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TX Logistik AG	Accounting/ Financial statements	Consolidated financial statements for the financial year	01/14/2022
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TX Logistics Ltd

Troisdorf

Consolidated financial statements for the financial year from January 1st, 2020 to December 31st, 2020**Group management report for the 2020 financial year****A. Business Development and General Conditions****1. Basics of the group, market, sales and competition development**

TX Logistik - consisting of TX Logistik AG as the group's parent company and its subsidiaries abroad - has been able to position itself well within Europe in recent years as a logistics provider specializing in rail freight transport in the areas of intermodal, freight and maritime transport and provides services in three market segments ecologically high-quality services:

Road Rail Logistics combines the strengths of road and rail throughout Europe.

Ocean Rail Logistics bridges the gap between sea and hinterland.

Rail Freight Logistics for customers who have block train volumes in bulk logistics.

With its own national companies, TX Logistik AG has railway transport licenses in seven European countries (Germany, Switzerland, Austria, Italy, the Netherlands, Sweden and Denmark) and qualified traction partners in other countries (Hungary, Romania, Belgium, Luxembourg). Thanks to its Europe-wide presence, the TX Logistik Group is able to offer rail transport in this important economic area from an organizational point of view, both with the business model of a traction company and the so-called operator.

The train path price discount decided by the Federal Government in 2018 against the background of increasing public discussions about the achievement of climate targets and the goal of shifting transport flows from road to rail was also maintained in 2020.

The demand for rail transport in the 2020 financial year fell sharply due to the COVID-19 crisis that began in spring 2020. The Federal Network Agency estimates the total damage to the German railway market at around EUR 12.5 billion. Due to its Europe-wide orientation, the group is affected in a corresponding number of countries and had to record a drastic reduction in transport volumes, especially in the second quarter of 2020, mainly caused by the closure of numerous production sites in Europe during the first lockdown.

A planned focus in the 2020 financial year was the optimization of the core of the European network of TX Logistik by further expanding its own hub concept. This included the bundling of transalpine transit in TX Logistik Transalpine GmbH (formerly TX Logistik Austria GmbH) and the associated integration of the Italian branch of TX Logistik AG into TX Logistik Transalpine GmbH. In addition, the basis for further growth on the Swedish market was created by new connections on the north-south axis (Kaldenkirchen, Malmö, Eskilstuna).

The establishment of further in-house train drivers, especially in Germany and Austria, also went according to plan and supports the achievement of qualitative and quantitative goals of TX Logistik. The ambitious goal of almost climate-neutral operation of all European transport was also achieved.

Despite the decreasing efficiency of the rail infrastructure and additional bottlenecks - caused by avalanches, derailments by third parties or technical faults - the punctuality of the connections and thus the reliability towards our customers could be increased.

The consequence of the COVID-19 pandemic that began in Europe at the beginning of 2020 was a sharp reduction in sales, first in the Ocean Rail Logistics division due to the interruption in the supply chain from Asia, followed later by the Rail Freight Logistics division due to production stops, particularly in the automotive sector. Due to this drop in sales, all areas of the company were required to review and adapt existing processes, cost structures and working methods as quickly as possible in order to:

- to protect the health of all employees of TX Logistik
- to ensure uninterrupted services for all customers of TX Logistik
- to avert economic damage to the company

For this purpose, a crisis team with representatives from all corporate functions was installed in March 2020 in order to achieve the aforementioned goals.

2. Development of the TX Logistik Group

Since July 2017, TX Logistik AG has been a 100% subsidiary of Mercitalia Logistics SpA, which, as a management holding, bundles and controls all freight transport companies owned by the parent company Ferrovie dello Stato Italiane SpA.

In the 2020 financial year, the TX Logistik Group was unable to achieve the moderate sales growth targeted in the planning. While the Rail Road Logistics division recorded a noticeable drop in sales of 12.9%, the Ocean Rail Logistics division saw sales only fall slightly by 2.5%. Rail Freight Logistics, on the other hand, was able to

achieve significant growth in sales of 83.9% compared to the previous year. The development of all business areas was significantly influenced by the reduced transport volumes associated with the global COVID-19 pandemic. The second quarter of 2020 in particular was massively affected and the TX Logistik Group recorded a decline in sales of more than 17% compared to the second quarter of the previous year. In the further course of the financial year, the transport volumes could again be increased significantly, so that the revenues achieved in the second half of the year were almost at the previous year's level.

The decline in transport volumes was most noticeable in the Road Rail Logistics division. Nevertheless, the TX Logistik Group was able to maintain sustainable business relationships and take advantage of opportunities to part with unprofitable routes or to reduce the frequencies of individual routes. The adjustment of the offer made it possible to significantly increase the average occupancy and to bring the revenue quality to the planned level.

The COVID-19 pandemic is also having a negative impact on transport volumes in the Ocean Rail Logistics division. In March of the year in particular, import and export volumes also fell sharply to China, the first country to be affected by the COVID-19 crisis. The TX Logistik Group was hardly able to adjust the permanently purchased transport capacities. Nonetheless, active customer management enabled us to stabilize capacity utilization over the course of the year.

The result for 2020 fell well short of expectations, also due to the current customs disputes and the looming trade conflict between the USA and China. Sales are only slightly below the level of the previous year.

In the Rail Freight Logistics division, the acquisition of an automobile logistician in autumn 2019 strengthens the business division in 2020. In the second half of the year, traffic for automobile logisticians was particularly badly affected by the closure of the production facilities due to the COVID-19 pandemic. In the meantime, the transport volumes have in some cases almost completely declined. After the production facilities reopened, volume development recovered towards the end of the year. Due to the strong acquisition of new business in the spot business, the division was able to develop positively compared to the previous year despite the crisis and even exceed the planned goals for 2020.

In the area of Ocean Rail Logistics, TX Logistik implemented the new transport management system TX Core in 2019 with the aim of automated order processing and successively completely replaced the old system. During the 2020 financial year, the Road Rail Logistics division was also successfully transferred to the new system.

On the Swiss corridor, TX Logistik achieved a stable production output, to which TX Logistik GmbH in Switzerland made a particular contribution. TX Logistik AG bears the initial investment for the strategic re-entry into this important transalpine corridor, which started in 2018 and will be further expanded in 2020.

Due to external factors, a total of 289 round trips (previous year 225 round trips) could not be completed, which corresponds to a share of approx. 5% (previous year 4%). The slightly higher defaults again had a significant impact on the result, since cost structures for short-term defaults are essentially fixed.

Nevertheless, the goal set for 2020 of a moderate increase in round trips was achieved (increase compared to the previous year approx. 4%). The Rail Freight Logistics area in particular made a positive contribution to the increase. The round trips, which are shorter in terms of route, do not have quite as great an effect on the total revenue in relation to this.

In 2020, TX Logistik AG, in cooperation with its Swedish and Danish subsidiary, drove to the Padborg container terminal under its own license. This contributes significantly to the quality of the train system and significantly reduces the cost of the service provision of the relation. This development contributes to the stability of the TX's Scandinavian activities. In 2020 it was also possible to start an additional connection from Germany to Sweden.

An increased focus on asset management led to the early return of leased locomotives and freight wagons, so that the number of locomotives in particular could be reduced by around 10%. With regard to occupancy, the target of moderate occupancy was achieved on some lines. On average, occupancy was slightly below that of the previous year. Against the background of the COVID-19 pandemic, however, this is a more than satisfactory result.

As a result, the developments and events described above for the TX Logistik Group resulted in sales of EUR 211.7 million remaining below the previous year's figure of EUR 221.1 million. This corresponds to a decrease of 4.3%.

