ANNUAL REPORT 2023

HUPAC

Content

The Annual Report 2023 presents the business activities of the Hupac Group against the background of the current industrial framework. In addition to the results achieved, we explain the progress of our investment activities as a basis for the future of the company.

You will also gain a comprehensive insight into the Hupac Group's sustainability strategy and its specific activities and achievements.

Moving together.
Joining forces for sustainable logistics

Leading intermodal network operator

With a transport volume of around 1 million road consignments per year, the Hupac Group is the leading network operator in intermodal transport in Europe. The company offers 130 trains per day with connections between the major European economic areas and destinations as far as the Far East.

Founded in 1967 in Chiasso/Switzerland, the Hupac Group today has 700 employees, more than 8,500 rail platforms and 12 terminals at major European hubs.

The year 2023 in figures

975,000
road consignments
shifted to railways

8,500 rail platforms
completely low-noise

1.4 million tonnes CO_2
saved in the network

700 employees
full-time equivalent

130 trains per day
in the Hupac Group network

CHF 648.1 million
EUR 667.0 million
annual turnover

12 terminals
managed by the Hupac Group

CHF -6.2 million
EUR -6.4 million
annual result

20 railway partners
selected for specific relations

EDITORIAL

Resilient in a crisis environment

Ladies and Gentlemen
Dear shareholders, customers, partners and friends of Hupac

The good news first: Hupac has held up remarkably well in the crisis environment of the past year.

The entire industry faced extraordinary challenges: declining demand for transport, rising railway costs and inadequate quality on the European rail network put combined transport under pressure.

In times of crisis, quick and decisive action is required. In close consultation with the Board of Directors, Hupac's management drew up a crisis plan as early as the spring, which enabled the losses to be absorbed and the business to be stabilised within a few months. The fact that an acceptable, albeit negative, annual result was achieved in spite of a sharp drop in volume is proof of the company's strength and solidity.

All the more so as Hupac was able to continue its strategic investments in the further development of combined transport. The terminal construction projects in Piacenza, Milano Smistamento and Duisburg Gateway Terminal made progress and Hupac launched a new terminal project in La Llagosta near Barcelona. In the terminal operations sector, Hupac took over the Cologne North terminal. Further investments were made in digital integration as a key asset for better management of the intermodal service chain. This will enable Hupac to further strengthen its competitiveness. In spite of the current recessionary environment, some CHF 36 million was spent on investments in 2023.

The course is therefore still set for growth, albeit at more modest rates. We are convinced that combined transport has a bright future. More and more companies want to make greater use of environmentally friendly combined transport or increase their share in this sustainable transport system. However – and this is the less positive aspect – the reliability and flexibility of rail freight transport must meet market expectations. Last year, more than 10% of Hupac's trains were cancelled due to construction sites and network disruptions – even though the volume pressure on the network has eased.

We see the success of combined transport as a joint task for all stakeholders and are committed to the further development of favourable framework

conditions. The focus is on the transalpine axes as the backbone of European combined transport:

- The unstable traffic situation on the north-south axis through Switzerland can be sustainably improved by the provision of parking tracks. Buffer sidings north and south of the Alps would ensure that, even in the event of disruptions on the axis, trains can leave the terminals and be parked along the corridor until the journey can be continued.
- Due to the persistent capacity bottlenecks on the Rhine Valley railway, alternatives through France are urgently needed. These include upgrading the Belgium-Metz-Strasbourg-Basel line to the 4-metre profile and upgrading the Wörth-Strasbourg line as a NEAT feeder line for continuous freight train services with hybrid or diesel traction.

Hupac will continue to work on increasing the productivity and reliability of combined transport. Longer and heavier trains, efficient terminals and the promotion of innovative railways are the strategic guidelines for our actions, as is digital integration to promote the efficient use of resources along the value chain.

In the medium term, we expect the economy to recover and traffic volumes to increase and shift more to rail. We are strategically preparing for this. Our sustainable transport concept is predestined for environmentally friendly and energy-saving freight transport. This year, we will explain our sustainability strategy in detail for the first time, and next year we will present the results achieved in accordance with the current standards. We see this as our contribution to transparency and as an incentive for further initiatives in favour of the environment, our employees and society.

Moving together – with you as customers, shareholders, partners and employees, we are actively and sustainably shaping the future. Thank you for that.

Hans-Jörg Bertschi
Chairman of the Board of Directors

EDITORIAL

The year under review was extremely challenging for us. All divisions of the Hupac Group were confronted with the effects of a decline in industrial production in Europe and a further deterioration in the quality of rail production, overlaid by massive cost increases in the rail environment. The latter is mainly due to the decline in infrastructure cost contributions and the persistently high energy costs.

The Hupac Group transported around 975,000 road consignments or 1,866,000 TEUs in combined road/rail and maritime hinterland transport. This represents a decrease of around 130,000 consignments or 11.7% compared to the previous year. All transport segments of Hupac's European network were affected by this negative development, albeit to varying degrees. In the core market of transalpine transport through Switzerland, Hupac recorded a comparatively moderate decline of 7.6% to 540,000 road consignments.

In order to secure the company's course, the "Thor" programme was launched in the first quarter, focusing on profitability under extreme production conditions and reduced demand.

The Thor programme covered key areas such as:

- adjustment of loading space and reduction of rented wagons
- immediate discontinuation of new services in the start-up phase
- thinning out services where cost increases could not be passed on through productivity or price increases
- overhead adjustments
- capacity management in the continental and maritime segments and focus on strong pipeline routes.

These measures prevented a further decline in key financial figures, especially in the second half of the year when the measures took effect. The tasks were closely managed in 2023. We therefore decided to integrate new members into the management team. Last year, Mario Casati (56) was appointed as the new managing director for the northern Italian terminals and Peter Dannewitz (54) took over as head of sales.

The year as a whole was also marked by exceptional events. The earthquake in Turkey in January brought transport in south-eastern Europe to a virtual standstill. From August, the Rhine-Alpine corridor was again subject to major disruption following the serious accident in Rastatt in 2017: In Switzerland, a conventional freight train derailed, leading to the closure of one of the tubes of the Gotthard base tunnel. In December, a water ingress on the Lötschberg-Domodossola axis led to further capacity restrictions.

In addition to these extraordinary events, there were the everyday disruptions caused by an overloaded and often outdated railway infrastructure. The much-discussed modernisation of corridors in Germany has led to numerous preparatory construction sites. Last year, we recorded around 1,000 disruptions on the Rhine-Alpine corridor, with a particularly high density on the German network. All of this has made stable production much more difficult. It requires a rethink or even a new way of looking at the resilience of the timetable and also at production on the rail or in the terminal.

The innovation in 2023 was the takeover of the operational activities at the Cologne North terminal and thus the integration of a familiar location into the intermodal network of the Hupac Group. We would like to take this opportunity to welcome the new employees to the company.

We were saddened by the loss of colleagues last year. The managing director for Germany, Sascha Altenau, and the terminal manager in Basel, Kristof Csebits, passed away. My thoughts are often with them and especially with their families.

Looking ahead to 2024 does not yet promise a recovery in industrial manufacturing. With the measures we have introduced, we now have the opportunity to respond to the major challenges in an environment of poor quality, rising costs and strong competitive pressure from the road. In 2024, we will continue our work on quality management and capacity assurance measures. The dialogue with the infrastructure managers must also be conducted by Hupac as a terminal operator and thus as an origin and destination infrastructure operator or as an authorised party for network access. The availability of sufficient infrastructure is an important prerequisite for the further development of intermodal transport. If this is not possible on established routes, appropriate diversions must be organised with established and new rail partners.

I am extremely grateful for the commitment of all our employees at a time when there really are no easy solutions. Solutions that have to be found, above all, for our loyal customers – customers who don't jump ship at the first sign of a crisis. I would like to take this opportunity to express my sincere thanks to our customers, but also to our employees. Together we will continue to follow our path in the intermodal value chain under the motto "Play hard & fair"!

Michail Stahlhut
CEO

GOVERNANCE

Responsibility and integrity as the basis for sustainable success

As a leading network operator in intermodal transport, the Hupac Group has been committed to innovative and reliable rail transport for more than fifty years. With our commitment we make an important contribution to modal shift and environmental protection.

Our corporate culture is characterised by transparency and value-oriented cooperation. An efficient corporate governance system ensures responsible and sustainable management of the company.


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service oriented logistics
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Structure

Companies of the Hupac Group

At the end of 2023, the Hupac Group consists of 24 companies with locations in Switzerland, Italy, Germany, the Netherlands, Belgium, Spain, Poland, Russia and China. With this structure, Hupac Ltd, based in Chiasso, is opening up various markets with interesting growth potential.

In April 2023, Hupac Ltd has founded Hupac Ibérica SL, based in Barcelona. The company is taking over part of the investment in the La Llagosta terminal, which is currently under construction, and will operate it together with the Spanish intermodal operator TP Nova. The terminal is scheduled to open in mid-2025.

Board of Directors

The Board of Directors of Hupac Ltd consists of nine members. According to the statutes, Hupac's shareholders are primarily transport companies actively involved in the development of combined transport. Accordingly, the majority of the Board of Directors of Hupac Ltd are 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.

A generational change in the Board of Directors was initiated during the year. In order to ensure continuity on the Board and to facilitate the transfer of knowledge, two new members were appointed to the Board as part of an overlapping succession plan. Jörg Berner (Bertschi Ltd) and Alexander Muhm (SBB Ltd) were elected as new members of the Board of Directors of Hupac Ltd at the Annual General Meeting in May 2023. Björn Schniederkötter (Hoyer GmbH), who succeeds Thomas Hoyer, is also a new member of the Hupac Group's top committee.

Organisational regulations

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

Hupac Ltd Chiasso
Parent company - Asset Management

Michail Stahlhut, *CEO*
Benedetta Masciari, *Deputy CEO*

Hupac Intermodal Ltd
Chiasso
Network management
Terminal operations

ERS Railways GmbH
Hamburg
Network management

Hupac International Logistics (Shanghai) Co. Ltd
Shanghai
Network management

Intermodal Express LLC
Moscow
Network management

Hupac Intermodal Italia Srl
Busto Arsizio
Sales

Hupac Intermodal NV
Rotterdam
Service provider

Hupac GmbH
Singen
Service provider

Hupac SpA
Busto Arsizio
Terminal operations
Railway operations

Fidia SpA
Milano
Terminal operations
Warehousing

Hupac Intermodal BVBA
Antwerp
Terminal operations

RTC Rail Terminal Chemelot BV
Geleen
Terminal operations

In order to meet the complex requirements of the constantly growing Hupac Group, the organisational regulations were revised in 2023. The principles of the internal organisation of the companies, the duties of the members of the governing bodies of the companies towards the parent company and the regulation of conflicts of interest between the individual companies were newly regulated.

