never held for speculative purposes.

As at 31 December 2023, the total notional amount of interest-rate derivatives (CAP & FLOOR) is 20 million euros.

note 24.4. CONTINGENT LIABILITIES

As part of the transfer of the European modular buildings activity in 2017, an assets and liabilities guarantee was agreed with the purchaser, WH BIDCO. The escrow account for an outstanding amount of 3.3 million euros, paid under this liability guarantee had been reimbursed in full at the start of 2021. To date, no compensation is foreseen.

note 24.5. SHARE SUBSCRIPTION WARRANTS

The Company has issued share purchase warrants, with the following characteristics:

Instrument	Stock warrant
Date of General Meeting	24/06/2020
Date of the Management Board	11/09/2020
Total number of financial instruments issued	142 600
Conversion starting point for the Instruments	30/10/2020
Expiration date	31/12/2025
Issue price	0,72 €
Parity	arrant for 1 share

note 24.6. REMUNERATION OF CORPORATE OFFICERS

The remuneration of corporate officers, Managers and members of the Supervisory Board, paid by the Company in 2023 totalled 105,000 euros.

note 24.7. TABLE OF SUBSIDIARIES AND HOLDINGS

Company or group of companies	Capital	Shareholders' equity other than capital and before appropriation of income	Share of capital held in %	Book value of securities held after revaluation		Loans and advances granted by the parent company and not yet repaid	Value (1) of guarantees and agreements issued by the company	Revenues	Profit or loss for the previous financial year	Dividends recorded by the parent company during the previous financial year
				Gross	Net					
1 SUBSIDIARIES (+50% owned)										
a. French subsidiaries										
TOUAX RIVER BARGES SAS	€10,785k	2,271k euros	100%	€38,129k	€38,129k			4,343k euros	458k euros	249k euros
TOUAX CONTAINER SERVICES SAS	€8,251k	31,258k euros	100%	€51,930k	€51,930k			9,298k euros	593k euros	5,192k euros
TOUAX CORPORATE SAS	542k euros	87k euros	100%	€2,591k	860k euros			9,146k euros	952k euros	300k euros
TOUAX MODULAR BUILDING SOLUTIONS SAS	6,078k euros	€0k	100%	9,917k euros	4,197k euros	12,670k euros		12,534k euros	216k euros	
TOTAL FOR THE FRENCH SUBSIDIARIES				**102,568k euros**	**95,116k euros**	**12 670k€**				**5,740k euros**
b. Foreign subsidiaries										
TOUAX RAIL Ltd	0,7k euros	105,403k euros	51%	81,502k euros	81 502k€	3,398k euros		105,594k euros	- 4,021k euros	4,080k euros
TOUAX UK	£1	8k pounds	100%	0k€	0k€			1,291k pounds	53k pounds	94k euros
TOTAL FOR FOREIGN SUBSIDIARIES				**81 502k€**	**81 502k€**	**3 398k€**				**4,174k euros**
SUBSIDIARIES TOTAL				**184,070k euros**	**176,619k euros**	**16,068k euros**				**9,915k euros**

note 24.8. RELATED PARTY DISCLOSURES

A regulated agreement was indirectly concluded between TOUAX SCA and one of its Managing Partners, through a real estate investment trust, relating to the leasing and maintenance of its premises at the Tour Franklin, amounting to 1.1 million euros per annum.

note 24.9. CONSOLIDATED FINANCIAL STATEMENTS

Touax SCA is subject to the obligation to publish consolidated accounts and these are available on the company's website.

18.2. INTERIM FINANCIAL REPORTS AND OTHER REPORTS

Not applicable

18.3. AUDIT OF HISTORICAL ANNUAL FINANCIAL INFORMATION

Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of Touax SCA, a partnership limited by shares, issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31st, 2023

To the Annual general meeting of TOUAX SCA,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of TOUAX SCA for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

- **Audit Framework**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

- **Independence**

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from the 1st of January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 et R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- **Depreciation rules for rental equipment**

- ***Key Audit Matter***

The Touax Group is an operational lessor of standard sustainable transport equipment. Rental equipment controlled by the Group is mainly recorded under the heading Rental equipment included in Property, plant and equipment in the consolidated balance sheet.

As of December 31, 2023, the net book value of the rental equipment recorded in Property, plant and equipment amounts to 367.5 million euros as specified in Note 17 to the consolidated financial statements. Due to the Group's activity, rental equipment represents the majority of total consolidated assets (65%).

The methods of depreciation of the rental equipment (freight railcars and logistics containers) are described in Note 1.8 *Property, plant and equipment* to the consolidated financial statements. Equipment acquired new and second-hand, as well as their components (including overhaul costs and car axles), are depreciated using the straight-line method over their remaining useful lifetime. In addition, containers are depreciated taking into account their residual value that varies according to their type.

Given their significant contribution to the Touax Group consolidated financial statements and the importance of the judgements made by management on the assumptions of useful life and residual value, we consider the methods of depreciation of the rental equipment to be a key audit matter.

- ***Audit response***

We learned about the process by which management ensures that the assumptions made are reasonable.

Our work also included:

- critically examining assumptions made based on our knowledge of operational divisions and their environment;
- comparing, in recent years, the sales prices of the Group's owned equipment with the net book values of the equipment in question in order to verify the reasonableness of the residual value assumptions;

- comparing the assumptions of useful life and residual value retained for each asset class with the assumptions selected by rental market participants and/or end users of that asset type;

- finally, considering the appropriateness of the information provided in Notes 1.8 and 17 to the consolidated financial statements on depreciation rules and residual value assumptions for rental equipment.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Management Board.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

- ## Other Legal and Regulatory Verifications or Information

- **Format of presentation of the consolidated financial statements intended to be included in the annual financial report**

- We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor over the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Management Board complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. Our work included verifying that the tagging of these consolidated financial statements complies with the format defined in the regulation cited above.

- Based on the work we have performed, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic information format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

- Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

- **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of TOUAX SCA by the annual general meeting held on June 6, 2000 for Deloitte & Associés and on June 9, 2016 for RSM Paris.

As of December 31, 2023, Deloitte & Associés and RSM Paris have been engaged by TOUAX SCA for 24 years and 8 years respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to ensure the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

- **Objectives and audit approach**

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision, and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

- **Report to the Audit Committee**

We submit a report to the Audit Committee which includes the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 à L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors.

Paris et Paris-La Défense, March 22nd, 2024

The Statutory Auditors

French original signed by

RSM Paris	**Deloitte & Associés**
Régine STEPHAN	Albert AIDAN

Statutory auditors’ report on the financial statements

This is a free translation into English of the statutory auditors’ report on the financial statements of Touax SCA, a partnership limited by shares, issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors’ report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2023

To the Annual general meeting of TOUAX SCA,

Opinion

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of TOUAX SCA for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the results of operations for the year ended December 31, 2023, and of the financial position and assets and liabilities of the company at that date, in accordance with French accounting principles.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section "Statutory Auditors’ Responsibilities in the Audit of the Annual Accounts" of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from January 1st 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred by Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the financial statements for the financial year, as well as the responses we have provided to these risks.

These assessments were addressed in the context of our audit of the financial statements taken as a whole and the formation of our opinion expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments and investments in associates

Key Audit Matter

Touax SCA holds equity investments in companies whose business consists primarily of the rental and management of standardized sustainable transport equipment (rail cars, river barges and containers).

As of December 31, 2023, equity investments and investments in associates recorded on the balance sheet represented net carrying amounts of €176 million and €13 million, respectively, or 95% of total assets. Note 2.3 to the financial statements describes the methods used to measure equity investments and investments in associates at the balance sheet date:

- Equity investments: The fair value of equity investments at the balance sheet date corresponds to the value in use representing the amount the entity would agree to pay if it had to purchase the investment. It is calculated using the larger of the amount of equity of the subsidiary, the amount of equity of the sub-group that may be formed by the subsidiary, or the amount of equity obtained using the Discounted Cash Flow (DCF) method. The DCF method depends on assumptions of future profitability, investments, and the weighted average cost of capital. When the fair value of equity investments is lower than the gross value, an impairment loss is recorded for the amount of the difference. This impairment loss is reversed when the fair value rises.
- Investments in associates: an impairment loss is recorded when it is no longer certain that the investments can be recovered.

We considered the valuation of equity investments and investments in associates to be a key audit matter due to their material importance to the financial statements, and the fact that Company management must use significant assumptions, estimates and judgements in determining the fair value of these assets.

Audit response

We familiarized ourselves with the process used by the Company to estimate the fair value of equity investments and assess the recovery risk for investments in associates.

Our procedures consisted of:

- Verifying the relevance of the methodology adopted by the Company by:
  - Comparing the share of equity of the subsidiaries or the sub-groups that may be formed by the subsidiaries with the net carrying amount of the equity investments to identify areas of valuation risk;
  - Verifying that the equity used agrees with the entity accounts audited;
  - Corroborating, through discussions with management, the reasonableness of the data and assumptions used for the value in use estimate;
  - Verifying that the equity investments of subsidiaries with a negative net worth were impaired in full and covered by a provision, where necessary, should the Company have to assume the losses of these subsidiaries.
- Assessing the recoverability of investments in associates with respect to the equity investment analyses.

We also assessed the appropriateness and completeness of the disclosures in Notes 2.3, 11.3, 15.1 and 15.2 to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents on the financial situation and the financial statements sent to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Supervisory Board’s report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 et L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to salaries and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information

Other Information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Management Board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Furthermore, we have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of TOUAX SCA by the Annual General Meeting held on June 6, 2020, for Deloitte & Associés and on June 9, 2016, for RSM Paris.

As of December 31, 2023, Deloitte & Associés and RSM Paris have been engaged by TOUAX SCA for 24 years and 8 years respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

In the context of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgement throughout the audit. In addition:

- The auditor identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that the auditor believes is sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation, or circumvention of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control
- it assesses the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the annual accounts
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information gathered, the existence or not of a significant uncertainty related to events or circumstances that could call into question the company's ability to continue as a going concern. This

assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify.

- evaluating the overall presentation of the financial statements and assessing whether the financial statements present fairly the underlying transactions and events

Report on corporate governance

We submit a report to the Audit Committee which includes the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, March 22nd ,2024

The Statutory Auditors

RSM Paris	**Deloitte & Associés**
Régine STEPHAN	Albert AIDAN

Statutory Auditors’ special report on regulated agreements

This is a free translation into English of the statutory auditors’ special report on regulated agreements and commitments issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Annual General Meeting held to approve the financial statements
for the year ended December 31, 2023

To the Touax SCA Annual General Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the Company’s interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements and commitments, if any. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 226-2 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General Meeting, if any.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been advised of any agreements authorized and entered into during the past fiscal year that should be submitted to the approval of the Shareholders' Meeting pursuant to the provisions of Article L. 226-10 of the Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements approved in prior years that remained in force during the year

Pursuant to Article R. 226-2 of the French Commercial Code, we have been informed that the following agreement, previously approved by Annual General Meetings of prior years, has remained in force during the year.

With the real estate investment company SCI FRANKLIN LOCATION

Persons involved: Mr. Fabrice WALEWSKI (Manager of TOUAX SCA and Manager and shareholder of the real estate investment company SCI FRANKLIN LOCATION)

Nature and purpose: Sublease agreement relating to commercial premises

Terms and conditions:

By agreement authorized by the Supervisory Board on 11 September 2019 and concluded on 31 October 2019, your company and SCI Franklin Location agreed to sublet commercial premises located Tour Franklin in La Défense. The leased premises consist of an office area on the 23rd floor, an archive area in the 7th basement and the right to use 8 parking spaces.

The sublease is granted for a period of 9 full and consecutive years, including three firm years, starting on March 25, 2020 and expiring on March 24, 2029.

The expense recorded between January 1 and December 31, 2023 corresponding to the lease and occupancy expenses amounted to €1,116,963 excluding VAT.

Paris and Paris-La Défense, March 22nd, 2024**,**

The Statutory Auditors

French original signed by

RSM PARIS	**Deloitte & Associés**
Régine STEPHAN	Albert AIDAN

18.4. PRO FORMA FINANCIAL INFORMATION

Not applicable.

18.5. DIVIDEND POLICY

The dividend has no set distribution rule such as a fixed percentage of net income or of the share price.

Dividends that remain unclaimed 5 years after the payment date will lapse and be paid to the state.

financial year concerned *(in Euros)*	payment date	statutory remuneration of general partners	dividend per share	number of shares remunerated	total of the distribution
2020	July 2021	644 075			644 075
TOTAL 2020					**644 075**
2021	July 2022	907 292			907 292
TOTAL 2021					**907 292**
2022	July 2023	803 462	0,10	6 999 774	1 503 439
TOTAL 2022					**1 503 439**

18.6. LEGAL AND ARBITRATION PROCEEDINGS

No governmental, legal or arbitration proceedings (including all proceedings that the Group is aware of that are pending or with which it is threatened) have had or could have material effects on the financial situation or profitability of the Group in the last twelve months apart from the proceedings mentioned in note 33.8 of the notes to the consolidated financial statements page 97.

18.7. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE ISSUER

No significant change has taken place in the Group's financial or trading situation since the end of the last financial year for which audited financial statements have been published.

19. ADDITIONAL INFORMATION

19.1. SHARE CAPITAL

LOG OF THE SHARE CAPITAL ON 31 DECEMBER 2023

Year	Share capital (€)	Issue premium (€)	Accumulated number of shares	Par value	Transaction type
2019	56,092,376		7,011,547	€8	
2020	56,092,376		7,011,547	€8	
2021	56,092,376		7,011,547	€8	
2022	56,092,376		7,011,547	€8	
2023	56,092,376		7,011,547	€8	

The share capital is composed as of 31 December 2023 of 7,011,547 fully paid-up shares with a par value of 8 euros, representing 8 351 246 theoretical voting rights and 8 325 519 exercisable voting rights (after deduction of shares deprived of voting rights). The breakdown of TOIJAX SCA's capital and voting rights is detailed in paragraph 16.1 page 51.

INFORMATION CONCERNING ISSUE AUTHORISATIONS IN FORCE ON 31 DECEMBER 2023

The General Meeting of shareholders of 22 June 2022, with the unanimous agreement of the General Partners, delegated the following issue authorisations to the Management Board.

Description of authorisations	authorisation date	due date	authorised ceilings	use during 2023	total amount used
Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with retention of preferential subscription rights	Combined General Meeting of 22 June 2022 (22nd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none
Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with suppression of preferential subscription rights by offer to the public but with a priority time period	Combined General Meeting of 22 June 2022 (23rd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none
Increase the share capital resulting from excess demands	Combined General Meeting of 22 June 2022 (24th resolution)	21 August 2024	maximum of 15% of the initial issue	not used	none

Issuing shares for the benefit of the group's employees, with cancellation of the preferential subscription right	Combined General Meeting of 22 June 2022 (25th resolution)	21 August 2024	maximum of 600 000 euros	not used	none

(1) Ceiling of €20 million authorised for all share capital increases in par value.
(2) Independent ceiling.

These authorizations cancel any previous delegations for the same purpose.

All financial instruments giving access to capital resulting in dilution are presented in paragraph below.

Issued capital

The capital is fully subscribed and paid-up.

Securities not representing capital

There are no securities not representing capital.

Capital held by the issuer itself

The share of capital held by TOUAX SCA on 31 December 2023 is detailed in chapter 16 page 51. No subsidiary holds a stake in TOUAX SCA.

Potential capital

The Group has issued warrants to subscribe to Company shares ("stock warrants"), the characteristics of which are as follows:

Instruments	Stock warrant
Date of General Meeting	24/06/2020
Date of the Management Board	11/09/2020
Total number of financial instruments issued	142 600
Conversion starting point for the Instruments	30/10/2020
Expiration date	31/12/2025
Issue price	0,72 €
Parity	1 stock warrant for 1 share

Capital authorised but not issued

Not applicable

Option or conditional or unconditional agreement relating to share capital

Not applicable

Log of the capital

See paragraph 19.1 above.

19.2. CONSTITUTIVE ACTS AND ARTICLES OF ASSOCIATION

Object of the partnership

Object of the partnership (Article 2)

The object of the partnership is in particular, in all countries:

- to purchase, lease, finance, sell, operate and maintain any standardized, mobile equipment, including shipping or storage containers, modular buildings, river barges and freight railcars
- to operate river push-towing, towing, haulage, transport and chartering services on all waterways,
- to design, build, fit out, repair, purchase, sell, operate directly or indirectly and lease modular and industrialized buildings, and all industrial, mobile and transportable equipment in general,
- to acquire holdings in and operate any business or enterprise of an identical, similar or related nature, whether by forming new companies, capital contributions, subscribing or purchasing shares or other rights in such enterprises, by merger, association, or in any other way
- to acquire, obtain and sell all types of patents, patents of addition and licenses of patents and processes
- to acquire interests of any kind in any industrial, financial or commercial corporation, any corporation dealing in real or movable property, in existence now or in the future, in France or abroad
- to acquire, operate, build or in any way develop any kind of land or buildings,
- the option to carry out services of any kind for the Touax Group, relating to the aforementioned objectives and any similar or related objectives which may further the development of the business operations of the company and its subsidiaries
- in general, to carry out any commercial, industrial or financial transaction involving real or movable property directly or indirectly related to the above objects which may further the development of the partnership's business.

Existing share categories

A double voting right than that conferred to other shares, with regard to the share capital they represent, is allocated to all fully paid-up shares for which there will be proof of registered registration for at least five years in the name of the same shareholder.

The conversion to the bearer of a share, the transfer of its property makes the share lose the aforementioned double voting right.

In addition, in the event of a capital increase through the incorporation of reserves, profits or issue premiums, double voting rights shall be granted, from the date of issue, to registered shares allotted free of charge to shareholders on the basis of existing shares for which they have double voting rights.

Provisions of a charter or a regulation limiting the change of control or changes in capital

Not applicable

20. SIGNIFICANT CONTRACTS

There are no significant contracts other than those entered into in the normal course of business.

There are no contracts other than those entered into in the normal course of business, concluded by a member of the Group and including provisions imposing on any member of the Group a significant obligation or commitment for the Group as a whole, at the date of registration of the document.

21. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Available on the website www.touax.com in particular are the following documents:

- the reference documents in the form of annual reports, and their updates, as well as the universal registration document, filed with the AMF
- financial press releases published by the Group.

Copies of this universal registration document are available, free of charge, from TOUAX SCA, Tour Franklin – 23rd floor – 100-101 Terrasse Boieldieu – 92042 La Défense cedex, FRANCE, as well as on the TOUAX website: www.touax.com and on the website of the French Financial Markets Authority (www.amf-france.org).

22. Reports of the Managing Partners

22.1. Management report

Dear Shareholders,

This management report was filed on 20 March 2024.

TOUAX is a business services Group, specialised in operational leasing and the sale of standardised mobile equipment with a long service life (15 to 50 years). As at 31 December 2023, the Group mainly manages three types of equipment through three distinct divisions:

- Freight Railcars used for the transportation of goods for major rail, logistics and industrial groups in Europe and Asia. The Group manages a fleet of about 13,191 railcars (platforms) including 1,504 railcars, for which it provides technical management services,
- River Barges for leasing in Europe, the USA and South America. The Group is the leader in Europe and South America with 107 barges, and
- Shipping Containers with a fleet of about 327,922 TEU (measurement of container size in twenty-foot equivalent units) leased all over the world, seeing the Group as leader in continental Europe, and in third position worldwide in terms of asset management.
- TOUAX is ideally placed to cater for the rapid growth in outsourcing by companies of their non-strategic assets and their use of leasing, which makes it possible to offer:
- a flexible contract for the short or long term;
- no capital expense for the customer,
- subcontracted maintenance;
- rapid availability.

Since TOUAX is a partnership limited by shares (SCA), it is stated that the joint decisions of the shareholders, apart from those relating to the appointment and dismissal of members of the Supervisory Board, only enter into force and become enforceable against the shareholders, the company and third parties, once it has been ascertained that the decision of the General Partners complies with the vote of the Limited Partner Shareholders at the Annual General Meeting.

The Group's origins date back to 1853. The TOUAX Group was set up on 31 December 1898 and has been listed on the Paris Stock Exchange since 7 May 1906.

Group situation and analysis of the 2023 consolidated financial statements

International accounting standards

The consolidated financial statements as at 31 December 2023 and comparative data have been prepared according to IFRS accounting standards, in accordance with the regulations in force.

Scope of consolidation

The complete list of companies consolidated by TOUAX is mentioned in note 2.2 of the notes to the consolidated accounts page 71 of the universal registration document.

Factors affecting our operating results

Our operating results and operating indicators examined below have been, and may continue to be, affected by certain determinants discussed below as well as certain historical events and facts.

Macroeconomic conditions and volume of international trade

We are subject to the effects of cyclical macroeconomics and general economic conditions. Global economic growth can have a major impact on the demand for goods and services provided by our various activities. Although periods of economic downturn or recession have had, and may in the future have, a negative impact on the demand and prices of our products and services, the diversification of our activities in 3 divisions and our global presence help to mitigate the impact of a downturn in a particular sector or market.

Our Freight Railcar, River Barge and Shipping Container divisions are all affected by changes in the volume of goods, but also largely benefit from a high demand for equipment replacement.

Freight railcar demand underlies demand for freight rail transportation and the need for replacement of older freight railcars. Freight rail transport depends on the evolution of trade worldwide and in a specific region. Levels of freight railcar leasing are therefore subject to variation based on a host of macroeconomic factors such as industrial output and consumer demand. In Europe, the need for annual freight railcar replacement is estimated at 14,000 railcars, equal to an annual market of around €1.4 billion.

The demand for river barges is closely linked to the regulatory, political and macroeconomic factors affecting the transportation of goods across different river basins, such as levels of industrial production, harvest level, local demand for goods, government policy relating to imports and exports of goods and the structure of international trade.

The Shipping Containers market is by its very nature an international market. As a result, growth in the shipping container industry is linked to international trade volumes. Over the period 2024-2027, we estimate the annual renewal requirement at approximately 2.6 million TEU containers (representing a market value of approximately 5.75 billion US dollars).

Paragraph 5.1 of the universal registration document page 17 gives a thorough analysis of the macroeconomic conditions and other market factors that affect demand for our products and services.

Size of leasing stock, utilisation rate and leasing rates

The three essential factors that affect our leasing turnover are the quantity of equipment, the utilisation rate of the equipment and the prices charged to our lessees.

Fluctuations in utilisation rates directly affect our operating results in two ways. First, any change in the utilisation rate has a direct effect on our leasing revenue: thus, a rising utilisation rate increases our revenue and vice versa. Secondly, the variation in the utilisation rate can have an inverse effect on our operational expenses: a drop in the utilisation rate can lead to an increase in storage costs. We are particularly affected by any variation in the utilisation rate in our Freight Railcar and River Barge divisions, since a significant proportion of this equipment belongs to us. When we invest in an asset and keep it on our balance sheet, we bear all the risks and benefits associated with that property, as opposed to assets under management, for which a decline in revenues or increase in costs reflects in lower distributions to investors and less significantly in our management fees.

We calculate the utilisation rate of our leasing fleet over a period by dividing (i) the number of days that the lessee leased the equipment by (ii) the number of days that this equipment was available for leasing. The utilisation rate of our Shipping Containers division excludes new containers manufactured but not yet leased under a first lease, as well as containers sold.

The table below shows the quantity of equipment in our leasing fleet at the end of the financial year and the average utilisation rate of our leasing equipment for each of our divisions for the financial years ended 31 December 2023 and 2022:

	For the entire year ended December 31	
	2023	2022
Freight railcars		
Number of railcars under management (end of year, platforms)*	11 687	10 745
Average utilisation rate	88,7%	87,6%
River Barges		
Number of barges under management (end of year)**	107	105
Average utilisation rate	100,0%	96,2%
Containers		
Number of containers under management (at the end of the year, in TEUs)	327 922	385 141
Average utilisation rate	95,1%	97,7%

* excluding railcars under maintenance management

** excluding chartered barges

Changes in the demand for our leasing equipment affect both the utilization rate and the prices we can charge. The demand for our products and services is subject to change based on a number of factors, including but not limited to the macroeconomic conditions affecting demand in the end markets to which we supply our products and services. Other factors affecting the utilization rate of our fleet include:

the supply available in new and used equipment, the location and prices of this equipment;

- the decision of a client to own their equipment rather than lease it;
- changing trends and patterns in freight transport trends;
- the availability and financing of equipment;

- the lead times required to purchase equipment, which may vary significantly and affect our ability to meet customer demand;
- the quantity of equipment purchased by our competitors and the amount that the lessees themselves possess;
- the decision of a shipping line or logistics company to reposition unused containers or railcars in higher demand locations, instead of leasing containers or railcars to meet the demand;
- the consolidation of lessees of equipment and a lower demand for leased equipment because of the economic viability, for concentrated players, of buying their own fleets of equipment; and
- disasters serious enough to harm the local and global economy.

Many of these factors are out of our control. To a certain extent, we can influence utilization rates by optimising our fleet of leasing equipment or by adjusting our leasing rates. In addition, for our Shipping Container division, we can also influence utilisation rates by limiting the locations where lessees can return containers at the end of the lease, so that our containers are where the leasing demand is highest.

The change in the size of our fleet has an impact on our operating results, either by increasing our fleet through purchases or by reducing our fleet through disposals. We purchase new equipment in the ordinary course of business to replace ageing assets. Because of the dynamics of the shipping container industry and the relatively short lead time with which customers expect to be able to take delivery of a container once they have signed a lease agreement, we seek to have a supply of new containers immediately available for leasing. We closely monitor the price of equipment to seize the opportunity to buy new assets when prices are low. The price of containers depends largely on the price of steel, which is the major component used in their manufacture. In contrast with our Shipping Containers division, we generally do not purchase new equipment for use in our Freight Railcar and River Barges divisions if we have not signed a lease agreement with a customer.

We carry out two types of sales: syndications to investors and sales to end customers. Depending on the market situation and our liquidity needs, we sell equipment to investors with whom we establish an asset management relationship and we sell equipment to end customers, corresponding either to a sale of equipment or to a purchase option by a customer at the end of a lease agreement with an option to purchase (rare situation).

The assets that make up our leasing fleet are long-term assets and generally retain a significant portion of their value on the second-hand market. When we sell an asset, we book the amount of the sale in income from activities, which can increase our income from activities over the period during which the sale took place. When an asset in our leasing fleet is sold to a client, we will no longer be able to benefit from its leasing income, which may subsequently result in lower revenues and cash flow. As a general rule, our sales levels may vary considerably from one period to another depending on the sale of our equipment, which explains a change in our sales revenues and total revenues. Syndications are sales of equipment to third-party investors. In this case we record a syndication fee in the income from activities. When the investor is active and we take on the role of agent, we only record a management fee in our revenues. When the investor is passive and we remain in the Principal role, we continue to record the recurring revenues related to the leasing of this asset for the entire duration of the asset management contract that we enter into with these passive third party investors.

Our income from activities, operating margins and EBITDA are also dependent on the age of the equipment we sell in syndication or in simple sales. The more we depreciate our equipment over time, the greater our margins resulting from their sale. The breakdown of our sales between old equipment and new equipment tends to be determined by market prices, the demand of our investors and the availability of equipment.

Lastly, our leasing rates also have a direct impact on our operating results as our rates affect our leasing revenue. The leasing rates we charge our customers are directly correlated with the price at which we buy the equipment to optimise our return on investment. Since much of our leasing is long-term, we are able to contractually set rates despite the price fluctuations of new equipment on the market. However, in the event of a lasting reduction in the purchase price of new equipment resulting in a lower leasing rate or resale value on the market for all existing equipment, we may encounter difficulties in releasing equipment at a profitable price, even if a sustained reduction in prices would allow us to buy new equipment at a lower cost. Daily leasing rates in the container leasing industry are currently experiencing significant inflation due to rising steel prices and the consequent rise in the purchase price of new containers, as well as a significant shortage of equipment on the market. Leasing rates in the railcar leasing industry have been under more pressure in Europe since the start of the global pandemic with lower railcar utilisation rates. We cannot predict whether this trend will continue in the short term.

Property and management

Our main activity is the leasing of mobile and standardized equipment. We increase the size of our leasing fleet in two ways: by financing own equipment through financial debt and/or own equity or by syndicating equipment to third-party investors. Changes in interest rates have a significant impact on the Group's income, as equipment is mainly financed by debt.

The total gross book value of our leasing fleet was approximately 1.2 billion euros as at 31 December 2023. We own 52% of our total leasing fleet, with the remaining 48% held by third-party investors. The table below provides a breakdown of the gross book value of our assets under own management and management on behalf of third-party investors as at 31 December 2022 and 2023.

(€ thousands)	On 31 December			
	2023		2022	
	Owned by the Group	Ownership of third party investors	Owned by the Group	Ownership of third party investors
Freight Railcars	417 079	182 789	366 431	174 792
River Barges (1)	83 163	2 540	83 846	2 540
Containers	132 625	400 270	160 343	470 450
Other	7 614		7 423	
TOTAL	**640 481**	**585 599**	**618 043**	**647 782**

(1) The river barges owned by third-party investors correspond mainly to the barges used for the chartering business.

We buy freight railcars, river barges and shipping containers from supplier plants. We sell the equipment on the second-hand market or we destroy them at the end of their life cycle, when we believe that it is financially beneficial for us to do so, taking into account the location, the sales price, repair costs and any repositioning fees.

We syndicate part of our fleet to third-party investors who buy equipment directly from us. We generally finance the purchase of materials for syndication through revolving credits (warehouse), before selling this equipment to investors. These investors are wealth managers, financial companies or other investment companies who want to diversify their investments with recurring returns on real, tangible and long-lived assets. These investors enter into a management contract at the time of the acquisition of this equipment, under which we undertake, without guarantee, to lease and manage their equipment and, in return, to distribute to them the revenues from the leasing of this equipment, minus any management fees. The equipment is managed in pools of assets, which consist of a mix of syndicated assets and owned assets. By managing the equipment in this way, we are able to ensure that we treat our leasing fleet equally for TOUAX and investors and ensure that we share the same benefits. We never form joint ventures with investors.

We achieve fees on our fleet under management in many ways. First, we record syndication fees on our fleet under management at the time of purchase of equipment by the investor, which can represent 2% to 5% of the book value of the syndicated equipment. During the leasing period of the equipment, we collect management fees representing generally 5% to 10% of the gross leasing revenues. We receive profit-sharing for the duration of the contract until the targeted return on investment objectives are achieved. When disengaging an investor, we have several choices: we repackage the syndication portfolio to a new investor, sell the assets on the second-hand market or buy the portfolio for ourselves. If we sell the assets at the request of the investor, we generally receive a sales commission of between 5% and 15% of the selling price.

The accounting processing of income from activities is shown in the note 1.18 of the notes to the consolidated financial statements page 67 of the universal registration document.

We are continually looking for opportunities to syndicate new assets. Syndication offers a way for us to grow without increasing our debt. When we retain the equipment on our balance sheet, we bear the associated risks (such as the risk of non-use and therefore a lower return on investment than expected), but are also able to take advantage of all of the profits that can be derived from the equipment, as opposed to syndication that requires us to distribute a significant portion of these profits to our investors. As a result, we benefit from a lower EBITDA and margins for equipment we manage for third parties than we generate with our owned fleet. We believe that syndication opportunities will continue to be open to us in the future, primarily because of our success in managing assets on behalf of our third-party investors and TOUAX's asset management expertise.

We finance our purchases of equipment through various means, including whether or not we intend to keep this equipment on our balance sheet or syndicate it to a third-party investor. We use a combination of drawings on our revolving lines of credit, our asset lines and our financial leasing lines to finance our acquisitions.

Operational performance

Our operating profit is significantly affected by our operating performance. We believe that our diversified business model allows us to generate revenue and recurring operating margins reflecting the quality of our standardized, flexible and liquid assets. Our day-to-day leasing and sales operations are enhanced by our dynamic equipment management enabling us to generate additional revenue through syndication and opportunistic sales of second-hand equipment.

Operational profitability of the transport activities declined in 2023. While the performance of our Freight Railcar business remained stable, that of our River Barge business improved, and that of our Shipping Container business declined with the normalisation of container sales prices and lower sales.

Exchange rate fluctuations

We operate internationally and are therefore exposed to various currency exchange risks. Although the presentation currency is the euro, the functional currency of each of our subsidiaries is generally the local currency. Nevertheless, when it comes to international commercial practice, the sales of shipping containers and the leasing rates charged for them are exclusively denominated in US dollars. As a result, the results of our Shipping Containers division may be particularly affected by changes in the exchange rate between the euro and the US dollar. Similarly, our River Barge division may also be particularly affected by a changing exchange rate between the euro and the US dollar, since leasing rates for river barges in North and South America are denominated in US dollars. Based on our results for the financial year ended 31 December 2023, we estimate that the 10% decrease in the exchange rate of the US dollar against the euro would result in a decline in our current operating income of 3.7%.

The sensitivity of our shareholders' equity and current operating income to exchange rate fluctuations is presented in the note 33.5 of the consolidated financial statements for the financial year ended 31 December 2023, page 96 of the universal registration document.

Conversion risk

The conversion risk is the risk that the value of our income from activities, costs, assets and liabilities reported in foreign currencies and converted into euros for the preparation of our consolidated income statement and balance sheet will fluctuate due to changes in exchange rates. For example, the weakening of the Euro against the US dollar will result in an increase in our income from activities and costs published in euros. Given that a number of our subsidiaries operate in markets other than those in the euro zone and our Shipping Container division operates exclusively in US dollars, these effects can be significant.

