

TTS (Transport Trade Services) S.A.

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT DECEMBER 31, 2021**

**PREPARED IN ACCORDANCE WITH
MINISTRY ORDER OF PUBLIC FINANCE NO. 2844/2016 APPROVING THE
ACCOUNTING REGULATIONS COMPLIANT WITH THE INTERNATIONAL FINANCIAL REPORTING
STANDARDS
("IFRS")
AS ADOPTED BY EU**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
TTS (Transport Trade Services) S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of TTS (Transport Trade Services) S.A. ("the Company"), with registered office in Vaselor 27, București, Romania, identified by unique tax registration code 9089452, which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the financial statements.
2. The separate financial statements as at December 31, 2021 are identified as follows:
 - Net assets / Equity RON 184,410,658
 - Net profit for the financial year RON 32,610,965
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit approach related to Key Audit Matters
<p>Revenue recognition in the proper financial period</p> <p>The Company recorded in 2021 a net turnover related to the main activity actually carried out of 395,578,550 lei. The turnover mainly includes revenues from services rendered. These are mainly revenues from logistics services performed by the Company using the services of subcontractors on the merchandise of the clients which are recognized over time in accordance with the contractual conditions considering the percentage of realization of the contracted distance using measures related to the position of the ship at period end. Taking into account the fact that revenue recognition and allocation between periods is based on estimates and data related to the position of the ship at year end, we have considered revenue recognition in the proper period namely the one ended December 31, 2021 as a key audit matter.</p>	<p>Our procedures related to the testing around the recognition of revenues in the proper period included the following:</p> <ol style="list-style-type: none"> 1. Obtaining and reconciling the revenues database with the trial balance for the year ended December 31, 2021. 2. Checking the accounting policy used with the contractual terms and the specific rules and principles in IFRS 15. 3. Analysis of the database in terms of reasonability at the level of each client, transported products in comparison to last year. 4. Understanding and testing the internal controls implemented by the Company to make sure that revenues are recorded in the proper period including the design elements (control owner and other people involved, experience, level of detail analyzed, complete analysis of the ongoing transportations, computation procedure, frequency) of the control and its efficiency. 5. Sending the confirmations for movements during the period to the selected clients and reconciling the movements confirmed, where the case, with the revenues recorded by the Company. 6. Performing cut-off tests at the beginning of 2022 and end of 2021 to make sure that the logistic services rendered to customers are recorded in the period to which they refer 7. Considering the completeness and accuracy of disclosures related to revenues.

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration Report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements for the year ended December 31, 2021, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

With respect to the Remuneration report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) the information included in the administrators' report and the Remuneration Report, for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these financial statements;
- b) the administrators' report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU;

- c) the Remuneration report has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2021, we are required to report if we have identified a material misstatement of this Administrator's report and the Remuneration report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs / Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

Report on compliance with the Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

We have undertaken a reasonable assurance engagement on the compliance with Commission Delegated Regulation (EU) 2019/815 applicable to the financial statements included in the annual financial report of TTS (Transport Trade Services) S.A. ("the Company") as presented in the digital files which contain the unique LEI code 5493008M458S2MG7GP03 ("Digital Files")

(I) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with Order 2844/2016 .

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited financial statements of the Company to be submitted in accordance with Order 2844/2016;
- evaluating if the financial statements contained in the annual report have been prepared in a valid XHTML format.

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

In our opinion, the financial statements for the year ended 31 December 2021 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our audit opinion relating to the financial statements of the Company for the year ended 31 December 2021 is set out in the *“Report on the audit of the financial statements”* section above.

15. We have been appointed by the General Assembly of Shareholders on August 26, 2021 to audit the separate financial statements of TTS (Transport Trade Services) S.A. for the financial year ended December 31, 2021. From the date, the Company became a public interest entity in accordance with EU Regulation 537/2014, the uninterrupted total duration of our commitment is 1 year , covering the financial years ended 31 December 2021.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No prohibited non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor’s report is Monica Guminski.

Monica Guminski, Audit Director

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 3614

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 28, 2022

TTS (Transport Trade Services) S.A.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no.	Balance at December 31, 2019	Balance at December 31, 2020	Balance at December 31, 2021
A NON – CURRENT ASSETS				
I INTANGIBLE ASSETS				
1	1	-	-	-
2	2	53,725	8,334	116,545
3	3	-	-	-
4	4	-	-	-
5	5	-	-	-
TOTAL (rows 01 to 05)	6	53,725	8,334	116,545
II TANGIBLE ASSETS				
1	7	18,673,621	19,572,462	22,857,572
2	8	13,075,049	11,775,914	11,024,164
3	9	50,308	45,118	69,043
4	10	-	-	-
5	11	1,674,137	2,251,579	1,577,638
6	12	-	-	-
7	13	-	-	-
8	14	-	-	-
9	15	-	382,679	63,934
TOTAL (rows 07 to 15)	16	33,473,115	34,027,752	35,592,351
III BEARER BIOLOGICAL ASSETS (acc.241+227-284-294)				
	17	-	-	-
IV RIGHTS OF USE OF LEASED ASSETS (acc. 251* - 285* - 295*)				
	18	-	-	-
V FINANCIAL ASSETS				
1	19	122,688,430	128,949,197	128,248,111
2	20	-	-	-
3	21	147,339	147,339	147,339
4	22	-	-	-
5	23	-	-	-
6	24	1,006,122	382,632	485,816
TOTAL (rows 19 to 24)	25	123,841,891	129,479,168	128,881,266
NON-CURRENT ASSETS - TOTAL (rows 06+16+17+18+25)	26	157,368,731	163,515,254	164,590,162

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no.	Balance at December 31, 2019	Balance at December 31, 2020	Balance at December 31, 2021
2 Amounts due to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)				
	49	12,187,215	8,521,450	-
3 Advances received on account of orders (acc. 419)				
	50	-	-	-
4 Trade payables (acc. 401 + 404 + 408+4641)				
	51	47,911,693	38,006,342	33,491,021
5 Bills of exchange payable (acc. 403 + 405)				
	52	-	-	-
6 Amounts due to group companies (acc. 1661 + 1685 + 2691 + 451***)				
	53	-	-	-
7 Amounts due to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)				
	54	-	-	-
8 Payables from transactions with derivatives (acc. 4651)				
	55	-	-	-
9 Other payables, including tax and social security (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 4761 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)				
	56	4,948,219	2,400,493	2,545,936
TOTAL (rows 48 to 56)				
	57	65,047,127	48,928,285	36,036,957
E NET CURRENT ASSETS/NET CURRENT LIABILITIES (rows 44 + 46 - 57 - 74 - 77 - 80)				
	58	4,900,214	5,082,402	20,710,570
F TOTAL ASSETS LESS CURRENT LIABILITIES (rows 26 + 47 + 58)				
	59	162,268,945	168,597,656	185,300,732
G LONG-TERM PAYABLES				
1 Debenture loans, presenting separately the loans from convertible bonds (acc. 161 + 1681 - 169)				
	60	-	-	-
2 Amounts due to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)				
	61	8,363,775	-	-
3 Advances received on account of orders (acc. 419)				
	62	-	-	-
4 Trade payables (acc. 401 + 404 + 408 + 4641)				
	63	-	-	-
5 Bills of exchange payable (acc. 403 + 405)				
	64	-	-	-
6 Amounts due to group companies (acc. 1661 + 1685 + 2691 + 451***)				
	65	-	-	-
7 Amounts due to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 453***)				
	66	-	-	-
8 Payables from transactions with derivatives (acc. 4651)				
	67	-	-	-
9 Other payables, including tax and social security (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 4761 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)				
	68	215,696	98,315	261,433
TOTAL (rows 60 to 68)				
	69	8,579,471	98,315	261,433
H PROVISIONS				
1 Provisions for pensions and similar obligations (acc. 1517)				
	70	-	-	-
2 Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)				
	71	308,411	499,648	628,641
TOTAL (rows 70 to 71)				
	72	308,411	499,648	628,641

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no.	Balance at December 31, 2019	Balance at December 31, 2020	Balance at December 31, 2021
I DEFERRED INCOME				
1 Subsidies for investments (acc. 475) - total (rows 74 + 75), of which:	73	-	-	-
Amounts reversible within one year (acc. 475*)	74	-	-	-
Amounts reversible in more than one year (acc. 475*)	75	-	-	-
2 Deferred income (acc. 472) - total (rows 77 + 78), of which:	76	4,280,365	4,186,886	2,765,702
Amounts reversible within one year (acc. 472*)	77	4,280,365	4,186,886	2,765,702
Amounts reversible in more than one year (acc. 472*)	78	-	-	-
3 Deferred income pertaining to the assets received by transfer from clients (acc. 478) (rows 80+ 81), of which:	79	-	-	-
Amounts reversible within one year (acc. 478*)	80	-	-	-
Amounts reversible in more than one year (acc. 478*)	81	-	-	-
TOTAL (rows 73+76+79)	82	4,280,365	4,186,886	2,765,702
J CAPITAL AND RESERVES				
I CAPITAL				
1 Capital subscribed and paid in (acc. 1012)	83	30,000,000	30,000,000	30,000,000
2 Capital subscribed and not paid in (acc. 1011)	84	-	-	-
3 Capital subscribed representing financial liabilities (acc. 1027)	85	-	-	-
4 Company patrimony (acc. 1015)	86	-	-	-
5 Adjustments of share capital/company patrimony (acc. 1028)	87-88	1,739,602	1,739,602	1,739,602
6 Other items of equity (acc. 103) Cr balance/Dr balance	89-90	-	-	-
TOTAL (rows 83 + 84+85+86+87-88+89-90)	91	31,739,602	31,739,602	31,739,602
II SHARE PREMIUMS (acc. 104)	92	-	-	-
III REVALUATION RESERVES (acc. 105)	93	-	-	-
IV RESERVES				
1 Legal reserves (acc. 1061)	94	5,968,175	6,000,000	6,000,000
2 Statutory or contractual reserves (acc. 1063)	95	-	-	-
3 Other reserves (acc. 1068)	96	8,870,774	3,777,984	3,823,575
TOTAL (rows 94 to 96)	97	14,838,949	9,777,984	9,823,575
FX differences from conversion of annual standalone financial statements from a presentation currency different from the functional currency (acc. 1072) Cr balance/Dr balance	98 - 99	-	-	-
Own shares (acc. 109)	100	-	-	-
Gains on equity instruments (acc. 141)	101	-	-	-
Losses on equity instruments (acc. 149)	102	27,778,063	-	-

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no.	Balance at December 31, 2019	Balance at December 31, 2020	Balance at December 31, 2021
V PROFIT OR LOSS CARRIED FORWARD, EXCEPT FOR PROFIT OR LOSS CARRIED FORWARD OBTAINED FROM FIRST-TIME ADOPTION OF IAS 29				
- Cr balance	103	109,928,115	98,748,664	112,389,883
- Dr balance	104	-	-	-
VI PROFIT OR LOSS CARRIED FORWARD OBTAINED FROM FIRST-TIME ADOPTION OF IAS 29 (acc. 118)				
- Cr balance	105	-	-	-
- Dr balance	106	2,107,776	2,107,776	2,107,776
VII PROFIT OR LOSS FOR THE YEAR (acc. 121)				
- Cr balance	107	28,462,035	29,918,630	32,610,965
- Dr balance	108	-	-	-
Allocation of profit (acc. 129)	109	1,701,799	77,411	45,591
EQUITY - TOTAL (rows 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)				
	110	153,381,063	167,999,693	184,410,658
Public patrimony (acc. 1023)	111	-	-	-
Private patrimony (acc. 1026)	112	-	-	-
CAPITAL - TOTAL (rows 110+111+112)				
	113	153,381,063	167,999,693	184,410,658

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022 by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

TTS (Transport Trade Services) S.A.
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no	Financial year ended December 31, 2020	Financial year ended December 31, 2021
1 Net turnover (rows 03 + 04 - 05 + 06)	1	371,639,769	395,578,550
- of which, net turnover corresponding to the main activity actually carried out	2	371,639,769	395,578,550
2 Goods sold (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708 - 6815*)	3	370,157,457	395,163,159
3 Income from sale of goods (acc. 707 - 6815*)	4	1,482,312	415,391
4 Commercial discounts granted (acc. 709)	5	-	-
5 income from operating subsidies relating to net turnover (acc. 7411)	6	-	-
6-7 Income corresponding to the cost of work in progress (acc. 711 + 712+713)		-	-
- Cr balance	7	-	-
- Dr balance	8	-	-
8 Income from production of non-current assets and investment property (rows 10+11)	9	-	-
9 Income from production of tangible and intangible assets (acc. 721 + 722)	10	357,013	-
10 Income from production of investment property (acc. 725)	11	-	-
11 Income from non-current assets (or disposal groups) held for sale (acc. 753)	12	-	-
12 Income from the revaluation of tangible assets (acc. 755)	13	-	-
13 Income from investment property (acc. 756)	14	-	-
14 Income from biological assets and agricultural produce (acc. 757)	15	-	-
15 Income from operating subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	16	-	-
16 Other operating income (acc. 751 + 758), of which:	17	3,474,410	8,768,423
17 – income from investment subsidies (acc. 7584)	18	-	-
- gains on bargain purchases (acc. 7587)	19	-	-
18 TOTAL OPERATING INCOME (rows 01+07-08+09+12+13+14+15+16+17)	20	375,471,192	404,346,973
19 a) Expenses with raw materials and consumables (acc. 601 + 602)	21	501,723	155,097
20 Other material expenses (acc. 603 + 604 + 606 + 608)	22	71,093	33,362
21 b) Other external expenses (power and water supply) (acc. 605)	23	267,282	282,892
*- of which, expenses with power consumption (acc. 6051)	24	264,202	273,218
22 c) Marketing expenses (acc. 607)	25	1,441,453	410,058
23 Commercial discounts received (acc. 609)	26	-	-
24 Personnel expenses (rows 28+29), out of which:	27	8,011,570	8,363,416
25 a) Salaries and bonuses (acc. 641 + 642 + 643 + 644)	28	7,820,863	8,159,837
26 b) Social security (acc. 645+646)	29	190,707	203,579
27 a) Value adjustments on the tangible and intangible assets (rows 31+32-33)	30	3,672,353	3,982,829
28 a. 1) Expenses with the amortization/depreciation (acc. 6811 + 6813+6816+6817+ from acc. 6818)	31	3,672,353	3,982,829
a.2) Expenses with the amortization/depreciation of right-of-use assets leased (acc. 685)	32	-	-
29 a. 3) Income (acc. 7813+7816+ from acc. 7818)	33	-	-

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no	Financial year ended December 31, 2020	Financial year ended December 31, 2021
30 b) Value adjustments on the current assets (rows 35-36)	34	(207,191)	916,348
31 b. 1) Expenses (acc. 654 + 6814 + from acc. 6818)	35	279,159	1,746,308
32 b. 2) Income (acc. 754 + 7814 + from acc. 7818)	36	486,350	829,960
33 Other operating expenses (rows 38 to 46)	37	333,890,255	362,081,600
34.1. External provisions (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	38	330,161,670	355,264,897
35.2. Other taxes, levies and similar payments; transfers and contributions due based on special acts of legislation (acc. 635 + 6586)	39	130,315	145,354
36.3. Environmental expenses (acc. 652)	40	-	-
37.4. Expenses with non-current assets (or disposal groups) held for sale (acc. 653)	41	-	-
38.5. Revaluation of tangible assets (acc. 655)	42	-	-
39.6. Expenses with investment properties (acc. 656)	43	-	-
40.7. Expenses with biological assets (acc. 657)	44	-	-
41.8. Natural disasters and other similar events (acc.6587)	45	-	-
42.9. Other expenses (acc. 651 + 6581 + 6582 + 6583 + 6584 +6585 + 6588)	46	3,598,270	6,671,349
43. Adjustments on provisions (rows 48-49)	47	191,237	128,993
44 - Expenses (acc. 6812)	48	191,237	128,993
45 - Income (acc. 7812)	49	-	-
46 OPERATING EXPENSES – TOTAL (rows 21 to 23+25-26+27+30+34+37+47)	50	347,839,775	376,354,595
OPERATING PROFIT OR LOSS			
47 - Profit (rows 20 - 50)	51	27,631,417	27,992,378
48 – Loss (rows 50 - 20)	52	-	-
49 Income from shares held in subsidiaries (acc. 7611)	53		8,498,047
50 Income from shares held in associates (acc. 7612)	54	206,716	291,040
51 Income from shares held in associates and jointly controlled entities (acc. 7613)	55	-	-
52 Income from transactions with securities and other financial instruments (acc. 762)	56	-	-
53 Income from transactions with derivatives (acc. 763)	57	-	-
54 Income from FX differences (acc. 765)	58	2,240,885	2,450,941
55 Interest income (acc. 766)	59	83,547	171,391
- of which, income from affiliates	60	23,091	-
57 Income from operating subsidies for interest payable (acc. 7418)	61	-	-
58 Income from short-term financial investments (acc. 7617)	62	-	-
Income from deferred collection beyond normal credit terms (acc. 7681)	63	-	-
59 Other financial income (acc. 7615 + 764 + 767 + 7688)	64	-	352,000
TOTAL FINANCIAL INCOME (rows 53 to 59+61 to 64)	65	2,531,148	11,763,419

