ANNUAL REPORT 2021

HUPAC

2021 in figures

+10.7%

1,124,000
road consignments
shifted to the railways

+10.3%

1.5
million tonnes CO_2
saved compared to road

+14%

886,000
loading units
in the terminals of
the Hupac Group

+12.7%

630
staff members
on a full-time basis

+6.1%

156
trains per day
operated in the
Hupac Group network

+5.2%

8,100
rail platforms
completely low-noise

+14.4%

CHF 682.5 million
annual turnover
EUR 631.2 million

n/a

CHF 12.4 million
annual result
EUR 11.5 million

EDITORIAL

In 2021, Hupac once again proved that combined transport is a reliable, sustainable transport system. The pandemic-related traffic losses of the previous year were made up for. Various new connections were launched, especially in the economic areas of Italy, Benelux and south-east Europe. With growth of 10.7% to a transport volume of around 1,124,000 road consignments and a positive annual result of CHF 12.4 million, Hupac looks to the future with confidence.

The environmental balance is also impressive. Compared to pure road transport, Hupac has saved the environment 1.5 million tonnes of CO_2, reduced energy consumption by 17 billion megajoules and relieved the roads of the transport of 21 million tonnes of goods. Combined transport thus proves to be a privileged mode of transport for climate protection and energy transition in freight transport and can contribute significantly to achieving the ambitious goals of the European Green Deal.

The prerequisite for this is capacity and stability in the rail network. Bottlenecks and breakdowns, as we experienced last autumn due to construction works and irregularities, especially in the German network, should no longer occur. In the event of disruptions, the complex system of combined transport quickly gets out of sync due to domino effects on the railways, in the terminals and in wagon management, with after-effects lasting for days in the shape of delays and train cancellations.

Quality is the basic prerequisite for market confidence and traffic growth. Hupac's Strategy 2026, which was approved by the Board of Directors in December 2021, is based on this principle. The targeted growth in traffic to 1.6 million road consignments per year by 2026 will be supported by investments in rolling stock, terminals and IT systems in the amount of CHF 300 million. The declared goal is to achieve quality leadership with a punctuality target of 90% measured by the arrival time of the trains at the terminal. Hupac is working on this together with its partners in the service chain.

Hupac is just as intensively engaged with the transport policy framework conditions. The shift in the modal split in favour of rail requires sufficient capacity and assured availability. The following fields of action are our focus:

> **Corridor-oriented planning and operation,** because combined transport runs predominantly on international routes.

> **Removal of bottlenecks** in order to create

new capacity as quickly as possible. This includes freight-related construction projects such as parking and passing tracks and terminals.

- **Implementation of the freight traffic parameters 740 m, 2000 t, profile P400** on the Rhine-Alpine corridor to overcome the current deficits in the Netherlands, Germany and Italy.
- **Redundancy routes to** ensure continuity in case of traffic disruptions on high-traffic corridors. Today, the Rhine Valley railway represents a high risk, which can be mitigated by establishing a left Rhine bypass between Mannheim and Basel via France.
- **Competitive train path prices** so that road and rail have equal market opportunities and can be integrated into logistics concept according to their specific nature.
- **Cross-border traffic and construction site management** with the aim of securing supply chains and enabling a further shift to climate-friendly rail.

Various transport policy initiatives are going in the right direction. The planned revision of the directive for the TEN-T corridors contains many promising approaches. In Switzerland, the Parliament has come out in favour of co-financing the left Rhine bypass route through Alsace. Italy is pursuing ambitious investment plans for rail freight transport, as are Spain and other European countries.

The signals for more growth in combined transport are green. Europe is growing together – also and especially because of the crisis in Ukraine. I am convinced that Hupac can continue to make an important contribution to an economically successful, solidarity-based and sustainable Europe, and I thank you on behalf of the Board of Directors for your trust.

Hans-Jörg Bertschi
Chairman of the Board of Directors

EDITORIAL

Hupac has reason to be proud. In 2021, we were able to make up for the previous year's Covid dip with strong volume growth. The negative annual result of 2020 represents a one-off downward outlier in the company's statistics, which was quickly compensated for. "Stop the bleeding", was the maxim for the past year. Together with the market, we succeeded.

Nevertheless, it has been a difficult year, further impacted by the pandemic. Home office, travel restrictions and Covid-related staff shortages have affected us all, as has the volatility and imbalance of traffic flows. The fact that we were even able to transport almost 11% more volume than in 2020 and 10% more than in the pre-pandemic year 2019 is largely due to the trust of our customers, the support of the authorities and the extraordinary commitment of our staff members and partners. A heartfelt thank you for this!

The biggest disturbances occurred in the area of railway production. The rockslide in Kestert on the Middle Rhine had a week-long impact on traffic in the Rhine-Alpine corridor, with numerous train cancellations and inefficiencies due to long detours. The flood disaster in Belgium and Germany also caused obstructions on the main transport axes. In maritime transport, the sharp drop in the punctuality of ships affected the plannability of transports and the availability of resources. During the summer months and into the autumn, construction sites, resource bottlenecks and the sudden increase in transport demand added up to an explosive mixture that led to serious quality problems with train cancellations of up to 20% on individual days.

This situation required rapid action. We responded with a package of measures around our Busto production hub. More storage space for loading units and rail wagons as well as additional staff on 24/7 duty allow us to work at maximum capacity. More wagon reserves and also new traction partners are just as much part of the detailed programme as our engagement at the transport policy level.

We need a rethink in traffic management. Construction sites and traffic irregularities due to storms, accidents, etc. are and will remain a constant in the transport network. But with freight-friendly planning in international coordination and compensation measures such as construction-free windows at weekends to handle stranded trains, performance can be improved and the confidence of the industry regained. If as many trains as possible run through the rail network without disruptions or with the shortest possible disruption times, we will have done a lot for modal shift and climate protection.

Connecting industries and living spaces is the goal of logistics. With societies in Europe and the world increasingly looking towards more sustainability, we in combined transport are THE part in the supply chain that is allowed to positively shape the reduction of nature consumption. The current economic framework with excessive electricity price spikes and geopolitical instability as well as the planned reduction of the transalpine subsidies will not stop us from investing in the further stabilisation of the supply chain.

Hupac does everything in its power to improve the quality of the system quickly and with great determination and to incorporate suitable new capacities for intermodal services. This is our Strategy 2026 and we are committed to it every day – together with our customers, shareholders, service partners and each and every one of our employees.

Michail Stahlhut
CEO

STRATEGY

Joint development

In 2021, the time had finally come again: after the end of the strategy period 2016-2020 and a pandemic-related break, the Board of Directors, Executive Board and senior staff were able to tackle the revision and updating of the corporate strategy in the spring of the reporting year. In various workshops, the market environment was analysed, opportunities and challenges named and fields of action identified. At the end of the professionally managed process, the strategy was formulated with detailed projects and investment plans and submitted to the Board of Directors for approval in December.

Stabilise the core business and exploit growth potentials – these were the guidelines for the development of the strategy. The background was the upcoming expiry of operating subsidies for combined transport in Alpine transit through Switzerland. With the commissioning of AlpTransit, productivity advantages can be gradually exploited, such as more payload per locomotive, longer trains, shorter journey times. The core task for the 2022-2026 strategy period is to consistently integrate these factors into existing transport concepts.

In addition, the growth potentials arising in other areas of Europe should continue to be exploited. These include the axes of south-east Europe, east Europe and south-west Europe, which have seen pleasing development in recent years, as well as new market segments such as maritime hinterland transport with its specific requirements.

The optimisation of processes and the intelligent use of resources such as rail wagons and terminals were identified as further fields of action. The central challenge is the efficient management of the network and the achievement of a quality level in line with requirements in a market that is characterised by massive capacity bottlenecks in certain phases as demand increases. Flexibility, digital intelligence and close cooperation with service partners are the basic prerequisites for performance and customer satisfaction.

We shape the future of intermodal transport

Intermodal
We connect rail with road & sea all over Europe and beyond.

Connected
Our customers benefit from the power of a strong network.

Smart
We are the smart way of doing intermodal, with a wide range of services at a fair price.

Service
We run that extra-mile for our customers.

Quality
We fight for upgrading the performance of the rail system.

Agile
We listen, we cooperate, we develop, we deliver.

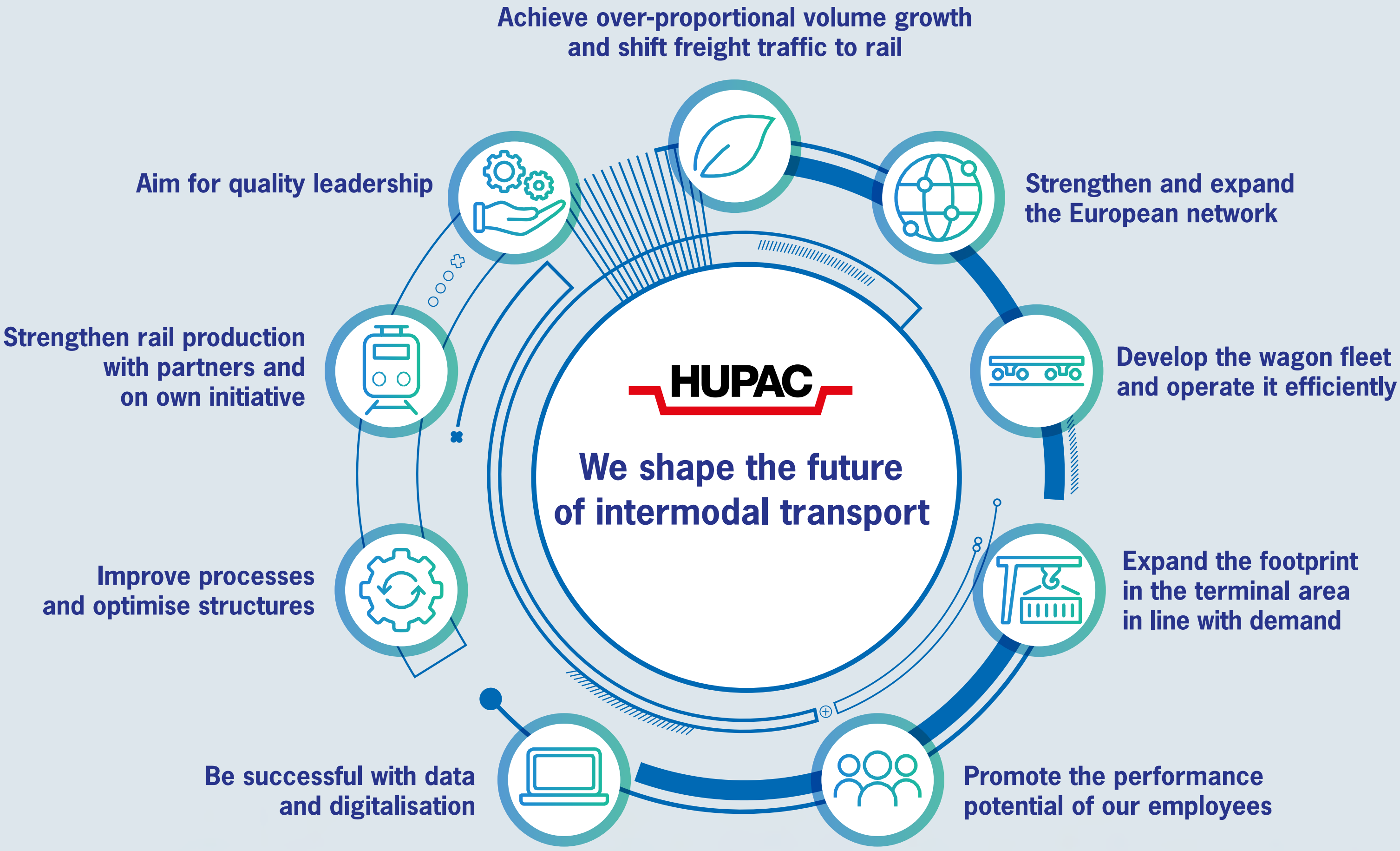
Emission-free
Together, we make the green revolution happen.