While an almost break-even result was originally forecast for the 2020 financial year, the TX Logistik Group was able to post positive earnings after taxes of EUR 0 despite the effects of the COVID-19 crisis and the ongoing difficult market and infrastructure situation - also due to positive one-off effects .9 million (previous year EUR -8.7 million).

3. Employees

As of December 31, 2020, the TX Logistik Group employed 600 compared to 570 in the previous year. Personnel costs increased by 5.7% to EUR 37.8 million compared to EUR 35.8 million in the 2019 financial year.

The personnel expenses ratio (defined as the ratio of personnel expenses to sales) of the TX Logistik Group increased slightly in 2020 to 17.9% compared to the previous year with 16.2%.

B. Position of the Group

1. Results of operations

Earnings before interest and taxes (EBIT) of the TX Logistik Group increased from EUR -6.3 million in 2019 (earnings after taxes EUR -8.7 million) in 2020 to EUR 3.9 million (earnings after taxes EUR 0.9 million).

In the 2020 financial year, the TX Logistik Group recorded the following compared to the previous year:

- 4.3% reduction in sales
 - EUR 211.7 million versus EUR 221.1 million
- 8.8% reduction in direct costs
 - EUR 183.9 million versus EUR 201.5 million
- 42.3% increase in gross profit
 - EUR 27.9 million versus EUR 19.6 million

The change in sales was mainly distributed among the divisions as follows:

- **Road Rail Logistics:** -12.9% or EUR -19.5 million
- **Ocean Rail Logistics:** -2.5% or EUR -1.3 million
- **Rail Freight Logistics:** +83.9% or EUR +11.4 million

The gross margin increased from 8.9% in 2019 to 13.2% in 2020. The improvement in the gross margin is mainly due to the adjustment of the portfolio to eliminate loss-making transport lines. Furthermore, the number of locomotives and freight cars required to provide the service was adjusted to the greatly reduced demand for transport volumes caused by COVID-19. National and international initiatives, such as the increase in train path price subsidies in Germany, also had a positive effect on the gross margin. However, even in 2020, despite the discount on train path prices, it was hardly possible to pass on further increased costs for infrastructure and resources such as locomotives and freight cars to the market in the form of price increases. Especially in the intermodal business, the competition on the routes and the price pressure from road freight transport had a reducing effect on the revenue quality. However, by actively controlling customer relationships, the effects could be at least partially counteracted.

Other operating income of EUR 31.1 million (previous year EUR 29.6 million) includes income from reimbursements from service providers for subsequent credits, cost reimbursements and contractual penalties of EUR 12.3 million. A further EUR 9.6 million result from grants. In addition, income relating to other periods of EUR 6.0 million (previous year: EUR 6.6 million) is included, which essentially stems from the reversal of provisions for items from previous years.

At EUR 4.2 million, depreciation was slightly above the previous year's figure of EUR 4.1 million.

Other operating expenses fell by 17.0% from EUR 16.3 million in 2019 to EUR 13.6 million in 2020. This reduction results primarily from savings in the areas of insurance, building management, travel expenses and other general administration costs. Thanks to active receivables management, larger individual value adjustments on receivables were not necessary compared to the previous year.

Interest and similar expenses show an increase of EUR 0.6 million. The loan liabilities to Ferrovie dello Stato Italiane SpA and Mercitalia Logistics SpA are decisive for the increase in interest expenses

As a result, the earnings situation developed better than expected even during the COVID-19 crisis, so that the TX Logistik Group was able to close the 2020 financial year with a positive annual result.

2. Assets

The balance sheet total increased by EUR 26.8 million to EUR 156.6 million.

In the 2020 financial year, the TX Logistik Group made investments of around EUR 9.6 million. Investments in new freight cars account for the largest share here. Here, the TX Logistik Group invested EUR 7.3 million in 2020 for the first 51 freight cars of a total of 238 freight cars ordered. The remaining freight cars will be delivered in 2021. For this purpose, in addition to the existing financing agreement for locomotives in the amount of EUR 135.8 million, a loan agreement for EUR 38.0 million was concluded with Ferrovie dello Stato Italiane SpA.

Trade receivables from third parties increased by EUR 2.7 million from EUR 19.5 million in 2019 to EUR 22.2 million.

Receivables from affiliated companies in the Ferrovie dello Stato Italiane association increased by EUR 4.1 million to EUR 10.9 million as of December 31, 2020 (previous year: EUR 6.8 million as of December 31, 2019). The increase is mainly caused by Mercitalia Rail srl, since a larger payment was only received after the reporting date.

Other assets increased by EUR 8.1 million to EUR 36.3 million in 2020 (previous year EUR 28.2 million). The large increase results from claims from settlement agreements with service providers for subsequent credits, cost reimbursements and contractual penalties. In total, the EUR 36.3 million as of December 31, 2020 from the aforementioned circumstances includes claims of EUR 20.7 million, of which only a partial amount of EUR 1.9 million was recognized as other operating income. The remaining EUR 18.8 million are reported under deferred income.

Overall, this led to an increase in receivables and other assets by EUR 14.6 million from EUR 54.9 million in the previous year to EUR 69.5 million as of December 31, 2020.

The equity of the TX Logistik Group has increased in the amount of the net income generated in the financial year and amounts to EUR 3.1 million as of December 31, 2020. The equity ratio as of December 31, 2020 is therefore 2.0%.

Liabilities to affiliated companies increased by EUR 5.0 million from EUR 40.1 million in 2019 to EUR 45.1 million as of December 31, 2020. At EUR 7.3 million, the increase is due in particular to the loan drawn down for the freight wagons received in the financial year.

In addition to the already existing shareholder loan of Mercitalia Logistics SpA, another loan of EUR 5.0 million was granted in June 2020, so that the liabilities to the shareholder due to loans granted amounted to EUR 35.0 million as of December 31, 2020. All shareholder loans are subordinated and serve the financial stability of TX Logistik AG.

The loan liabilities to banks have been fully repaid with the scheduled remaining repayment in 2020 in the amount of EUR 2.7 million as of the balance sheet date December 31, 2020, so that there are no liabilities to banks as of December 31, 2020.

3. Financial condition

The cash flow from operating activities is positive and amounts to EUR 7.8 million. The cash flow is therefore significantly higher than the net income for the year of EUR 0.9 million shown in the income statement.

Significant factors influencing the difference between the cash flow from operating activities and the net profit are incoming payments from the above-mentioned settlement agreements with service providers, which already led to the realization of income in the previous year.

The cash flow from investing activities is EUR -9.6 million.

Investments in property, plant and equipment accounted for EUR -7.4 million and investments in intangible assets at EUR -2.2 million. Property, plant and equipment essentially relates to investments in freight wagons.

The cash flow from financing activities amounts to EUR 8.6 million and results from the cash inflow from the further utilization of a financing loan of EUR 7.3 million and the increase in a shareholder loan of EUR 5.0 million. The cash outflow had the opposite effect the repayment of short and long-term bank liabilities in the amount of EUR 2.7 million and the payment of interest in the amount of EUR 0.9 million. As of the balance sheet date December 31, 2020, all bank liabilities have been repaid in full and the available credit lines are available in full at EUR 3.0 million.

Due to the net profit achieved in the 2020 financial year, the equity base of TX Logistik AG has improved slightly compared to the previous year. Nevertheless, maintaining the financial support from the shareholders was necessary to ensure the continued existence of the group. In June 2020, the parent company Mercitalia Logistics SpA granted another loan with subordination in the amount of EUR 5.0 million to improve financial stability. The letter of comfort issued in March 2018 in favor of TX Logistik AG is still valid, at least until the end of 2022.

The cash flow of the TX Logistik Group is positive overall at EUR 6.9 million, so that cash and cash equivalents increased from EUR 5.8 million as of December 31, 2019 to EUR 12.8 million at the end of 2020.