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

No.	Row no	Financial year ended December 31, 2020	Financial year ended December 31, 2021
61			
Value adjustments regarding the financial assets and financial investments held as current assets (rows 67-68)			
	66	(6,335,530)	(9,116,698)
62	67	-	-
- Expenses (acc. 686)			
63	68	6,335,530	9,116,698
- Income (acc. 786)			
64	69	-	-
Expenses with transactions of securities and other financial instruments (acc. 661)			
65	70	-	-
Expenses with transactions with derivatives (acc. 662)			
66	71	306,095	114,317
Interest expenses (acc. 666*)			
	72		
- of which, expenses made with affiliates			
67	73	-	-
Expenses with deferred collection beyond normal credit terms (acc. 6681)			
	74	-	-
Expenses with lease interest (acc. 6685)			
68	75	2,905,989	12,370,324
Other financial expenses (acc. 663 + 664 + 665 + 667 + 6682 + 6688)			
69	76	(3,123,446)	3,367,943
TOTAL FINANCIAL EXPENSES (rows 66+69+70+71+73+74+75)			
FINANCIAL PROFIT OR LOSS			
70	77	5,654,594	8,395,476
- Profit (rows 65-76)			
71	78	-	-
- Loss (rows 76-65)			
72	79	378,002,340	416,110,392
TOTAL INCOME (rows 20+65)			
73	80	344,716,329	379,722,538
TOTAL EXPENSES (rows 50+76)			
GROSS PROFIT OR LOSS			
74	81	33,286,011	36,387,854
- Profit (rows 79-80)			
75	82	-	-
- Loss (rows 80-79)			
76	83	3,486,204	3,924,319
INCOME TAX (acc. 691)			
77	84	-	-
Deferred income tax (acc. 692)			
78	85	118,823	147,430
Income from deferred income tax (acc. 792)			
	86	-	-
Income tax expenses, determined by tax treatment uncertainties (acc. 693)			
	87	-	-
Tax specific to certain activities (acc. 695)			
79	88	-	-
Other taxes not included in the captions above (acc. 698)			
NET PROFIT OR LOSS OF THE YEAR			
80	89	29,918,630	32,610,965
- Profit (rows 81 - 83 - 84 + 85 - 86 - 87 - 88)			
81	90	-	-
- Loss (rows 82 + 83 + 84 - 85 + 86 + 87 + 88); (rows 83 + 84 + 86 + 87 + 88 - 85 - 81)			

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022 by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless specified otherwise)

	<u>December 31, 2020</u>	<u>December 31, 2021</u>
<i>Cash flows from operating activities</i>		
Profit before tax	33,286,011	36,387,854
<i>Adjustments for:</i>		
Amortization of intangible assets	52,552	27,757
Depreciation of tangible assets	3,619,801	3,955,072
Expenses/(Income) related to provisions for financial investments	(6,335,530)	(9,116,698)
Expenses/(Income) related to provisions for receivables and similar accounts	(207,191)	916,348
Expenses/(Income) related to provisions for risks and charges	191,237	128,993
(Net gains)/Net loss on the disposal of tangible assets	69,324	(50,924)
(Net gains)/Net loss on the disposal of financial investments	134,400	10,046,630
Adjustments for FX losses/(gains)	530,705	(127,247)
Income from dividends	(206,716)	(8,789,087)
Interest expenses	306,095	114,317
interest income	(83,547)	(171,391)
Cash flows from operations before changes to working capital	31,357,141	33,321,624
(Increase) / Decrease in receivables	4,376,029	1,515,098
(Increase) / Decrease in prepaid expenses	441,148	220,485
(Increase) / Decrease in inventories	388,285	68,395
Increase / Decrease in liabilities	(14,340,662)	(7,983,650)
Increase / (Decrease) in deferred income	(93,479)	(1,421,184)
Interest paid	(306,095)	(114,317)
Interest received	83,547	171,391
Income tax paid	(1,240,041)	-
Net cash from operating activities	20,665,873	25,777,842
<i>Cash flows from investing activities:</i>		
Purchase of tangible assets	(4,385,738)	(7,095,420)
Purchase of intangible assets	(7,160)	(135,968)
(Purchase)/Sale of non-current financial assets	563,853	(332,030)
Proceeds from sale of non-current assets	141,976	1,102,797
Proceeds from sale of short-term investments	-	-
Dividends received	206,716	8,789,087
Net cash flows from investing activities	(3,480,353)	2,328,466

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless specified otherwise)

	<u>December 31, 2020</u>	<u>December 31, 2021</u>
<i>Cash flows from financing activities</i>		
Increase/(Decrease) in the use of credit line	-	-
Receipt/(Repayment) of long-term loan	(12,386,678)	(8,521,450)
Guarantee payments	-	-
Dividends paid	(15,300,000)	(16,200,000)
Spin-off payment - cash	-	-
(Purchase)/Sale of own shares	-	-
Net cash flows from financing activities	<u>(27,686,678)</u>	<u>(24,721,450)</u>
Net (decrease)/increase of cash and cash equivalents	<u>(10,501,158)</u>	<u>3,384,858</u>
Cash and cash equivalents at beginning of the year	<u>28,247,155</u>	<u>17,745,997</u>
Cash and cash equivalents at the end of the year	<u>17,745,997</u>	<u>21,130,855</u>

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022 by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

TTS (Transport Trade Services) S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless otherwise specified)

	<u>Share capital</u>	<u>Share premiums</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Revaluation reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at January 1, 2020	31,739,602	-	5,968,175	8,870,774	-	106,802,511	153,381,063
Profit/(Loss) for the year	-	-	-	-	-	29,918,630	29,918,630
Loss on write-off of shares	-	-	-	(5,138,376)	-	5,138,376	-
Set-up of legal reserve	-	-	-	45,586	-	(45,586)	-
Set-up of legal reserves	-	-	31,825	-	-	(31,825)	-
Dividends paid	-	-	-	-	-	(15,300,000)	(15,300,000)
Share capital issued	-	-	-	-	-	-	-
Deferred tax from revaluation reserve	-	-	-	-	-	-	-
Balance at December 31, 2020	31,739,602	-	6,000,000	3,777,984	-	126,482,107	167,999,693

As at December 31, 2020, the share capital was in amount of RON 30,000,000 divided into 30,000,000 shares with a nominal value of RON 1. All shares issued are paid in entirety. On April 28, 2020, the Extraordinary Shareholders meeting decided to close the loss registered as result of redemption of their own shares amounting of 27,778,062.66 LEI with reserves from shares premium in amount of 5,138,376 lei and from retained earnings in amount of 22,639,686.35 lei. As at December 31, 2019, the losses recorded as a result of the redemption of own shares were presented as retained earnings. In 2020, dividends were distributed in amount of 15,300,000 lei.

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022 by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless otherwise specified)

	<u>Share capital</u>	<u>Share premiums</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Revaluation reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at January 1, 2021	31,739,602	-	6,000,000	3,777,984	-	126,482,107	167,999,693
Profit / (Loss) for the year	-	-	-	-	-	32,610,965	32,610,965
Loss on write-off of shares	-	-	-	-	-	-	-
Set-up of legal reserve	-	-	-	45,591	-	(45,591)	-
Set-up of legal reserves	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(16,200,000)	(16,200,000)
Share capital issued	-	-	-	-	-	-	-
Deferred tax from revaluation reserve	-	-	-	-	-	-	-
Balance at December 31, 2021	31,739,602	-	6,000,000	3,823,575	-	142,847,481	184,410,658

As at December 31, 2021, the share capital was in amount of RON 30,000,000 divided into 30,000,000 shares with a nominal value of RON 1. All shares issued are paid in entirety. As at December 31, 2021 the inflates value of the share capital in accordance with IAS 29 as result of first time adoption of IFRS financial statements amounts RON 31,739,602. In 2021, the shares issued by TTS (Transport trade Services) S.A. were admitted to be traded on the stock market administered by the Bucharest Stock Exchange, the first trading day was June 14, 2021, TTS issuer symbol.

In April 2021, dividends were distributed in amount of RON 16,200,000 lei, respectively 0.54 RON per share.

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022 by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

Notes attached are an integral part of these financial statements.

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless otherwise specified)

1. GENERAL INFORMATION

TTS (Transport Trade Services) S.A. (hereinafter referred to as ‘the Company’), is a company incorporated in Romania, in 1997 having its registered office at no. 27, Vaselor Street, Bucharest.

The core business of the Company is represented by activities related to transports. TTS (Transport Trade Services) S.A. operates as sender of goods in domestic and international transport, mainly inland waterway transport. The company offers integrated services, from taking the goods from river or sea port, to the point of destination.

The Company is active on the international freight segment and is organized into three divisions:

1. Minerals - which provide logistics operations for raw materials and finished goods of the metallurgical and equipment industries.
2. Agri - which deals exclusively with the logistics of agricultural goods (cereals, seeds, vegetable oils).
3. Chemicals - which deals with the logistics of fertilizers and raw materials for fertilizer production.

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EU

Initial application of new amendments to the existing standards effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leases”** - Interest Rate Benchmark Reform — Phase 2 adopted by the EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 16 “Leases”** - Covid-19-Related Rent Concessions beyond 30 June 2021 adopted by the EU on 30 August 2021 (effective from 1 April 2021 for financial years starting, at the latest, on or after 1 January 2021),
- **Amendments to IFRS 4 Insurance Contracts “Extension of the Temporary Exemption from Applying IFRS 9”** adopted by the EU on 16 December 2020 (the expiry date for the temporary exemption from IFRS 9 was extended from 1 January 2021 to annual periods beginning on or after 1 January 2023).

The adoption of amendments to the existing standards has not led to any material changes in the Company’s financial statements.

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- **Amendments to IAS 16 “Property, Plant and Equipment”** - Proceeds before Intended Use adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”** - Onerous Contracts - Cost of Fulfilling a Contract adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 3 “Business Combinations”** - Reference to the Conceptual Framework with amendments to IFRS 3 adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **IFRS 17 “Insurance Contracts”** including amendments to IFRS 17 issued by IASB on 25 June 2020 - adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to various standards due to “Improvements to IFRSs (cycle 2018 -2020)”** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 28 June 2021 (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.)

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless otherwise specified)

**2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EU
(continued)**

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at [date of publication of financial statements] (the effective dates stated below is for IFRS as issued by IASB):

- **IFRS 14 “Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 “Income Taxes”** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- **Amendments to IFRS 17 “Insurance contracts”** - Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Company’s estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: “Financial Instruments: Recognition and Measurement” would not significantly impact the financial statements, if applied as at the balance sheet date.

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies are presented below:

The main accounting policies applied in preparing these financial statements are presented below. These policies have been applied consistently throughout all the years disclosed, unless otherwise presented.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, according to the Ministry of Public Finance Order no. 2844/2016, as subsequently amended.

Basis of preparation

The financial statements have been prepared at historic cost, except for certain financial instruments that are stated at restated value or fair value as described in the accounting policies. The historic cost is generally based on the fair value of the provision supplied in exchange of the assets.

The presented financial statements were prepared by taking into consideration the adjusted statutory financial statements so as to obtain a status in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), in compliance with the provisions of IFRS 1 (“First-time adoption of IFRS”) issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The financial statements have been prepared on a going concern basis, according to the historic cost convention adjusted for the effects of hyperinflation by December 31, 2003 for the share capital and reserves. The financial statements are prepared on the basis of the statutory accounting records in accordance with the Romanian accounting principles, adjusted for compliance with IFRS as adopted by EU.

In this respect, the statement of financial position, an integral part of the annual financial statements, comprises information related to the end of the reporting financial year, the end of the financial year prior to the reporting year and beginning of the financial year prior to the reporting year. Moreover, the statement of comprehensive income comprises two information columns related to the current (reporting) financial year and the financial year prior to the reporting year.

For purposes of compliance with the international standards, the Company restated the amounts reported in the financial statements prepared in accordance with the standards approved by MoPFO 1802/2014 – see note 4.

The going concern principle. The Company operates according to the going concern principle. This principle assumes that the entity will continue its activity normally, without entering liquidation or significantly reducing its activity. The Company analysed the current situation of the orders and of the main industries linked to its activity, for which it operates transportation services and according to it, they expect that the ongoing military operation in Ukraine and related sanctions against the Russian Federation will lead to a reduction in profitability, but by efficiently utilising the resources available considers that the going concern principle will not be affected.

Functional and presentation currency

These financial statements are presented in RON (lei), which is the functional currency of the Company. The financial statements are presented in lei, rounded, without decimals. The transactions realised in a foreign currency are stated in RON (lei) by applying the exchange rate at the transaction date. The monetary assets and debts stated in a foreign currency, at the year end, are stated in RON (lei) using the exchange rate at the respective date. Gains and losses from the exchange rate differences, realised or not realised, are stated in the profit and loss account for the respective year.

The exchange rates as at December 31, 2021 and as at December 31, 2020 are:

	December 31, 2021	December 31, 2020
EUR	4.9481	4.8694
USD	4.3707	3.9660

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions

Non-monetary assets and liabilities measured in terms of fair value in a foreign currency are translated in functional currency at closing rate of the date when the fair value has been determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Accounting for the effects of hyperinflation

The Romanian economy was considered hyperinflationary until December 2003, therefore, the requirements of International Accounting Standard 29 (IAS 29) have been applied historically, with the non-monetary equity balance sheet items remeasured in RON at December 31, 2003. In order to prepare the financial statements, the Company adjusted its share capital and other reserves to inflation.

For the non-monetary assets of the Company acquired before December 31, 2003 and held at January 1, 2015, the Company uses the revalued amount as a default cost at the date of transition to IFRS.

Accounting estimates and professional judgments

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires the Company's management to use estimates, professional judgments and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. The estimates and assumptions associated with these estimates are based on historical experience, as well as other factors considered reasonable in the context of these estimates. The results of these estimates are based on professional judgments regarding the carrying amounts of assets and liabilities when those values cannot be obtained from other sources of information. Actual results may differ from estimated values.

The assumptions underlying the estimates are periodically reviewed by the Company. The effect of these revisions is recognized in the period in which the estimates are revised, if the revisions affect only that period, or in the period in which the estimates are revised and future periods if the revisions affect both the current period and future periods.

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The main accounting policies are presented below.

Intangible assets

Intangible assets acquired by the Company are presented at cost less accumulated amortization and impairment losses on intangible assets.

Intangible assets are recognized when the initial recognition criteria set out in IAS 38 are met, namely:

- whether the expected future economic benefits attributed to the asset are likely to be passed on to the entity,
- the cost of the asset can be measured reliably.

Amortization is calculated on a straight-line basis throughout the useful life. The estimated useful life and the amortization method are revised at the end of each reporting period, effecting changes in the future accounting estimates.

The following useful lives are used in the calculation of amortization:

Licenses	1 - 5 years
-----------------	--------------------

Property, plant and equipment

Land and buildings, equipment deemed to be used in the production or supply of goods or services or for administrative purposes are registered in the balance sheet at cost less any accumulated impairment that is deemed implicit acquisition cost at the time of transition to IFRS.

The initial cost of property, plant and equipment is the acquisition cost that includes the price paid to the supplier, including customs duties on import and other irrecoverable taxes, as well as any other costs directly attributable to the commissioning of the asset and bringing it to its location and at the operating conditions.

The initial cost of a property, plant and equipment also includes the costs initially estimated with its dismantling and relocation, as well as with the restoration of the site where the asset is located, when these amounts can be estimated reliably and the Company has an obligation to dismantle, relocate the property and restore the site. Estimated costs of dismantling and moving property, plant and equipment, as well as the cost with the restoration of the site, are recognized in the value of the non-current asset, in correspondence with a provision account.

Costs include professional fees and, for eligible assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such assets are classified in the respective categories of property, plant and equipment when they are completed or ready for use for the purpose for which they were intended. Impairment of these assets, on the same basis as other proprietary assets, begins when the assets are available for use in the manner desired by management.

The Company has applied one of the exemptions included in IFRS 1 which relieves first time adopters from the requirements to recreate cost information for the property, plant and equipment – *“IFRS1 - D8 allows event - driven fair value to be taken as the deemed cost as the date of that measurement”* In more detail the point refers allows a first time adopter to use and event driven fair value as deemed cost at the measurement date, for measurements events that occurred after the date of transition to IFRS and to specify accounting in such circumstances.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease previously recognized in the profit and loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

The depreciation of the buildings is recorded in the statement of comprehensive income.

Properties in the course of construction for production, rental, and administrative purposes or for purposes not yet determined are recorded at historic cost. The depreciation of these assets, on the same basis as other tangible assets, commences when the assets are ready to be used.

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in “RON”, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation of these assets is recorded such as to diminish cost, other than cost of land and properties under construction, throughout their estimated lifetime, on a straight-line basis.

The estimated useful service lives, residual values and the depreciation method are revised at each year end, resulting in changes to the future accounting estimates.

The assets held under financial leases are depreciated throughout the useful service life, similarly with the assets held with full title.

The loss or earning from the sale or decommissioning of a tangible asset are calculated as difference between the income from sales and the net book value of the asset and are recognized in the income statement.

Buildings and special constructions	8 - 60 years
Technical installations and equipment	3 - 30 years
Vehicles	4 - 6 years

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Where there can be identified a consistent allocation basis, the Company's corporate assets are also allocated to individual cash generating units or to the smallest group of cash generating units for which a consistent allocation basis can be identified.

Intangible assets with a useful life not determined and intangible assets that are not yet available for use are tested for impairment at least once a year and anytime there is indication that the asset may be impaired.

