



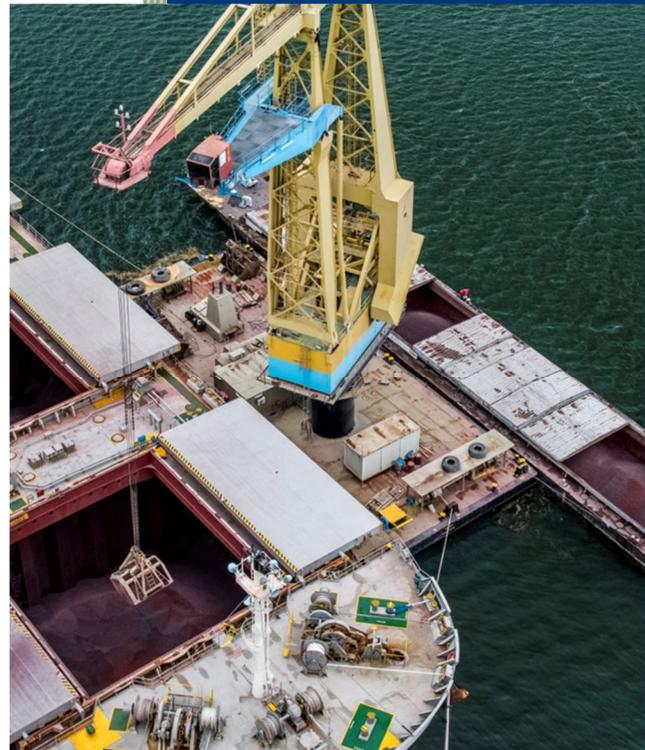
TTS (Transport Trade Services) S.A.

TTS – 2021

2021 Annual Report

TTS (Transport Trade Services) S.A.

[BVB: TTS](#)



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TTS (Transport Trade Services) S.A.

CEO's letter to Shareholders

Dear company shareholders,



The year 2021 meant for Transport Trade Services (Grup, TTS) the listing on the Bucharest Stock Exchange (BVB) on June 14, as a result of an initial public offering worth 58.5 million euros. Through the listing, we see a much broader future development of the company, through transparency, credibility, access to finance and modernization of the management system. In just 6 months on the stock market, TTS shares have managed to be included in both the BET index, the main stock market index and the global index dedicated to emerging markets, FTSE Global Micro Cap.

The markets in which the company operates experienced a mixed evolution during the year 2021. The market of mineral products registered a robust evolution as a result of the restart of the global economy. In the agricultural commodity market, the drought that affected cereal crops in southern Romania in 2020 did not recur in 2021 and thus ensured a very good cereal harvest in Romania, Bulgaria and Serbia, but weak in Hungary. The effects of this situation translated into lower volumes of transport and operation in the first half of the year, a return to historical averages in the third quarter, followed by a significant reduction in the fourth quarter, due to differences between domestic prices and FOB (free on board) quotations on the Black Sea. The chemicals market evolved in line with the average in the first half of the year, with a decrease in volumes in the second half due to a substantial increase in the prices of these products, which discouraged consumption. From an operational point of view, 2021 was a year of recovery due to the reduction of the restrictions imposed by the COVID pandemic, a year in which the financial and operational results obtained by TTS Group were better than those recorded in 2019. The integrated business model, based on the vertical integration of operations, positioning business lines at the core of supply chains and strategic geographical coverage have once again demonstrated resilience and have successfully met the challenges of 2021. The global logistics crisis, which has hit players in shipping, did not affect the activity of TTS. Total volumes transported and operated increased by 12.1% compared to 2020, supported by the increase in volumes of chemicals and minerals transported, especially raw materials for the metallurgical industries in Romania and Serbia. These increases in volume were possible in the conditions in which the level of the Danube ensured, for most of the analyzed period, favorable navigation conditions.

The group's total revenues increased by 15% in 2021, reaching RON 598.8 million, a performance supported by all three main segments in which the company operates: freight forwarding, river transport and port operations. Regarding the **company's performance**, the measures taken to streamline operations supported the achievement of a consolidated operating result of 79.9 million lei, 28% higher than in 2020, the increase coming entirely from the port operating segments and



TTS (Transport Trade Services) S.A.

other activities. We ended 2021 with an advance of 36.2% of the consolidated net profit attributable to shareholders compared to 2020.

In the **capital market**, the price of TTS shares had a very good evolution. From July 23rd until the end of the year, the price of TTS shares registered an advance of 18.5%, being permanently above the BET index, which in the same period registered an increase of only 10.9%. This evolution came against the background of four months of almost continuous increase of the price from RON 19.05 / share (July 23) to RON 25.4 / share (November 26) supported by the special interest of investors for TTS shares. To support the company's liquidity, TTS shares benefited shortly after listing from the market making service provided by BRK Financial Group, a program that supported inclusion in local and international indices. Joining listed companies also meant adapting the organization and internal processes to meet new legal and reporting requirements, but in the first months after listing we gradually implemented tools to support transparency and easy access to investor information by adopting modern ways of accessing the General Meeting of Shareholders and direct dialogue with analysts and investors through quarterly conference calls. The evolution of the stock market so far gives us confidence in our course and we assure investors of all our diligence to bring good results for all TTS shareholders. We opted for the evaluation of communication with investors and we obtained a VEKTOR score of 8.5 points out of 10, calculated by the Association for Investor Relations on the Romanian Stock Exchange, thus placing us in the top of listed companies.

We are well positioned to meet our regional strategic priorities and have plans for the next few years to strengthen our presence and growth in all countries where we operate. We aim to become the number one supplier of logistics in the Danube basin and to act as a market integrator. The company's development strategy for the next four years will focus on three pillars - organic growth, growth through acquisitions and ESG (sustainability, social responsibility and corporate governance). Thus, in 2021 we continued the development projects both in terms of geographical expansion and investments in modernizing existing assets to continue streamlining operations. Listing on the stock exchange has given the company additional international visibility and sound financial stability is the basis for the sustainable growth strategy. In terms of sustainability, TTS aims to remain one of the lowest carbon dioxide pollutants among the participants in the Danube transport and continues to invest in greener ports and fleet, to integrate best practices of corporate governance and social responsibility. In 2022 we will have a non-financial Report for the first time which we will publish in June.

On behalf of the TTS Management Team, we would like to thank for their trust all the stakeholders who contributed to the company's results in 2021.