Transaction risk

Historically, our business has benefited from natural hedging against a significant portion of our transactional foreign exchange risk, as we generate in principle both income and expenses in the same currency, and we finance our assets in the same currency as the turnover they generate. There are some exceptions to this rule, such as the fact that certain costs related to our Shipping Containers division are incurred in euros or Singapore dollars, for example, while our revenues are expressed exclusively in US dollars.

We are most exposed when we exchange currencies in the normal course of our cash management and centralization. In order to avoid major exchange rate risks, we occasionally carry out hedging transactions to reduce our transactional foreign exchange risk. We generally use forward sales, purchase contracts or conventional options (*"plain vanilla"*). As at 31 December 2023, there was no operational currency risk hedging.

Exchange rate impact in accounting

Our Railcar leasing business in the UK is conducted in Pound Sterling and financed in Pound Sterling. We have no currency risk on this activity, as income flows in sterling allow us to repay the financial debt in sterling. On the other hand, we can record fluctuations in the accounting exchange rate of revaluation in euros of the financial debt. This revaluation is not offset by the revaluation of the assets, the railcars, which are recorded in the balance sheet in euros at historical cost. Cash flow hedging has been established and exchange differences have since been recorded in shareholders' equity.

Acquisitions, disposals and joint ventures

On 5 January 2023, the Touax group acquired the minority share of the Modular Buildings activity .

Debt and financial structure

Financial debt dominates our financial structure due to the significant capital requirements of our businesses, impacting our future results and, in particular, our net financial expenses.

DESCRIPTION OF THE MAIN INCOME STATEMENT ITEMS

Income from activities is comprised of the leasing activity, equipment sales activity, syndication fees and capital gains (or losses) from disposals not related to recurring activities.

Leasing revenue mainly records the rents received on the operational leasing of equipment that we manage, on our own account or on behalf of passive third-party investors, management fees for equipment belonging to active investors as well as additional services. invoiced under leases, such as repairs, transport. In our River Barges division, leasing revenues also include our chartering and storage activities in this sector. Interest income on finance leases granted to our customers is also recorded in our leasing revenue.

Since 2020, leasing revenues in syndicated assets from active investors is not recorded as income from activities. Only the management fees of the containers of active investors are recorded in Revenues.

Equipment sales correspond to the revenues generated by (i) the sale of new equipment as part of our trading activity (purchase of new equipment for resale), (ii) the sale of equipment that we manufacture in our Moroccan factory in the modular buildings business (production of new equipment for sale), (iii) the sale of used equipment which appears on our balance sheet (iv) and the sales commission of used equipment belonging to investors. With regard to the sale of equipment with the exception of that relating to equipment belonging to investors, the total amount of the sale price of the asset is recorded in the sale of equipment, as is the price of certain associated services, such as transport. Equipment sales also include the disposal of receivables on the finance lease, as well as certain fees invoiced to our customers within the scope of our activity.

In the case of sales of equipment to investors (syndication), only the syndication fee is recorded in the income from the activities.

In accordance with IFRS, revenues generated by disposals of assets other than freight railcars, river barges and shipping containers is not recorded in the equipment sales item, but in plus (or minus) disposal values not linked to recurring activities.

The **cost of equipment sales** includes all costs related to the sale. The cost of sales includes in particular (i) the purchase price of new equipment purchased for resale as part of our trading activities, (ii) the cost of producing equipment that we manufacture for sale to third parties as part of our Modular Building business (in particular the cost of raw materials and production personnel costs) and (iii) the net book value of the equipment we sell and which appeared on our balance sheet as tangible assets or as stock at the time of the sale and all costs associated with these sales.

Operational expenses correspond to the costs incurred as part of our leasing activity. These operational expenses include maintenance and repair costs, transportation costs, storage costs, and other costs incurred in the leasing of equipment. Operational expenses also include personnel costs related to our agency teams and our operational teams, such as logistics and technical teams. In addition, operational expenses record operating provisions for bad debts. Finally, we record the value added contribution of companies (or "CVAE") for French entities as an operational expense. **Overheads and administrative expenses** include general operating expenses, such as head office support staff costs, including our administrative staff, other administrative and IT expenses, property rents, and consulting or legal fees. Operating expenses for assets held by active investors are not recorded in other external expenses

Depreciation, amortization and impairments mainly correspond to the straight-line depreciation of assets held by our Group, the depreciation of equipment belonging to the Group and financed by finance leases, as well as impairment (excluding goodwill impairment).

Net distribution to third-party investors corresponds to the leasing revenues generated by the equipment we manage on behalf of third-party investors, less management fees and other operating expenses incurred in the management of this equipment, which is distributed to third-party investors according to the distribution rules of our management programmes. Distributions may vary for a number of reasons, including a decrease in leasing revenue or an increase in the costs associated with the leasing fleet owned by a third-party investor. The net distribution to third-party investors does not concern active investors for whom only the management fee is recorded in revenues. The share of net income returned to active investors is not recorded as distributions to investors

Other income (expenses), net amount, includes non-recurring operating income and expenses.

In particular, this section includes goodwill loss of value, the acquisition costs of equity investments, variations in fair value of price supplements granted as part of the acquisition of securities, restructuring costs and exceptional taxes.

The **net financial expenses** mainly include interest payable on financial debt, less the financial income from interest income as well as the *mark-to-market* valuation of derivative products.

Corporate tax consists of current taxes payable by our Group and deferred taxes calculated on tax losses and temporary differences between the consolidated results in our financial statements and the tax results.

GROUP OPERATING RESULTS

The accounts as at 31 December 2023 as well as the comparative data are presented in accordance with IFRS standards.

The Group acts as an agent in its relations with active investors. This results in the following accounting:

- syndication fees are recorded as income from activities.
- equipment management fees are recorded as income from ordinary activities under the leasing activity heading.

It should be noted that under IFRS 16, transactions carried out before 2019 do not require retrospective treatment.

To allow a better understanding of its activities, the income statement and income from activities are restated in order to present the activities under ownership on the one hand and the activities under management on the other hand. For management activities, leasing revenue from equipment held by investors is replaced by management fees, which correspond to the net contribution of leasing management activity to the performance of the Group. This presentation therefore allows direct reading of syndication fees, sales commissions and management fees, grouped together under management activity, distinct from owned activity (see note 3 of the notes to the consolidated accounts page 71).

The table below presents certain items in our income statement for the financial years ended 31 December 2022 and 2023.

Capital gains or losses on disposals unrelated to recurring activities	1	7
Restated income from activities	**157 127**	**161 455**
Cost of equipment sales	(49 426)	(50 239)
Operating expenses	(25 564)	(28 245)
General and administrative expenses	(26 799)	(25 024)
EBITDA	**55 338**	**57 947**
Depreciation and impairments	(29 451)	(26 862)
Current operating income	**25 887**	**31 085**
Other operating income and expenses	2 439	
Operating income	**28 326**	**31 085**
Financial income	**(21 003)**	**(15 399)**
Income from companies accounted for by the equity method		
Current income before taxes	**7 323**	**15 686**
Taxes on profits	(1 482)	(6 283)
Net income from continuing activities	**5 841**	**9 403**
Net income from discontinued activities		
Net income	**5 841**	**9 403**
of which non-controlling interest (minority interests) in continuing operations	2 234	1 936
of which non-controlling interest (minority interests) in discontinued operations		
CONSOLIDATED NET INCOME (GROUP SHARE)	**3 607**	**7 467**

FINANCIAL YEAR ENDED 31 DECEMBER 2023 COMPARED TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Restated income from activities

The table below shows the breakdown of our restated income from activities for the financial years ended 31 December 2023 and 2022:

Restated income from activities *(in thousands of euros)*	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Variation
Total leasing activity	55,303	52,165	6%
Total equipment sales activity	427	1,550	-72%
Total Group-owned Activity	**55,730**	**53,715**	**4%**
Total Managed Activity	**2,548**	**2,427**	**5%**
Total Freight Railcars	**58,278**	**56,142**	**4%**
Total leasing activity	14,896	17,397	-14%
Total equipment sales activity	52	16	225%
Total Group-owned Activity	**14,948**	**17,413**	**-14%**
Total Managed Activity	**76**	**41**	**85%**
Total River Barges	**15,024**	**17,455**	**-14%**
Total leasing activity	20,552	22,159	-7%
Total equipment sales activity	39,810	50,831	-22%
Total Group-owned Activity	**60,362**	**72,991**	**-17%**
Total Managed Activity	**6,554**	**8,455**	**-22.5%**
Total Shipping Containers	**66,916**	**81,445**	**-18%**
Total leasing activity	19	18	
Total equipment sales activity	16,889	6,388	164%
Total Group-owned Activity	**16,908**	**6,406**	**164%**
Total Other	**1**	**7**	**-85%**
Total Others & Disposals	**16,909**	**6,413**	**164%**
Total restated Income from Activities	**157,127**	**161,456**	**-2.7%**

Restated Income from Activities

Restated income from operations decreased by 4.3 million euros (-2.7%), from 161.5 million euros in December 2022 to 157.1 million euros in December 2023. At constant currency and scope, the variation is -1.2%. The dollar depreciated between the two periods, shifting from $1.0530 = €1 (2022 average rate) to $1.0816 = €1 (2023 average rate).

Owned equipment activity dropped by 2.6 million euros. This decline was mainly due to lower sales of containers and railcars, although it was partially offset by higher sales of modular buildings.

Managed equipment activity fell by 1.7 million euros. Syndication fees were down in the Shipping Containers and Freight Railcar business by 1.5 million euros. This change was partially offset by higher sales of investor-owned used containers. Management fees decreased by 0.6 million euros, rising in the Freight Railcar division and falling in the Shipping Container division.

Restated income from activities in the Freight Railcar division

Restated income from activities in the Freight Railcar division increased by 2.1 million euros, rising from 56.1 million euros on 31 December 2022 to 58.3 million euros on 31 December 2023.

Internally-owned business grew by +2 million euros over the year. Its revenue rose from 53.7 million euros in December 2022 to 55.7 million euros in December 2023. This increase is due to higher leasing revenue (+2.3 million euros) and ancillary services (+0.8 million euros), offset by lower sales (-1.1 million euros). The average utilisation rate rose from 87.55% in 2022 to 88.71% in 2023.

Managed equipment activity increased by 0.1 million euros. Its revenue rose from 2.4 million euros in 2022 to 2.5 million euros in 2023. Management fees rose by 0.3 million euros, while syndication fees fell by 0.2 million euros.

Restated income from activities in the River Barges division

Restated income from activities in the River Barges division fell by 2.4 million euros, from 17.5 million euros to 15 million euros. Charter business, recorded under ancillary services and which had reached an exceptional level in 2022, explains the decline in 2023. Leasing sales benefit from investments made in Europe in 2022 in the amount of 250 thousand euros, and from the full invoicing in 2023 of barges in South America in the amount of 230 thousand euros.

Restated income from activities in the Shipping Containers division

Restated income from activities in the Shipping Container division declined by 14.5 million euros, dropping from 81.4 million euros as at 31 December 2022 to 66.9 million euros as at 31 December 2023.

Owned equipment activity dropped by 12.6 million euros.Its revenue rose from 73 million euros in 2022 to 60.4 million euros in 2023.Leasing sales benefited from investments and increased by 1.2 million euros. Ancillary services (mainly pick-up charges) and sales fell by -2.8 million euros and -11 million euros respectively. These two positions benefited from exceptional market opportunities in 2022.

Managed equipment activity decreased by 1.9 million euros. Its revenue rose from 8.5 million euros in 2022 to 6.6 million euros in 2023.Syndication fees are down (disposal of 14,750 CEU in 2023 compared to 19,318 CEU in 2022). Commissions on the sale of investors' equipment rose by +0.4 million euros, thanks to the return of leased containers now available for sale. Management fees fell by 0.9 million euros due to a reduction in the fleet.

Revenue in the Modular Building division in the Others & Disposals sectors

The revenue generated in the Modular Building division is grouped together in the Others & Disposals sector. The business is mainly focused on the sale of modular buildings manufactured by the Moroccan plant. Sales increased by 10.5 million euros following a "blank" year of slow recovery after Covid in 2022.

Cost of equipment sales

The table below shows the breakdown of cost of sales by division.

Cost of sales per division	**2023**	As a % of divisional sales of equipment	2022	As a % of divisional sales of equipment	Change	
	(€ thousands)	*(In %)*	*(€ thousands)*	*(In %)*	*(€ thousands)*	*(In %)*
Freight railcars	(215)	50%	(667)	43%	452	-68%
River Barges	(77)	147%	0	0%	(77)	NA
Containers	(38,244)	96%	(43,418)	85%	5,174	-12%
Others and eliminations	(10,891)	64%	(6,154)	96%	(4,737)	77%
TOTAL COST OF SALES	**(49,426)**		**(50,239)**		**813**	**-2%**
TOTAL COST OF SALES as a % of equipment sales		**86%**		**85%**		

The total cost of sales fell by 0.8 million euros (or -2%), dropping from 50.2 million euros in 2022 to 49.4 million euros in 2023.

The total sales margin amounted to 7.8 million euros compared to 8.5 million euros in 2022, representing a decrease of 0.8 million euros.

Cost of sales in the Freight Railcars division

The cost of sales in the Freight Railcars division fell by 0.5 million euros in 2023. The margin on sales was down by 0.7 million euros (0.2 million euros in 2023 compared to 0.9 million in 2022).

Cost of sales in the River Barges division

No significant sales have been made in the last two years.

Cost of sales in the Shipping Containers division

The cost of sales in the Shipping Containers division fell by 5.2 million euros, dropping from 43.4 million euros in 2022 to 38.2 million euros in 2023. The margin on sales dropped by 5.8 million euros. The margin rate fell from 17% in 2022 to 4% in 2023.

The cost of sales for Modular Buildings in the Others & Disposals sectors

The cost of sales for the Modular Building division rose by 4.7 million euros, increasing from 6.2 million euros in 2022 to 10.9 million euros in 2023. This variation is explained by the increase in sales. The margin on sales increased by 5.8 million euros. The margin rate rose from 4% in 2022 (under activity) to 55% in 2023.

Operating expenses

The table below shows the breakdown of operating expenses by division.

Operating expenses decreased by 2.7 million euros (-9%), falling from 28.2 million euros in 2022 to 25.6 million euros in 2023.

Operating expenses by division	2023	2022	Change	
	(€ thousands)	*(€ thousands)*	*(€ thousands)*	*(In %)*
Freight railcars	(13,517)	(12,456)	(1,061)	9%
River Barges	(6,780)	(9,717)	2,937	-30%
Containers	(4,915)	(5,536)	622	-11%
Others and eliminations	(352)	(536)	6	-1%
TOTAL	**(25,564)**	**(28,245)**	**2,681**	**-9%**

Operating expenses in the Freight Railcars division

Operational expenses in the Freight Railcar division increased by 1 million euros, rising from 12.5 million euros in 2022 to 13.5 million euros in 2023.

This change is mainly due to higher maintenance and repair expenditure.

Operating expenses in the River Barges division

Operating expenses in the River Barges division fell by 2.9 million euros, in line with the drop in chartering.

Operating expenses in the Shipping Containers division

The operating expenses incurred in our Shipping Containers division fell by 0.6 million euros (-11%), decreasing from 5.5 million euros in 2022 to 4.9 million euros in 2023. Operating expenses include reversals of provisions on stocks in the amount of +1.8 million euros in 2023 compared to an allocation of -2.3 million euros in 2022, and then a change in allocations to provisions on customer receivables unfavourable to income this year, in the amount of -1.4 million euros.The positive impact of allocations to/reversals of provisions (2.8 million euros) absorbs the increase in maintenance and repair expenditure.

Operating expenses of Modular Buildings in the Other & Eliminations sectors

Operating expenses were stable.

General and administrative expenses

The table below shows the breakdown of our general and administrative expenses by division.

General and administrative expenses by division	2023	2022	Change	
	(In thousands of euros)	*(€ thousands)*	*(€ thousands)*	*(In %)*
Freight railcars	(13,152)	(12,464)	(688)	6%
River Barges	(2,889)	(2,767)	(122)	4%
Containers	(8,515)	(9,647)	1,132	-12%
Others and eliminations	(2,242)	(147)	(2,095)	n.a.
TOTAL	**(26,799)**	**(25,024)**	**(1,775)**	**7%**

General and administrative expenses increased by 7%, rising from 25 million euros in 2022 to 26.8 million euros in 2023.

General and administrative expenses in the Freight Railcars division

General and administrative expenses incurred by the Freight Railcars division increased by 0.7 million euros, rising from 12.5 million euros as at 31 December 2022 to 13.2 million euros as at 31 December 2023.

- Personnel costs increased by 0.4 million euros,
- Travel expenses increased by 0.1 million euros,
- Corporate management fees also increased by 0.3 million euros,
- Fees fell by 0.1 million euros.

General and administrative expenses in the River Barges division

General and administrative expenses for the River Barges division increased by 0.1 million euros.This change is divided between personnel costs and other expenses.

General and administrative expenses in the Shipping Containers division

The general and administrative expenses incurred in our Shipping Containers division are lower by 1.1 million euros, falling from 9.6 million euros in 2022 to 8.5 million euros in 2023.

The main variance is 1.1 million euros, corresponding to an internal invoicing catch-up between Group companies. Without this reinvoicing, overhead costs are stable.

General and administrative expenses in the Modular Building division in the Others & Disposals sectors

General and administrative expenses incurred by the Modular Building division increased by 0.5 million euros. The variation corresponds mainly to management fees invoiced by the Corporate division.

Central costs

The Group's central costs increased by 2.3 million euros, rising from 7.3 million euros in 2022 to 9.7 million euros in 2023. The increase is due to the internal invoicing catch-up mentioned above. Without this re-invoicing, central costs rise mainly in line with salary inflation.

Net distributions to investors

The distribution is deducted from income from assets belonging to investors in the management fee item.

Depreciation and loss of value

Depreciation and amortisation increased by 2.6 million euros, or 10%, rising from 26.9 million euros in 2022 to 29.5 million euros in 2023.

Depreciation in the Freight Railcars division accounted for 1.3 million euros of this increase, depreciation in the River Barge division amounted to 0.1 million euros, that in the Shipping Container division amounted to 1.4 million euros, and finally, depreciation in the Modular Building division amounted to -0.2 million euros. These increases are due to new investments in 2022 and 2023.

Other operating income and expenses

The buyout of the minority shareholding in the Modular Building division in January 2023 had a positive impact on income in the amount of 3.5 million euros. A 1 million USD expense was recorded following the conviction in the USA of a former dispute involving the modular building subsidiary in the USA

Financial profit or loss

The net financial expense increased by 5.6 million euros (+36.4%), rising from an expense of -15.4 million euros in 2022 to an expense of -21 million euros in 2023. 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 5.3 million euros between the two periods, due to higher interest rates.

Other financial expenses increased by 0.4 million euros, mainly due to the effect of higher interest rates on the updating of financial assets.

Income tax

Taxes on profits records a tax expense of 1.5 million euros for a current profit before tax of 7.3 million euros.It breaks down into deferred tax income of -0.8 million euros and a current tax charge of -0.7 million euros.

CASH FLOW

The following table summarises our cash flows for the financial years ended 31 December 2023 and 2022.

	Consolidated cash flow statement *(in thousands of euros)*	31/12/2023	31/12/2022
I	**CASH FLOW GENERATED BY OPERATING ACTIVITIES**	**21,138**	**(1,481)**
II	**CASH FLOWS RELATING TO OTHER INVESTMENT OPERATIONS**	**(7,133)**	(439)
III	**CASH FLOWS RELATED TO FINANCING ACTIVITIES**	**(30,864)**	**5,383**
	Effect of exchange rate fluctuations	(143)	**(28)**
IV	**CASH FLOWS RELATED TO EXCHANGE RATE FLUCTUATIONS**	**(143)**	**(28)**
	CHANGE IN NET CASH (I) + (II) + (III) + (IV)	**(17,002)**	**3,435**
	Analysis of cash flow change		
	Cash at beginning of year	56,001	52,566
	CASH AT FINANCIAL YEAR END	**38,999**	**56,001**
	Change in net cash	**(17,002)**	**3,435**

Cash generated by (used for) operational activities

The following table presents the components of our cash flows generated by (used for) operating activities for the financial years ended 31 December 2023 and 2022.

	Consolidated cash flow statement *(in thousands of euros)*	31/12/2023	31/12/2022
	Self-financing capacity after cost of net financial debt & tax	**28,827**	**35,160**
	Financial interests	20,003	13,104
	Interest paid on leases	385	373
	Current tax expense	727	4,892
	Self-financing capacity before cost of net financial debt & tax	**49,942**	**53,529**
	Current tax expense	(835)	(222)
	Change in working capital requirement related to activity (excluding changes in inventories)	(1,584)	5,230
	Stock variation	(15,938)	(15,062)
	Change in investment working capital requirement	10,275	(24,134)
	Acquisition of assets for leasing	(49,709)	(52,923)
	Proceeds from disposal of assets	24,740	31,890
	Net impact of finance leasing to clients	79	211
	under – total (excluding taxes & WCR)	(29,553)	(60,018)
I	**CASH FLOW GENERATED BY OPERATING ACTIVITIES**	**21,138**	**(1,481)**

(1) The sum of inventory changes, changes in working capital requirement, the acquisition of lease assets, income from the sale of assets and the net impact of lease financing granted to customers is the net impact of equipment purchases and sales over a period of time.

Our cash flow generated by (used for) operational activities is primarily influenced by the operating profitability of our activities minus any taxes paid, changes in working capital requirements related to activity outside inventory variations and cash flow linked to our acquisitions and disposals of assets.

Cash flow generated by our investment in leasing equipment and the income from activities generated by the sale of this equipment are presented as cash flows from operating activities rather than as cash flow linked to investment operations, compliant with the IFRS referential. Similarly, repayments of loans granted under finance leases granted to our customers are included in cash flows from operating activities rather than in cash flows linked to investment operations.

› **Description of the main cash flow components generated by operating activities**

Self-financing capacity before cost of net financial debt and taxes

Self-financing capacity before cost of net financial debt and taxes corresponds to our operating results, adjusted for depreciation and provisions, provisions for deferred taxes, plus or minus values on disposals of fixed assets and other assets and non-cash income and expenses, before the cost of net financial debt and any taxes paid.

Taxes paid

Taxes paid include corporation taxes paid in each jurisdiction within which our Group operates, in particular, in France, the Territorial Economic Contribution, which includes the contribution on the value added of companies for French entities (CVAE), recorded on our revenue declaration as operational expenses, and the property contribution of companies.

Change in working capital requirement related to activity excluding changes in inventories

The change in the working capital requirement linked to the activity, excluding stock variation, corresponds mainly to the net changes in trade receivables, commercial payables and other current assets and liabilities, which are not related to the disposal of fixed assets or to investments.

Stock variation

Stock variation reflects the change in our inventory, mainly composed of leasing equipment that we have kept for less than a year, spare parts and raw materials. We generally syndicate the assets of the stock to third-party investors within one year of their acquisition. Transfers from inventories to fixed assets are eliminated in the calculation of the change in inventories.

Change in investment working capital requirement

The change in investment working capital requirement is the net change in accounts payable and receivable related to assets we hold as capital assets, which relates primarily to leasing equipment that we maintain on our own behalf and that we intend to keep, or that we can syndicate, but have kept on our balance sheet for a long time (over a year).

Acquisition of assets for leasing

Acquisition of assets for leasing corresponds to the funds expended for the purchase of equipment for our leasing fleet recorded as fixed assets and which are not acquired for the purpose of syndication to third-party investors.

Proceeds from disposal of assets

Proceeds from the disposal of assets correspond to the cash obtained from sales of equipment previously recorded as fixed assets on our balance sheet.

Net impact of finance leasing to clients

The net impact of finance leasing granted to customers corresponds to the cash impact of the repayments received during a given period of loans granted to our tenant customers within the scope of finance leasing.

› **Comparison between the financial year ended 31 December 2023 and the financial year ended 31 December 2022**

Cash flows generated by operating activities amounted to 21.1 million euros on 31 December 2023, compared to cash flows generated by operating activities of -1.5 million euros for the financial year ended 31 December 2022, representing an increase of 22.6 million euros. Payments to suppliers of operating assets amounted to 24 million euros in 2022, while their outstanding balance increased by 10.3 million euros in 2023. Asset acquisitions will remain as strong in 2023 as in 2022. Disposal of operating assets will be lower in 2023 than in 2022.

› **Cash flows relating to investment operations**

The following table presents the components of our cash flow linked to investment operations for the financial years ended 31 December 2023 and 2022.

	Consolidated cash flow statement *(in thousands of euros)*	**31/12/2023**	**31/12/2022**
	Investment Operations		
	Acquisition of intangible & fixed assets	(1,817)	(314)
	Remuneration of general partners in accordance with articles of association		
	Net change in financial fixed assets	(5,317)	(134)
	Proceeds from disposal of assets other than those intended for leasing	1	9
	Year end cash flow of the subsidiaries entering or leaving the scope		
II	**CASH FLOWS RELATING TO OTHER INVESTMENT OPERATIONS**	**(7,133)**	**(439)**

In 2023, investment flows show an increase in VAT receivables over 12 months on the purchase of railcars in India.

In 2022, investment flows are not significant.

Cash flows related to financing activities

The following table presents the components of our cash flows related to financing operations for the financial years ended 31 December 2023 and 2022.

Consolidated cash flow statement *(in thousands of euros)*	**31/12/2023**	**31/12/2022**
Financing Operations		
Change in net cash position	87,620	140,026
Repayment of loans	(93,497)	(92,733)
Net change in financial debts	**(5,877)**	**47,293**
Lease liabilities	(1,837)	844
Net increase in shareholders' equity (capital increase)	1,909	(3,150)
Repayment of hybrid capital		(26,575)
Financial interest paid	(18,211)	(12,512)
Interest paid on leases	(385)	(373)
Dividend distribution to TSCA shareholders	(706)	
Distribution of dividends to minority shareholders	(4,826)	(3,647)
Statutory remuneration of general partners	(803)	(907)
Hybrid capital payment coupons		(1,803)
Other	(44)	(35)
Disposal (acq.) Net treasury shares	(84)	(52)
III CASH FLOWS RELATED TO FINANCING ACTIVITIES	**(30,864)**	**5,383**

Cash flow from financing operations was -30.9 million euros as at 31 December 2023, compared to cash flows of -5.4 million euros as at 31 December 2022. Flows decrease with a fall in gross debt in 2023, as opposed to an increase in 2022, and with rising interest rates. The contribution of minority shareholders to the capital of our subsidiary in the Freight Railcars division located in India increased in 2023.

INVESTMENTS

As a company specialising in the leasing of standardised mobile equipment, we make investments in fixed assets as part of our ongoing operations. We look to acquire fleets of new or used equipment in order to increase our revenues. The choice of investing or not in new equipment is subject to analysis by each division based on a series of factors that allow them to calculate an estimate of the return on investment, including:

- The price at which the equipment is purchased;
- The expected price at which we will be able to lease this equipment;
- The expected leasing period for this equipment;and
- Counterparty risk expected.

Most of our capital expenditures are discretionary. As a result, our investment rate varies year by year.

We intend to continue investing in new equipment over the long term, as in the past, as part of our selective growth strategy.

COMMITMENTS RECEIVED UNDER NON-CANCELLABLE OPERATING LEASES

A substantial portion of our leasing fleet in all of our 3 activities is leased under lease agreements, the terms of which do not allow for termination at the option of the lessee without payment of penalties. This type of contract requires our lessees to keep the equipment for the duration of the contract;therefore, we have a certain degree of visibility on the minimum turnover generated in the future by this type of short-term and long-term contract.

Commitments received under operating leases are detailed in note 36.3 of the notes to the consolidated financial statements page 99 of the universal registration document.

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are detailed in the note 36 of the notes to the consolidated financial statements page 98 of the universal registration document.

QUANTITATIVE AND QUALITATIVE INFORMATION RELATING TO MARKET RISKS

Interest rate and exchange rate fluctuations linked to foreign currencies are the main source of exposure to market risks. They are detailed on note 33.1 page 93 of our audited consolidated financial statements for the financial year ended 31 December 2023.

ACCOUNTING POLICIES AND CRITICAL ASSESSMENTS

The preparation of our consolidated financial statements requires us to make judgements, assessments and assumptions regarding, in particular, future events that may have an impact on the carried forward amounts of certain items in the financial statements. These estimates and assessments are revised at each reporting date, and the underlying assumptions are adjusted, as appropriate, based on actual results, experience and any other relevant factors given the economic circumstances. The effects of such adjustments are recognised once carried out. Items carried forward in our consolidated financial statements in the future may differ from current estimates due to changes in assumptions and economic circumstances on the date of the report. The main assumptions relating to future events and other sources of uncertainty in the assessments on the reporting date that could result in a significant risk of equipment adjustment in relation to the book value of assets and liabilities are presented below.

Note 1 of the notes to the consolidated accounts page 60 of the universal registration document explains the accounting policies and critical assessments.

22.1.1.Situation of the company and analysis of the financial statements

- **Situation and results of the company and foreseeable developments**

2023 revenue is up slightly compared to 2022, with 1.6 million euros compared to 1.5 million euros respectively.

Revenues correspond to the invoicing of services provided by the company to group companies. As a reminder, the invoicing method used for these services is the "Cost +" method, that is to say that any expenses incurred to perform these services (and only these expenses) are re-invoiced with a mark-up of 5%. Some expenses are not re-invoiced because they are not incurred in the provision of these services.
The "Other purchases and external expenses" item increased by 0.6 million euros in 2023. This increase is mainly due to higher office rental expenses, early loan repayment costs, and the payment of a tax reassessment for a subsidiary in Romania, enabling it to be liquidated definitively.

The "allocations to depreciation" item mainly includes the amortisation of the costs of external borrowings contracted by the company. These costs are amortised on a straight-line basis over the duration of the borrowings.

The financial profit/loss of +1.6 million euros is mainly due to the following elements:
- dividends received from subsidiaries in the amount of 9.9 million euros,
- financial interest on external debt totalling 5.6 million euros,
- a positive net amount of 0.7 million euros corresponding to the financial interest on inter-group loans/borrowings,
- a 3.5 million euro allocation for depreciation in the value of equity investments held in the French subsidiary Touax Modular Building Solutions SAS, following the buyout of minority interests and cancelling out the exceptional gain mentioned below.

At the beginning of 2023, the company acquired all the shares of Touax Modular Building Solutions SAS minority shareholders and their current account at a price well below its nominal value. An exceptional gain of 3.6 million euros was recorded on this current account, as it was repaid over the financial year at its original nominal value following an "accordion effect" operation on the subsidiary's capital.

The after-tax profit/loss for the financial year is a profit of 3.7 million euros.

There are no expenses and charges that are not deductible from profits over the financial year (articles 39-4 and 39-5 of the general tax code.

The balance sheet of TOUAX SCA totalled 200 million euros compared to 208.5 million euros in 2022.

The balance sheet of the company at the end of the financial year is composed mainly of assets by:
- equity investments in the subsidiaries with a net book value of 177 million euros,
  The net book value of equity investments takes into account at financial year end a depreciation of the equity interests of Touax Modular Building Solutions totalling 5.7 million euros as well as of Touax Corporate SAS totalling 1.7 million euros.
- intragroup loans granted by the company to its subsidiaries totalling 16 million euros.

The liabilities on the company's balance sheet are mainly composed of:
- shareholders' equity for an amount of 115.2 million euros compared to 113 million euros at the end of 2022,
- external financial debts in the amount of 83.2 million euros.

Note 22 of the appendix to the individual financial statements details the company's debt page 111 of the universal registration document.

The company does not have R&D business activities.

Since TOUAX SCA's business is mainly a consultancy activity to its subsidiaries, Management does not anticipate any particular changes in services with a cost structure for 2024 in line with that of 2023.

- **Results of the company during the last five financial years (individual financial statements)**

	(in euros)	2023	2022	2021	2020	2019
I	CAPITAL AT YEAR END					
	a) Share capital	56 092 376	56 092 376	56 092 376	56 092 376	56 092 376
	b) Number of existing ordinary shares	7 011 547	7 011 547	7 011 547	7 011 547	7 011 547
II	OPERATIONS AND RESULTS FOR THE YEAR					
	a) Revenues excluding taxes	1 571 259	1 515 178	1 484 673	1 631 668	1 348 876
	b) Profit before tax and depreciation and provisions	7 950 266	3 196 316	997 761	494 677	(7 530 227)
	c) Corporation tax	178 375	0	97 923	73 018	956 131
	d) Employee profit sharing due for the year					
	e) Profit after tax and depreciation and provisions	3 715 948	2 923 069	1 072 136	7 669 080	(6 815 095)
	f) Distributed income	858 498	715 415			
III	EARNINGS PER SHARE					
	a) Profit after tax but before depreciation and provisions	1,11	0,46	0,13	0,06	-1,21
	B) Profit after tax and depreciation and provisions	0,53	0,42	0,15	1,09	-0,97
	c) Net dividend per share	0,12	0,10			-
IV	WORKFORCE					
	a) Average number of employees during the year	2	2	2	2	2
	b) Amount of payroll	43 753	45 648	44 929	44 745	44 687
	c) Amount of benefits paid (social security, welfare benefits etc.)	20 667	16 143	21 373	26 005	19 403

› **Significant events**

On 16 May 2023, the company issued a 5.35 million euro loan. This issue is comparable to the €PP 07/2027 June 2022 issue (same residual maturity, same coupon and same maturity schedule). This loan was issued at 95.2% of nominal value (i.e. 5.09 million euros).