The recoverable value means the highest of fair value minus sale costs and its value in use. When measuring the value in use, estimated future cash flows are discounted at their current value by using a discount rate determined prior to taxation, which reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates related to future cash flows have not been adjusted.

If the recoverable value of an asset (or cash-generating unit) is estimated to be lower than its carrying value, then the carrying value of the asset (or the cash-generating unit) is reduced to the level of the recoverable value. Impairment is recognized immediately in profit or loss, if the relevant asset is not registered at a re-measured value, in which case the impairment is treated as reduction of re-measurement.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable value, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the respective asset (cash generating unit) in the prior years. A reversal of the impairment loss is immediately recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. The Company used the historical cost method to account for associates.

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NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Company's financial assets include investments, cash and cash equivalents, trade receivables. Financial liabilities include financial lease obligations, interest bearing bank borrowings and other liabilities. For each element, the accounting policies regarding the recognition and measurement are disclosed in this note. Management considers that the estimated fair values of these instruments approximate their book values.

Borrowings are initially recognized at fair value, less the costs incurred with the respective operation. Subsequently, these are recorded at amortized costs. Any difference between the addition value and the repayment value is recognized in the profit and loss account during the term of the borrowing, using the effective interest rate.

The classification of the investments depends on the nature and purpose of the same and is determined as at the date of the initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss account are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that one or several events occurred after the initial recognition have had an impact on the future cash flow pertaining to the investment.

Certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the past experience of the Company in respect of the collection of payments, an increase of the payments delayed beyond the credit term, as well as visible changes in the national and local economic conditions that are correlated with the payment incidents regarding the receivables.

The carrying amount of the financial asset is reduced by the impairment loss, directly for all the financial assets, except for the trade receivables, a case where the carrying amount is reduced by using a provision account. If a receivable is considered not recoverable, it is written off and deducted from the provision. Subsequent recoveries of the amounts previously written off are credited to the provision account. The changes in the carrying amount of the provision account are recognized in the profit or loss.

Derecognition of the assets and liabilities

The Company derecognizes the financial assets only when the contractual rights on the cash flows expire, or transfer the financial asset and, substantially, all the risks and rewards pertaining to the asset to another entity.

The Company derecognizes the financial liabilities if and only if all its obligations have been paid, cancelled or have expired.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including a part corresponding to the fixed and variable expenses are allocated to the inventories held through the method that is most adequate to the respective class of inventories, respective weighted average basis. Net realizable value represents the sale price estimated for inventories less all the costs estimated for completion and the costs pertaining to the sale.

Trade and other receivables

Trade and other receivables are initially stated at nominal value, which approximates the fair value and are subsequently written down by appropriate adjustments for the estimated non-recoverable amounts.

In the estimation, the Company is based on the age of the debt balances and on the historical experience.

The individual trade receivables are derecognised when the Company considers that they are not recoverable and all legal steps have been taken. Significant financial difficulties of the debtor, the probability that the debtor will go bankrupt or enter the procedure of financial reorganization or payment incapacity or payment delinquency are considered indications for the depreciation of receivables. Impairment loss is recognized in profit or loss.

The value of the receivable is presented in the statement of financial position.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Petty cash and bank accounts

Cash and cash equivalents include cash on hand and bank deposits that are immediately convertible into a known amount of cash and are subject to an insignificant risk of change in value. Account overdrafts are recorded at short-term payables in the balance sheet. Cash in foreign currency is revalued at the exchange rate at the end of the period.

Trade and other payables

Payables to suppliers and other payables are recorded at amortized cost and include the value of invoices issued by suppliers of products, works performed and services rendered.

The Company registers as accounts payable the operations regarding the purchases of materials and the services performed by third parties. Advances granted to suppliers are recorded in separate accounts.

Accounts payable are kept by categories, as well as by each natural or legal person.

Payables are classified into short-term payables and long-term payables.

Borrowings

Borrowings are initially recognized at fair value, net of related transaction costs.

Borrowings are subsequently registered at amortized cost; any difference between the amounts obtained from the sale and the recovery value is recognized in profit or loss over the period of the loans using the effective interest rate method.

Borrowings are classified as short-term payables, unless the Company has the unconditional right to defer debt settlement for at least 12 months after the balance sheet date.

Bank loans (all in the form of overdrafts) have no specific maturity and are classified as short-term payables.

In accordance with IAS 23 Borrowing Costs, the Company capitalizes on the costs of asset-related loans that require a long period of time to commission or sell.

The Company monitors the capital based on the gearing ratio. This rate is calculated as a ratio between net debt and total capital. Net debt is calculated as total loans (including both short-term and long-term loans) less cash and cash equivalents.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and when a reliable estimate can be made of the respective obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are grouped by categories in the accounting records and are set up for:

- a) legal disputes;
- b) restructuring;
- c) employee benefits
- d) other provisions

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Onerous contracts

Present obligations generated under onerous contracts are recognized and measured as provisions. A contract is onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received thereunder.

Warranties

Provisions for estimated costs of guarantee obligations according to local legislation concerning the sale of goods are recognized on the date when the relevant products are sold, at the best estimate made by the management as regards the expenses required to settle the Company's obligation.

Revenue recognition

Income is measured at the fair value of the amounts received or to be received. Revenues is reduced by estimated customers returns, commercial rebates and other similar allowances.

Revenue from contracts with customers

IFRS 15 "Revenue from contracts with customers" introduces a comprehensive model for the recognition and measurement of income. The standard replaces the existing income recognition criteria, replacing IAS 18 "Income", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programs". Under the new standard, revenue is recognized when the customer acquires control of the goods or services provided, at the amount that reflects the price that the company expects to receive in exchange for those goods or services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

The revenue is measured at the fair value of the counter value received or receivable. Revenue from sales is reduced for returns, commercial rebates and other similar reductions. The basic rule is that prices/tariffs are calculated based on costs + profit, under market conditions. Port prices are more stable, contracted mostly on yearly basis but usually same over a longer period of time. Tariffs for transport are more stable for minerals and part of chemicals, i.e. contracts valid one year (or more), spot contracts are calculated according to the basic rule. Tariffs for grains are agreed for main volumes, basis on one year long contract, level of tariffs being higher during season (July – December) and lower for off-season (January-June); spot contracts follow the basic rule.

Prices for transport are adjusted with BAF (bunker adjustment fee) and LWS (low water surcharge).

The Company has the following revenue streams:

Revenue from logistic contracts

Revenue from logistic services (transport, expedition, port operations) are recognised over time according to the contractual conditions, as the transport is confirmed by the beneficiary based on the following documents:

- freight documents (bill of lading, other related transport documents);
- documents attesting to the unloading operation from transport vehicles like barges, maritime ships or loading operation of loading the commodities (tally upon unloading / Out Turn Report – OTR / draft unloading survey).
- For the transportation services in progress at year end- the revenue is recognised as it is executed depending on percentage of execution of the service applying the output method based on:
 - the ships' location at the end of each month in the electronic ship monitoring system in Navrom's Dispatch Office;
 - the virtual route of the convoy (quantity x virtual distance) corroborated with the virtual trade of the order).

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Sale of goods

Revenue from sales of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are met:

- The entity has transferred to the buyer all the significant risks and rewards of ownership over the goods;
- The entity does not hold any managerial involvement associated to ownership or effective control over the goods sold;
- The amount of revenue can be measured in a reliable manner;
- It is probable that the economic benefits will flow directed to the Entity, and
- The costs incurred or to be incurred in respect to the transaction can be measured in a reliable manner.

Specifically, the revenue from sales of goods is recognized when the goods are delivered and the ownership right is transferred.

This is a secondary stream activity. The revenues are recorded based on approved contract between parties and parties being committed to perform their respective obligations. Each party's rights and payment terms can be easily identified. The contracts have commercial substance and it is probable that the entity will collect the consideration to which will be entitled in exchange for the goods or services transferred to the customer.

Financial income and expenses

Financial income includes interest income related to invested funds and other financial income. Interest income is recognized in profit or loss on an accrual basis, using the effective interest method.

The interest income is recorded on a time basis, by reference to the principal due and the applicable effective interest rate, which is the exact rate of discount of the future cash inflows estimated throughout the lifetime of the financial asset, up to the net book value of the respective asset.

Financial expenses include interest expense on loans and other financial expenses.

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in the income statement using the effective interest method.

Foreign exchange gains and losses on financial assets and liabilities are reported on a net basis as either financial income or financial expense, depending on currency fluctuations: net gain or net loss.

Other income - includes income from fines, penalties, compensation, eg.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, respectively, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company's exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingent assets and liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events that is not recognized because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Company's financial statements, but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognized in the Company's financial statements, but disclosed when an inflow of economic benefits is probable

FX transactions

The Company operates in Romania and its functional currency is RON.

Transactions in foreign currencies are translated to the respective currency of entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Costs related to long-term borrowings

The costs related to the long-term loans directly attributable to the acquisition, construction or production of assets, which are assets that necessarily take a substantial period of time in order to be used or for sale are added to the cost of those assets, until such time as the respective assets are ready to be used for their purpose or for sale. The income from the temporary investment of specific borrowings until such time as the borrowings are expensed on assets is deducted from the costs pertaining to the long-term borrowings eligible for capitalization.

All the other borrowing costs are recognized in the income statement in the period in which they are incurred.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contribution for employees

The Company, in the normal course of business, makes payments to the Romanian State for work insurance contribution according to the levels established under the law and in effect during the year, calculated on the gross salaries on behalf of its employees. The value of that contribution is recorded in the income statement as the related salary expense.

Taxation

The income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on the taxable profit of the year. Taxable profit differs from the 'profit before tax' as reported in the statement of profit and loss, as it excludes the elements of income and expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding taxation bases used in the calculation of the taxable profit. The deferred tax liabilities are generally recognized for all the temporary taxation differences, to the extent where it is probable that taxable profit should exist on which those temporary differences can be used. Such assets and liabilities are not recognized if the temporary difference comes from goodwill or from the initial recognition (other than from a business combination) of other assets and liabilities in a transaction that affect neither the taxable profit, nor the accounting profit.

Deferred tax liabilities are recognized for the temporary taxable differences associated with the investments in subsidiaries and associates and the interests in joint ventures. The deferred tax asset from the temporary deductible differences associated with such investments and interests is recognized only to the extent where it is likely to exist sufficient taxable income on which the benefits pertaining to the temporary differences can be used and it is estimated that they will be reversed in the near future.

The book value of the deferred tax assets is revised as at each balance sheet date and is reduced to the extent where it is no longer likely that taxable income should exist to allow the full or partial recovery of the asset.

Deferred tax assets and liabilities are measured at the taxation rate estimated to be applied in the period when the liability is settled or the asset is realized, based on the taxation rates (and tax laws) in effect or substantially in effect by the balance sheet date. The measurement of the assets and liabilities by the deferred tax reflects the fiscal consequences of the way in which the Company estimates, as at the reporting date, that it will recover or settle the book value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is an applicable right to offset them in a similar way to the current assets and liabilities which are offset with the current tax and when they regard the income taxes levied by the same tax authority and the Company intends to offset its deferred tax assets with its deferred tax liabilities on a net basis.

Current tax and deferred tax

Current and deferred tax are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income, or directly in equity in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

The income tax for the period ending December 31, 2021 was 16% (December 31, 2020: 16%).

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the financial statements requires making estimates and assumptions by the management, which affect the reported amounts of the contingent assets and liabilities as at the balance sheet date, as well as the reported amounts of the income and expenses during the reporting period. Actual results may differ from those estimates. The estimates and assumptions on which the financial statements are based are revised on an ongoing basis. The reviews of the accounting estimates are recognized in the period when the estimate is revised, if such review affects only the respective period, or in the future periods, if the review affects both the current and the future periods.

Comparatives

Certain amounts in the statement of the financial position, statement of the comprehensive result, cash flow statement and statement of changes in shareholders' equity for the prior year have been reclassified to be put in line with the current year presentation.

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 (“FIRST-TIME ADOPTION OF IFRS”)

No.	Row no.	Balance at December 31, 2019 as per MoPFO 2844	Balance at December 31, 2019 as per MoPFO 1802	Differences
A NON – CURRENT ASSETS				
I INTANGIBLE ASSETS				
	1	-	-	-
	2	53,725	53,725	-
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	53,725	53,725	-
II TANGIBLE ASSETS				
	7	18,673,621	18,673,621	-
	8	13,075,049	13,075,049	-
	9	50,308	50,308	-
	10	-	-	-
	11	1,674,137	1,674,137	-
	12	-	-	-
	13	-	-	-
	14	-	-	-
	15	-	-	-
	16	33,473,115	33,473,115	-
III BEARER BIOLOGICAL ASSETS (acc.241+227-284-294)				
	17	-	-	-
IV RIGHTS OF USE OF LEASED ASSETS (acc. 251* - 285* - 295*)				
	18	-	-	-
V FINANCIAL ASSETS				
	19	122,688,430	122,688,430	-
	20	-	-	-
	21	147,339	147,339	-
	22	-	-	-
	23	-	-	-
	24	1,006,122	1,006,122	-
	25	123,841,891	123,841,891	-
	26	157,368,731	157,368,731	-

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 ("FIRST-TIME ADOPTION OF IFRS")

No.	Row no.	Balance at December 31, 2019 as per MoPFO 2844	Balance at December 31, 2019 as per MoPFO 1802	Differences
B CURRENT ASSETS				
I INVENTORIES				
	27	986,804	986,804	-
	28	-	-	-
	29	-	-	-
	30	75,762	75,762	-
	31	-	-	-
	32	1,062,566	1,062,566	-
II RECEIVABLES (amounts receivables in more than one year shall be presented separately for each caption)				
	33	37,113,770	37,113,770	-
	34	371,460	371,460	-
	35	319,185	319,185	-
	36	-	-	-
	37	-	-	-
	38	5,468,967	5,468,967	-
	39	-	-	-
	40	-	-	-
	41	43,273,382	43,273,382	-
III SHORT-TERM INVESTMENTS				
	42	384,000	384,000	-
IV PETTY CASH AND BANK ACCOUNTS (acc. 508 + acc. 5112 + 512 + 531 + 532 + 541 + 542)				
	43	28,247,155	28,247,155	-
	44	72,967,103	72,967,103	-
C PREPAID EXPENSES (acc. 471+474) (rows 46 + 47)				
	45	1,260,603	1,260,603	-
	46	1,260,603	1,260,603	-
	47	-	-	-

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 (“FIRST-TIME ADOPTION OF IFRS”)

No.	Row no.	Balance at December 31, 2019 as per MoPFO 2844	Balance at December 31, 2019 as per MoPFO 1802	Differences
D PAYABLES WITHIN ONE YEAR				
				-
	48	-	-	-
	49	12,187,215	12,187,215	-
	50	-	-	-
	51	47,911,693	47,911,693	-
	52	-	-	-
	53	-	-	-
	54	-	-	-
	55	-	-	-
	56	4,948,219	4,948,219	-
	57	65,047,127	65,047,127	-
E NET CURRENT ASSETS/NET CURRENT LIABILITIES (rows 44 + 46 - 57 - 74 - 77 - 80)				
	58	4,900,214	4,900,214	-
F TOTAL ASSETS LESS CURRENT LIABILITIES (rows 26 + 47 + 58)				
	59	162,268,945	162,268,945	-
G LONG-TERM PAYABLES				
	60	-	-	-
	61	8,363,775	8,363,775	-
	62	-	-	-
	63	-	-	-
	64	-	-	-
	65	-	-	-
	66	-	-	-
	67	-	-	-
	68	215,696	77,000	138,626
	69	8,579,471	8,440,845	138,626
H PROVISIONS				
	70	-	-	-

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 (“FIRST-TIME ADOPTION OF IFRS”)

No.	Row no.	Balance at December 31, 2019 as per MoPFO 2844	Balance at December 31, 2019 as per MoPFO 1802	Differences
2	71	308,411	308,411	-
TOTAL (rows 70 to 71)		308,411	308,411	-
I DEFERRED INCOME				
1	73	-	-	-
Subsidies for investments (acc. 475) - total (rows 74 + 75), of which:				
	74	-	-	-
	75	-	-	-
2	76	4,280,365	4,280,365	-
Deferred income (acc. 472) - total (rows 77 + 78), of which:				
	77	4,280,365	4,280,365	-
	78	-	-	-
3	79	-	-	-
Deferred income pertaining to the assets received by transfer from clients (acc. 478) (rows 80+ 81), of which:				
	80	-	-	-
	81	-	-	-
TOTAL (rows 73+76+79)		4,280,365	4,280,365	-
J CAPITAL AND RESERVES				
I CAPITAL				
1	83	30,000,000	30,000,000	-
2	84	-	-	-
3	85	-	-	-
Capital subscribed representing financial liabilities (acc. 1027)				
4	86	-	-	-
5	87,88	1,739,602	-	1,739,602
6	89,90	-	-	-
Adjustments of share capital/company patrimony (acc. 1028)				
6	89,90	-	-	-
TOTAL (rows 83 + 84+85+86+87-88+89-90)		31,739,602	30,000,000	1,739,602
II SHARE PREMIUMS (acc. 104)				
III REVALUATION RESERVES (acc. 105)		-	4,226,667	(4,226,667)
IV RESERVES				
1	94	5,968,175	5,968,175	-
2	95	-	-	-
3	96	8,870,774	8,502,600	368,174
TOTAL (rows 94 to 96)		14,838,949	14,838,949	368,174
FX differences from conversion of annual standalone financial statements from a presentation currency different from the functional currency (acc. 1072)				
	98-99	-	-	-
Own shares (acc. 109)	100	-	-	-

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 ("FIRST-TIME ADOPTION OF IFRS")

No.	Row no.	Balance at December 31, 2019 as per MoPFO 2844	Balance at December 31, 2019 as per MoPFO 1802	Differences
Gains on equity instruments (acc. 141)	101	-	-	-
Losses on equity instruments (acc. 149)	102	27,778,063	27,778,063	-
V PROFIT OR LOSS CARRIED FORWARD, EXCEPT FOR PROFIT OR LOSS CARRIED FORWARD OBTAINED FROM FIRST-TIME ADOPTION OF IAS 29				-
- Cr balance	103	109,928,115	105,902,837	4,025,278
- Dr balance	104	-	-	-
VI PROFIT OR LOSS CARRIED FORWARD OBTAINED FROM FIRST-TIME ADOPTION OF IAS 29 (acc. 118)				-
- Cr balance	105	-	-	-
- Dr balance	106	2,107,776	-	2,107,776
VII PROFIT OR LOSS FOR THE YEAR (acc. 121)				-
- Cr balance	107	28,462,035	28,399,270	62,765
- Dr balance	108	-	-	-
Allocation of profit (acc. 129)	109	1,701,799	1,701,799	-
EQUITY - TOTAL (rows 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)				-
	110	<u>153,381,063</u>	<u>153,519,687</u>	<u>(138,624)</u>
Public patrimony (acc. 1023)	111	-	-	-
Private patrimony (acc. 1026)	112	-	-	-
CAPITAL - TOTAL (rows 110+111+112)				-
	113	<u>153,381,063</u>	<u>153,519,687</u>	<u>(138,624)</u>

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4. RESTATEMENT OF 2019 FINANCIAL STATEMENTS AS PER IFRS 1 ("FIRST-TIME ADOPTION OF IFRS") (continued)

The differences in amount of RON 138,624 related to the line "Other payables, including tax and social security" within the "Long-term payables" line is represented by the deferred tax resulting from the difference of impairment of receivables, impairment of sundry debtors and revaluation reserve.