The way is the goal

The highlight of the strategy development was the "Strategy Update" workshop in September, in which 40 employees of the Hupac Group participated actively and with great commitment. Based on extensive preliminary work, colleagues discussed ideas and projects across departments and companies and agreed on a common identity. The result were six projects with dozens of tasks and detailed work plans for the coming months and years, as well as an updated mission statement for the Hupac Group.

The strategy projects

- **Strengthen the core business:** concept for longer and heavier trains via Switzerland
- **Expand the network:** development of the markets Spain, south-east Europe, north-east Europe, Alpine transit
- **Maritime:** establishing an integrated network for port hinterland transport
- **Assets:** development of the wagon fleet and the terminal network
- **Product development** with a focus on time-to-market and customer benefit
- **Operational optimisation** for more efficiency and better performance.



Competitive solutions for modal shift

With the EU's transport strategy to achieve climate neutrality, the prospects are good for further growth in combined transport. Hupac intends to seize the opportunities and is steering the expansion of its network and the further development of processes and structures with its Strategy 2026.

The growth strategy is based on strengths that have been built up over many years. The core elements are the demand-oriented development of a network for combined transport, independence from the railways and investment in its own resources such as rail wagons, terminals and information technology.

For the strategy period 2022-2026, Hupac is targeting an annual volume increase of 7%. With a forecast economic growth of 2%, this will achieve a real shift of heavy goods traffic from road to rail. By 2026, Hupac aims to reach a traffic volume of 1.6 million road consignments, which represents an increase of 40% compared to 2021. The Board of Directors has approved an investment programme of CHF 300 million to reach this goal.

Strategic priorities

Strengthen and expand the European network
The focus is on strengthening the core business on the north-south axis and expanding the network to axes with great growth potential such as south-east, south-west and north-east Europe. In the maritime sector, Hupac aims to connect the network to the Italian ports and to link up with the ERS Railways network from the ports of Hamburg, Bremerhaven and Rotterdam.

Aim for quality leadership
Hupac seeks to noticeably raise the quality level of combined transport in cooperation with its rail partners through intelligent resource management and the transparent flow of data. The goal is a 90% punctuality rate of train arrivals at the terminal.

Strengthen rail production with partners and on own initiative
Hupac is taking an active role to strengthen the production of freight transport on the European rail network. Central elements are the commitment to open markets, the own planning of service packages and the initiatives to increase performance together with the railway partners.

Develop the wagon fleet and operate it efficiently
Hupac owns one of the largest private wagon fleets for combined transport in Europe. By increasing mileage, further developing maintenance concepts and procuring new wagons, the resources for the targeted transport growth are secured.

Expand the footprint in the terminal area in line with demand
Efficient terminals are the basic prerequisite for shifting freight transport from road to rail. Hupac invests in terminals under its own management or with partners in order to provide the necessary capacities in growth markets.

Improve processes and optimise structures
The targeted growth requires more automation and group-wide integration. With agile teams and supporting IT, Hupac frees up resources and increases the company's productivity.

Be successful with data and digitalisation
With digital technologies, cutting-edge analytics and artificial intelligence, Hupac is driving innovation and improving efficiency. The focus is on data integration with customers and partners as well as forward planning and predictability in all areas of production.

Promote the performance potential of our employees
Hupac is making a cultural change so that employees can fully utilise their talent and energy. The goal is an organisation where people are inspired, curious and self-reliant. Young professionals are systematically involved in decision-making processes and take responsibility. The strengths of the existing Hupac culture, such as high pragmatism, customer proximity, focus on good quality services and linking the cultures of northern and southern Europe, will continue to be upheld.

Environment and climate

Committed to the climate

Combined transport is the preferred system for eco-friendly freight transport. Hupac sees its task in providing the logistics industry with a reliable, competitive network for intermodal transport. The central challenge is efficient management, because eco-friendly transport must be neither more expensive nor of lower quality than comparable offers.

Together with its partners – railways, terminal operators, rolling stock manufacturers and maintenance companies – Hupac has been committed to the further development of combined transport for over fifty years.

Positive footprint

Hupac Intermodal's transport network saved around 1.3 million tonnes of CO_2 last year compared to pure road transport. This corresponds to a reduction in CO_2 emissions of almost 90%. The calculation is based on the Ecotransit system. The estimated value for the total transport of the Hupac Group – i.e. including the volumes of ERS Railways – is 1.5 million tonnes of CO_2.

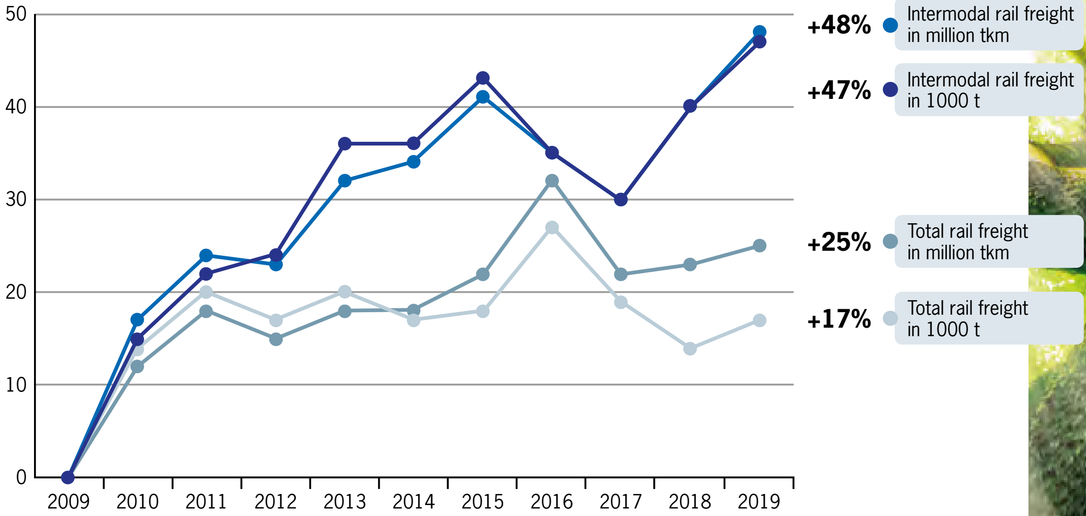
Energy efficiency is also an important argument for the environmental balance of combined transport. Last year, the savings in the Hupac Intermodal network amounted to around 14.4 billion megajoules compared to pure road transport. The reduction effect is just under 75%. The environmental performance certification is available online for the customers of Hupac Intermodal.

Low-noise freight wagons

Hupac's wagon fleet is completely noise-reduced and thus complies with legal requirements. Since 2016, all wagons have been equipped with brakes made of a low-noise synthetic resin composite. A further reduction in noise emissions can be achieved with disc brakes. New wagons are preferably procured with this new technology. At the end of the year, 554 Hupac wagon modules were equipped with disc brakes.

Development of combined transport

in % compared to base year 2009



Source: Eurostat 2021

Attention for the environment

The consideration of environmental aspects is a daily reality in the Hupac Group. In managing the network, the focus is on efficiency gains. Various IT tools help to make better use of Hupac Intermodal's train capacity and consequently reduce the environmental impact, such as the SPEAK planning tool and the arrival forecasts for terminals and customers (ETA Estimated Time of Arrival, ETP Estimated Time of Pick-up). This optimises resources and avoids empty trips.

ERS Railways uses only CO_2-free electricity from renewable hydropower via its traction partner boxXpress, the purchase of which is secured for the coming years. The rail run for seaport-hinterland transports from Hamburg, Bremerhaven and Rotterdam is thus climate-neutral.

Active support for the Swiss modal shift policy

In 2021, Hupac achieved a transport volume of 597,512 road consignments or 11.6 million net tonnes in the transalpine transport segment via Switzerland. This makes the company an important player in Swiss transport policy, whose constitutionally anchored goal is to shift transalpine freight transport from road to rail.

Hupac's corporate strategy is primarily geared towards the growth of combined transport in Alpine transit through Switzerland. The commissioning of the 4-metre corridor at the end of 2020 unlocks the enormous shift potential of large-volume semi-trailers. The provision of competitive products for this segment is the focus of the supply policy.

Green Deal sets ambitious goals

The EU Commission's Green Deal, presented in 2019, focuses on the issues of mobility transition and energy policy. The goals are ambitious: Europe is to be climate-neutral by 2050. The transport sector, which is currently responsible for 25% of greenhouse gas emissions, must make a significant contribution to achieving this goal.

Combined transport, with its intelligent linking of different modes of transport, is predestined to play a central role in zero-emission freight transport in the future. Hupac is aligning its growth strategy accordingly and is making an active contribution to the development of the required transport policy framework.

Environmental performance 2021

	Saving	Pure road traffic	Traffic of Hupac Intermodal
CO_2 emissions Gross tonnes in 1000	1,267	1,423	156
Energy consumption in billion megajoules	14.4	19.6	5.2

Source: www.econtransit.org

Strategic **focus areas**

Own rolling stock creates independence

At the end of 2021, the Hupac Group had a wagon fleet of 8,139 platforms. This represents an increase of 5.2% compared to the previous year. The share of rented wagons in the total rolling stock fleet was 18.0%. The wagon fleet of Hupac Ltd has been completely low-noise since the end of 2016.

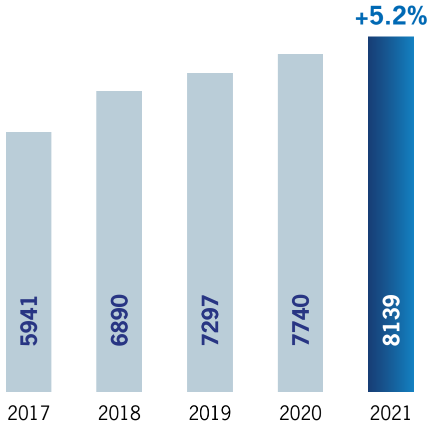
Due to the Covid crisis and the related decision by Hupac to postpone investments in rolling stock, only 34 wagons type T3000 were delivered to Hupac Ltd in the reporting year. A further 33 wagons followed in the first quarter of 2022. The delivery of 50 six-axle 90-foot container wagons was postponed until 2022.

The railway undertaking Hupac SpA owns a total of 10 shunting and/or mainline locomotives. With these resources, Hupac SpA ensures shunting operations at the Busto Arsizio-Gallarate, Pordenone and Piacenza terminals. The company also operates the Busto ⇆ Bologna shuttle train and moves empty wagons between Busto Arsizio and the workshops in north Italy.

Hupac Ltd owns 8 locomotives type Vectron and 3 locomotives type Taurus.

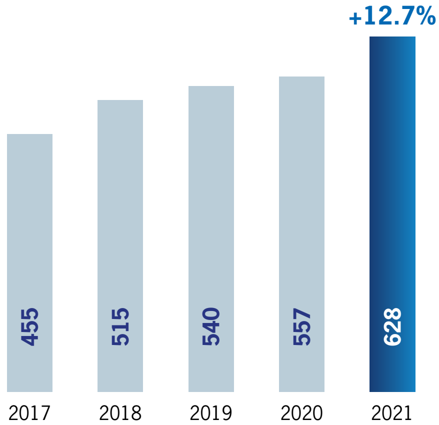
Rolling stock

Rail platforms



Employees

Persons in full time equivalent



Rail traction with partners

More than 95% of Hupac Intermodal's traffic is produced according to the principle of international end-to-end traction responsibility. Exceptions are markets that only partially allow this business model.