With regards,
Petru Ștefănuț

1. About TTS

1.1. TTS Group

The Transport Trade Services group of companies (“TTS Group” or “the Group”) is one of the largest integrated inland waterway carriers in the Danube Basin and is composed of 16 companies, namely TTS (Transport Trade Services) S.A. (“TTS” or “Company”), 13 companies in which TTS holds, directly or indirectly, more than 50% of the share capital and 2 in which it holds minority positions. Eleven companies in the Group operate in the three main business segments of the Group:

International Shipping:	TTS (Transport Trade Services) S.A. Bucharest, TTS (Transport Trade Services) GmbH. Vienna, Plimsoll Zrt. Budapest, Transterminal – S S.R.L.Chişinău
River transport:	CNFR NAVROM S.A. Galati, Navrom Bac S.R.L. Galati, Fluvius Kft. Budapest
Port Operation:	Canopus Star S.R.L. Constanta, TTS Operator S.R.L. Constanta, TTS Porturi Fluviale S.R.L. Galati, Port of Fajsz Kft. Fajsz (Hungary)

The main goods transported and operated in ports are: mineral products (raw materials for the steel industry and rolling mills), agricultural products (cereals, oilseeds and feed) and chemicals (phosphate rock and finished products of the chemical fertilizer industry).

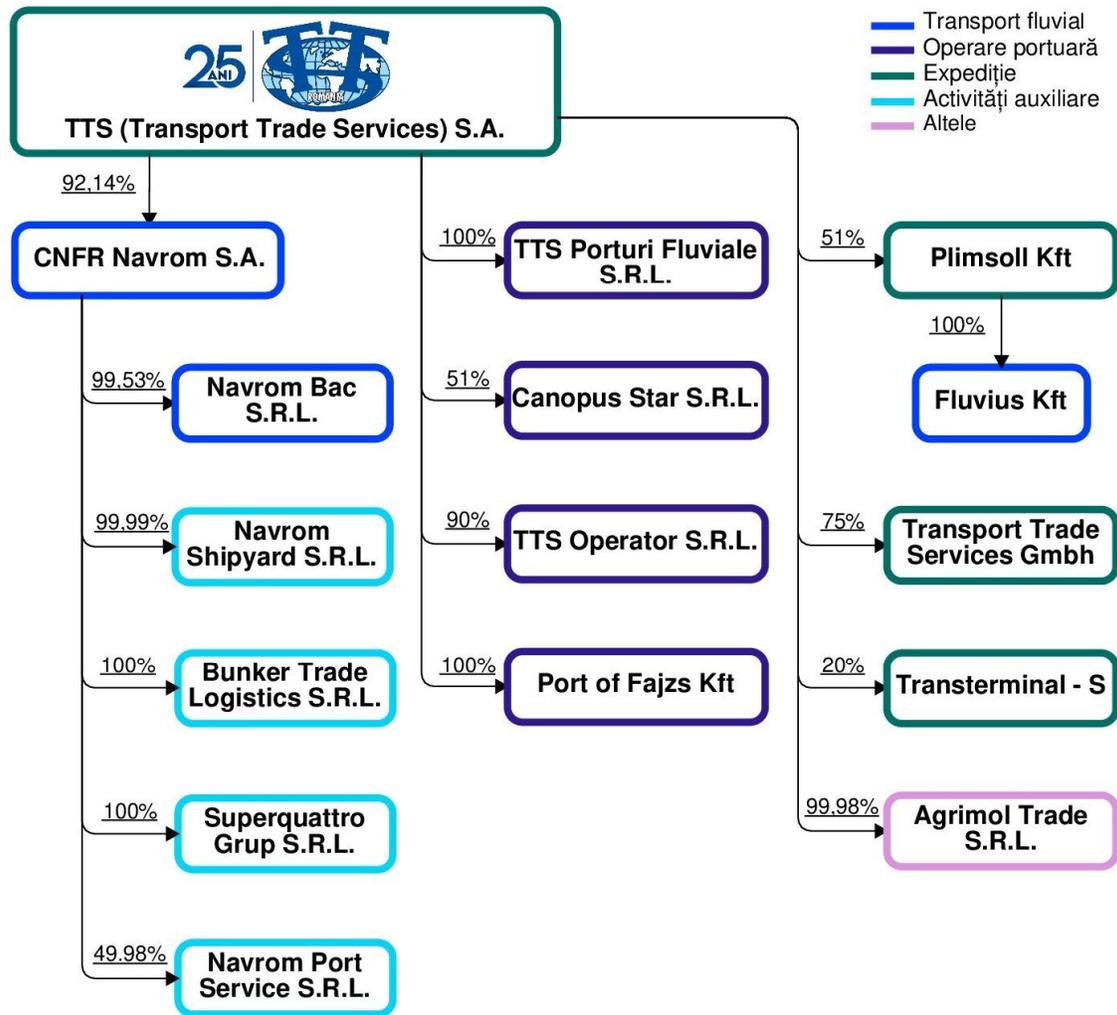
The TTS Group has the largest river fleet in the Danube basin, consisting of 481 river units with a capacity of almost 800 thousand tons, 8 floating cranes, as well as port terminals in Constanta and in 7 Danube river ports.

The group offers 3PL (Third Party Logistics) services, which is defined as an integrator of transport services (river, rail, road), transshipment (between transport units, from warehouses, silos, etc.), storage (warehouses, silos, warehouse type river units, etc.), agency (production of specific documents) and any other services specific to the management of the supply chain.

The main member companies of the Group are owned by TTS and, with one exception, are integrated into the Group's business model.

STRUCTURA GRUPULUI TTS

(31.12.2021)



Danube river transport

CNFR NAVROM S.A. Galati

With a history of over 130 years, NAVROM is the backbone of the Group, being the main provider of river transport services for the Group and, at the same time, the largest river carrier on the lower Danube.

NAVROM's entry into the Group was achieved by the takeover of the company by TTS started in 1998 and completed in 2005, when TTS became the majority shareholder with a 53.71% shareholding in NAVROM). As of December 31, 2021, TTS's shareholding reached 92.14% of NAVROM's share capital.

Port operations

CANOPUS STAR S.R.L. Constanta

Canopus is a joint venture between Cargill (49%) and TTS (51%) and operates the Group's cereal terminal in the Port of Constanta, with a capacity of 110,000 tons.

Canopus joined the Group in 2004 when TTS took over 41.6% of the share capital.

The partnership with Cargill began in 2008 with the acquisition of 49% of the share capital, the difference of 51% being owned by TTS.

TTS PORTURI FLUVIALE S.R.L. Galati

TTS Porturi Fluviale owns the port terminals of the Group from Galati, Braila and Turnu Severin.

TTS Porturi Fluviale joined the group in 2004 when TTS took over 41% of the share capital of Transeuropa Port S.R.L. (former name of TTS Porturi Fluviale). TTS later increased its stake, today holding 100% of the share capital of TTS River Ports.