The difference of RON 1,739,602 related to the line "Adjustments of the share capital / company patrimony (acc. 1028)", as well as the amount of RON 368,174 within the "Other reserves" line is represented by the hyperinflation adjustment of capital and reserves according to IAS 29. The share capital as well as other reserves were adjusted applying inflation indices for the period August 1998 - December 2003.

The difference of RON 4,025,278 is represented by the adjustment of the revaluation reserve by applying IAS 16 "Property, plant and equipment" and IAS 12 "Deferred income tax" with the deferred income tax generated by revaluations that are not accepted as a deduction of income tax.

The Company has applied one of the exemptions included in IFRS 1 which relieves first time adopters from the requirements to recreate cost information for the property, plant and equipment – *"IFRS1 - D8 allows event - driven fair value to be taken as the deemed cost as the date of that measurement"* In more detail the point refers allows a first time adopter to use and event driven fair value as deemed cost at the measurement date, for measurements events that occurred after the date of transition to IFRS and to specify accounting in such circumstances.

Hence, the Company reclassified the amount of the revaluation reserve.

The difference of RON 2,107,776 related to the Retained earnings line resulting from the first-time adoption of IAS 29 comprises the amounts of the share capital and other reserves restated as per IAS 29.

The difference of RON 62,765 in the "Profit or loss for the year" line relates to the income from deferred income tax.

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5. PROPERTY, PLANT AND EQUIPMENT

	<u>Land at cost</u>	<u>Buildings at cost</u>	<u>Plant and machinery, equipment and motor vehicles at cost</u>	<u>Furniture, office equipment, protection equipment of human and material values and other tangible</u>	<u>Advances for Fixed Assets and Capital assets in progress</u>	<u>TOTAL</u>
	<i>RON</i>	<i>RON</i>	<i>RON</i>	<i>RON</i>	<i>RON</i>	<i>RON</i>
At January 1, 2019	7,309,824	23,549,929	69,095,478	1,348,429	1,621,622	102,925,281
Additions	-	--	665,439	2,546	682,607	1,350,593
Transfer	-		630,092	-	-	630,092
Disposals	(5,320,222)	(2,428,579)	(309,245)	(9,766)	(630,092)	(8,697,904)
Transfer	-	-	-	-	(630,092)	(630,092)
As at December 31, 2019	1,989,602	21,121,350	69,451,672	1,341,209	1,674,137	95,577,970
At January 1, 2020	1,989,602	21,121,350	69,451,672	1,341,209	1,674,137	95,577,970
Additions	924,466	856,916	1,486,686	19,558	1,608,885	4,896,511
Transfer	-	181,583	329,190	-	-	510,773
Disposals	-	-	(1,347,065)	(203,978)	(648,763)	(2,199,806)
Transfer	-	-	-	-	(510,773)	(510,773)
As at December 31, 2020	2,914,068	21,978,266	69,591,293	1,156,789	2,634,259	98,274,675
At January 1, 2021	2,914,068	21,978,266	69,591,294	1,156,789	2,634,259	98,274,675
Additions	-	4,328,197	2,351,475	35,652	6,652,367	13,367,691
Transfer	-	4,321,132	1,918,116	33,024	-	6,272,272
Disposals	-	(217,715)	(2,033,466)	-	(7,645,054)	(9,896,235)
Transfer	-	-	-	-	(6,272,271)	(6,272,271)
As at December 31, 2021	2,914,068	26,088,748	69,909,303	1,192,441	1,641,572	101,746,131

During 2021 the Company continued the investment to Giurgiu port and finished the investment made from Oltenita port for equipment's and infrastructure in amount of RON 5,603,831.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land at cost <i>RON</i>	Buildings at cost <i>RON</i>	Plant and machinery, equipment and motor vehicles at cost <i>RON</i>	Furniture, office equipment, protection equipment of human and material values and other tangible <i>RON</i>	Advances for Fixed Assets and Capital assets in progress <i>RON</i>	TOTAL <i>RON</i>
At January 1, 2019	-	4,124,742	54,173,892	1,273,479	-	59,572,113
Depreciation expense	-	952,605	2,507,687	27,187	-	3,487,479
Disposals	-	640,016	304,955	9,766	-	954,737
As at December 31, 2019	-	4,437,331	56,376,624	1,290,901	-	62,104,855
At January 1, 2020	-	4,437,331	56,376,624	1,290,901	-	62,104,855
Depreciation expense	-	882,542	2,718,465	18,794	-	3,619,801
Disposals	-	-	1,279,709	198,024	-	1,477,733
As at December 31, 2020	-	5,319,873	57,815,380	1,111,671	-	64,246,923
At January 1, 2021	-	5,319,873	57,815,380	1,111,671	-	64,246,923
Depreciation expense	-	920,629	3,022,716	11,727	-	3,955,072
Disposals	-	95,258	1,952,958	-	-	2,048,216
As at December 31, 2021	-	6,145,244	58,885,139	1,123,398	-	66,153,780
Carrying amount						
At December 31, 2019	1,989,602	16,684,020	13,075,049	50,308	1,674,137	33,473,115
At December 31, 2020	2,914,068	16,658,394	11,775,914	45,118	2,634,258	34,027,752
At December 31, 2021	2,914,068	19,943,504	11,024,164	69,043	1,641,571	35,592,351

In 2019, the Company ceased through spin off the land from Vaselor street 32, 34, land form from Maiorescu street no. 14B and 16 in amount of RON 5,320,222 and buildings with a gross book value of RON 2,428,579. In 2020 the Company continued the investments made for Giurgiu and Oltenita by acquiring equipment's in amount of RON 981,477. Moreover, there was made a replacement of the fully depreciated IT equipment's in amount of RON 188,387 and ceased other completed depreciated tangible assets in amount of 893,742 RON.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

a) Tangible assets pledged

All loans from Unicredit Bank are guaranteed with mortgage on the building from Bucharest on Vaselor Street no 27, Bucharest lands from Ion Maiorescu Street no 14 and 16 B and on a silo from Giurgiu.

As at December 31, 2021, the net book value of the tangible assets pledged in favour of banks in respect of the bank borrowings contracted by the Company amounts to RON 13,008,190 (2020: RON 13,442,604).

b) Tangible assets purchased under financial leases

As at December 31, 2021 and 2020, the Company did not have any financial leases.

6. INTANGIBLE ASSETS

	Concessions and patents	Other Intangible assets	Total
COST			
As at December 31, 2019	10,392	1,720,014	1,730,406
Additions	-	7,160	7,160
Disposals	-	-	-
As at December 31, 2020	10,392	1,727,174	1,737,566
Additions	-	135,967	135,967
Disposals	-	-	-
As at December 31, 2021	10,392	1,863,142	1,873,534
ACUMULATED AMORTIZATION			
As at December 31, 2019	9,850	1,666,831	1,676,680
Amortization for the year	480	52,071	52,552
Amortization pertaining to disposals	-	-	-
As at December 31, 2020	10,330	1,718,902	1,729,232
Amortization for the year	62	27,695	27,757
Amortization pertaining to disposals	-	-	-
As at December 31, 2021	10,392	1,746,596	1,756,989
NET BOOK VALUE			
December 31, 2019	543	53,183	53,725
December 31, 2020	62	8,273	8,334
December 31, 2021	-	116,545	116,545

Management has analysed the impairment of the net book value of the tangible and intangible assets and decided that it is not necessary to calculate and record supplementary adjustments for their impairment, as the net value at which they are reflected in the financial position as at December 31, 2021 and December 31, 2020 is their value in use.

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7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

For individual financial statements the Company considers that the cost method would be relevant for the user of its separate financial statements, as presented in the table below:

Name of investment	Set -up year	Core business	Place of operations	Holding percentage 31.12.2021	Holding percentage 31.12.2020	Holding percentage 31.12.2019	Carrying amount of the investment 31.12.2021	Carrying amount of the investment 31.12.2020	Carrying amount of the investment 31.12.2019
CNFR Navrom S.A.	1991	Freight transport by inland waterways	Galati, Romania	92.1353%	92.03%	91.90%	39,798,310	39,569,465	39,308,697
Canopus Star S.R.L.	2001	Loading and unloading of merchandise, storage and port operation	Constanta, Romania	51.00%	51.00%	51.00%	45,755,398	45,755,398	45,755,398
TTS Porturi Fluviale SRL	1996	Loading and unloading of merchandise, and port operation	Galati, Romania	100.00%	100.00%	100.00%	25,206,269	25,206,269	25,206,269
TTS Operator S.R.L.	1994	Loading and unloading of merchandise, and port operation	Constanta, Romania	90.00%	90.00%	90.00%	1,706,207	1,706,207	1,706,207
Portul Fajsz (EZUSTBARKA KFT)	2004	Water transportation related activities	Fajsz, Hungary	100%	100%	100.00%	1,293,580	1,293,580	1,293,580
Agrimol Trade SRL	2010	Wood wholesale transport	Bucharest, Romania	99.98%	99.98%	99.96%	5,305,870	6,235,801	235,802
Plimsoll ZRT	2016	Freight transport by railway and river	Budapest, Hungary	51.00%	51.00%	51.00%	9,066,000	9,066,000	9,066,000
TTS (Transport Trade Services) Gmbh	2014	Complementary activities related to river transport	Viena, Austria	75.0000%	75.0000%	75.0000%	116,477	116,477	116,477
Transterminal-S.R.L.	2006	Freight transport by railway	Chisinau, Republic of Moldova	20.00%	20.00%	20.00%	147,339	147,339	147,339
Management NFR S.A.	2003	Consulting for business	Bucharest, Romania	20.00%	20.00%	20.00%	-	-	-
GIF Leasing IFN	2004	Financial leases	Bucharest, Romania	7.70%	7.70%	7.70%	-	-	-
							128,395,450	129,096,536	122,835,769

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8. OTHER LONG-TERM ASSETS

	Year end December 31, 2021	Year end December 31, 2020
Long term securities	-	-
Loans to related parties	-	-
Commercial guarantees	485,816	382,632
Total	485,816	382,632

9. INVENTORIES

	Year end December 31, 2021	Year end December 31, 2020
Consumables	585,080	590,350
Stock items	20,807	24,743
Goods	-	59,188
Total	605,887	674,281

10. TRADE AND OTHER RECEIVABLES

	Year end December 31, 2021	Year end December 31, 2020
Trade receivables	31,285,346	31,934,104
Value adjustments for doubtful receivables	(1,252,464)	(1,259,456)
Advances paid to suppliers of services	35,761	341,375
VAT recoverable	4,264,654	6,949,071
VAT not payable	4,270	6,199
Settlement between related parties	1,773,162	535,727
Other receivables to the State budget	455,655	181,485
Sundry debtors and other receivables	7,735,244	7,475,657
Value adjustments for sundry debtors	(7,725,711)	(7,455,923)
Total	36,575,917	38,708,239

The receivables in foreign currency existing as at December 31, 2021 are presented in the balance sheet at the exchange rate of the foreign exchange market communicated by the NBR on the last working day of the year, the favourable or unfavourable exchange rate differences being reflected in expense or income accounts.

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10. TRADE AND OTHER RECEIVABLES (continued)

Changes to the provision for doubtful receivables	Year end December 31, 2021	Year end December 31, 2020
Balance at the beginning of the year	1,259,456	1,693,380
(Decrease) / Increase in provision recognized in the income statement	(6,992)	(433,924)
Balance at the end of the year	1,252,464	1,259,456

During 2021, the company made adjustments for clients older than 270 days in the amount of RON 822,968 and reversed the allowance made in prior year in the amount of RON 829,960. The balance of customers older than 1 year at December 31, 2021 is RON 1,252,464 (2020: RON 1,259,456).

Changes to the provision for doubtful receivables	Year end December 31, 2021	Year end December 31, 2020
Balance at the beginning of the year	7,455,923	7,305,923
(Decrease) / Increase in provision recognized in the income statement	269,788	150,000
Balance at the end of the year	7,725,711	7,455,923

Sundry debtors represent amounts paid for goods and services based on commercial contracts, but not honoured at the terms provided in the contract, assigned customer receivables and penalty interest. For the above bad debt amount, the Company makes every effort to recover these amounts

11. ISSUED CAPITAL

Issued capital comprises	No. of Shares	Share capital
Balance at December 31, 2019	30,000,000	31,739,602
Balance at December 31, 2020	30,000,000	31,739,602
Increase of capital	-	-
Balance at December 31, 2021	30,000,000	31,739,602

The inflated IFRS amount of the share capital as at December 31, 2021 and December 31, 2020 is RON 31,739,602 (2019: RON 31,739,602).

Based on decision no. 4 of the OGMS from April 28, 2020 it was approved the operation of covering the loss from the redemption of own shares in the amount of RON 27,778,063 as follows: RON 5,138,377 from capital premiums incorporated in reserves and RON 22,639,686 from carried forward result representing undistributed profit from previous years.

According to GMS Decision No. 3 from March 2021, the shareholders approved the sale through the initial secondary public offering of 15,000,000 shares and the admission for trading of the shares on a regulated market administered by the Bucharest Stock Exchange SA.

By ASF decision no. 650 from May 19, 2021, the prospectus regarding the initial secondary public offer for the sale of 15,000,000 shares issued by TTS (Transport Trade Services) S.A. was approved and admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. public offer conducted between May 24, 2021 - June 4, 2021.

The company was admitted to trading under TTS symbol, the first trading day was June 14, 2021

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As at 31 December 2021, the Company’s shareholding structure is as follows:

Shareholding structure	No. of shares	Ratio
Mihailescu Alexandru Mircea	7,578,150	25.2605%
NN Group NV	3,053,668	10.1800%
Stanciu Ion	2,121,200	7.0700%
Aegon Pensii - Societate de Administrare a Fondurilor de Pensii Private SA	1,937,009	6.4600%
Paval Holding SRL	1,600,000	5.3300%
Utilico Emerging Markets PLC	1,500,000	5.0000%
Other shareholders	12,209,973	40.6995%
Total	30,000,000	100%

As at 31 December 2020, the Company’s shareholding structure is as follows:

Shareholding structure	No. of shares	Ratio
Mihailescu Alexandru Mircea	15,120,000	50.4000%
Stanciu Ion	4,242,400	14.1413%
Stefan Viorel	3,030,300	10.1010%
Peter Hungerbuhler	2,757,300	9.1910%
Hartan Constantin	1,515,150	5.0505%
Stefanut Petru	909,100	3.0303%
Petrea Silviu Catalin	453,050	1.5102%
Stefan Jancovschi Daniel	453,050	1.5102%
Stoean Antonio Gabriel	453,050	1.5102%
Moldoveanu Aurel Florin	303,050	1.0102%
Simion Daniela Camelia	303,050	1.0102%
Alexandrescu Florin	153,500	0.5117%
Cismec Aurelia Mihaela	153,500	0.5117%
Miron Mihaela	153,500	0.5117%
TOTAL	30,000,000	100.00%

12. RESERVES

	Year end December 31, 2020	Year end December 31, 2020
Legal reserves	6,000,000	6,000,000
Revaluation reserve	-	-
Other reserves	3,823,575	3,777,984
Total	9,823,575	9,777,984

13. BORROWINGS

	Year end December 31, 2021	Year end December 31, 2020
Secured borrowings		
Short-term borrowings	-	-
Current part of long-term borrowings	-	8,521,450
Long-term borrowings		
Long-term borrowings	-	-
Total short- and long-term borrowings	-	8,521,450

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13. BORROWINGS (continued)

Amounts due to credit institutions

The Company has the following loans contracted from Unicredit Bank SA:

Short term:

- Overdraft and bank letters of guarantee in amount of EUR 1,500,000, due on January 31, 2022, not drawn at December 31, 2021.
- Treasury line with a total value of EUR 1,000,000, with a maturity date on 31.01.2022. The line is not used as at 31.12.2021
- A loan in amount of EUR 7,000,000 fully paid at December 31, 2021. The outstanding amount at December 31, 2020 is EUR 1,750,000 equivalent of RON 8,521,450.