Capital structure

In the year under review, Hupac Ltd had a share capital of CHF 20 million. Around 100 shareholders are involved 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 capital structure enables the company to develop its range of products and services in line with the market, to draw on a broad range of country-specific expertise and to involve independent, high-performance partners.

Board of Directors of Hupac Ltd

Name	Year	Position	Nation	First nomination	Expiry of mandate
Dr. Hans-Jörg Bertschi	1957	Chairman since 1993	Switzerland	1987	2025
Dr. Thomas Baumgartner	1954	Member	Italy	1990	2025
Jörg Berner	1986	Member	Switzerland	2023	2025
Bernhard Kunz	1957	Member	Switzerland	2020	2025
Alexander Muhm	1977	Member	Switzerland	2023	2025
Ing. Nicolas Perrin	1959	Member	Switzerland	2008	2025
Nils Planzer	1971	Member	Switzerland	2008	2025
Björn Schniederkötter	1976	Member	Germany	2023	2025
Erich Staake	1953	Member	Germany	2020	2025

Combiconnect Srl
Milano

Terminal operations

Combiconnect Köln Nord GmbH
Köln

Terminal operations

Terminal Piacenza Intermodale Srl
Piacenza

Terminal operations

Hupac Terminal Brwinów Sp. z o.o.
Brwinów

Terminal operations

CIM Centro Interportuale Merci SpA
Novara

Facility management

Piacenza Intermodale Srl
Piacenza

Facility management

Crosstec Srl
Novara

Information Technology

Hupac LLC
Moscow

Rolling stock management

Termi Ltd
Chiasso

Terminal construction
Facility management

Termi SpA
Busto Arsizio

Terminal construction
Facility management

Centro Intermodale SpA
Milano

Terminal construction
Facility management

Hupac Ibérica SL
Barcelona

Terminal construction
Facility management

Dated 31.12.2023

Shareholdings

Joint ventures

Terminal Singen TSG GmbH, based in Singen, is a joint venture company. The company's shareholders are Hupac Ltd and DB Intermodal Services GmbH. They have been jointly operating the Singen terminal since 1999.

Minority shareholdings

Hupac holds significant minority interests in various companies operating in the combined transport sector. These include the combined transport operators Mercitalia Intermodal and RAlpin, the terminal company Combinant, the rail transport companies SBB Cargo International and boxXpress, the data processing service providers Cesar Information Services and DX Intermodal as well as the terminal planning companies Terminal Alptransit (TerAlp) and Gateway Basel Nord.

In the year under review, Hupac increased its stake in the terminal planning company Duisburg Gateway Terminal GmbH to 26%. The terminal is currently under construction and will go into operation in the second half of 2024.

Further shareholdings

Hupac has smaller shareholdings in the terminal operators KTL Kombi-Terminal Ludwigshafen, DIT Duisburg Intermodal Terminal and RSC Rail Service Center (Rotterdam) and WienCont Container Terminal, in the combined transport operator Kombiverkehr, in the terminal planning company Duisburg Gateway Terminal, and in the industry association UIRR.

In the year under review, Hupac Ltd and the Italian combined transport operator Logtainer Srl concluded a reciprocal minority shareholding. The companies aim to work closely together in seaport-hinterland transport.

Certifications

The quality management system of the Hupac Group has been ISO 9001 certified since 1995. Since 1997, the environmental management system of the Hupac Group has also been certified according to ISO 14001. In September 2022, the Hupac Group companies concerned successfully passed the recertification audit and were thus able to acquire a new certificate valid until October 2025.

In 2020, Hupac Intermodal Ltd and other Group companies were certified for the first time according to ISO 45001 for occupational health and safety. A number of Italian companies previously certified to OHSAS 18001 upgraded and also obtained ISO 45001 certification. The Group certification in this area is valid until October 2025.

For the rolling stock sector, Hupac Ltd was already 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 according to Regulation (EU) No. 445/2011. In August 2023, the company was certified according to the new Regulation 779/2019, valid until 2028.

Risk assessment

Hupac regularly carries out a risk analysis in order to identify risks 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 the health and safety of employees, currency risks, cyber incidents and other critical issues. Department heads, branch managers and all employees are involved in the risk assessment process. A regular report is submitted to the Board of Directors.

Hupac monitors all Group activities with the risk management system ERM (Enterprise Risk Management) and analyses risks throughout the organisation on an ongoing basis. For this purpose, additional KPIs with thresholds will be defined for risk control and trends will be monitored in the different business areas.

ERM views risk not only as a critical and negative aspect, but also as a positive one. This makes it possible to identify all the possibilities within the organisation to minimise losses and maximise opportunities in a logic of long-term returns.

Hupac's ERM brings together all the management systems available in the Group and thus enables effective control. These include the ISO systems (quality, environment, health and safety), the internal control system, the ECM wagon maintenance system, cybersecurity and legal aspects.

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

The safety management system is also integrated into the ERM. The objective is "zero critical incidents under Hupac's 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, dangerous goods, construction activities and IT systems. This objective was achieved in the year under review.

In 2023, various ERM audits were carried out with the support of external specialists. In addition, various improvements have been made to make the system more robust and better structured overall.

The internal control system is regularly reviewed to ensure continuous improvement and risk mitigation. Each year, specific areas are identified and subjected to detailed analysis to ensure the effectiveness of the system in a constantly changing organisational and technological environment.

MANAGEMENT REPORT

Challenges and opportunities for combined transport

2023 was a challenging year for combined transport. Declining demand for transport in Europe, price increases in the rail system and quality deficits in the German rail network put the industry under pressure.

Thanks to systematic cost control, the Hupac Group was able to mitigate the negative consequences and maintain the transport network. Strategic investments – especially in the expansion of terminal capacity – were continued despite the difficult conditions. This is because we at Hupac believe in the future of environmentally friendly combined transport.


HUPAC
We shape the future of intermodal transport
www.hupac.com
193 491
HUPAC
SIEMENS
Vectron

Traffic development

The year at a glance

Last year the Hupac Group transported around 975,000 road consignments or 1,866,000 TEUs in combined road/rail and seaport hinterland transport. This represents a decrease of about 130,000 consignments or 11.7% compared to the previous year.

All transport segments of the Hupac Group were affected by this negative development, albeit to varying degrees. In the core market of transalpine transport through Switzerland, Hupac recorded a comparatively moderate decline of 7.6% to 540,000 road consignments. Route closures and service adjustments had an impact on transalpine traffic via France – the closure of the Fréjus tunnel from August 2023 due to a rockfall should be mentioned here – and via Austria. Non-transalpine transport, the second most important transport segment of the Hupac Group, also declined by 14.9%.

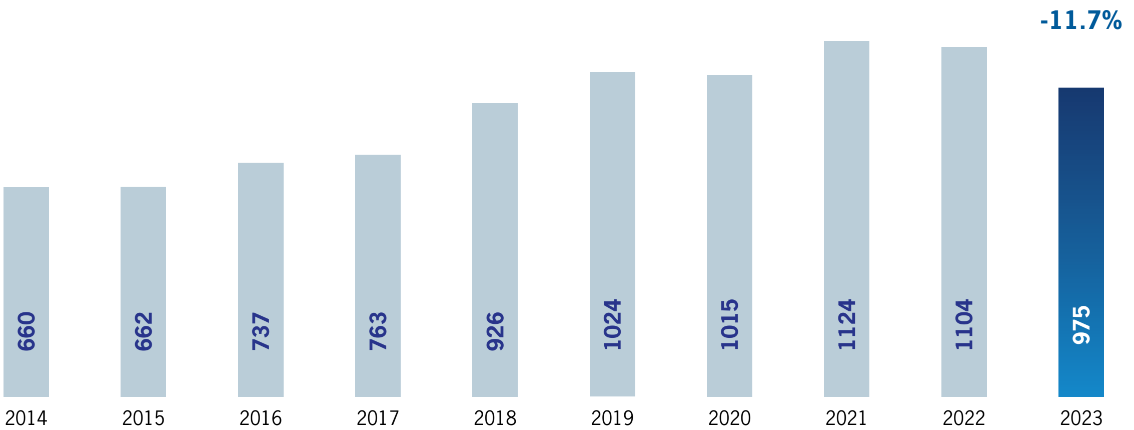
This negative development is mainly due to the decline in demand for transport in Europe. The recessionary trend already started in autumn 2022 in connection with the Ukraine and energy crisis and affected large parts of the world economy in the course of 2023.

A special factor in August 2023 was the serious accident in the Gotthard base tunnel. The complete closure of one of the two tunnels until September 2024 significantly reduces the capacity of the north-south corridor.

Various other factors are also putting pressure on the rail system. These include massive increases in energy and traction costs, but also the poor quality of the German rail network, in particular due to neglected maintenance and inadequate construction site planning. This led to capacity bottlenecks, delays and cancellations on many corridors.