C. Risk Management

Risk management is an integral part of the Company's internal operational and decision-making processes and has been a critical element in managing the crisis since the start of the COVID-19 pandemic.

The continuous improvement process in the form of a systematic PDCA control cycle (Plan-Do-Check-Act) forms the basis of risk management at the TX Logistik Group. This includes the targeted identification, assessment, management and monitoring of risks. The overarching goal of risk management is to secure the business operations of the TX Logistik Group in the long term.

Within the risk management process, risks are identified and assessed, and risk management measures are defined. TX Logistik sees risk management as a management task and ensures operational implementation in the respective area of responsibility by assigning managers as risk owners. In organizational terms, risk management is assigned to the Chief Financial Officer (CFO). This organization of risk management takes into account the law on control and transparency in business (KonTraG) with the aim of ensuring effective, risk-aware corporate management.

In addition, the assessment of the significant financial, operational and market-relevant risks is carried out according to the risk policy in the meetings of the Management Board. These include risks from working capital, compliance with quality and safety standards and the company's economic environment. Furthermore, the most important financial and operational key figures are reported at the meetings of the Management Board in order to take the necessary measures for the individual areas and to avoid negative effects.

In addition, measures and precautions to ensure safety in rail traffic are discussed and agreed with the railway operations manager. Based on the assessment of the railway operational risks, preventive measures to avoid them are coordinated and taken. Risk management in the area of railway operations is also part of the valid safety management system in all countries in which TX Logistik has a license.

The TX Logistik Group has continuously developed the existing risk management system over the past financial year and created all the essential organizational prerequisites for identifying possible risks at an early stage and being able to react to them appropriately. For 2021, the TX Logistik Group has set itself the goal of strengthening and institutionalizing the risk management system in all other countries in which the subsidiaries of TX Logistik AG are active.

D. Opportunity and Risk Report

The opportunities and risks for the TX Logistik Group are presented below under the categories of operational (performance-related opportunities and risks), market-related (especially from the environment and the industry) and financial opportunities and risks.

Within the categories, the opportunities are reported first and then the risks, with the risk being understood as an effect that reduces the result compared to the plan. The risk report only reports on material risks that are assessed as high or medium risk for the company. Here, only the remaining risks after implementation of risk mitigation measures are considered. By multiplying the probability of occurrence and the amount of damage, a risk value is formed for each risk, which is used to prioritize the risks. The risks with the highest risk value form the top risks, which are reported in descending order within the categories.

1. Operational Opportunities and Risks

The HUB system introduced in 2019 on the Brenner corridor as a new production concept was further expanded in 2020. The number of interoperable train drivers has been continuously increased, allowing more flexibility in buffering infrastructure-related delays of up to 180 minutes on this corridor. At the same time, in a second step, the maximum permissible train lengths in Germany/Austria and Italy were extended by so-called "Hall groups". Except for very few trains on this corridor, the TX Logistik trains run from the departure station in Germany to Hall i. Tyrol additional wagon groups, which are then discarded there and reloaded on the way back from Verona.

The HUB system was also optimized for the east-west corridor in 2020. An additional locomotive could be saved. The procurement of 51 freight cars in 2020 and later another 187 type T3000e freight cars is another milestone in increasing competitiveness in intermodal transport. The freight wagons also enable the loading of semi-trailers that cannot be craned using the NiKRASA loading platform and are equipped with modern sensors.

The great opportunity in the future is the scalability of this efficient system, which should go hand in hand with falling unit costs on these corridors and more stable traffic utilization.

Another major operational opportunity is the continued high level of investment by TX Logistik in digitization and IT in 2020 onwards (investment volume 2020: EUR 2.1 million). The business processes of TX Logistik are gradually being digitized with the aim of significantly improving competitiveness, scalability and innovation. In many business areas, manual effort is reduced, efficiency increases and quality and customer service are strengthened. The digitization of the order-to-cash process should be mentioned as an example, which is made possible by expanding digital ordering interfaces to customers and terminals via an enterprise service bus and automating order processing using the new TX Core transport management system. As a result, the future expectations of customers for the e-commerce capabilities of TX Logistik should be fully met or exceeded.

On the basis of the rail transport master plan program passed by the federal government, the targeted promotion of infrastructure investments, but also the setting up of a EUR 500 million innovation fund, are among the great opportunities to finance the urgently needed innovation backlog in the industry.

The license in Denmark will continue to enable the TX Logistik Group to develop through traffic from Germany/Benelux to Sweden and thus make better use of existing locomotives that can be used in Scandinavia.

In Germany and Austria there is a shortage of train drivers, which can have a negative effect on sales development and quality. In particular, there is a high risk that planned traffic cannot be implemented due to a lack of personnel. The remuneration system for train drivers at TX Logistik is aligned with the remuneration structures of the competition and stabilizes the situation.

Another medium-high risk relates to the provision of a capacitive and quality-oriented rail infrastructure, which is the basis of TX Logistik's business model. Other external potential risks result from events such as storms, floods, strikes, fires, suicides, mudslides, etc., which can significantly impede the use of the rail infrastructure or even make it temporarily impossible. A medium-high risk for TX Logistik consists of route closures and disruptions to transit hubs caused both by infrastructure operators and as a result of external influences, as these noticeably impede the operations of TX Logistik.

The quality of service provision perceived by the customer is of great importance to TX Logistik. If the perceived quality deviates from our service promise, there is a medium risk of being held liable by third parties due to false service promises. We see ourselves as one of the market leaders in terms of quality and were able to increase quality in 2020 compared to 2019 by 26% punctuality and the reliability of service provision by 0.3%.

The medium-high risks resulting from the ongoing global COVID-19 pandemic for TX Logistik are counteracted with appropriate instruments. These include, among other things, ensuring unrestricted operations and protecting the workforce.

Negative effects on rail freight traffic due to the ongoing lockdown in Germany and Europe are considered possible. However, TX Logistik will be able to take countermeasures using the instruments set up in order to reduce the negative effects.

2. Market Opportunities and Risks

As part of the Mercitalia Logistics Group, TX Logistik's role is to expand the existing European network and grow profitably.

Against the background of the current discussion about strengthening the railways, which finds expression in the master plan for rail traffic and in the train-path price discount, increased customer demand for rail freight traffic can be expected in the next few years. This also goes hand in hand with the visible limitations of road transport (including block handling on the motorways in traffic crossing the Alps, changed social standards for truck drivers, driver shortage). Furthermore, the global COVID-19 pandemic has made the systemic importance of rail freight transport clear, which could result in further market opportunities for the TX Logistik Group.

On the one hand, the train-path price discount is an opportunity to shift more traffic onto the rails because the financial incentive for customers and freight forwarders is increased. On the other hand, the required partial or full transfer of the discount by the rail transport company to the customer intensifies price competition in an already very competitive and price-sensitive market.

TX Logistik is also well prepared for the expected increasing demand in the field of intermodal transport for the market niche of non-craneable trailers and, with the "NiKRASA" 2.0 loading technology co-developed by TX Logistik, is able to offer a scalable standard solution and thus our position to be further strengthened and expanded in European, intermodal rail freight transport.

A high sales risk results from the increasing competitiveness of trucks (cost structures, flexibility), the existence of massive trucking capacities and price pressure on certain, rather shorter European distances. The persistently low diesel prices have a significant impact on the cost structure of the competitor LKW and can lead to shifts from rail back to road. Especially against the background of the price pressure compared to road freight transport, it is becoming more and more challenging to achieve cost-covering margins. Furthermore, dependencies on major customers can arise, so that high risks for the TX Logistik Group can result from the loss of major customers.