In the year under review, Hupac Intermodal's main carriers included SBB Cargo International, DB Cargo, Mercitalia Rail, BLS Cargo, Captrain, WLC, SNCF Fret, LTE, Railtraxx, Metrans, Foxrail, GTS, Gysev Cargo, Sangritana, Twentyone and the rail company of Hupac SpA.

ERS Railways cooperates with the railway undertakings boxXpress, Freightliner and Ruhrtalbahn.

In the year under review, Hupac Intermodal ordered and managed train paths on its own for the first time as an access party. The traction of the trains on these pathes was handed over to proven railway partners. With this step, Hupac was able to secure direct contact with the infrastructure manager and enter more deeply into the value chain.

A similar intention is pursued by the "Blue Helmet" project, in which Hupac keeps locomotive drivers under contract and makes them available to the railway companies in the event of operational bottlenecks – a measure to ensure the quality and reliability of rail transport.

The consistent use of the maximum available train parameters in transalpine traffic via Switzerland is of strategic importance. Extensive preparations were made in the reporting year so that as many trains as possible can fully exploit the productivity potential of AlpTransit. The first steps were implemented in the current year.

Strong footprint in the terminal area

In the terminal sector, Hupac was able to resume the investment activity that had been interrupted due to the pandemic, albeit on a reduced scale.

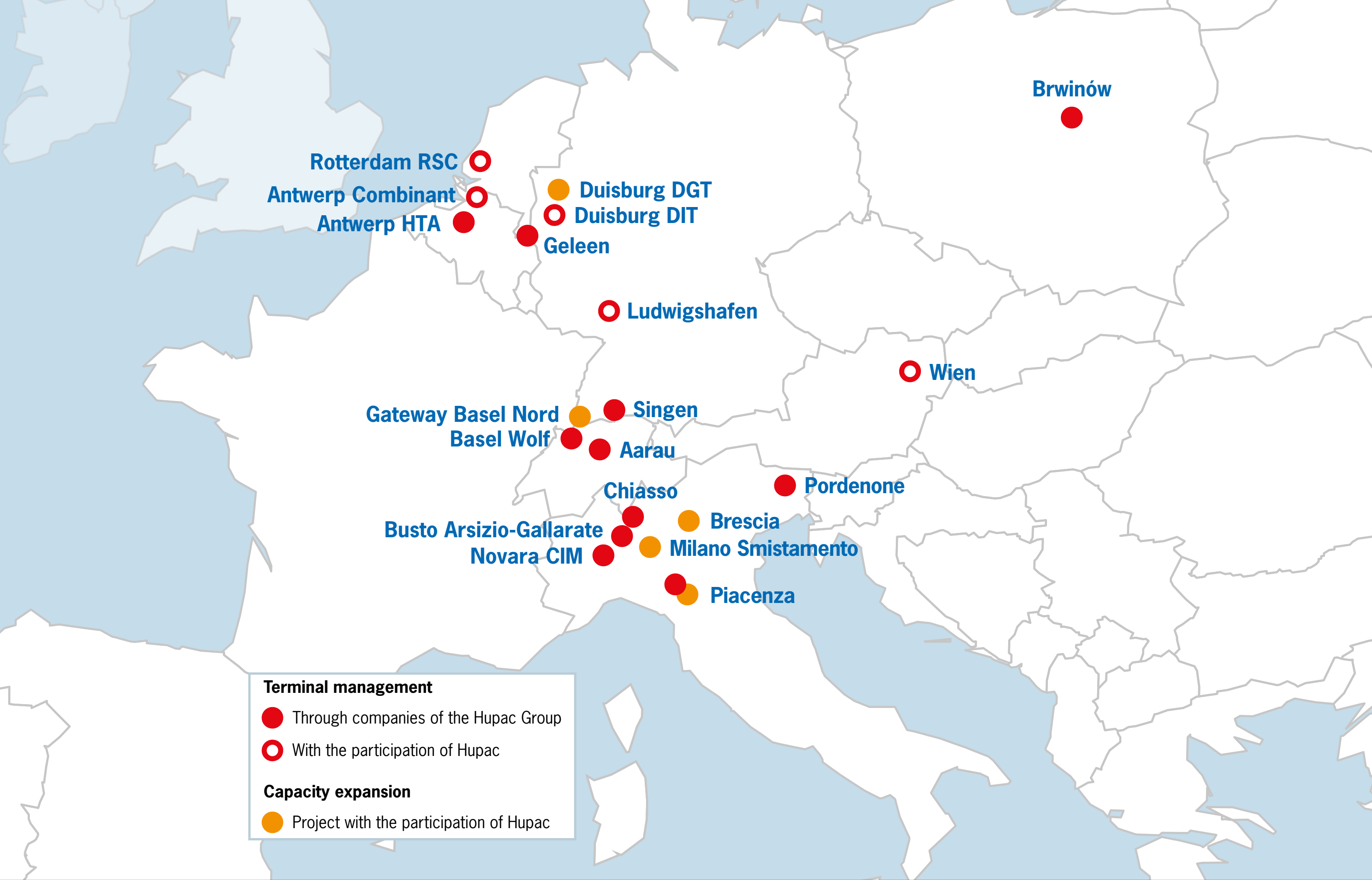
At the Terminal Brwinów near Warsaw, construction work has been reactivated and continued rapidly. Commissioning of the facility is scheduled for the end of 2022. Construction activity has also started again at the Piacenza and Milano Smistamento terminals. Both facilities are expected to be completed in 2024. The Brescia terminal project, on the other hand, is still in the preparation phase. The Piacenza, Milano Smistamento and Brescia terminals are being realised together with the FS Group.

The expansion and maintenance of the Terminal Busto Arsizio-Gallarate are of great importance. In the year under review, the operating capacity was increased by creating additional parking spaces for semi-trailers and by adding more lanes with digital access management. A digital interlocking was put into operation in December 2021. This computerised system manages the entry and exit of all trains. Extensive renewal work and replacement investments are being planned to ensure the performance of the system in the future.

With the takeover of operations at the Terminal Novara CIM by the subsidiary Combiconnect, initial investments were made in urgently needed handling equipment such as mobile cranes and tractors. Construction work for the terminal's redesign will begin next year; it includes the extension of the tracks from the current 600 metres to the European standard of 740 metres, new entry and exit tracks and high-performance gantry cranes.

In September 2021, Hupac was able to take a minority stake in the operating company WienCont GmbH. This underlines Hupac's close, future-oriented cooperation with the Vienna terminal as a hub for transports in south-east Europe.

Terminals



Progress in digital transformation

With the digital transformation of its business processes, Hupac is strengthening the competitiveness of combined transport. In the reporting year, the “Train Radar” was made available to customers via the WOLF platform. The tool contains real-time train running information based on data from the railway partners, the terminals and the GPS units installed on Hupac’s trains. For the Busto Arsizio-Gallarate, Aarau, Basel and Singen terminals, the ETP Estimated Time of Pick-up is also available via the CESAR platform. Around 60% of customers use the Train Radar daily.

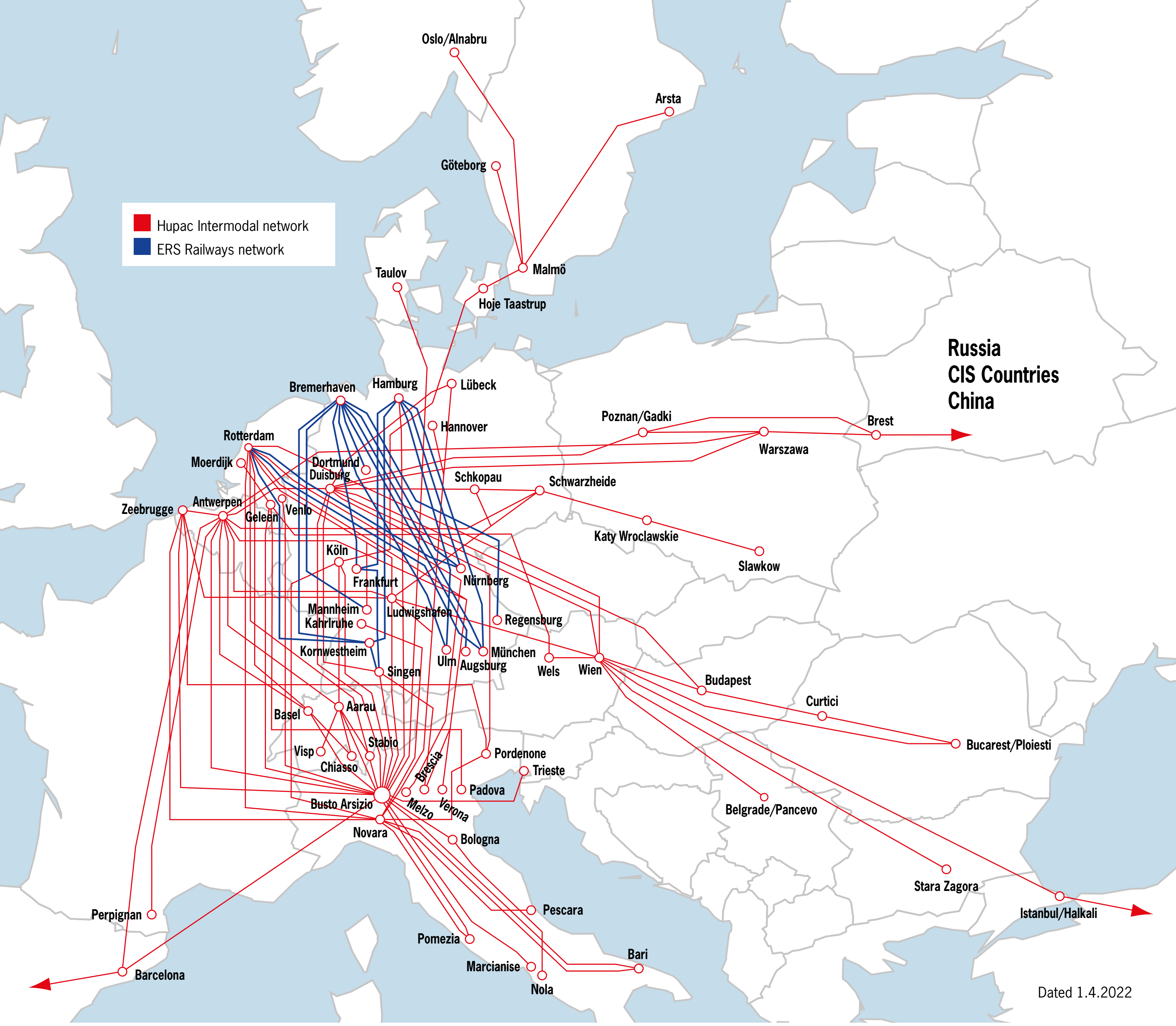
In the reporting year, a project was launched for the implementation of a mobile app to offer digital services to customers and drivers of Hupac terminals. The first version of the app will be introduced at the Busto Arsizio-Gallarate terminal in the second quarter of 2022. It will allow access to information on the status of the units, interaction with the terminal by sending the driver’s estimated time of arrival and electronic management of access to counters and handling areas.