On 27 July 2023, the company signed a 40-million euro senior secured loan with a four-year maturity. This financing extends the average maturity of the Group's debt and is in line with its growth and profitability strategy, replacing the senior secured loan maturing in June 2024 for the same amount. This financing was organised in the form of a bank club deal.

On 5 January 2023, the company acquired the minority share in the Modular Building business.

› **Post-balance sheet events**

On 5 January 2023, the Touax group acquired the minority share of the Modular Buildings activity .

- **Main risks and uncertainties**

The main risks are detailed in chapter 3 (risk factors) of the universal registration document, more particularly in paragraph 3.5.2 page 14 for exchange rate, market and equity risks and other financial instruments, as well as in the notes to the consolidated financial statements on note 33 page 93.

The note 24.4 of the notes to the individual financial statements page 112 mentions contingent liabilities.

- **Objectives and policy of hedging transactions**

The note 24.3 of the notes to the individual financial statements page 112 details the hedging of foreign exchange and rate risks.

- **Activity of subsidiaries and controlled companies**

The activity of the subsidiaries is presented through each division. A general presentation of the activities is described in chapter 5 of the universal registration document, page 17 et seq. The activity of the subsidiaries is presented via each division, on the note 2.2 of the notes to the consolidated financial statements page 71

The organisation chart for the company's main subsidiaries is detailed in the universal registration document in paragraph 6.1 of the universal registration document page 39.

Annual approval of the individual financial statements

- **Appropriation of the income (1st and 4th resolutions)**

The Management Board submits to the next Ordinary General Meeting of 14 June 2023 the proposal for the Appropriation of the result as well as the remuneration of the general partners, as follows:

Net profit for the year ended 31 December 2023	3 715 948€
Statutory remuneration of the general partners deducted from the net profit	661 594 €
Allocation to the legal reserve	185 797 €
Distribuable profit	**2 868 557 €**
Distribution of a total amount of €0.12 per share	858 498 €
Allocation of the balance of distribuable profit to the retained earnings	**2 010 059 €**

The net dividend for the 2023 fiscal year would be set at €0,12 per share.

The maximum number of shares entitled to the dividend for the 2023 fiscal year, i.e. shares with dividend rights on January 1, 2024, amounts to 7,154,147 shares, corresponding to the number of shares comprising the capital of the company on December 31, 2023, i.e. 7,011,547 shares, increased by the maximum number of shares to be created by the exercise of stock warrants issued by the company, up to the ex-dividend date.

If at the time of the Shareholders' meeting, the Company holds any of its own shares, or warrants are not exercised, then the unpaid dividend for those shares should be allocated to retained earnings.

The detachment date of the dividend would be on July 8, 2024 (12:00 a.m – Paris time). The payment would be on July 10, 2024[1].

- **Dividend distribution policy**

The company has paid a dividend almost non-stop since its inception in 1898, except in recent years. The dividend has no set distribution rule, such as a fixed percentage of net income or of the quoted market price. The company anticipates a dividend payment of €0,12 per share in 2024.

A log of the distribution policy is presented in paragraph 18.5 page 134 of the universal registration document.

The dividend amounts distributed for the three previous years were as follows:

financial year concerned *(in Euros)*	payment date	statutory remuneration of general partners	dividend per share	number of shares remunerated	total of the distribution
2020	July 2021	644 075			644 075
TOTAL 2020					**644 075**
2021	July 2022	907 292			907 292
TOTAL 2021					**907 292**
2022	July 2023	803 462	0,10	6 999 774	1 503 439
TOTAL 2022					**1 503 439**

[1] ***Taxation of dividends in France for a French tax resident***

Dividend distributions are subject to a flat tax (prélèvement forfaitaire unique/PFU) but the beneficiaries can however opt for taxation at the progressive scale of income tax.

The PFU of 30% is made up of:

. 12.8% for income tax,

. 17.20% for social security contributions.

The PFU is levied by the tax authorities at the end of the tax return and is based on the gross amount of the dividend, without any deduction for fees and charges.

If the beneficiary opts for taxation at the progressive scale of income tax, the 40% allowance on dividends applies.

- **Regulated agreements (5th resolution)**

We present to you the status of the agreements referred to in articles L 225-38 et seq. of the French Commercial Code, concluded and duly authorised by the Supervisory Board of our Company. The person concerned is Fabrice Walewski, managing partner of Touax SCA and manager and partner of SCI Franklin Location.

We advise you of the continuation of the sublease agreement authorised by the Supervisory Board of 11 September 2019, entered into on 31 October 2019, effective 25 March 2020 and expiring on 24 March 2029, and relating to the rental by TOUAX SCA of commercial premises located at Tour Franklin in La Défense.

These commercial premises serve as the headquarters of all the French entities of the Touax Group and accommodate around one hundred Group employees.

The amount of rents and charges excluding taxes recorded in the 2023 accounts is €1,116,963 between 1 January and 31 December 2023.

You are asked to approve the special report from the statutory auditors.

Main features of the internal control and risk management procedures

The internal control procedure is defined and implemented by the company, and aims to ensure:
- compliance with applicable laws and regulations,
- application of instructions and business policies set by General Management,
- that its internal processes work properly, particularly those that concern the preservation and security of its assets,
- that financial information is reliable.

And more generally, internal control is a system that helps to control its businesses and enhances the efficiency of its operations and use of its resources. The Group applies the guidelines for mid caps and small caps published by the AMF in July 2010.

The company's internal control procedures are intended to ensure that:
- the administrative acts, performance of operations and behaviour of the staff comply with the company's business policies defined by the corporate bodies, applicable laws and regulations, and the values, standards and internal procedures of the company,
- the accounting, financial and management information communicated to the corporate bodies gives a true and fair view of the company's activity and situation,
- The procedures ensure compliance with management policies, the preservation and security of assets, prevention and detection of fraud and errors, the reality and exhaustiveness of accounting records, and the establishing of reliable accounting and financial information within the time allowed.

The company's internal control system cannot however completely guarantee that the objectives set will be achieved, since no procedure is infallible.

THE FUNDAMENTAL ELEMENTS OF INTERNAL CONTROL

- **The organisation of the Group**

The TOUAX Group is organised around three operational divisions (Freight Railcars, River Barges and Shipping Containers) to which the Group's operating entities are attached as well as a residual stake of Modular Buildings in Africa.

The management of the operating divisions is in charge, across its perimeter, of the management of the operations within the framework of the strategic objectives set by the Group Management and reviewed by the Group's management committee. The Group's Executive Committee is made up of 7 people and is described in paragraph 23.2.4 of the report of the Supervisory Board page 186 of the universal registration document.

The functional departments of the Group bring their expertise to the operational departments and assist the General Management in the definition of the standards and the principles and the control of their application. The functional departments of the Group include the Legal Department (including financial communication, corporate social responsibility and Group insurance), the Accounting and Tax Department (in charge of statutory compliance and statutory accounting), the Consolidation Department (in charge of reporting and international economic accounting compliance), the Finance and Treasury Department, the Information Systems Department - with these divisions being grouped together within the General Administration and Finance Department - as well as the Human Resources Department and the General Asset Management Department.

The Internal Control and Internal Audit system is based on this organisation and covers the processes of fully-consolidated entities and entities accounted for by the equity method. The system of internal control put in place by the Group is appropriate for its size.

- **The main components of internal control**

The main internal control policies are determined according to the company's objectives. The Group's objectives are defined by the Managing Partners. They concern not only its economic performance but also the areas in which the Group aims to achieve a particular level of excellence. These objectives are specified for each entity and are clearly explained to the employees so that they understand and adhere to the organization's risk and control policy.

The Group's internal control and risk management systems are structured around this three-tier organisation - holding, operational divisions and operational entities - where each level is directly involved and accountable in line with the degree of centralisation decided by General Management.

The main components of internal control are (i) the control environment, (ii) risk management, (iii) internal control activities and regulations, and (iv) management and reporting activities. Ongoing monitoring of the system is carried out around the governance of the activities described above.

THE CONTROL ENVIRONMENT

- **Values and ethics**

The Group's control environment relies first and foremost on the Group's Ethical Charter, which, in addition to safety, guides our actions and our daily choices, beyond the Group's values, as a responsible employee, as a responsible company, and as a responsible manager. Our values are formalised on our website and the Ethical Charter is formalised in a guide distributed to all employees. Respect for our values and our ethics develops and maintains our trusting relationships within the Group between all employees and all the Group's stakeholders.

- **Structure of internal control and responsibilities**

The structure of internal control is based on three levels:
- (1) operational management, responsible for the implementation of internal control
- (2) support functions (such as Finance, Legal, Human Resources, etc.) which prescribe the internal control systems, monitor their implementation and effectiveness, assist the operational staff; and
- (3) governance bodies that oversee the review and effectiveness of the control system through activity committees, *Board meetings* for the activities and *Board meetings* for the companies.

- **Players involved in internal control**

Internal control concerns everyone within the company, from the management bodies to each member of staff. The players involved in internal control are described below:

› **Management Board**

The Management Board defines, promotes and supervises the internal control system that is the best suited to the Group's situation and business.

In this scope, the Managing Partners keep themselves regularly informed of any malfunctions, inadequacies or implementation difficulties and ensure that the necessary corrective action is taken.

The management informs the Supervisory Board of any important points.

› **Supervisory Board**

It is the responsibility of management to give an account to the Board of the essential features of the internal control system.

The Supervisory Board may use its general powers to carry out the controls and checks that it considers fit, and to take any other action it considers appropriate in this respect.

Within the Supervisory Board, an audit committee has been set up, which monitors the process of preparing financial information, monitors the effectiveness of the company's internal control and risk management systems, the monitoring of the statutory audit of the annual accounts and consolidated accounts and the review and monitoring of the independence of the statutory auditors. The Audit Committee reports on its work to the Supervisory Board.

› **Operational divisions**

The operational divisions are wholly responsible for the use of the system within their remit and its proper functioning. The functioning and effectiveness of the internal control system are assessed by the financial controllers of each division on the basis of requests made by management as well as during the periodic review of companies and activities within the various governance bodies with mainly the monthly review of accounts, the monthly review of cash flow forecasts, half-yearly or quarterly *board meetings*, half-yearly *board meetings* for the activities and half-yearly supervisory board for the activities.

› **The Group's employees**

All employees have the knowledge and information required for setting up, operating and monitoring the internal control system at their level of responsibility, according to the targets they are set.

In particular, the Group's Human Resources policy aims to ensure that employees' skills are properly aligned with their roles. Job descriptions within the different entities of the Group specify the skills and expertise required to enable employees to carry out their responsibilities effectively. In addition, the Human Resources Department regularly organises and updates policies to improve these skills through training, evaluation and staff retention policies (individual annual interviews, training programs, remuneration policies and careers management).

RISK CONTROL ACTIVITIES

The risk in the company is that of not achieving the objectives set. For the implementation of its strategy, the General Management defines the objectives in terms of operational fulfilment, reporting and compliance that are applied at the different levels of the organisation.

The operational objectives emphasise the definition and efficient use of human, material and financial resources. They are formalised most notably during the forecasting exercises (budget and periodic forecasting) and the long-term plan (business plan). They are regularly monitored as part of the self-assessment process. Monitoring of operational objectives (financial and non-financial) enables decision-making and monitoring of the performance of activities at each level of the organization. Risk management aims to identify and limit risks to the company's assets, resources, personnel, continued existence, profitability, reputation and its values in the broad sense of the term. The risk management activities are implemented on a daily basis by all members of staff, while performing their duties. The Administrative and Financial Department is responsible for managing the overall risk management and control system, in particular the monitoring of financial risks as well as those related to the preparation and processing of financial and accounting information.

To ensure better monitoring of financial and accounting risks, the Administrative and Financial Department relies on a number of functional departments (Legal and Financial Communication, Finance and Treasury, Consolidation, Reporting, Accounting and Taxation, Information Systems) and its operational finance departments (one per activity). The operational finance departments all have a twofold relationship with the Chief Executive Officer of the division and the Group's Chief Financial Officer. The financial departments of the subsidiaries also have a twofold connection with the CFO of the division and the general manager of the subsidiary.

This organisation combines business expertise and technical expertise to better assess risks and limit conflicts of interest.

These risks are identified in chapter 3 (Risk factors) page 5 of the universal registration document. One or more of these risks, or other risks not yet identified or considered as immaterial by TOUAX, could have an adverse effect on the its businesses, financial situation, profits or share price.

- **Financial risks**

The financial risks are market risks (interest rate and foreign exchange risks), liquidity and/or counterparty risk, and equity risk. They are described in paragraph 3.5 of the universal registration document (risk factors) page 12.

Financial risk management is an integral part of the Group's financial management. All the financial files are supervised centrally by the Finance and Treasury Department, with support, in particular, from a financing plan, a monthly cash flow statement and a daily cash flow forecast. This information is reviewed on a monthly basis by the Group's Executive Committee.

The aim of the Administration and Finance Department is to rapidly produce accounting and financial information that is reliable and pertinent, pass on this information, monitor risk, in particular financial, operational and counterparty risks, put in place administrative, accounting and financial procedures, provide legal and fiscal monitoring of the Group, consolidate the accounts and respect the applicable rules and the accounting standards and implement the Group's financial policy and provide cash management.

- **Other risks**

Responsibility for monitoring risks is delegated to the various operational and functional departments who implement this risk management at operational level. The operational and functional departments are accountable for the risks inherent in their businesses and give an account to General Management of these risks and the action plans put in place to reduce their exposure. Two functional divisions also exist to better assess the procedures and risks of activities; the human resources department and the information systems department. The Group's Administrative and Financial Department is involved in the management and control of these other risks.

STEERING AND REPORTING ACTIVITIES

- **Internal control procedures**

Internal control is based on formalized procedures, the information systems, and the competence and training of the staff.

The main procedures in force at Group level concern, in financial areas, asset tracking, investments, financing and treasury, budgetary control and financial reporting.

In the operational areas, these procedures mainly concern directives, regulations or recommendations in the fields of health, general safety, industrial safety and IT, environment, sustainable development, integrity and the prevention of fraud and corruption.

In terms of operating entities, control activities are organised around the main operational cycles of leasing and sales, purchases, investments, production, fixed assets and inventories, human resources, financing and cash, as well as the process of closing the accounts.

Among other things, operational financial services are responsible for the follow-up of administrative and accounting procedures and the periodic reporting of financial information. The role of the financial departments is part of a process of continuous improvement of internal control and mainly involves reviewing the procedures in place, checking the implementation of the Group's internal control standards and recommending improvements for reducing risks.

- **Procedures for preparing and processing financial and accounting information**

Administrative and accounting procedures are in place to ensure that transactions recorded in the annual accounts meet the objectives regarding their true and fair nature. These procedures, which are integrated into internal control, are based on:

- an integrated management and accounting system (with the use of a reporting package with uniform accounting methods approved by the consolidation department),
- a segregation of duties (in so far as the department and company size allows),
- supervision and control by the functional departments and general management.

All financial and accounting information is reported each month to the Consolidation Department, which checks in detail the flows and the methods used. Activity management control activities verify the consistency of the data and provide monitoring. The Consolidation Department then carries out monthly economic consolidation of the results and a full consolidation according to IFRS standards every quarter. These accounts are reviewed by the Group's General Management.

Monthly monitoring of the results and commitments of the subsidiaries and the Group enables General Management to check the financial effects of the business strategies pursued, and to compare the results with the Group’s budgetary commitments and objectives.

The consolidated financial statements are produced on the basis of consistent accounting standards within a supervised process.

The consistency of the standards is ensured by the Consolidation Department, which supervises and centralises the interpretation and dissemination of the applicable accounting standards and ensures their effective implementation through a regular and formalised communication process with the financial managers of the subsidiaries and divisions.

The process of closing the accounts is governed by consistent monthly financial reporting and a closing schedule shared by all subsidiaries. This reporting and the consolidated financial statements use an identical framework and standards. Financial reporting and individual accounts are systematically analysed for discrepancies. Off-balance sheet commitments are part of this process. The closing process also relies on the formalisation of economic assumptions, judgements, estimates, processing of complex accounting transactions, centralised and supervised by the Consolidation Department, the General Administration and Accounting Department and General Management.

The procedures put in place for reporting, consolidation and budgetary monitoring are also aimed at ensuring the aggregation of the other information necessary for drawing up the universal registration document.

- **Assessment of internal control**

Internal control procedures and those related to the drawing up of accounting and financial data are continually identified, assessed and managed and did not change significantly in 2020. Internal control is currently assessed by the various reviews of the Group's and subsidiaries' financial statements conducted at internal meetings addressing each of the activities and the Audit Committee.

Social and environmental information

The TOUAX Group publishes social, environmental and corporate (CSR) information in paragraph 22.2 page 157.

This report describes how TOUAX takes into account the social and environmental consequences of its activity, including the impact of its activity and use of the goods and services it produces on climate change, as well as its commitments for sustainable development, the circular economy, the fight against food waste and combating discrimination and promoting diversity.

Other information

- **Cross-shareholding and ownership**

There is no cross-stockholding (holding of securities of TOUAX SCA by its subsidiaries). The Group's simplified organisational chart is explained in paragraph 6.1 of the universal registration document page 39 and the exhaustive list of consolidated subsidiaries is presented in note 2.2 of the notes to the consolidated financial statements page 71.

- **Share buyback program and treasury shares**

The Group has made purchases and sales of its own shares through its liquidity contract managed by an investment services provider (ISP), resulting from the share buy-back program voted by the Combined General Meeting of 14 June 2023. On 31 December 2023, the company held 25,727 of its own shares.

- **Status of employee participation in the company's share capital on 31 December 2023**

An employee profit-sharing agreement has been put in place for all French entities, which does not give entitlement to shares in the capital. No profit-sharing was paid in 2023. The company does not have a stock option or a free share allocation scheme.

- **Payment period of the company**

We present in the table below the breakdown, on 31 December 2023, of trade receivables and trade payables according to their due date (it being specified that these are only trade receivables and payables to suppliers outside the group).

in euros	Invoices received and outstanding at the financial year end which are due						Invoices issued and outstanding at the financial year end which are due					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	Total (1 day and above)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	Total (1 day and above)
Late payment bracket												
Number of invoices concerned	4					4	1					1
Total amount of invoices concerned (excl. tax)	34,030.29 €	€0.00	€0.00	€0.00	€0.00	34,030.29 €	1,478.53 €	€0.00	€0.00	€0.00	€0.00	1,478.53 €
Percentage of the total amount of the purchases for the year (excl. tax)	2.00%	0.00%	0.00%	0.00%	0.00%	2.00%						
Percentage of revenues for the financial year (excl. tax)							8.33%	0.00%	0.00%	0.00%	0.00%	8.33%

- **Securities transactions carried out by directors, senior executives or persons to whom they are closely related as well as general partners**

To the company's knowledge, SOCIETE HOLDING DE GESTION ET DE LOCATION and SOCIETE HOLDING DE GESTION ET DE PARTICIPATION subscribed each to 28,500 BSA, and the members of the Management Committee (excluding Managing Partners) subscribed to a total of 85,600 BSA, at a unit price of €0.72 in October 2020.

Adjustment of the conversion bases of the securities giving access to the share capital.

None

- **Acquiring significant stakes in companies with head offices in France**

None

- **Existing branches**

None

- **Operating a classified facility**

None

- **Amount of loans granted to micro-enterprises, SMEs or middle-market companies**

None

- **Injunctions or sanctions for anti-competitive practices**

None

Information on other ordinary resolutions submitted to the vote of the shareholders

- **Approval of the remuneration policy for corporate officers (6th and 7th resolutions)**

In accordance with the provisions of article L. 22-10-76 II of the French Commercial Code, the Managing Partners ask that with the vote on the 6th and 7th resolutions, you approve the remuneration policy for corporate officers applicable to Managing Partners (6th resolution) and to members of the Supervisory Board (7th resolution). The remuneration policy for the Managing Partners is in accordance with the articles of association.

The remuneration policy for Touax SCA's corporate officers is described in the Supervisory Board's report on company governance.

- **Approval of information relating to all the remuneration of corporate officers for the financial year ended 31 December 2023 (8th resolution)**

In accordance with the provisions of article L. 22-10-77 I of the French Commercial Code, it is proposed to you, by the vote of the 8th resolution, to approve the information mentioned in article L. 22-10-9 I of the French Commercial Code relating to all the remuneration of corporate officers, including corporate officers whose term of office has ended and those newly appointed during the past financial year, described in the Supervisory Board's report on company governance.

- **Approval of the elements of individual remuneration paid or awarded to the executive corporate officers for the year ended 31 December 2023 (9th, 10th and 11th resolutions)**

In accordance with the provisions of article L. 22-10-77 II of the French Commercial Code, you are asked, with the vote on the 9th, 10th and 11th resolutions, to approve the fixed, variable and exceptional elements making up the total remuneration and benefits of any kind paid during the financial year ended 31 December 2023 or allocated for the same financial year to executive corporate officers.

The remuneration elements relate to the Managing Partners, Messrs. Fabrice and Raphaël Colonna Walewski, and to the Chair of the Supervisory Board, Mr. Alexandre Colonna Walewski.

These elements are described in the Supervisory Board's report on company governance.

- **Determination of the remuneration of the members of the Supervisory Board (12th resolution)**

We propose that you allocate attendance fees to the members of the Supervisory Board for a total of €64,500.

- **Renewal of two mandates as members of the Supervisory Board (13th and 14th resolutions)**

The company's Supervisory Board was made up of 6 members (3 men and 3 women) in 2023. The term of office of the members is 3 years. It is proposed that you renew the mandate of two member as follows:

- Mrs Marie FILIPPI	Duration of 3 years, namely until the Annual General Meeting called to approve the financial statements for 2026
- Mrs Marie-Axelle ANNICCHIARICO	Duration of 3 years, namely until the Annual General Meeting called to approve the financial statements for 2026

A detailed presentation of these members whose terms of office you are asked to renew is given in paragraph 23.2.4 page 186 of the report from the Supervisory Board.

It is stated that, in accordance with the law, the General Partners who are shareholders cannot take part in the vote to renew the terms of office of the members of the Supervisory Board.

- **Renewal of the authorisation of a share buyback scheme (15th resolution)**

We propose that you renew the scheme to authorise the share buyback scheme in our company.

It should be noted that this scheme only concerns TOUAX shares listed for trading on Compartment C of the NYSE Euronext Paris regulated market under the code ISIN FR0000033003.

The previous share buyback scheme was authorised by the Ordinary General Meeting of 14 June 2023 and has been reported half-yearly to the AMF. The purpose of the scheme was to:

- carry out market making and ensure the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider, in accordance with the Code of Practice recognised by the French Financial Markets Authority (AMF)
- grant stock options and/or allot bonus shares to employees and managers of the company and/or of TOUAX Group companies
- grant coverage for securities that entitle the holder to receive shares in the partnership under the regulations currently in force
- keep the shares bought, and use them later for trading or as payment in possible corporate acquisitions, though the shares acquired for this purpose may not exceed 5 % of the share capital
- proceed to their cancellation.

The scheme was set up for the sole purpose of conducting transactions so as to enhance activity and liquidity in the market for the shares. These purchase and sale transactions were carried out via a liquidity agreement concluded on 17 October 2005 and its additional clause on 19 December 2018, in accordance with the code of ethics approved by the AMF, with the investment services provider GILBERT DUPONT.

On 31 December 2023 the company held 25,727 of its own shares, it being stated that during the 2023 financial year it bought 122,507 shares and sold 127,355 shares under the liquidity agreement, the sole purpose of which was market making and ensuring the liquidity of the TOUAX share.

The average purchase price stood at €6.59 and the average selling price was €6.64. As this is a liquidity contract, there is no transaction fee.

The Company has also mandated GILBERT DUPONT to carry out, in its name and on its behalf, acquisitions of its own shares in accordance with its share buyback program, under the conditions defined by the provisions of Regulation (EC) 2273/2003 of December 22, 2003 laying down detailed rules for the application of Directive 2003/6/EC of the European Parliament, Article L 225-209 of the Commercial Code and by the positions and general regulations of the AMF. These purchasing operations were carried out through an intermediation contract concluded on November 10, 2023. As of December 31, 2023, the company held 17,777 of its own shares (under the repurchase agreement). The average purchase price is €5.40.

The nominal value of the shares held on 31 December 2023 equals €8.

The transactions are summarised in the following table:

Statement by TOUAX SCA on the transactions carried out on its own shares as of 31 December 2023	
Percentage of share capital directly or indirectly held	0,37%
Number of shares cancelled during the last 24 months	
Number of securities held in portfolio	25,727
Book value of portfolio (€)	144,365
Market value of portfolio (€)	144,586

TOUAX has not used derivatives in connection with its previous share buyback scheme.

The renewal of this scheme is in line with articles L. 225-209 of the French Commercial Code and will be submitted to the Annual General Meeting of shareholders on 12 June 2024.

Our company wants to implement this share buyback scheme with the same aims as those adopted by the Annual General Meeting of 14 June 2023.

Regarding the aim of managing the share price, the company's shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the code of ethics approved by the French Financial Markets Authority (AMF).

These shares may be acquired, sold, transferred or exchanged on one or more occasions, by any means including, where appropriate, by private agreement, block sale of holdings or the use of derivatives. These transactions may be carried out at any time, including during a takeover bid, subject to the regulations in force.

The program concerns the possibility of buying back a maximum of 10% of the capital stock under the following conditions:

- Maximum purchase price per share: €30
- Maximum amount: €21,034,641
- Length of the scheme: 18 months from the authorisation granted by the Ordinary General Meeting of 12 June 2024, i.e. until 11 December 2025.

We ask you to approve the draft resolutions which are submitted for your approval.

La Défense, 20 March 2024
Fabrice and Raphaël WALEWSKI
Managing Partners

22.2. Report on corporate, social and environmental responsibility

To date, we are not subject to regulatory constraints on extra-financial reporting (DPEF or CSR). However, we voluntarily provide certain extra-financial information in the following non-standardized report.

The EURONEXT website provides information on the Group’s ESG profile, including in particular its corporate social responsibility (CSR) objectives and certain CSR documents (anti-corruption charter, supplier code of conduct, etc.). These documents are also available on the Group’s website.

The Group has set up a CSR Committee within the Supervisory Board, comprised of and chaired by an independent member of the Supervisory Board. A manager takes on the role of CSR manager within the group and sitting on the management committee.

The Group has an ESG working group with dedicated resources, a CSR steering committee and sub-working groups focusing on responsible purchasing, ethics and anti-corruption, quality of working life (QWL) and carbon footprint. A CSR action and continuous improvement plan is implemented and monitored.

In 2023, the Group obtained two extra-financial CSR ratings, with a gold medal from EcoVadis 72/100 (vs. 63/100 in 2022) and a score of 70/100 with Ethifinance ESG rating (vs. 64/100 in 2022).

With the “Gold EcoVadis” award, the Touax Group has been recognised for excellence in terms of its CSR approach. The assessment covers 21 CSR criteria grouped into 4 categories: Environment, Social & Human Rights, Ethics and Responsible Purchasing. The “Gold EcoVadis” medal is awarded to the top 5% of companies.

Today, around 75% of the Group’s financing is eco-friendly, with “green loans” and “sustainability linked loans”. It should be noted that freight railcars and river barges are eligible for the European taxonomy.

All of the Group’s investment decisions now include all CSR criteria, and are validated by the Group’s Executive Committee. The following CSR criteria are analysed in the Group’s investment decisions:

- Issues relating to social and human rights and governance & ethics:
  - Impact of the investment for Touax and its use by the customer in terms of human resources, respect for human and labour rights, health and safety, ethical and anti-corruption practices, compliance with tax laws, international fair competition laws and international sanctions, etc.
  - Impact of the customer's use of the investment (availability of ESG ratings and public data on possible controversies).
  - Impact of the investment on the manufacturer, the supplier of the investment (availability of ESG ratings and public data on possible controversies, supplier's adherence to the Touax code of conduct, etc.).
- Questions about environmental factors:
  - Climate change mitigation: Assessment of the carbon footprint and greenhouse gas emissions and impact resulting from the investment and its use by the customer.
  - Adapting to climate change: (i) Vulnerability of the investment to climate change and its use by the customer (physical and transitional risks related to climate change). (ii) Impact of the manufacture of the investment for the supplier and its use by the customer on the protection of water resources and the marine environment.
  - Transition to a circular economy: Impact of the investment for the supplier and its use by the customer on the circular economy.
  - Impact of the manufacture of the investment for the supplier and its use by the customer on pollution and biodiversity.
  - Analysis and due diligence on the environmental impact of the investment for the supplier and customer with regard to DNSH (Do Not Significantly Harm) criteria: (i) Availability of ESG (environmental criteria) ratings for the supplier and customer. (ii) Availability of public information indicating possible environmental controversies and violations by the supplier and customer. (iii) Environmental audit (internal or external) carried out at the investment supplier's site.

Touax supports the United Nations Global Compact. The Group thus reaffirms its commitment to social and environmental responsibility, and confirms its support for the ten universal principles set out in the Covenant in the domains of human rights, labour, the environment and anti-corruption. The Group undertakes to report annually on its progress in the corporate social responsibility domain.

The Touax Group's objectives for corporate social responsibility are:

- To contribute to concrete actions for a more sustainable world.
- To create competitive advantages and increase our ability to develop and retain customers.
- To increase the motivation and commitment on the part of Group employees.
- To increase our access to capital (bank financing, own equity and management investors).
- To enhance the Group's reputation and our relations with all stakeholders (public authorities, suppliers, customers, employees, etc.).

The objectives below are subject to change over the next few years.

Our environmental objectives are to:

- Optimise our carbon footprint (complete assessment of perimeters, offsetting and reduction of emissions)
- Promoting our services for sustainable development
- Ensure the safety and conformity of our equipment for customers
- Optimising product and end-of-life management
- Mitigating pollution
- Managing waste

These environmental objectives include:

- Complete assessment of carbon emissions for perimeters 1, 2 and 3 by the end of 2028
- Perimeters 1 & 2: Offset 50% of CO_2 emissions from perimeters 1 & 2 by the end of 2025 and 100% by 2038 (in 15 years).
- Perimeter 3: The Group will also deepen its understanding of its suppliers' carbon emissions and their actions to reduce or offset their emissions.
- Promote to customers the advantages of our equipment in terms of CO_2 reduction (compared with road transport).

Our social and human rights objectives aim to:

- Ensure that all employees are treated with respect and fairness, guarantee a safe and healthy working environment, and defend the human rights of all stakeholders within the Group.

Our objectives and actions include:

- Ensure a safe working environment for all employees (maintain our zero serious accident score).
- As part of the Quality of Life at Work (QLW) working group's aims initiated in 2023, aim for a satisfaction rate ≥ 75% by 2025 and sustain a staff turnover rate.
- Enhanced safety training initiatives.
- Mandatory annual medical check-ups for all employees worldwide (100% by 2025).
- Promote training to improve skills and establish career plans for all employees.
- Promoting diversity

Our objectives regarding business ethics and anti-corruption practices are to:

- Ensure ethical practices with all Group stakeholders (anti-corruption, anti-competitive practices and safe, responsible information management)

Our objectives and actions include:

- Regular updating of the Group's ethics policy;
- Regular communication of our Anti-Corruption Code of Conduct;
- Training all relevant employees in business ethics and anti-corruption;
- Mapping of corruption risks within the Group;
- Regular training of all employees in cybersecurity risks and the safe use of company communication tools;
- Preventing conflicts of interest within the company

Our responsible purchasing objectives aim to:

- Promote best social and environmental practices among all Group suppliers.

Our objectives and actions include:

- Regular updating of the supplier code of conduct;
- Distributing the Group's standard clauses on ethics and anti-corruption to suppliers;
- Training our buyers in responsible purchasing;
- ESG assessment of our suppliers.
- Ensuring our suppliers' commitment towards our responsible purchasing policy.

22.2.1. Social information

(i) Employment

Total workforce and breakdown of employees by gender, age and geographic zone

The Group had 246 employees worldwide as at 31 December 2023.

The breakdown in employees by geographic location and activity as at 31 December 2023 is as follows:

	Freight railcars			River Barges			Containers			Modular Buildings			Central Services			TOTAL		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Europe	72	71	68	9	9	10	15	17	20				23	24	22	119	121	120
Asia							14	12	10							14	12	10
Africa										102	103	105				102	103	105
N & S America							9	9	8				2	3	3	11	12	11
TOTAL	**72**	**71**	**68**	**9**	**9**	**10**	**38**	**38**	**38**	**102**	**103**	**105**	**25**	**27**	**25**	**246**	**248**	**246**

Across the average workforce in 2023, 30% are located in France, 19% elsewhere in Europe (except France), 41% in Africa, 5% in the Americas and 5% in Asia.