Traffic volume

Road consignments in 1000



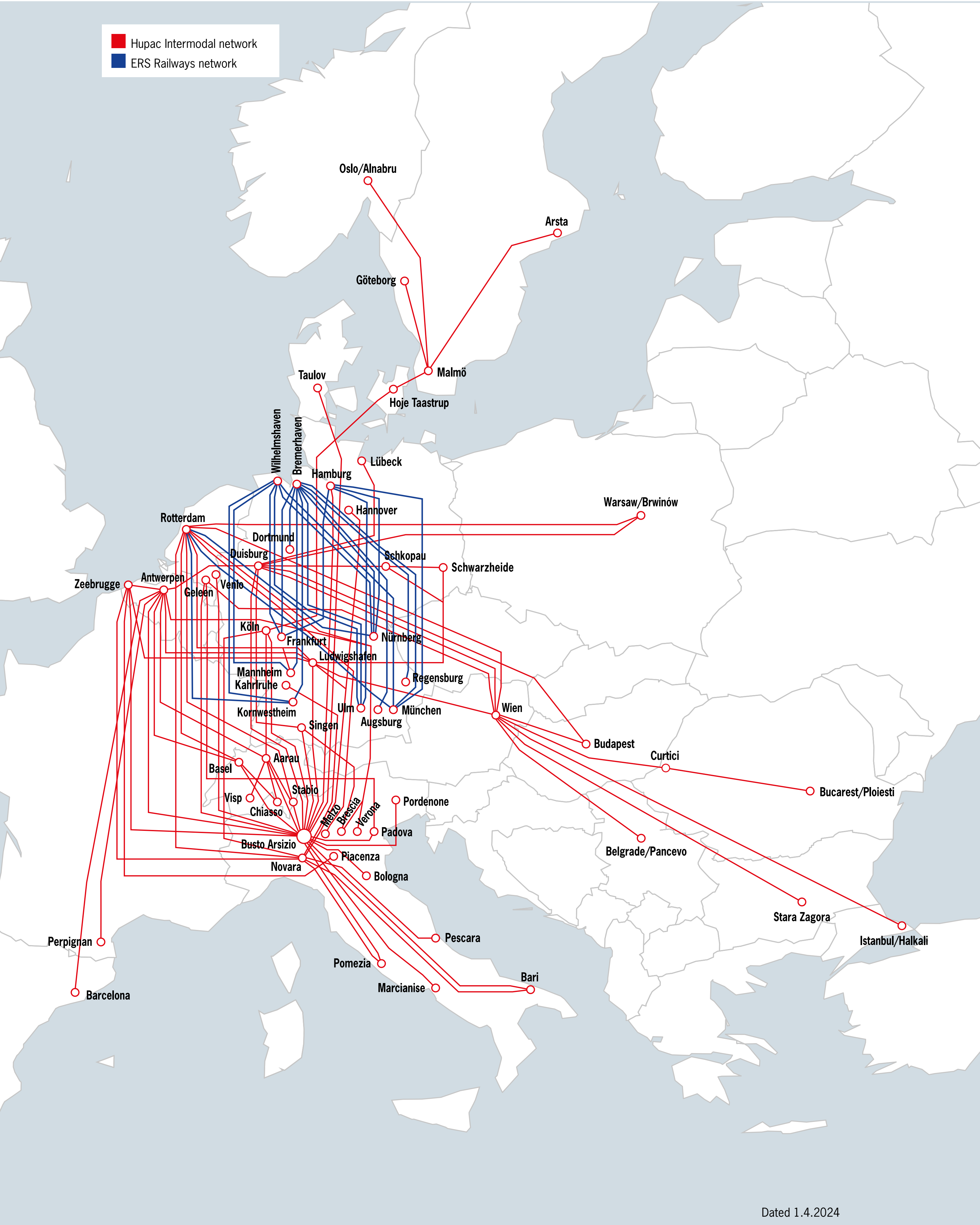
Road consignment: one or two loading units that would be equivalent to one lorry in road transport, e.g. one semi-trailer or two swap bodies up to 7.82 metres long or one heavy tank container or two 20-foot light containers.

Traffic by business units

Road consignments	2023	2022	%
Shuttle Net	710,759	796,078	-10.7
Company Shuttle	106,010	124,310	-14.7
Maritime Logistics	155,812	179,503	-13.2
Other traffic	2,139	3,802	-43.7
Total	974,720	1,103,693	-11.7

Traffic by route

Road consignments	2023	2022	%
Transalpine via Switzerland	537,618	581,913	-7.6
Transalpine via Austria	34,971	46,547	-24.9
Transalpine via France	3,514	7,008	-49.9
Non transalpine	398,617	468,225	-14.9
Total	974,720	1,103,693	-11.7


Hupac Intermodal network
ERS Railways network
Oslo/Alnabru
Arsta
Göteborg
Malmö
Taulov
Hoje Taastrup
Wilhelmshaven
Bremerhaven
Lübeck
Hamburg
Hannover
Warsaw/Brwinów
Rotterdam
Dortmund
Duisburg
Schkopau
Schwarzheide
Zeebrugge
Antwerpen
Venlo
Geleen
Köln
Frankfurt
Nürnberg
Ludwigshafen
Mannheim
Kahlruhe
Regensburg
Kornwestheim
Ulm
München
Augsburg
Wien
Singen
Budapest
Curtici
Aarau
Basel
Stabio
Visp
Chiasso
Melzo
Brescia
Verona
Pordenone
Bucarest/Ploiesti
Padova
Busto Arsizio
Piacenza
Novara
Bologna
Belgrade/Pancevo
Stara Zagora
Istanbul/Halkali
Perpignan
Pescara
Pomezia
Bari
Marcianise
Barcelona
Dated 1.4.2024

European network Shuttle Net

With Shuttle Net, the subsidiary Hupac Intermodal Ltd operates a network for intermodal transport linking around 100 terminals throughout Europe. Customers book individual on-train spaces for their loading units or secure slots as fixed transport capacities on the desired routes. Automated processes and digital consignment tracking are an integral part of the service.

The economic downturn, coupled with quality and capacity bottlenecks, has had a lasting impact on the Shuttle Net business segment. Last year, some 711,000 road consignments were transported by rail. This represents a decrease of 10.7% compared to the previous year. The transalpine traffic through Switzerland should be highlighted as a positive development. Hupac was largely able to maintain its strong position in this segment (-6.9%). The reason for this is the dense network of the Shuttle Net with numerous connections throughout Europe.

Despite the current difficult economic situation, Hupac is sticking to its strategy of further developing climate-friendly combined transport. In its core business of transalpine transport through Switzerland Hupac was able to maintain its service intensity. The network was adapted to market demand. In some cases, departures had to be temporarily consolidated or solutions with gateway connections had to be offered. Other services were expanded, such as the Benelux-Italy corridor with additional departures between Zeebrugge and the north Italian terminals of Novara, Busto Arsizio and Piacenza, as well as gateway connections to the Italian network. Another new service is an increase in frequency on the Rotterdam-Warsaw/Brwinów route.

Company Shuttle: solutions for high-volume customers

The unfavourable conditions in the year under review also affected the performance of the Company Shuttle business segment. A total of approximately 106,000 road consignments were transported, a decrease of 14.7% compared to the previous year. The reason for this is the loss of traffic due to insufficient quality.

The Company Shuttle business unit manages the operation of combined transport trains on behalf of individual transport companies. These companies assume the capacity utilisation risk and transfer the organisation and operation of the transports to Hupac Intermodal Ltd as the operator. The focus is on transalpine traffic through Switzerland.

Maritime Logistics

Maritime hinterland transport with domestic German connections from the seaports of Hamburg, Bremerhaven, Wilhelmshaven and Rotterdam also suffered from the precarious situation of the German rail network and hinterland terminals. Together with a noticeable decline in overseas traffic, this led to a consolidation of the transport volume to around 156,000 road consignments or 295,000 TEUs, a decrease of 13.2%. The Maritime Logistics segment is managed by the subsidiary ERS Railways GmbH.

Other traffic

The Hupac Group organises overland intermodal transport between Europe and the Far East. This still young business segment achieved a transport volume of around 2,100 road consignments in 2023, which corresponds to a decrease of 43.7% compared to the previous year. This is due to the unstable global environment. The Landbridge China segment has seen strong volume growth since the beginning of the current year due to the shipping crisis in the Red Sea, thanks to its reliable overland services.

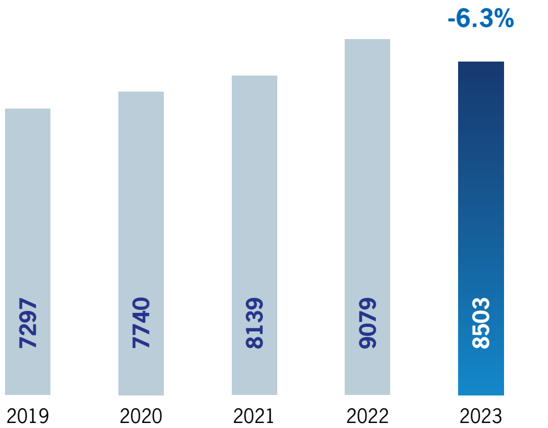
Operational resources

Own rolling stock creates independence

In the year under review, Hupac adjusted its wagon fleet to the reduced demand for transport. Some 800 rented wagon modules were returned. Investments in new rolling stock were postponed and deliveries delayed. Nevertheless, Hupac continues to operate a considerable pool of wagons in order to compensate for quality deficits in rail operations by using reserve compositions and to increase the resilience of the transport service.

At the end of 2023 the Hupac Group had a wagon fleet of 8,503 platforms. This represents a decrease of 6.3% compared to the previous year. The share of rented wagons in the total wagon fleet was 14.2%. The wagon fleet of Hupac Ltd has been completely low-noise since the end of 2015.

Rolling stock
Rail platforms



Strong presence in the terminal sector

The Hupac Group operates twelve terminals in Switzerland, Italy, Germany, Belgium, the Netherlands and Poland. The following list gives an overview of the terminal locations and the respective operating companies:

- Busto Arsizio-Gallarate, Pordenone (Hupac SpA)
- Piacenza (Terminal Piacenza Intermodale Srl)
- Novara (Combiconnect Srl)
- Aarau, Basel, Chiasso (Hupac Intermodal Ltd)
- Singen (Terminal Singen TSG GmbH)
- Cologne (Combiconnect Köln Nord GmbH)
- Antwerp (Hupac Intermodal BVBA)
- Geleen (RTC Rail Terminal Chemelot BV)
- Brwinów (Hupac Terminal Brwinów Sp. z o.o.)

The subsidiary Combiconnect Köln Nord GmbH has been operating the Köln Nord terminal since January 2023.

Hupac has minority shareholdings in various other terminals and is committed to efficient and effective terminal operations. The terminals of the Hupac Group are accessible without discrimination and are used by about a dozen operators.

Hupac uses the software solutions GOAL (Global Oriented Application for Logistics) and WOLF (Web Oriented Logistics Framework) to control and manage its terminals. This software supports every step of the terminal process and enables the creation of uniform standards that are optimised and developed centrally. Customers benefit from increased efficiency, reliability and transparency in the handling of transport processes.

The terminal business of the Hupac Group declined in the year under review compared to the previous year. A total of 949,000 loading units were handled, a decrease of 3.7% compared to the previous year.