TTS OPERATOR S.R.L. Constanta

TTS Operator is the main provider of loading and unloading services for river and sea vessels (port operation) of the Group, with operations mainly in the Port of Constanta, owning and operating six floating cranes.

TTS Operator is the first company taken over by TTS by acquiring the majority stake in 1999. Today TTS holds 90% of the share capital.

PORT OF FAJSZ Kft. Fajsz

Port of Fajsz owns the only port terminal of the Group located outside Romania, on the Danube about 140 km downstream from Budapest in Fajsz (Hungary).

Port of Fajsz was taken over by TTS in 2019, by acquiring 100% of the share capital.

International operations

The Group's international operations are supported by three forwarding companies:

TTS (Transport Trade Services) GmbH. Viena, international shipping services on the upper Danube (TTS holds 75% of the share capital)

Plimsoll Zrt. Budapesta, rail freight services on / from Hungary, to / from the North Sea, Adriatic Sea, Ukraine as well as logistics services in combined traffic (TTS holds 51% of the share capital).

Transterminal – S S.R.L.Chişinău, CIS-based rail freight forwarding services (TTS holds 20% of share capital).

Non-core business

AGRIMOL TRADE S.R.L. Bucharest

Agrimol is a foreign trade company specialized in the export of wood products in which TTS holds 99.9772% of the share capital.

1.2. TTS (Transport Trade Services) S.A.

Established in January 1997, TTS (Transport Trade Services) S.A. is active in the international freight segment. In its 25 years of activity, TTS has applied a prudent development strategy in two directions:

1. Vertical integration through the acquisition of companies active in the segments of river transport and port operation as well as through the direct acquisition or development of port terminals (Oltenița, Giurgiu, Bechet).
The terminal in Oltenița was modernized, the investment being completed in 2021. Two new investment projects are being considered, namely the modernization of the Giurgiu port terminal with access to European funds to partially finance the investment and expand the operating capacity of the Canopus terminal in Constanța.
2. Regional expansion through the acquisition of mainly companies active in the international shipping segment based in countries in the Danube basin.

The Group's development efforts were supported by IFC through investments of over EUR 35 million materialized through three successfully completed operations:

- In 2005, IFC granted NAVROM a loan of EUR 14 million guaranteed by TTS for the modernization of pushers.
- In 2008, IFC granted TTS a loan convertible into shares amounting to EUR 10 million. The loan was not converted into capital and was repaid in full by TTS during 2009-2017.
- In 2012, IFC acquired a 10% stake in TTS's share capital through a capital contribution, with the company valued at 120mn Euros. The shares were subsequently repurchased by TTS (6% in 2017 and 4% in 2018).

The Group's business model is centered on TTS, which provides customers with integrated forwarding / river transport / port operations services and coordinates the Group's business. The transport and port operation services are further contracted mainly with the Group companies, but also with third parties (especially in the port operation segment). The TTS activity is integrated in IT

at the accounting level with the activities of the Group companies and is being integrated at the operational level (tracking volumes and types of goods, by types of operations, up to the level of invoicing and payment tracking), the system providing support both for internal reporting as well as for external reporting, including for reporting transactions between affiliated entities.

2. TTS Group activity in 2021

2.1. In 2021, the activity of TTS Group exceeded pre-pandemic levels

The year 2021 has exceeded our expectations regarding the return of TTS activity to pre-pandemic levels, as a result of the gradual lifting of the pandemic restrictions imposed in 2020.

Both the results recorded by TTS and the consolidated results at Group level exceeded the results recorded in 2019.

Thus, the total revenues of the Group in 2021 were RON 598.8 million, higher by 8.5% compared to the revenues registered in 2019, respectively RON 551.8 million, and the attributable profit in 2021 was RON 66.4 million, 24.5% higher than the result registered in 2019, respectively RON 53.3 million.

Consolidated financial results - TTS Group

(mln. RON)	2021	2020	Δ 2021/2020	2019	Δ 2021/2019
Total income	598,8	520,3	↑ 15,1%	551,8	↑ 8,5%
Operating result	79,9	62,2	↑ 28,5%	69,2	↑ 15,5%
Net profit (overall result)	66,5	47,9	↑ 38,8%	53,3	↑ 24,8%

At the individual level, the turnover of TTS in 2021 was RON 395.6 million, 3.3% higher than the turnover registered in 2019, respectively RON 382.9 million, and the net profit in 2021 was RON 32.6 million, 14.8% higher than the net profit recorded in 2019, respectively RON 28.4 million.

Individual financial results - TTS

(mln. RON)	2021	2020	Δ 2021/2020	2019	Δ 2021/2019
Turnover	395,6	371,6	↑ 6,5%	382,9	↑ 3,3%
Operating result	28,0	27,6	↑ 1,4%	34,2	↓ (22,1%)
Net profit	32,6	29,9	↑ 9,0%	28,4	↑ 14,8%

2.2. Mineral operations - the engine of TTS Group's growth in 2021

Mineral operations, especially raw materials for the metallurgical industries in Romania and Serbia, saw the largest increase in 2021.

By positioning its business lines at the core of the supply chain, the TTS Group has benefited fully from the effects of the resumption of economic activity as a result of the gradual lifting of post-

pandemic restrictions, which led to a 22.6% increase in total volume of minerals transported and operated by the TTS Group in 2021 compared to the level recorded in 2020, respectively 8.612 million tons in 2021 compared to 7.023 million tons in 2020.

2.3. Agricultural operations - affected by market distortions (Q4) and the effects of the 2020 drought (Q1)

The drought that affected cereal crops in southern Romania in 2020 was not repeated in 2021, which ensured a very good cereal harvest in Romania, good in Bulgaria and Serbia, but very weak in Hungary. The effects of this evolution were lower volumes in transport and operation in the first half of the year (more pronounced reduction in Q1, partially offset by the effects of the new harvest in Q2), followed by a return to normal in the third quarter of 2021.

The fourth quarter saw a sharp decline in the volumes available for transport and operation due to large differences between domestic supplier prices and Black Sea free-on-board (FOB) quotations (influenced by Ukrainian and Russian commodity prices), which led to domestic grain trade. and from Serbia to significantly reduce sales.

The effect of these changes in the volumes traded on the agricultural products market was reflected in the volume of agricultural products transported and operated by the TTS group in 2021, which was 4,647 million tons, 2.4% lower than the total volume recorded in 2020, respectively 4.762 million tons.

2.4. Chemical operations - on the rise, although affected by Q4 price increases

The market for chemicals (fertilizers) developed normally in the first half of the year, producing a reduction in volumes in the second half as a result of a substantial increase in the prices of these products (doubling, even tripling prices), which discouraged consumption.

Thus, the total volume of chemicals transported and operated by the TTS Group in 2021 was 1.852 million tons, 13.6% higher than the total volume recorded in 2020, respectively 1.631 million tons.

