



TTS
(TRANSPORT TRADE SERVICES) S.A.
BUCURESTI – ROMANIA



Nr. Reg. Com.: J40/296/1997
Cod Fiscal: RO 9089452
Capital social subscris si varsat: 30 000 000 LEI

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CORPORATE GOVERNANCE REPORT

Report date: November 3rd 2021

Name of the issuing company : TTS (TRANSPORT TRADE SERVICES) S.A.

Registered office: 27 Vaselor street ,district 2, Bucharest

Phone/fax number: +4 021/210.29.07, 021/210.35.43

Sole Registration Code with the Trade Register Office: 9089452

Order Number in the Trade Register: J40/296/1997

Share capital: RON 30.000.000

Regulated market on which the issued securities are traded: Bucharest Stock Exchange - Premium Tier
(market symbol: TTS)

Important events to be reported:

TTS informs shareholders and investors on the availability of the forecast policy approved on October 29, 2021, by the company's board of directors.

The forecast policy, as well as the remuneration, dividend and GMS organization policies can be viewed on the company's website, accessing the following link: <https://www.tts-group.ro/documents.html>

For quick availability, the policy has been attached to this report.

Petru STEFANUT
CEO



UNICREDIT BANK S.A. ;
RON: RO63 BACX 0000 0030 0031 2003
EURO: RO09 BACX 0000 0030 0031 2005
USD: RO36 BACX 0000 0030 0031 2004

SWIFT: BACXROBU

Rev. 17032021



Forecast policy
for TTS (Transport Trade Services) S.A.
(approved by BOD on October 29th, 2021)

1. Introduction

Forecast policy of TTS (Transport Trade Services) S.A. (hereinafter "TTS" or "the Company"), aims to create a coherent framework for the projection of short-, medium- and long-term trade and financial indicators used to optimize decision-making and resource allocation processes in order to maximize net profit, and ensuring a high level of transparency towards investors.

Taking into account the multiple natural, political, legislative, micro and macroeconomic variables, the conclusions drawn in the studies made by TTS regarding the development forecasts of the Company can vary, sometimes significantly (COVID-19 pandemic being an example of an unpredictable variable), compared to the actual results of the Company and the TTS group.

For greater accuracy of these forecasts, TTS takes into account the following information:

- the historical data accumulated by the Company, since the beginning of the activity in 1997;
- information that the Company receives from partners and customers, as a result of their planning in order to contract TTS services (type of goods, period, type of service, etc.);
- data and information provided by the European authorities through the Eurostat platform;
- market data and information on the development of goods and demand for them for the following periods (cereal production, chemical fertilizer production, metallurgical production trends, etc.);
- financial information and investment statements made by the Company and its subsidiaries;





2. The financial planning process

The TTS budget has two distinct components, the operational budget and the financial budget, and is based on annual budget projections.

Operational budgeting, with the aim of establishing the revenue budget of TTS, is based on information on the budget year collected by the operational departments in three distinct areas:

A. Forecasts

- at micro-economic level: levels of agricultural production forecast by farmers, levels of production forecast by fertilizer producers, levels of consumption of raw materials forecast by economic operators, etc .;
- at macro-economic level: the evolution trends of the prices of agricultural products, chemicals and raw materials, the evolution of diesel prices, the evolution trends of the prices of the services that the Company provides;
- hydro-meteorological forecasts: these forecasts have a very important role in assessing the business risk to which the Company is exposed, both by the influence they have on the accuracy of forecasts made by directly affected market players (eg farmers) and through the influence of the Danube level and its increasing or decreasing tendencies on the TTS business.

This information is analyzed by TTS on an ongoing basis throughout the year, both in order to mitigate the impact of unforeseen situations and to ensure that the budgeting process is based on the best available forecasts.

B. Projections of the turnover that TTS customers and partners intend to contract with the Company during the budget year, consisting of:

- the types and quantities of goods to be operated or transported
- areas (ports) of dispatch and destination
- weekly and monthly distribution of service needs
- the level and type of related services that customers expect to request (aeration, packing, storage, etc.)





- C. Projections of the levels of availability of subsidiaries and third party suppliers regarding the volume of operations and freight services as well as regarding the related services that can be provided to TTS

In the process of realizing the budget projection of revenues, TTS operates adjustments with a percentage of accuracy of the forecasts of previous years determined following the comparison between the achieved levels and the forecasted levels.

The financial budgeting, with the aim of establishing the TTS expenditure budget and determining the level of financial resources necessary to achieve the revenue targets set by the operating budget in terms of profitability, is based on the projections for the budget year collected by the finance department:

- The evolution of the RON exchange rate in relation to the main currencies of interest for TTS
- Changes in bank interest rates
- Modification of the applicable fiscal framework
- The level of European funds available and accessible
- The degree of realization of the investment plan for the budgeted year

The projections prepared within the budgeting process are the starting point for capital planning, which is an important component of the internal capital adequacy process.

The forecasts used by the Company for the elaboration of the business plan and the strategic plan are not made public and are prepared exclusively for the internal use of the Board of Directors and the operative departments of TTS. The working hypotheses are analyzed periodically and if changes are found that have a significant impact on the expected results, they are made public in its reports.

Quarterly, half-yearly or annual reports, as well as events dedicated to investors and analysts, may contain statements about the Company's forecasts, as well as forward-looking statements, in addition to the reports, for a better analysis of TTS's current and future financial position.





3. Distribution of information

TTS publishes financial and operational information, in accordance with Romanian laws and European regulations, but also includes information that aligns with current trends of transparency in meeting the requirements of investors and analysts so that they can make the best possible investment decisions. with their confidence and security.

The company intends to use the latest forms of communication at its disposal:

- BVB platform;
- the Company's website;
- Press Releases;
- social media platforms;
- video calls;
- investor's day;
- roadshows;
- participation in investment promotion events;