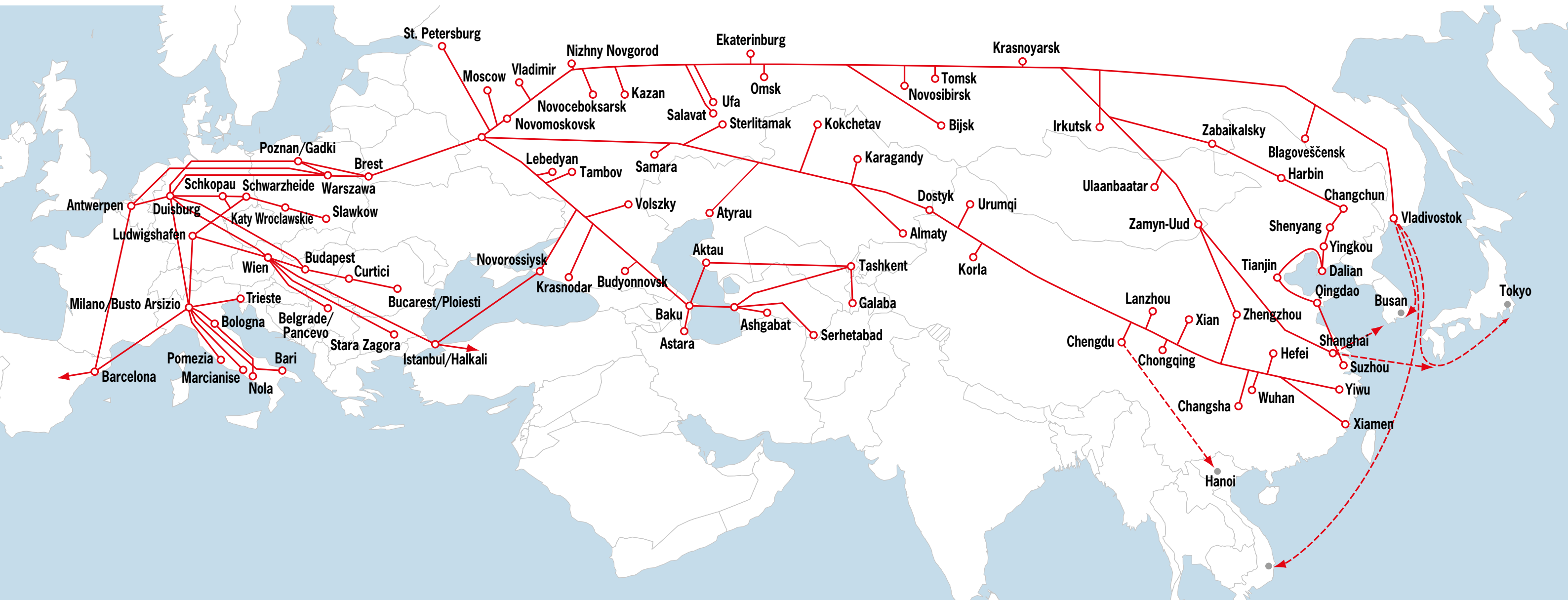
Significant developments have also been made for the EDIGES data exchange system. The standard for data exchange in combined transport developed by Hupac in 2005 has now become an industry standard throughout Europe. The EDIGES consortium, founded in 2019 by Hupac, Kombiverkehr and Mercitalia Intermodal, has the task of further developing the system and supporting its dissemination among transport companies, combined transport operators, railways and terminals. In the reporting year, a new version EDIGES 4.1 was launched. It covers additional business processes such as pre- and on-carriage, timetables, terminal slots, ETA and ETP. Around 50 terminals in Europe have switched to EDIGES. At Hupac Intermodal, 60% of bookings are processed via EDIGES. In the year under review about 9 million EDIGES data were exchanged.

EDIGES is also the data exchange protocol for the KV4.0 initiative, a project funded by the German Ministry of Digital and Transport to develop an interface for data exchange along the entire process chain in combined transport. The system was successfully tested in the reporting year. In the current year, an operating company will be founded in which Hupac will actively participate to support the further development and dissemination of the system as an open platform.

Further progress was also made in the digitalisation of business processes. In the reporting year, Hupac moved various document management services and back-office support softwares to the cloud. In addition, to support the optimisation of business processes, artificial intelligence initiatives were implemented with the definition of specific projects to support train and asset movements. In the area of cyber security, targeted investments were made to ensure the stability and security of the systems.

Traffic development





1.1 million road consignments shifted

Last year, the Hupac Group moved 1,123,562 road consignments in combined road/rail transport and maritime hinterland transport. Compared to the previous year, around 100,000 additional trucks were shifted, which corresponds to an increase of 10.7%. Hupac thus reached the pre-pandemic traffic volume again and even exceeded it by almost 10%.

The impulse initiatives in favour of modal shift in various countries made a significant contribution to this. They have helped to maintain transport services despite increased unbalancement and volatility. As a result, supply chains were strengthened and supplies were secured during the pandemic.

All traffic segments contributed to the positive traffic development to a comparable extent. Transalpine traffic through Switzerland grew by 11.0% to 597,512 road consignments, which is due in particular to the successful use of the 4-metre corridor via Gotthard.

Transalpine traffic through Austria via Tauern also developed favourably with an increase of 7.8% compared to the previous year. Transalpine transport via France includes the Modane line. Hupac is active on this axis with connections between Italy and Spain. Traffic increased by 26.3% from a low level, continuing the promising trend of the previous year.

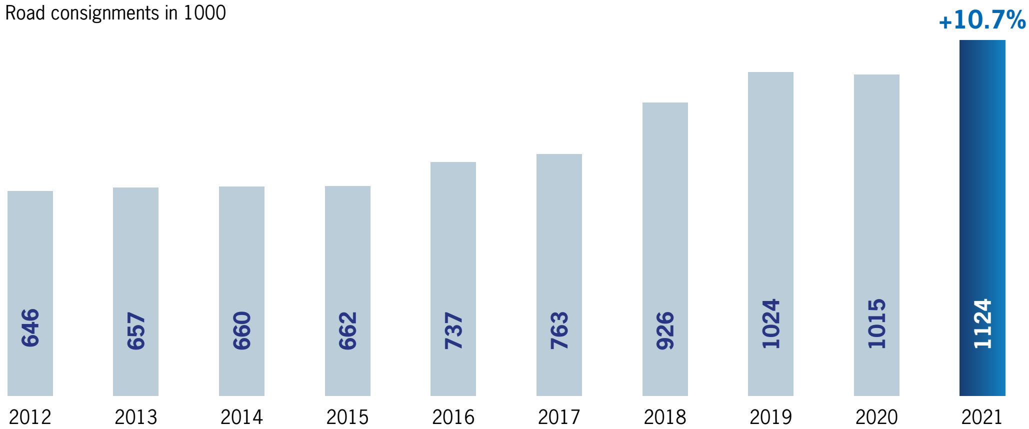
Non-transalpine traffic developed dynamically with a growth rate of 10.4% and reached a volume of 479,181 road consignments. The south-east and south-west Europe segments contributed significantly to this. In maritime container traffic, the subsidiary ERS Railways made up for the pandemic-related traffic losses of the previous year and generated satisfactory volume growth despite the continuing volatilities.

In principle, the Hupac Group's network is open to both continental and maritime traffic. There are restrictions in terms of wagon type on connections that are operated exclusively for containerised transport from the seaports. This is the case with ERS Railways' services from Hamburg, Bremerhaven and Rotterdam. A network for maritime transports from the Ligurian ports in Italy is under construction. To this end, Hupac was able to sign a cooperation agreement with the Italian operator Logtainer at the beginning of 2021.

The year 2021 was characterised by an exceptionally high number of traffic disruptions. In the second half of the year in particular, the quality level of rail production reached an unprecedented low. This was mainly due to infrastructure and Covid-related influences, which led to significant performance limitations. Operational cancellations amounted to almost 10% in the second half of the year, with daily peaks of up to 20%. Quality circles were held with all railway partners to work on improvements. Furthermore, additional reserves were procured in the wagon sector. By the end of the year, the backlog was gradually reduced and finally cleared.

Traffic volume

Road consignments in 1000



Road consignment: number of loading units that would equate to one HGV in road haulage, i.e. one semi-trailer or two swap bodies 7.15 metres long or one heavy tank container or two light 20-foot containers.

Shuttle Net on course for expansion

The Shuttle Net is being developed along the main traffic flows, taking into account new market segments that are showing increasing interest in connecting to Hupac's Europe-wide network.

On the north-south axis, the focus was on expanding the network southwards in order to offer new combined transport options to central and south Italy as well as to Pordenone in east Italy. New connections and additional departures were established on the connections Busto Arsizio ⇆ Marcianise, Busto Arsizio ⇆ Pomezia, Novara ⇆ Bari, Pordenone ⇆ Duisburg and Pordenone ⇆ Rotterdam. Other new services or frequency increases concern the connections Travemünde ⇆ Novara, Venlo ⇆ Busto Arsizio and Zeebrugge ⇆ Bologna.

On the east-west axis, the Duisburg Hohenbudberg terminal was established as the central hub for the network between Germany and Poland, with gateway connections to Singen and north Italy. In China traffic, various trains between Lanzhou and Europe were organised and the traffic volume increased by around 50%.

In the south-east Europe segment, numerous connections were strengthened or newly introduced. In January of last year, Ploiesti near Bucharest was connected to the network. This was followed in March by a new connection Geleen ⇆ Vienna, which was subsequently extended to Moerdijk. In autumn, the attractiveness of the Duisburg ⇆ Vienna connection was strengthened and the frequency of the Rotterdam ⇆ Vienna-Budapest connection was increased. At the beginning of the current year, a shuttle train started between Belgrade and Vienna. Step by step, an efficient service is thus being created between the Benelux/Ruhr region and south-east Europe via Vienna as a hub and consolidation point.

Overall, the Shuttle Net business unit achieved a traffic volume of 811,102 road consignments, which corresponds to an increase of 8.5 % compared to the previous year.

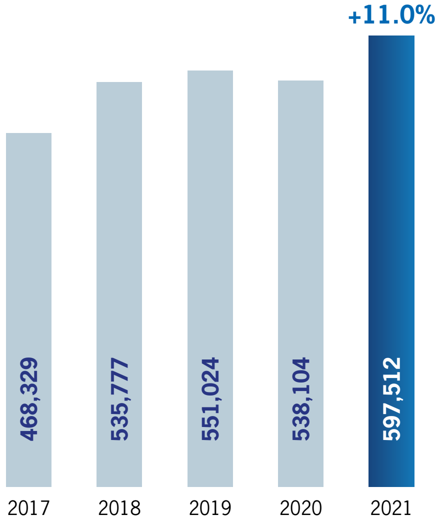
Company Shuttle: solutions for customers with large volumes

The Company Shuttle business unit continued to develop extremely dynamically in 2021 and achieved a transport volume of 127,331 road consignments (+25.4%). The offer was adapted to the demand with additional shuttles. The trains operate on behalf of individual transport companies. The customers assume the utilisation risk and transfer the organisation and operation of the transport to Hupac as operator.

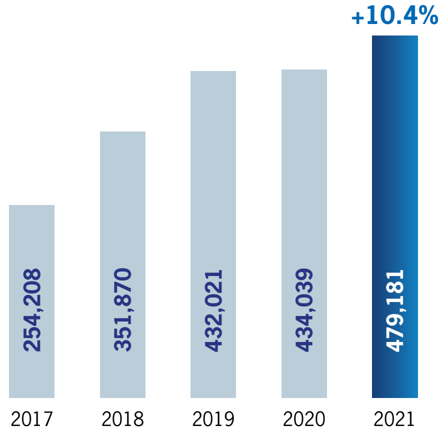
ERS Railways strengthens the maritime network

In maritime hinterland traffic, the consequences of the Suez Canal blockade continue their impact. Nevertheless, the subsidiary ERS Railways increased departures on individual south German connections. Despite the severe obstructions caused by volatility, port congestion and traffic irregularities, ERS Railways was able to compensate for the previous year's traffic losses and increase volumes to 335,134 TEU, corresponding to 185,149 road consignments (+11.8%).