2.5. The volumes operated and transported at Group level increased in 2021

Even in the less favorable conditions manifested on the cereals and fertilizers markets in the fourth quarter, the total volume of products transported and operated by TTS accentuated its increase in the second half of 2021, reaching 8.198 million tons, higher by 16.9% compared to the total volume recorded in the second half of 2020, respectively 7.015 million tons.

Under these conditions, the total volume of products transported and operated by TTS in 2021 reached 15.552 million tons, 12.1% higher than the total volume recorded in 2020, respectively 13.876 million tons.

2.6. Very good financial results in 2021

The total revenues of the group in 2021 were of 598.8 million lei, increasing by 15.1%, compared to 2020 (RON 520.3 million), with the observation that all business segments contributed to this increase. Higher percentage increases were provided by the port operations segment, with almost 31%, and the Other activities segment, from the sale of goods, but also from the increase of the activity in shipyards.

The efficiency of operations at the level of the entire Group allowed to obtain a consolidated operating result of RON 79.9 million, 28.5% higher than in 2020 (RON 62.2 million), the increase coming entirely from the port operating segments and other activities.

The consolidated net profit attributable to shareholders was RON 60.3 million, increasing by 36.2% in 2021 compared to 2020 (RON 44.2 million).

2.7. Investments

The total investments of the TTS Group in 2021 amounted to approximately RON 97.5 million, the largest share being represented by investments in the river transport segment, RON 68.2 million and by investments in the port operation segment, RON 26.8 million.

Depending on the destination, RON 52.6 million represented development investments (both in the transport segment, by continuing the modernization programs, and in the port operation segment, mainly investments in Oltenita port and in the Canopus Star terminal in Constanta port) and RON 44.9 million maintenance investments (mainly in the river transport segment).

The main share in CAPEX 2021 at the Group level is the NAVROM investments, which had several ongoing programs:

- Barge endowment program with aluminum hatchcovers (12 barges completed or in various stages of execution, including 6 barges requiring structural modifications)
- Propulsion modernization program for pushers and floating cranes (3 pushers and 2 floating cranes, completed or in various stages of execution)
- Investment program for ship recertification (4 pushers and 69 barges completed or in various stages of execution)

In November 2021, the investment made by TTS in the modernization of the Oltenita port was completed, operated by TTS River Ports, with a total value of 5.6 million lei. The investment aimed at developing new port operating flows, optimizing the movement of freight vehicles for access to port facilities, as well as diversifying the services offered (indirect transshipment).

Also in 2021, Canopus Star completed the first part of the investment, worth 12.9 million lei, which aims to expand the operating capacity by creating the possibility of simultaneous operation

of two seagoing vessels or a seagoing vessel with several river vessels. The investment is due to be completed in the second half of 2022 and has an estimated value of EUR 3 million.

In December 2021, TTS started a project to modernize the port of Giurgiu with European funds, by submitting an application for funding through the Large Infrastructure Operational Program for the project "Modernization of infrastructure in the port of Giurgiu, Ramadan area, berths 1, 2 - port platform, utilities , access routes "in Call POIM / 642/1/3 / Increasing the use of waterways and ports located on the central TEN-T network / 3 / Increasing the use of waterways and ports located on the TEN network -T central, opened within the Large Infrastructure Operational Program 2014-2020, Priority Axis 1, Specific Objective 1.3 "Increasing the volume of goods transited through intermodal terminals and ports". The project has a total value of EUR 4.8 million, of which EUR 1.9 million is the TTS contribution.

2.8. Reorganized assets withing the Group

In December 2021, the merger by which NAVROM Shipyard S.R.L. absorbed Cernavoda Shipyard S.R.L. (both subsidiaries of CNFR NAVROM S.A.). The operation was launched in 2020 and aimed to consolidate the operations of the two repair shipyards owned by NAVROM.

In November 2021, NAVROM began the process of taking over from Fluvius Kft the ownership of the self-propelled ship Melanie H and the non-propelled barge Melanie, through a transaction worth 2.1 million EURO, completed in 2022. The transaction price was established on the basis of the evaluation report prepared by an authorized evaluator ANEVAR. The value recommended by the evaluation report was 2,094,200 EURO. Through this transaction, NAVROM took the first step in developing a fleet of self-propelled fast ships. At the same time, the inclusion of the two ships in the NAVROM fleet creates the conditions for their more efficient operation, as a result of the economies of scale transferred to the operation of the two ships.

2.9. Admission to trading and evolution of TTS shares on the main market of the Bucharest Stock Exchange

For TTS, the main event of 2021 was the admission to trading on the regulated market managed by BSE, in the Premium category, of the shares issued by TTS, following the successful conclusion of the initial secondary public offering for sale carried out by Swiss Capital S.A. the company's shareholders sold 50% of the shares, the Company being valued at EUR 107 million.

Being the first listing on this market after a period of almost 3 years, the trading of TTS shares on the main market operated by the Bucharest Stock Exchange naturally aroused the interest of investors. Thus, following the over-subscription of the offer, on the first trading day 2,061 transactions were registered, through which more than 3.5% of the TTS shares changed their owner (1,061,602 shares), the maximum trading price being higher by 10.9% compared to the IPO price (RON 21.3 / share compared to RON 19.2 / share).

Then followed a period of setting the price (June 15, 2022 - July 23, 2022), at the end of which the minimum trading price of 2022 and RON 19.05 / share was registered.

TTS (Transport Trade Services) S.A.

The post-listing evolution of TTS shares is a typical one, during this period a relatively high number of shares were traded (94,758 shares / day on average, more than three times than the daily average of 30,254 shares registered between July 24, 2021 - December 30, 2021), the price tends to fall to the price of the IPO, due to the fact that the market is dominated by sellers (during this period, any of those who bought in the IPO make a profit).



Starting with July 24, 2021 and until the end of the year, we witnessed a buyers' market, which materialized through a price increase up to RON 25.4 / share (the maximum of 2021 being reached on November 26, 2021), with 33.3% higher than the minimum price recorded on July 23, 2021.

The evolution of TTS shares during this period is characteristic of situations where there are large purchase orders relative to the size of the daily market (moderate but sustained growth in July-November), which once satisfied causes a relative decrease in market price. A last period of increase was registered after December 20, probably determined by the portfolio adjustments before the end of the year, the closing price on December 30, 2021 being RON 22.3 / share.

Compared to the BET index, TTS shares performed better in the whole period after the post-listing period, registering between July 24, 2021 and December 30, 2021 an increase of 18.5%, while the increase of the BET index in the same period was 10.9%.