A highlight of the year was the replacement of four existing gantry cranes at the Busto Arsizio-Gallarate terminal with the same number of new generation cranes. The cranes were dismantled and installed on schedule within ten months while the terminal was in operation, an exceptional achievement in terms of planning and precision. The new cranes increase the reliability and operational stability of the facility.

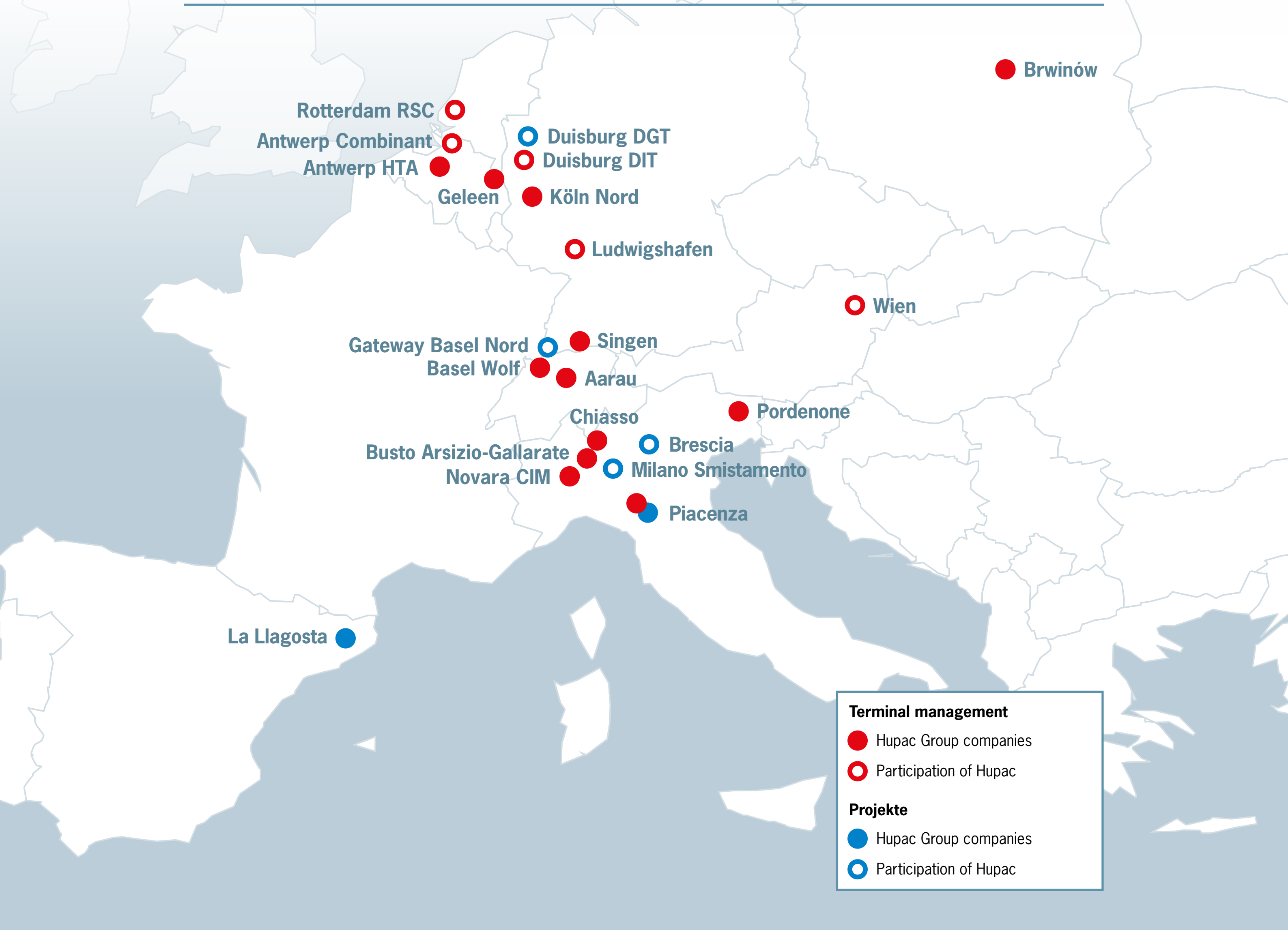
The poor reliability of the rail network has led to major challenges at the terminals. Hupac is doing everything in its power to maintain traffic and minimise the negative impact on customers. To this end, additional resources such as wagons and traction equipment are being deployed and intensive coordination with railway and terminal partners is taking place.

Despite the current recessionary phase, Hupac is maintaining its investments in the terminal sector. In July 2023 Hupac won the tender for the operation of the La Llagosta terminal. The subsidiary Hupac Ibérica SL will erect gantry cranes and facilities on the terminal site being built by the Spanish infrastructure operator ADIF and will operate the facility together with its partner TP Nova from mid-2025.

Other terminal projects are underway at Piacenza, Novara, Milan and Brescia in Italy, Duisburg in Germany and Basel in Switzerland. In the year under review, significant progress was made on the projects in Piacenza and Duisburg in particular. The Duisburg Gateway Terminal will become operational this year. The project partners are Duisport, PSA, HTS and Hupac.

The Milano Smistamento and Brescia terminal projects are being managed by Terminal Alptransit Srl (TerAlp) with the participation of Mercitalia Logistics and Hupac. Planning and construction work is progressing according to schedule.

Terminals



Leading in digital innovation

With the digital transformation of its business processes, Hupac is strengthening the competitiveness of combined transport. The focus is on customer-oriented processes, data integration and supply chain information systems.

The CESAR-NEXT platform for combined rail/road/ship transport was successfully launched in June 2023. The system offers new functionalities such as ETP (Estimated Time of Pick-up), supports the EDIGES standard and allows customers to download data.

WOLF Train Radar is also growing in popularity. The tool provides real-time train running information based on data from railway partners, terminals and GPS units installed on trains. The WOLF platform provides customers and partners with reliable forecast data on the arrival time of trains and the estimated pick-up time of loading units at terminals. With the forecast data from partners in the logistics chain, all parties involved can adjust their planning and thus increase efficiency. The service is also available via EDI. Around 90% of customers use Train Radar on a daily basis.

The European data hub KV4.0, in the development of which Hupac played a major role, was put into operation last year by the associated company DX Intermodal. After setting up the necessary interfaces, the partners started exchanging their production data in March last year. The hub is based on the EDIGES standard and provides access to timetables, bookings, terminal status, train movements and pre- and onward road haulage. Data is exchanged in real time and barrier-free, but always within an authorised distribution circle. DXI also enables the exchange of forecast data between the partners involved, such as the expected pick-up time, in order to increase transparency in the supply chain.

For decades, Hupac has played a leading role in the development of industry-wide software tools and interface standards and is involved in numerous projects at EU level. Current examples include the EDICT (Enhanced Data Interoperability for Combined Transport) project, which runs until mid-2024, and the EDIGES interface language developed by Hupac, which is constantly being improved and extended to new data areas. In the year under review, the subsidiary Crosstec completed its project work within the framework of the

EU's FENIX initiative. The aim of this initiative is to connect various digital platforms in the world of logistics and to harmonise the services offered. To this end, common protocols for data exchange have been developed. As part of FENIX, Crosstec has implemented a connection for the WOLF platform and successfully tested it in the Novara terminal.

Hupac uses AI and machine learning to improve business processes. In the year under review, pilot projects were carried out to analyse the patterns of train deviations and the impact of train cancellations on our network. The findings will be used to develop predictive models to proactively address potential disruptions, minimise delays and offer our customers smoother transport management.

Rail traction with partners and own resources

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 worked with more than 20 different European railway undertakings. Hupac awards contracts on the basis of clear performance criteria. We strive for long-term partnerships in order to achieve joint productivity gains through economies of scale.

Hupac is continuously developing its own expertise in the strategic area of rail traction. Hupac SpA has several diesel locomotives for shunting as well as modern mainline locomotives. Hupac SpA uses these resources to provide shunting services at various terminals and also operates several shuttle trains in northern Italy.

In 2023, Hupac Intermodal continued to apply for and operate its own train paths as an authorised applicant, thus maintaining direct contact with the infrastructure manager. The "Blue Helmets" project, where Hupac keeps train drivers under contract and makes them available to railway companies in the event of operational difficulties, was further developed. This measure supports the reliability of rail transport in the current unstable railway infrastructure environment, particularly in Germany.

Business development

2023 was characterised by a significant drop in volumes, mainly due to the decline in transport demand in Europe. This affected both the continental and the maritime business areas, resulting in increased pressure to make savings.

When analysing the figures, it should be noted that Combiconnect Köln Nord GmbH started its activities as a terminal operator on 1.1.2023.

Net incomes from supplies and services decreased by 3% compared to the previous year. This decrease is mainly due to a negative exchange rate effect. The overall reduction in volumes compared with 2022 was almost entirely offset by the increase in tariffs and surcharges.

The same effect can also be seen with regards to the cost of the services, as these are mostly denominated in euros. The improvement in the cost of sales is mainly due to the optimisation of production capacity utilisation and effective cost management.

The gross profit margin on net income stands at 19.4% (2022: 20.2%). The reduction to CHF 43.4 million in other incomes is in line with the reduction in subsidies for intermodal traffic.

On 31.12.2023, the Group had 712 employees. Compared to 2022, there was an increase of 20 employees. The increase is mainly due to the addition of 27 employees at Combiconnect Köln Nord.

Payroll expenses increased by 1% to CHF 54.6 million (2022: CHF 53.9 million). The under-proportional increase is due to the savings measures implemented in the Group during the year.

The year 2023 was also characterised by a slowdown in investments and related depreciation costs. Total capital expenditure for 2023 is CHF 35.9 million (2022: CHF 84.3 million), while investments in tangible fixed assets totalled CHF 31.3 million (2022: CHF 77.4 million).

The ordinary operating result before financial positions amounted to CHF 4.2 million (2022: CHF 11.9 million), a decrease of 65%. In this period of economic slowdown in Europe, Hupac was nevertheless able to present a positive result for 2023, albeit significantly lower than last year, thanks to immediate measures to optimise traffic.

Onerous debt stands at CHF 127.4 million (2022: CHF 140.9 million). The debt ratio remained stable compared to the previous year.

The cost of debt increased slightly compared to 2022 due to a higher cost of new issues. The interest expenses amount to CHF 2.7 million (2022: CHF 2.3 million).