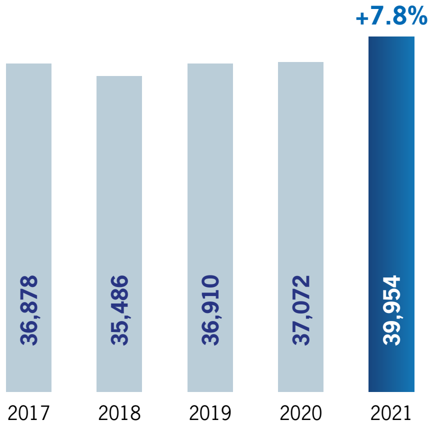
Traffic transalpine via Switzerland
in road consignments



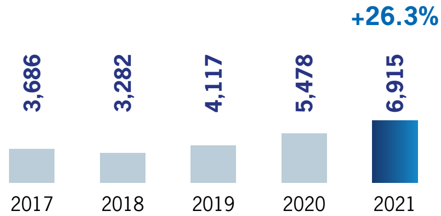
Traffic non-transalpine
in road consignments



Traffic transalpine via Austria
in road consignments



Traffic transalpine via France
in road consignments

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Terminals: efficient road/rail transhipment

The Hupac Group operates ten terminals in Switzerland, Italy, Germany, Belgium and the Netherlands. The operating companies are Hupac Intermodal Ltd for the Aarau, Basel and Chiasso terminals, Hupac SpA for the Busto Arsizio-Gallarate and Pordenone terminals, TPI Terminal Piacenza Intermodal SpA for the Piacenza terminal; Hupac Intermodal BVBA for the Antwerp terminal, RTC Rail Terminal Chemelot BV for the Geleen terminal and the Terminal Singen TSG GmbH joint venture company for the Singen terminal. In October 2021, the subsidiary Combiconnect started operating the Terminal Novara CIM.

Around 350 Hupac Group employees work in the terminal area. Every day they transfer thousands of loading units onto rail wagons and trucks and manage the inbound and outbound movements of trains, rail wagons and road vehicles. The GOAL (Global Oriented Application for Logistics) software supports and manages every element of the terminal process.

The Hupac Group's terminal business developed favourably in the reporting year. A total of 885,636 loading units were handled, which corresponds to an increase of 14% compared to the previous year. Special effects are the volumes of the Novara terminal added in 2021. All terminals were able to reach and in some cases strongly exceed the pre-pandemic handling volumes.

The terminals of the Hupac Group contribute significantly to stabilising the punctuality of traffic. Hupac measures the arrival and departure punctuality of trains on selected connections and concludes that trains with sometimes extremely long arrival delays generally depart on time or with slight delays of less than one hour. The terminals thus serve as buffers, but this places a heavy burden on the productivity of the facilities. Employees' high level of commitment and the availability of reserve compositions, which are kept in stock specifically for this purpose, are essential.

Hupac's terminals offer non-discriminatory access and are used by various operators.

Terminal	Surface	Cranes	Undercrane tracks	Train pairs per day	Destinations	Loading units 2021	% 2021/2020
Busto Arsizio-Gallarate	245,000 m²	12 gantry cranes	13 x 540-760 m	33	Germany, Switzerland, Italy, Spain, Netherlands, Belgium, Denmark, Poland	458,073	+12%
Piacenza	35,000 m²	8 mobile cranes	3 x 600 m 1 x 500 m	8	Italy, Germany, Belgium, Poland, Romania, Switzerland	108,529	+15%
Pordenone	100,000 m²	3 mobile cranes	4 x 750-800 m	8	Italy, Germany, Netherlands, Belgium	28,825	+239%
Novara CIM *	152,000 m²	5 mobile cranes	7 x 610 m	13	Italy, Germany, Netherlands, Belgium, France	25,738	-
Chiasso	7,000 m²	1 mobile crane	1 x 300 m	2	Switzerland	9,456	+4%
Aarau	33,000 m²	3 mobile cranes	4 x 300 m 1 x 200 m	6	Germany, Italy, Belgium, Switzerland	50,054	+10%
Basel Wolf	17,000 m²	2 mobile cranes	1 x 380 m	3	Netherlands, Belgium, Switzerland	31,940	+6%
Singen	77,000 m²	2 gantry cranes 1 mobile crane	4 x 650 m	8	Germany, Italy	72,278	+8%
Antwerp HTA	53,000 m²	3 gantry cranes	5 x 620 m	10	Italy, Switzerland	79,093	+6%
Geleen	65,000 m²	1 gantry crane	2 x 660 m 1 x 700 m	6	Italy, Netherlands, UK, Austria, Hungary, Romania, Turkey	47,388	+28%
						885,636	**+14%**

* From 18.10.2021

MANAGEMENT REPORT


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Business development

After a challenging previous year, the 2021 financial year was significantly better in terms of both turnover and results.

The Hupac Group achieved a volume of 1.124 million road consignments in 2021, an increase of 10.7% compared to the previous year. The volume increase was achieved in all important markets, with Hupac recording above-average growth in south-east Europe. The still relatively young subsidiary ERS Railways, which was particularly affected by the disturbancies in global shipping traffic, nevertheless increased its volumes by 4.6%. The Group's turnover development was particularly pleasing with an increase of 14.4%. This was mainly due to organic growth of 10.7%, to a lesser extent to a 1% increase in the EUR/CHF exchange rate and – particularly pleasing – to the improved sales mix of 2.7%. There were no acquisitions in the past business year.

Operating subsidies rose by CHF 2.6 million to CHF 74.3 million. The most important component, income from Alpine transit through Switzerland, also rose slightly in the year under report thanks to an increase in volume and despite the discontinuation of the previous year's additional Covid support of CHF 2.0 million. Income from the noise bonus, on the other hand, was lower, as the support contributions per kilometre were reduced as planned.

At 8.6%, the cost of the services increased significantly less than revenue. This was due to the regained efficiency compared to the previous year, when train frequency was maintained in the second quarter of 2020 despite the pandemic-related decline in transport volumes. The reduction in train path prices in Germany and the own operation of the Terminal Novara CIM with a shift from direct costs to indirect personnel costs also contributed positively. The gross profit margin thus increased from 18.6% to 22.2%.

Indirect costs increased in line with the increase in turnover. Adjusted for the financial support received in the previous year in connection with Covid, however, costs increased less significantly. Investments in additional staff due to higher volumes and the takeover of terminal operations in Novara contributed significantly to the cost increases. The item "Depreciation, amortisation and provisions" rose by a total of CHF 15.5 million, in particular due to the investments made and the increased risks in the second half of the year in connection with lower service quality, accelerated inflation and corresponding currency risks. The results of associated companies made a significant contribution to the result with an improvement of CHF 4.4 million.

After a negative operating result of CHF -3.3 million in the previous year, this year's operating result of CHF 15.8 million was pleasing.

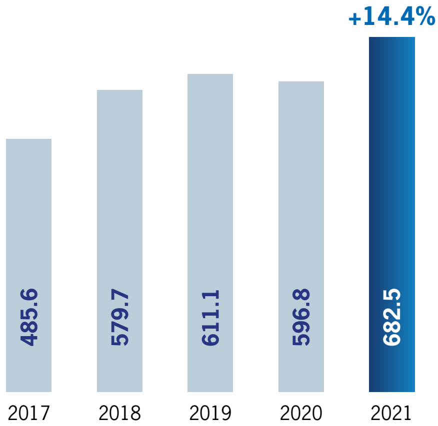
Financial expenses remained unchanged. A significant bank loan was repaid at the end of the year, which will have a favourable effect in the coming year. Currency losses were CHF 2.6 million higher this year, which is mainly due to the high euro liquidity and the significant devaluation of the euro at the end of the year.

Amounts in 1000 CHF	2021	2020	%
Income from supplies and services	682,526	596,808	14.4
Other income	74,308	71,742	3.6
Cost of the services	605,029	557,279	8.6
Gross profit	151,805	111,271	36.4
Annual result of the Group	12,394	-2,515	n/a
EBITDA	64,790	53,063	22.1

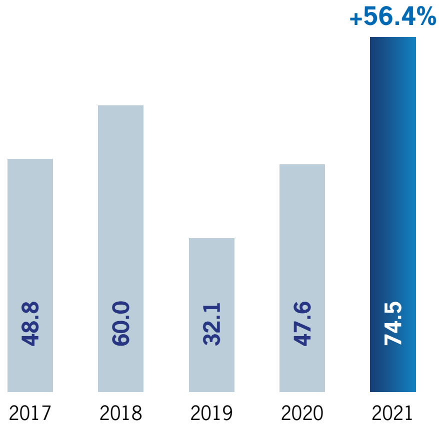
The sale of old machines and scrap metal and a corresponding profit contribution of CHF 1.1 million increased the pre-tax profit to CHF 16.9 million. After taxes of CHF 3.8 million, a pleasing result of CHF 12.4 million remained.

EBITDA was also significantly higher, rising by 22% year-on-year to CHF 64.8 million. The pandemic-related reluctance to order new wagons had an impact on investments. The wagon fleet remained almost unchanged. The multi-year projects in terminal buildings progressed according to plan. They led to total investments in property, plant and equipment of CHF 23.7 million, which was significantly below the previous year's level.

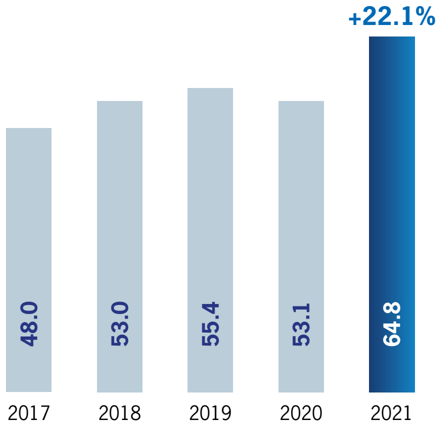
Annual turnover
in million CHF



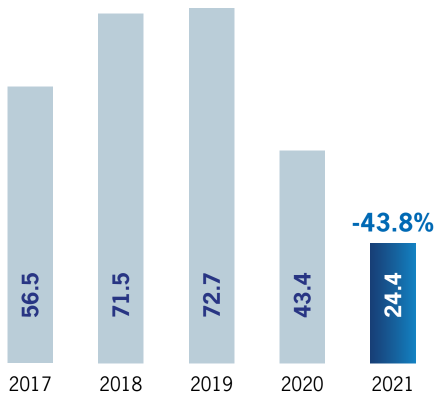
Operating cash flow
in million CHF



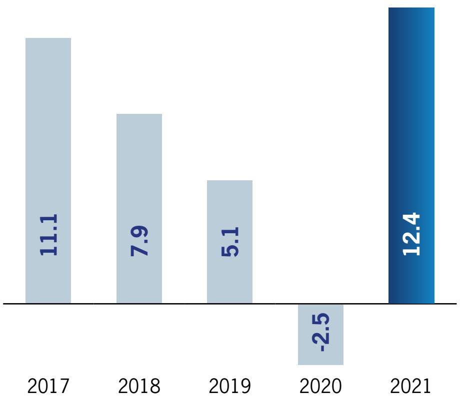
EBITDA
in million CHF



Investments in tangible fixed assets
in million CHF



Annual result
in million CHF



Public **subsidies**

The Federal government provides various subsidies for the shift of freight transport from road to rail. On the one hand, funds from the mineral oil tax are used to contribute to the financing of terminal infrastructure, since the economic viability of transhipment facilities is not guaranteed if they are financed on the capital market. On the other hand, the operators of intermodal transport – especially in Alpine transit – cannot fully cover the costs with market revenues. On the basis of various legal foundations, the Confederation therefore supports the providers of services in intermodal transport financially.