Geographical distribution	**2023**	**2022**
France	30%	29%
International	70%	71%
Distribution by gender	**2023**	**2022**
Men	70%	71%
Women	30%	29%
Breakdown by category	**2023**	**2022**
Managers	21%	17%
Employees	79%	83%
Age pyramid	**2023**	**2022**
Under 26	1%	4%
Between 26 and 40	28%	30%
From 41 to 50 years	33%	32%
51 and over	38%	34%
Years of service	**2023**	**2022**
Less than one year	11%	11%
From 1 to 5 years	34%	39%
From 6 to 10 years	17%	14%
More than 10 years	38%	36%
Type of Contract	**2023**	**2022**
Number of employees on fixed-term contracts (CDD)	2%	1%
Number of employees on permanent contracts (CDD)	98%	99%

Appointments and dismissals

There were the following appointments and departures in 2023:

	2023	2022
Total number of departures during the year	20	26
- whose reason is dismissal	6	6
Total number of entries during the year	26	28
Turnover in %	9%	11%

The workforce will be stable in 2023 compared to 2022.

The Group applies a recruitment procedure, whose main objectives are:

- define recruitment needs as accurately as possible in terms of level, qualifications, skills, experience, etc. in order to match the candidate with the position to be fulfilled,
- to validate the expense commitment,
- clarify the roles of each participant, the resources to be implemented and the recruitment process.

This procedure concerns all recruitment (permanent, fixed-term, temporary and trainees), both for France and internationally.

The various recruitment stages at TOUAX are:

- the definition of the desired profile,
- verification of the allocated budget,
- search for candidates,
- the selection of the candidate,
- the drawing up of the employment contract,
- welcome and induction of the employee,
- salaries and salary rises.

The Human Resources Department (HRD) is sensitive to each redundancy and ensures that the negative impact of redundancies is minimized, for example through the use of placement services. The HR Department ensures that each dismissal is treated fairly, in accordance with the regulations in force.

Salaries and salary rises

As at 31 December 2023, the Group's personnel costs represented 19,214,476 euros, an increase compared to personnel costs in 2022 which amounted to 17,502,185 euros.

Average remuneration in Euros (gross wages)	2023	2022
Geographical distribution:		
France	79,884	77,016
Outside of France	47,432	42,406
Breakdown by category:		
Managers	141,512	127,456
Employees	35,628	34,951

The Group ensures a fair, non-discriminatory and transparent compensation process.

The HR department uses benchmark analyses to ensure that compensation is in line with market conditions. All Group employees have an annual performance and transparent remuneration review with their line managers. In 2023, for example, the Group provided the SEC in France with salary transparency statistics.

(ii) Organisation of work

- **Organisation of working hours**

As at 31 December 2023, 1% of the Group's employees worked part time.

Working hours are organised differently depending on the country. The French entities can be distinguished from the rest of the world.

In France, the working hours are displayed and are visible on the compulsory notice board. The reference working hours within the TOUAX economic and social unit (such as the ESU is defined in paragraph below) are as follows:

Monday to Thursday: 8:45 AM to 12 noon and 1:15 PM to 5:45 PM, with a 75-minute lunch break,

Friday: 8:45 AM to 12 noon and 1:15 PM to 4:15 PM, with a 75-minute lunch break.

The working week comprises 37.25 hours (37 hours and 15 minutes). The difference between the working hours of 37 hours and 15 minutes and the legal limit of 35 working hours is offset by days' leave for the reduction of working hours.

In 2023, there were 14 days reduction in working time (RTT) for all employees of TOUAX UES whether they are subject or not subject to a fixed-day contract.

For our foreign entities, the 40-hour week is generally the most widespread, with the exception of Morocco at 44 hours. Each subsidiary has the autonomy and flexibility to set its reference schedule according to its own constraints and the culture of each country and for some countries these regulations are given in the Internal Rules signed in partnership with staff representatives. For the others, this is provided within work contracts.

Overtime or atypical working hours are paid where applicable.

A remote working charter has been introduced within the Group

- **Absenteeism**

The total rate of absenteeism for the TOUAX Group was 2.9% in 2023, representing a total of 585 working days of absence.

The following table gives a breakdown of days of absence by grounds:

Detail of absences by reason	2023
Maternity	112
Illness	432
Accident at work (including commuting accident)	4
Paternity	41

(iii) Labour relations

- **Organisation of social dialogue, in particular procedures for informing and consulting employees and negotiating with them**

  - Organisation of social dialogue in France

The Economic and Social Unit (ESU) has a Social and Economic Committee (SEC) comprised of three elected staff representatives.

The staff representatives are informed and consulted, on an ad hoc basis and periodically (according to a projected schedule), in particular concerning the organization and running of the company, the workforce, working time and training.

Minutes are drawn up at the end of each meeting of the Social and Economic Committee and passed on to all employees of the economic and social unit.

These representatives attend Social and Economic Committees with General Management. The main topics dealt with are social issues concerning the company, such as private health insurance or the organisation of working time.

  - Organisation of social dialogue in our foreign entities

Strictly speaking, the organization of social dialogue is not as structured abroad as it is in France, particularly since local labour law does not require companies to set up specific structures.

Our entity in Morocco (TOUAX Morocco) is nevertheless different from the other foreign entities. It has 4 staff representatives elected by all employees. Elections are held every 6 years, supervised by the Senior Management and the labour inspectorate.

In general, social dialogue takes place at individual and/or collective meetings between the employees and the management.

› Employee satisfaction survey and "Quality of Life at Work" (QLW)

At the beginning of 2023, the Group launched a QLW questionnaire for its transport business, which received a very high response rate of 97%. Numerous positive points stand out, including good team unity, a good work-life balance, and supportive, caring management. An internal QLW group has been set up to work on areas for improvement, with the ultimate aim of obtaining "Best Place to Work"-type certification.

The Group regularly conducts employee satisfaction surveys with a view to drawing up action plans to improve industrial relations.

Assessment of the collective agreements

No collective agreement was signed by the French and foreign entities of TOUAX in 2023.

(iv) Health and safety

Health and safety conditions at work

The Group's Ethics Charter sets out the Group's key principles in terms of health, hygiene and safety.

The Group provides healthcare coverage for all its employees.

› Post-health crisis management

Since the 2020 pandemic, the Group has introduced a telecommuting policy that enables employees to avoid commuting and improve their working conditions. These practices have been accompanied by management tools and remote meetings.

› Health and safety conditions at work in France

The role of the CSE is to help to protect the physical and mental health and the safety of workers, and to improve their working conditions. It can propose preventive measures and seek the assistance of an expert in certain circumstances. It should be noted that at the head office of the French entities, all of which are located in the Tour Franklin, the company doctor, the head of safety in the Tour Franklin, the labour inspector and the representative of the regional health insurance fund (CRAMIF) are invited to these meetings.

The TOUAX Group meets its legal obligations regarding health and safety at work, for example:
- By updating the single document,
- By planning medical examinations for employees.

The Health and Safety Committee (HSC) meets regularly to analyse working conditions and suggest improvements.

The group carried out in-depth work on drawing up an "Occupational Health and Safety Risk Assessment" ("DUP" in French). This document makes it possible to identify hazardous situations, estimate the risks to which employees are exposed and prioritize improvement actions in order to draw up an action plan.

In addition to its legal obligations, for several years the Group has implemented initiatives concerning emergency aid by training certain employees as First Aid Officers. This training includes learning how to use defibrillator devices.

Finally, in order to increase awareness among travelling employees, the Driver's Charter has been updated and it is signed by each new employee concerned.

› Health and safety conditions at work outside France

The size of the structure and the activity of the entities often determine the level of requirements for health and safety at work. Thus, the Modular Building business, with its manufacturing plant located in Morocco, will have more demanding requirements than other entities.

In Morocco:

- A Health and Safety Committee meets regularly and follows a specific action plan. For example,
    - medical tests are carried out on people exposed to chemicals.
    - Analyses of noise levels, air quality and photometric readings are carried out to measure the risks involved.
    - Safety barriers on all machines at the Moroccan plant are periodically checked.
- A risk analysis is carried out periodically on our production site. A daily machine safety checklist is implemented to check all safety equipment by the operator before use
- Regular in-house training sessions (Safety inductions) are held on fire evacuation, Quality, Health, Safety and Environment policies and instructions, and exposure to risks.
- Safety indicators are tracked for safety, fire, PPE, chemicals and hygiene.
- An emergency simulation schedule with evacuation drills is implemented.
- Regular audits make a major contribution to maintaining a safe working environment.

Staff are given specific information and advice on the dangers of falling objects.

With regard to fire hazards, fire extinguishers are checked annually and protective covers have been fitted to the extinguishers in the painting area and outside. Computer server rooms are audited for the availability of suitable extinguishing equipment.

In the UK, we have a detailed occupational risk document.

With regard to preventive measures to combat stress, the Group took action in 2020. Extensive remote working measures have helped prevent stress.

- **Assessment of the agreements signed with the trade unions or staff representatives regarding health and safety at work**

  - Assessment of the agreements signed in France and abroad

No agreements concerning health and safety at work were signed by TOUAX in France and its foreign entities in 2023. The Single Document for the Assessment of Professional Risks is regularly updated in conjunction with managers.

- **Industrial accidents, in particular their frequency and seriousness, and occupational illness**

In 2023:

- The only reported commuting accident did not result in a work stoppage.
- 3 workplace accidents resulting in 75 days of temporary disability.

The Group’s ethics charter states that the Group aims to meet customer expectations in terms of quality, health and safety in the workplace.

Where necessary, the Group provides information on the safety risks associated with improper use of its equipment. In the Moroccan Modular Building business, the “QHSE” charter is designed to guarantee its customers satisfactory products and services in terms of health and safety.

(v) Training

- **Training policies implemented**

  - The policy implemented at Group level

The Group has implemented a Strategic Jobs and Skills PlanTo this end, a medium-term forecast was produced in order to understand the skills needs in line with the expectations of our customers and our markets.In this regard, strategic skills development guidelines have been determined and compulsory training initiatives are being implemented.

An e-learning platform is available to support these development objectives.

  - Policies implemented in France

In response to the legislation in force in France, the training interview has been replaced by the "professional interview" which is a meeting between the employee and their manager dedicated to career development prospects, particularly in terms of qualifications and employment. This interview is not about evaluating the employee's work.

  - Policies implemented abroad

The Group’s training policy supports skills development as part of its Strategic Jobs and Skills Plan approach. In this respect, a number of training areas have been identified. The two main types are:

- compulsory training imposed by local regulations in particular regarding safety at work,
- training aimed at developing employees’ skills approved by local management at an interview between the employee and their line manager. Training sub-areas of focus are then identified for business-specific training, and soft skills and strategic skills training at Group level.

The human resources procedures at our companies in Morocco are more formalised than in the other foreign entities. An annual training plan to improve skills is drawn up in January and submitted to the training office by 30 April each year at the latest.

Specific safety training is provided (electrical stations, first aid, site safety, working at height, etc.). In 2023, particular attention has been paid to the training and qualification of welders to ensure the quality of structures.

In collaboration with Morocco’s occupational medicine department, awareness-raising campaigns on occupational hazards are carried out.

- **Total number of training hours**

In 2023, the Touax Group spent almost 80,000 euros on training courses at global level, representing 1,126 training hours. The Group trained 145 employees during the year, equal to 58% of the average workforce during the year. The establishment of an e-learning platform has made it possible to reach a large part of the population optimising our skills development work.

(vi) Equal treatment

- **Measures taken to promote equal opportunity and diversity**

Touax has a transparent, fair and proactive human resources management system to ensure equal opportunities and diversity within the Group. No discrimination is tolerated, and any form of discrimination goes against our values and our code of ethics.

Indeed, the profile of Touax Group employees reflects great diversity: of the total workforce of 144 by the end of 2023 (excluding the modular building plant in Morocco), there are 19 nationalities, highlighting the cultural diversity within the Group.

Touax's commitment to equal opportunity and diversity begins at the recruitment stage and continues throughout its employees' careers.

- Recruitment

New employees are recruited solely on the basis of the skills required for the position, regardless of the applicant's origin. In addition, the Group is committed to diversifying its profiles, particularly in terms of experience, in order to enrich its operational methods. Throughout a career, the Group ensures that salary increases are made objectively, in line with job requirements and level of responsibility.

- **Measures taken to promote equality between men and women**

Of the Group's total workforce as at 31 December 2023, 30% are women. Of the total number of managers, 21% are women.

- **Measures taken to promote the employment and integration of disabled workers**

The Group encourages the employment of disabled workers through partnerships with recruitment agencies that specialise in placing workers with disabilities as well as the purchase of certain supplies and services from the E.S.A.T (Établissements et Services d'Aide par le Travail).

- **Anti-discrimination policy**

All TOUAX Group companies respect local regulations regarding discrimination and comply with the law.

In 2011, the Group introduced an ethical charter which was given to all French employees and translated and passed on to all foreign entities. The charter has a section that deals with the issue of "respect for employees and industrial relations".

It is specified that all employees must "refrain from all forms of discrimination in particular on the grounds of sex, handicap, marital status, sexual orientation, age, political opinion, religious beliefs, trade union activity or race...". It is also specified that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

This charter makes it possible to increase employees' awareness of discriminatory practices and prevent as far as possible this type of inappropriate behaviour. It should be noted that, due to its international nature, the Group welcomes numerous different cultures and nationalities within the various French entities.

In addition, a charter specifically dedicated to the prevention of discrimination has been promulgated to reinforce the ethical charter. It contains precise definitions on the subject of discrimination at work and indicates a process for escalating complaints on this subject.

The Group has also provided each of its countries with "staff handbooks" covering discrimination issues.

(vii) Promotion of and respect for the fundamental conventions of the International Labour Organization

In its Code of Ethics, the Group states that it intends to comply with the United Nations Declaration of Human Rights and the fundamental conventions of the International Labour Organisation.

- **Respect for freedom of association and the right to collective bargaining**

The TOUAX Group respects the principles of freedom of association and the right to collective bargaining.

Furthermore, the ethical charter specifies that all employees must "refrain from all forms of discrimination on the grounds of trade union activity" and that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

- **Elimination of discrimination regarding employment and profession**

The Ethics Charter sets out the Group's commitments at the time of hiring, in particular to refrain from any discrimination based on gender, disability, family situation, sexual preference, age, political and philosophical opinions, religious beliefs, trade union activity, or racial, social, cultural or national origins.

Elimination of forced or compulsory labour and effective abolition of child labour

The ethical charter does not expressly deal with this issue, but does deal with the choice and fair treatment of suppliers. All employees must "be extremely vigilant with regard to suppliers that do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations".

The TOUAX Group informs its employees of the ethical issues involved when choosing suppliers.

(viii) Appendix to the corporate information

Methodological note

The employment section contains qualitative and quantitative information. A matrix developed in house is sent by the Human Resources Department every year to each person identified within each business activity in order to obtain the data that appears in the report. This information is then supplemented by interviews.

› Note concerning calculation of the workforce

This includes all employees who have a fixed-term or permanent employment contract with the Touax Group as at 31 December 2023. It therefore also includes employees whose employment contract has been suspended (paid leave, sickness, maternity leave, parental leave, sabbatical leave, individual training leave etc.) and apprentices who receive a pay slip. Expatriates are included in the workforce of the company where their mission is performed on the basis of the local contract. Temporary workers and interns are not included in the calculation of the workforce.

› Group scope of consolidation applied

The scope of consolidation for the corporate information includes all TOUAX Group's consolidation entities that employ staff. This includes the following entities:

BUSINESS	COMPANIES
Containers	Touax Container Services
	Gold Container Corp.
	Touax Container Leasing Pte Ltd
Modular Buildings	TOUAX Morocco
River Barges	Touax River Barges
	Eurobulk Transport Maatschappij BV
Freight railcars	Touax Corporate
	Touax Rail Limited
Central Services	Touax Corporate
	TOUAX UK Ltd
	Touax Corp

The scope of consolidation for corporate indicators therefore includes the entire workforce of the TOUAX Group.

The scope of consolidation is reviewed and updated after each internal or external growth operation communicated by the management.

For some indicators, the data was not available for all subsidiaries. The scope of consolidation for each indicator is specified in the following section, "Coverage rate of the indicators published".

› Note concerning the idea of the "manager" and "employee" categories

We have decided to introduce manager and employee categories throughout the Group.

According to the definition adopted, a manager is someone who supervises at least two people for foreign subsidiaries and since 2014 this criterion is also used for France.

› Note concerning the calculation of seniority

Seniority is calculated from the date of the first contract signed by the employee with a company belonging to the TOUAX Group, and does not take into account changes of position within the Group.

› Note concerning calculation of staff turnover

This is the total number of departures during the year + the total number of entries during the year divided by 2 divided by the average number of employees during the year. The average workforce is calculated by dividing by 2 the sum of the workforce at the start of the year and the workforce at the end of the year.

› Note concerning calculation of the rate of absenteeism

This indicator is calculated by dividing the total number of working days of absence (excluding paid leave) during the year by the number of days worked during the year.

Coverage rate of the indicators published

The Group selected the scope of consolidation for which the indicators have been published. The coverage rate is the ratio for each indicator between the perimeter actually concerned and the Group perimeter adopted. This rate is calculated in relation to the total workforce of the Group at the end of the year.

22.2.2.Environmental information

(i) General environmental policy

As a result of its services activity, the Group has not identified any environmental risk.

The organisation of the company to take into account environmental issues and, where appropriate, environmental assessment or certification procedures

Section 2.5 of the TOUAX ethical charter emphasizes "environmental responsibility" and raises the awareness of all employees to this issue. Employees must ensure that they:

- contribute to the TOUAX environmental initiatives,
- think about their behaviour, in all areas of activity that have an impact on the environment, in order to minimise the impact whenever possible (number of trips, saving energy, saving water, reducing waste), and
- immediately inform their line manager of any unusual discharge or emission into the ground, air or water.

The Group periodically improves its travel policy by reminding and promoting eco-responsible practices for business travel.

Each of the Group's businesses involves different environmental issues, which we will present separately.

› **Freight railcars**

The Freight Railcar business contributes to sustainable development through its soft method of transport, in the same way as the River Barge and Shipping Container divisions. According to a study by the French Environment and Energy Management Agency (ADEME), in France, rail freight transport is the method of transport that emits the lowest level of CO2, at 5.75 grams per ton of transported goods/kilometre. Next comes water transport (applicable to river barges) with 37.68 grams, then road transport with 133.11 grams.

As a member of trade associations, TOUAX Rail Ltd helps to promote and defend rail freight transport among government and European organizations. It helps to promote combined rail transport and consequently contributes directly to sustainable development and the quality of the environment at European level.

The Freight Railcar division's maintenance system has also been ECM certified (Entity in Charge of Certified Maintenance) since 2011. As of 01 January 2023, we have also obtained dedicated ECM certification for the UK. Some of the partner workshops to which maintenance of the railcar fleet is subcontracted have ISO 14001 certification, but this is not a requirement within the rail sector. In addition, the railcar maintenance workshops and railcar manufacturers comply with the environmental standards in force in their country.

The group has set up digital solutions (GPS trackers and associated services) that predict maintenance to help customers optimise the use of their railcars and allow them to emit less CO2.

› **River Barges**

The River Barge business uses existing and natural waterways. It is a safe, low-polluting method of transport. A barge can transport far more goods than a truck or a railcar. For example, on average, a convoy of 12 barges transports the equivalent of 1,100 truckloads. This business helps to promote sustainable development by emitting comparatively less gas emissions (30% less) than other more conventional methods of freight transport such as road transport, according to a comparative study of CO2 emissions by different methods of freight transport by the French Environment and Energy Management Agency (ADEME).

It should be noted that the general insurance policy of the European fleet covers risks of pollution. The contracts require the lessees to comply with navigation rules and expressly mention the ban on transporting radioactive products and waste and exclude more generally all dangerous materials.

The group has helped supply some of its customers with river barges for power plants to transport biomass as a replacement for coal.

Periodic maintenance to renew the navigation permits of 4 barges was carried out in European repair yards, in compliance with current European environmental standards.

On some of its barges in France, equipped with bow thrusters, the group has installed combustion engines allowing the extraction of fine particles and Nox.

The Group has been an active member of “The Green Platform” Association dedicated to the energy transition since 2020. The group works in particular on projects for barges and locomotives powered by hydrogen.

Touax is contributing to the European Novimar project, which aims to improve the economic feasibility of freight transport by inland waterway in Europe by introducing the concept of self-propelled trains based on a “Master-Slave” or Peloton principle. The group is working with 22 participants from 9 countries over a 4-year period.

Touax is also participating in the EU’s “Swift” project, a European Commission initiative to design a self-propelled, flexible, zero-emission boat, piloted by a shore-based control station. Objectives include improving the performance of river transport, increasing the modal shift from road to waterway, and increasing traffic on small and medium-sized secondary networks. This project, involving 12 participants from 7 countries, including the universities of Antwerp and Belgrade, ABS, Scandinaos and Touax, has a budget of 4.5 million euros over 3 years.

› **Containers**

Shipping containers can only be loaded and transported on ships designed for that purpose, called container carriers. Most current container carriers have a container capacity of 500 to 24,000 TEU (Twenty-foot Equivalent Unit). In recent years, shipping companies have adopted new LNG technology engines or alternative fuels such as methanol on their ships or have refitted the hulls of their ships to consume less fuel.

With effect from 1 January 2020, the International Maritime Organisation (IMO) will cap the sulphur emission rate of fuel oil used by vessels operating outside emission control (ECA) at 0.50% m/m (mass per mass). This measure will significantly reduce sulphur oxide emissions from ships. It should also have very positive effects on the environment and health, especially for people living near ports and coasts. Until 31 December 2019, the sulphur content ceiling for fuel used by ships operating outside emission control zones will be 3.50%. To meet this new threshold, ships use low-sulphur compliant fuel oil. Once ignited, the gas emits only a negligible amount of sulphur oxide. This is why, as mentioned above, more and more ships are also using it as fuel. This fact was recognised when the IMO developed the International Code of Safety for Ships Using Gases and Other Low Flashpoint Fuels (IGF Code) adopted in 2015. Methanol is another fuel alternative for some short journeys. Ships can also meet SOx emission requirements using approved equivalent methods. For example, "scrubbers" are exhaust gas cleaning devices that "clean" emissions before they are released into the atmosphere. In this case, the equivalent arrangement must be approved by the administration to which the ship belongs, in other words by the Flag State.

Even though the Group’s business only makes containers available to its customers, it indirectly contributes to sustainable development by promoting soft transport of goods which emits less CO2 per ton of cargo transported per kilometre.

A typical container in the Group's fleet is made of 77% steel, 14% wood and 9% miscellaneous products (paint, joints etc.). The business has no constraints regarding recycling of materials since the containers are sold before the end of their life cycle. It is nevertheless easy to recycle containers at the end of their life given the large amount of steel they contain. In addition, the activity supports research into technical solutions (through the Institute of International Container Lessors - IICL) for developing environmentally friendly components for manufacturing containers, e.g. combinations of wood and steel for the floor in order to strengthen the latter and minimise wood consumption. After several conclusive tests, we have decided to introduce OSB (Oriented Strand Board) flooring in 2021 for our new trading containers. This floor is produced with fast-growing (5-6 years old) cultivated secondary woods resulting from a reasonable recycling of the plantation, protecting wild wood resources. It has already been approved by various global certification bodies, such as BV / CCS / ABS, ISO 9001-2008/14001-2004, GB/T 28001-2011 / OHSAS180001, CARB (California Air Resources) Board, FDS, FSC / FM (Forest Stewardship Council/Forest Management Certificate), FSC/COC (Forest Stewardship Council/Chain of Custody), PEFC (Programme for the Endorsement of Forest Certification).

Touax is a member of the COA Association in the container sector, whose main missions are to raise environmental awareness, develop industry standards, disseminate information through conferences, training and education, lobby regulatory authorities and promote the safe operation of containers.

The Group's Containers are now manufactured by suppliers who use water-based solvent seals and use water-based paints avoiding harmful volatile organic compounds.

Since 2022, some container manufacturers have been testing a fully-automated powder-coating system, which enables “clean production” with zero wastewater and volatile organic compounds (VOCs), no exhaust fumes and minimal solid waste.

› **Other Modular Buildings activity**

The Group operates a modular building plant in Morocco. The module assembly process on the customer's site is a dry process which does not consume water on site or pollute the soil, and reduces all the problems of traditional construction (noise pollution, dust). Unlike traditional construction, the modules are solutions that can be quickly and easily moved from one site to another, with less environmental impact. The activity is triple certified ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) and thus applies strict measures to respect the environment.

In modular building in Africa, the group has developed a multitude of products and services offering solar electricity supply, water recovery and treatment.

- **Training and information provided for employees regarding environmental protection**

A group of employees from all divisions (Freight Railcars, River Barges, Containers and Modular Buildings), corporate services and general management was formed and received training in the field on environmental subjects in order to implement the Group's first carbon footprint evaluation and its ESG rating. Employees of the "Modular Buildings" division also benefit from periodic training on environmental subjects related to their industrial activity (waste management, management of pollution risks, management of material and energy consumption, for example).

- **The means devoted to preventing environmental risks and pollution**

In 2019, we installed on board barges equipped with bow thrusters, small metal bins for the selective sorting of any waste, such as greasy rags, special liquid and solid waste.

It should be noted that the general insurance policy of the European fleet covers risks of pollution. The contracts require the lessees to comply with navigation rules and expressly mention the ban on transporting radioactive products and waste as well as corrosive materials.

- **The amount of the provisions and guarantees for environmental risks, provided that this information is not likely to cause serious harm to the company in a current dispute**

The Touax Group has not set aside any provisions or guarantees for environmental risks. The environmental risks likely to affect the company's assets or income are insignificant, since the Group is mainly a service provider.

- **The measures for preventing, reducing and correcting discharges into the air, water and soil that have a serious environmental impact**

The Group optimizes its fleet of trucks and consequently respects the environment by reducing carbon emissions in the atmosphere. The means implemented are in particular:

- Regular checks of freight railcars and pushers,
- Subcontracting of transport to specialized companies and/or
- Streamlining of deliveries/returns in order to avoid unnecessary travel.

Generally speaking, by ensuring that its assets are in good condition, the Group helps to respect the environment.

A carbon footprint assessment study for the construction and maintenance of river barges was carried out in 2023. This will continue in 2024, with a new objective of reducing this footprint in future years.

› **Freight Railcars and Shipping Containers**

There is no policy for discharges in these divisions which do not represent any specific risk in this regard, since TOUAX does not manufacture containers or freight railcars.

TOUAX, with regard to its Freight Railcars business, has planned ahead for changes to the European standard for reducing waste that can damage the soil by choosing to equip its new European railcars with a less polluting type of sole. Soles made from composite material have replaced cast iron soles.

In addition, TOUAX Rail ensures that its equipment is maintained in good condition through periodic revisions thanks to the thirty or so maintenance workshops certified for TOUAX maintenance rules. Each railcar undergoes a full service. Each railcar normally has between 2 and 8 axles, given that an axle comprises a central pin and two wheels, one at each end. Work on the railcars in the maintenance workshops is divided into two separate flows: a flow for axles, and a flow for railcars.

Railcars are overhauled approximately every 3 years. In 2023, we overhauled 755 railcars.

› **River Barges**

Each unit complies with the standards for registration (registration, flag, measurement) and safety for each river basin. They are registered with the waterway administration that issues registration and navigation certificates. These navigation permits are issued after inspection(s) by an approved company and renewed at regular intervals, every 5 or 7 years, depending on the basin. The category certificates are valid for a period of 5 years with an intermediate inspection carried out every two and a half years. To renew the certificate, it may be necessary to dry-dock the barge for inspection and repair work.

All barges are therefore monitored and maintained in good condition in order to meet environmental and safety standards for their respective basin.

Since 2021, regulations have been changing with regard to emissions of fine particles and NOx from combustion engines. New barges built since this date and equipped with bow thrusters are fitted with diesel engines that comply with the new standards.

› **Other Modular Buildings activity**

The activity does not produce any significant polluting emissions and is certified ISO 14001 (Environmental Management System), ISO 9001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System).

Procedures for dealing with noise disturbance and all other forms of pollution specific to an activity

The Group's businesses have the advantage of producing very little noise disturbance. Nevertheless, since 2010, the Freight Railcar activity has had new railcars manufactured that are fitted with composite brake wear plates, which are quieter and comply with European standards for reducing noise levels emitted by railway systems. Beginning in 2017, TOUAX began bringing its fleet of equipment into line with the latest standards concerning the sound level of railcars, in order to promote rail transport as a sustainable mode of transport.

In July 2020, the modular building industrial site located in Morocco commissioned analyses on interior air, brightness and noise; the results were compliant with the regulatory limits.

The only industrial site remaining in the Group, in Morocco, for the Modular Buildings activity recorded no complaints in 2022.

(ii) Circular economy: Waste prevention and management

Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste

The Touax group's code of ethics raises employee awareness and prioritises minimising waste and informing line management of any unusual spills or emissions into the ground, water or air. The Touax group is very active in managing the recycling of waste from its equipment (containers, barges, railcars and the manufacture of modular buildings).

The group uses companies specialising in the recycling of computer equipment (old computers, etc.)

For its head office, the group has chosen to set up a process for collecting documents and computer media (specialised containers are made available to employees near printing points)

The group has also set up online products and services catalogues. Commercial brochures, for example, can therefore now be downloaded from the website for the Modular Buildings division in Morocco. The group's annual report is no longer printed and is available and downloadable in an electronic version.

› **Freight railcars**

The service life of a railcar varies between 30 and 50 years. At the end of their life cycle, railcars are never dumped. All railcars that are no longer used are either sold or scrapped (process similar to the barge recycling process).

A railcar is made up of 99.5% recyclable metals, and 0.5% of spare parts (rubber seals on the braking system, rubber buffer on the shock and traction components) and of liquid waste (grease on the axles).

The axle grease is cleaned with detergents in the maintenance workshops and then all the parts are recycled in accordance with local regulations for the workshop.

After recovering any re-usable spare parts, all scrapped railcars are recycled.

› **River Barges**

The actual service life of a barge is 30 to 50 years, even though the depreciation period is 30 years.

At the end of the life cycle, the barges are cleaned, dismantled and scrapped (in other words, taken apart) by authorised companies. The steel (scrap metal) is resold and melted down in blast furnaces. A scrapping certificate is issued by the contractor and makes it possible to obtain a scrapping and cancellation certificate from the waterway administration.

Consequently, at the end of their life barges are never abandoned or dumped, but are always dismantled and recycled as described above.

On certain barges where it is required, the group has installed metal bins for selective sorting of any waste (greasy rags, etc.)

› **Containers**

The containers are made of “Corten” steel, guaranteeing long-term performance and savings thanks to its enhanced durability, and it is almost entirely recyclable. The containers have a lifespan of around 50 years. They are used for the first 15 to 20 years for maritime and intermodal transport.

At the end of the life cycle, used containers are sold on the used goods market for many uses (transport, storage, housing transformation and spare parts). They are therefore rarely discarded by the TOUAX Group, except in the case of a particularly damaged container that can no longer be repaired being returned.
In the event of destruction of the container, it is almost entirely recyclable, owing to its composition that is mainly made of steel and wood.

In the event of destruction of the container, it is almost entirely recyclable, owing to its composition that is mainly made of steel and wood.

When Touax buys new containers, it applies manufacturing standards that are increasingly respectful of the environment. The division now uses water-based solvent-based seals for its containers instead of silicon-containing chemical seals and bamboo flooring instead of wood. In addition, all container manufacturers have been using water-based paints on containers since April 2017 and after a test period to significantly reduce volatile organic compounds, which are organic compounds that can easily be found in gaseous form in the atmosphere and which were harmful to health.

› **Modular Buildings**

The Group has a policy of responsible waste management at its 4-phase modular buildings plant:

- Waste identification and traceability (with classification and coding)
- Selective waste sorting at source (with daily audit)
- Temporary waste storage
- Evacuation, disposal, recycling and recovery of waste with approved organisations.

This approach aims to minimise our environmental impact in addition to complying with legal obligations.

For example, the plant is equipped with selective sorting bins, chemical retention bins for chemical products and a dust extraction system for the panel-cutting machine.

Action to combat food waste

Employees at headquarters using the collective catering services have been made aware of the fight against food waste.

(iii) Sustainable use of resources

Water consumption and supply according to local constraints

By their nature, the TOUAX Group's businesses consume little water. Consumption mainly corresponds to the daily use of offices for service activities. This information is not relevant given the diversity of the Group's sites.

Consumption of raw materials and measures taken to improve efficiency of their use

The group's code of ethics raises employee awareness and prioritises “improving water savings whenever possible".

› **Freight railcars**

	2023	2022
Number of railcars bought	833	119
Number of railcars sold	31	91
Fleet of railcars (platforms) under management on 31 December	13,191*	12,253*
Steel equivalent of the new railcars bought (in tons)	19,239	3,794

*including 1,504 in technical management

› **River Barges**

	2023	2022
Number of new barges bought (excluding service boats and pushboats)	-	-
Number of barges sold (excluding service boats and pushboats)	1	-
Fleet of boats under management on 31 December	102	98
Steel equivalent of the new barges bought in tonnes (excluding service boats and pushboats)	-	-

› **Containers**

	2023	2022
Number of new containers bought (in TEU)	20,668	29,128
Number of containers sold (in TEU)	76,390	36,518
Container fleet under management on 31 December (in TEU*)	327,922	385,141
Steel equivalent of new containers bought (in tons)	33,588	44,808-
Quantity of wood for the floors of the new containers bought (in tons)	5,998	8,001

TEU: Twenty foot Equivalent Unit

› **Other Modular Buildings activity**

	2023	2022
Buildings manufactured by the Moroccan factory (in m²)	41,136.36	22,821.21
Buildings sold by the Moroccan factory in (m²)	40,378.33	25,168.15
Steel equivalent of the modules manufactured by the Moroccan factory (in tons)	1,803.58	713.62

₪ **Energy consumption and measures taken to improve energy efficiency and the use of renewable energy**

By their nature, the TOUAX Group's activities consume little water. Consumption mainly corresponds to the daily use of offices for service activities.