Minority shareholdings also suffered from the negative business trend. The result from associates deteriorated by CHF 1.8 million compared to the previous year to minus CHF 3.4 million (2022: minus CHF 1.6 million).

The net result of realised foreign exchange differences was a loss of CHF 3.6 million, reflecting the appreciation of the Swiss franc against the euro, particularly in December.

These negative effects resulted in a loss of CHF 3.0 million as ordinary operating result for the year (2022: profit of CHF 6.9 million) and a loss of CHF 2.6 million as annual result before taxes (2022: profit of CHF 12.7 million).

The annual result of the Group was CHF -6.2 million. EBITDA was CHF 43.6 million (2022: CHF 63.4 million)

With liquid funds of CHF 103.2 million as at 31 December, the balance sheet amounted to CHF 568.9 million (2022: CHF 585.7 million).

A slowdown in the flow of receipts and an increased risk of loss of debtors should be noted.

Amounts in 1000 CHF	2023	2022	%
Net income from supplies and services	648,092	668,521	-3.1
Other income	43,443	58,051	-25.2
Cost of the services	565,767	591,840	-4.4
Gross profit	125,768	134,732	-6.7
Annual result of the Group	-6,192	7,599	n/a
EBITDA	43,615	63,415	-31.2

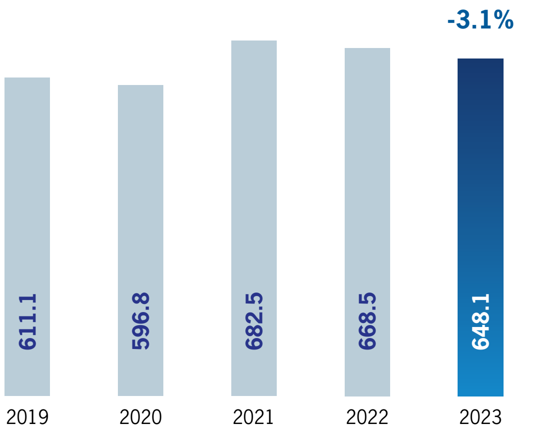
The CHF 38.9 million decrease in participations is due to the negative exchange rate effect and a value adjustment.

Shareholders' equity decreased from CHF 114.2 million at the end of 2022 to CHF 99.5 million at the end of 2023. The shareholders' equity ratio is 17.5%.

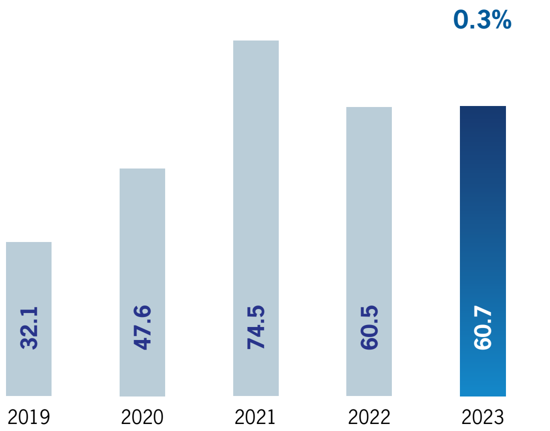
Cash flow from operating activities remained at the same level as last year and amounted to CHF 60 million.

The slowdown in investments thus caused a positive development in cash flow. No increase in loans was necessary for the year 2023.

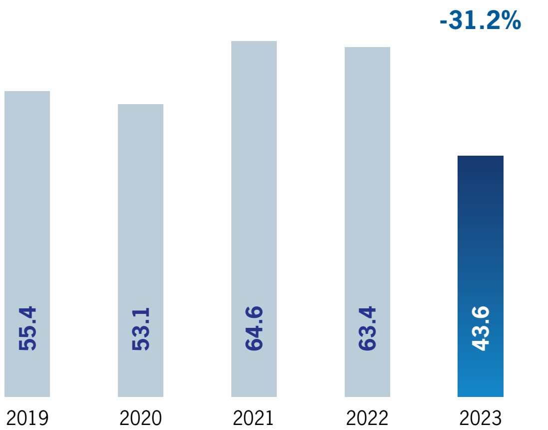
Annual turnover
Million CHF



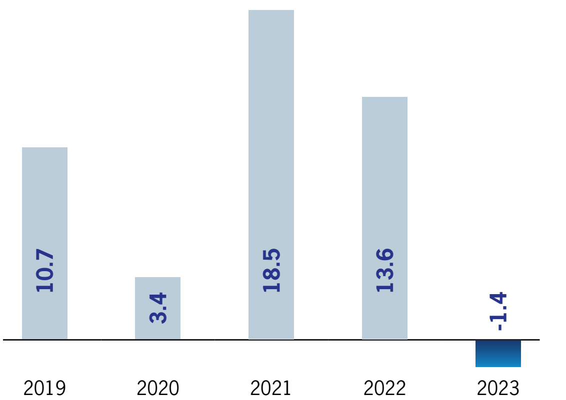
Operating cash flow
Million CHF



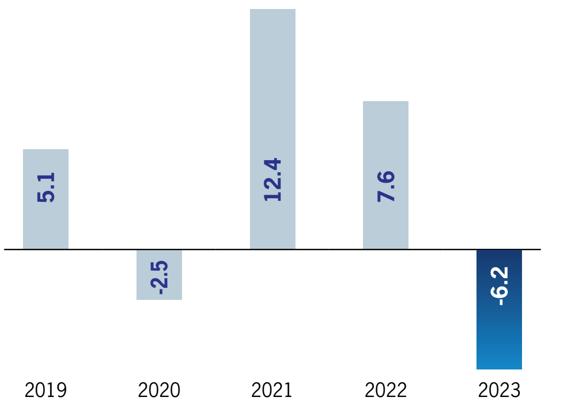
EBITDA
Million CHF



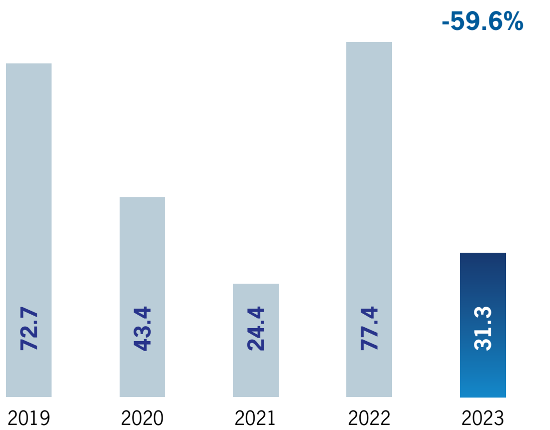
EBIT
Million CHF



Annual result
Million CHF



Investments in tangible fixed assets
Million CHF



Outlook

Positive future prospects

The Board of Directors and the Executive Board consider the long-term prospects for the Hupac Group to be very good, driven by further growth opportunities and continued investment in our sustainable, climate-friendly business model. The growing global awareness of sustainability will continue to create favourable conditions in the long term.

In the current environment of geopolitical uncertainty and slowing economic growth, we see a number of risks. The main uncertainty stems from high inflation rates and the continuing dynamics of global commodity prices and production costs. The resulting shift towards tighter monetary policy and rising interest rates could lead to financial turmoil or a slowdown in global economic growth. Another risk is a significant shift in production locations, driven by energy policy, and consequently in logistics flows, which could lead to some adjustment difficulties. Finally, the ongoing construction work on the rail network, with line closures and weeks of diverted traffic, is a burden that should not be underestimated.

In the current economic phase, Hupac is focusing on strict cost control and investment restraint. At the same time, strategic projects such as the expansion of terminal capacities are being consistently pursued. This is because European environmental and climate policy, which aims at a broad shift of traffic from road to rail, continues to dominate. It is also quite possible that the current changes in global logistics and supply chains, with the partial relocation of production back to Europe, will offer additional growth opportunities. Hupac remains well positioned and ready to take advantage of the market opportunities that arise.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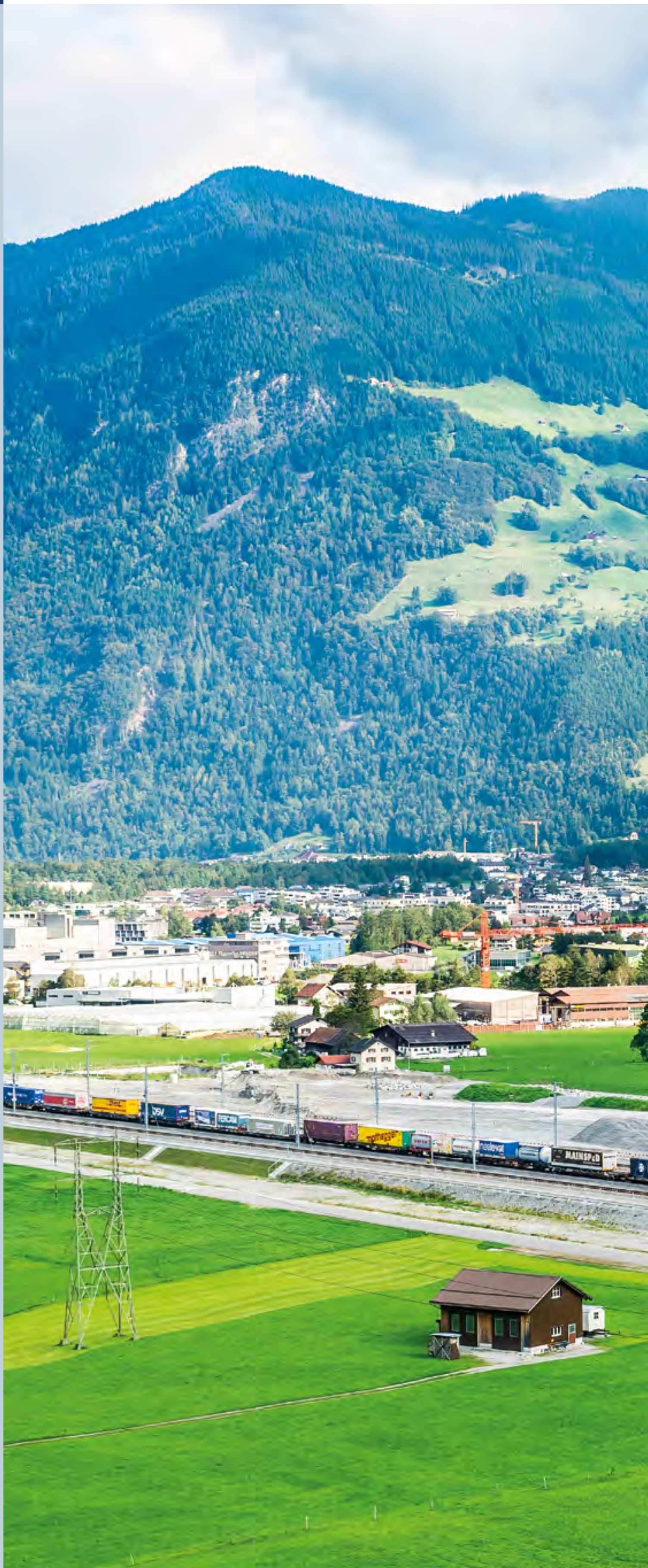
SUSTAINABILITY

Together for a sustainable future

"Moving together – our motto is our programme. We see sustainability not as a static goal, but as a dynamic process that challenges and inspires us all. We focus on three key dimensions:
Environment and climate: We are committed to making an active contribution to energy transition and climate protection. To do this, we rely on innovative technologies and the continuous optimisation of our processes.
People: Our people are the heart of our business. We promote their health and development and create a working environment characterised by appreciation and respect.
Society: We take our responsibility to society seriously and are involved in a wide range of projects for the common good.