Numerous investment projects for the terminal infrastructure of Termi Ltd, Termi SpA and Hupac Intermodal BVBA were partly subsidised by the Swiss Government. The following projects have already been completed:

- ☑ Busto Arsizio terminal
- ☑ Gallarate connection sidings
- ☑ Singen terminal
- ☑ Extension of the Busto Arsizio terminal into the municipal area of Gallarate
- ☑ HTA Hupac Terminal Antwerp
- ☑ Completion of the Busto Arsizio-Gallarate terminal (according to the final accounts of 2012).

The Hupac Group has to repay a significant part of the subsidies, amounting from 2021 to 2041 to around CHF 41.9 million. In the same period, estimated interest of around CHF 0.58 million will be payable to the Swiss Government (see table).

Further terminal projects are in the planning phase. They concern locations in Brescia, Piacenza, Milano Smistamento and Basel Nord.

As far as operating contributions are concerned, the Federal government's funding model is degressive. With slightly decreasing absolute funds, growing transport volumes are to be shifted. The operating subsidies per road consignment in transalpine traffic via Switzerland have remained unchanged in 2021 compared to 2020, excluding the Corona emergency aid of the previous year.

Repayment of public financial aids and interest: indicative cash flow burden per year

Values in 1000 CHF

Years	2021	2022-2026	2027-2030	2031-2035	2036-2041	2021-2041 Total
Loan repayment	3,597	3,597 - 3,597	2,553 - 2,553	1,551 - 2,108	65 - 1,470	41,897
Interest	141	36 - 120	3 - 22			579
Total	3,738	3,633 - 3,717	2,556 - 2,575	1,551 - 2,108	65 - 1,470	42,476

Development
of operative shareholdings

SBB Cargo International Ltd, Olten
Since the beginning of 2011, Hupac has held a minority stake of 25% in the Swiss carrier for international block train and combined transport on the north-south axis. By integrating private-sector logistics know-how, SBB Cargo International is establishing itself as a strong, lean freight railway. This stimulates the market and creates further shift impulses.

boxXpress GmbH, Hamburg
Through its subsidiary ERS Railways, the Hupac Group has held a 47% stake in the rail transport company boxXpress since June 2018. The Hamburg-based company has 34 locomotives and around 1000 flat wagons and provides transport services between German and Dutch seaports and the main German economic regions.

Mercitalia Intermodal SpA, Milan
Since the 1970s, Hupac has maintained close collaboration with the Italian combined transport operator Mercitalia Intermodal. At the end of the reporting year, Hupac held an unchanged capital share of 34.48%.

RAlpin Ltd, Olten
Together with SBB and BLS, Hupac is shareholder of the combined transport operator established in 2001 for accompanied combined transport through Switzerland. Its capital share remained unchanged at 33.11% at the end of the reporting year. On behalf of RAlpin, Hupac carries out numerous tasks such as customer service, dispatching and invoicing of the Rolling Highway. In addition, Hupac provides agency services at the Novara terminal through its subsidiary Fidia. In the year under review, Hupac Ltd leased 420 low-loader wagons to RAlpin.

Terminal Singen TSG GmbH, Singen
The joint venture company, founded in 1999, operates the Singen terminal together with DB Intermodal Services. Around 50 trains pass through this hub every week.

KTL Kombi-Terminal Ludwigshafen GmbH, Ludwigshafen
Hupac has held a 15% share in the operating company of the Kombi-Terminal Ludwigshafen since 2005. The KTL acts as a central hub in Hupac's network for the bundling of consignments between Germany, Italy, Belgium, the Netherlands and east Europe. Around 110 Hupac trains are handled in this hub every week.

DIT Duisburg Intermodal Terminal GmbH, Duisburg
The trimodal Duisburg Intermodal Terminal, in which Hupac has held a 10% stake since 2003, serves as an inland hub for the major North Sea ports of Rotterdam and Antwerp. In the year under review, Hupac ran around 25 trains a week via this terminal, including for transports to Austria and Hungary.

Combinant NV, Antwerp
Hupac holds a share of 35% in the Combinant NV terminal operator, which was founded in 2009. Other shareholders are BASF and Hoyer. In the year under review, Hupac handled 70 trains per week via the Combinant terminal.

RSC Rail Service Center, Rotterdam
Since the end of 2014, Hupac has been represented in the owner consortium of the RSC terminal of Rotterdam with a share of 16.33%. Hupac handles 120 departures per week via the RSC terminal.

CIS Cesar Information Services Scarl, Brussels
Hupac is a founding shareholder of Cesar Information Services, established in 2004, with a capital share of 25.1%. The service company based in Brussels, in which various other combined transport operators hold shares, manages and develops the CESAR customer information system.

Risk assessment

Hupac regularly conducts a risk analysis to identify hazards ex ante, perform a correct risk assessment and implement appropriate mitigation measures. The aim is to protect the Group from economic losses, non-compliance with regulations, operational safety issues, events affecting employees health and safety, currency risks, cyber incidents and other critical issues. Department managers, branch managers and all staff are involved in the risk assessment process. A regular report is submitted to the Board of Directors.

Enterprise Risk Management (ERM), introduced in 2020, encompasses all Group activities and analyses risks across organisations on an ongoing basis. For this purpose, additional KPIs with thresholds for risk control will be defined and trends in the different business areas will be monitored. The introduction of this new system has been delayed by the Covid situation and will take further time to be fully integrated into the decision-making and management processes of the businesses.

In ERM, risk is not only considered as a critical and negative aspect, but also screened for its positive significance. This allows all opportunities to be identified within the organisation to minimise losses and maximise opportunities, in a logic of long-term return.

With the introduction of ERM, all existing management systems within the Group are brought together and effectively controlled within the framework of ISO standards (quality, environment, health and safety), the internal control system, ECM and cyber security. It is also an effective method for optimising and streamlining processes.

With regard to rolling stock, the ERM provides for the use and application of Regulation RE 402/2013, which sets out specific arrangements for the safe operation of rolling stock.

The safety management system has also been integrated into the ERM. The goal is "zero critical incidents with Hupac responsibility in the different areas of activity". To this end, plans and tools are drawn up to manage the main operational risks. These concern handling in the terminals, rail traction with loading units and rolling stock, the dangerous goods sector, construction activity and IT systems. In the reporting year, this goal was achieved.

Audits are carried out in the various business units to monitor the processes. The overall system is controlled by the top management.

In terms of continuous improvement and risk minimisation, an analysis of the existing internal control system was launched in 2020. The goal is to ensure the effectiveness of the system against the backdrop of the constantly changing framework conditions in the area of organisation and technology. In 2021, audits were conducted with the support of external specialists and improvements were made to make the entire system more robust and better structured.

Outlook

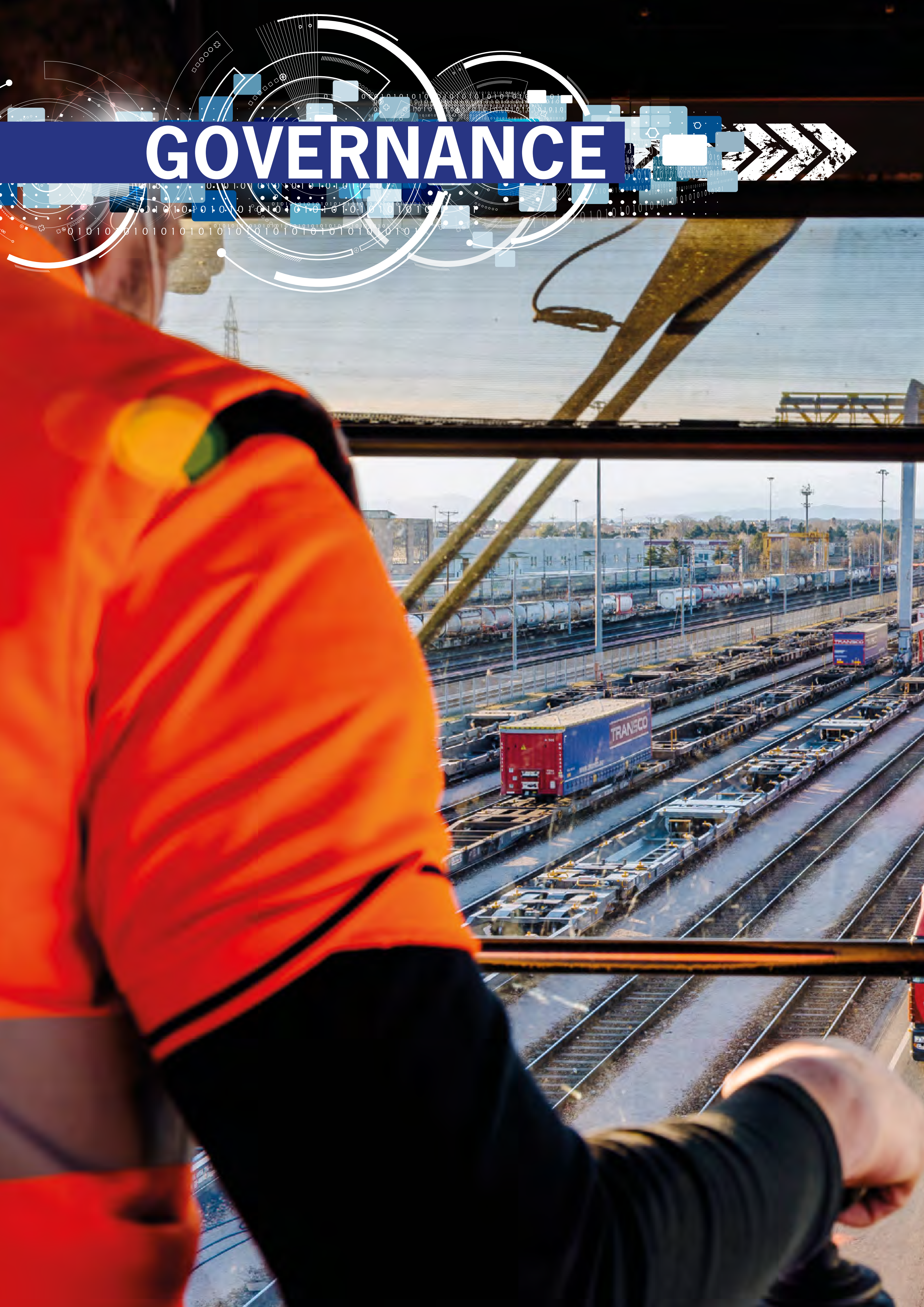
Positive future opportunities

The Board of Directors and the management board consider the medium to long-term future prospects for the Hupac Group to be very good, driven by further growth opportunities and continuous investments in our sustainable, climate-friendly business model. The commissioning of the 4-metre corridor through Switzerland opens up further opportunities which Hupac is systematically exploiting. The ever-increasing global awareness of sustainability will continue to provide favourable framework conditions in the long term.

Due to the overall uncertain situation, we see some risks and possible causes for a weakening of economic growth despite appealing economic momentum. The greatest uncertainty stems from the high inflation rates in the 1st quarter 2022 and the continuing dynamics in commodity prices and production costs worldwide. The resulting shift to tighter monetary policy and rising interest rates could lead to turbulence in the financial markets or slow down global economic growth. As a parallel development, the euro could depreciate more strongly again against the Swiss franc due to different inflation rates. Depending on the dynamics in the euro exchange rate, this could influence Hupac's results.

However, environmental and climate policy, which aims at a broad shift of transports from road to rail, continues to dominate. It is also possible that the current changes in the global logistics and supply chain, with partial relocation of production sites back to Europe, will offer additional growth opportunities. Hupac remains well positioned and prepared to take advantage of the market opportunities that arise.