› **Other Modular Buildings activity**

The fuel consumption of our modular building assembly site linked to logistics (forklift trucks, site machinery) was 10,020 litres in 2023.

The energy consumption of this site was as follows:

Moroccan factory	2023	2022
Electricity consumption in GWh	0,4346	0.3150
Gas consumption in M3	9,798.10	3,967.3

₪ **Land use**

In view of issues faced by our various businesses, this information is not applicable.

(iv) Climate change

The risk factors outline the impact of climate change in paragraph 3.4.4 of the universal registration document page 12.

₪ **The significant amounts of greenhouse gas emissions generated as a result of the company's activity, in particular the use of the goods and services it produces**

The Group's various business activities produce little pollution and emit very little greenhouse gas, since the Group's main activity is as a leasing company. Emissions problems can arise at the level of our stakeholders, such as our customers who have to transport goods via the barges, shipping containers and railcars we provide, and our suppliers who manufacture our products and who, during the transformation process, may release greenhouse gas emissions.

TOUAX contributes to the development of alternative forms of transport to road transport with its Shipping Container, Freight Railcar and River Barge business activities. A calculator has been established to measure the reduction in CO2 emissions on the www.ecotransit.org website.Our road-user clients were asked to compare their CO2 emissions according to their road-use and tonnes transported. Thanks to the equipment leased by TOUAX, customers can achieve significant reductions in CO2 emissions that they can measure in an efficient way.

In 2023, the Group drew up a first carbon footprint evaluation based on 2022 data:

- Scopes 1 and 2: Touax's transport business in France and abroad, and modular building plant in Morocco;

- Scope 3: Touax has analysed its value chain, focusing on the emissions generated by all of its suppliers; As Touax is a transport asset leasing company, the cycle of acquiring this equipment and making it available to customers generates the vast majority of Scope 3 emissions.

Since Touax is mainly a business-to-business services business, greenhouse gas emissions related to direct and indirect energy consumption (scopes 1 and 2) are low in 2022, amounting to 510 tonnes of CO2.

Scope 3 emissions, reflecting the level of greenhouse gases emitted by Touax suppliers, were assessed at 227,000 kg tonnes of CO2 over 2022.

Adapting to the consequences of climate change

› **Freight railcars**

In theory, climate change, and in particular the rise in temperatures favours the Freight Railcar business by replacing polluting methods of transport (road) with cleaner methods such as rail.

› **River Barges**

Climatic incidents occur frequently, but it is not possible to determine whether their frequency is due to climate change. Our customers are directly affected by of the hazards of navigation, such as drought, floods or ice sheets. Between 2019 and 2022, there were long periods of low water on the Rhine as well as in South America.

Likewise, in South America, the drought period at the end of 2019 lasted throughout 2022 and resulted in a sharp slowdown and even an interruption in river activity on the Paraná.

› **Containers**

The Shipping Container business is dependent on world trade. Any impact of climate change on world trade would have an impact on this business. For example, the rise in temperature could make new trade routes accessible in the North Pole, which would reduce the number of containers required for trade between Asia and Europe.

As Touax is an equipment rental company, any logistical disruptions caused by our customers (in particular due to climatic disasters) could create a need for additional rental equipment, and therefore potentially benefit the Group’s business.

(v) Protection of biodiversity

Measures taken to protect or develop biodiversity

Out of concern for the future of the planet, the TOUAX Group decided to introduce a system for collecting documents (newspapers, magazines, paper, cardboard) and computer media (CDs, DVDs, hard drives and diskettes) at the head office in La Défense. Containers are made available to employees near the printers.

These high-performance blades shred documents, computer media and cardboard boxes which are then squashed into bundles and directly sent for recycling to be made into second grade paper. The company which provides this service, gives us an environmental certificate at the start of each calendar year showing the number of trees saved thanks to our contribution. In 2023, 25.8 trees were preserved, compared to 11.7 in 2022.

For its Shipping Containers, the group has chosen to develop components that respect the environment with a view to reducing wood consumption. Container floors are therefore produced with fast-growing cultivated secondary woods, resulting from a reasonable recycling of the plantation protecting the wild wood resources.

The Group has made a donation to the Clean Ganga Fund (CGF). The aim of this fund is to contribute to the national effort to improve the cleanliness and preserve the biodiversity of the River Ganges.

(vi) Appendix to the environmental section

The environmental section contains qualitative and quantitative information. A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

Methodological note

› Group scope of consolidation applied

The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. This is the same scope as that of the social part in 157 above page , it being specified that the information does not concern modular buildings that were transferred in 2017.

› Note concerning the calculation of the steel equivalent of new railcars

This calculation is based the average weight of an empty railcar of 23.1 tonnes, of which on average 99.5% is made of steel. The average weight was calculated by the TOUAX technical department based on the technical data for each railcar (including the tare or unloaded weight) in our information system. The calculation is the ratio between the sum of the unladen weights of all of the railcars in the fleet, and the number of railcars in the fleet at a given date.

However for the 2022 data, the steel weight of each railcar purchased is known, allowing for the total steel equivalent of all the railcars purchased to be calculated with precision.

- Note concerning the calculation of the steel equivalent of new barges (excluding service boats and push boats)

The weight of the steel of each barge bought is known to the nearest kilogram, which makes it possible to calculate the total steel equivalent of all of the barges bought.

- Note concerning the calculation of the steel equivalent of new containers

The weight of steel and wood in containers purchased by the Group varies depending on the type of container.

- Note concerning calculation of the steel equivalent of the modules produced

The steel weight of the modular buildings produced is known to the nearest kilo, enabling the steel equivalent of the year's production to be calculated, and the built surface areas are known to the nearest tenth of a m².

Coverage rate of the indicators published

This section specifies the scope of consolidation for which the indicators have been published.

The coverage rate is the ratio for each indicator between the scope actually concerned and the scope adopted (Group, division, industrial site, etc.). This rate is calculated in relation to the total workforce of the Group at the end of the year. TOUAX undertakes to increase as far as possible its coverage rate each year.

Due to the diversity of the TOUAX Group's businesses and the current organization of reporting, the indicators (except for the provisions and resources devoted to environmental protection) are not consolidated at Group level but by business. The scope of consolidation of each indicator is specified in the text. When the indicators are consolidated by business, the contributing entities are those presented in the table concerning the scope of the data.

22.2.3.Information regarding the social commitments to promote sustainable development

(vii) Territorial, economic and social impact of the company's activity

Regarding employment and regional development

The Group mainly employs people with office jobs, all located in major cities around the world. Its modular activity in Morocco is located more than 20 kilometres from Casablanca, and the vast majority of the employees working here come from the neighbourhood, which helps to boost the local employment pool.

Regarding surrounding or local communities

Under the apprenticeship tax, the Group has paid just under a thousand euros to the French association "ZYVA" whose aim is to facilitate the integration of young people into society by setting up activities enabling the care of young people in vulnerable situations.

(viii) Relations with people and organizations concerned by the company's business, in particular associations that promote integration, teaching institutions, environmental associations, consumers associations and the surrounding communities

Conditions for dialogue with these people or organizations

The relations formed with many organizations helps the group to share best practices with other businesses and prepare for changes in regulations and standards, particularly in relation to the environment.

In general, people or organisations interested by the business activities of each division can obtain information on their products and services on each relevant website. To obtain an element of information on the TOUAX Group, the interested people or organizations can go to the www.touax.com website.

Partnership and sponsorship initiatives

Section 2.4 of the ethical charter, "Charitable activities and sponsorship" specifies that the TOUAX Group "authorizes sponsorships and contributions to charitable activities provided that they are in the general interest and contribute effectively to the social action specified by the Group. *These actions or contributions are subject to the prior written approval of the director of the division concerned, the Managing Partners and the Human Resources Department.* They are duly listed to ensure the coherence of the Group's general humanitarian policy. »

(ix) Subcontracting and suppliers

Consideration of environmental and social issues in the purchasing policy

The Group has implemented a multitude of actions in its responsible purchasing policy, including a supplier “code of conduct”, and the identification and collection of data to assess and support its suppliers.

The “Supplier Code of Conduct” is available on the Group’s website and is distributed to suppliers to encourage them to sign up. This code of conduct implies commitment on the part of the Group’s suppliers to work in compliance with all of the applicable regulations, and in particular to respect:

- Human rights and fundamental freedoms
- Environmental protection
- Preventing and combating corruption and money laundering
- Competition law, certain international sanctions and business ethics

The Group deploys standard contractual clauses in its contracts with suppliers and provides specific training for its buyers on responsible purchasing.

Our Freight Railcars business pays special attention to the consideration of social and environmental issues, especially as an Entity in Charge of Maintenance (ECM) for railcars under our own management as well as railcars operated by other providers for which we are the ECM. The ECM must plan, develop, control and monitor the maintenance carried out on the fleet. The suppliers referred to for scheduled maintenance are selected based on their certificates but also their audit results. Monitoring is established and traceability is ensured by the Quality systems and ECM Monitoring in order to ensure that any suppliers found to be in breach are removed.

Section 3.4 of the code of ethics addresses the issue of the choice and fair treatment of suppliers. In accordance with the code of ethics, group companies treat all their customers and suppliers fairly. It stipulates that all employees in contact with suppliers must "be extremely vigilant with regard to suppliers who do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations. »

The Group’s general managers and technical directors travel regularly to the subcontracted manufacturing sites of containers, railcars and barges and can observe any anomalies that do not comply with Group ethics.

The importance of subcontracting and the consideration of social and environmental responsibility in relations with suppliers and subcontractors

The Touax Group intends to conduct a study in the next few years and introduce initiatives aimed at giving greater consideration to its social and environmental responsibility in its relations with suppliers and subcontractors.

In particular, it will aim to strengthen policies on responsible purchasing and consideration of environmental protection. This framework will be validated by the implementation of concrete and measurable actions.

(x) Loyalty

Action taken to prevent corruption

The Group has a strict anti-corruption policy. An anti-corruption code of conduct has been introduced and is available on the Touax website. This anti-corruption code is a guide to combating corruption and conflicts of interest. It supplements the Group’s Ethics Charter and sets out the main principles of ethical business conduct.

The Group aims to set an example and convey a message of “zero tolerance” to all of its stakeholders. This anti-corruption code of conduct includes a whistle-blowing mechanism.

Touax has drawn up an anti-corruption risk map and a dedicated action plan to monitor these risks.

The Group puts in place specific information to prevent corruption, particularly within its executive committees. All managers will have undergone anti-corruption training by 2023, as will all teams by 2024.

› **Anti-competitive practices**

In its code of ethics, the group specifies its relations with customers and competition and in particular its attachment to the values of free, fair and equitable competition, which is synonymous with responsible and sustainable growth

› **Actions to prevent money laundering**

In its code of ethics, the group reiterates the principles for preventing fraudulent transactions and money laundering. The group is vigilant on these matters and complies with the regulations in force.

Work is underway to analyse the risk of money laundering among certain suppliers, customers and investors. The Group’s investment requests must ensure that our suppliers and customers are not subject to controversy, particularly on ethical issues.

Measures taken to promote consumer health and safety

During the manufacturing and maintenance process, the Group ensures that its equipment complies with current standards, particularly in terms of safety, durability and quality.

The Group also ensures that it is used in accordance with the specific properties of its equipment and with regard to the legislation in force.

› Freight railcars

The freight railcar division's maintenance system has been ECM (Entity in Charge of Maintenance) certified every year since 2011.

Touax Rail uses more than 50 repair workshops throughout Europe.

Some of our partner workshops to which we subcontract railcar fleet maintenance are ISO 45001 certified.

Touax is a member of VPI (German Association of Private Wagon Owners). Railcar maintenance is carried out in accordance with the VPI Maintenance Guide. VPI also conducts audits of workshops throughout Europe.

User manuals and maintenance guides are provided for each customer to improve user safety.

100% of new equipment purchased by the Group is TSI and noise compliant. (TSI: Technical Specifications for Interoperability – https://www.era.europa.eu/domains/technical-specifications-interoperability_en).

100% of new equipment purchased by the Group is DAC (Digital Automatic Coupling) compatible, fitted with LL brake pads and equipped with GPS. These measures help to reduce noise pollution, and telemetry enables customers to monitor operations more effectively.

Touax railcar manufacturers are ISO 9001 certified.
Touax cooperates with inspection bodies (TÜV, Dekra, Ricardo Rail) for quality control during manufacturing.
Before production begins, a quality check in line with the Group's expectations is carried out by the inspection body, followed by a final inspection by the inspection body.
Quality management procedures are carried out in compliance with GCU (https://www.gcbureau.org/web/portal/welcome) and ECM regulations.

› River Barges

In the River Barges business, health and safety issues are discussed with certain customers during specific meetings.

All our barges comply with safety standards. All persons on board must comply with the safety standards (life jacket, safety footwear and hard hat where appropriate). The river police ensure the correct application of navigation regulations.

On certain acquisitions, the Group has undertaken to apply anti-slip paint on the work areas of the decks of each barge. Handrails around coamings have been restored, in order to guarantee optimum safety for convoy crews. The Group has put in place sticker signage to alert crews to the principles to be observed on board in matters of occupational health and safety.

› Containers

The Group's containers are all manufactured to technical specifications issued and constantly updated by the Technical Department of the Group's shipping container division. After production and before being put into service, the containers are inspected by experts to verify:

- Container quality and compliance with the Group's technical specifications
- Respect for and compliance with standard safety norms

The Group also holds ACEP (APPROVAL OF CONTINUOUS EXAMINATION PROGRAMME) certification, awarded by BUREAU VERITAS Services SAS. This certification attests that the continuous examination programme operated by Touax for the maintenance of these containers has been examined in accordance with the provisions of the International Convention for Safe Containers (CSC-1972: edition in force) and that it complies with the applicable provisions.

Touax works with around 140 depots worldwide, all of which are authorised to maintain containers in accordance with IICL (The Institute of International Container Lessor – https://www.iicl.org/). Employees at these depots are continuously trained by IICL to ensure that all containers are repaired and maintained in good condition to ensure their safe use.

› Modular Buildings

In the Modular Building business in Morocco, the Group has implemented a modular building user and safety manual containing instructions on safety, handling and installation, maintenance, risks and instructions for use.

The Modular Building business in Morocco is ISO 45001, ISO 14001 and ISO 9001 certified.

Other initiatives in favour of human rights

The Group adheres to the United Nations Global Compact. The Group thus reaffirms its commitment to the 10 principles of the Covenant, particularly those concerning human rights.

(xi) Appendix to the social section

The social section provides 100% qualitative data. The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. The scope of consolidation is the same as that used in the social section, shown above page 157.

A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

La Défense, 20 March 2024

Fabrice and Raphaël WALEWSKI

Managing Partners

22.3. MANAGING PARTNERS' REPORT TO THE EXTRAORDINARY GENERAL MEETING

Dear Shareholders,

We have invited you to an Extraordinary General Assembly to ask you to, in particular, to make a decision:

(i) on a delegation of authority to the Management Board for the purpose of issuing ordinary company shares and securities, with retention of the preferential subscription right of the shareholders, for a period of 26 months;

(ii) on a delegation of authority to the Management Board for the purpose of issuing ordinary company shares and securities, by way of a public offer, with cancellation of the preferential subscription right of the shareholders but with a mandatory subscription priority time period, for a period of 26 months;

(iii) on a delegation of authority to the Management Board to increase the issue of ordinary company shares and securities, in the event of excess demand, for a period of 26 months

(iv) on a delegation of authority to the Management Board for the purpose of increasing the share capital for the benefit of the Group's employees, with cancellation of the preferential subscription right, for a period of 26 months;

(v) on an authorisation to be given to the Management Board in order to cancel all or part of the shares purchased by the company under the provisions of Article L. 225-209 of the French Commercial Code, for a period of 18 months.

The General Meeting of shareholders of 22 June 2022, with the unanimous agreement of the General Partners, delegated the following issue authorisations to the Management Board.

Description of authorisations	authorisation date	due date	authorised ceilings	use during 2023	total amount used
Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with retention of preferential subscription rights	Combined General Meeting of 22 June 2022 (22nd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none
Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with suppression of preferential subscription rights by offer to the public but with a priority time period	Combined General Meeting of 22 June 2022 (23rd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none
Increase the share capital resulting from excess demands	Combined General Meeting of 22 June 2022 (24th resolution)	21 August 2024	maximum of 15% of the initial issue	not used	none

Issuing shares for the benefit of the group's employees, with cancellation of the preferential subscription right	Combined General Meeting of 22 June 2022 (25th resolution)	21 August 2024	maximum of 600 000 euros	not used	none

(1) Ceiling of €20 million authorised for all share capital increases in par value.
(2) Independent ceiling.

These authorizations cancel any previous delegations for the same purpose.

I - Delegation of authority to the Management Board to authorise capital increases (16th, 17th and 18th resolutions)

TOUAX is a diversified Group in 3 business areas (freight railcars, river barges and shipping containers), and specialises in the operational leasing of mobile and standardised equipment. The Group is resolutely internationally-focused.

You will find all the information on the progress the company and the Group is making in the management report for the year ended 31 December 2023, on page 134 of the 2023 universal registration document, available on the website www.touax.com.

The purpose of the financial authorisations submitted to you is to offer the Management Board the greatest flexibility in the choice of potential issuances and to adapt, when the time comes, the nature of the financial instruments to be issued depending on the status of and opportunities in the financial markets, in order to respond quickly to current market developments.

The amounts raised make it possible to seize and finance investment opportunities in accordance with the defined strategy, to refinance part of Touax Group's existing financing, or to consolidate its shareholders' equity so it can continue its growth.

You are therefore requested to authorise the Management Board to undertake:

(i) the issue of ordinary shares and/or securities giving access to the share capital or the allocation of debt securities with retention of preferential subscription rights and

(ii) the issue of ordinary shares and/or securities giving access to the share capital or the allocation of debt securities with cancellation and replacement of preferential subscription rights, by way of a priority subscription period for the benefit of shareholders.

The Management Board wishes to propose to the general meeting of 12 June 2024 the renewal of the authorisations granted by the general meeting of 22 June 2022.

The resolutions presented at this meeting would enable your Board to decide to issue securities giving access to the Company's capital, either by issuing new shares such as bonds that are convertible or redeemable in shares, or bonds combined with a subscription of shares, or by remittance of existing shares such as "OCEANE" (bonds convertible into shares to be issued or exchangeable into existing shares). These securities could be in the form of debt securities as in the above examples, or equity securities, for example, shares combined with equity warrants. However, in accordance with the law, equity securities that are convertible or convertible into debt securities may not be issued.

Securities giving access to capital in the form of debt securities (for example, convertible bonds or bonds redeemable in shares, or bonds with equity warrants) could give access, either at any time or during fixed periods or on fixed dates, to the allocation of shares (within the ceiling mentioned below). This allocation could be made by conversion (for example, bonds convertible into shares), redemption (for example, bonds redeemable in shares), exchange (for example, bonds exchangeable for shares) or presentation of a warrant (for example, bonds with equity warrants) or in any other manner, during the term of the loans, whether or not the preferential subscription right of the shareholders to the securities thus issued is retained.

The policy of the Management Board is to prioritise, as a matter of principle, the conventional capital increase with the retention of shareholders' preferential subscription rights (16th resolution).

However, depending on the market conditions, the nature of the investors involved in the issue and the type of securities issued, it may be preferable, if not necessary, to cancel the preferential subscription right, in order to place securities in the best conditions, particularly when the speed of the operations is an essential condition for their success. Such a cancellation may result in a larger capital pool due to more favourable issuing conditions. With a capital increase with cancellation of the preferential subscription right (17th resolution), the Management Board would thus be able to take advantage of the opportunities offered by the financial markets in certain circumstances, it being specified that the resolution provides for a priority period for existing shareholders to subscribe to shares or securities giving access to the capital that would be issued.

The delegations provided for by these resolutions aim to increase the capital by issuing shares and securities giving access to the capital up to an overall limit of 20 million euros in nominal value, which does not take into account any increases that may be required to preserve the rights of holders of securities giving access to capital and capital increases in the event of excess demand. This overall ceiling is common to the 16th and 17th resolutions. A capital increase with cancellation of preferential subscription rights decided by virtue of the 17th resolution would therefore be deducted from the ceiling of the 16th resolution.

₪ Delegation of authority to the management board to increase the share capital with retention of preferential subscription rights (16th resolution)

You are hereby requested to confer to the Management Board the powers necessary to proceed with the issuance, with retention of the preferential subscription right of the shareholders, on one or more occasions, in the proportions and at the times that it will assess, on the French and/or international market, either in euros, or in foreign currencies or in any other account unit established by reference to a set of currencies:

- ordinary shares, and/or
- equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or
- more generally securities giving access to equity securities to be issued by the company or giving right to the allocation of debt securities,

of any kind whatsoever, whether in return for payment or free of charge, it being specified that the subscription of the shares and other securities may be made either in cash or by offsetting with certain, liquid and payable receivables.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares of any company which directly or indirectly owns more than half of the capital or of which it directly or indirectly owns more than half of the capital.

It is specified that the total nominal amount of the capital increases that may be carried out immediately and in the future is set at twenty million (20,000,000) euros, subject to the resolution concerning excessive demand. Added to the above ceiling, if applicable, is the nominal amount of the issues that may be required to preserve, in accordance with the law, the rights of the holders of securities giving access to the capital in accordance with the legal and regulatory provisions as well as the contractual stipulations.

In the event of this delegation being used, the Management Board, the shareholders, will have, in proportion to the amount of their shares, a preferential subscription right to the securities that would be issued pursuant to this delegation. The Management Board may establish, where applicable, a subscription right on a reducible basis, for new non-subscribed capital shares that the shareholders may exercise proportionately to the subscription rights available to them and, in any case, within the limits of their demands

In accordance with the provisions of Article L. 225-134 of the French Commercial Code, the Management Board may, in such order as it deems appropriate, allocate the shares, debt securities and/or securities not subscribed in whole or in part for the benefit of the people of its choice, offer the public all or part of the non-subscribed securities and/or limit the issue to the amount of subscriptions received as soon as they reach at least ¾ of the issue decided upon.

If you consent to the delegation, the latter will bring, for the benefit of the holders of the issued securities, an express waiver by the shareholders of their preferential subscription right to the new shares to which the securities issued by virtue of this delegation may give entitlement.

The Management Board would have all the powers to decide upon and carry out the capital increase(s) that it deems appropriate.

This authorisation would be given for a period of 26 months and it will cancel and replace the authorisation given by the annual general meeting of 22 June 2022 in its 22nd resolution.

₪ Delegation of authority to the management board to increase the share capital with cancellation of preferential subscription rights but with a priority period for the benefit of existing shareholders (17th resolution)

You are hereby requested to confer to the Management Board the powers necessary to proceed with the issuance by offer to the public with cancellation of the preferential subscription right, on one or more occasions, in the proportions and at the times that it will assess, on the French and/or international market, either in euros, or in foreign currencies or in any other account unit established by reference to a set of currencies:

- ordinary shares, and/or
- equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or
- more generally securities giving access to equity securities to be issued by the company,

of any kind whatsoever, whether in return for payment or free of charge, it being specified that the subscription of the shares and other securities may be made either in cash or by offsetting with certain, liquid and payable receivables.

It is specified that the total nominal amount of capital increases that may be carried out immediately and in the future is set at twenty million (20,000,000) euros subject to the resolution relating to excess demand, it being specified that the nominal amount of the shares that may be issued under this delegation will be deducted from the ceiling referred to in the 16th resolution. Added to this ceiling, if applicable, will be the additional nominal amount of ordinary shares to be issued to retain, in accordance with the law and any applicable contractual stipulations providing for other cases of adjustment, the rights of the holders of securities or holders of other rights giving entitlement to equity securities of the company.

You are requested to grant the shareholders a mandatory priority subscription period for all such issues, not giving rise to the creation of negotiable rights, exercisable in proportion to the number of shares held by each shareholder and, where applicable, on a reducible basis. The management board shall have the power to set the duration and the terms thereof in accordance with legal and regulatory provisions.

The cancellation of preferential subscription rights should make it possible to facilitate public offering transactions and attract new investors if necessary, although it is specified that shareholders would be favoured over new entrants by way of priority instituted to their profits.

The issue price of the equity securities will be at least equal to the minimum price provided for by the legal and regulatory provisions applicable on the day of setting the issue price (namely on this date, at the weighted average of the last three sessions prior to its fixing, possibly reduced by a maximum discount of 5%).

The issue price of the securities giving access to the capital of the company shall be such that the amount received immediately by the company, plus any additional fees that may be collected by the company, is, for each share issued as a result of the issue of these securities, at least equal to the issue price.

In the event of insufficient subscriptions, the management board may use, in the order it determines, one or both of the options set forth in Article L. 225-134 of the French Commercial Code, namely:

(i) shares or financial securities not subscribed for may be allocated in whole or in part by the board of managers for the benefit of the persons of its choice, in accordance with the legal and regulatory provisions in force,

(ii) such shares or financial securities may be offered to the public, or

(iii) the issue may also be limited to the quantity of subscriptions actually received, provided these amount to at least ¾ of the issue decided upon.

If you consent to the delegation, this will bring, for the benefit of the holders of the securities giving access to the capital, the express cancellation of the shareholders' preferential right to subscribe to the new shares to which these securities entitle them.

The Management Board would have all the powers to decide upon and carry out the issues of shares or securities that it deems appropriate.

It is specified that the Management Board may, in the context of the implementation of this delegation, modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities.

This authorisation would be given for 26 months and it will cancel and replace the authorisation given by the annual general meeting of 22 June 2022 in its 23rd resolution.

- **Delegation of authority to the Management Board to increase the amount of issues in the event of excess demand (18th resolution)**

You are hereby requested to authorise the Management Board to decide, within the time and within the limits provided for by the law and regulations applicable on the day of the issue, for each of the issues decided upon pursuant to the 16th and 17th resolutions, to increase the number of securities to be issued, subject to compliance with the ceiling provided for in the resolution under which the issue is decided.

This authorisation will be for a period of 26 months and it will cancel and replace the authorisation given by the annual general meeting of 22 June 2022 in its 24th resolution.

I- Delegation of authority to the Management Board with a view to increasing the share capital for the benefit of the group's employees with cancellation of preferential subscription rights (19th resolution)

In accordance with articles L.3332-18 to 3332-24 of the Labour Code and articles L. 225-129-6 and L.225-138-1 of the French Commercial Code, our company presents to you a draft resolution tending to delegate to the Management Board its authority to proceed, on one or more occasions, under the conditions set forth in Article L. 3332-18 et seq. of the French Labour Code, to an increase in the share capital in cash of up to €600,000 reserved for employees of the company and its related companies pursuant to Article L. 225-180 of the French Commercial Code, members of a company savings plan.

The purpose of this provision is to promote the shareholding of all employees.

The total number of shares that could be subscribed by the employees could not be greater than 3% of the share capital on the day of the Management Board's decision and the subscription price of the shares would be fixed in accordance with the provisions of article L.3332 -18 et seq. of the Labour Code.

This authorisation will be granted for a period of 26 month.

AUTHORISATION TO BE GIVEN TO THE MANAGEMENT BOARD IN ORDER TO CANCEL ALL OR PART OF THE SHARES PURCHASED BY THE COMPANY UNDER THE PROVISIONS OF ARTICLE L. 22-10-62 OF THE FRENCH COMMERCIAL CODE (20TH RESOLUTION)

You are also asked to authorise the Management Board to reduce the share capital, on one or more occasions, by a maximum of 10% of the share capital per period of twenty-four months, by cancelling some or all of the treasury shares acquired under the stock redemption programme adopted by the company's shareholders at the present Annual General Meeting, or at a previous or subsequent Annual General Meeting.

This authorisation will be granted for a period of 18 months.

The cancellation of Company shares held by the latter may respond to various financial objectives, such as active capital management, balance sheet optimisation or offsetting the dilution resulting from capital increases.

The Management Board could allocate the difference between the repurchase price of the cancelled shares and their par value at the time of cancellation, to the premiums and free reserves.

The Management Board shall have all powers to determine the terms and conditions of these cancellations, in order to amend, where appropriate, the Company's articles of association, make any declarations, carry out any other formalities, and in general do whatever is necessary.

This authorisation would cancel and replace the authorisation granted by the Extraordinary General Meeting of 14 June 2023, in its 18th resolution, which has not been used at all.

* * * *

You will also hear the reading of the auditors' reports.

We ask you to approve all the resolutions.

The Managing Partners remain at your disposal to give you any additional information or explanations that you might require.

La Défense, 20 March 2024

Fabrice and Raphaël WALEWSKI

Managing Partners

23. REPORTS OF THE SUPERVISORY BOARD

23.1. REPORT OF THE SUPERVISORY BOARD ON ITS BRIEF TO CONTINUOUSLY MONITOR THE GROUP'S MANAGEMENT

Dear Shareholders,

In addition to the Management Report, which details the activities and results of each division of the Group, the Supervisory Board presents to you its report pursuant to Article L. 226-9 of the French Commercial Code, relating to its audit mission of the Group's management and presents its opinion on the main resolutions proposed for your votes today.

The Supervisory Board met four times in 2023 and exercised its supervisory duties completely independently. It considers that it received the documents and information required for it to properly carry out its brief, particularly in relation to the accounts, financial commitments and risks inherent in the business and its environment. The Managing Partners provide regular information about the changes in each division and its future prospects in the context of the strategy defined by the Management Board as well as the overall situation of the Group.

Through its Chair, the Supervisory Board takes part in divisional supervisory committees. These committees are organised by the Managing Partners and the operational departments, and their purpose is to present the business strategies, in particular the changes in market strategy, competitive positioning and a perspective with regard to previous strategies. Their purpose is also to study significant events occurring during the period in question. In 2023, the action plans of each division were presented to the Supervisory Board.

The Supervisory Board continued to pay particular attention to the Group's indebtedness. Net debt shifted from 273 million euros in 2022 to 285.7 million euros in 2023 (including active derivative instruments) and Touax SCA's bank ratios were respected at the end of December 2023. The leverage ratio increased to 5.16 (from 4.69 in 2022), and the loan-to-value (LTV) ratio decreased (59% in 2023 compared to 60% in 2022).

In terms of governance, since 2015 the Company has referred to the Middlenext Code and examined the situation of each member in terms of their independence.

The audit committee met 2 times prior to the Supervisory Board meeting. In particular, it reviewed the consolidated financial statements and risks and submitted a report about its brief to the Supervisory Board.

* * *

With respect to the main financial data for 2023 and without going back to the detailed comments by the Management Board, we remind you that the accounts of 31 December 2023 as well as the comparative data are presented in accordance with IFRS standards.

The accounts as at 31 December 2023 relating to the retained activities show that:

- The Group share of net profit/loss was +3.6 million euros, down by 3.9 million euros compared to a profit of +7.5 million euros a year earlier. It includes, in addition to the results of the Railcar, River Barge and Shipping Container divisions, (i) +2.2 million euros in profit on the Modular Building business, marked by a strong resurgence of orders, and (ii) taxes of -1.5 million euros (current income before tax of +7.3 million euros) which break down into a deferred tax of -0.8 million euros and a current tax charge of -0.7 million euros.

The key indicators of the Group's activity report are presented differently from the IFRS income statement to allow an understanding of the performance of the activities. For this, no distinction is made in management on behalf of third parties, which is presented in the exclusive form of an agent:

- Income from business amounting to 195.4 million euros is restated in order to present owned equipment business on the one hand and managed equipment business on the other.Thus, restated income from business is 157.1 million euros.
- For management activities, leasing revenue from equipment held by investors is replaced by management fees, which correspond to the net contribution of leasing management activity to the performance of the Group.

This presentation therefore allows direct reading of syndication commissions, sales commissions and henceforth management commissions, grouped together under management activity, distinct from owned activity.

- Restated income from activities decreased by 2.7%, settling at 157.1 million euros (159.6 million euros at constant currency and scope) compared to 161.5 million euros in 2022. Revenue from owned equipment activity amounted to 147.9 million euros compared to 150.5 million euros in 2022. Revenue from the managed equipment business amounted to 9.2 million euros compared to 10.9 million euros in 2022.

- EBITDA totalled 55.3 million euros, representing a decrease of 4.5% compared to the previous year.

The EBITDA of the Freight Railcars division amounted to 31.4 million euros compared to 30.6 million euros in 2022. This rise of 0.8 million euros is explained by the increase in rental activity of owned and managed assets.Management fees for equipment belonging to investors also increased by 0.3 million euros. Syndication fees were down (-0.2 million euros). General expenses increased to reach 0.7 million euros.

The River Barges division recorded an EBITDA of 5.3 million euros for the year, compared to 5 million in 2022. The fall in chartering activity was offset by an increase in barge leasing activity.