Together with our stakeholders, we actively and sustainably shape the future.




TIPES

Environment and climate

Greenhouse gas emissions are a growing concern. Consumers are also increasingly demanding products that are virtuous in this respect. By using greener modes of transport, companies can significantly reduce indirect emissions. Combined transport plays a key role in this respect.

For more than fifty years, Hupac has been providing a sustainable, reliable and competitive intermodal network in cooperation with railway companies, terminal operators, rolling stock manufacturers and maintenance companies. We strive to ensure that this system, which is inherently environmentally friendly, maintains comparable and higher standards of efficiency and cost than traditional alternatives.

The following sections provide more information on how and why we are making a difference.

Active support of Swiss policy

One of the main objectives of Hupac's corporate strategy is the growth of combined transport in the Alpine transit through Switzerland. In 2023, our company once again confirmed its position as a major player in transalpine transport through Switzerland, with a considerable volume of 537,618 road consignments, or 10.4 million net tonnes. This figure underlines Hupac's significant contribution to the Swiss transport policy, which aims to shift freight from road to rail.

CO_2 and energy saving

Our role in climate protection is evidenced by the significant CO_2 and energy savings we achieve year after year compared to road transport, highlighting the crucial role of intermodal transport in reducing the environmental impact caused by the movement of goods.

We strive to manage transport operations as carefully as possible. For example, we use IT tools to coordinate our network to make the best use of our train capacity, thereby contributing to greater energy efficiency. Wherever possible, we use electricity from sustainable sources to further reduce our impact on the climate.

In 2023, the traffic operated by Hupac Intermodal generated 138,000 tonnes of CO_2 emissions. According to the Ecotransit system, this represents a saving of 89% or 1.1 million tonnes of CO_2 compared to pure road transport. The estimated value for the total transport of the Hupac Group – i.e. including the ERS Railways volumes, for which no similar report exists – is 1.4 million tonnes of CO_2.

Energy consumption is also an important and not insignificant figure for measuring the climate impact of combined transport. Compared to road transport, the Hupac Intermodal network saved 13 billion megajoules in 2023. This is a reduction of 74% compared to road transport.

moving together

For us, it is crucial that not only the transport of goods, but every activity of Hupac takes place in an environmentally friendly manner and with a responsible and careful use of resources. Our aim is to implement new initiatives year after year, aimed at constantly reducing consumption. For this reason, we have launched a project to monitor consumption and emissions generated by company and terminal activities.

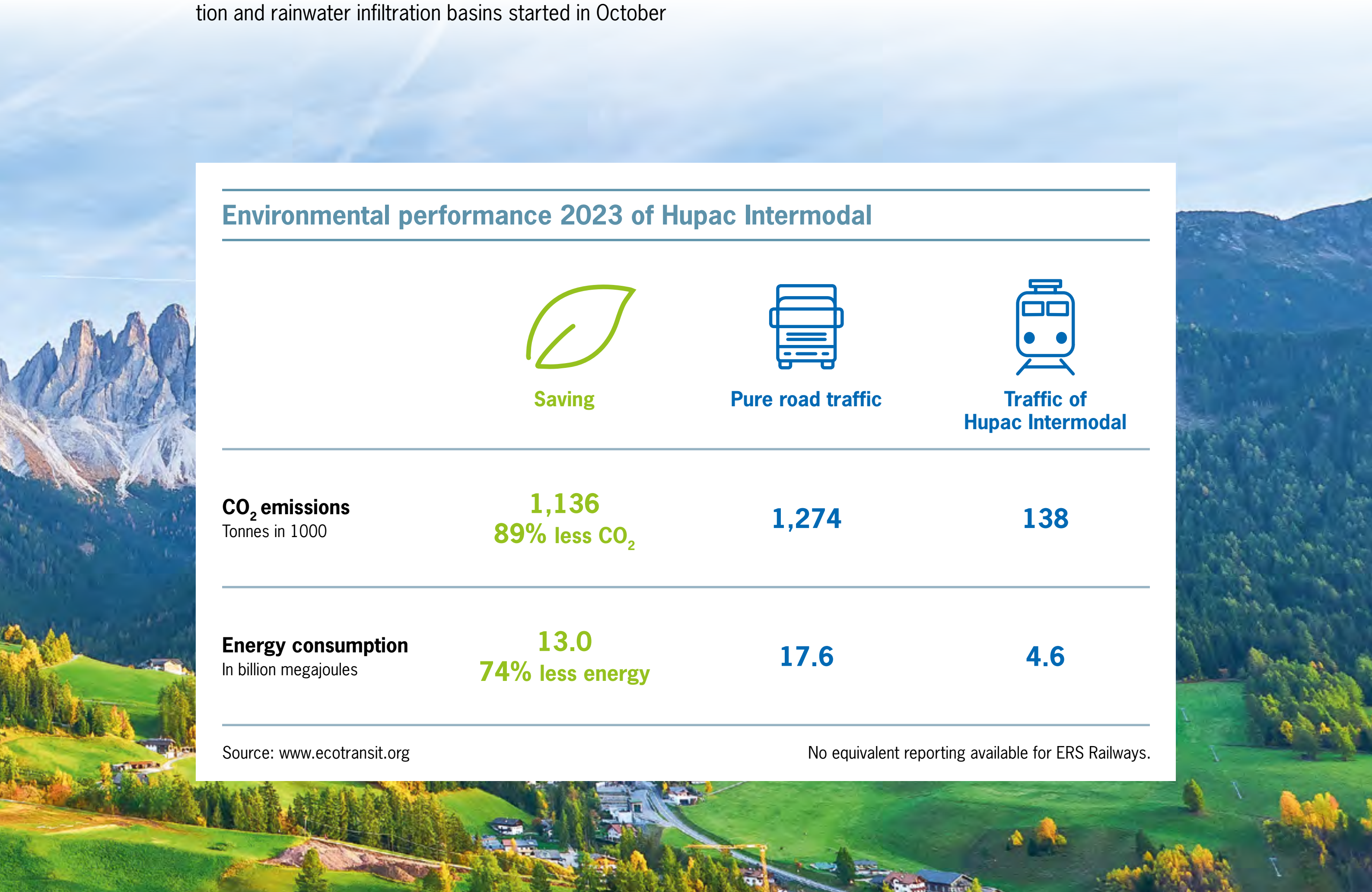
Terminal Milano Smistamento

The Milano Smistamento terminal, currently at an advanced stage of construction, is the result of a partnership between Hupac and the Italian FS Group and covers an area of approximately 240,000 square metres. Thanks to the construction of this state-of-the-art hub, it will be possible to transfer some 150,000 truck consignments per year by rail in an initial phase, a significant proportion of which will be destined for the north of the Alps.

When building new infrastructure, we are committed to ensuring that the planned compensatory measures maximise the benefits for nature and society. The construction of the Milano Smistamento terminal, for example, is a conversion of a derelict industrial site that required extensive soil remediation work. The construction of laminar water basins, phytoremediation and rainwater infiltration basins started in October 2023. The basins will function as living ecosystems thanks to various naturalistic engineering works such as the planting of willows, cuttings and aquatic plants and the creation of floating islands. Trees and shrubs will be planted along the banks of the basins, and a flower meadow will be created in the surrounding area. The Tregarezzo Park (approx. 8,300 m²) has also been created. The park consists of green areas and spaces with trees and shrubs and is crossed by a cycle and footpath that connects it to an existing park.

Silent wagons

In the interest of the environment and the protection of the population, Hupac's entire wagon fleet is low-noise in accordance with current regulations. All wagons are equipped with low-noise synthetic brake pads. In addition, new wagons are preferably purchased with disc brakes, a braking system that further reduces noise emissions. At the end of 2023, Hupac's fleet had 682 wagon modules equipped with disc brake systems, 11% more than in 2022 and 24% more than in 2021. Of the total number of wagon modules owned, those with disc brake systems account for more than 10%.



Environmental performance 2023 of Hupac Intermodal

	Saving	Pure road traffic	Traffic of Hupac Intermodal
CO_2 emissions Tonnes in 1000	1,136 89% less CO_2	1,274	138
Energy consumption In billion megajoules	13.0 74% less energy	17.6	4.6

Source: www.ecotransit.org

No equivalent reporting available for ERS Railways.

Our employees

For Hupac, the well-being of its employees is of paramount importance. We strive to create a collaborative and inclusive working environment that enables the professional development of every employee in the company. This is reflected in policies and procedures that promote fair recruitment practices, professional development and continuous training for all employees. We pay special attention to the safety of our employees: through specific policies, codes of conduct and continuous training, we do our best to promote and protect safety.

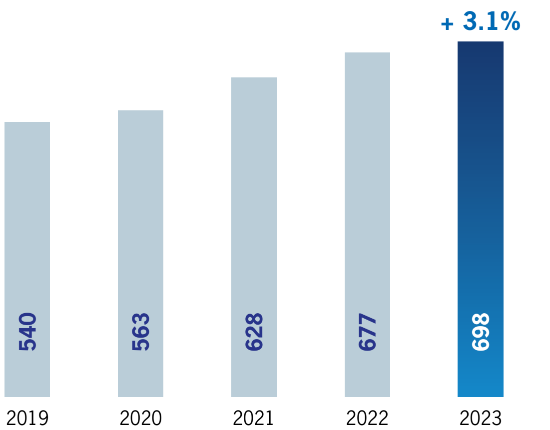
On 31.12.2023, Hupac employed 712 natural persons (approx. 698 full-time equivalents). At the end of 2022 there were 692 natural persons (677 full-time equivalents).