GOVERNANCE

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Structure
of the Hupac Group

Hupac Ltd Chiasso
Parent company - Asset management

Michail Stahlhut, *CEO*
Angelo Pirro, *Deputy*

100% — **Hupac Intermodal Ltd**
Chiasso
Sales & operations, Terminal operations
Michail Stahlhut, *CEO*
Alessandro Valenti, *Deputy*

75% — **Intermodal Express LLC**
Moscow
Sales & operations
Andrey Munkin, *Managing Director*

2%

96,99% — **Hupac SpA**
Busto Arsizio
Terminal operations, Railway operations
Piero Solcà, *Chairman*
Roberto Paciaroni, *Managing Director*

3%

100% — **ERS Railways GmbH**
Hamburg
Maritime services
Bernd Decker, *Managing Director*

98% — **Hupac LLC**
Moscow
Rolling stock management
Andrey Munkin, *Managing Director*

97% — **Fidia SpA**
Milano
Terminal operations, Warehouse logistics
Roberto Paciaroni, *Chairman*

100% — **Hupac Intermodal Italia Srl**
Busto Arsizio
Sales
Roberto Paciaroni, *Chairman*
Maurizio Bertaso, *Sales Manager*

100% — **Hupac International Logistics (Shanghai) Co. Ltd**
Shanghai
Sales & operations
Carl Zhong, *General Manager*

100% — **Hupac Intermodal NV**
Rotterdam
Service provider
Mark Jansen, *Director Operations*

0,06%

100% — **Hupac GmbH**
Singen
Service provider
Sascha Altenau, *Managing Director*

99,94% — **Hupac Intermodal BVBA**
Antwerp
Terminal operations, Facility management
Dirk Fleerakkers, *Director Operations*

Company

At the end of 2021, the Hupac Group consisted of 23 companies with locations in Switzerland, Italy, Germany, the Netherlands, Belgium, Poland, Russia and China. With this structure, the Chiasso based Hupac Ltd opens up various markets with interesting growth potential.

In the reporting year, there was a transfer of shares within the Group from Hupac Ltd to CIM Centro Interportuale for 20% of Combiconnect Srl. This was due to local requirements to operate the terminal in Novara itself through its own Combiconnect Srl. As a result, terminal operations have been significantly improved over the past year. Extensive expansion work is planned at the site.

Dated 31.12.2021

67,03%
Centro Interportuale Merci CIM SpA
Novara
Warehouse logistics, Facility management
Piero Solcà, *Delegate of the Board of Directors*

20%

80%
Combiconnect Srl
Milano
Terminal operations
Bernhard Kunz, *Chairman*

100%
Termi Ltd
Chiasso
Terminal construction, Facility management
Angelo Pirro, *Managing Director*

85%

Crosstec Srl
Novara
Information technology
Aldo Croci, *Chairman*

100%
Piacenza Intermodale Srl
Piacenza
Warehouse logistics, Facility management
Piero Solcà, *Chairman*

95%

5%
Termi SpA
Busto Arsizio
Terminal construction, Facility management
Angelo Pirro, *Chairman*

60%
RTC Rail Terminal Chemelot BV
Geleen
Terminal operations
Renzo Capanni, *Board Member*

100%

Terminal Piacenza Intermodale Srl
Piacenza
Terminal operations
Piero Solcà, *Chairman*

100%
Hupac Terminal Brwinów Sp. z o.o.
Warszawa
Terminal construction
Diana Batko, *Managing Director*

100%
TIN Terminal Intermodal Nord GmbH
Singen
Terminal management
Sascha Altenau, *Managing Director*

100%
Centro Intermodale SpA
Milano
Terminal construction, Facility management
Piero Solcà, *Chairman*

Board of Directors

The Board of Directors of Hupac Ltd consists of seven members. According to the statutes, Hupac's shareholders are primarily transport companies that are actively committed to the further development of combined transport. Accordingly, the majority of the Board of Directors of Hupac Ltd is made up of entrepreneurs or delegated board members of such companies. With Germany and Italy, two important geographical markets are covered. In its current composition, the members of the Board of Directors together represent more than two thirds of the voting rights of all shareholders. The composition of the Board of Directors of Hupac Intermodal Ltd and Termi Ltd corresponds to that of Hupac Ltd. In the other companies of the Hupac Group, the majority of the members of the Board of Directors are members of the management of the parent company.

Organisational regulations

The organisational regulations of the Hupac Group govern the constitution and passing of resolutions as well as the tasks and responsibilities of the Board of Directors, the Chair of the Board of Directors, the Committee of Chair of the Board and Managing Director as well as the Management Board. These regulations apply not only to the parent company, but in important matters to all companies of the Hupac Group.

Capital structure

In the year under review, Hupac Ltd had a share capital of CHF 20 million. Around 100 shareholders hold shares in the company. 72% of the capital is held by transport and logistics companies from Switzerland, Germany, Italy, France, Belgium, Austria and the Netherlands, 28% by railway companies. This ensures proximity to the market and guarantees independence from the railways.

Board of Directors of Hupac Ltd

Name	Age	Position	Nationality	First nomination	Expiry of mandate
Dr. Hans-Jörg Bertschi	64	Chairman since 1993	Switzerland	1987	2022
Dr. Thomas Baumgartner	67	Member	Italy	1990	2022
Thomas Hoyer	71	Member	Germany	1988	2022
Bernhard Kunz	64	Member	Switzerland	2020	2022
Ing. Nicolas Perrin	62	Member	Switzerland	2008	2022
Nils Planzer	50	Member	Switzerland	2008	2022
Erich Staake	67	Member	Germany	2020	2022
Jörg Berner	35	Secretary	Switzerland	2019	2022

Dated 31.12.2021

Shareholdings

Terminal Singen TSG GmbH, based in Singen, should be mentioned as a joint venture company. The company's shareholders are Hupac Ltd and DB Intermodal Services GmbH. Terminal Alptransit (Teralp) Srl is a joint venture of Mercitalia Logistics SpA and Hupac Ltd. The main purpose of the company is the planning and construction of transhipment facilities in Italy.

Hupac holds significant minority interests in various companies in the combined transport activity sector. These include the combined transport operators Mercitalia Intermodal and RAlpin, the terminal companies Eurogateway and Combinant, the rail transport companies SBB Cargo International and boxXpress, the data processing service provider Cesar Information Services and the terminal planning company Gateway Basel Nord.

Hupac has smaller shareholdings in the terminal operating companies KTL Kombi-Terminal Ludwigshafen, DIT Duisburg Intermodal Terminal and RSC Rail Service Center (Rotterdam), in the operator Kombiverkehr GmbH & Co. KG and in the industry association UIRR. A new addition is a 4.16% stake in WienCont Container Terminal GmbH in Vienna, thus consolidating the market presence in one of the most important growth markets.

Certifications

The quality management system of the Hupac Group has been certified according to ISO 9001 since 1995. Since 1997, the environmental management system of the Hupac Group has also been certified according to ISO 14001. In October 2019, the Hupac Group companies concerned successfully passed the recertification audit and were thus able to acquire a new certificate valid until October 2022.

In 2020, Hupac Intermodal Ltd and other Group companies were certified for the first time in accordance with ISO 45001 for occupational health and safety. A number of Italian companies previously certified to OHSAS 18001 upgraded and also obtained ISO 45001 certification.

For the rolling stock sector, Hupac Ltd has already been certified in 2010 as an Entity in Charge of Maintenance in accordance with the Memorandum of Understanding (Brussels, 2009). In 2013 the wagon management system of Hupac Ltd was certified in accordance with Regulation (EU) No. 445/2011. In August 2018, the company successfully passed the recertification. The new certificate is valid until 2023.

FINANCIAL STATEMENT


HUPAC

Financial statement

Consolidated income statement

Amounts in 1 000 CHF	2021	2020
Net income from supplies and services	682 526	596 808
Other income	74 308	71 742
Cost of the services	-605 029	-557 279
Gross profit	151 805	111 271
Payroll expenses	-50 080	-44 020
Other operating expenses	-17 523	-15 466
Depreciations and value adjustments	-67 708	-52 179
Operating result before financial positions	16 494	-394
Financial income	615	375
Dividend income	548	326
Financial expenses	-3 149	-3 148
Result from associates	4 382	-33
Foreign exchange differences	-3 115	-405
Ordinary operating result	15 775	-3 279
Non-operating income	750	409
Non-operating expenses	-44	-910
Extraordinary income	594	6 742
Gain from disposal of fixed assets	653	940
Extraordinary expenses	-1 076	-3 284
Loss from disposal of fixed assets	-53	0
Dissolution of provisions	14	25
Annual result before taxes	16 613	643
Direct taxes	-3 578	-3 135
Annual result	13 035	-2 492
Minority interest	-625	-23
Annual result of the Group	12 410	-2 515

Consolidated balance sheet

Amounts in 1 000 CHF	31.12.2021	31.12.2020
ASSETS		
Cash and cash equivalents	96 142	83 522
Receivables from supplies and services	92 266	87 424
- third parties	77 178	69 567
- shareholders	15 088	17 857
Other short-term receivables	12 468	12 336
- third parties	12 468	12 336
Stocks and services non invoiced	9 021	7 115
- stocks	3 444	3 242
- services not invoiced	5 577	3 873
Accrued income	33 644	25 213
Total current assets	243 541	215 610
Financial fixed assets	938	249
- Long-term receivables from third parties	932	242
- Other financial fixed assets	6	7
Investments	46 709	43 143
Tangible fixed assets	259 595	280 600
- Assets under construction	21 074	15 563
- Technical equipment	12 992	12 661
- Rolling stock	90 802	111 162
- Plants on third parties' lands	5 376	6 065
- Terminals, buildings and land	120 275	127 449
- Other tangible fixed assets	9 076	7 700
Intangible fixed assets	15 323	20 028
Deferred tax assets	4 749	4 574
Total fixed assets	327 314	348 594
Total assets	570 855	564 204

Amounts in 1 000 CHF	31.12.2021	31.12.2020
LIABILITIES AND SHAREHOLDERS' EQUITY		
Account payables from supplies and services	68 030	54 126
- third parties	67 975	54 050
- shareholders	55	76
Onerous short-term debts	1 984	11 236
- third parties	1 984	11 236
Other short-term debts	7 402	7 050
- third parties	7 402	7 050
Accrued expenses	40 449	37 890
Short-term provisions	253	212
Total short-term liabilities	118 118	110 514
Onerous long-term debts	132 436	158 689
- third parties	132 436	158 689
Other long-term debts	45 277	48 322
- third parties	45 277	48 322
Long-term provisions	151 478	128 124
Deferred tax liabilities	3 850	5 544
Total long-term liabilities	333 041	340 679
Total liabilities	451 159	451 193
Share capital	20 000	20 000
Statutory capital reserves	18 978	18 861
Statutory retained earnings	55 762	55 309
Voluntary retained earnings	42 483	32 028
Translation difference	-26 199	-21 272
Treasury shares	-398	-802
Total Hupac shareholders' equity	110 626	104 124
Minority interests	9 070	8 887
Total shareholders' equity	119 696	113 011
Total liabilities and shareholders' equity	570 855	564 204

Consolidated cash-flow statement

Amounts in 1 000 CHF	2021	2020
Annual result of the Group	12 410	-2 515
Depreciation of tangible assets	39 174	42 577
Depreciation of intangible assets	6 858	7 205
Change in value of investments	-156	-423
Variation of provisions	22 206	2 480
Other non monetary items	-2 482	1 233
Net result from sale of tangible assets	-600	-940
Income from associated companies	-4 348	33
Minority interests	580	198
Variation of inventories	-282	-141
Variation of short-term receivables	-16 126	-2 215
Variation of short-term liabilities	17 235	134
Cash flows from operating activities	74 469	47 626
Purchase of tangible assets	-24 365	-43 443
Proceeds from sale of tangible assets	695	1 438
Purchase of intangible assets	-2 202	-1 437
Proceeds from sale of intangible assets	5	0
Purchase of investments	-781	-1 228
Cash flows from investing activities	-26 648	-44 670
Variation of financial receivables	-1 551	417
Variation of financial loans	-32 190	17 880
Treasury shares	404	398
Dividends payment	-788	-1 571
Cash flows from financing activities	-34 125	17 124
Variation	13 696	20 080
Cash at beginning of the year	83 522	63 671
Foreign exchange differences on cash	-1 076	-229
Cash at end of the year	96 142	83 522

Notes to the consolidated financial statements 2021

Principles applied in these financial statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

Accounting policies

Consolidation principles
The consolidated financial statements of Hupac Ltd have been prepared using the purchase price method, in line with the following principles and in accordance with the provisions of Swiss company law.