The EBITDA for the Shipping Containers division fell by 7.6 million euros to settle at 15.2 million euros. Sales of our own containers and related services (pick-up charges) reached an exceptional level in 2022. The Group's equipment rental business has risen if pick-up charges included in ancillary services are restated. The average utilisation rate is at 95.1% over the year 2023 (97.7% in 2022).

The EBITDA from other activities amounted to -3.4 million euros, increasing (+3.8 million euros) compared to 2022 with the Modular Building business in Africa.

- The operating result totalled 28.3 million euros, +9% compared to 2022 (31.1 million euros).

- Total shareholders' equity as at 31 December 2023 totalled €147.6 million euros compared to 153.7 million euros as at 31 December 2022.

The highlights in 2023 are as follows:

Operational performance

2023 is marked by a decline in shipping container sales after an exceptional year in 2022. The Freight Railcars and Shipping Containers divisions reported a decline in operating performance, while the River Barge and Modular Building divisions reported growth.

Financing transaction:

On 16 May 2023, TSCA issued a 5.35 million euro bond, similar to the €PP 07/2027 of 2022 (same residual term, same coupon and same maturity schedule). In order to guarantee new holders the required yield, this tap was issued at 95.2% of nominal (i.e. 5,093,200 euros).

On 27 July 2023, Touax SCA signed and put in place a 4-year maturity, 40 million euro senior secured loan in the form of a bank club deal. The purpose of this financing is to extend the average maturity of the Group's debt, in line with its growth and profitability strategy, and has enabled the repayment of the senior secured loan maturing in June 2024 for the same amount.

The Management Board's Annual Report and the financial information documents provided to you show growth in the Group's businesses and income over the 2023 financial year. The Statutory Auditors have reported the findings of their audits. We have no observations to make regarding the consolidated individual financial statements of the last financial year.

* * *

The main resolutions submitted to you on an ordinary basis relate in particular to the approval of the financial statements, the allocation of results, the compensation of corporate officers, the renewal of members of the Supervisory Board, as well as the authorization to operate on the shares.

Extraordinary resolutions concern authorizations to increase the capital. It is also subject to an authorization to be given to the Board of Managers to cancel the capital in the context of share buybacks.

The Board requests your approval of all of the resolutions submitted to you.

La Défense, 21 March 2024

The Supervisory Board

23.2. REPORT FROM THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE

Dear Shareholders,

Pursuant to Article L.22-10-78 of the French Commercial Code, this report sets out the corporate governance.

This report was discussed at the meeting of the Supervisory Board on 21 March 2024.

23.2.1.Specific characteristic of the Partnership limited by shares under French law

Presentation of the partnership limited by shares

TOUAX is a partnership limited by shares, governed by French law, governed by articles L.226-1 to L.226-14 and L. 22-10-74 to L. 22-10-78 of the French Commercial Code and, insofar as they are compatible with the articles referred to above, by the provisions relating to limited partnerships and public limited companies, with the exception of articles L.225- 17 to L. 225-93 and L. 22-10-3 to L. 22-10-30, and the third paragraph of article L. 236-6. It is also governed, within the context of the law, by the specific characteristics of its Articles of Association.

This legal structure includes two categories of partners:

- limited partners (the shareholders), whose status is the same as that of the shareholders of a public limited company: their shares are negotiable under the same conditions and their liability is limited to the amount of their contributions;
- general partners, who are in the same legal position as the partners in a general partnership: they act as business people and are jointly and severally liable for social debts on their own property. Their rights within the Company (realised in the form of shares) are not freely transferable, they require the unanimous approval of the partners and of the extraordinary general meeting of the limited partners. The general partners may, however, hold shares if they have made contributions or if they have purchased securities; in this case, they then combine the two qualities of general partners and limited partners. Given the existence of two categories of partners, collective decisions require a double consultation: That of the limited partners gathered in General Assembly and that of the general partners. However, the general partners are not involved in the appointment of members of the Supervisory Board, the latter being the responsibility of the limited partners only (not general).

The Company also has a Supervisory Board representing the limited partners. It ensures permanent control over the management of the Company.

The Company is managed by one or several managing partners, natural or legal persons, chosen from the general partners or third parties. Managing Partners may be statutory or appointed subsequently during the course of the corporation's existence. Any appointment or re-election of a managing partner is the responsibility of the general partners.

The law and the specific details of the TOUAX Articles of Association make the limited partnership a modern structure that is perfectly adapted to the principles of good governance:

- a clear separation of powers between the Management Board, which runs corporate affairs and the Supervisory Board, made up of shareholders responsible for supervising the management and accounts;
- the unlimited liability of the general partner for their own property, which reflects the balance established between investment commitment, power and responsibility; and
- assignment to the Supervisory Board of the same powers and rights of communication and investigation as those devolved to the Auditors.

Factors likely to have an impact in the event of a takeover bid

The TOUAX Group is a partnership limited by shares under French law which by nature is controlled by the general partners. This legal form is generally considered to protect the company from public offerings because of the two categories of shareholders, the limited partners and the general partners.

It has two general partners: SHGP and SHGL. These two companies belong respectively to Fabrice and Raphaël WALEWSKI. General Partners have rights in the appointment and dismissal of Managing Partners, which make it difficult to change control.

There may be clauses in some finance agreements that require repayment of financing in the event of changes of control as a result of the change of general partners.

Alexandre WALEWSKI, Fabrice WALEWSKI, Raphaël WALEWSKI, SHGP and SHGL are deemed to have acted in concert in 2024, as they have since 2005. This alliance is a de facto alliance that was established in 2005 during the conversion into a partnership limited by shares under French law. In total, on 31 December 2024 this concert held 31.41% of the shares and 42.22% of the voting rights.

There is no shareholder agreement, providing for preferential conditions for the sale or acquisition of shares.

A change of control requires, therefore, a change in the composition of both general partners and limited partners.

23.2.2.General statements

To our knowledge, during the past five years,

No general partner, no managing partner, no member of the Supervisory Board has been convicted of fraud;

No general partner, no managing partner, no member of the Supervisory Board has been associated with any bankruptcy, receivership or liquidation or placement of companies into administration;

No general partner, no managing partner, no member of the Supervisory Board has been subject to any incrimination or official sanction;

No general partner, no managing partner, no member of the Supervisory Board has been prevented by a court from acting as a member of an administrative, management or supervisory body monitoring an issuer or intervening in the management or conduct of the affairs of an issuer.

In addition, to the best of our knowledge there are:

No potential or actual conflicts of interest between the duties, with regard to TOUAX SCA, of one of the members of the Supervisory Board, members of the Management Board, one of the general partners and their private interests or other duties, it being specified that there is a regulated agreement involving the Managing Partners;

There are no arrangements or agreements between any of the members of the Supervisory Board or the Management Board, or between a General Partner and any of the main shareholders, customers or suppliers;

No restrictions on transfer by the members of the Supervisory Board within a certain period of time of their stake in the share capital of TOUAX SCA;

No restriction on the transfer by the Managing Partners or a general partner within a certain period of time of their stake in the share capital of TOUAX, with the exception of the intervention rules on the securities provided for by the legal provisions in force;

No service contract binding the members of the Supervisory Board or the Management Board of TOUAX SCA or binding any of the general partners with any of the subsidiaries of TOUAX and providing for the granting of benefits under such a contract;

There are no family ties between the members of the Supervisory Board.

23.2.3.Application of the Middlenext code

In addition to the legal requirements, the Group has chosen to refer, as of 2015, to the governance rules recommended by the Middlenext Corporate Governance Code for Medium and Small Values (in its latest version dated September 2021 available on www.middlenext.com).

The Middlenext code contains points for vigilance that recall the questions that the Supervisory Board should ask in order to promote the proper functioning of governance.

23.2.4.Governance of TOUAX SCA

Mention of agreements under Article L.22-10-10 of the French Commercial Code

We advise you of the continuation of the sublease agreement authorised by the Supervisory Board of 11 September 2019, entered into on 31 October 2019, effective 25 March 2020 and expiring on 24 March 2029, and relating to the rental by TOUAX SCA of commercial premises located at Tour Franklin in La Défense.

These commercial premises serve the headquarters for all the French entities of the Touax Group and around a hundred of the Group's employees work here.

The amount of rents and charges excluding taxes recorded in the 2023 accounts is €1 116 963 between 1 January and 31 December 2023. In addition, a procedure falling within the framework of the provisions of article L. 22-10-12 (formerly L. 225-39) of the French Commercial Code, as amended by law no. 2019-486 of 22 May 2019 relating to the growth and transformation of companies (known as the “Pacte” law), was approved by the Supervisory Board on 25 March 2020.

This procedure aims, on the one hand, to recall the regulatory framework applicable to regulated agreements, and on the other hand, to identify and qualify the agreements to be submitted to the regulated agreements procedure in order to distinguish them from free agreements, known as "current agreements concluded under normal conditions", which must be subject to a regular assessment with regard to the provisions of the "Pacte" law.

(i) The General Partners

TOUAX is a partnership limited by shares which has two general partners as mentioned in the statutory provisions.

The General Partners are SHGP, held and managed by Fabrice WALEWSKI and SHGL, held and managed by Raphaël WALEWSKI. The general partners own 19.79% of the share capital of TOUAX as of 31 December 2023. They are therefore also limited partners.

The general partners approved all the resolutions submitted to the shareholders' vote at the Combined General Meeting of 14 June 2023, and did not take part in the resolutions concerning the members of the supervisory board, in accordance with the law.

The remuneration of the General Partners is provided for under Article 15.5 of the articles of association and voted on by the Ordinary General Meeting. Due to the indefinite and joint and several liability incumbent upon them, the general partners are entitled to remuneration from the distributable profits of the company or, failing that, from the reserves or premiums available to the company, which they share in equal parts. This remuneration represents 3% of the Group's share of consolidated net profit after tax, plus 1% of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. The EBITDA is the consolidated gross operating margin after deducting net operating provisions. This remuneration shall be payable at the same time as the dividend paid to shareholders, or failing that, within sixty (60) days of the General Meeting called to approve the financial statements.

It amounted in 2023, based on the 2022 financial year, to €401 thousand respectively for SHGP and SHGL. Since the General Partners are themselves corporations, no provisions have been set aside or recognized in respect of pensions or other benefits.

(ii) Management Board

Since 28 July 2005 the company has been managed and administered by a Management Board made up of the two Managing Partners, Fabrice and Raphaël WALEWSKI. They were appointed at the Extraordinary General Meeting of 30 June 2005 for an unlimited period. In accordance with the powers of the Supervisory Board and the Annual General Meeting, the powers of the Managing Partners are not limited.

Alexandre WALEWSKI (Chair of the Supervisory Board), Raphaël WALEWSKI and Fabrice WALEWSKI are first-degree relatives.

In discharging their duties the Managing Partners are assisted by an Executive Committee and the senior management of the operational departments.

Meetings of the Management Board

The Management Board met 3 times in 2023. The main purpose of these meetings was:

- Sale of real estate;
- Closing of the annual corporate and consolidated accounts;
- Closing of the half-year corporate and consolidated accounts.

Mandates and positions of Raphaël WALEWSKI, Managing Partner (business address: Touax, Kensington Pavilion, 96 Kensington High Street, London W8 4SG, United Kingdom and Touax, Tour Franklin, 100-101 Terrasse Boieldieu, Paris La Défense, France)

Took office at TOUAX SA: director in 1994 (term of office expired on 28 July 2005),

Director General, Deputy Chief Executive Officer or President of TOUAX SA between 1998 and 2005,

Managing Partner of TOUAX SCA since 2005,

Age 57,

Swiss nationality.

Mandates and positions held during the 2023 financial year:

Within the TOUAX Group from 31 December 2023	TOUAX SCA, TOUAX Corporate SAS, TOUAX UK Ltd, Touax Corporation, Gold Container Corp, Touax Container Leasing Pte Ltd, TOUAX Modular Building Solutions (ex Touax Africa) SAS TOUAX Maroc Capital SARL, TOUAX MAROC SARL RAMCO SARL, TOUAX Rail Finance Ltd, TOUAX River Barges SAS, TOUAX Leasing Corp., TOUAX Hydrovia Corp., Eurobulk Transport Maatschappij BV, CS de Jonge BV, TOUAX Hydro Lease Corp.
Former mandates	TOUAX Solutions Modulaires SAS, TOUAX Module Asset SARL, TOUAX Espana SA, TOUAX SRO, TOUAX SK Sro, TOUAX BV, TOUAX NV, TOUAX Sp. zo.o, TOUAX Assets BV, SIKO Containerhandel GmbH, TOUAX

	Panama SA, TOUAX Modular Building USA, Llc TOUAX Côte d'Ivoire, TOUAX Industrie Modulaire Algérie SPA, TOUAX Rom SA Touax Rail Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd Touax Container Financing Pte Ltd SCI Franklin Location
Other	Société Holding de Gestion et de Location, Real Asset Capital Partners Sàrl (RACP) ex « Touax Management Sàrl »

Raphaël WALEWSKI did not directly hold any shares in TOUAX SCA on 31 December 2023.

Mandates and positions of Fabrice WALEWSKI, Managing Partner (business address: Touax, Kensington Pavilion, 96 Kensington High Street, London W8 4SG, United Kingdom and Touax, Tour Franklin, 100-101 Terrasse Boieldieu, Paris La Défense, France)

Took office at TOUAX SA: director in 1994 (term of office expired on 28 July 2005),

Director General, Deputy Chief Executive Officer or President of TOUAX SA from 1998 to 2005,

Managing Partner of TOUAX SCA since 2005,

Age 55,

French citizen.

Mandates and positions held during the 2023 financial year:

Within the TOUAX Group from 31 December 2023	TOUAX SCA, TOUAX Corporate SAS, TOUAX UK Ltd, Touax Corporation, Gold Container Corp, Touax Container Leasing Pte Ltd, Touax Container Investment Ltd, TOUAX Container Services SAS, TOUAX Rail Ltd, TOUAX Rail Finance Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail Finance 3 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd, TOUAX Texmaco Railcar Leasing Pte, SRF Railcar Leasing Ltd, TOUAX Hydrovia Corp., TOUAX Container Asset Financing Ltd, Touax Rail Services SAS, TX Container Investment Ltd
Former mandates	TOUAX Espana SA, TOUAX NV, TOUAX Sp. zo.o, TOUAX Modular Building USA, Llc, DV 01, Touax Container Financing Pte Ltd, Touax Africa SAS
Other	Société Holding de Gestion et de Participation, SCI Franklin Location, Real Asset Capital Partners Sàrl (RACP)

Fabrice WALEWSKI did not directly hold any shares in TOUAX SCA on 31 December 2023.

Powers of the Managing Partners

Article 11.4 of the Articles of Association defines the powers of the Managing Partners.

(iii) The Executive Committee

Composition

In 2023, the management committee was made up of huit members:

Raphaël WALEWSKI	Managing Partner (joined in June 1994)
Fabrice WALEWSKI	Managing Partner (joined in June 1994)
Stephen Ponak	Managing Director – Asset Management (since January 1998)
Thierry Schmidt de La Brelie	Managing Director - Administration and Finance (joined in March 2005)
Jérôme LE GAVRIAN	Managing Director of the Freight Railcars division (joined in June 2014)
Didier BACON	Managing Director of the River Barges division (joined in October 2017)
Marco POGGIO	Managing Director of the Shipping Containers Division (joined in September 2017)
Michel DEMBINSKI	General Manager and Director – Touax Rail Ltd (joined in July 2021)

Functioning

The management committee ensures the effective management and steering of the Group through regular meetings, generally held twice a month.

Its main missions are:

- to develop the Group's strategy and investment and financial strategies,
- to monitor and control the Group's businesses,
- to monitor and manage risks,
- to monitor investment and transfer decisions made by the decision-making bodies of the subsidiaries.

Financial committee meetings of a technical nature are also held among certain members of the committee.

Diversity policy

Members of various nationalities (Swiss, French, American and Italian) give the Committee a multicultural dimension.

In addition, the fight against discrimination and the promotion of diversity are strong commitments of the Company, implemented through an ethical charter. This charter is an integral part of the company's internal regulations and is published on the company website https://www.touax.com/sites/touax/files/document/TOUAX_CHARTE_ETHIQUE.pdf

It has been sent to all French employees and has been translated and distributed to all foreign entities.

Touax has also adopted a Prevention Charter for discrimination at work. It should be noted that, due to its international nature, the Group welcomes numerous different cultures and nationalities within its various entities : 246 employees throughout the world, 30% of whom are located in France, 19% in Europe (excluding France), 41% in Africa, 5% in the Americas and 5% in Asia.

This Charter is our way of making an even stronger commitment to our values when it comes to diversity, and we see it as a key asset, essential for the dynamic growth and evolution of the Touax Group. The diverse origins of our Collaborators stimulate creativity and allow us to better understand our customers.

This charter has been communicated to all of our employees and translated into French and English. It contains specific definitions on the concept of discrimination, whether direct or indirect.

It covers the 25 usual grounds of discrimination adopted by the laws that apply to our employees around the world (ethnicity, religion, sex, political opinion, age, disability, etc.). By extension, reminders are given about the concept of harassment in the workplace.

The TOUAX group has opted for the implementation of a single technical system for collecting reports, in compliance with legal provisions relating to the protection of whistleblowers.

These principles are also incorporated into the internal regulations of our legal entities in order to give them all the binding force required for their protection.

The directors are convinced that diversity, in other words, the variety of human profiles, is a driver of innovation, performance and quality of life within the company and therefore seeks to diversify the talent profiles that accompany the growth of the group.

(iv) The Supervisory Board

Diversity policy

The Supervisory Board examines the review of its composition and proposals for renewal submitted to the Annual Meeting of Shareholders for approval, on the desirable balance of its composition and that of the Audit Committee, established within it, particularly in terms of diversity.

This diversity, a source of growth and performance, ensures the quality of the Board's debates and decisions and contributes to the effectiveness of the Committee's work.

To achieve this, the Board has put in place a policy for the composition of governance bodies aimed at:

- A balanced representation of men and women on the Supervisory Board (50/50);
- Bringing together the skills required for the development and implementation of the Company's strategy;
- Securing the continuity of the Board, through regular staggering of the mandates;
- A high proportion of independent members (83%), guaranteeing freedom of speech and independence of judgement;
- Promoting a diversity of skills and experiences;
- A balance between ages and seniority, with members who have been in office for a number of years and with in-depth knowledge of the group, and members who bring a new experience that can serve the interests of the group and in particular its growth.

The Board shall ensure that each change in its composition and, wherever possible, that of the Audit Committee is consistent with this policy.

In particular, the Board ensures that the skills of its members are varied, complementary and balanced, allowing for a thorough understanding of the Company's development issues and informed, independent and quality decision-making.

These skills are detailed in the biographies of the Board members which also describe the experience and expertise of each of them.

In view of the elements set out above and with regard to the diversity policy implemented by the Company, the Supervisory Board considers that its composition for the 2023 financial year is relevant.

Balanced composition of the Supervisory Board

In accordance with legal provisions and the Articles of Association, the Supervisory Board comprises a minimum of three and a maximum of twelve members, appointed by the Annual General Meeting of Shareholders. The term of office of the members of the Supervisory Board starts from the Annual General Meeting of 21 June 2017 and lasts 3 years, it being specified that the renewal of the members of the Board is now staggered.

Each member must hold at least 250 shares in TOUAX SCA, in accordance with article 12.2 of the articles of association.

Selecting members of the Supervisory Board

When each member of the Supervisory Board is appointed or re-appointed, information on their experience and skills is provided to shareholders.

At the date of the report, the Supervisory Board was made up of 6 members.

The Group does not fulfil the conditions for appointing a member representing the employees pursuant to article L.22-10-24 of the French Commercial Code.

There is no representative member of the Supervisory Board.

On 31 December 2023, the members of the Supervisory Board do not belong to the Group's workforce and do not have other duties within the Group.

Proportion of women on the Supervisory Board

On 31 December 2023, there were three women among the six members of the Board, which makes TOUAX lawful in terms of representation of both genders.

Qualification of independence of members

The Middlenext Code specifies that a member of the Supervisory Board must not hold a "*financial, contractual, family relationship or one of significant proximity that is likely to affect the independence of the judgement*".

In order to qualify one of its members as independent, the Board reviews the status of each member with regard to the following criteria:

- not being an employee or corporate officer of the company or a company in its Group and not having been this in the last 5 years;
- not having a significant business relationship with the company or its group (customer, supplier, service provider, creditor, banker, etc.) and not having had this in the past 5 years;

- not being a reference shareholder of the Company or holding a significant percentage of voting rights;
- not having any close family ties with a corporate officer or shareholder;
- not having been an auditor of the company in the past 6 years.

The appointment as an independent member of the Supervisory Board was discussed by the Supervisory Board on 21 March 2024. The situation of each member was examined. The Supervisory Board concluded that out of the 7 in post 6 of them were considered independent. The independent members are listed below.

Work of the Supervisory Board

The Board wishes to point out that it conducts its work above all in a collegiate manner, with respect for ethical values, the law, regulations and recommendations.

In accordance with legal provisions and the Articles of Association, the Supervisory Board continually monitors the management of the company. The work of the Board is organised by its Chair. The main topics for which the Board met in 2023 include:

Monitoring of the Group's principal orientations	- Review of the action plans of each division - Assessment of various financial opportunities (funding and various projects) - Business market - Status of activities, priorities, strategic options and perspectives
Financial position and cash	- 2024 Budget - 2022 annual and 2023 half-yearly consolidated financial statements - 2022 annual individual financial statements - Evolution of the activity, the financial position and the statement of net financial debt of the company and the Group and review of the action plans - Review of press releases relating to annual and interim financial statements
Company administration and internal control	- Adoption of the report of the Supervisory Board on the 2022 company administration and internal control and risk management procedures - Adoption of the 2022 report of the Supervisory Board - Review of the classification of independence of the members of the Supervisory Board, discussion on the application of “say on pay”, review of the operation of the Supervisory Board, diversity policy applied to Supervisory Board members
Other topics	- Presentation of the resolutions at the general meeting - Deliberation on gender equality - Annual review of regulated agreements, update on the procedure for evaluating current agreements entered into under normal conditions

The Chair:
- receives the documents prepared by TOUAX internal departments under the authority of the Managing Partners;
- organises and manages the work of the Supervisory Board;
- ensures that the members of the Board are able to carry out their brief, and in particular makes sure that they have the information and documents needed to carry out their brief.

Participation of members

The Supervisory Board is convened by its Chair or the Management Board subject to one weeks' notice by email except in an emergency. The Supervisory Board met 4 times during the 2023 financial year. The attendance rate was 100%.

Attendance of the members of the Supervisory Board at Board meetings in 2023:

Member of the Supervisory Board	Number of sessions attended
Jerôme Bethbeze	4, equal to 100%
François SOULET DE BRUGIERE*	2, equal to 100%

Alexandre WALEWSKI	4, equal to 100%
Marie FILIPPI	4, equal to 100%
Sylvie PERRIN	4, equal to 100%
Marie-Axelle ANNICCHIARICO	3, equal to 75%
Jérôme VERNY	2, equal to 100%

** end of mandate on June 14, 2023*

The statutory auditors are invited to the meetings of the Supervisory Board that inspect the annual or half-year financial statements.

The regulations applicable to securities transactions by insiders apply to members of the company's Supervisory Board.

Rules of procedure of the Supervisory Board

The work of the Supervisory Board is governed by rules of procedure that are intended to complete the laws, regulations and Articles of Association, which the Board and its members do of course respect.

The internal regulations specify in particular the operating procedures of the Board and that of its audit committee, the composition of the Board, the information given, the duties and the code of ethics of the members.

These rules are likely to be amended by the Board, in view of changes in the law and regulations, and also in its own method of functioning. It has been amended in 2022 to take into account the new requirements of the Middlenext Code of September 2021.

Rules of ethics of the members of the Supervisory Board

Each member of the Supervisory Board is made aware of their responsibilities at the time of their appointment and is encouraged to observe the rules of conduct relating to their mandate, namely, in particular, to comply with the legal rules relating to multiple directorships, to inform the board in case of a conflict of interest arising after obtaining their mandate, to attest to their diligence at board meetings and annual general meetings, to ensure they have all the information necessary in relation to the agenda of board meetings before making any decision and to respect professional confidentiality.

The internal regulations provide that "*generally, the Board must regularly review members' conflicts of interest and, at least once a year or when they are appointed, request a declaration from each member on situations of conflict of interest.* »

Informing members of the Supervisory Board

Documents allowing members of the Supervisory Board to vote in full knowledge of the items on the agenda are communicated electronically to members of the Supervisory Board at least one week before the board meeting. However, it may be that certain documents are sent closer to the date of the board meeting.

In addition, members of the Supervisory Board are regularly informed between meetings whenever the Group's current situation warrants this.

Minutes of the meetings of the Supervisory Board

The Supervisory Board appoints a secretary at each meeting. The secretary draws up the minutes of the meeting which are validated by the Chair and submitted for approval to the next Board meeting. They are then signed by the Chair and a member of the Board, and included in the minute book.

Assessment of the functioning of the Supervisory Board

The members of the Board discussed the functioning of the Board and the preparation of its work through a written evaluation, the summary of which was presented to the Board on 21 March 2024. Since the last written evaluation carried out in 2014, the functioning of the Supervisory Board has improved globally and more particularly in relation to the duration of meetings and the information given to the members. Board members have nonetheless stated that one area for improvement is better management of the deadlines for sending documents prior to Board meetings. They consider that they have total freedom of judgement. This freedom of judgement enabled them to take part in the Board's work and collective decisions with total independence.

The Supervisory Board considers that it is in a position to exercise its supervisory mission in a constructive manner.

The remuneration of the Supervisory Board amounted to €64,5000 in the 2023 financial year as detailed below.

The Ordinary General Meeting of 14 June 2023 has approved a remuneration of €64,500 for the 2023 financial year, to take into account the remuneration relating to the new CSR committee, which has been created in accordance with the Middlenext Code revised in September 2021.

The audit committee set up by the Supervisory Board

The Supervisory Board has elected to be assisted by an audit committee.

Creation

The Audit Committee was created at the meeting of the Supervisory Board of January 30, 2006. Its brief began with the 2005 financial statements.

The audit committee is made up of 3 members, Mrs Sylvie PERRIN, Chair of the Audit Committee, and Messrs Alexandre COLONNA WALEWSKI and Jérôme BETHBEZE, members of the Supervisory Board. The background and experience of the three members is described below. These three members were selected for their financial and legal expertise and their experience of the TOUAX Group.

The audit committee has two independent members who are Sylvie PERRIN and Jérôme BETHBEZE.

Functioning

The Audit Committee met twice in 2023, prior to the Board Meetings. The attendance rate was 100%.

It dealt with the following matters in particular:

- review of the 2022 consolidated financial statements and the 2023 half-yearly financial statements;
- checking that the accounting and financial reporting process complies with legal and statutory requirements;
- the effectiveness of internal control and risk management systems, particularly financial;
- examining the Statutory Auditors' annual audit programmes.

During its meetings the Audit Committee held discussions with, in particular, the Statutory Auditors, the Administration and Finance Officer and the Managing Partners. The documents transmitted include the report of the Statutory Auditors on their work. The Audit Committee can have recourse to external advice.

Only independent members of the Audit Committee receive remuneration linked to their actual attendance at meetings.

ESG COMMITTEE (creation in 2022)

The missions of the ESG Committee cover the following areas:

- Examining the Group's strategy, ambitions, policies and commitments in terms of ESG (Ethics and compliance, Human rights, Hygiene/Health/Safety of people, Environment) and making recommendations in this regard;
- Ensuring the integrity/completeness and exemplary nature of the ESG strategy and actions carried out and communicated by the Group;
- Ensuring the high level of commitment of the Company and the Group in terms of extra- financial, ethical and social and environmental responsibility compliance in relation to the expectations of the various stakeholders.

The ESG Committee has three members :

- Sylvie PERRIN (Chair and independent member)
- Fabrice COLONNA WALEWSKI (Managing Partner)
- Raphaël COLONNA WALEWSKI (Managing Partner)

The ESG Committee met twice in 2023, prior to the Audit Committee. The attendance rate was 100%.

Introduction of the 6 members of the Supervisory Board

Alexandre COLONNA WALEWSKI – Chair of the Supervisory Board and member of the Audit Committee

(business address: Touax, Tour Franklin, 100-101 Terrasse Boieldieu, Paris La Défense, France)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	**Director from 1966 to 30 June 2005** **Chief Executive Officer from July 1977 to December 1997** **Member of the Supervisory Board since 30 June 2005** **Chair of the Supervisory Board since 29 September 2005**
Expiry of term of office as member of the Supervisory Board	Period of three years with effect from the Ordinary General Meeting of 22 June 2022. End of term at the General Meeting called to approve the financial statements for the 2024 financial year.
Independent member	No Family relationship with the Managing Partners Holds 11.62% of the share capital and 10.81% of the voting rights of TOUAX SCA on 31 December 2023 and is part of the WALEWSKI concert
Member of a Committee	Member of the Audit Committee
Mini CV	Alexandre COLONNA WALEWSKI was the director of the Group for 20 years
Age:	90
Nationality:	French
Number of TOUAX shares held on 31 December 2023	814,854 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	None

Marie-Axelle ANNICCHIARICO – member of the Supervisory Board

(business address: Dasco Capital, rue du Vieux-Collège 10, 1204 Genève, Switzerland)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	Member of the Supervisory Board since 22 June 2022
Expiry of term of office as member of the Supervisory Board	Period of two years with effect from the Ordinary General Meeting called to approve the financial statements for the 2021 financial year. End of term at the General Meeting called to approve the financial statements for the 2023 financial year.
Independent member	Yes
Member of a Committee	No
Mini CV	Advisor to small and mid-cap listed companies in the implementation of their communication to the financial markets, then financial support to companies in various sectors in their strategy and growth, within Dasco Capital since 2009
Age:	52
Nationality:	French
Number of TOUAX shares held on 31 December 2023	250 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	Director of Dasco Capital Member of the CIOMAL Foundation Management Committee

Jérôme BETHBEZE – member of the Supervisory Board and member of the Audit Committee

(business address: La Banque Privée Saint-Germain, 243 boulevard Saint Germain, 75007 Paris, France)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	Director from 28 June 2004 to 30 June 2005 Member of the Supervisory Board since 30 June 2005
Expiry of term of office as member of the Supervisory Board	Period of three years with effect from the Ordinary General Meeting called to approve the financial statements for the 2022 financial year. End of term at the General Meeting called to approve the financial statements for the 2025 financial year.
Independent member	Yes
Member of a Committee	Member of the Audit Committee
Mini CV	Jérôme Bethbèze has gained financial expertise, thanks to over 25 years' experience working in financial institutions.
Age:	62
Nationality:	French
Number of TOUAX shares held on 31 December 2023	417 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	Member of the Executive Committee and Head of Sales of La Banque Privée Saint-Germain

Marie FILIPPI, member of the Supervisory Board

(business address: PIASA, 118 rue du Faubourg Saint Honoré, 75008 Paris, France)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	Member of the Supervisory Board since 9 June 2016
Expiry of term of office as member of the Supervisory Board	Period of three years with effect from the Ordinary General Meeting of 23 June 2021. End of term at the General Meeting called to approve the financial statements for the 2023 financial year.
Independent member	Yes
Member of a Committee	No
Mini CV	For more than 25 years, Marie Filippi has acquired financial expertise in banking and financial institutions, both in France and the United Kingdom. She currently works as a Senior Advisor at Piasa. She also holds an MBA from HEC.
Age:	60
Nationality:	French
Number of TOUAX shares held on 31 December 2023	1,000 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	Managing Director of Piasa SA Director of the SLGP PRIGEST PERLES SICAV - Swiss Life Private Banking

Sylvie PERRIN, member of the Supervisory Board and Chair of the Audit Committee and ESG Committee

(business address: De Gaulle Fleurance & Associés, 9 rue Boissy d'Anglas, 75008 Paris, France)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	Member of the Supervisory Board since 9 June 2016
Expiry of term of office as member of the Supervisory Board	Period of three years with effect from the Ordinary General Meeting of 22 June 2022. End of term at the General Meeting called to approve the financial statements for the 2024 financial year.
Independent member	Yes
Member of a Committee	President of the Audit Committee and of the ESG Committee
Mini CV	Sylvie Perrin is a partner in the law firm De Gaulle Fleurance & Associés. She specialises in all areas related to project and asset financing. She has extensive experience in financing in the fields of renewable energy, rail and road transport and industrial infrastructure. She works on both French and international projects.
Age:	57
Nationality:	French
Number of TOUAX shares held on 31 December 2023	500 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	Partner of the firm De Gaulle Fleurance & Associés

Jérôme VERNY, member of the Supervisory Board

(business address: Opal Research, 4 rampe Cauchoise, 76000 Rouen, France)

Date of 1st appointment to TOUAX SCA and mandates fulfilled	Member of the Supervisory Board since 22 June 2022
Expiry of term of office as member of the Supervisory Board	Period of three years with effect from the Ordinary General Meeting of 14 June 2023. End of term at the General Meeting called to approve the financial statements for the 2025 financial year.
Independent member	Yes
Member of a Committee	No
Mini CV	Geographer and economist by training, he has founded and directed since 2006 a research institute specialized in the issues of freight transport, new mobilities and innovative logistics. He regularly intervenes as an international Expert / Advisor on the issues of innovation in transport, logistics and energy.
Age:	45
Nationality:	French
Number of TOUAX shares held on 31 December 2023	250 shares
Mandates and positions held in any company during the 2023 financial year (other than TOUAX SCA)	Scientific President, KEYROS Secretary General, CNFG Vice President, HUBTEN

(v) Annual general meetings

Participation in the Annual General Meetings is limited to the shareholders of TOUAX SCA, regardless of the number of shares that they hold. Articles 16 to 18 of the Articles of Association contain the provisions on the collective decisions of the general partners and the limited partners.