The fluctuation rate has remained fairly stable over the years: in 2023, as in the previous two years, it was around 11%.

Growth over the years

Hupac has 20 more employees than in the previous year. The increase in personnel is mainly due to the integration of the terminal operator Combiconnect Köln Nord as of 1 January 2023. The company now has 27 employees. The number of employees is increasing year on year: compared to 2019, the number of employees (full-time equivalents) has grown by 29%. These figures are a clear indication of the strength and growth of the Hupac Group.

Employees
Full-time equivalent



Promotion of diversity

We recognise the importance of diversity to the success of the business. We are therefore committed to ensuring an inclusive working environment that promotes and values diversity.

The Hupac Group is becoming increasingly international: our 712 employees represent 26 different nationalities. In order to promote integration and cooperation, Hupac invests in the development of intercultural competences of its employees through language courses, stays abroad and specific training.

In terms of gender diversity, the percentage of female employees in 2023 is still around 20%, with large differences between the individual companies. Hupac Intermodal, with its head office in Switzerland, has a female share of 26% (previous year: 27%). At the terminal operator Hupac SpA, based in Busto Arsizio and Pordenone, the proportion of women was 9%, as in the previous year. The leader in terms of gender diversity is ERS Railways in Hamburg, with a perfectly equal proportion of women, i.e. 50% (previous year: 40%).

Training

For Hupac, it is not only important to invest in resources to attract talent, but also – and above all – to retain it by creating conditions of stability and trust and fostering individual growth. In this sense, training plays a key role: Hupac Intermodal organises courses in foreign languages, IT skills, administrative processes, market development and much more. The total number of hours devoted to training in 2023 was 8,319 compared to 10,424 the previous year.

New employees participate in structured induction programmes lasting from a few days to several months, depending on their role. These programmes provide an important opportunity to get to know the corporate culture. In the year under review, 19 employees of Hupac Intermodal participated in onboarding and job rotation programmes with stays at external sites and branches.

At Hupac we find it useful and enriching to come into contact with the views and visions of the younger generation. That is why we have an in-house internship programme. Last year, 24 young people and students had the opportunity to complete an internship of varying duration at Hupac Intermodal – an important step in familiarising themselves with the challenges and career opportunities of a climate-friendly sector such as combined transport. Among the different solutions we offer at Hupac are university internships, medium to long-term internships, summer internships and vocational or professional internships.

Health and safety

The safety of our employees is a top priority at Hupac. We are active on several fronts: a clear health and safety management policy, dedicated staff and benchmarks all contribute to a careful approach to this issue. In addition, the company promotes a culture of safety through awareness-raising and ongoing communication about risks and best practice.

We constantly monitor safety conditions in the workplace and take immediate action to correct any hazardous situations. We use state-of-the-art facilities and equipment and promote strict compliance with policies and regulations.

We also provide health and safety training. Courses cover topics such as general workplace safety instructions, first aid, handling and treatment of hazardous materials, firefighting and more.

In 2023, 22 cases of occupational accidents were recorded, 7 more than the previous year (2022: 15 cases). The rate of accidents at work, calculated on the total number of employees, was therefore 3%, compared with 2% the previous year. This underlines the importance of continuous improvement and preventive measures to ensure an increasingly safe working environment and to minimise such situations.

On the other hand, the number of recorded sick days decreased from 7,246 in 2022 to 5,911 in 2023. As a result, the sickness rate (calculated on the total number of employees) fell from 10.5% to 8.4%.

Institutions and communities

We play a key role in promoting the national policy of shifting freight traffic from road to rail. We maintain a constructive and transparent relationship with Swiss and European institutions. Our many years of experience are valued and in demand, for example in the development of transport policy frameworks. We are also a member of numerous trade associations and working groups that promote our industry.

We strive to be good citizens in the communities where we operate, maximising the positive impact of our presence and reducing any negative externalities. We redistribute part of the value created to employees and institutions. We contribute in various ways to the development of projects that benefit local communities.

Public funding (Switzerland)

Shifting freight from road to rail is an integral part of our corporate mission. The Swiss government provides numerous measures to facilitate this shift. For example, revenue from the fuel tax contributes to the financing of terminal infrastructure. The Federal Government also provides financial support to transalpine intermodal service providers in accordance with various legal provisions, as it is not possible to fully cover costs with market revenues alone.

Numerous terminal infrastructure investment projects of Termi Ltd, Termi SpA and Hupac Intermodal BVBA have been partially financed by the Swiss Confederation. The following projects have been completed:

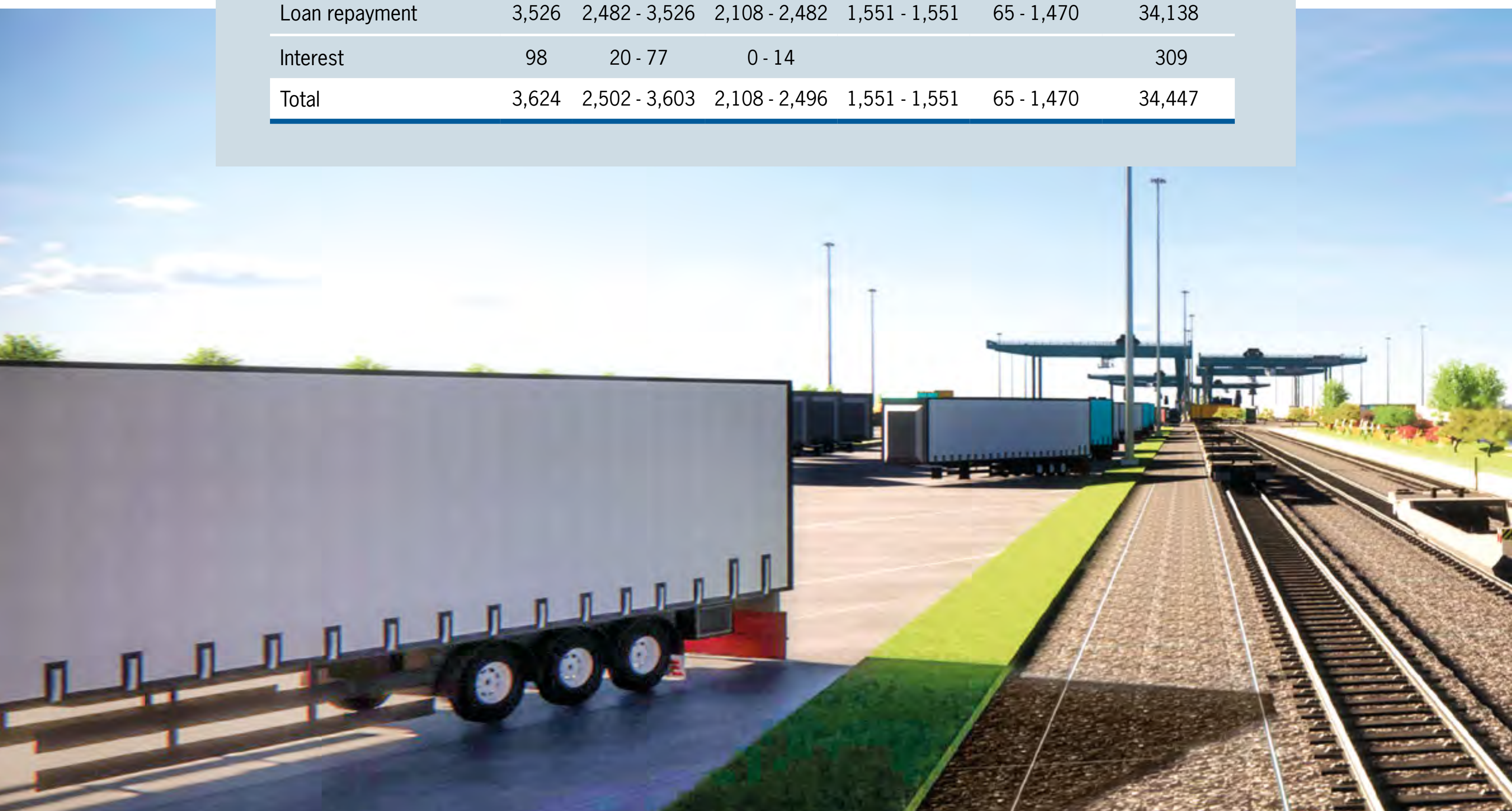
- Busto Arsizio terminal
- Railway junction Gallarate
- Singen terminal
- Extension of the Busto Arsizio terminal in the municipality of Gallarate
- HTA Hupac Terminal Antwerp
- Completion of the Busto Arsizio-Gallarate terminal

Other terminal projects in the areas of Brescia, Piacenza, Milano Smistamento and Basel Nord are also being planned or implemented.

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

Values in 1000 CHF

Years	2023	2024-2027	2028-2031	2032-2035	2036-2041	2023-2041 Total
Loan repayment	3,526	2,482 - 3,526	2,108 - 2,482	1,551 - 1,551	65 - 1,470	34,138
Interest	98	20 - 77	0 - 14			309
Total	3,624	2,502 - 3,603	2,108 - 2,496	1,551 - 1,551	65 - 1,470	34,447



Hupac will have to repay a substantial part of the public funds received, amounting to CHF 34.1 million, between 2023 and 2041. Interest of around CHF 0.3 million will have to be paid to the Confederation over the same period.

Distribution of added value

The distribution of value-added makes it possible to look at a company's contribution to the growth of the area beyond just economic results. Hupac shows a loss for the year 2023 due to the difficult situation in the sector. Therefore, in contrast to the previous year, we have withdrawn company resources (-16%), while continuing to distribute part of the added value in the form of remuneration to shareholders (3%), taxes (7%) and staff salaries (106%).

Supporting local communities

Hupac is committed to the development of local communities. Every year we receive numerous requests for support and sponsorship from the communities in which we operate. Despite the economic crisis and the difficulties in our sector, we were able to support a number of selected projects and associations in 2023.