TTS shares closed the year at a price of RON 22.3 / share - December 30, 2021 (opening price RON 20.00 / share - June 14, 2021, minimum price RON 19.05 / share - July 23, 2021, maximum price RON 25.4 / share - November 26, 2021, average price RON 21.19 / share). The total volume of traded shares was 6,953,333 shares (23.2% of the total number of shares, 16,343 transactions, 30,254 shares / day), with a total value of 147.4 million lei.

2.10. Inclusion of TTS shares in BET and FTSE Global Micro Cap indices

With the main objective of increasing the interest of market participants for TTS shares to a level that ensures a good liquidity of the shares, the first measures taken by TTS immediately after the listing were the establishment of the Corporate Governance and Investor Relations Department and contracting market maker services. with BRK Financial Group in early July 2021.

Then, in July and August, two systems with a very important role in investor relations were operationalized:

- Development of an internal affiliate transaction monitoring system, which informs the Department of Corporate Governance and Investor Relations on a daily basis of the amounts traded intra-group and sends alerts when the limit amount is exceeded. Given the complex structure of the group, which involves a large number of transactions between affiliates, the automation of operations allows us to report any exceeding of the legal threshold without delay. We are currently working on a module for the automatic issuance of current reports in the form in which they are transmitted to the market and ASF.

- Implementation of the online voting system in the general meetings of shareholders on the eVote platform developed by Governance Partners S.R.L. This system was highly appreciated by our shareholders, as evidenced by the fact that at the first general meeting of shareholders on August 26, there was a turnout of almost 85% of total voting rights.

At the same time, TTS has laid the foundations for an internal system of corporate governance in accordance with the highest standards in the field, by adopting in a short time a number of internal regulations and governance policies: the Board Regulation, the GMS Regulation, remuneration policy, dividend policy, forecast policy and insider information policy.

The culmination of our efforts was the achievement in 6 months of market presence of the two main liquidity objectives:

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

2.11. The Ordinary General Shareholders Meeting of August 26, 2021

The first general meeting of shareholders after the listing had as its main topic the election of the new Board of Directors as well as the establishment of the compensation conditions for the members of the board and the members of the executive management and was a premiere for the Company from several points of view.

For the first time in its history, TTS has applied the strict provisions of capital market-specific regulations regarding the organization and conduct of general meetings, while ensuring access and facilitating voting in the general meeting in three distinct ways: in-person participation, voting by mail (by using postal services or by email) and online participation. In addition, measures were taken to ensure the secrecy of the votes cast by correspondence in the organization of the meeting.

On this occasion, the Company successfully tested the most flexible and at the same time the most effective form of participation in general meetings: online participation. For this reason, TTS has made available to shareholders the eVote platform, which offers a degree of flexibility and ease in exercising shareholder rights that no other form of participation ensures. One of the most important features of the online voting system is that it allows shareholders to change their vote as many times as they want, until the voting procedure is declared closed by the chairman of the general meeting. This facility is a significant extension of the exercise of the right to change the vote expressly established by law for shareholders who vote by mail.

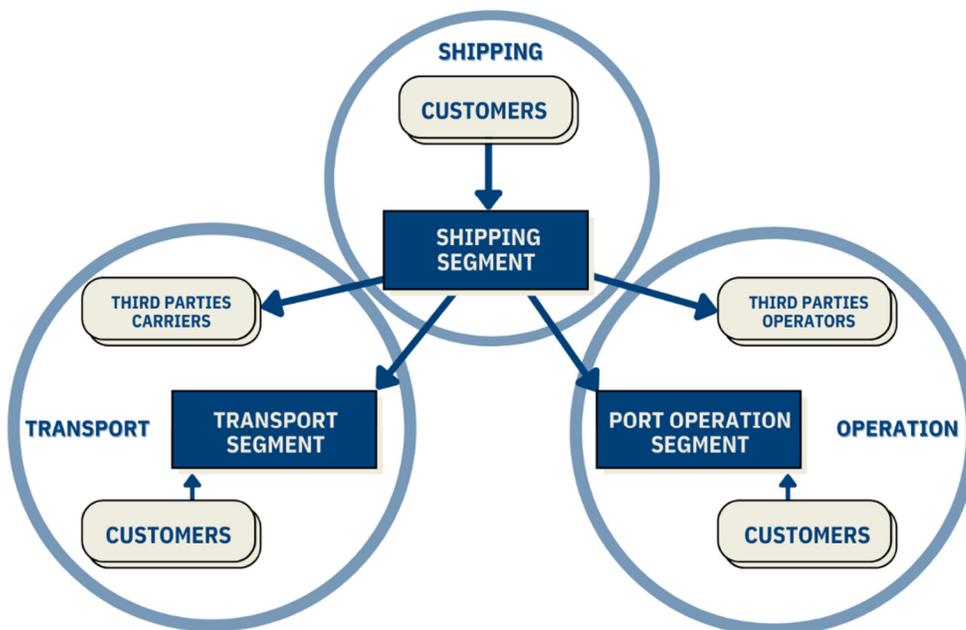
The ordinary general meeting of shareholders on August 26 was successful and, thanks to the multiple forms of participation accepted, recorded a record turnout: 63 shareholders holding 84.9% of the total voting rights, of which 45 shareholders holding 46.7% of all voting rights participated online through the eVote platform provided by the Company.

3. Analysis of the Group's operations in 2021

3.1. General aspects

TTS's business model involves, in addition to hiring mainly its own fleet (Navrom S.A. and Fluvius Kft.) and its own port terminals, contracting the forwarding segment for transport or operating services with third parties.

At the same time, the Group's companies, active in the river transport and port operations segments, in addition to the orders received from the companies active in the forwarding segment, may contract directly with their own customers.



For these reasons, the total volumes operated and transported, analyzed in this section are greater than the sum of the volumes transported (discussed in section 3.3) and operated (discussed in section 3.4) directly by the TTS Group using its own resources.