All loans from Unicredit Bank are secured by the mortgage on the buildings owned by the Company in Bucharest no 27 Vaselor Street, the property land in Bucharest, Silo in Giurgiu.

The following covenants were mentioned in the contract:

- current ratio must be over 1
- debt service ratio over 1.1
- 70% of the annually turnover is to be routed through its current accounts.

The Company complies with the above covenants as at December 31, 2021.

The Company contracted a credit line in amount of EUR 1,000,000 from Citibank Europe PLC, Dublin-Romania Branch as per contract 8212/CB/2017 with automatic renewal for periods of 1 year, not drawn at December 31, 2021.

The Company it also warranting for the credit agreements concluded by its subsidiaries with Unicredit Bank SA and Citibank, respectively for CNFR Navrom SA, Canopus Star SRL (up to 51% in accordance with the share capital held), TTS Porturi Fluviale SRL, Agrimol Trade SRL, Navrom Shipyard SRL, Plimsoll zrt and Fluvius kft.

14. PROVISIONS

The Company recorded a provision for untaken holidays in amount of RON 628,641 (2020: RON 499,648).

	Year end December 31, 2021	Year end December 31, 2020
Litigation provisions	-	-
Other provisions	628,641	499,648
Total	628,641	499,648

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15. TRADE PAYABLES AND OTHER PAYABLES

	Year end December 31, 2021	Year end December 31, 2020
Loans payable to credit institutions	-	8,521,450
Trade payables	31,933,638	36,127,981
Invoices not received - suppliers	1,557,383	1,878,361
Employees' salaries	245,614	196,778
Social security	1,033,839	1,231,539
Corporate tax owed	964,940	785,508
Other borrowings and similar payables	261,433	78,512
Other taxes, levies and similar payments	301,543	206,471
Total	36,298,390	49,026,600

16. FINANCIAL INSTRUMENTS

a) Capital risk management

The Company manages its capital in order to make sure that it can continue as a going concern also ensuring a maximization of the shareholders wealth by optimizing the balance of liabilities and equity.

The Company has liabilities, which include the borrowings presented in note 13.

Equity includes share capital, reserves and retained earnings, as disclosed in Notes 11 and 12.

The Company monitors the equity based on gearing. Gearing is calculated as long-term borrowings divided to net worth. Net worth is calculated as “Equity and reserves” as reported in the statement of financial position.

Gearing as at December 31, 2021 and December 31, 2020 was the following:

	Year end December 31, 2021	Year end December 31, 2020
Total borrowings	-	8,521,450
Total equity and reserves	184,410,658	167,999,693
Gearing	-	5,07%

b) Foreign currency risk

The Company is exposed to fluctuations in the FX rates in the commercial and financing transactions. Foreign currency risk results from the recognized assets and liabilities, including borrowings, expressed in foreign currencies. Due to the high costs associated, the Company's policy is not to use derivatives to hedge this risk.

c) Interest rate risk management

The interest rate risk at fair value is the risk that the value of a financial instrument should fluctuate due to the variations in the market interest rates. Financial instruments are interest bearing at market rates and, as a result, it is considered that their fair values do not differ significantly from their book values.

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16. FINANCIAL INSTRUMENTS (continued)

d) Credit risk management

The Company is exposed to a credit risk due to its trade receivables and other receivables. The Company has policies in place meant to ensure that the sales are made to the clients with proper payment history. The due date of the liabilities is carefully monitored and the amounts outstanding after the expiration of the due date are promptly pursued. Trade receivables (clients) are presented net of the adjustments for the impairment of doubtful receivables. The Company develops policies that limit the value of the credit exposure to any financial institution.

e) Liquidity risk management

A prudent liquidity risk management involves maintaining sufficient cash and credit lines available, a continuous monitoring of the estimated and actual cash flow and correlation of the due dates of the financial assets and liabilities. Due to the nature of its business, the Company intends to be flexible in respect of the financing options with the support of the majority shareholder.

f) Fair value of the financial instruments

The fair values of the financial assets and liabilities are determined as follows:

- the fair value of the financial assets and liabilities under standard terms and conditions and traded active and liquid and active market is determined by reference to the listed market rates;
- the fair value of other financial assets and liabilities (excluding derivatives) is determined in accordance with the generally accepted price models, based on the analysis of the discounted cash flows, using prices from observable current market transactions; and
- the fair value of the derivatives is calculated using the listed prices. Where such prices are not available, the analysis of the discounted cash flows is applied using the yield curve applicable to derivatives that do not include options and option evaluation models for the derivatives based on options.

The financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short- and long-term borrowings and other liabilities. The estimated fair values of these instruments approximate their book values. The book values represent the maximum exposure of the Company to the credit risk related to the existent receivables.

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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16. FINANCIAL INSTRUMENTS (continued)

The book values of the Company’s currencies expressed in monetary assets and liabilities as at the reporting date are the following:

2021	EUR	USD	CHF	GBP	HUF	RON	31-Dec-21
	1 EUR = 4.9481	1 USD = 4.3707	1 CHF = 4.7884	1 GBP = 5.8994	100 HUF = 1.3391	1	Total
	RON	RON	RON	RON	RON	RON	RON
ASSETS							
Cash and cash equivalents	4,135,167	3,086,477	5,121	128	-	14,505,562	21,732,455
Receivables and other current assets	9,982,540	9,827,463	-	-	-	15,372,201	35,182,204
Other long-term receivables	-	-	-	-	-	485,816	485,816
Loans to related parties	1,237,025	-	-	-	156,688	-	1,393,713
LIABILITIES							
Trade payables and other payables	(12,447,338)	(4,667,633)	-	-	-	(18,921,986)	(36,036,957)
Other payables	-	-	-	-	-	(261,433)	(261,433)
Short- and long-term borrowings	-	-	-	-	-	-	-
Net balance sheet exposure	2,907,394	8,246,307	5,121	128	156,688	11,180,160	22,495,798

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(all amounts are expressed in "RON", unless otherwise specified)

16. FINANCIAL INSTRUMENTS (continued)

2020	EUR	USD	HUF	GBP	RON	31-Dec-20
	1 EUR = 4.8694	1 USD = 3.9960	100 HUF = 1.3356	1 GBP = 5.4201	1	Total
	RON	RON	RON	RON	RON	RON
ASSETS						
Cash and cash equivalents	6,810,696	1,875,393	8,270	117	9,301,121	17,995,597
Receivables and other current assets	13,800,198	6,574,836			18,176,926	38,551,960
Loans to related parties	-	-	-	-	156,279	156,279
Other long-term receivables	-	-	-	-	382,632	382,632
LIABILITIES						
Trade payables and other payables	(21,483,911)	(2,312,627)	-	(4,878)	(16,605,419)	(40,406,835)
Other payables					(98,315)	(98,315)
Short- and long-term borrowings	(8,521,450)	-	-		-	(8,521,450)
Net balance sheet exposure	(9,394,467)	6,137,602	8,270	(4,761)	11,313,224	8,059,868

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
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16. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

The Company is mainly exposed to the variations in the FX rates of EUR and USD against RON. The table below details the Company's sensitivity to a 10% increase or decrease of EUR / USD against RON. 10% is the sensitivity rate used when the internal reporting of the FX risk is made to the top management and represents the management's estimate regarding the reasonably possible changes in the FX rates. Sensitivity analysis includes only the remaining currency expressed in the monetary elements and adjust the translation at the end of the period for a 10% change in the FX rates. In the following table, a negative value indicates a decrease in profit when RON is impaired by 10% as against EUR / USD. A 10% increase of RON against EUR / USD would have an equal and contrary impact on profit and other equity and the balances below would be positive. The changes will be attributable to the exposures pertaining to the borrowings in EUR and USD at year end.

The exchange rates as at December 31, 2021 and as at December 31, 2020 are:

	December 31, 2021	December 31, 2020
EUR	4.9481	4.8694
USD	4.3707	3.9660
	Year end December 31, 2021	Year end December 31, 2020
Profit or loss	1,131,562	(325,335)

The impact on the result according to each currency is the following:

Currency	Year end December 31, 2021	Year end December 31, 2020
EUR	290,739	(939,446)
USD	824,630	613,760
CHF	512	827
HUF	15,669	-
GBP	12	(476)
Total	1,131,562	(325,335)

Tables regarding the liquidity risk and interest rate risk

The following tables detail the periods to the due dates of the financial liabilities of the Company.

The tables have been prepared based on the cash flows not updated of the financial liabilities as at the nearest date when the Company can be required to pay. The table includes both the interest and the cash flows pertaining to equity.

TTS (Transport Trade Services) S.A.
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16. FINANCIAL INSTRUMENTS (continued)

2021	Less than 1 month	> 1 month – 1 year	1–2 year(s)	2-5 years	Total
Not bearing interest					
Trade payables and other current payables	36,036,957	-	-	-	36,036,957
Interest bearing instruments					
Long- and short-term borrowings	-	-	-	-	-
Long- and short-term leases	-	-	-	-	-
Cash and cash equivalents	21,732,455	-	-	-	21,732,455
Loans to related parties	1,393,713	-	-	-	1,393,713
Receivables and other current assets	35,182,204	-	-	-	35,182,204
Other long-term receivables	-	485,816	-	-	485,816
2020	Less than 1 month	> 1 month – 1 year	1–2 year(s)	2-5 years	Total
Not bearing interest					
Trade payables and other current payables	40,406,835	-	-	-	40,406,835
Interest bearing instruments					
Long- and short-term borrowings	-	(8,521,450)	-	-	(8,521,450)
Other payables	-	-	(98,315)	-	(98,315)
Cash and cash equivalents	17,995,597	-	-	-	17,995,597
Loans to related parties	156,279	-	-	-	156,279
Receivables and other current assets	38,551,960	-	-	-	38,551,960
Other long-term receivables	-	382,632	-	-	382,632

TTS (Transport Trade Services) S.A.
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17. RELATED PARTY TRANSACTIONS

Balances and transactions with the related parties are the following:

	Amounts receivable from related parties		Amounts payable to related parties	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
CNFR Navrom S.A.	1,505	52,389	14,763,463	22,817,084
TTS Operator S.R.L.	-	410,550	3,491,481	3,757,099
Canopus Star S.R.L.	228,230	-	6,927,671	5,193,329
TTS Porturi Fluviale S.R.L.	-	-	407,928	329,562
Plimsoll ZRT	300,561	113,178	-	-
Agrimol Trade S.R.L.	-	109,702	-	-
TTS (Transport Trade Services) gmbh	655,791	210,613	59,342	-
Fluvius KFT	-	-	-	-
Port of Fajsz	86,592	85,215	-	-
Total	1,272,679	981,647	25,649,885	32,097,074

Loans granted

Port of Fajsz	1,393,713	156,279
Total	1,393,713	156,279

	Sales of goods and services		Acquisitions of goods and services	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
CNFR Navrom SA	376,968	91,327	245,136,781	235,024,351
TTS Operator SRL	4,140,000	4,144,923	22,742,300	24,601,041
Canopus Star SRL	191,790	-	17,296,852	10,338,263
TTS Porturi Fluviale SRL	803,708	-	3,420,729	3,366,065
Agrimol Trade SRL	102,676	96,844	-	-
Port of Fajsz kft	-	84,737	-	-
Fluvius KFT	-	-	291,275	727,801
Plimsoll ZRT	1,639,509	905,211	-	-
TTS (Transport Trade Services) Gmbh	6,790,542	5,745,937	550,105	571,255
Navrom River	-	-	-	12,252
Superquatro Grup SRL	-	16,896	-	-
Total	14,045,193	11,085,875	289,438,042	274,641,028

	Purchase of securities / Capital increase		Sale /Decrease of share capital	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
CNFR Navrom SA	228,846	260,768	-	-
Agrimol Trade SRL	-	6,000,000	10,046,630	-
Total	228,846	6,260,768	10,046,630	-

TTS (Transport Trade Services) S.A.
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18. CASH AND BANK ACCOUNTS

For the purposes of the cash flow statement, cash and cash equivalents include petty cash and bank accounts. Cash and cash equivalents at the end of the financial year, as presented in the cash flow statement can be reconciled with balance sheet elements as follows:

	Year end December 31, 2021	Year end December 31, 2020
Cash in banks	21,126,995	17,741,237
Petty cash	3,860	4,760
Cash equivalents	601,600	249,600
Total	21,732,455	17,995,597

19. INCOME

An analysis of the Company's income for the financial year is given below:

	Year end December 31, 2021	Year end December 31, 2020
Income from sales of goods	415,391	1,482,312
Income from services provided	390,947,793	365,975,111
Income from other activities	4,215,366	4,182,346
Total	395,578,550	371,639,769

The income from services provided is represented mainly by fluvial transportation services provided to third party customers together with CNFR Navrom SA, but also handling operations and cargo storage.

This is the core business of the Company and represents around 99% from the total income for the years ended. As at December 31, 2021 and December 31, 2020, the segment information was not presented since the rest of the business generating revenues for the Company is not significant for the financial statements.

	Year end December 31, 2021	Year end December 31, 2020
Sales to the domestic market (Romania)	183,247,297	156,939,236
Sales to foreign markets	212,331,253	214,700,533
Total	395,578,550	371,639,769

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20. INFORMATION ON EMPLOYEES AND MEMBERS OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISORY BOARDS

a) The Company does not register contractual obligations towards former managers or directors.

No advances or loans were granted to officers and directors other than those for business travels. The Company has concluded a professional liability insurance contract for its officers and directors at December 31, 2021.

At December 31, 2021 and December 31, 2020 personnel expenses were as follows:

	Financial year ended December 31, 2021	Financial year ended December 31, 2020
Salaries and allowances	5,717,778	6,439,842
Insurance contribution to labor force	177,927	172,022
Other insurance and social security expenses	25,652	18,685
Meal vouchers granted	174,840	182,395
TOTAL	6,096,197	6,812,944
Allowances for Board of Directors	2,267,219	1,198,626
TOTAL	8,363,416	8,011,570

At December 31, 2021 the average number of personnel and similar staff was 44, and the actual number of employees was 48.

At December 31, 2020 the average number of personnel and similar staff was 45, and the actual number of employees was 46.

21. THIRD PARTY PROVISIONS

	Financial year ended December 31, 2021	Financial year ended December 31, 2020
Maintenance and repair expenses	2,331,683	1,660,985
Royalties and rental expenses	4,503,092	4,176,897
Insurance premiums	790,607	812,164
Studies and research	-	-
Staff training	16,964	20,250
Externally contracted manpower	65,493	26,504
Commissions and fees	629,554	894,484
Entertainment, promotion and advertising	640,931	632,461
Transport of goods and personnel	9,430	4,097
Travels	44,816	40,528
Post and telecommunications	197,314	142,972
Bank commissions and similar charges	64,945	51,222
Other third-party services	345,970,068	321,699,106
Total	355,264,897	330,161,670

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22. ALLOCATION OF PROFIT

	<u>Balance at December 31, 2021</u>	<u>Balance at December 31, 2020</u>
Net profit to allocate	32,610,965	29,918,630
- legal reserves	-	31,825
- tax facilities	45,591	45,586
- dividends etc.	-	-
Profit not allocated	32,565,374	29,841,219

The legal reserve and the reserve for tax facilities cannot be allocated to shareholders.

23. EARNINGS PER SHARE

	<u>Balance at December 31, 2021</u>	<u>Balance at December 31, 2020</u>
Earnings per share		
Net profit or loss for the year	32,610,965	29,918,630
Number of shares	30,000,000	30,000,000
Basic earnings per share	1.09	0.99

24. INCOME TAX

	<u>Year end December 31, 2021</u>	<u>Year end December 31, 2020</u>
Current tax		
Current tax expense	3,924,319	3,486,204
Deferred tax		
Expenses/(Income) with deferred tax recognized in the current year	(147,430)	(118,823)
Total	3,776,889	3,367,381

The taxation rate applied for the reconciliation above for the years 2021 and 2020 is 16%.