Overall, the assessments of the rather subdued economic prospects in Germany in connection with the slowdown in international trade are one of the greatest uncertainties on the demand side of rail freight transport. Medium-high risks are the increasing political tensions in the global trade dispute, including the risk of tariff increases and politically justified trade restrictions on individual countries or regions, the possible longer-term consequences of Brexit and structural deficits in large European economies such as Italy and the Scandinavian countries.

Further increases in external costs, such as infrastructure and resources (e.g. locomotives and freight wagons) above the inflation rate, are seen as a medium procurement risk for the future. It is becoming increasingly difficult to accommodate these cost increases on the market, also in view of the immense intensity of competition. These factor cost increases and the sometimes not always given availability of locomotives should be counteracted with a large investment in locomotives in the coming years. In the years 2021 to 2023, TX Logistik will receive up to 40 interoperable TRAXX 3 locomotives. Furthermore, TX Logistik invested in 238 modern freight wagons in 2020,

The medium risk of a possible sharp increase in energy costs is partially counteracted with appropriate hedging instruments.

3. Financial opportunities and risks

Opportunities are seen in the instrument of European and national funding.

The TX Logistik Group continues to depend on the maintenance of financial support from the parent company, Mercitalia Logistics SpA. Accordingly, the parent company issued a letter of comfort in March 2018 in favor of TX Logistik AG, which is unlimited and can be terminated on December 31, 2022 at the earliest. In June 2020, a further EUR 5.0 million subordinated loan was granted by Mercitalia Logistics SpA for further support, also with regard to the effects of the COVID-19 pandemic.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and poses a risk that jeopardizes its existence as a going concern.

Otherwise, no significant risks are currently seen for the TX Logistik Group.

E. Forecast Report for Fiscal Year 2021

In 2021, the European markets are expected to develop only moderately due to the current economic assessments and the ongoing pandemic. Stabilization of the markets and consumer behavior can probably only be expected once the vaccination campaigns that have started have progressed significantly.

Discussions with the shipping industry show that rapidly changing markets; products and investments will lead to changed volume flows. Furthermore, as part of the logistical implementation, the possibilities offered by rail are being reassessed and demanded more actively than in the past.

In this sensitive environment, however, we expect positive results for the TX Logistik Group based on the changes identified and implemented in the 2020 financial year, which will lead to a further improvement in processes and cost structures in the long term:

- On the customer side, non-economic routes were canceled or the frequency reduced in order to consistently increase the capacity utilization of the trains.
- In the area of asset management, the total number of leased locomotives was sustainably reduced by the middle of the year thanks to the optimal use of assets; Leased freight wagons were also returned early.
- Furthermore, sustainable improvements in earnings were achieved through the insourcing of traction services (formerly external RUs) as well as the reduction of service contracts through the continued consistent development of our own resources (engine drivers, wagon inspectors).
- Energy costs were hedged by forwards at the optimal point in time at very favorable conditions.

The takeover of a total of 238 double pocket wagons of the type T3000, which started in the last quarter of 2020, as well as the takeover of further own locomotives planned for Q4/2021, will also contribute to an improvement in the cost structure.

Other accompanying measures include the further expansion of the hub concept and interoperable train driver resources (Austria, Italy) as well as a further build-up of train drivers in Germany.

The changes mentioned will only take full effect in the 2021 financial year, as individual measures (such as reducing assets) were only implemented in the second half of 2020. Additional steps to increase efficiency and reduce costs have already been identified.

For 2021, compared to the 2020 financial year, the TX Logistik Group is planning a moderate increase in round trips, capacity utilization and thus also sales, while at the same time reducing costs by improving the use of resources.

The financial year planning continues to assume that the pandemic will have a significant impact in the first quarter of 2021, which will become apparent with a reduced impact by the end of the second quarter of 2021.

Based on the current assessment of the management, the process of becoming financially independent from the shareholder will continue in the following financial years and will thus also lead to a slightly positive annual result in the 2021 financial year, despite the effects of the pandemic.

Troisdorf, March 31, 2021

TX Logistics Ltd

Gian Paolo Gotelli, Chairman of the Board

*Wolfgang Sabasch, Chief Financial Officer**Albert Bastius, Chief Operations Officer***Consolidated balance sheet as of December 31, 2020****assets**

	12/31/2020		12/31/2019	
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Intangible assets				
1. Self-created industrial property rights and similar rights and values	1,405,901.61		1,227,468.37	
2. Purchased industrial property rights and similar rights and values as well as licenses to such rights and values	4,509,864.11		3,621,629.79	
3. Advance payments made	281,876.25	6,197,641.97	879,723.34	5,728,821.50
II. Tangible assets				
1. Technical installations and machines	34,137,105.86		29,075,418.50	
2. Other equipment, fixtures and fittings	651,800.46		809,584.83	
3. Advance payments made	32,352,000.00	67,140,906.32	32,352,000.00	62,237,003.33
III. financial assets				
holdings		42,612.92		42,612.92
		73,381,161.21		68,008,437.75
B. Current Assets				
I. Receivables and other assets				
1. Trade accounts receivable	22,186,201.24		19,522,706.14	
2. Receivables from affiliated companies	10,895,555.62		6,760,390.78	
3. Receivables from companies in which a participation is held	28,129.33		308,014.45	
4. Claims against shareholders	80,051.94		80,051.94	
5. Other Assets	36,345,947.23	69,535,885.36	28,230,704.58	54,901,867.89
II. Securities				
Other securities		0.00		570,877.30
III. Cash and bank balances		12,831,952.94		5,814,078.35
		82,367,838.30		61,286,823.54
C. Prepaid expenses		861,637.34		492,351.89
		156,610,636.85		129,787,613.18

liabilities

	12/31/2020	12/31/2019
	EUR	EUR
A. Equity		
I. Drawn capital	286,070.00	286,070.00
II. Capital Reserve	27,700,318.85	27,700,318.85
III. balance sheet loss	-25,083,251.29	-26,011,289.83
IV. Adjustment items from foreign currency conversion	183,234.64	68,094.12
	3,086,372.20	2,043,193.14
B. Investment grants	330,334.23	0.00
C. Provisions		
1. Provisions for taxes	264,585.43	48,328.13
2. Other provisions	35,005,060.35	31,885,888.64
	35,269,645.78	31,934,216.77
D. Liabilities		
1. Liabilities to banks	0.00	2,714,109.00
2. Trade Accounts Payable	14,067,676.00	12,587,271.87
3. Liabilities to affiliated companies	45,103,013.47	40,140,746.60
4. Liabilities to companies in which an investment relationship exists	411,040.14	215,192.44
5. Liabilities to shareholders	37,218,880.29	31,456,301.93
6. Other Liabilities	2,282,888.74	2,274,831.43
	99,083,498.64	89,388,453.27
E. Accruals and Accruals	18,840,786.00	6,421,750.00

12/31/2020	12/31/2019
EUR	EUR
	156,610,636.85
	129,787,613.18

Consolidated income statement for the period from January 1 to December 31, 2020

	2020	2019
	EUR	EUR
1. Revenue	211,704,383.54	221,126,207.70
2. Own work capitalized	502,805.89	599,733.44
3. Other operating income	31,069,269.53	29,584,534.68
- of which from exchange rate gains EUR 143k (prior year: EUR 122k) -		
4. Expenses for purchased services	183,805,906.88	201,494,698.41
5. Personnel expenses		
a) Wages and salaries	30,822,067.69	29,542,904.17
b) Social charges	6,981,881.89	6,218,210.07
6. Depreciation of intangible assets and property, plant and equipment	4,218,008.13	4,053,123.37
7. Other Operating Expenses	13,577,723.19	16,334,439.91
- thereof from exchange rate losses KEUR 208 (previous year KEUR 205) -		
8. Income from participations	26,294.86	50,290.73
9. Other Interest and Similar Income	3,983.19	0.00
10. Interest and Similar Expenses	2,578,974.04	2009153.13
- thereof to affiliated companies KEUR 2,251 (previous year KEUR 1,651) -		
11. Income taxes	395,742.59	224,340.28
12. Earnings after taxes	926,432.60	-8,516,102.79
13. Other Taxes	-1,605.94	216,573.95
14. Consolidated net income		
(prior year consolidated net loss)	928,038.54	-8,732,676.74
15. Loss Carry Forward	-26,011,289.83	-17,278,613.09
16. Balance Sheet Loss	-25,083,251.29	-26,011,289.83