Shareholder credentials

Registered stockholders

Holders of registered shares do not have to carry out any formalities to prove that they are stockholders.

Holders of bearer shares

Holders of bearer shares must prove their ownership by requesting a certificate of stockholder status from their financial intermediary (bank or stockbroker which manages the securities account in which the TOUAX shares are registered). This certificate must be submitted together with an admission card to the TOUAX SCA legal department.

The shares must have been registered or the certificate submitted no later than midnight (Paris time) at least two working days before the date of the Annual General Meeting.

Proof of identity must be shown on entering the General Meeting.

Voting rights

Stockholders may exercise their voting rights in one of four ways:

- **by attending the General Meeting in person**: an admission card must be requested from the Company Secretary's depart¬ment of TOUAX SCA. If, however, this admission card is not received in time, holders of bearer shares may nevertheless attend the meeting provided that they present a certificate of shareholder status issued by the intermediary holding the account within the 3 days preceding the General Meeting;
- **giving proxy to the Chair of the Meeting**;
- **giving proxy to any person of their choice** (spouse, partner with whom a civil solidarity pact has been concluded, another TOUAX SCA shareholder or any other physical person or legal entity of their choice);
- **by postal vote**.

For those unable to attend the General Meeting in person, a single form for postal or proxy voting is available to shareholders on request by registered letter with acknowledgement of receipt received at the registered office at least six days before the meeting.

To be valid this form must be filled in, signed, and have reached the registered office at least three days before the meeting. Owners of bearer shares must enclose their certificate of stockholder status with the form.

However, if the sale of securities takes place before 0.00 a.m. CET on the third working day preceding the Meeting, the company will invalidate or modify accordingly, depending on the case, the postal vote, the proxy, the admission card or the certificate of participation. For this purpose, the authorised intermediary holding the account will notify the company of the sale and give it the necessary information. If the shares are sold after that time, the certificate of shareholder status will remain valid, and the assignor's vote will be counted.

Delegations granted by the Annual General Meeting and used in 2023

The General Meeting of shareholders of 22 June 2022, with the unanimous agreement of the General Partners, delegated the following issue authorisations to the Management Board.

Description of authorisations	authorisation date	due date	authorised ceilings	use during 2023	total amount used
Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with retention of preferential subscription rights	Combined General Meeting of 22 June 2022 (22nd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none

Increase the share capital by the issue of shares and/or securities giving immediate or future access to the capital of the company with suppression of preferential subscription rights by offer to the public but with a priority time period	Combined General Meeting of 22 June 2022 (23rd resolution)	21 August 2024	maximum nominal amount of capital increases that may be realised immediately and/or in the future: **€20 million (1)**	not used	none
Increase the share capital resulting from excess demands	Combined General Meeting of 22 June 2022 (24th resolution)	21 August 2024	maximum of 15% of the initial issue	not used	none
Issuing shares for the benefit of the group's employees, with cancellation of the preferential subscription right	Combined General Meeting of 22 June 2022 (25th resolution)	21 August 2024	maximum of 600 000 euros	not used	none

(1) Ceiling of €20 million authorised for all share capital increases in par value.
(2) Independent ceiling.

These authorizations cancel any previous delegations for the same purpose.

23.2.5.Remuneration of corporate officers

23.2.5.1. Remuneration policy for corporate officers ("ex-ante vote")

As part of the *ex-ante* vote provided for in article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to Managing Partners and members of the Supervisory Board is subject to draft resolutions (6th and 7th) subject to the approval of the Combined General Meeting of 12 June 2024 and to the unanimous agreement of the general partners. This policy will be submitted each year and at each significant change in the remuneration policy to the vote of the General Meeting and to the unanimous agreement of the general partners.

Remuneration policy applicable to Managing Partners, Messrs. Fabrice and Raphaël Colonna Walewski

Composition of the remuneration of the Managing Partners

In accordance with article 11.5 of the Company's articles of association, the annual remuneration allocated to each managing partner under the general social security system is set as follows:

- a fixed gross portion amounting to €129,354, together with benefits in kind up to a limit of 15% of the fixed remuneration, it being specified that this amount does not include remuneration or repayments of expenses received by the Managing Partners in respect of corporate mandates or duties performed in any of the company's subsidiaries, up to a limit of €80,000 per Managing Partner;
- A gross amount of €850 per day during business trips, as a family separation allowance.

The General Partners may only adjust these amounts within the limit of the cumulative change in the annual inflation rate published by the French national institute of statistics and economic studies (INSEE).

- A variable portion not exceeding 1% of the TOUAX Group’s consolidated EBITDA, after deducting the leasing income due to investors. From the financial year 2007, the variable part will be equal to a maximum of 0.5% of the TOUAX Group's consolidated EBITDA less the leasing income due to investors. For the purposes of this calculation, it is specified that the EBITDA is the consolidated gross operating surplus after deducting the net operating provisions.

The General Partners are free to determine the methods of payment of the Managing Partners' remuneration, and may limit its amount. The variable portion is paid, following the General Partners’ decision, within sixty (60) days of the General Meeting called to approve the financial statements,

This remuneration may be modified at any time by decision of the General Meeting of Shareholders on the proposal of the General Partners after consulting the Supervisory Board, provided both General Partners agree.

All travel and hospitality expenses incurred by a Managing Partner in the interests of the company will be paid by the company.

In addition, it is specified, in application of article R. 22-10-40 of the French Commercial Code, that the Managing Partners do not benefit from:

● any remuneration in shares

● any element of remuneration, indemnities or benefits due or likely to be due as a result of the termination or a change of functions, or subsequent thereto, or conditional rights granted under retirement commitments

● any conditional commitment or right

● any commitment relating to the granting of a non-competition indemnity.

The Managing Partners are appointed for an unlimited period. They are revocable at any time without reason, by unanimous decision of the general partners.

This remuneration respects the corporate interest of the Company and therefore contributes to its sustainability.

Decision-making process for determining, reviewing and implementing the remuneration of the Managing Partners

The current remuneration of the Managing Partners was fixed at the Combined General Meeting of shareholders on 18 June 2008 (from financial year 2007), it was applied consistently and has not been subject to modification since then.

In accordance with Article L. 22-10-76 of the French Commercial Code, the elements of this remuneration policy applying to Managing Partners have been approved by the general partners, following an advisory opinion from the Supervisory Board held on 21 March 2024.

In addition, it is specified, in application of article R. 22-10-40 of the French Commercial Code, that:

● the Company does not have a Remuneration Committee, taking into account the statutory remuneration of the Managing partners, however any change in this remuneration must be the subject of a prior opinion of the Supervisory Board

● the decision-making process implemented within the Company involving a double level of approval, after prior opinion of the Supervisory Board as mentioned above, by the general partners and the General Meeting, prevents any potential conflicts of interest

● similarly to the overall budget for the increase in employees of Touax Group entities, the fixed salaries of managers and the level of daily allowances for travel are revalued up to the level of inflation observed in the countries where these sums are paid.

Remuneration policy applicable to members of the Supervisory Board

Composition of the remuneration of the members of the Supervisory Board

Members of the Supervisory Board can receive annual remuneration determined by the General Meeting amounting to €64,500.

The distribution of the global budget granted by the General Assembly is divided into a fixed part worth half and a variable part for the other half. The variable part is distributed among its members according to their attendance at Board meetings.

This remuneration is double for the Chair of the Supervisory Board, for the fixed and variable part.

The independent member(s) of the audit committee are also paid out of this overall budget based on their attendance at meetings of the audit committee.

The members of the Supervisory Board may also receive exceptional remuneration, in accordance with article L. 22-10-28 of the French Commercial Code, for specific missions or mandates entrusted by the Board, as well as for reimbursement of travel and travelling expenses incurred by them during these specific assignments or mandates.

Participation in meetings of the Supervisory Board

Annual fixed share allocated to the Chair*	€9,000
Annual fixed share allocated to each member*	€4,500
Variable share allocated to the Chair**	€9,000
Variable share allocated to each member**	€4,500

**On average for a Board of 6 people*

*** On average for a Board of 6 people and for 100% attendance*

Participation in Audit and ESG Committee meetings

Annual fixed share allocated to each independent member	€750
Annual variable share allocated to each independent member*	€750

**For 100% attendance*

The following elements are specified :

● the variable part is paid even in the event of participation in a meeting by video conference or telecommunication means

● following their appointment and /or resignation, the member of the Board or of the Committee receives the fixed part of their remuneration at pro rata temporis over the year

● tax and social security contributions are paid directly by the Company to the tax authorities.

In accordance with the provisions of the Internal Regulations, the members of the Supervisory Board may also receive exceptional remuneration, in accordance with Article L. 22-10-28 of the French Commercial Code, for specific missions or mandates entrusted by the Board, as well as for reimbursement of travel and travelling expenses incurred by them during these specific assignments or mandates.

The remuneration policy applicable to members of the Supervisory Board does not provide for the possibility of derogating from its application in the event of exceptional circumstances or, for the Company, requesting the return of variable remuneration. It also does not provide for any deferral periods or performance criteria.

In addition, it is specified, in application of article R. 22-10-40 of the French Commercial Code, that the members of the Supervisory Board do not benefit from:

● any remuneration in shares

● any element of remuneration, indemnities or benefits due or likely to be due as a result of the termination or a change of functions, or subsequent thereto, or conditional rights granted under retirement commitments

● any conditional commitment or right

● any commitment relating to the granting of a non-competition indemnity.

The remuneration allocated to the members of the Board compensates their participation in the work of the Supervisory Board and the Audit Committee set up within it, as well as their responsibility for controlling the Company. Its objective is to attract and retain quality professionals, capable of maintaining the desired balance in the skills and expertise deemed necessary to exercise relevant control over the Company and in accordance with the diversity policy adopted by the Supervisory Board.

Their term of office is three years at most. It ends at the end of the Ordinary General Meeting which decides on the accounts of the past financial year and held in the year during which their mandate expires; members of the Supervisory Board are eligible for re-election. The members of the Supervisory Board may be dismissed under the conditions provided for by law.

Decision-making process for determining, reviewing and implementing the remuneration of members of the Supervisory Board

The remuneration policy for members of the Supervisory Board, including the methods for distributing the remuneration, are defined in Article 13 of the Board's Internal Regulations. It is adopted by the Supervisory Board, which determines the maximum overall amount of the remuneration to be submitted for approval to the General Meeting of shareholders.

The maximum annual amount for the budget is authorised by the General Meeting.

The Ordinary and Extraordinary General Meeting of 14 June 2023 allocated to the Supervisory Board a maximum total gross annual sum of €64,500 for the 2023 financial year. The methods for distributing this remuneration to the members of the Board were adopted by the Supervisory Board on 29 March 2017.

In accordance with Article L. 22-10-76 of the French Commercial Code, the elements of this remuneration policy applying to members of the Supervisory Board were approved by the Supervisory Board which was held on 21 March 2024, which proposes to maintain this total maximum gross annual sum to €64,500 for the 202’ financial year.

In addition, it is specified, in application of article R. 22-10-40 of the French Commercial Code, that:

● the decision-making process implemented within the Company involving a double level of approval by the general partners and the General Meeting, prevents any potential conflicts of interest

● similarly to the overall budget for the increase in employees of Touax Group entities, the fixed salaries of managing partners and the level of daily allowances for travel are revalued up to the level of inflation observed in the countries where these sums are paid.

23.2.5.2. Implementation of the remuneration policy for corporate officers for the year ended 31 December 2023 ("*ex-post* global" vote)

As part of the *ex-post*≪ global vote provided for in article L. 22-10-77 I. of the French Commercial Code, the information mentioned in I of article L. 22-10-9 of the French Commercial Code is subject to a draft resolution (8th) submitted for the approval of the Combined General Meeting of 12 June 2024 and to the agreement of the general partners acting unanimously.

Remuneration paid and/or allocated to Managing Partners on a consolidated scope for the year ended 31 December 2023

Information mentioned in I of article L. 22-10-9 of the French Commercial Code

	Remunerations paid in 2023 in €					
	Fixed	*Variable paid for 2023*	*Variable paid for 2022*	*Total paid in 2023*	*of which paid by TOUAX SCA*	*of which paid by other group companies*
Raphael Walewski	*450 160,00*	*167 054,44*	*126 598,07*	*743 812,51*	*27 250,69*	*716 561,82*
Fabrice Walewski	*479 085,00*	*88 866,08*	*204 561,86*	*772 512,94*	*26 372,17*	*746 140,77*

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	Statutory Fixed Salary	*Reimbursement of statutory fees*	*Statutory benefit*	*Statutory Travel Bonus*	*Statutory variable*	*Total due in 2023*	*Total paid in 2023*	*of which variable balance paid in 2023 for 2022*	*Variable balance payable in 2024 in respect of 2023*
Raphael Walewski	*176 040,00*	*108 874,00*	*26 406,00*	*138 840,00*	*276 687,89*	*726 847,89*	*743 812,51*	*-126 598,07*	*109 633,45*
Fabrice Walewski	*176 040,00*	*108 874,00*	*26 406,00*	*167 765,00*	*276 687,89*	*755 772,89*	*772 512,94*	*-204 561,86*	*187 821,81*

Total executive corporate officers of TOUAX SCA - consolidated scope = €1,460,897.23

Total executive corporate officers of TOUAX SCA - consolidated scope = €1,482,620.78

The statutory variable remuneration is around 40% of the total statutory remuneration in 2023.

The following presentation was made in accordance with the provisions of Ordinance no 2019-1234 and its implementing decree no 2019-1235, transposing the European Directive of 17 May 2017 on the long-term commitment of shareholders ("SRD II") and supplementing the system implemented by the so-called "Sapin II" law, in order to ensure immediate compliance with the new transparency requirements in terms of remuneration of corporate officers.

It takes account of the ratio between the remuneration of the Managing Partners and the average and median remuneration on a full-time equivalent basis of the employees of Touax SCA, other than corporate officers, over the past 5 years:

	Exercice 2023	Exercice 2022	Exercice 2021	Exercice 2020	Exercice 2019	Exercice 2018
Raphaël Walewski	743 813	694 224	735 396	605 069	499 909	515 400
Ratio on average remuneration	27,7	25,0	26,9	22,2	20,9	22,7
Ratio on median remuneration	28,2	25,3	27,3	22,5	21,4	23,4
Annual SMIC ratio	35,5	34,5	39,4	32,8	27,4	28,7
Fabrice Walewski	772 513	695 253	688 191	583 227	556 839	544 400
Ratio on average remuneration	28,8	25,0	25,1	21,4	23,2	24,0
Ratio on median remuneration	29,3	25,3	25,5	21,7	23,9	24,7
Annual SMIC ratio	36,8	34,5	36,9	31,6	30,5	30,3
Average remuneration	26,8	27,7	27,4	27,3	23,9	22,6
EBITDA	55,3M	57,9M	53,01M	46,8 M	36,9M	25,7M

This year there was a change to the method. In accordance with article L22-10-9 of the French Commercial Code, only the remuneration paid by Touax SCA is taken into account. Previous financial years have been restated accordingly.

Remuneration paid or allocated to members of the Supervisory Board by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code (5 of article L. 22-10-9 I. of the French Commercial Code)

Alexandre Walewski received an expenses reimbursement package of $48,175 thousand per quarter as part of his trips to carry out his brief as chair of the Supervisory Board, for a total of $192,700 in 2023.

23.2.5.3. Remuneration paid and/or allocated to the Chair of the Supervisory Board and to the Managing Partners (individual "ex-post vote ")

As part of the *ex-post*≪ individual vote provided for in article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional elements making up total remuneration and the benefits of any kind, paid during the financial year ended 31 December 2023 or allocated for the same financial year, to the Chair of the Supervisory Board and to the Managing Partners of the Company are subject to separate draft resolutions (9th, 10th and 11th) submitted for the approval of the Combined General Meeting of 12 June 2024 and the unanimous agreement of the general partners.

Remuneration paid and/or allocated to the Chair of the Supervisory Board for the year ended 31 December 2023

Remuneration (ex attendance fees)	€17,142.86
Travel expense reimbursement	USD 192,700

Remuneration paid and/or allocated to Fabrice Colonna Walewski, Managing Partner, for the year ended 31 December 2023

In accordance with the remuneration policy applicable to Managing Partners presented above, for the year ended 31 December 2023, Fabrice Colonna Walewski, on account of his mandate as Managing Partner exercised within the Company was paid:

	Remunerations paid in 2023 in €					
	Fixed	*Variable paid for 2023*	*Variable paid for 2022*	*Total paid in 2023*	*of which paid by TOUAX SCA*	*of which paid by other group companies*
Fabrice Walewski	*479 085,00*	*88 866,08*	*204 561,86*	*772 512,94*	*26 372,17*	*746 140,77*

2023 ANNUAL REPORT Paid									
	Statutory Fixed Salary	*Reimburseme nt of statutory fees*	*Statutory benefit*	*Statutory Travel Bonus*	*Statutory variable*	*Total due in 2023*	*Total paid in 2023*	*of which variable balance paid in 2023 for 2022*	*Variable balance payable in 2024 in respect of 2023*
Fabrice Walewski	*176 040,00*	*108 874,00*	*26 406,00*	*167 765,00*	*276 687,89*	*755 772,89*	*772 512,94*	*-204 561,86*	*187 821,81*

Remuneration paid and/or allocated to Raphael Colonna Walewski, Managing Partner, for the year ended 31 December 2023

In accordance with the remuneration policy applicable to Managing Partners presented above, for the year ended 31 December 2023, Raphael Colonna Walewski, on account of his mandate as Managing Partner exercised within the Company was paid:

	Remunerations paid in 2023 in €					
	Fixed	Variable paid for 2023	Variable paid for 2022	Total paid in 2023	of which paid by TOUAX SCA	of which paid by other group companies
Raphael Walewski	450 160,00	167 054,44	126 598,07	743 812,51	27 250,69	716 561,82

2023 ANNUAL REPORT Paid								
	Statutory Fixed Salary	Reimbursement of statutory fees	Statutory benefit	Statutory Travel Bonus	Statutory variable	Total due in 2023	Total paid in 2023	of which variable balance paid in 2023 for 2022	Variable balance payable in 2024 in respect of 2023
Raphael Walewski	176 040,00	108 874,00	26 406,00	138 840,00	276 687,89	726 847,89	743 812,51	-126 598,07	109 633,45

La Défense, 21 March 2024

The Supervisory Board

24. RECENTLY RELEASED INFORMATION

24.1 PRESENTATION OF PROSPECTS GIVEN DURING THE SFAF MEETING ON 21 MARCH 2024

Chapter 5 on the description of the activities, paragraph 10.2 on known trends and section 22.1.1 of the management report (paragraph 22.1) on the foreseeable evolution of the activities are supplemented by the following information, presented on the occasion of the announcement of the Group's annual results. This presentation is available on the Group's website (https://www.touax.com/fr/documents).

Touax Group: Structural strengths for a sustainable and profitable growth

- **Increase owned by around 10% per annum and assets under management through organic growth**, without a capital increase, while maintaining a stable LTV of around 60%
- **Increase profitability through economies of scale and optimisation of costs and financial resources**
- **Alongside operational leasing, grow in sales activities (new and used) generating additional margins**
- **Pursue the objective of sustainable development at the heart of green transport**
- **Exceed industry average levels of customer and employee satisfaction** thanks to our continuous improvement programme (Lean / Six Sigma)

Freight railcars: Increase the fleet to more than 15,000 wagons within 3 to 5 years

- **Increase the owned and third-party fleet to over 15,000 wagons** (75% in Europe and 25% in India), through organic growth
- **With the rail freight liberalisation, trend towards fleet outsourcing: supporting our customers and seizing opportunities to buy out existing fleets** to boost growth
- **Pursue growth in the promising Indian market and develop value-added services** (full service leasing including maintenance)
- **Increase innovation** (predictive maintenance, new types of wagons) and **continuous improvement for operational excellence**
- **Grow through wagons diversification to align closely with market trends and customers' needs**

River barges: Increase the fleet to more than 150 barges within 3 to 5 years

- **Steadily increase of owned fleet and managed fleet through organic growth and new partnerships**
- **Concentrate investment in Europe over the next few years** (aggregates on the Seine, biomass and chartering on the Rhine, cereals on the Danube)
- **Selective investments in the United States and South America**
- **Develop asset rotation (trading and syndication) to renew the fleet and generate sales and management margins**
- **Take advantage of the European "Green Deal" to promote "green" transport and the intermodality provided by river barges**

Containers: Consolidate rental income and associated services (management and trading)

- **Take advantage of prices normalisation to increase the fleet on lease;**
- **Reinvest free cash flows in order to increase the share of owned fleet**
- **Pool the platform through the development of third-party management and generating additional management margins**
- **Increase sales of new containers from 12k to 25k CEUs per year**
- **Expand the customer portfolio** (leasing and sales) **and maintain the European leadership**
- **Expand the range of assets on offer** (specialised containers) **on all 5 continents**

24.2 PRESS RELEASE OF 21 MARCH 2024

2023 RESULTS

A profitable and resilient business model within the context of rising interest rates and normalisation of the containerised traffic

- **Business volume of €157.1m, down slightly (-€4.3m) due to the normalisation of the container market**
- **Limited impact on EBITDA (€55.3m, -€2.6m) thanks to growth of other activities (freight railcars, river barges, modular buildings)**
- **Group share of net profit: €3.6m**

« *TOUAX's results in 2023 confirm the resilience of its business model despite the normalisation of the container market, after two exceptional years in 2021 and 2022.*
The almost-stability of our EBITDA demonstrates the quality of our international network, combined with the diversification of our activities, which enable us to benefit from growth opportunities while limiting the impact of economic cycles. With its position in a fast-growing market at the heart of sustainable transport infrastructure, a solid financial structure and long-term partners and investors, the group is well positioned to pursue its growth » remarked Fabrice and Raphaël Walewski, Touax SCA's managing partners.

Consolidated EBITDA at end-December 2023 amounts to €55.3 million, a -€2.6 million decrease, due to a slight contraction in business volumes (decrease of restated revenues from activities by -€4.3 million). The group share of net profit amounts to €3.6 million (vs. €7.5 million in 2022), mainly impacted by the lower contribution of the container business and the increase in financial expenses due to higher interest rates (-€5.6 million).

In 2023 TOUAX SCA completed two financing operations (Euro PP bond and banking club deal), totalling €45 million and extending the debt maturity to 2027.

The net book value per share is €10.97. Based on the market value of the assets, the revalued NAV[2] per share came to €20.59, as of December 31, 2023.

At the Annual General Meeting, the managing partners will propose a dividend of 12 cents per share (corresponding to c.25% of net profit for the year), up 20% on last year.

The consolidated financial statements for the period ended December 31, 2023, were approved by the Management Board on March 20, 2024, and were submitted to the Supervisory Board on March 21, 2024. The auditing of these statements is underway.

2 The market value is calculated by independent experts, based 50% on the replacement value and 50% on the value-in-use for railcars, the value-in-use for containers and the replacement value for river barges with the exception of a long-term contract in South America for which the value-in-use was used. This market value is substituted for the net book value when calculating the net asset value.

KEY ACCOUNTING ITEMS

Key figures *(in € million)*	2023	2022
Restated Revenue(*) from activities	**157.1**	**161.5**
Of which Freight railcars	58.3	56.1
Of which River barges	15.0	17.5
Of which Containers	66.9	81.4
Of which Miscellaneous and eliminations	16.9	6.4
EBITDA	**55.3**	**57.9**
Operating income	28.3	31.1
Financial result	-21.0	-15.4
Profit before taxes	7.3	15.7
Corporate tax	-1.5	-6.3
Consolidated net profit (loss) (Group's share)	**3.6**	**7.5**
Earnings per share (€)	**0.52**	**1.07**
Total non-current assets	406.3	394.6
Total assets	563.4	571.7
Total shareholders' equity	147.6	153.7
Net financial debt (a)	285.7	273.0
Operating cash flow (b)	21.1	-1.5
Loan to Value ratio (c)	**59.1%**	**59.5%**

(a) including €231.8m in debt without recourse at 31 Dec. 2023.

The Net financial debt takes into account the mark-to-market values of debt derivatives

(b) including €29.6m of net equipment acquisitions (€60.0m end of Dec 2022)

c) Loan to Value ratio : Ratio of consolidated gross financial debt to total assets less goodwill and intangible fixed assets

(*) *The key indicators in the Group's activity report are presented differently from the IFRS income statement, to enable an understanding of the activities' performance. As such, no distinction is made in third-party management, which is presented solely in agent form. This presentation has no impact on EBITDA, operating income, or net income. The accounting presentation of revenue from activities is presented in the appendix to the press release.*

A SLIGHT DECLINE IN RESTATED REVENUE FROM ACTIVITES AS THE CONTAINER MARKET NORMALISES

Restated revenue from activities over 2023 totalled €157.1 million (€159.6 million at constant scope and currency), down by -2.7% compared with 2022 (-1.2% at constant scope and currency).

The owned activity, which came to €147.9 million at the end of 2023, is down by -€2.6 million.
The leasing revenues continue to grow over the year (+€3.9 million; +5.8%) confirming their recurring contribution to group revenues. The freight railcar (88.7%), river barge (100%) and container (95.1%) average utilisation rates were at a high level in 2023.
Ancillary services declined by -€4.9 million, impacted by the normalisation of container pick-up charges related to the container sales activity, and by the lower chartering activity on the Rhine basin (whose impact on the profitability is limited).
Sales of owned equipment also declined by -€1.6 million (-2.7%), with a significant drop in sales of owned containers (-€11 million) but partly offset by sales within Modular Buildings activity.

The **management activity** amounts to €9.2 million with a decrease of -€1.7 million over the year, impacted by lower syndication volumes but partially compensated by commissions on the sale of investor equipment.

ANALYSIS OF CONTRIBUTION BY DIVISION

The restated revenue from the **Freight Railcars** division reached €58.3 million in 2023, an increase of +€2.0 million (+3.8%).
Leasing income rose by +6% (+€3.1 million) to €55.3 million over the year, supported by an average utilisation rate rising to 88.7% in 2023 (87.6% in 2022) and with new asset acquisition generating additional revenue. Sales of owned equipment decreased by -€1.1 million.

The restated revenue from the **River Barges** division is down by -€2.4 million to €15 million, impacted by the lower chartering activity on the Rhine basin after the dynamism of 2022 (-€2.9 million). The leasing revenue is up by +6% (+€0.4 million) taking advantage from investments made in Europe in 2022 and the full invoicing of barge rentals in South America in 2023.

The restated revenue from the **Containers** division came to €66.9 million at the end of December 2023, a decrease of -€14.5 million (-17.8%) due to the normalisation of the sector after two exceptional years in 2021 and 2022.
This change is mainly due to the decline of revenue from the sale of new containers (-€11 million for sales of owned equipment and -€2.8 million for ancillary services), with a fall in price in 2023. However, the leasing revenue took advantage of recurrent investments and increases by +€1.2 million.
The management activity is down by -€1.9 million, with a fall in syndication fees (-€1.4 million) and management fees (-€0.9 million, due to the decline in the fleet). Meanwhile, commissions on sales of investor equipment rose by +€0.4 million.

Revenue from the **Modular Buildings** division presented under "Miscellaneous” strongly increased in 2023 to €16.9 million (+€10.5 million) with more orders delivered following the end of the Covid crisis.

A PROFITABILITY MAINLY IMPACTED BY THE RISING OF INTEREST RATES

EBITDA came to €55.3 million, a decrease of -€2.6 million (-4.5%).

EBITDA in the **Freight Railcars** division rose to €31.4 million (+3%) compared with €30.6 million in 2022, supported by higher leasing revenue. However, the operating expenses are also higher due to the +€0.9 million increase in maintenance and repair costs.
The **River Barges** division posted an EBITDA of €5.3 million over the year, giving a slight increase of +€0.3 million (+6%).
EBITDA in the **Containers** division fell by a substantial -€7.6 million to €15.2 million (-33%) with the contraction of container sales.
This unfavourable trend was partially offset by the recovery in sales for the **Modular Buildings** division.

The group’s depreciation and amortization increased by +€2.6 million with the new investments made in 2022 and 2023.

Operating income reached €28.3million, down by -€2.8 million compared with 2022, after taking into account the net exceptional income of €2.4 million (linked on the one hand to accounting income of €3.5 million relating to the purchase in January 2023 of minority interests in the Modular Buildings business in Africa, and on the other hand to a $1.0 million conviction in the United States for the former subsidiary of Modular Buildings for an old dispute).

Financial income came to -€21 million, compared with -€15.4 million in 2022. The increase in net interest expense is 85% explained by the interest rate rising, partially offset by hedging in place. As the net debt only slightly increases, the volume effect is limited on the financial income.

Corporate income tax amounted to -€1.5million, +€4.8 million compared with 2022 when an exceptional tax provision of €3.8 million was accounted (no cash impact) in the Containers division.

Net income Group share amounted to €3.6 million (compared with €7.5 million in 2022), mainly explained by the increase of interest rates, while our diversified business model limits cycle impacts of our activities.

A BALANCED FINANCIAL STRUCTURE

The strength of the TOUAX's balance sheet is reflected in the **Loan to Value ratio** of 59.1% as of end-December 2023, compared with 59.5% in 2022.
The financial structure has been reinforced by the debt refinancing carried out by the parent company Touax SCA, providing greater certainty over the debt profile until mid-2027 (EuroPP issuance of €5.4 million and implementation of a club-deal bank financing of €40 million).

Shareholders' equity amounts to €147.6 million, compared with 153.7 million euros at the end of December 2022.
At the group level, the allocation of the full-year profit of €3.6 million was offset by distributions (dividend and payment to general partners) totalling -€1.5 million, by a negative change in reserves mainly due to translation adjustments and decrease in hedge value amounting to -€5.2 million, and by a -€1.7 million reduction in minority interests in the Freight Railcars business.

The **level of cash** on the balance sheet at 31 December 2023 remains comfortable, at €39.0 million.

FAVOURABLE OUTLOOK AT THE HEART OF SUSTAINABLE TRANSPORT INFRASTRUCTURE

In the short term TOUAX remains cautious with the current economic challenges: uneven growth by geographical area, high interest rates, major geopolitical risks.

Despite turbulences, trade volumes remain at a satisfactory level [3]. The year-end utilisation rates (88% for freight railcars, 100% for river barges and 97% for containers) demonstrate the resilience of the economies and markets where the group operates.

In an uncertain environment, the flexibility provided by our leasing solutions is sought by our clients and creates investment opportunities.

The requirement for fleet renewal and fleet modernization remain important, particularly as part of our customers objectives for reducing CO_2 emissions. With its expertise in the intermodal, rail and river transport sectors, TOUAX benefits from a unique position at the heart of sustainable transport infrastructure, and increases its commitment to Corporate and Social Responsibility, for a low-carbon economy.

The strengthening of TOUAX's CSR commitment has been confirmed by the increase in its extra-financial ratings. TOUAX was awarded the EcoVadis[4] 2023 Gold Medal (72/100) and now belongs to the top 5% of companies in all sectors.

On the asset management business for third-party investors, committed funds from infrastructure funds (available in 2024) have reached €134 million and will support TOUAX's growth.