	<u>Year end December 31, 2021</u>	<u>Year end December 31, 2020</u>
Total income	416,110,392	378,002,340
Total expenses	(379,722,538)	(344,716,329)
Profit before tax	36,387,854	33,286,012
Income tax calculated at 16%	5,822,057	5,325,762
Effects of the non-taxable expenses	1,346,427	(780,018)
Effects of income that are exempt from taxation	(2,957,881)	(1,132,777)
Effects of other elements of income that are exempt from taxation	-	-
Credit fiscal	-	-
Current tax in respect with the current year before fiscal losses	4,210,603	3,412,968

TTS (Transport Trade Services) S.A.
NOTES TO THE FINANCIAL STATEMENTS
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(all amounts are expressed in “RON”, unless otherwise specified)

24. INCOME TAX (continued)

	<u>Year end December 31, 2021</u>	<u>Year end December 31, 2020</u>
Fiscal losses carried forward	45,591	45,586
Discount	388,123	-
Current tax in respect with the current year	<u>3,776,889</u>	<u>3,367,382</u>
Revaluation reserve not taxed	-	-
Income tax expenses recognized in the profit and loss accounts in the other comprehensive income	<u>3,776,889</u>	<u>3,367,381</u>

25. COMMITMENTS AND CONTINGENCIES

Contingent liabilities

Taxation

Taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive. Although the tax actually due for a transaction can be low, penalties can be significant, as they can be calculated at the value of the transaction plus a ratio. In Romania, the statute of limitation for audits by the tax authorities is of 5 years. Management considers that the tax obligations included in these financial statements are adequate.

In accordance with the provisions issued by the Ministry of Public Finance, which regulate the fiscal regime of the elements of equity that have not been subject to the calculation of the income tax at the date of being entered in the accounts, due to their nature, if the Company changes the destination of the revaluation reserves (to cover losses or to distribute to the shareholders), this will lead to supplementary income tax liabilities.

Environment

The regulations regarding the environment are still developing in Romania and the Company did not record any obligations as at December 31, 2021 or December 31, 2020 for any anticipated costs, including legal and consulting fees, surveys of the location, design and implementation of remedial plans regarding the environment.

26. AUDIT FEES

The auditor of the Company TTS (Transport Trade Services) SA is Deloitte Audit SRL.

The fee for the audit of the Group's consolidated financial statements as of December 31, 2021 prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the audit of the individual financial statements as of December 31, 2021 amounts EUR 87,500, excluding VAT and other expenses.

The fees for other insurance services performed in 2021 amounts EUR 8,000, excluding VAT.

27. SUBSEQUENT EVENTS

During 2022, the Board of Directors convoked the GMS for April 1, 2022 with the proposal to approve the increase of the share capital with the amount of 30,000,000 lei by partially incorporating the undistributed profit from previous years (deferred result), with the issue in return of new shares and their free distribution to shareholders with an allocation rate of 1 newly issued share for each share held.

The ongoing military operation in Ukraine and related sanctions against the Russian Federation could have an impact on European economies as well as globally. The company has no direct exposure in Ukraine, Russia or Belarus. However, the impact on the general economic situation may require a revision of certain assumptions and estimates.

In terms of exposure, the Company has no financial exposure, no assets or agencies or branches in Ukraine or Russia. The Company also has no commercial relations with Russian companies and has insignificant contractual relations with Ukrainian companies.

TTS (Transport Trade Services) S.A.
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27. SUBSEQUENT EVENTS (continued)

At the date of writing this note, the contracts are executed in proportion of 17-25%. Chemical fertilizers (extremely low in weight, less than 1%) as well as raw materials from Ukraine are currently completely banned from delivery, although these categories of goods in Russia are not yet banned from transport, neither by the EU nor by Russia.

As for raw materials and finished steel products from Ukraine and Russia, destined for various countries in the Danube basin, they will certainly be replaced by products from nearby areas (Turkey, Egypt, the Caspian Sea) or from countries farther away. Most of these cargo flows will inevitably pass through the Port of Constanța and then on the Danube. As far as goods from Ukraine are concerned, as in the case of agricultural products, alternative routes are being sought.

At this stage, management cannot reliably estimate the impact, as events unfold on a day-to-day basis. The longer-term impact may affect profitability because of rising prices in general and energy prices in particular.

At the date of these financial statements, the Company operates normally, the contractual obligations are fulfilled as they mature and, therefore, the continuity of the activity is in full safety..

The financial statements were approved by the Board of Directors and authorized to be issued on March 28, 2022, by:

STEFĂNUȚ PETRU,
CHIEF EXECUTIVE OFFICER

NICOLETA FLORESCU,
CHIEF FINANCIAL OFFICER

TTS 2021 (i)

Report of the Board of Directors on the separate
financial statements of the
TTS (TRANSPORT TRADE SERVICES) SA for 2021

Annual report according to Annex 15, FSA Regulation no. 5/2018

based on the separate financial statements prepared in accordance with Order of the Minister of Public Finance no. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards

For the financial year
2021

Date of report
25.03.2022

Name of the company:
TTS (Transport Trade Services) SA

Registered office:
Str. Vaselor nr. 27, Sector 2, Bucharest, Romania

Unique registration code
EN 9089452

Registration number in the Trade Register
J40/296/1997

The regulated market on which the securities issued are traded:
Bucharest Stock Exchange – Main Market Premium Category

SYMBOL	TTS
ISIN:	ROYCRRK66RD8
LEI code	5493008M458S2MG7GP03

Subscribed and paid-up share capital
30,000,000 lei

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1. Presentation of TTS (Transport Trade Services) S.A.

1.1 Form of organization

The company TTS (TRANSPORT TRADE SERVICES) S.A. ("The Company" or "TTS") is organized according to Law no. 31/1990 as a joint-stock company, with private capital, and was established in January 1997.

By GMS Decision no. 3 of March 2021, the shareholders approved the sale of 15,000,000 shares by secondary initial public offering and the admission to trading of the shares on a regulated market administered by the Bucharest Stock Exchange SA. By FSA decision no. 650 of 19.05.2021, the prospectus on the initial secondary public offering for the sale of 15,000,000 shares issued by TTS (Transport Trade Services) S.A. and for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A., a public offering carried out between 24.05.2021-04.06.2021 was approved.

The company was admitted to trading, and bears issuer symbol TTS, the first trading day was June 14, 2021.

At 31.12.2021, the subscribed and paid-up share capital was lei 30,000,000 divided into 30,000,000 registered, ordinary, indivisible, freely transferable shares, issued in dematerialized form and evidenced by registration in the account, with the nominal value of 1 leu. The shares are of equal value and grant the owners equal rights, according to the law.

The inflated value of the share capital is lei 31,739,602.

1.2 Main activity

CAEN code 5229 – Other activities annexed to transports (of which, the river transport of goods, namely: organization of dispatch of goods on behalf of the consignor or consignee, international river forwarding, preparation of transport documents, sea and river transactions for carrying out and carrying out the transport of goods by sea or river).

1.3 Organization and activity of the Company

TTS (Transport Trade Services) S.A. (hereinafter referred to as "the Company") is a company established in Romania in 1997, with its registered office in str. Vaselor nr. 27. Bucharest.

The main activity of the Company is represented by transport activities and related to transport. TTS (Transport Trade Services) S.A. operates as a freight forwarder in domestic and international transport,

mainly inland waterway transport. The company offers integrated services, from the pick-up of goods from the river or sea port to the point of destination.

TTS carries out logistics operations as a forwarding house and provides customers with the complete logistics chain that includes transport services, mainly on inland waters (freight transport on the Danube, the Danube Black Sea Canal and the Danube-Rhine) and port operation services (loading - unloading) of river or sea vessels.

These operations are carried out partly by their own technical means and mainly by subcontracting them with specialised transport companies, port operation companies or other freight forwarding houses.

The company is organized into three divisions:

1. Minerals – which provide logistics operations for raw materials and finished products of the metallurgical industries and equipment.
2. Agri – which deals exclusively with the logistics of agricultural goods (cereals, seeds, vegetable oils).
3. Chemical – dealing with fertilizer logistics and raw material for fertilizer production.

1.4 TTS subsidiaries and ownership in other companies

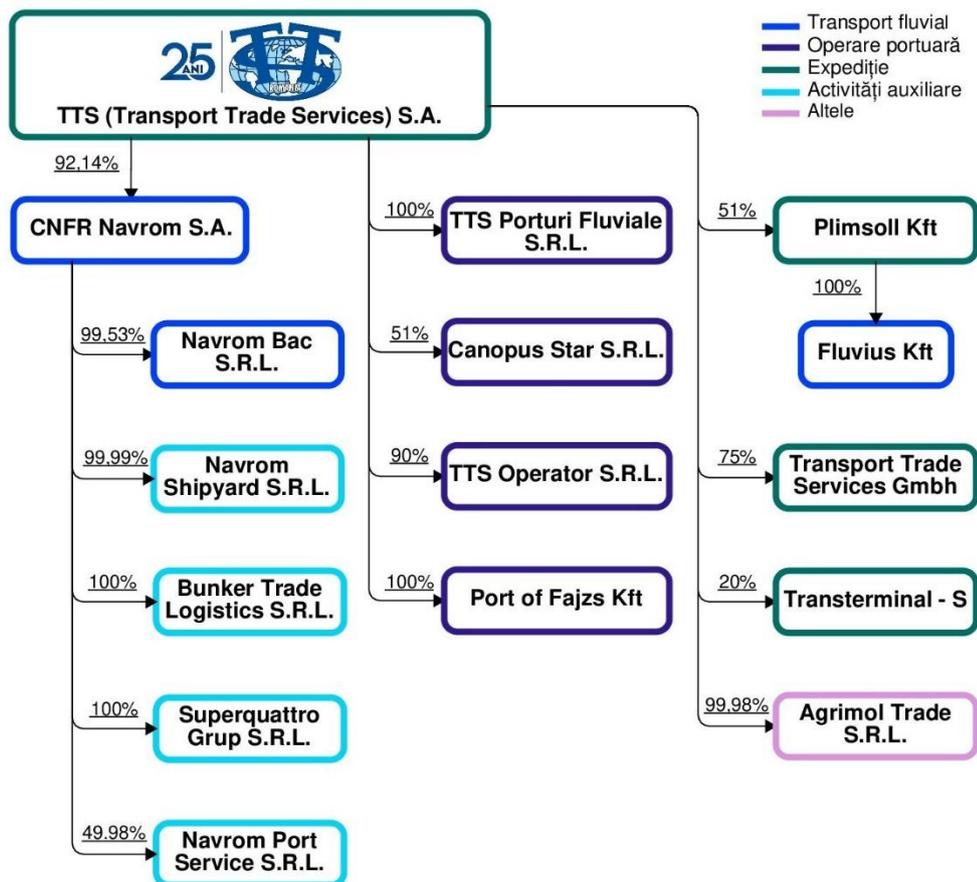
The company has control in several companies, constituting a group within which the most important subsidiaries are: CNFR NAVROM S.A. Galați, which owns an important fleet of river vessels with a transport capacity of 786 thousand tons, TTS Porturi Fluviale S.R.L. Galați, which owns assets in ports bordering the Danube, Canopus Star S.R.L. Constanța, which owns and operates a silo of 110,000 tons capacity in Constanta Port, TTS Operator S.R.L. Constanța, which owns and operates 6 floating cranes in Constanta Port, Plimsoll Zrt. Budapest which owns a small fleet of river vessels through the Fluvius Kft. Budapest branch.

Name	The basic activity	Registered office	Percentage of holding	
			31.12.2021	01.01.2021
CNFR Navrom S.A.	Transportation of goods on rivers	Galați	92,1353%	92,03%
Canopus Star S.R.L.	Handling of goods	Constanta	51,00%	51,00%
TTS Porturi Fluviale S.R.L.	Handling of goods	Galați	100,00%	100,00%
TTS Operator S.R.L.	Handling of goods	Constanta	90,00%	90,00%
Port of Fajsz Kft.	Handling of goods	Fajsz (Hungary)	100%	100%
Agrimol Trade Ltd.	Trading various products	Bucharest	99,98%	99,98%
Plimsoll Zrt.	Complementary activities related to transport	Budapest	51,00%	51,00%
TTS (Transport Trade Services) Gmbh	Complementary activities related to transport	Vienna	75,00%	75,00%
Transterminal-S.R.L.	Railway transportation of goods	Kishinev	20,00%	20,00%

Indirect holdings:

Name	The basic activity	Registered office	Percentage of holding	
			31.12.2021	01.01.2021
<i>By CNFR Navrom S.A.</i>				
Navrom Bac S.R.L.	Transportation on rivers	Galați	99,53%	92,53%
Navrom Shipyard S.R.L.	Repair and maintenance of ships and boats	Galați	99,99%	99,98%
Superquattro Group S.R.L.	Hydrotechnical works	Galați	100%	100%
Bunker Trade Logistics S.R.L.	Complementary transport services	Constanta	100%	100%
Cernavoda Shipyard S.R.L.	Repair and maintenance of ships and boats	Cernavoda	-	100%
Navrom River S.R.L.	Hotels and similar activities	Galați	-	100%
Navrom Port Service S.R.L.	River freight transport	Galați	49,98%	49,98%
<i>By plimsoll zrt</i>				
Fluvius Kft	River freight transport	Budapest	100%	100%

STRUCTURA GRUPULUI TTS
(31.12.2021)



Companies in liquidation

Name	The basic activity	Registered office	Percentage of holding	
			31.12.2021	01.01.2021
Management NFR S.A.	Business consultancy	Bucharest	20,00%	20,00%
GIF Leasing IFN	Financial lease	Bucharest	7,70%	7,70%

2. Key aspects regarding the TTS activity in 2021

2021 was a very good year for the Company, positively influenced by the relaxation of the pandemic restrictions imposed in 2020, with strong effects on the economy. The final results not only validated expectations, but confirmed a special year in terms of the financial results recorded, which were even above the levels recorded in 2019, especially in terms of the profitability of the activity.

The main financial indicators recorded positive developments in 2021:

<u>Indicators [lei]</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
Total income, which:	416,110,392	378,002,340
Operating income	404,346,973	375,471,192
Total expenses, of which:	379,722,538	344,716,329
Operating expenses	376,354,595	347,839,775
Net turnover	395,578,550	371,639,769
Gross profit	36,387,854	33,286,011
Current profit tax	3,924,319	3,486,204
Deferred tax - income	147,430	118,823
Net profit or loss for the year	32,610,965	29,918,630
Total liabilities	36,298,390	49,026,600
Receivables	36,575,917	38,708,239
Subscribed and paid-up	30,000,000	30,000,000
Inflated social capital	31,739,602	31,739,602
Equity	184,410,658	167,999,693

The drought that affected the cereal crops in southern Romania in 2020 was not repeated in 2021, ensuring a very good cereal harvest in Romania, a good harvest in Bulgaria and Serbia, but a very poor harvest in Hungary. The impact of this situation was a reduction in deliveries and operations in the first half of the year, a return to normal in the third quarter of 2021, followed by a substantial reduction in the fourth quarter due to price differences in domestic suppliers and FOB (free on board) Black Sea quotations (influenced by ukrainian and Russian commodity prices)

In the first half of the year, the market for chemicals (fertilisers) developed normally, but in the second half of the year, production was reduced due to the significant increase in the prices of chemicals (fertilisers), which discouraged consumption.

At 31.12.2021, the company's activity ended with total revenues in amount of lei 416,110,392 and total expenses of lei 379,722,538, resulting in a gross profit of lei 36,387,854 compared to lei 33,286,011 achieved in 2020.

The net profit attributable to shareholders is lei 32,610,965, 9% higher than the net profit achieved in 2020 (lei 29,918,630).

The main event of 2021 for TTS was the admission to trading on the regulated market managed by the BSE of the shares issued by TTS, following the successful conclusion of the initial secondary public offer for sale carried out by Swiss Capital S.A.

After the listing, TTS took a number of measures, including the establishment of the Corporate Governance and Investor Relations Department and the contracting of issuing market maker services with BRK Financial Group in early July 2021, the development of the internal corporate governance system, the development of an internal system for monitoring transactions with affiliates and the implementation of the online voting system in general shareholders' meetings, with the main objective of increasing the interest of market participants in TTS shares to a level that ensures good liquidity of the shares.

The crowning of our efforts was to achieve the two main liquidity objectives in 6 months and one week from the first trading day:

- The first objective was achieved on September 20, 2021 by including them in the BET index of the most liquid shares traded on BSE.
- The second goal was achieved on December 20, 2021 by including TTS shares in the FTSE Russell series of indices dedicated to emerging markets, respectively, in the FTSE Global Micro Cap index.

3. Prospects on TTS activity in 2022

Our expectations regarding the markets for which TTS is a logistics provider are moderately optimistic:

1. The metallurgical industry, especially the ferrous metals industry, continues to show signs of growth, leading implicitly to an increase in the volume of raw materials and finished products requiring logistical services;
2. despite the drought conditions in Romania that may affect the 2022 harvest, the stocks existing in Romania, Serbia and Bulgaria guarantee a volume of transported and operational goods, in accordance with the 2021 achievement;
3. the fertilizer market is still affected by high prices, but the signals of transport volume and business volume are encouraging.

Rising inflation and the explosion in fuel, raw materials and energy prices are the main factors that will negatively influence energy and fuel costs, with salaries, taxes and tariffs charged by the authorities, as well as with services performed by third parties (including maintenance and repair of assets). These factors may affect the level of profitability of the Company when these costs cannot be fully recovered from the prices obtained for services or by specific measures for the efficient allocation of resources.

It is worth mentioning that the activity, both in terms of volume of cargo transported and operated in ports, as well as economic efficiency, can be negatively affected by weather conditions, especially with influence in the level of danube waters, by drought that can affect agricultural crops, but also by the

regional and world geopolitical situation, which can influence the performance of the regional economies that TTS serves. At the same time, the Company, through the services and economic relations at its disposal, constantly analyzes by its own methods all the natural changes that happen along the Danube basin in order to find the best solutions to cushion the impact of these events.