Thus, the total volumes of goods transported by river and operated in ports (with own resources or through third parties) increased at Group level by 12.08% in 2020 compared to 2021, supported mainly by operations with mineral goods (+22 , 63%) and to a lesser extent than

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chemical operations (+ 13.55%), which together covered the deficits recorded on the other types of goods:

Volumes transported and operated - total TTS Group

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	4,647	4,762	↓ (2,41%)
Minerals	8,612	7,023	↑ 22,63%
Chemical products	1,852	1,631	↑ 13,55%
Other products	0,441	0,46	↓ (4,13%)
Total	15,552	13,876	↑ 12,08%

Regarding the total volumes transported (with own resources or through third parties) at Group level, the increase in 2021 was 12.54% compared to 2020, due exclusively to the operations with mineral products, raw materials for the metallurgical industry. After the observed return in the third quarter of volumes of transported and operated agricultural products, their level fell sharply and substantially in the fourth quarter, due to the reduction in exports, as a result of the differences between the prices of domestic suppliers and those on FOB quotations (free on board). at the Black Sea. Chemicals also fell sharply due to rapidly rising fertilizer prices in the second half of the year, leading to a reduction in demand. Operations with mineral products, especially raw materials for the metallurgical industries in Romania and Serbia, were the only ones that recorded an increase in volume (24.03%):

Volumes transported by river - total TTS

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	1.862	2.041	↓ (8,77%)
Minerals	6.767	5.456	↑ 24,03%
Chemical products	0.714	0.737	↓ (3,12%)
Other products	0.441	0.460	↓ (4,13%)
Total	9.784	8.694	↑ 12,54%

The decrease of almost 3% in S1.2021 of the volumes operated in ports, compared to the similar period of 2020 was fully recovered in the second half, an increase anticipated by TTS, as a result of the beginning of the cereal season and the good harvest in 2021. Thus, the total volumes operated by the Group is higher by 11.31% in 2021 compared to 2020:

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Volumes operated in ports - total TTS Group

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	2,785	2,721	↑ 2,35%
Minerals	1,845	1,567	↑ 17,74%
Chemical products	1,138	0,894	↑ 27,29%
Total	5,768	5,182	↑ 11,31%

Given the business model of the TTS Group, the analysis of volumes broken down by type of contract provides information on the degree of utilization of own capacity.

With regard to river transport, the almost 2.5 - fold increase in volumes transported by third parties under the TTS mandate, simultaneously with a 10.4% increase in volumes transported by the Group through the river transport segment, indicates that the Group's fleet operated at capacity:

River transport operations by type of contract - total TTS Group

(mln. tons)	2021	2020	Δ 2021/2020
• Contracted by the shipping segment and transported by third parties	0.337	0.140	↑ 140,71%
• Contracted directly by the river transport segment	2.653	2.218	↑ 19,61%
• Contracted by the shipping segment and transported by the river transport segment	6.794	6.336	↑ 7,23%
Total	9.784	8.694	↑ 12,54%

Regarding the volume of port operations, the volume contracted by the shipping segment remained practically constant (-0.5%). On the other hand, the volumes contracted directly by the port operators in the group increased significantly (58.49%) leading to an increase in port operations by 11.31% (2021/2020):

Port operations by type of contract - total TTS Group

(mln. tons)	2021	2020	Δ 2021/2020
• Contracted by the shipping segment and operated by third parties	1,103	1,053	↑ 4,75%
• Contracted directly by the port operating segment	1,642	1,036	↑ 58,49%
• Contracted by the shipping segment and operated by the port operating segment	3,023	3,093	↓ (2,26%)
Total	5,768	5,182	↑ 11,31%

3.2. Shipping

The shipping segment continued its general trend observed in S1.2021 at a consolidated level, with an overall increase of over 10%, fully supported by the minerals segment, which recorded an increase of 22.23%.

Volumes transported by river - Shipping segment

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	1,830	1,988	↓ (7,95%)
Minerals	4,596	3,760	↑ 22,23%
Chemical products	0,705	0,728	↓ (3,16%)
Other products	0,000	0,000	-
Total	7,131	6,475	↑ 10,13%

The slight decrease of 3.3% in S1.2021 compared to the same period of 2020 recorded by port operations carried out during the mandate of the shipping segment decreased to 0.48% in 2021, compared to 2020, the main contribution being the mineral goods.

Volumes operated in ports - Shipping segment

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	1,716	2,023	↓ (15,18%)
Minerals	1,551	1,340	↑ 15,75%
Chemical products	0,859	0,783	↑ 9,71%
Total	4,126	4,146	↓ (0,48%)

Revenues from the shipping segment in river transport show a slight increase (6.95%), with the minerals segment bringing the largest contribution (18.11%), followed by the chemicals segment (10.23%), both of which managed to cover the decrease represented by the agricultural segment (-7.65%).

Revenue generated by the shipping segment from river transport (by type of goods)

(mln. RON)	2021	2020	Δ 2021/2020
Agricultural products	101,86	110,29	↓ (7,65%)
Minerals	159,01	134,63	↑ 18,11%
Chemical products	35,83	32,50	↑ 10,23%
Total	296,69	277,42	↑ 6,95%

Regarding the revenues generated by the shipping segment from port operations, chemicals continue to grow compared to the middle of the year, reaching a level of 13.32% in 2021,

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compared to 2020, the best performing segment remaining that of minerals with an increase of 27.53% (2021 / 2020).

The only decrease was registered for agricultural products, respectively -2.18% in 2021 compared to the same period of 2020:

Revenue generated by the port operation shipping segment (by type of cargo)			
(mln. RON)	2021	2020	Δ 2021/2020
Agricultural products	36,91	37,73	↓ (2,18%)
Minerals	26,35	20,66	↑ 27,53%
Chemical products	11,09	9,79	↑ 13,32%
Total	74,34	68,17	↑ 9,05%

3.3. River transport

The river transport segment was supported exclusively by the robust increase of 23.51% in the volumes of mineral products transported in 2021 compared to 2020. This increase is explained by the increase in demand for steel products generated by the global economic recovery which has led TTS's main customers in the mineral sector, the metallurgical plants Liberty Steel Galati and HBIS Smederevo, to record significant increases in production figures, and thus the volume of raw material for which TTS is the main provider of transport services. The large share of these volumes (more than 70% of total transported volumes) together with the increase recorded in 2021 were more than enough to cover the volume deficits recorded for all other types of goods (-16.28% for products -6.63% for chemicals and -4.13% for other products), ultimately leading to an increase in cumulative transported volumes of 10.44% in 2021 compared to 2020:

Volumes transported by river by the river transport segment			
(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	1,635	1,953	↓ (16,28%)
Minerals	6,709	5,432	↑ 23,51%
Chemical products	0,662	0,709	↓ (6,63%)
Other products	0,441	0,460	↓ (4,13%)
Total	9,447	8,554	↑ 10,44%

However, the course of goods decreased slightly (-1.85%), strongly influenced by the segment of agricultural products (-27.96%), both due to the decrease in transported volumes and

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due to the reduction of the transport distance due to the reduction of volumes of Serbia and especially Hungary compared to 2020, effect of weaker harvests compared to 2020:

Total freight traveled performed by the river transport segment (by type of goods)			
(bln. to*km)	2021	2020	Δ 2021/2020
Agricultural products	0,956	1,327	↓ (27,96%)
Minerals	2,948	2,643	↑ 11,54%
Chemical products	0,454	0,470	↓ (3,40%)
Other products ¹	0,001	0,001	-
Total	4,359	4,441	↓ (1,85%)

For the same reasons, the increase in revenues in the river transport segment (+ 7.99% in 2021, compared to 2020) did not amount to the increase in volume (+ 10.44%):

Revenues generated by the river transport segment (by type of goods)			
(mln. RON)	2021	2020	Δ% 2021/2020
Agricultural products	73.45	88.27	↓ (16,79%)
Minerals	175.37	146.45	↑ 19,75%
Chemical products	29.46	28.38	↑ 3,79%
Other products ²	22.56	15.49	↑ 45,68%
Total	300.84	278.59	↑ 7,99%

3.4. Port operations

The only segment that recorded increases in all categories of goods was the port operating segment, the total increase in volumes being 12.96% in 2021 compared to 2020.