Consolidated cash flow statement 2020

	2020	2019
	euros	EUR
Result for the period (consolidated net loss)	928,039	-8,732,677
Depreciation of fixed assets	4,218,008	4,053,123
Decrease in provisions	3,335,429	-151,406
Other non-cash income/expenses	0	477
Increase in inventories, trade receivables and other assets not allocated to investing or financing activities	-14,434,032	-8,532,205
Decrease (prior year: increase) in trade payables and other liabilities that cannot be allocated to investing or financing activities	11,016,111	-566,957
Interest expense/interest income	2,574,991	2,009,153
Other investment income	-26,295	-50,291
income tax expense	395,743	224,340
Income Tax Payments	-176,919	-191,089
Cash generated from operations	7,831,075	-11,937,532
Payments for investments in intangible assets	-2,153,292	-2,114,095
Payments for investments in property, plant and equipment	-7,437,440	-20,546,180
Interest Received	0	13,144
Dividends Received	26,295	50,291
Cash flow from investing activities	-9,564,437	-22,596,840
Proceeds from taking out a loan liability towards Ferrovie dello Stato Italiane SpA	5,000,000	35,202,000
Proceeds from taking out (financial) loans	7,252,000	6,675,046
Payments for the repayment of bonds and (financial) loans	-2,714,109	-13,456,264
Interest Paid	-901,795	-251,002

	2020 euros	2019 EUR
Cash flow from financing activities	8,636,096	28.169.781
Cash-effective change in cash and cash equivalents	6,902,734	-6,364,591
Exchange rate and valuation related changes in cash and cash equivalents	115.141	-22,678
Cash funds at the beginning of the period	5,814,078	12.201.347
Cash funds at the end of the period	12,831,953	5,814,078
Composition of cash funds		
Liquid funds without restrictions on disposal	12,831,953	5,814,078
Cash funds at the end of the period	12,831,953	5,814,078
Cash pledged	0	0
Disclosure of cash and cash equivalents according to the balance sheet	12,831,953	5,814,078

Consolidated statement of changes in equity 2020

	Subscribed capital EUR	Capital reserve EUR	Consolidated balance sheet profit/loss EUR	Adjustment items from foreign currency conversion EUR
December 31, 2018	286,070	11.700.319	-17.278.613	90,772
Group net loss			-8,732,677	
capital contribution		16,000,000		
"Not covered by equity loss"				
Currency translation effects				68,094
Effects from currency conversion				-90,772
December 31, 2019	286,070	27.700.319	-26.011.290	68,094
Consolidated net income			928,039	
Currency translation effects				183,234
Effects from currency conversion				-68,094
December 31, 2020	286,070	27.700.319	-25.083.251	183,234
		Shortfall not covered by equity EUR	Equity according to the consolidated balance sheet EUR	
December 31, 2018		5,201,452		0
Group net loss				-8,732,677
capital contribution				16,000,000
"Not covered by equity loss"			-5,201,452	-5,201,452
Currency translation effects				68,094
Effects from currency conversion				-90,772
December 31, 2019			0	2,043,193
Consolidated net income				928,038
Currency translation effects				183,235
Effects from currency conversion				-68,094
December 31, 2020			0	3,086,372

Notes to the consolidated financial statements for 2020**General**

TX Logistik AG is the parent company of the group and has its registered office in 53844 Troisdorf. It is entered in the commercial register at the District Court of Siegburg (Reg. No. 6989).

These consolidated financial statements were prepared in accordance with Sections 290 et seq. HGB.

The balance sheet date of all companies included in the consolidated financial statements is December 31, so that the financial years correspond to the calendar year.

The consolidated income statement has been prepared using the nature of expense method.

In order to improve the clarity of the presentation, individual items in the balance sheet and the income statement have been combined and are therefore broken down and explained separately in this appendix. For the same reason, the information on belonging to other positions and of which notes are also made at this point.

scope of consolidation

The consolidated financial statements include TX Logistik AG, Troisdorf, as the parent company, and the following wholly owned subsidiaries:

- TX Consulting GmbH, Troisdorf/Germany
- TX Service Management GmbH, Troisdorf/Germany
- TX Logistik Transalpine GmbH, Schwechat/Austria
- TX Logistik GmbH, Basel/Switzerland
- TX Logistik AB, Helsingborg/Sweden

-TX Logistik A/S, Padborg/Denmark

Consolidation Principles

Capital consolidation is carried out using the book value method (section 301 (1) sentence 2 no. 1 HGB old version) by offsetting the acquisition costs against the group share from the equity of the consolidated subsidiaries at the time of acquisition. There have been no further additions since January 1, 2010.

Intra-group receivables and liabilities, inter-group sales as well as expenses and income between the consolidated companies are offset against each other.

Interim results from intra-group deliveries and services are eliminated.

Accounting and valuation principles

The following principles and methods are still taken into account for the preparation of the annual financial statements:

Purchased intangible assets are recognized at acquisition cost and **internally generated intangible assets** at production cost. If they are subject to wear and tear, they are depreciated on a straight-line basis over their useful life.

Property, plant and equipment are stated at acquisition cost and, if depreciable, are depreciated on a straight-line basis. Depreciation is based on the probable useful life. Movable fixed assets up to a value of EUR 800.00 (low-value assets) are written off in full in the year of their acquisition.

In the case of **financial assets**, the shares are stated at acquisition cost or, in the case of a probable permanent impairment, at the lower applicable value. Write-ups are made if the reason for the impairment no longer applies.

Receivables and other assets are stated at their nominal value. All risky items are taken into account through the formation of appropriate individual value adjustments. The general credit risk is taken into account by creating a general allowance.

Cash and **cash equivalents** are stated at their nominal value on the balance sheet date.

The active **accruals** and deferrals are stated at their nominal value.

The **subscribed capital** is stated at nominal value and is fully paid up.

Tax **provisions** and **other provisions** take into account all contingent liabilities and impending losses from pending transactions. They are recognized at the settlement amount required based on prudent business judgement.

Liabilities are recognized at the settlement amount.

For the determination of **deferred taxes** due to temporary or quasi-permanent differences between the commercial law valuations and their tax valuations or due to tax loss carryforwards, the amounts of the resulting tax burden and relief are generally valued with the company-specific tax rates at the time the differences are reduced and not discounted. Since future tax rates are not known at the time of the reduction, the tax rates valid on the balance sheet date are applied. Deferred taxes are generally reported on a net basis. The option to capitalize any excess assets is not exercised.

currency conversion

Assets and liabilities denominated in foreign currencies are generally converted at the average spot exchange rate on the balance sheet date. With a remaining term of more than one year, the realization principle (§ 298 Para. 1 in conjunction with § 252 Para. 1 No. 4 Clause 2 HGB) and the acquisition cost principle (§ 298 Para. 1 in conjunction with Section 253 (1) sentence 1 HGB) is observed.