As in previous years, we follow with great attention the M&A market in the Danube basin, and we are ready to analyze and capitalize on any opportunity that will be of interest to the Company.

4. Financials

4.1 Statement of income

	- lei-	
	31 December 2020	31 December 2021
TURNOVER	371,639,769	395,578,550
Other operating income	3,831,423	8,768,423
TOTAL OPERATING INCOME	375,471,192	404,346,973
Material expenses	(572,816)	(188,459)
Energy and water costs	(267,282)	(282,892)
Expenditure on goods	(1,441,453)	(410,058)
Personnel expenses (includes social contributions)	(8,011,570)	(8,363,416)
Depreciation	(3,672,353)	(3,982,829)
Value adjustments in respect of current assets	207,191	(916,348)
Expenditure on external benefits	(330,161,670)	(355,264,897)
Expenses related to other taxes, fees and similar payments	(130,315)	(145,354)
Other operating expenses	(3,598,270)	(6,671,349)
Allowances for provisions	(191,237)	(128,993)
TOTAL OPERATING COSTS	(347,839,775)	(376,354,595)
OPERATING PROFIT	27,631,417	27,992,378
Investment income	206,716	8,789,087
Net income/(cost) financing	(222,548)	57,074
Net other financial income/(costs)	(665,104)	(9,567,383)
Value adjustments in respect of financial fixed assets	6,335,530	9,116,698
FINANCIAL PROFIT OR (LOSS)	5,654,594	8,395,476
PROFIT BEFORE TAX	33,286,011	36,387,854
CORPORATE INCOME TAX	(3,486,204)	(3,924,319)
Deferred income tax income	118,823	147,430
NET PROFIT OR (LOSS) OF THE YEAR	29,918,630	32,610,965

For the financial year 01 January – 31 December 2021, compared to the same period of 2020, the value of operating income increased by 7.7% or 28.9 million. lei, being influenced by other operating income, representing income from the disposal of assets and economic penalties.

The net turnover registered an increase of 6,44% for the above-mentioned period, respectively 23,9 million lei.

Operating expenses increased by 28.5 million. Lei compared to 2020, or by 8,2%.

The net profit for the reporting period improved from 29.9 million lei at 32,6 mil. lei, and the profit tax was of 3,92 mil. Lei, respectively with 12,6% or 0,43 mil. lei higher than in 2020.

4.2 Statement of financial position

As a result of the admission of the Company's shares to trading on the regulated market administered by the Bucharest Stock Exchange SA during 2021, for the financial year ended December 31, 2021, the Company drew up annual financial statements based on IFRS standards by restating the accounting information organized on the basis of the Accounting Regulations on the individual and consolidated annual financial statements, approved by MoPFO 1802/2014 as revised.

The separate statement of financial position, after first-time adoption, is presented below:

	<u>31 December 2019</u>	<u>31 December 2020</u>	<u>31 December 2021</u>
			- lei-
ASSETS			
FIXED ASSETS			
Intangible assets	53,725	8,334	116,545
Property, plant and equipment	33,473,115	34,027,752	35,592,351
Rights of use	-	-	-
Financial fixed assets	123,841,891	129,479,168	128,881,266
TOTAL FIXED ASSETS	<u>157,368,731</u>	<u>163,515,254</u>	<u>164,590,162</u>
CURRENT ASSETS			
Inventories	1,062,566	674,282	605,887
Trade receivables	37,113,770	30,674,648	30,032,882
Advances paid	371,460	341,375	35,761
Receivables from group companies	319,185	156,279	1,393,713
Other claims	5,468,967	7,535,937	5,113,561
Cash and cash equivalents	28,631,155	17,995,597	21,732,455
TOTAL CURRENT ASSETS	<u>72,967,103</u>	<u>57,378,118</u>	<u>58,914,259</u>
PREPAID EXPENSES	1,260,603	819,455	598,970
TOTAL ASSETS	<u>231,596,437</u>	<u>221,712,827</u>	<u>224,103,391</u>
CAPITAL AND LIABILITIES			
CURRENT PAYABLES			
Amounts owed to credit institutions	12,187,215	8,521,450	-
Trade payables	47,911,693	38,006,342	33,491,021
Other payables	4,948,219	2,400,493	2,545,936
TOTAL CURRENT LIABILITIES	<u>65,047,127</u>	<u>48,928,285</u>	<u>36,036,957</u>
NON-CURRENT LIABILITIES			
Amounts owed to credit institutions	8,363,775	-	-
Other non-current liabilities	215,696	98,315	261,433
TOTAL NON-CURRENT LIABILITIES	<u>8,579,471</u>	<u>98,315</u>	<u>261,433</u>

	31 December 2019	31 December 2020	- lei- 31 December 2021
PROVISIONS	308,411	499,648	628,641
DEFERRED INCOME	4,280,365	4,186,886	2,765,702
CAPITAL AND RESERVES			
Paid-up subscribed capital	30,000,000	30,000,000	30,000,000
Share capital adjustments - IAS 29	1,739,602	1,739,602	1,739,602
Reserves	14,838,949	9,777,984	9,823,575
Losses on equity instruments	(27,778,063)	-	-
Retained earnings	109,928,115	98,748,664	112,389,883
Retained earnings from the first-time adoption of IAS 29	(2,107,776)	(2,107,776)	(2,107,776)
Profit or loss for the financial year	28,462,035	29,918,630	32,610,965
Profit allocation	(1,701,799)	(77,411)	(45,591)
TOTAL EQUITY	153,381,063	167,999,693	184,410,658
TOTAL EQUITY AND LIABILITIES	231,596,437	221,712,827	224,103,391

Property, plant and equipment

During the year, the investments for the modernization and increase of the operating capacity in Oltenita port were completed, consisting of the port platform, the storage hall, installations and equipment, their total value being of 5.6 million lei.

Also, discussions continued with specialized consultants for the start of a project with European funding for the modernization of Giurgiu port.

Short-term payables (< 1 year)

Short-term payables decreased by 26.38% in 2021, compared to 2020, from 48.9 million lei to 36.0 million lei as a result of the full repayment of the bank loan (balance 2020: 8.5 million lei) during 2021.

Long-term payables (> 1 year)

Long-term payables increased from 0.098 million lei to 0.26 million lei. These are mainly good performance bonds resulting from the performance of construction contracts for the modernization of Oltenita port.

Profit for the financial year

The profit of the financial year increased by 9.03% or 2.7 million lei, maintaining the growth trend.

Capital

The total equity of the company increased from 167.9 million lei to 184.4 million lei, meaning an increase of approximately 9.77%.

As of December 31, 2021, the share capital was 30,000,000 lei. The inflated value of the share capital, according to the IFRS first-time adoption, is 31,739,602 lei.

4.3 Statement of cash flows

- lei -

	31 December 2020	31 December 2021
<i>Cash flows from operating activities:</i>		
Profit before tax	33,286,011	36,387,854
<i>Adjustments for:</i>		
Amortisation of intangible assets	52,552	27,757
Depreciation of property, plant and equipment	3,619,801	3,955,072
Expenses/(Income) related to financial investment provisions	(6,335,530)	(9,116,698)
Expenses/(Income) related to the provision of customers and similar accounts	(207,191)	916,348
Expenses/(Income) relating to provisions for risks and charges	191,237	128,993
(Net gain)/Net loss on the outflow of property, plant and equipment	69,324	(50,924)
(Net gain)/Net loss on financial investment outflow	134,400	10,046,630
Adjustments for FX loss/(gains)	530,705	(127,247)
Dividend income	(206,716)	(8,789,087)
Interest expense	306,095	114,317
Interest income	(83,547)	(171,391)
	31,357,141	33,321,624
(Increases)/Decreases in receivables	4,376,029	1,515,098
(Increases)/Decreases in prepaid expenses	441,148	220,485
(Increases)/Decreases in inventories	388,285	68,395
Increases/(decreases) in payables	(14,340,662)	(7,983,650)
Increases/(decreases) in deferred income	(93,479)	(1,421,184)
Interest paid	(306,095)	(114,317)
Interest received	83,547	171,391
Corporation tax paid	(1,240,041)	-
	20,665,873	25,777,842
<i>Cash flows from investment activities:</i>		
Acquisitions of tangible assets	(4,385,738)	(7,095,420)
Acquisitions of intangible assets	(7,160)	(135,968)
(Acquisition)/Sale of long-term financial assets	563,853	(332,030)
Proceeds from the sale of non-current assets	141,976	1,102,797
Proceeds from the sale of short-term investments	-	-
Dividends received	206,716	8,789,087
Net cash flow from investment activities	(3,480,353)	2,328,466
<i>Cash flows from financing activities:</i>		
Collection/(Repayment) of long-term loan	(12,386,678)	(8,521,450)
Dividends paid	(15,300,000)	(16,200,000)
Net cash flow from financing activities	(27,686,678)	(24,721,450)
(Decrease)/Net increase in cash and cash equivalents	(10,501,158)	3,384,858
Cash and cash equivalents at the beginning of the financial year	28,247,155	17,745,997
Cash and cash equivalents at the end of the financial year	17,745,997	21,130,855

For 2021, an increase of 9.6% or 3.2 million lei in profit before taxation is observed, and cash and cash equivalents increased from 17.7 million lei to 21.1 million lei, by 19.2%.

Net flows from operating activities recorded an increase from RON 20.6 million in 2020 to RON 25.7 million, respectively an increase of 24.8%. This is mainly due to the increasing profitability by RON 3.2 million and the evolution of working capital elements.

Net flows from investment activities increased from a negative value of RON 3.5 million in 2020 to a positive value of RON 2.3 million in 2021, as a result of the increase by RON 8.8 million from dividends received, as well as the proceeds from the sale of fixed assets, from RON 0.14 million to RON 1.1 million. They compensated cash outflows for the investments made, the payments for the acquisitions of tangible and intangible assets increasing from 4.4 million lei in 2020 to 7.2mil lei in 2021.

Net flows from financing activities increased from (RON 27.7) million in 2020 to RON 24.7 million, as a result of the decrease by RON 3.9 million in the amount to be repaid for long-term loans, partially compensated by the increase in dividend payments by RON 0.9 million.

4.4 Statement of changes in equity

	<u>Share capital</u>	<u>Share premium</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Revaluation reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	31,739,602	-	6,000,000	3,777,984	-	126,482,107	167,999,693
Profit/(Loss) of the year	-	-	-	-	-	32,610,965	32,610,965
Establishment of the fiscal reserve	-	-	-	45,591	-	(45,591)	-
Establishment of legal reserves	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(16,200,000)	(16,200,000)
Deferred tax on the revaluation reserve	-	-	-	-	-	-	-
Balance at 31 December 2021	31,739,602	-	6,000,000	3,823,575	-	142,857,481	184,410,658

As of January 1, 2021, the company's retained earnings amounted to RON 126.5 million, which increased by 12.9% at the end of the year (December 31st), to the amount of RON 142.8 million.

Total equity as at 31 December is 184.4 million lei as at 31 December, up by 9.8% compared to 1 January 2021.

As of December 31, 2021, the share capital was 30,000,000 lei divided into 30,000,000 shares with a nominal value of 1 leu. The inflated value of the share capital, according to the IFRS first-time adoption, is 31,739,602 lei.

From the net profit registered by the Company in 2021, the Board of Directors proposed to distribute a dividend of RON 17,850,000, 10.2% higher than the dividend for 2020 distributed in 2021.

The last three dividend distributions were as follows:

- for the financial year 2018, a total gross amount of RON 7,200,000 (RON 0.24/share);
- for the financial year 2019, a total gross amount of RON 15,300,000 (RON 0.51/share);
- for the financial year 2020, a total gross amount of RON 16,200,000 (RON 0.54/share).

4.5 The main efficiency ratios of TTS in 2021

	Year ended 31.Dec 2021	Year ended 31.Dec 2020
1. Liquidity ratios		
a) Current liquidity ratio	1,10	1,53
Current assets	58.197.572	59.513.229
Current liabilities	53.115.171	38.802.659
2. Risk ratios		
a) Leverage ratio (%)	5%	0%
Borrowed capital	8.521.450	0
Equity	167.999.693	184.410.658
b) Interest coverage indicator	109,74	319,60
Profit before payment of interest and corporate tax	33.592.106	36.535.284
Interest expense	306.095	114.317
3. Activity ratios		
a) Turnover of payables - customers (days)	33,84	30,1
Average customer balance	34.455.942	32.589.857
Turnover	371.639.769	395.163.159
b) Turnover of receivables - supplier (days)	33,13	37,4
Average supplier balance	34.189.296	43.694.314
Purchases of goods (without services)	376.716.600	426.399.366
c) Turnover of fixed assets	2,27	2,4
Turnover	371.639.769	395.163.159
Fixed assets	163.515.254	164.590.162
d) Turnover of total assets	1,68	1,76
Turnover	371.639.769	395.163.159
Total assets	221.712.826	224.103.391
4. Profitability ratios		
a) Return on equity	20,00%	19,81%
Profit before payment of interest and corporate tax	33.592.106	36.535.284
Equity	67.999.693	184.410.658

5. Operational aspects

The revenues are mainly made from the basic activity, on the following categories of goods:

- Agricultural products: total revenues of 136 million lei (146 million lei in 2020). The revenues generated by agricultural products were lower than in 2020 by about 10 million lei, given that the volumes operated in ports were by 0.10 million tons lower, and those transported by 0.30 million tons lower. However, traditional flows of goods and traditional customers have been preserved and consolidated, both for goods imported by Romania and for transit goods

- Metals and minerals: total revenues of 185 million lei (155 million lei in 2020). This type of goods recorded the largest increase in volumes (over 0.8 million tons for transport and over 0.21 million tons for operation), producing a revenue increase of approximately 19.3% compared to 2020;
- Chemicals: total revenues of 46 million lei (42 million lei in 2020). Chemicals have seen a slight decrease in transportation and an increase in port operation.

The evolution of the physical indicators in 2021 was the following:

<i>Indicator</i>	<i>UM</i>	<i>2021</i>	<i>2020</i>	<i>Δ% 2021/2020</i>
Transportation	Tons	7.254.961	6.417.504	13.04
Port operation	Tons	4.125.488	4.146.126	(0.5)

The breakdown of volumes by types of goods highlights the fact that mineral products were the engine of TTS growth in 2021, while agricultural products made a negative contribution.

Compared to the previous year, traffic volumes increased compared to the previous year by 13%, the increase being supported by the strong increase in mineral volumes (this segment increased by 22.45% compared to 2020).

<i>Volumes transported by river (million tonnes)</i>	<i>2021</i>	<i>2020</i>	<i>Δ%2021/2020</i>
Agricultural products	1.830	1.932	(5.28)
Minerals	4.587	3.746	22.45
Chemicals	0,705	0,723	(2.49)
TOTAL	6.418	5.679	13%

Compared to 2020, the total operating volumes decreased by 2.85%, the decrease related to the port operation related to agricultural products being compensated by the significant increase in the volumes related to minerals (this segment increased by 15.75% compared to 2021).

<i>Volumes operated in ports - (million tons)</i>	<i>2021</i>	<i>2020</i>	<i>Δ% 2021/2020</i>
Agricultural products	1.716	2.023	(15,18)
Minerals	1.551	1.340	15,75
Chemicals	0,859	0,783	9,71
TOTAL	3.268	3.364	-2.85%

The breakdown of revenues by type of goods highlights the contribution of each of them to the TTS revenues.

<i>Revenues realized by the forwarding segment from river transport (by type of goods) - thousand lei</i>	<i>2021</i>	<i>2020</i>	<i>Δ% 2021/2020</i>
Agricultural products	99.154	108.46	(8.58)
Minerals	159.005	134.62	18,11
Chemicals	35.558	32.50	9.40
TOTAL	293.717	275.59	6.58%

<i>Revenues realized by the forwarding segment from port operation (by type of goods) - thousand lei</i>	<i>2021</i>	<i>2020</i>	<i>Δ% 2021/2020</i>
Agricultural products	36.908	37.730	(2,18)
Minerals	26.347	20.659	27,53
Chemicals	11.088	9.785	13,32
TOTAL	74.343	67.174	9.05

6. Human resources

The average number of employees and other assimilated persons in the financial year 2021 was 44 persons (45 as of 31 December 2020), and the effective number at 31.12.2021 was 48 persons (46 as at 31 December 2020).

Out of the total number of staff as of December 31, 2021, 27 people are male and 21 female, 38 have higher education, the remaining 10 have secondary education.

Between January and December 2021, 3 employees terminated their employment relations with the company and 2 people were employed

The Company's personnel policy regarding the professional training of the staff was well supported in terms of internal training, and the trainings were carried out in accordance with the approved plan for 2021.

According to the plan, in 2021, the company invested in training and certification courses outside the company the amount of approximately 16,963 lei, 12 employees participated in various training courses.

The company has no contractual obligations related to pensions towards former directors and directors.

No advances and credits were granted to directors and directors other than those for travel in the interest of the service. The company has concluded a professional liability insurance contract for its directors and administrators on 31.12.2021.

On 31 December 2021 and 2020 respectively, the staff costs were as follows:

	31 December 2021	31 December 2020
Expenses with salaries and allowances	5,717,778	6,439,842
Insurance contribution for work	177,927	172,022
Other expenses with insurance and social protection	25,652	18,685
The value of the meal vouchers granted	174,840	182,395
TOTAL	6,096,197	6,812,944
Allowances of the Board of Directors and executive directors	2,267,219	1,198,626
TOTAL	8,363,416	8,011,570

7. Risk management system and internal control

Risk management and internal control were carried out in 2021 directly by the specialized department within the Company and by the BoD.