The main contribution was made by agricultural goods, which, after the decrease (27.31%) of the volumes operated in S1.2021 compared to S1.2020 (caused by the reduced volume of agricultural products operated in Q1.2021) had a spectacular return in the second half as a result of the very good harvest in 2021, which finally led to an increase in the volume of agricultural goods operated, an increase of 4.41% compared to 2020:

¹ The distances are 208 thousand tons * km in 2021 and 165 thousand tons * km in 2020, values high enough to have an influence in rounding the total distance to three decimal places

² Mainly transport by ferry made by NAVROM Bac S.R.L. in the Galati and Isaccea crossing points

Volumes operated in ports by the port operating segment

(mln. tons)	2021	2020	Δ 2021/2020
Agricultural products	2,744	2,628	↑ 4,41%
Minerals	0,784	0,607	↑ 29,16%
Chemical products	1,136	0,894	↑ 27,07%
Total	4,664	4,129	↑ 12,96%

The increases in volumes were reflected in the increases in revenues from port operations on all categories of goods, reflected in an increase of over 33% in revenues in 2021 compared to 2020:

Revenues generated by the port operating segment (by type of cargo)

(mln. RON)	2021	2020	Δ 2021/2020
Agricultural products	58,60	45,23	↑ 29.56%
Minerals	11,29	7,66	↑ 47.41%
Chemical products	14,10	10,18	↑ 38.49%
Total	83,98	63,06	↑ 33.17%

4. TTS activity in 2022: the anticipated effects of the crisis caused by the war in Ukraine

The general context

TTS Group is the main provider of integrated logistics services of type 3PL (Third Party Logistics) in the Danube basin, acting as an integrator of transport services (river, rail, road), transshipment, storage and agency for mineral goods, agricultural products and chemicals.

The geographical proximity of Ukraine and Russia, major exporters of mineral raw materials, agricultural products and chemicals, is causing the war in Ukraine to affect the work of the TTS Group, even if our exposure to Russia and Ukraine is insignificant.

Our activity will be influenced mainly from two directions:

- reconfiguring the flow of goods from Russia and Ukraine and those that traditionally used Ukrainian ports on the Black Sea,
- economic sanctions imposed by the U.S. and the EU on Russia.

Changes in freight logistics flows are mainly due to the need to replace the usual supply chain through the Black Sea and Caspian ports affected by the war in Ukraine with logistics routes that will pass through the port of Constanta (or through the ports of Reni and Izmail, or routes

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combined land-Danube-Constanța). In this regard, sustained efforts are being made to establish alternative routes for Ukrainian export products (agricultural products, minerals) but also for Ukrainian imports.

At the same time, economic sanctions have important effects on the markets upstream of TTS in the supply chain, through massive price increases in international markets, which produce changes in supply chains for raw materials and the sale of finished products.

TTS Group exposure

TTS Group has no financial exposure, does not own assets, agencies or branches in Ukraine or Russia. The group has no commercial relations with Russian companies, and has insignificant contractual relations as a share with Ukrainian companies.

From a commercial point of view, ongoing contracts in 2022 for goods from Ukraine account for about 3% of total consolidated revenues (excluding raw materials for metallurgy), while contracts for goods from Russia account for about 2% of total consolidated revenues. (mostly overwhelming raw materials for metallurgy, products not subject to sanctions, the difference being made up of chemical fertilizers). By the end of March, these contracts are executed at a rate of 17-25%.

The current situation

With regard to goods from Ukraine and Russia, the TTS Group provides mainly transport services, but also some port operations services, with the main share being the raw materials for metallurgy. To these are added relatively insignificant volumes of chemical fertilizers, coming from Russia in transit via Constanta, for beneficiaries based in the EU.

After a short period of interruption, deliveries for these products were resumed, with some logistical disruptions and under conditions imposed by the sanctions in force and the export restrictions imposed by Russia on certain products.

The situation broken down by **the main categories of goods** covered by the logistics services provided by TTS is as follows:

Minerals - TTS Group provides the transport of raw materials for metallurgy on the Izmail-Galați relation, and on the Constanța-Smederevo relation. However, the raw materials from Ukraine and Russia represent only a small part of the raw material requirements for the two metallurgical plants, which together hold the largest share in the volume of minerals transported by TTS. Most of the raw materials needed come from overseas sources, from major ore and coal producers. As for raw materials unavailable in Ukraine-Russia relations, they will be easily replaced by reliable raw materials, with the two combined groups having globally developed supply chains. These volumes will necessarily transit through the port of Constanța.

In fact, from the information we have, the existing stocks in Constanța, together with the volumes of raw materials loaded on the ships en route to Constanța of both metallurgical plants allow their activity in good conditions for the next period.

As a result, we expect TTS to continue to ensure the normal supply of Danube metallurgical plants, in accordance with the contracts in force.

Transports of raw materials (iron ore and manganese ore, metallurgical ore) and laminates from / to Ukraine to / from the port of Constanța and Romanian Danube ports are also underway or in the negotiation phase:

- Ongoing contracts totaling at least 40.000 tons per month (achieved 57.000 tons since the end of March), a volume that will increase to a minimum of 80.000 tons per month starting in May
- In addition to these volumes, 32.000 tons were transported, another 35.000 tons being contracted for June
- We are in negotiations for an additional traffic of 10.000 tons per month starting in June

Expected volumes in the coming months will be affected by the military and logistical situation in Ukraine.

Fertilizers - The phosphate transport and port operation contract for Serbia will continue to operate and **in the current situation we expect an increase in volumes**, as finished products (fertilizers) from Russia will have to be replaced, at least in part, by other sources with a level of competitiveness. at a similar price (Caspian, North African or Gulf countries).

We also sporadically transport chemical fertilizers of Russian origin to various destinations on the Danube, with beneficiaries from the EU.

Agricultural goods - The main risk is the **possible protectionist measures that the governments of the region have taken or will take and which will have the effect of temporarily limiting the volumes of goods on the market**, until the level of the new harvest is outlined, taking into account view and decisions and involvement of the EU. At the same time, it should be noted that even before the outbreak of the conflict, starting with October 2021, the volumes of goods in Hungary and Serbia did not exist, and those in Romania and Bulgaria were at much lower levels than usual.