With the exception of equity (subscribed capital, reserves, earnings carried forward at historical rates), the asset and liability items in the annual financial statements prepared in a foreign currency are converted into euros at the average spot exchange rate on the balance sheet date. The items in the income statement have been converted into euros at the average exchange rate. The resulting conversion difference is shown within the group's equity after the group's unappropriated profit in the item "Adjustment item from foreign currency conversion".

Notes to the consolidated balance sheet

Capital assets

The development of fixed assets is shown in the attached statement of changes in fixed assets.

The option under Section 248 (2) HGB to capitalize internally generated intangible fixed assets is exercised. Software solutions are valued at production costs in accordance with Section 255 Paragraph 2 Sentences 1 and 2 and Paragraph 2a HGB. Inclusion options such as B. the consideration of general administrative costs are not exercised. The development costs include costs incurred in connection with the development of the software solutions, above all personnel costs and third-party services insofar as dependent development services are concerned. The distinction between research and development costs is based on internal evaluations and involves a considerable amount of judgment.

In addition, we would like to point out that additions to fixed assets and transfers include currency translation effects.

financial assets

The participation is as follows:

	Share of capital %	Equity 12/31/2019 EUR thousand	Earnings 2019 EUR thousand
boxXpress.de GmbH, Hamburg	15.0	2.117	1.123

Receivables and other assets

Receivables from affiliated companies are from subsidiaries and affiliated companies of the parent company Mercitalia Logistics SpA, Italy, and subsidiaries of Ferrovie dello Stato Italiane SpA, Italy.

Receivables from affiliated companies, receivables from companies in which an investment is held and receivables from shareholders are, as in the previous year, exclusively trade receivables. The claims are due within one year.

Other assets essentially relate to claims from settlement agreements with service providers in the amount of EUR 21,067k (prior year: EUR 11,430k) for subsequent credits, cost reimbursements and contractual penalties. A further EUR 1,989k result from sales tax (prior year: EUR 2,831k), EUR 982k from foreign input tax (prior year: EUR 1,682k), EUR 4,607k from insurance compensation (prior year: EUR 5,356k), EUR 697k from subsidies (prior year: €1,361 thousand) and €387 thousand from deposits (previous year: €350 thousand).

Also included is an amount of EUR 80 thousand (previous year: EUR 141 thousand) from subsidies from the Italian state with a remaining term of more than one year.

As in the previous year, the remaining receivables and other assets have a residual term of less than one year.

Cash and bank balances

The reported bank balances of the TX Logistik Group amount to EUR 12,832k (prior year: EUR 5,814k).

equity capital

The share capital of TX Logistik AG consists of 57,214 shares with a nominal value of EUR 5.00 each. The shares are registered shares.

At EUR 27,700 thousand, the capital reserve is unchanged compared to the previous year.

The balance sheet loss as of December 31, 2020 was EUR 25,083 thousand (previous year: EUR 26,011 thousand).

investment grants

In previous years, investment grants were granted from the Austrian ERP fund in connection with the purchase of the loading plates from the NIKRASA project. The item is released to income over the useful life of the loading plates. In the previous year, grants of EUR 401 thousand were reported under other liabilities.

Other provisions

The other provisions of the TX Logistik Group mainly include provisions for outstanding invoices from third parties in the amount of EUR 29,467k (prior year: EUR 26,857k).

A further EUR 4,439k (prior year: EUR 5,029k) relates to personnel and relates in particular to management and employee bonuses as well as provisions for employee remuneration and holiday entitlements.

liabilities

The bank loans taken out in the 2013 and 2015 financial years, originally amounting to EUR 10,000k and EUR 14,000k respectively, were fully repaid in 2020 as scheduled.

Liabilities to shareholders amounting to EUR 35,000k (prior year: EUR 30,000k) relate to shareholder loans that are subordinated. The remaining amount of EUR 2,219k (prior year: EUR 1,459k) relates to trade payables.

Of the liabilities to affiliated companies of EUR 45,103 thousand (previous year: EUR 40,141 thousand), EUR 39,604 thousand (previous year: EUR 32,352 thousand) relate to a loan liability to Ferrovie dello Stato Italiane SpA, Italy. The remaining liabilities of EUR 5,499k (prior year: EUR 7,789k) result primarily from trade accounts payable.

As in the previous year, liabilities to companies in which an investment is held amounting to EUR 411 thousand (previous year: EUR 215 thousand) are trade payables.

Other liabilities include tax liabilities of EUR 1,226k (prior year: EUR 707k) and social security liabilities of EUR 290k (prior year: EUR 226k).

The maturities of the liabilities are shown below:

	Total kEUR	up to one year EUR thousand	remaining terms one to five years EUR thousand	more than five years thous
Liabilities to credit institutions	0	0	0	0
(Previous year)	(2,714)	(2,714)	(0)	(0)
liabilities from goods and services	14,068	14,068	0	0
(Previous year)	(12,587)	(12,587)	(0)	(0)
Liabilities to affiliated companies	45,103	5,499	10,136	29,468
(Previous year)	(40,141)	(7,789)	(1,247)	(31,105)
Liabilities to companies in which an investment is held	411	411	0	0
(Previous year)	(215)	(215)	(0)	(0)
Liabilities to shareholders	37,219	37,214	5	0
(Previous year)	(31,456)	(31,451)	(5)	(0)
Other liabilities	2,283	2,283	0	0
(Previous year)	(2,274)	(2,274)	(0)	(0)
December 31, 2020	99,084	59,475	10,141	29,468
(Previous year)	(89,388)	(57,031)	(1,252)	(31,105)

Deferred taxes

There is a significant time difference between the commercial law and tax balance sheet values due to the capitalization of self-created software in the commercial law financial statements. This leads to passive tax deferral.

Deferred tax assets from tax loss carryforwards are only formed in the amount of the deferred tax liabilities and offset against them. Deferred tax assets from loss carryforwards that go beyond the netting area were not capitalized in exercise of the option.

The differences were calculated using the average corporate tax rate as of the balance sheet date. For TX Logistik AG as the parent company, this is 33%.

contingent liabilities

TX Logistik AG provided security of EUR 4,166k (prior year: EUR 4,166k) to secure a bank guarantee given by boxXpress.de GmbH as the guarantee holder to secure customs liabilities and loans. A claim is currently not to be expected due to the positive earnings situation of the investment.

Other Financial Obligations

	kEUR
Payment obligations from rental and leasing contracts	
Due 2021	34,559
Due between 2022 and 2025	43,161
Due after 2026	18,022

kEUR

95,742

The other financial obligations mainly include obligations from rental, purchase and maintenance contracts for locomotives and freight cars as well as office buildings and futures contracts for the purchase of electricity.

Notes to the consolidated income statement

revenues

Sales break down as follows:

	2020		2019	
	kEUR	%	kEUR	%
domestic sales				
TX Logistics Ltd	70,849	33.5	72,683	32.9
	70,849	33.5	72,683	32.9
foreign sales				
TX Logistics Ltd	127,638	60.3	137,904	62.4
TX Logistic GmbH, Switzerland	81	0.0	4	0.0
TX Logistik Transalpine GmbH, Austria	80	0.0	93	0.0
TX Logistic AB, Sweden	12,854	6.1	10,273	4.6
TX Logistik A/S, Denmark	202	0.1	169	0.1
	140,855	66.5	148,443	67.1
in total	211,704	100.0	221.126	100.0

Expenses for purchased services

Expenses for purchased services are originally related to the generation of sales. These include, among other things, expenses for energy, track costs, wagon rentals, engine drivers, maintenance costs, etc.