The Audit Committee has been set up and carries out its activity according to the provisions of the BoD Regulation.

The company has carried out all aspects of the management of conflicts of interest, the publicity of transactions, the audit, the equal treatment of shareholders, under the supervision of the BoD and in accordance with the legal provisions applicable to companies whose shares are traded on a regulated market.

Regarding the internal audit, the Company has implemented the policies and conditions provided by the law.

The Company provides services necessary for the activity, coordinates the access to the national financial market, monitors and manages the financial risks related to the Company's operations through internal risk reports, which analyze the exposure through the degree and size of the risks. These risks include market risk (including currency risk, interest rate risk), credit risk, liquidity risk and the fair value of financial instruments.

Currency risk

The company is exposed to currency fluctuations in commercial and financial transactions. Currency risk results from recognised assets and liabilities, including loans, denominated in foreign currency. Because of the associated high costs, it is the Company's policy not to use derivatives to hedge this risk.

Managing interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments bear interest at market rates and therefore their fair values are considered not to differ significantly from carrying amounts.

Credit risk management

The company is exposed to credit risk due to commercial and other claims. The company has policies in place to ensure that sales take place to customers with an adequate payment history. Debt maturities are carefully monitored and outstanding amounts are closely followed. Commercial receivables (clients) are net of impairment adjustments for intrigued customers. The company implements policies that limit the amount of credit exposure to any financial institution.

Liquidity risk management

Prudent liquidity risk management involves maintaining a sufficient amount of cash and sufficient available credit lines, continuously monitoring the estimated and present cash flows and matching the maturities of financial assets and liabilities. Due to the nature of its activity, the Company intends to be flexible on financing options, with the support of the majority shareholder.

Fair value of financial instruments

The fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and liabilities with standard terms and conditions and traded on liquid asset markets is determined by reference to quoted market prices;
- the fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted price models, based on the analysis of expected cash flows, using prices from observable current market transactions; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, the analysis of expected cash flows shall be used, using the yield curve applicable to the duration of derivative instruments that do not include options and options models for derivative instruments based on options.

Financial instruments on the balance sheet include trade receivables and other receivables, cash and cash equivalents, short- and long-term loans and other liabilities. The estimated fair values of these instruments approximate their carrying amounts. The accounting values represent the maximum exposure of the Company to the credit risk related to the existing receivables.

8. Proposal of the Board of Directors on the distribution of the net profit achieved in 2021

The net distributable profit for 2021 is in the amount of 32,610,965 lei, of which 8,789,087 lei represents profit from the dividends received from the subsidiaries in 2021 from their profit, realized in 2020.

Canopus Star S.R.L. Constanța paid a dividend in amount of 4,471,578 lei, CNFR Navrom S.A. Galați paid a dividend in the amount of 4,026,469 lei, and Transterminal-S.R.L. Chisinau a dividend of 291,040 lei.

Proposal of the Board of Directors of TTS (Transport Trade Services) S.A.. submitted for approval to the Ordinary General Meeting of Shareholders, regarding the distribution of the net profit achieved in 2021 is the following:

- 45.591 lei – distributed as "Other reserves" set up for the profit reinvested in the purchase of technological equipment according to art. 22, paragraph (1) of the Tax Code, highlighted in account 1068, corresponding analytical account
- 17.850.000 lei – distributed as dividends
- 14,715,374 lei – distributed as "Other reserves", for investments, highlighted in account 1068, corresponding analytical account.

9. TTS corporate governance system

Corporate Governance is a necessity in a modern economy, where the protection of the rights and interests of shareholders and a high degree of transparency in informing investors and third parties interested in the activity of companies are the basic conditions in establishing a long-term relationship of trust between the Company and investors.

9.1 Internal regulatory framework of the Company

Taking into account the corporate governance standards applicable to companies listed in the Premium category on the main market of BVB, TTS has laid the foundations of the internal corporate governance system by adopting the following documents:

- **Regulation of the Management Board.**

It was approved by Decision of the BoD no. 1/03.08.2021

The constituent provisions and operating rules of the Audit Committee and the Remuneration and Nomination Committee are included in the BoD Regulation, and it is no longer necessary to adopt separate regulations for each committee.

- **GMS Regulation**

It was approved by Decision of the BoD no. 1/30.09.2021

The regulation mainly contains provisions on how shareholders can exercise their legal rights as well as organizational provisions regarding the conduct of the GMS.

The GMS rules are published on the TTS website.

- **Internal audit regulations**

It was approved by Decision of the BoD no. 4/14.03.2022

- **Remuneration policy**

It was approved by OGMS Decision no. 1/26.08.2021

The remuneration policy is published on the TTS website.

- **Dividend policy**

It was approved by BoD decision no. 1/30.09.2021

The dividend policy is published on the TTS website.

- **Forecast policy**

It was approved by BoD decision no. 1/29.10.2021

The forecast policy is published on the TTS website.

- **Inside information policy**

It was approved by BoD decision no. 1/12.11.2021

9.2 Administration and management of the Company

As of August 26, 2021, as a result of the entry into force of the new articles of incorporation of the company, the TTS is managed by a five-member Board, one of whom is an executive and three members are independent. The composition of the Council was approved by OGMS Decision no. 1/26.08.2021.

By 25 August 2021, the Board of Directors was composed of three members, one of whom was an executive member.

The Council shall be headed by a President appointed by decision of BoD no. 1/30.08.2021.

By BoD decision no. 1/30.09.2021 the Board of Directors constituted the Remuneration and Nomination Committee consisting of three non-executive members, of which two independent members and the Audit Committee consisting of three non-executive members, of which two independent members headed by an independent non-executive member.

The establishment, organisation and functioning of committees shall be governed by the 'CHAPTER VI. ADVISORY COMMITTEES. ESTABLISHMENT, ORGANIZATION AND FUNCTIONING OF ADVISORY COMMITTEES" OF THE BoD REGULATION.

The composition of the Board of Directors in 2021 was as follows::

Name and surname	Status in BoD	Period in office
Alexandru-Mircea MIHĂILESCU	Non-executive member (BoD President from 30.08.2021, Chairman of the Remuneration and Nomination Committee, member of the Audit Committee, both from 30.09.2021)	Jan. 1, 2021 – Dec 31, 2021
Ion STANCIU	Executive member	Jan 1, 2021 – Dec 31, 2021
Elena BUTNARIU	Independent member (Chair of the Audit Committee and member of the Remuneration and Nomination Committee from 30.09.2021)	Aug 26, 2021 – Dec 31, 2021
Ana-Barbara BOBIRCĂ	Independent member (member of the Audit Committee from 30.09.2021)	Aug 26, 2021 – Dec 31, 2021
Dorin-Alexandru BADEA	Independent member (member of the Remuneration and Nomination Committee)	Aug 26, 2021 – Dec 31, 2021
Ștefan SEVASTIAN	Member	Jan 1, 2021 - Aug 25, 2021

The Board of Directors appointed the BoD Secretary by BoD Decision no. 1/22.07.2021.

Since the date of admission to trading, the Board of Directors has met nine times, three times through the physical presence of members and six times through voting and email debates. Two decisions were adopted by signing by all the members without the Council meeting. Six meetings were held with the participation of all members of the Council, a meeting with the participation of two members out of three and one with the participation of four members out of five. All decisions were taken with the unanimity of the votes of the participating members.

The advisory committees set up on 30.09.2021 did not meet during 2021.

The internal audit function is outsourced. The internal auditor of TTS is MBA EXPERT CONSULTING SERVICES S.R.L. Bucharest, an independent third party company.

The executive management is provided by the Chief Executive Officer of the Company, the Chief Financial Officer and the Operations Officer.

The management of the TTS is delegated by the Board of Directors through the provisions of the Articles of Incorporation of the Company.

By Decision no. 1/15.06.2021 the Board of Directors has decided to take over the position of Operations Officer by the Deputy Chief Executive Officer.

The composition of the TTS executive management during 2021 was as follows::

Name and surname	Status in the executive management	Description of mandate contracts
Petru ȘTEFĂNUȚ	Chief Executive Officer	Concluded on 26.05.2014, successively extended in 2016 and 2018, expires on 31.05.2022
Ion STANCIU	Deputy Chief Executive Officer, Chief Operations Officer (from 15.06.2021)	Concluded on 26.05.2014, successively extended in 2016 and 2020, expires on 03.06.2024
Nicoleta FLORESCU	Chief Financial Officer	Closed on 10.03.2021, expires on 10.03.2025

9.3 Statement of Corporate Governance

Provisions of the BSE Code of Governance	Compliance	Clarifications
Section A - Responsibilities		
A.1. All Companies must have an internal regulation of the Board which include Terms of reference/ Responsibilities of the Board and key management of the Company and which apply, inter alia, the General Principles of this Section.	YES	Details in Section 9.1.
A.2. Provisions for the management of conflicts of interest should be included in the Board's regulation.	YES	
A.3. The Board of Directors should be formed of at least five members.	YES	

Provisions of the BSE Code of Governance	Compliance	Clarifications
Section A - Responsibilities		
A.4. Most members of the board must not have an executive function. In case of companies from the Premium category, at least two non-executive members of the board of directors must be independent. Each independent member of the board of directors must submit a statement upon their nomination for election or re-election, as well as when any change occurs in their status, indicating the elements on the basis of which it is deemed independent from the point of view of character and judgment after the criteria set out in point A.4.1. – A.4.9. of the BSE Code of Governance	YES	Details in Section 9.2.
A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit companies and institutions, should be disclosed for shareholders and potential investors before nomination also during his term of office.	YES	The CVs of the BoD members are published on the Company's website
A.6. Any member of the Board must submit to the Board information on any report with a shareholder who directly or indirectly owns shares representing more than 5% of all voting rights.	YES	In 2021 it was not the case
A.7. The company must appoint a Secretary of the Board responsible for supporting the activity of the Board.	YES	Details in Section 9.2.
A.8. The Statement on Corporate Governance will inform if an assessment of the Board of Directors took place.	YES	No BoD assessment took place in 2021
A.9. The statement on corporate governance should contain information on the number of meetings of the Board and committees during the last year, the participation of directors and a report of the Board and committees on their activities.	YES	Details in Section 9.2.
A.10. The corporate governance statement shall contain information on the exact number of independent members of the Board of Directors.	YES	3 independent members
A.11. The Board of the companies in the Premium category must set up a nomination committee formed of non-executive members.	YES	Details in Section 9.2.
Provisions of the BSE Code of Governance		
Section B - Risk management and internal control system		
B.1. The Board must set up an audit committee.	YES	Details in Section 9.2.

Provisions of the BSE Code of Governance	Compliance	Clarifications
Section B - Risk management and internal control system		
B.2. The President of the Audit Committee must be an independent non-executive member.	YES	
B.3. Among its responsibilities, the Audit Committee must carry out an annual assessment of the internal control system.	PARTIALLY	As the Audit Committee was set up on 30
B.4. The assessment shall take into account the effectiveness and purpose of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which the management manages to address the deficiencies or weaknesses identified and the submission of relevant reports to the Board.	PARTIALLY	September 2021, the first annual evaluation of the internal control and audit functions will cover the work in 2022
B.5. The audit committee must assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.	PARTIALLY	
B.6. Committee of audit Should be let's Assess Efficiency System of control internal and a risk management system.	PARTIALLY	
B.7. The audit committee should monitor the application of legal standards and generally accepted internal auditing standards. The audit committee shall receive and evaluate the reports of the internal audit team.	YES	Since the establishment of the Audit Committee until the end of 2021, no reports have been submitted
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be submitted to the Board afterwards.	YES	Since the establishment of the Audit Committee until the end of 2021, the Committee has not initiated internal audit reports
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	YES	There is no such agreement or transaction
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the closely related companies with a value equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved. of the Board following a mandatory opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors, insofar as these transactions fall into the category of events subject to reporting requirements.	YES	
B.11. Internal audits must be carried out by a separate structural division (department of internal audit) within the company or by hiring an independent third entity.	YES	Details in Section 9.2.

Provisions of the BSE Code of Governance	Compliance	Clarifications
Section B - Risk management and internal control system		
B.12. In order to ensure that the internal audit department performs its core functions, it shall report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the general manager.	YES	
Provisions of the BSE Code of Governance	Compliance	Clarifications
Section C - Just reward and motivation		
c.1. The company must publish on its website the remuneration policy and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	YES	
Provisions of the BVB Code of Governance	Compliance	Clarifications
Section D - Adding value through investor relations		
D.1. The company must organize an Investor Relations service – indicating to the general public the responsible person(s) or organizational unit. In addition to the information required by the legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English languages, with all relevant information of interest to investors, including: <ul style="list-style-type: none"> D.1.1. The main corporate regulations: articles of incorporation, procedures for general meetings of shareholders; D.1.2. Professional CVs of the members of the company's governing bodies, other professional commitments of the members of the Board, including executive and non-executive positions on boards of directors of companies or non-profit institutions; D.1.3. Current reports and periodical reports (quarterly, half-yearly and annual); D.1.4. Information on general meetings of shareholders; D.1.5. Information on corporate events; D.1.6. The name and contact details of a person who will be able to provide relevant information upon 	YES	

Provisions of the BVB Code of Governance	Compliance	Clarifications
Section D - Adding value through investor relations		
request; D.1.7. Company presentations, financial statements, audit reports and annual reports.		
D.2. The company will have a policy on the annual distribution of dividends published on the company's website.	YES	
D.3. The company will adopt a policy in relation to the forecasts, published on the company's website.	YES	
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect, at the earliest, starting with the next meeting of shareholders.	YES	
D.5. External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	YES	
D.6. The Board will provide the annual general meeting of shareholders with a brief assessment of the internal control and management systems for significant risks, as well as opinions on matters subject to the decision of the general meeting.	YES	
D.7. Any specialist, consultant, expert or financial analyst may participate in the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the President of the Board decides otherwise.	YES	
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English on the key factors that influence changes in sales, operating profit, net profit and other relevant financial indicators, both quarter-on-quarter and year-on-year.	YES	
D.9. A company will hold at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the time of the meetings/ teleconferences.	YES	In 2021, the Company held seven meetings with investors, of which 4 with individual investors, one with a group of investors at their request and two open to all investors. Six of the meetings were online in a teleconference system.

Provisions of the BVB Code of Governance	Compliance	Clarifications
Section D - Adding value through investor relations		
D.10. If a company supports different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the society are part of its mission and development strategy, it will publish the policy on its activity in this field.	YES	

10. Important events occurring after the end of the financial year

The war in Ukraine and the related sanctions targeted against the Russian Federation may have an impact on European economies and globally. The company has no direct exposure in Ukraine, Russia or Belarus. However, the impact on the overall economic situation may require a review of certain assumptions and estimates.

In terms of exposure, the Company has no financial exposure, no assets or agencies or branches in Ukraine or Russia. Also, the Company has no commercial ties with Russian companies and has insignificant contractual relations as a share with ukrainian companies. Instead, there are contracts with EU companies that relate in particular to raw materials for the metallurgical industry, from Russia and Ukraine, for the Danube plants.

At the time of writing this note, the contracts are executed in a proportion of 17-25%. Chemical fertilizers from Russia (with an extremely small share, below 1%) are at the moment stopped at delivery entirely while the raw materials from Ukraine, initially stopped, have resumed their deliveries, albeit with difficulty.

As regards raw materials and finished steel products from Ukraine and Russia, destined for various countries in the Danube basin, they will certainly be replaced by products from nearby areas (Turkey, Egypt, the Caspian Sea) or from more distant countries. Most of these cargo flows will inevitably pass through the Port of Constanta and then the Danube. As for the goods coming from Ukraine, as in the case of agricultural products, alternative routes are being sought, with complex logistics (land + water), with subsequent delivery via the port of Constanta.

At this stage, management cannot reliably estimate the impact, as events unfold day by day. The longer-term impact may affect profitability as a result of rising prices in general and energy in particular.

At the time of these financial statements, the Company carries out its business normally, the contractual obligations are fulfilled as they reach maturity and, therefore, the continuity of the activity is in complete safety.

During 2022, the Board of Directors convened the General Meeting of Shareholders for April 1, 2022 with the proposal to approve the increase of the share capital by the amount of RON 30,000,000 by partially incorporating the non-distributed profit from previous years (retained earnings), with the issue in consideration of new shares and their free distribution to shareholders in the form of an extraordinary

dividend, with an allotment rate of 1 newly issued share for each share held. At the same meeting will be approved a large-scale amendment of the articles of incorporation that aims to strengthen the constitutive provisions on the way of exercising by shareholders the rights enshrined in the law, to update the provisions related to the functioning of the Company at the level required for a company whose shares are included in the Premium category of the main market of BVB and to operationalize the use of electronic communication means in the relationship with investors and in the management act of the Company.

* * *

The Board of Directors of TTS (Transport Trade Services) S.A. considers that the separate financial statements together with the explanatory notes are correctly and legally drawn up, and propose to the General Meeting of Shareholders

- approval of the separate financial statements (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, explanatory notes) drawn up at 31 December 2021,

- approval of the profit distribution and discharge of the administrators for the financial year 2021.

President of the Board of Directors

Alexandru – Mircea MIHĂILESCU