The consolidated financial statements of Hupac Ltd are based on the individual annual accounts of the Group's foreign subsidiaries, which have been prepared in accordance with uniform, generally accepted accounting and valuation principles, as well as on the statutory financial statements of the Swiss subsidiaries. The consolidated financial statements as at 31 December 2021 also include an additional general risk provision of CHF 12.2 million.

Consolidated companies
The consolidated financial statements include the annual results of Hupac Ltd and its Swiss and foreign subsidiary companies in which the parent company has a direct or indirect shareholding of more than and with 50% or a relative majority, has the voting majority and exercises a predominant influence on the conduct of the company.

Associated companies in which the parent company has more than 20% and up to 50% of the voting rights are consolidated using the equity method. Interests of minor significance are not included in the consolidation.

Method of consolidation
Assets and liabilities as well as revenue and expenditure of the consolidated companies are included in full. The purchase method is used for capital consolidation. This involves capitalizing - as goodwill from acquisitions - the difference between the purchase price of a company and the fair market value of the net assets thus acquired, which is amortized on a straight-line basis over a period between five and twenty years.

All balances, transactions and unrealized profits existing between Group companies are eliminated during the consolidation process. Dividends paid by consolidated companies are set off and allocated to the reserves. Minority shareholders' share of equity and profits appear separately on the balance sheet and income statement, respectively.

Conversion and transactions in foreign currencies
Transactions in foreign currencies by subsidiaries are converted and booked using the rate of exchange prevailing at the time of the transaction. Exchange rate differences are included in the income statement. Foreign currency balances at the end of the year are converted at the respective year-end exchange rate. Any resulting realized exchange gain is included in the income statement. Unrealized exchange gains are not being recognized.

In the consolidated financial statements the assets and liabilities of foreign subsidiaries are converted into Swiss francs using the year-end exchange rate. The average exchange rate for the respective year is used to convert the income statement. Any translation differences resulting from converting the balance sheet at year-end exchange rates and the income statement at average exchange rates are credited or debited to equity under "Translation differences" and thus do not affect profit.

Revenues from supplies and services
Turnover resulting from supplies and services is booked at the time of performance. Turnover is shown without VAT and after deduction of any discounts and price reductions granted to customers. Revenues from supplies and services comprises sales to customers, UIRR companies and third parties for services performed on the transport network of Hupac, as well as for the hiring-out of wagons outside this transport network, logistics services and miscellaneous.

Other income
In this position are disclosed the governmental grants.

Cost of supplies and services
The cost of supplies and services is made up of the charges invoiced to Hupac for the provision of the necessary supplies and services (including freight charges, leasing of wagons, maintenance, terminal charges, operational insurance premiums and miscellaneous) for achieving the turnover with customers, UIRR companies and third parties.

The following companies were fully consolidated:

Company		Share or company capital	Interests as % 31.12.2021	31.12.2020
Hupac Ltd, Chiasso	CHF	20 000 000		
Hupac Intermodal Ltd, Chiasso	CHF	250 000	100.00	100.00
Hupac SpA, Busto Arsizio	EUR	2 040 000	96.99	96.99
Sub-interests of Hupac SpA, Busto Arsizio:				
- Fidia SpA, Milan	EUR	550 000	3.00	3.00
Hupac GmbH, Singen	EUR	210 000	100.00	100.00
Termi Ltd, Chiasso	CHF	2 000 000	100.00	100.00
Sub-interests of Termi Ltd, Chiasso:				
- Termi SpA, Busto Arsizio	EUR	2 000 000	95.00	95.00
Termi SpA, Busto Arsizio	EUR	2 000 000	5.00	5.00
Fidia SpA, Milan	EUR	550 000	97.00	97.00
Centro Intermodale SpA, Milan	EUR	2 769 700	100.00	100.00
Hupac Intermodal Italia Srl, Busto Arsizio	EUR	100 000	100.00	100.00
Hupac Intermodal BVBA, Antwerp	EUR	1 601 000	99.94	99.94
Hupac Intermodal NV, Rotterdam	EUR	200 000	100.00	100.00
Sub-interests of Hupac Intermodal NV, Rotterdam:				
- Hupac Intermodal BVBA, Antwerp	EUR	1 601 000	0.06	0.06
Intermodal Express LLC, Moscow	RUB	3 000 000	75.00	75.00
Sub-interests of Intermodal Express LLC, Moscow:				
- Hupac LLC, Moscow	RUB	150 000 000	2.00	2.00
Hupac LLC, Moscow	RUB	150 000 000	98.00	98.00
Hupac Terminal Brwinów Sp. z o.o., Brwinów	PLN	100 000	100.00	100.00
Hupac International Logistics (Shanghai) Co. Ltd, Shanghai	CNY	5 000 000	100.00	100.00
Piacenza Intermodale Srl, Piacenza	EUR	8 430 300	100.00	100.00
Sub-interests of Piacenza Intermodale Srl, Piacenza:				
- Terminal Piacenza Intermodale Srl, Piacenza	EUR	52 000	100.00	100.00
ERS Railways GmbH, Hamburg	EUR	200 000	100.00	100.00
Combiconnect Srl, Milan [1]	EUR	500 000	80.00	100.00
Centro Interportuale Merci CIM SpA, Novara	EUR	24 604 255	67.03	67.03
Sub-interests of CIM SpA, Novara:				
- Crosstec Srl, Novara	EUR	100 000	85.00	85.00
- Combiconnect Srl, Milan	EUR	500 000	20.00	-
TIN Terminal Intermodal Nord GmbH, Singen	EUR	50 000	100.00	100.00
Rail Terminal Chemelot (RTC) BV, Geleen	EUR	678 000	60.00	60.00

1) In 2021 a 20% share in Combiconnect was sold from Hupac Ltd to CIM SpA

The following companies were consolidated using the equity method:

Company	Registered in	Interests as % 31.12.2021	31.12.2020
Mercitalia Intermodal SpA	Milan (Italy)	34.48	34.48
Terminal Alptransit Srl	Milan (Italy)	42.00	42.00
RAlpin Ltd	Olten (Switzerland)	33.11	33.11
SBB Cargo International Ltd	Olten (Switzerland)	25.00	25.00
Cesar Information Services Scarl	Brussels (Belgium)	25.10	25.10
Combinant NV	Antwerp (Belgium)	35.00	35.00
Terminal Singen TSG GmbH	Singen (Germany)	50.00	50.00
Gateway Basel Nord AG	Basel (Switzerland)	24.50	24.50
boxXpress GmbH	Hamburg (Germany)	47.00	47.00
Eurogateway Srl	Novara (Italy)	46.49	46.49

Table of currency conversion

	Balance sheet		Income statement	
	31.12.2021	31.12.2020	2021	2020
CHF/EUR	1.03391	1.08216	1.08140	1.07020
CHF/RUB	0.01218	0.01174	0.012406	0.013068
CHF/PLN	0.22487	0.23471	0.236912	0.240950
CHF/CNY	0.14363	0.13470	0.141709	0.136054

Shareholders' equity movements

Amounts in 1 000 CHF	Share capital	Reserves and Group results	Treasury shares	Translation differences	Total	Minority interests
Balance at 1 January 2020	20 000	110 843	-1 200	-19 120	110 523	8 816
Translation differences				-2 069	-2 069	-128
Translation differences of associated companies				-83	-83	
Net equity adjustment		-559			-559	176
Movements of treasury shares			398		398	
Parent company dividend		-1 571			-1 571	
Consolidated profits 2020		-2 515			-2 515	23
Balance at 31 December 2020	20 000	106 198	-802	-21 272	104 124	8 887
Translation differences				-3 843	-3 843	-397
Translation differences of associated companies				-1 084	-1 084	
Net equity adjustment		-597			-597	-45
Movements of treasury shares			404		404	
Parent company dividend		-788			-788	
Consolidated profits 2021		12 410			12 410	625
Balance at 31 December 2021	20 000	117 223	-398	-26 199	110 626	9 070

Treasury shares

Registered shares	2021	2020
Initial holdings on 01.01.	290	357
- Purchase	5	0
- Sale	-77	-67
Final holdings on 31.12.	218	290
The transactions were concluded on market-based condition.		

	2021	2020
Personnel - average number of full-time equivalents	615	557

Derivative instruments - As at 31.12.2021

Amounts in CHF	Contract volume as at 31.12.2021	Fair values as at 31.12.2021	Fair values as at 31.12.2020
Transactions interest rate swap			
Credit Suisse 19.1.2015-19.1.2022, 1.46%	0	0	-571 008
Total	0	0	-571 008

At 19.11.2013 Hupac Ltd closed a deal concerning an interest rate swap with Credit Suisse. With this contract Hupac Ltd has committed itself to pay a fixed interest rate. In return Hupac Ltd would receive in case of positive interest level the floating rate corresponding to the 3-months Libor. The transaction has been concluded with the aim of securing a firm financing. This loan with Credit Suisse of CHF 20 million was repaid early on 06.12.2021.

Amounts in 1 000 CHF	31.12.2021	31.12.2020
Extraordinary expenses	1 076	3 284
The most significant items are: 2021: Creation of accrued expenses for risks related to litigation with former terminal service provider and settlement of social security charges related to previous years 2020: Release of unrealised accrued income and Tax costs of previous years		
Extraordinary income	594	6 742
The most significant items are: 2021: Settlement of social security charges, release of provisions no longer required and settlement of costs paid in previous years. 2020: Income from disposal of assets from previous years and release of provisions no longer required		
Other information in accordance with legal requirements		
Debts from leasing obligations with remaining duration of more than twelve months from the balance sheet date	8 297	9 641
Debts towards personnel foundations	738	582
Total amount of collateral pledged for liabilities of third parties	22 205	16 859
Pledges on assets to secure own liabilities	75 456	80 715
Details of Onerous long-term debts		
- 1 - 5 years	87 369	105 936
of which leasing	6 849	7 169
- > 5 years	45 067	52 752
of which leasing	1 330	1 335
Details of tangible fixed assets		
Tangible fixed assets	259 595	280 600
of which leasing	6 281	8 039
Auditor's fees		
Audit services	178	166

Report of the statutory auditor on the consolidated financial statements 2021

As statutory auditor, we have audited the accompanying consolidated financial statements of Hupac SA, which comprise the consolidated balance sheet as at December 31, 2021, the consolidated income statement, the consolidated cash flow statement and notes to the consolidated financial statements for the year then ended.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2021 comply with Swiss law and the company's articles of incorporation.

Other matters
The consolidated financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 27, 2021.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Mazars AG

Roger Leu	Lisa Colosio
Licensed audit expert	Licensed audit expert
Auditor in charge	

Zurich, 13 April 2022

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