Other company income

Other operating income breaks down as follows:

	2020 thousand	2019 kEUR
Income from reimbursements from service providers for subsequent credits, cost reimbursements and contractual penalties	12,253	6.213
Income from grants	9,602	13,743
Income from the reversal of provisions	5,973	6,592
Income from insurance compensation	681	1,340
Currency translation income	143	122
Income from cost transfers	45	962
Other income	2,372	613
in total	31,069	29,585

Other operating income includes income from other periods of EUR 5,973k (prior year: EUR 6,592k). As in the previous year, this relates to income from the reversal of provisions for items from previous years.

depreciation

As in the previous year, the depreciation expense of EUR 4,218k (prior year: EUR 4,053k) in the year under review does not contain any unscheduled depreciation.

Other operating expenses

Other operating expenses break down as follows:

	12/31/2020 EUR thousand	12/31/2019 EUR thousand
administrative expenses	4,676	4,857
insurance expenses	2,589	3,007
consulting services	1,407	1,416
Traveling expenses	921	781
other expenditures	3,985	6,273
in total	13,578	16,334

The research and development costs incurred in the 2020 financial year amount to EUR 545 thousand (previous year: EUR 1,220 thousand). Of this, EUR 263 thousand (previous year: EUR 340 thousand) relates to internally generated intangible fixed assets.

The group's other operating expenses include a total of EUR 208 thousand (previous year: EUR 205 thousand) in expenses from foreign currency conversions.

As in the previous year, there are no significant expenses relating to other periods.

Taxes on income and earnings

Income taxes of EUR 396k (prior year: EUR 224k) break down as follows:

•TX Logistik AG, Germany:	EUR 179 thousand	(previous year EUR 60 thousand)
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•TX Logistik Austria GmbH, Austria:	EUR 124 thousand	(previous year EUR 108k)
•TX Logistik A/S, Denmark:	EUR 34 thousand	(previous year EUR 33 thousand)
•TX Logistik GmbH, Switzerland:	EUR 59 thousand	(previous year EUR 24 thousand)

Other Information

Board

During the financial year, the Management Board consisted of:

- dot. Gian Paolo Gotelli, Genoa/Italy
Chairman of the Board of Management and Chief Sales Officer since November 1, 2020
- Wolfgang Sabasch, Cavedago (TN)/Italy
CFO
- Albert Bastius, Koenigswinter
Board of Operations
- Berit Börke, Dobin am See
Chief Sales Officer (until October 31, 2020)

The Executive Board consists of at least one and at most four members. If only one member of the Management Board is appointed, he alone represents the company. If several board members are appointed, the company is represented by two board members. The Supervisory Board decides on the number, appointment and dismissal as well as the conclusion, amendment or termination of the employment contracts with the members of the Management Board. Deputy board members can be appointed.

supervisory board

In accordance with the Stock Corporation Act, the company has a supervisory board. This includes:

- Ing. Marco Gosso, Rome/Italy (Chairman)
Managing Director, Mercitalia Logistics SpA
- dot. Andrea De Bernardi, Rome/Italy
Executive Officer, Mercitalia Logistics SpA
- Avv. Giovanni Battista Nuzzi, Rome/Italy
Lawyer, Mercitalia Logistics SpA
- Gianpiero Strisciuglio, Rome/Italy
Executive Officer, Mercitalia Logistics SpA
- dot. Federico Mogioni, Rome/Italy
Executive Officer, Mercitalia Logistics SpA

Total remuneration of the Management Board and the Supervisory Board

The remuneration of the members of the Management Board for the 2020 financial year amounts to EUR 871 thousand (previous year: EUR 500 thousand).

The members of the Supervisory Board receive no remuneration from the company.

Auditor's Fees

Other operating expenses include expenses for fees for the auditor of the consolidated financial statements in the amount of EUR 252k, which break down as follows:

	Fee 2020 EUR thousand
Final Examination Services	152
Tax Advisory Services	92
Other services	8th

Information on transactions with related parties

Transactions with related parties are exclusively at the level of TX Logistik AG and are carried out at standard market conditions.

type of relationship	Granted loans and overdrafts EUR thousand	Loans received EUR thousand	Provision of services and management services EUR thousand	Receipt of services and management services EUR thousand
subsidiary company	3,268	0	5,196	11,835
Controlling companies including direct and indirect sister companies	0	74,604	19,044	13,289
joint venture companies	0	0	714	23,592

employees

Average number of employees throughout the Group during the financial year:

	people
Wage earners	290
employee	284
trainee	12
in total	586

corporate relationships

The consolidated financial statements of TX Logistik AG are included in the consolidated financial statements of Ferrovie dello Stato Italiane SpA, Rome/Italy, which prepares the consolidated financial statements for the largest group of companies.

going concern

TX Logistik AG and its subsidiaries continue to depend on the maintenance of the financial support of the parent company, Mercitalia Logistics SpA. Starting in February 2018, the shareholder granted subordinated loans totaling EUR 46.0 million to improve financial stability and flexibility. In February 2019, Mercitalia Logistics SpA also decided to allocate EUR 16.0 million of the shareholder loan to the capital reserve in accordance with Section 272 Paragraph 2 No. 4 HGB in order to improve the financial situation of TX Logistik AG.

These events and circumstances indicate the existence of a material uncertainty that may raise significant doubts about the company's ability to continue as a going concern and that constitute a risk that jeopardizes the company's continued existence within the meaning of Section 322 (2) sentence 3 HGB.

Events after the Balance Sheet Date

On February 12, 2021, the parent company approved the extension of the shareholder loan by a further 12 months.

Troisdorf, March 31, 2021**TX Logistics Ltd**

Gian Paolo Gotelli, President and Chief Sales Officer

Wolfgang Sabasch, Chief Financial Officer

Albert Bastius, Chief Operations Officer

Development of Group fixed assets in the 2020 financial year

	01/01/2020 EUR	Additions EUR	acquisition cost Departures EUR	Reclassification EUR	12/31/2020 EUR
I. Intangible assets					
1. Self-created industrial property rights and similar rights and values	1,414,569	491,335	0	0	1,905,904
2. Purchased industrial property rights and similar rights and values as well as licenses to such rights and values	10.264.199	295,001	-42,779	1,964,416	12,480,836
3. Advance payments made	994,267	1,369,438	-117,413	-1,964,416	281,876
	12.673.035	2,155,773.52	-160.192	0	14,668,616
II. Tangible assets					
1. Technical installations and machines	47,437,653	7,262,798	0	0	54.700.452
2. Other equipment, fixtures and fittings	5,723,090	174,642	-215,473	0	5,682,259
3. Advance payments made	32,352,000	0	0	0	32,352,000
	85.512.743	7,437,439.91	-215,473	0	92.734.710
III. financial assets					
holdings	42,613	0	0	0	42,613
	98.228.392	9,593,213	-375,665	0	107,445,940
			accumulated depreciation		
	01/01/2020 EUR	Depreciation of the fiscal year EUR	Departures EUR	Currency influences EUR	12/31/2020 EUR
I. Intangible assets					
1. Self-created industrial property rights and similar rights and values	-187.101	-312.902	0	0	-500,003
2. Purchased industrial property rights and similar rights and values as well as licenses to such rights and values	-6,642,569	-1,368,122	39,719	0	-7,970,972
3. Advance payments made	-114,544	0	114,544	0	0
	-6,944,213	-1,681,024	154,263	0	-8,470,975
II. Tangible assets					
1. Technical installations and machines	-18.362.235	-2,224,538	17,452	5,976	-20,563,345
2. Other equipment, fixtures and fittings	-4,894,663	-312,446	201,387	-24,735	-5,030,458

	accumulated depreciation				
	01/01/2020 EUR	Depreciation of the fiscal year EUR	Departures EUR	Currency influences EUR	12/31/2020 EUR
3. Advance payments made	0	0	0		0
	-23,256,899	-2,536,984	218,839	-18,759	-25,593,803
III. financial assets					
holdings	0	0	0		0
	-30.201.112	-4.218.008	373.102	-18,759	-34,064,777
				book values	
				12/31/2020 EUR	12/31/2019 EUR
I. Intangible assets					
1. Self-created industrial property rights and similar rights and values				1,405,902	1,227,468
2. Purchased industrial property rights and similar rights and values as well as licenses to such rights and values				4,509,864	3,621,630
3. Advance payments made				281,876	879,723
				6,197,642	5,728,822
II. Tangible assets					
1. Technical installations and machines				34.137.106	29.075.418
2. Other equipment, fixtures and fittings				651,801	809,585
3. Advance payments made				32,352,000	32,352,000
				67.140.907	62.237.004
III. financial assets					
holdings				42,613	42,613
				73.381.161	68.008.438