UPCOMING EVENTS

- May 15, 2024: Q1 2024 revenue from activities
- June 12, 2024: Annual General Meeting

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[3] *Clarkson forecasts January 2024: +5.5% (including 2% related to Red Sea re-routing) in percentage of containerised traffic (TEU-miles) vs. +1.6% in 2023*

[4] *EcoVadis: evaluation of the main CSR impacts according to four themes: Environment, Social & Human Rights, Ethics and Responsible Purchasing*

APPENDICES

1 – Analysis of revenue from activities

Restated Revenue from activities *(in € thousand)*	Q1 2023	Q2 2023	Q3 2023	Q4 2023	TOTAL 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	TOTAL 2022
Leasing revenue on owned equipment	17,139	17,510	17,412	18,985	71,046	15,509	16,909	17,178	17,530	67,126
Ancillary services	5,030	4,271	5,299	5,124	19,724	5,732	4,884	7,390	6,607	24,613
Total leasing activity	**22,169**	**21,781**	**22,711**	**24,109**	**90,770**	**21,241**	**21,793**	**24,568**	**24,137**	**91,739**
Sales of owned equipment	13,053	16,895	13,024	14,206	57,178	14,862	14,249	15,392	14,282	58,785
Total sales of equipment	**13,053**	**16,895**	**13,024**	**14,206**	**57,178**	**14,862**	**14,249**	**15,392**	**14,282**	**58,785**
Total of owned activity	**35,222**	**38,676**	**35,735**	**38,315**	**147,948**	**36,103**	**36,042**	**39,960**	**38,419**	**150,524**
Syndication fees	0	544	-2	667	1,209	0	2,522	65	150	2,737
Management fees	1,021	1,018	1,024	1,018	4,081	978	986	1,083	1,655	4,702
Sales fees	861	1,710	674	643	3,888	336	1,349	801	999	3,485
Total of management activity	**1,882**	**3,272**	**1,696**	**2,328**	**9,178**	**1,314**	**4,857**	**1,949**	**2,804**	**10,924**
Other capital gains on disposals	1	1	-1	0	1	0	0	6	2	8
Total Others	**1**	**1**	**-1**	**0**	**1**	**0**	**0**	**6**	**2**	**8**
Total Revenue from activities	**37,105**	**41,949**	**37,430**	**40,643**	**157,127**	**37,417**	**40,899**	**41,915**	**41,225**	**161,456**

2 - Table showing the transition from summary accounting presentation to restated presentation

Revenue from activities *(in € thousand)*	2023	Restatement	Restated 2023	2022	Restatement	Restated 2022
Leasing revenue on owned equipment	71,046		71,046	67,126		67,126
Ancillary services	23,867	-4,143	19,724	32,729	-8,116	24,613
Total leasing activity	**94,913**	**-4,143**	**90,770**	**99,855**	**-8,116**	**91,739**
Sales of owned equipment	57,178		57,178	58,785		58,785
Total sales of equipment	**57,178**	**0**	**57,178**	**58,785**	**0**	**58,785**
Total of owned activity	**152,091**	**-4,143**	**147,948**	**158,640**	**-8,116**	**150,524**
Leasing revenue on managed equipment	36,669	-36,669	0	44,399	-44,399	0
Syndication fees	1,209		1,209	2,737		2,737
Management fees	1,563	2,518	4,081	1,285	3,417	4,702
Sales fees	3,888		3,888	3,485		3,485
Total of management activity	**43,329**	**-34,151**	**9,178**	**51,906**	**-40,982**	**10,924**

Other capital gains on disposals	1		1	8		8
Total Others	**1**	**0**	**1**	**8**	**0**	**8**
Total Revenue from activities	**195,421**	**-38,294**	**157,127**	**210,554**	**-49,098**	**161,456**

3 - Breakdown of restated revenue from activities by division

Restated revenue from activities *(in € thousand)*	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q4 2022**	**TOTAL 2022**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**	**TOTAL 2021**
Leasing revenue on owned equipment	10,544	11,142	11,292	11,768	44,746	9,152	9,223	10,123	10,779	39,277
Ancillary services	1,858	1,177	1,820	2,564	7,419	1,873	1,724	1,951	1,584	7,132
Total leasing activity	**12,402**	**12,319**	**13,112**	**14,332**	**52,165**	**11,025**	**10,947**	**12,074**	**12,363**	**46,409**
Sales of owned equipment	110	238	369	833	1,550	320	403	162	641	1,526
Total sales of equipment	**110**	**238**	**369**	**833**	**1,550**	**320**	**403**	**162**	**641**	**1,526**
Total of owned activity	**12,512**	**12,557**	**13,481**	**15,165**	**53,715**	**11,345**	**11,350**	**12,236**	**13,004**	**47,935**
Syndication fees	0	446	1	0	447	0	0	0	570	570
Management fees	466	451	507	557	1,981	463	470	451	440	1,824
Total of management activity	**466**	**897**	**508**	**557**	**2,428**	**463**	**470**	**451**	**1,010**	**2,394**
Total Freight railcars	**12,978**	**13,454**	**13,989**	**15,722**	**56,143**	**11,808**	**11,820**	**12,687**	**14,014**	**50,329**
Leasing revenue on owned equipment	1,619	1,789	1,869	1,821	7,098	1,688	1,745	1,770	1,626	6,829
Ancillary services	1,807	2,385	3,788	2,319	10,299	683	972	1,286	2,272	5,213
Total leasing activity	**3,426**	**4,174**	**5,657**	**4,140**	**17,397**	**2,371**	**2,717**	**3,056**	**3,898**	**12,042**
Sales of owned equipment	0	0	0	16	16	41	0	0	0	41
Total sales of equipment	**0**	**0**	**0**	**16**	**16**	**41**	**0**	**0**	**0**	**41**
Total of owned activity	**3,426**	**4,174**	**5,657**	**4,156**	**17,413**	**2,412**	**2,717**	**3,056**	**3,898**	**12,083**
Syndication fees	0	0	0	0	0	0	0	0	710	710
Management fees	14	5	11	11	41	6	6	5	6	23
Total of management activity	**14**	**5**	**11**	**11**	**41**	**6**	**6**	**5**	**716**	**733**
Total River Barges	**3,440**	**4,179**	**5,668**	**4,167**	**17,454**	**2,418**	**2,723**	**3,061**	**4,614**	**12,816**
Leasing revenue on owned equipment	3,342	3,973	4,013	3,935	15,263	2,384	2,654	2,572	2,937	10,547
Ancillary services	2,070	1,325	1,779	1,722	6,896	191	1,054	2,297	3,995	7,537
Total leasing activity	**5,412**	**5,298**	**5,792**	**5,657**	**22,159**	**2,575**	**3,708**	**4,869**	**6,932**	**18,084**
Sales of owned equipment	13,205	12,575	12,967	12,085	50,832	3,480	3,524	5,991	11,696	24,691
Total sales of equipment	**13,205**	**12,575**	**12,967**	**12,085**	**50,832**	**3,480**	**3,524**	**5,991**	**11,696**	**24,691**
Total of owned activity	**18,617**	**17,873**	**18,759**	**17,742**	**72,991**	**6,055**	**7,232**	**10,860**	**18,628**	**42,775**
Syndication fees	0	2,076	64	150	2,290	17	946	48	712	1,723
Management fees	498	530	565	1,087	2,680	428	415	439	512	1,794
Sales fees	336	1,349	801	999	3,485	591	358	181	236	1,366
Total of management activity	**834**	**3,955**	**1,430**	**2,236**	**8,455**	**1,036**	**1,719**	**668**	**1,460**	**4,883**
Total Containers	**19,451**	**21,828**	**20,189**	**19,978**	**81,446**	**7,091**	**8,951**	**11,528**	**20,088**	**47,658**
Leasing revenue on owned equipment	4	5	4	6	19	5	11	15	9	40
Ancillary services	-3	-3	3	2	-1	-2	-3	-4	-494	-503

Total leasing activity	**1**	**2**	**7**	**8**	**18**	**3**	**8**	**11**	**-485**	**-463**
Sales of owned equipment	1,547	1,436	2,056	1,348	6,387	3,244	4,401	2,979	3,444	14,068
Total sales of equipment	**1,547**	**1,436**	**2,056**	**1,348**	**6,387**	**3,244**	**4,401**	**2,979**	**3,444**	**14,068**
Total of owned activity	**1,548**	**1,438**	**2,063**	**1,356**	**6,405**	**3,247**	**4,409**	**2,990**	**2,959**	**13,605**
Other capital gains on disposals	0	0	6	2	8	0	6	0	552	558
Total Others	**0**	**0**	**6**	**2**	**8**	**0**	**6**	**0**	**552**	**558**
Total Miscellaneous & eliminations	**1,548**	**1,438**	**2,069**	**1,358**	**6,413**	**3,247**	**4,415**	**2,990**	**3,511**	**14,163**
Total Restated revenue from activities	**37,417**	**40,899**	**41,915**	**41,225**	**161,456**	**24,564**	**27,909**	**30,266**	**42,227**	**124,966**

25. DRAFT RESOLUTIONS AT THE GENERAL MEETING OF 12 JUNE 2024

On first notice of meeting, the Ordinary General Meeting can only validly proceed if the shareholders present in person or by proxy hold at least one fifth of the shares to which voting rights are attached. Motions pass by simple majority of votes cast.

FIRST RESOLUTION (APPROVAL OF THE FINANCIAL STATEMENTS FOR THE 2023 FINANCIAL YEAR)

The Annual General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, after reviewing the report from the Management Board, the reports from the Supervisory Board and the Statutory Auditors' report for the financial year ended 31 December 2023, approves the annual financial statements for the year ended 31 December 2023, as presented to it, showing a net book profit of €3 715 948.

The Annual General Meeting notes the absence of expenses and charges not deductible from profits as referred to in Article 39-4 and 39-5 of the General Tax Code, as well as the absence of tax savings linked to fiscal integration..

SECOND RESOLUTION (APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2023 FINANCIAL YEAR)

The Annual General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, after reviewing the report from the Management Board, the reports from the Supervisory Board and the Statutory Auditors' report, approves the consolidated financial statements for the financial year ended 31 December 2023 as they have been presented and the transactions reflected in these accounts, showing a Group share of net income of €3 607 270.

THIRD RESOLUTION (DISCHARGE OF MANDATES)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, grants the Management Board, the Supervisory Board and the Statutory Auditors discharge from the execution of their respective mandates for the 2023 financial year.

FOURTH RESOLUTION (ALLOCATION OF PROFIT)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having approved the proposals of the Board of Directors, decides to assign the profit as follows:

Net profit for the year ended 31 December 2023	3 715 948€
Statutory remuneration of the general partners deducted from the net profit	661 594 €
Allocation to the legal reserve	185 797 €
Distribuable profit	**2 868 557 €**
Distribution of a total amount of €0.12 per share	858 498 €
Allocation of the balance of distribuable profit to the retained earnings	**2 010 059 €**

The net dividend for the 2023 fiscal year would be set at €0,12 per share.

The maximum number of shares entitled to the dividend for the 2023 fiscal year, i.e. shares with dividend rights on January 1, 2024, amounts to 7,154,147 shares, corresponding to the number of shares comprising the capital of the company on December 31, 2023, i.e. 7,011,547 shares, increased by the maximum number of shares to be created by the exercise of stock warrants issued by the company, up to the ex-dividend date.

If at the time of the Shareholders' meeting, the Company holds any of its own shares, or warrants are not exercised, then the unpaid dividend for those shares should be allocated to retained earnings.

The detachment date of the dividend would be on July 8, 2024 (12:00 a.m – Paris time). The payment would be on July 10, 2024[5].

In accordance with Article 243-bis of the General Tax Code, the General Meeting notes that the dividends distributed for the three previous financial years were as follows:

financial year concerned *(in Euros)*	payment date	statutory remuneration of general partners	dividend per share	number of shares remunerated	total of the distribution
2020	July 2021	644 075			644 075
TOTAL 2020					**644 075**
2021	July 2022	907 292			907 292
TOTAL 2021					**907 292**
2022	July 2023	803 462	0,10	6 999 774	1 503 439
TOTAL 2022					**1 503 439**

FIFTH RESOLUTION (REGULATED AGREEMENTS)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, after having read the special report of the Statutory Auditors on the agreements referred to in article L. 226-10 of the French Commercial Code, and the report of the Management Board, takes note of said report.

SIXTH RESOLUTION (APPROVAL OF THE REMUNERATION POLICY APPLICABLE TO MANAGING PARTNERS)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code describing in particular the elements of the remuneration policy for corporate officers, approves, in application of article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to the Managing Partners which is presented therein, and appearing in paragraph 23.2.5.1 of the Company's 2023 universal registration document.

SEVENTH RESOLUTION (APPROVAL OF THE REMUNERATION POLICY APPLICABLE TO MEMBERS OF THE SUPERVISORY BOARD)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code describing in particular the elements of the remuneration policy for corporate officers, approves, in application of article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to the Members of the Supervisory Board which is presented therein, and appearing in paragraph 23.2.5.1 of the Company's 2023 universal registration document.

EIGHTH RESOLUTION (APPROVAL OF THE INFORMATION REFERRED TO IN ARTICLE L. 22-10-77 I. OF THE FRENCH COMMERCIAL CODE RELATING TO ALL THE REMUNERATION OF CORPORATE OFFICERS)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code, approves, in application of article L. 22-10-77 I. of the French Commercial Code, the information mentioned in article L. 22-10-9 I. of the French Commercial Code which is presented therein relating to all the remuneration of the corporate officers, and appearing in paragraph 23.2.5.2 of the Company's 2023 universal registration document.

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<u>Taxation of dividends in France for a French tax resident</u>

Dividend distributions are subject to a flat tax (prélèvement forfaitaire unique/PFU) but the beneficiaries can however opt for taxation at the progressive scale of income tax.

The PFU of 30% is made up of:

. 12.8% for income tax,

. 17.20% for social security contributions.

The PFU is levied by the tax authorities at the end of the tax return and is based on the gross amount of the dividend, without any deduction for fees and charges.

If the beneficiary opts for taxation at the progressive scale of income tax, the 40% allowance on dividends applies.

NINTH RESOLUTION (APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 OR ALLOCATED FOR THE SAME FINANCIAL YEAR TO MR. ALEXANDRE COLONNA WALEWSKI AS CHAIR OF THE SUPERVISORY BOARD)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code, approves, in application of article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional elements making up the total remuneration and benefits of any kind paid during the financial year ended 31 December 2023 or allocated for the same financial year to Mr. Alexandre Colonna Walewski in his capacity as Chair of the Supervisory Board, as described in said report, and appearing in paragraph 23.2.5.3 of the Company's 2023 universal registration document.

TENTH RESOLUTION (APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 OR ALLOCATED FOR THE SAME FINANCIAL YEAR TO MR. FABRICE COLONNA WALEWSKI AS MANAGING PARTNER)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code, approves, in application of article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the financial year ended 31 December 2023 or allocated for the same financial year to Mr. Fabrice Colonna Walewski in his capacity as Managing Partner, as described in said report, and appearing in paragraph 23.2.5.3 of the Company's 2023 universal registration document.

ELEVENTH RESOLUTION (APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 OR ALLOCATED FOR THE SAME FINANCIAL YEAR TO MR. RAPHAËL COLONNA WALEWSKI AS MANAGING PARTNER)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the Supervisory Board's report on corporate governance established in accordance with article L. 22-10-78 of the French Commercial Code, approves, in application of article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the financial year ended 31 December 2023 or allocated for the same financial year to Mr. Raphael Colonna Walewski in his capacity as Managing Partner, as described in said report, and appearing in paragraph 23.2.5.3 of the Company's 2023 universal registration document.

TWELFTH RESOLUTION (SETTING THE ANNUAL REMUNERATION TO BE ALLOCATED TO THE SUPERVISORY BOARD)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, fixes the total amount of annual remuneration to be allocated to the Supervisory Board at €64,500.

THIRTEENTH RESOLUTION (RENEWAL OF THE SUPERVISORY BOARD MEMBER'S MANDATE OF MRS. MARIE FILIPPI)

The Annual General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having considered the report from the Management Board, declaring that the term of office as member of the Supervisory Board of Mrs. Marie FILIPPI expires at the end of this Meeting, renews it for a period of three years which will end at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026.

FOURTEENTH RESOLUTION (RENEWAL OF THE SUPERVISORY BOARD MEMBER'S MANDATE OF MRS. MARIE-AXELLE ANNICCHIARICO)

The Annual General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having considered the report from the Management Board, declaring that the term of office as member of the Supervisory Board of Mrs. Marie-Axelle ANNICCHIARICO expires at the end of this Meeting, renews it for a period of three years which will end at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026.

FIFTEENTH RESOLUTION (AUTHORISATION OF A SHARE BUYBACK PROGRAM)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, after having taken note of the report of the Management Board, authorises the Management Board, in accordance with article L. 22-10-62 of the French Commercial Code, to acquire, on one or more occasions at the times determined by it, a number of shares representing up to 10% of the share capital under the following conditions:

Maximum purchase price per share: €30

Maximum amount (as an indication): €21,034,641

This maximum amount may be adjusted, if necessary, to take into account any capital increase or reduction operations that may occur during the period of the scheme.

In accordance with Article L. 225-210 of the French Commercial Code, the acquisition of company shares must not bring the shareholders' equity below the level of the capital plus non-distributable reserves.

These shares may be acquired, sold, transferred or exchanged, on one or more occasions, by any means, including where appropriate by mutual agreement, by block transfer or by use of derivatives, with a view to the realization of one or more purposes provided for by law, including:

- carrying out market making and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider acting independently, in accordance with the AMAFI Code of Practice recognised by the French Financial Markets Authority (AMF);
- granting stock options and/or granting bonus shares for the benefit of the employees and officers of the company and/or companies related to it as well as all allocations of shares under a company or group savings plan, in respect of sharing the company's profits and/or any other form of allocation of shares to employees and/or corporate officers of the group;
- granting coverage for securities that entitle the holder to receive shares in the partnership under the regulations currently in force;
- keep the shares bought, and use them later for trading or as payment in possible corporate acquisitions, though the shares acquired for this purpose may not exceed 5 % of the share capital; and/or
- to cancel them, pursuant to the 20th resolution of the Annual General Meeting on 12 June 2024.

For the first objective, the company shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the AMAFI Code of Practice approved by the French Financial Markets Authority (AMF).

These transactions may be carried out at any time, including during a takeover bid, subject to the regulations in force.

This authorisation enters into effect upon its acceptance by the present General Meeting. It is granted for a period of 18 months. It cancels and replaces the authorisation granted by the Annual General Meeting of 14 June 2023, in its 18th resolution.

The General Meeting grants all powers to the Management Board or any person duly appointed thereby, to decide when to implement this authorisation and to determine its terms and conditions, and in particular to adjust the above purchase price in case of transactions that modify the shareholders' equity, the share capital or the par value of the shares, to place any orders on the stock exchange, conclude any agreements, make all declarations, carry out all formalities and in general do everything that is required.

SIXTEENTH RESOLUTION (DELEGATION OF AUTHORITY TO THE MANAGEMENT BOARD FOR THE PURPOSE OF ISSUING ORDINARY COMPANY SHARES AND SECURITIES GIVING ACCESS TO OTHER SECURITIES OF THE COMPANY TO ISSUE OR GIVING THE RIGHT TO THE ALLOCATION OF DEBT SECURITIES, WITH RETENTION OF PREFERENTIAL SUBSCRIPTION RIGHTS FOR THE SHAREHOLDERS, FOR A PERIOD OF 26 MONTHS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report from the Management Board and the special report from the Statutory Auditors and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 228-92 of the French Commercial Code:

1) decides to confer to the Management Board the powers to decide, upon its sole deliberations, on the issuance, with retention of the preferential subscription right of the shareholders, on one or more occasions, in the proportions and at the times that it will assess, on the French and/or international market, either in euros, or in foreign currencies or in any other account unit established by reference to a set of currencies:

- ordinary shares, and/or
- equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or
- more generally securities giving access to equity securities to be issued by the company or giving right to the allocation of debt securities,

of any kind whatsoever, whether in return for payment or free of charge, it being specified that the subscription of the shares and other securities may be made either in cash or by offsetting with certain, liquid and payable receivables.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give access to equity securities to be issued by the company and/or any company which directly or indirectly owns more than half of the capital or of which it directly or indirectly owns more than half of the capital.

2) Decides that the issue of preference shares and the issue of any securities giving access to preference shares is excluded from this delegation.

3) Decides that the maximum nominal amount of capital increases that may be carried out immediately and in the future pursuant to this delegation, is set at twenty million (20,000,000) euros, subject to the 17th resolution. To the above ceiling shall be added, where applicable, the nominal amount of the issues that may be required to preserve, in accordance with the law and, where

appropriate, the contractual stipulations providing for other cases of adjustment, the rights of the holders of securities giving access to the capital of the company.

4) Decides that the shareholders will have, in proportion to the amount of their shares, a preferential subscription right to the securities that would be issued pursuant to this delegation.

5) Decides that the Management Board may establish, where applicable, a subscription right on a reducible basis, for new non-subscribed capital shares that the shareholders may exercise proportionately to the subscription rights available to them and, in any case, within the limits of their demands.

6) Decides that if subscriptions on an irreducible and, where applicable, reducible basis have not absorbed the entirety of an issue, the Management Board may use, under the conditions laid down by law and in the order that it will determine, one and/or the other faculties hereafter:

- freely distribute all or part of the non-subscribed securities for the benefit of the persons of their choice,
- offer to the public all or part of the non-subscribed securities, and/or
- limit the amount of subscriptions received as soon as they reach at least ¾ of the issue decided upon.

7) Notes that this delegation entails the express waiver by shareholders of their preferential subscription right to the new shares to which these securities entitle them to the benefit of the holders of the securities.

8) Gives all powers to the Management Board to decide and carry out the capital increase(s) that it deems appropriate and:

- determine the conditions of the issue (s), and in particular the forms and characteristics of the shares and/or securities, determine the amount to be issued within the limits referred to above, the issue price and the amount of the issue premium, set the dates of the opening and closing of subscriptions,
- record the realisation of these capital increases and to amend the Articles of Association accordingly,
- charge, on its sole initiative, the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase, and more generally, to undertake what is required in such a matter, and
- more generally to take all measures, to conclude all agreements, to carry out all necessary formalities and to take the necessary steps to attain and successfully complete the issues envisaged under this delegation.

This delegation is given for a period of 26 months from the date of this Meeting, it cancels and replaces the authorisation given by the Annual General Meeting of 22 June 2022 in its 22nd resolution.

SEVENTEENTH RESOLUTION (DELEGATION OF AUTHORITY TO THE MANAGEMENT BOARD FOR THE PURPOSE OF ISSUING ORDINARY COMPANY SHARES AND SECURITIES GIVING ACCESS TO OTHER CAPITAL SHARES OF THE COMPANY TO ISSUE OR GIVING THE RIGHT TO THE ALLOCATION OF DEBT SECURITIES, BY WAY OF A PUBLIC OFFER, WITH REMOVAL OF PREFERENTIAL SUBSCRIPTION RIGHTS FOR THE SHAREHOLDERS, BUT WITH A MANDATORY SUBSCRIPTION PRIORITY TIME PERIOD, FOR A PERIOD OF 26 MONTHS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report from the Management Board and the special report from the Statutory Auditors and noted that the capital is fully paid-up, in accordance with the provisions of Articles L. 225-129-2, L. 22-10-51, L. 22-10-52, L. 228-91 and L. 228-92 of the French Commercial Code:

1) decides to confer to the Management Board the powers to decide, upon its sole deliberations, on the issuance, on one or more occasions, in the proportions and at the times that it will assess, on the French and/or international market, either in euros, or in foreign currencies or in any other account unit established by reference to a set of currencies:

- ordinary shares, and/or
- equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or
- more generally securities giving access to equity securities to be issued by the company,

of any kind whatsoever, whether in return for payment or free of charge, it being specified that the subscription of the shares and other securities may be made either in cash or by offsetting with certain, liquid and payable receivables.

2) Decides that the issue of preference shares and the issue of any securities giving access to preference shares is excluded from this delegation.

3) Decides that the total nominal amount of capital increases that may be carried out immediately and in the future under this delegation is set at twenty million (20,000,000) euros subject to the 16th resolution, it being specified that the nominal amount of the shares that may be issued under this delegation will be deducted from the ceiling referred to in the 16th resolution. To the above ceiling shall be added, where applicable, the nominal amount of the issues that may be required to preserve, in accordance with the law and, where appropriate, the contractual stipulations providing for other cases of adjustment, the rights of the holders of securities giving access to the capital of the company.

4) Decides to cancel the shareholders' preferential subscription right to ordinary shares and securities giving access to the capital and/or debt securities that are the subject of this resolution.

5) Decides to grant shareholders a mandatory subscription priority time period for all such issues, not giving rise to the creation of negotiable rights, exercisable in proportion to the number of shares held by each shareholder and, where applicable, on a reducible basis, and consequently delegates to the Management Board the power to set the duration and the terms thereof in accordance with the legal and regulatory provisions.

6) Notes that this delegation entails the express waiver by shareholders of their preferential subscription right to the new shares to which these securities entitle them to the benefit of the holders of the securities.

7) Decides that

- the issue price of the equity securities will be at least equal to the minimum price provided for by the legal and regulatory provisions applicable on the day of setting the issue price.
- The issue price of other securities shall be such that the amount received immediately by the company, plus any additional fees that may be collected by the company, is, for each share issued as a result of the issue of these securities, at least equal to the issue price defined in the previous paragraph.

8) Decides that in the event of insufficient subscriptions, the Management Board may use, under the conditions set out by law and in the order in which it determines, one or both of the following powers:

- freely distribute all or part of the non-subscribed securities for the benefit of the persons of their choice,
- offer to the public all or part of the non-subscribed securities, and/or
- limit the amount of subscriptions received as soon as they reach at least ¾ of the issue decided upon when the primary security is a share.

9) Gives all powers to the Management Board to decide and carry out the issue(s) of shares or securities which it deems appropriate, and in particular:

- determine the conditions of the issue(s), and in particular the forms and characteristics of the shares and/or securities, determine the amount to be issued within the limits referred to above, the issue price and the amount of the issue premium, set the dates of the opening and closing of subscriptions,
- record the realisation of these capital increases and amend the Articles of Association accordingly,
- make any adjustments to take into account the impact of the transaction on the capital of the company and set the terms and conditions under which the preservation of the rights of the holders of financial securities ultimately giving access to the share capital will be ensured in accordance with the provisions of the applicable laws and regulations and, where appropriate, contractual stipulations providing for other adjustments,
- charge, on its sole initiative, the costs of the capital increases to the amount of the premiums related thereto and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase, and more generally, to undertake what is required in such a matter, and
- more generally to take all measures, to conclude all agreements, to carry out all necessary formalities and to take the necessary steps to attain and successfully complete the issues envisaged under this delegation.

It is specified that the Management Board may, in the context of the implementation of this delegation, modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities.

This delegation is given for a period of 26 months from the date of this Meeting, it cancels and replaces the authorisation given by the Annual General Meeting of 22 June 2022 in its 23rd resolution.

EIGHTEENTH RESOLUTION (DELEGATION OF AUTHORITY TO THE MANAGEMENT BOARD FOR THE PURPOSE OF ISSUING ORDINARY COMPANY SHARES AND SECURITIES GIVING ACCESS TO OTHER SECURITIES OF THE COMPANY TO ISSUE OR GIVING THE RIGHT TO THE ALLOCATION OF DEBT SECURITIES, IN THE CASE OF EXCESS DEMAND, FOR A PERIOD OF 26 MONTHS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report from the Management Board and the special report from the Statutory Auditors and ruling in compliance with the provisions of Articles L. 225-135-1 of the French Commercial Code, authorises the Management Board to decide, within the time and within the limits provided for by the law and regulations applicable on the day of the issue (to date, within thirty days of the closing of the subscription, within the limit of 15% of the initial issue and at the same price as that used for the initial issue), for each of the issues decided pursuant to the 16th and 17th resolutions, to increase the number of securities to be issued, subject to compliance with the ceiling provided for in the resolution pursuant to which the issue is decided.

This delegation is given for a period of 26 months with effect from the date of this Meeting, it cancels and replaces any authorisation with the same object given previously.

NINETEENTH RESOLUTION (DELEGATION OF AUTHORITY TO THE MANAGEMENT BOARD FOR THE PURPOSE OF ISSUING SHARES FOR THE BENEFIT OF THE GROUP'S EMPLOYEES, WITH CANCELLATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT, FOR A PERIOD OF 26 MONTHS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having considered the report of the Management Board and the special report of the Statutory Auditors, ruling under Articles L.3332-18 to 3332-24 of the Labour Code and Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code:

1) Delegates to the Management Board its competence to proceed, on one or more occasions, under the conditions set out in Article L. 3332-18 et seq. of the French Labour Code, an increase in the share capital in cash of up to €600,000 reserved for employees of the company and its related companies who, under the terms of Article L. 225-180 of the French Commercial Code, members of a company savings plan;

2) Decides that this delegation is granted for a period of twenty-six months from today;

3) Decides that the total number of shares that may be subscribed by the employees may not exceed 3% of the share capital on the day of the Management Board's decision, this amount being independent of any other ceiling on the delegation of capital;

4) Decides that the subscription price of the shares will be set in accordance with the provisions of Article L. 3332-19 et seq. of the Labour Code;

5) Grants the Management Board full powers to implement the present authorisation and, to that end:

- to set the number of new shares to be issued and the vesting date;
- to set the issue price for the new shares, having considered the special report of the Statutory Auditors; and to set the deadlines for employees to exercise their rights;
- to decide when and how the new shares shall be freed of restrictions;
- to record the corresponding capital increase(s), and to amend the Articles of Association accordingly;
- to complete all necessary transactions and formalities entailed by the capital increase(s).

This authorisation shall also constitute the existing shareholders' express waiver of their right of first refusal to the shares to be issued, in favour of the above employees.

This delegation is given for a period of 26 months from the date of this Meeting, it cancels and replaces the authorisation given by the Annual General Meeting of 22 June 2022 in its 25th resolution.

TWENTIETH RESOLUTION (AUTHORISATION TO BE GIVEN TO THE MANAGEMENT BOARD IN ORDER TO CANCEL ALL OR PART OF THE SHARES PURCHASED BY THE COMPANY UNDER THE PROVISIONS OF ARTICLE L. 22-10-62 OF THE FRENCH COMMERCIAL CODE, FOR A PERIOD OF 18 MONTHS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, after having read the report of the Management Board as well as the report of the Statutory Auditors, and in accordance with article L.22-10-62 of the French Commercial Code,

- authorises the Management Board, for a period of eighteen months from this General Meeting, to reduce the share capital on one or more occasions, by a maximum of 10% of the share capital, calculated on the day of the cancellation, per period of twenty-four months, by cancelling some or all of the treasury shares acquired under the share buyback scheme adopted by the company's shareholders at, before or after this General Meeting;
- authorises the Management Board to allocate the difference between the buyback price of the cancelled shares and their par value at the time of cancellation, to the premiums and free reserves;
- gives all powers to the Management Board to determine the terms and conditions of the cancellation(s), in order to amend, where appropriate, the Company's Articles of Association, make any declarations, carry out any other formalities, and in general do anything necessary.

This authorisation enters into effect upon its acceptance by the present General Meeting. It cancels and replaces the delegation granted by the General Meeting of 14 June 2023, in its 18th resolution.

TWENTY-FIRST RESOLUTION (POWERS)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, grants full powers to the bearer of a copy or extract of the minutes of this Meeting with a view to completing the legal and regulatory formalities.

26. INCLUSION BY REFERENCE

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Board of 14 June 2017, the following documents are included by reference in this universal registration document:

- The consolidated financial statements for the year ended 31 December 2021, as well as the report of the statutory auditors relating thereto, appearing in paragraphs 18.1.1 and 18.3.1 of the universal registration document filed with the AMF on 31 March 2022 under number D.22-0229:

https://www.touax.com/fr/documents

https://www.touax.com/en/documents

- The consolidated financial statements for the year ended 31 December 2022, as well as the report of the statutory auditors relating thereto, appearing in paragraphs 18.1.1 and 18.3.1 of the universal registration document filed with the AMF on 1 April 2023 under number D.23-0212:

https://www.touax.com/fr/documents

https://www.touax.com/en/documents

27. GLOSSARY

River barge: non-motorised metallic flat-bottomed vessel used to transport goods by river.

Container: standard sized metallic freight container.

Modular building: building made of standard elements (modules), installed unmodified at a site by stacking and/or juxtaposition.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization. The EBITDA used by the Group corresponds to current operating income restated for allowances for depreciation and provisions for fixed assets.

EBITDAR: Earnings Before Interests, Tax, Depreciation, Amortization and Rent.

Gross debt: it consists of :

• long-term financial liabilities : capital borrowing operations carried out with the public (bonds for example) or with banks or financial institutions (medium or long-term loans, leases, etc, …) ;

• short-term financial liabilities of the same type as above

• fair value hedging financial instruments entered in the balance sheet relating to the liabilities constituting gross financial debt described above ;

• accrued interest on the balance sheet items constituting gross financial debt.

Net debt: gross debt less cash and cash equivalents.

EVP (Equivalent vingt pieds): see TEU.

Free cash flow: Free cash flow can be assimilated to Capacity for self-financing before cost ofnet financial debt and taxes.

Gearing (or net debt ratio): ratio between the net debt and the Shareholders' equity of the whole.

Loan to value (or LTV): ratio between gross debt and total assets less goodwill and intangible assets.

Operational leasing: unlike financial leasing, operational leasing does not transfer almost all the risks and benefits of the asset's ownership to the lessee.

Pool: equipment grouping.

Pusher, push-tug: motorised vessel used to push river barges.

Operating income: all charges and income not resulting from financial activities, companies accounted for using the equity method, discontinued activities and taxes.

Current operating income: operating profit restated for other operating income and expenses which correspond to very limited, unusual, abnormal and infrequent income or expenses.

TEU (Twenty-Foot Equivalent Unit): Twenty-Foot Equivalent Unit - measurement unit for containers This unit may be physical (one 40' container is the equivalent of two 20' containers) or financial (the price of a 40' container is equal to 1.6 times the price of a 20' container). The measurement unit used in this report is the physical unit (TEU), unless otherwise indicated (financial unit = CEU). A 20-foot container is worth 1 TEU and a 40-foot container counts for 2 TEUs.

Intermodal transport: the carriage of goods using more than one means of transport, integrated over long distances and in the same container.

Freight railcar: Railcar used to transport goods.

UNIVERSAL REGISTRATION DOCUMENT CONCORDANCE TABLE

In accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Board of 14 June 2017 and in order to facilitate the reading of the annual report filed as a universal registration document, the table below refers to Annexes 1 and 2 of the delegated regulation (EU) 2019/980 of 03/14/2019 and on the pages of the corresponding universal registration document.

CONCORDANCE TABLE FOR THE ANNUAL FINANCIAL REPORT

CONCORDANCE TABLE FOR THE REPORT TO THE ANNUAL GENERAL MEETING