Our employees are members of the communities in which we operate and care about their development. We are keen to support those who have a role or responsibility in this regard. By way of example, Hupac Intermodal was awarded a prize by the Municipality of Mendrisio for the implementation of good practices in the field of caring relatives, an issue that is becoming increasingly relevant in view of the demographic changes that are taking place ("Caring relatives: Let's support them" prize).

Distribution of added value[1] of the Hupac Group

Values in 1000 CHF

	2023	%	2022	%	2021	%
Company	-8,064	-16%	6,007	9%	10,827	16%
Shareholders	1,582	3%	1,592	2%	1,583	2%
Employees	54,594	106%	53,855	81%	50,080	76%
Institutions	3,598	7%	4,993	8%	3,578	5%

(1) Added value: value created through the activity of a company; the difference between the final value of the goods and services produced and the value of the goods and services purchased for use in production processes.

FINANCIAL STATEMENT

The consolidated financial statements of the Hupac Group

On the following pages you will find the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement of the Hupac Group.

In the notes we explain the principles of consolidated accounting and provide detailed information on the scope of consolidation. The consolidated statement of changes in equity and the auditors’ report conclude our financial reporting.

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HUPAC

Financial statement

Consolidated income statement

Amounts in 1 000 CHF	2023	2022
Net income from supplies and services	648 092	668 521
Other income	43 443	58 051
Cost of the services	-565 767	-591 840
Gross profit	125 768	134 732
Payroll expenses	-54 594	-53 855
Other operating expenses	-18 008	-18 395
Depreciations and value adjustments	-48 994	-50 534
Operating result before financial positions	4 172	11 948
Financial income	1 466	1 367
Dividend income	1 030	976
Financial expenses	-2 670	-2 346
Result from associates	-3 354	-1 574
Foreign exchange differences	-3 599	-3 478
Ordinary operating result	-2 955	6 893
Non-operating income	445	610
Non-operating expenses	-9	-51
Extraordinary income	1 888	869
Gain from disposal of fixed assets	158	4 061
Gain from investments	91	0
Extraordinary expenses	-2 101	-546
Loss from disposal of fixed assets	-163	-110
Dissolution of provisions	6	949
Annual result before taxes	-2 640	12 675
Direct taxes	-3 598	-4 993
Annual result	-6 238	7 682
Minority interest	46	-83
Annual result of the Group	-6 192	7 599

Consolidated balance sheet

Amounts in 1 000 CHF	31.12.2023	31.12.2022
ASSETS		
Cash and cash equivalents	103 212	89 709
Receivables from supplies and services	87 957	95 877
- Third parties	77 132	83 072
- Shareholders	10 825	12 805
Other short-term receivables	20 005	17 369
- Third parties	20 005	17 369
Stocks and services non invoiced	6 508	11 364
- Stocks	4 036	3 501
- Services not invoiced	2 472	7 863
Accrued income	18 541	18 890
Total current assets	236 223	233 209
Financial fixed assets	8 294	2 993
- Long-term receivables from third parties	8 148	2 985
- Other financial fixed assets	146	8
Investments	38 852	45 548
Tangible fixed assets	270 030	287 260
- Assets under construction	45 580	41 203
- Technical equipment	17 992	12 161
- Rolling stock	74 882	92 338
- Plants on third parties' lands	4 173	4 723
- Terminals, buildings and land	117 752	126 788
- Other tangible fixed assets	9 651	10 047
Intangible fixed assets	10 696	11 921
Deferred tax assets	4 854	4 743
Total fixed assets	332 726	352 465
Total assets	568 949	585 674

Amounts in 1 000 CHF	31.12.2023	31.12.2022
LIABILITIES AND SHAREHOLDERS' EQUITY		
Account payables from supplies and services	52 883	58 689
- Third parties	52 667	56 680
- Shareholders	216	2 009
Onerous short-term debts	6 872	1 971
- Third parties	6 872	1 971
Other short-term debts	13 909	9 872
- Third parties	13 909	9 872
Accrued expenses	63 529	57 030
Short-term provisions	316	284
Total short-term liabilities	137 509	127 846
Onerous long-term debts	120 493	138 932
- Third parties	120 493	138 932
Other long-term debts	58 822	49 955
- Third parties	58 822	49 955
Long-term provisions	148 645	150 797
Deferred tax liabilities	3 992	3 932
Total long-term liabilities	331 952	343 616
Total liabilities	469 461	471 462
Share capital	20 000	20 000
Statutory capital reserves	23 762	20 864
Statutory retained earnings	57 607	56 637
Voluntary retained earnings	35 032	45 968
Translation difference	-39 488	-32 376
Treasury shares	-299	-66
Total Hupac shareholders' equity	96 614	111 027
Minority interests	2 874	3 185
Total shareholders' equity	99 488	114 212
Total liabilities and shareholders' equity	568 949	585 674

Consolidated cash flow statement

Amounts in 1 000 CHF	2023	2022
Annual result of the Group	-6 192	7 599
Depreciation of tangible assets	40 043	42 022
Depreciation of intangible assets	4 963	7 822
Change in value of investments	2 903	876
Variation of provisions	-1 457	-58
Other non monetary items	-2 127	-2 119
Net result from sale of tangible assets	4	-3 950
Income from associated companies	3 354	1 574
Minority interests	-67	-6 217
Variation of inventories	-635	-149
Variation of short-term receivables	8 636	2 094
Variation of short-term liabilities	11 241	10 966
Cash flows from operating activities	60 666	60 460
Purchase of tangible assets	-31 318	-77 409
Proceeds from sale of tangible assets	210	4 369
Purchase of intangible assets	-3 758	-4 654
Proceeds from sale of intangible assets	0	142
Purchase of investments	-863	-2 201
Proceeds from sale of investments	889	0
Variation of financial receivables	-6 414	-2 520
Cash flows from investing activities	-41 254	-82 273
Variation of financial loans	-1 575	18 701
Treasury shares	-232	332
Dividends payment	-1 592	-1 583
Cash flows from financing activities	-3 399	17 450
Net increase / decrease in cash	16 013	-4 363
Cash at beginning of the year	89 709	96 142
Foreign exchange differences on cash	-2 510	-2 070
Cash at end of the year	103 212	89 709

Notes to the consolidated financial statements 2023

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 2023 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 % 31.12.2023	Interests as % 31.12.2022
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	EUR	500 000	80.00	80.00
Centro Interportuale Merci CIM SpA, Novara	EUR	24 604 255	91.34	91.34
Sub-interests of CIM SpA, Novara:				
- Crosstec Srl, Novara	EUR	100 000	85.00	85.00
- Combiconnect Srl, Milan	EUR	500 000	20.00	20.00
Combiconnect Köln Nord GmbH, Cologne [1)]	EUR	300 000	100.00	100.00
Rail Terminal Chemelot (RTC) BV, Geleen	EUR	1 378 000	60.00	60.00
Hupac Ibérica SL, Barcelona	EUR	100 000	100.00	–

1) In 2022 the company TIN Terminal Intermodal Nord GmbH changed its name to Combiconnect Köln Nord GmbH

The following companies were consolidated using the equity method:

Company	Registered in	Interests as % 31.12.2023	Interests as % 31.12.2022
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	Basle (Switzerland)	33.33	33.33
boxXpress GmbH	Hamburg (Germany)	47.00	47.00
Eurogateway Srl	Novara (Italy)	–	46.49
DX Intermodal GmbH	Frankfurt am Main (Germany)	44.00	44.00
Duisburg Gateway Terminal GmbH	Duisburg (Germany)	26.00	20.00

Table of currency conversion

	Balance sheet		Income statement	
	31.12.2023	31.12.2022	2023	2022
CHF/EUR	0.92809	0.98386	0.97166	1.00534
CHF/RUB	0.00936	0.01265	0.01068	0.01427
CHF/PLN	0.21345	0.20980	0.21396	0.21470
CHF/CNY	0.11814	0.13313	0.12700	0.14201

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 2022	20 000	117 223	-398	-26 199	110 626	9 070
Translation differences				-5 084	-5 084	331
Translation differences of associated companies				-1 093	-1 093	
Net equity adjustment		230			230	-6 299
Movements of treasury shares			332		332	
Parent company dividend		-1 583			-1 583	
Consolidated profits 2022		7 599			7 599	83
Balance at 31 December 2022	20 000	123 469	-66	-32 376	111 027	3 185
Translation differences				-6 037	-6 037	-243
Translation differences of associated companies				-1 075	-1 075	
Net equity adjustment		716			716	-21
Movements of treasury shares			-233		-233	
Parent company dividend		-1 592			-1 592	
Consolidated losses 2023		-6 192			-6 192	-47
Balance at 31 December 2023	20 000	116 401	-299	-39 488	96 614	2 874

Treasury shares

Registered shares	2023	2022
Initial holdings on 01.01.	164	218
- Purchase	25	18
- Sale	-140	-72
Final holdings on 31.12.	49	164

The transactions were concluded on market-based condition.

Personnel - average number of full-time equivalents	692	653

Other information in accordance with legal requirements

Amounts in 1 000 CHF	31.12.2023	31.12.2022
Extraordinary expenses The most significant items are: 2023: Tax collection costs for past years 2022: Various costs including adjustments from previous years	2 101	546
Extraordinary income The most significant items are: 2023: Tornesch incident compensation 2007 2022: Release of provisions no longer required and adjustment of contributions	1 888	869
Debts from leasing obligations with remaining duration of more than twelve months from the balance sheet date	19 255	6 648
Debts towards personnel foundations	1 091	968
Total amount of collateral pledged for liabilities of third parties	29 709	31 014
Pledges on assets to secure own liabilities	65 981	70 037
Details of Onerous long-term debts		
- 1 - 5 years	113 706	106 366
of which leasing	4 919	6 505
- > 5 years	6 787	32 566
of which leasing	0	0
Details of tangible fixed assets		
Tangible fixed assets	270 030	287 260
of which leasing	2 766	4 524
Auditor’s fees		
Audit services	217	209

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hupac Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements comply with Swiss law and the valuation and consolidation principles set out in the notes.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report.
This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 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 April 22, 2024 Qualified Electronic Signature by SwissID	**Lara Lobello** 22. April 2024 Qualified Electronic Signature by SwissID
Roger Leu Licensed audit expert (auditor in charge)	Lara Lobello Licensed audit expert

Zurich, 22 April 2024

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