Independent Auditor's Report

To TX Logistik AG; Troisdorf

audit opinions

We have prepared the consolidated financial statements of TX Logistik AG, Troisdorf, and its subsidiaries (the Group) - consisting of the consolidated balance sheet as of December 31, 2020, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2020 and the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods. In addition, we have audited the group management report of TX Logistik AG for the financial year from January 1 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

- the attached consolidated financial statements comply in all material respects with the provisions of German commercial law and, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's net assets and financial position as of December 31, 2020 and its results of operations for the financial year from January 1 to as of December 31, 2020 and
- the attached group management report as a whole provides an accurate picture of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the group management report.

Basis for the test results

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB, taking into account the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the "Auditor's responsibility for the audit of the consolidated financial statements and group management report" section of our auditor's report. We are independent of the group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe

Material uncertainty related to going concern

We refer to the section "Other information - going concern" in the notes and the information in Section D.3. "Financial opportunities and risks" of the management report, in which the legal representatives describe that TX Logistik AG continues to be dependent on the maintenance of financial support from the parent company Mercitalia Logistics SpA. Accordingly, the parent company issued a letter of comfort and declared a subordination with regard to existing liabilities. As described in the "Other Disclosures - Going Concern" section in the Notes and Section D.3. "Financial Opportunities and Risks" of the management report, If these events and conditions indicate the existence of a material uncertainty, which may raise significant doubts about the Group's ability to continue as a going concern and which represents a risk that jeopardizes the company's continued existence within the meaning of Section 322 (2) Sentence 3 HGB. Our audit opinions are not modified on this matter.

Responsibility of the legal representatives and the supervisory board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with the German commercial law provisions in all material respects, and for the fact that the consolidated financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the asset, financial and earnings situation of the company mediated by the group. Furthermore, the legal representatives are responsible for the internal controls which they

have determined to be necessary in accordance with German generally accepted accounting principles in order to enable the preparation of consolidated financial statements that are free from material - intentional or unintentional - misstatements.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the executive directors are responsible for preparing the group management report, which as a whole provides a suitable view of the group's position and is consistent with the consolidated financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the group management report to be able.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibility for the audit of the consolidated financial statements and the group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the group management report as a whole provides a suitable view of the Group's position and, in all material respects, with the consolidated financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the consolidated financial statements and on the group management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with § 317 HGB, taking into account the German principles of proper annual auditing established by the Institute of Public Accountants (IDW), will always uncover a material misstatement. Misstatements may 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 made on the basis of these consolidated financial statements and group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- We identify and assess the risks of material - intentional or unintentional - misstatements in the consolidated financial statements and the group management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the precautions and measures relevant to the audit of the group management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these to deliver systems.
- we evaluate the appropriateness of the accounting methods used by the legal representatives as well as the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Group's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the consolidated financial statements and group management report in the auditor's report, or if this information is inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in compliance with German legally required accounting principles, give a true and fair view of the assets, financial and results of operations of the group.
- we obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the group in order to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We bear sole responsibility for our audit opinions.
- We assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the view of the group's position that it gives.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a significant unavoidable risk

We discuss with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Cologne, June 18, 2021

KPMG AG
auditing company
Cremer, auditor
Schwegman, auditor

Report of the Supervisory Board

of TX Logistik AG

The Supervisory Board will report to the Annual General Meeting on the result of its examination in accordance with Art. 16 Para. 2 of the Articles of Association of TX Logistik AG (the "Company") as follows:

The Supervisory Board has fulfilled the legal and statutory obligations assigned to it and has advised the company and exercised control over the management of the company.

The Supervisory Board was always in close contact with the company's management and was informed about the current business developments of the TX Logistik Gruppe.

meetings of the supervisory board

During the reporting period (2020), the Supervisory Board held fourteen meetings in person on the following dates:

01/22/2020	01/29/2020	02/25/2020
03/31/2020	07.05.2020	05/26/2020
06/24/2020	07/27/2020	04.08.2020
09/29/2020	10/14/2020	10/28/2020
11/23/2020	12/21/2020	

Annual financial statements and consolidated financial statements of the TX Logistik Gruppe

The annual financial statements of TX Logistik AG and the consolidated financial statements of the TX Logistik Gruppe as of December 31, 2020, the management report of the company prepared by the management and the group management report prepared by the management were audited by the selected auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Cologne. The audit did not reveal any grounds for objections and resulted in an unqualified audit opinion.

The auditor's reports were submitted to the Supervisory Board in accordance with Section 170 (3) sentence 2 AktG for the individual financial statements on April 23, 2021 and examined by the Supervisory Board on April 26, 2021, for the consolidated financial statements on July 21, 2021 and examined by the Supervisory Board on July 26, 2021. The Supervisory Board acknowledges the results of the audit and stated that it had no objections.

The Supervisory Board examined the annual financial statements of the company and the consolidated financial statements of the TX Logistik Gruppe in accordance with Section 171 (1) Sentence 1 AktG and had no objections to them. The annual financial statements and the consolidated financial statements of the TX Logistik Gruppe as of December 31, 2020 were approved by the Supervisory Board.

The Supervisory Board would like to thank the company management and the employees of the TX Logistik Gruppe for their dedicated work in the 2020 financial year.

Milan, 21.12.2021

For the Supervisory Board

Marco Gosso, Chairman of the Supervisory Board of TX Logistik AG

Excerpt from the shareholders' minutes from December 21, 2021**Item 1 of the agenda**

The annual financial statements as of December 31, 2020, the management report for the 2020 financial year and the report of the Supervisory Board on the 2020 financial year will be presented to the Annual General Meeting. A copy of these templates is attached to these minutes as Appendix 1.

The Chairman notes that these templates will be available for inspection in the meeting room during the Annual General Meeting. In addition, the Chairman states that the annual financial statements and the management report have been audited by the auditing company KPMG AG, given an unqualified audit opinion and approved by the Supervisory Board.

The Chairman announces the proposal of the Management Board and the Supervisory Board to use the net profit for the year 2020 reported in the balance sheet as of December 31, 2020 in the amount of EUR 2,215,151.14 (in words two million two hundred fifteen thousand one hundred and fifty one euros and fourteen cents) as follows:

The entire net income for the 2020 financial year of TX Logistik AG determined as of December 31, 2020 will be used as profit carried forward.

The Annual General Meeting accepts the 2020 annual financial statements presented by TX Logistik AG, the audit report including the management report and the report of the Supervisory Board.

The General Assembly unanimously decides (Yes - 57,214 votes, no rejection, no abstention):

"The entire annual surplus for 2020 of EUR 2,215,151.14 (in words, two million, two hundred and fifteen thousand, one hundred and fifty-one euros and fourteen cents) as of December 31, 2020 will be used as profit carried forward."

The chairperson notes the resolution already passed and announces it.