As of the date of this report, approximately 40,000 tonnes have been transported and operated from Ukraine, with shipments still underway, under the influence of the military and logistical situation in Ukraine.

From the earliest days of the war, TTS focused its efforts on finding logistical routes for Ukrainian grain exports in the first place. At this time, TTS has secured three logistics routes (in rail traffic, combined rail-river and river) leading from the Ukrainian borders to the port of Constanta. Two of them are operational, the first batches of goods are already underway.

The first shipments of ores of Ukrainian origin to the port of Constanța are also underway.

Last but not least, the war in Ukraine has so far not created problems for navigation on the Danube.

Our appreciations for the developments in the next period

The geopolitical context can increase the flows transited through the port of Constanța with positive effects on the volumes of goods transported and operated by TTS.

Given that Ukraine and Russia are major exporters of **agricultural products**, the ban or restriction on the export of these products has led to rising world prices and a significant increase in the competitiveness of agricultural products from the Danube basin, with the effect of increasing volumes transported via Constanta, both before and in the 2022-2023 season.

At the same time, they are working hard to find alternative logistics routes for their agricultural products, in combined railway-Danube traffic to the port of Constanta, to replace the Ukrainian ports on the Black Sea, some of which are already operational, within existing logistics capacity.

As for **raw materials and finished steel products** from Ukraine and Russia (which could be reduced in quantity or disappear, although no such situation is foreseen at this time), targeting various countries in the Danube basin, these they will certainly be replaced by products from nearby areas (Turkey, Egypt, the Caspian Sea) or from more distant lands. Most of these freight flows will inevitably pass through Constanța and then the Danube. In terms of goods from Ukraine, as in the case of agricultural products, alternative routes are being sought for export via Constanța.

Regarding **chemical fertilizers**:

Russian exports of nitrogen-based natural gas are likely to be replaced by exports from North African, Gulf or Caspian countries, which, like Russia, have natural gas. or to be partially replaced by complex fertilizers produced in the Danube basin (Serbia, Austria).

The TTS Group has taken preventive measures to mitigate the effects of the general rise in prices on its costs and will continue to do so, depending on the market situation and the geopolitical context.

Against the background of the general increase in prices recorded since the second half of 2021, the economic sanctions imposed by the U.E. and the U.S. on Russia, the export bans imposed by Ukraine and Russia and the uncertainties on economic activity caused by the war in Ukraine, led to an explosive rise in energy and fuel prices in the first quarter, as well as a sharp rise in prices for products, raw materials, materials and sub-assemblies used by the TTS Group in investment activity (especially in the planned maintenance of the group's assets) as well as inflation which has put pressure on government salaries, taxes and fees as well as the costs of services provided by third parties.

As TTS operates in a competitive market, both in terms of tariffs and the level of services provided, the influence of external factors on profitability can be mitigated in particular by internal control of operating costs and by adapting to changes in logistics flows and new ones. market conditions that TTS serves in the supply chain.



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With regard to fuels, after the start of the war TTS improved the contractual conditions set out in the "BAF" (Bunker Adjustment Fee) protection clauses provided for in contracts with long-term partners, in order to reduce the period of exposure of TTS to price increases.

With regard to investments (mainly planned maintenance), TTS will aim to coordinate the need for physical execution with the need for liquidity for these activities, including through the use of investment loans.

The TTS Group makes significant efforts to closely monitor developments in relevant markets, leveraging its experience, good reputation and position as a leading provider of integrated logistics services in the Danube basin, in order to be able to adapt quickly to changing conditions.

5. TTS corporate governance

5.1. Corporate Governance and Investor Relations Department

The coordination of the corporate governance activity and the insurance of the investor relations is organized at the departmental level led by a director subordinated to the General Manager of the Company.

The main tasks of the department are the organization, conduct and documentation of general meetings of shareholders and meetings of the Board of Directors, ensuring the internal regulatory framework on corporate governance and monitoring compliance within the Company, organizing, implementing and monitoring the continuous and periodic reporting system. no. 24/2017 and the FSA Regulation no. 5/2018, implementation of IT systems support for corporate governance and investor relations activities.

5.2. The internal regulatory framework of the Company

In view of the corporate governance standards applicable to the companies listed in the Premium category on the main market of BSE, TTS laid the foundations of the internal corporate governance system by adopting the following documents:

1. Regulations of the Management Board.

It was approved by the Board Decision 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 Board of Directors Regulation, and it is no longer necessary to adopt separate regulations for each committee.

2. GSM Regulations

It was approved by the Board Decision 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..

3. Internal audit regulations

It was approved by the Board Decision no. 4 / 14.03.2022

4. Remuneration policy

It was approved by the OGMS Decision no. 1 / 26.08.2021

The remuneration policy is published on the TTS website.

5. Dividend policy

It was approved by the Board Decision no. 1 / 30.09.2021

The dividend policy is published on the TTS website.

6. Forecast policy

It was approved by the Board Decision no. 1 / 29.10.2021

The forecast policy is published on the TTS website.

7. Insider trading policy

It was approved by the Board Decision no. 1 / 12.11.2021

5.3. Administration and management of the Company

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

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

The Council is chaired by a President appointed by the Board Decision no. 1 / 30.08.2021.

By the Board 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, chaired by an independent non-executive member.

The constitution, organization and functioning of the Committees is regulated by "CHAPTER VI. ADVISORY COMMITTEES. ESTABLISHMENT, ORGANIZATION AND FUNCTIONING OF ADVISORY COMMITTEES "of the Board Regulations

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

Name and surname	Status in BoD	Period in office
Alexandru-Mircea MIHĂILESCU	Chairman, Chairman of the Remuneration and Nomination Committee, member of the Audit Committee	Jan. 1, 2021 – Dec 31, 2021
Ion STANCIU	Executive member	Jan 1, 2021 – Dec 31, 2021
Elena BUTNARIU	Independent Member, Chairman of the Audit Committee, Member of the Remuneration and Nomination Committee	Aug 26, 2021 – Dec 31, 2021
Ana-Barbara BOBIRCĂ	Independent member, member of the Audit Committee	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 Secretary of the Board of Directors by Decision of the Board of Directors no. 1 / 22.07.2021.

Since the date of admission to trading, the Board of Directors has met nine times, three times by the physical presence of members and six times by vote and email debates. Two decisions were taken by signature by all members without a Council meeting. Six meetings were held with the participation of all members of the Council, one 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 unanimously by the votes of the participating members.

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

The Audit Committee established the internal audit plan and validated the timing of the external audit engagement and the individual and consolidated financial statements for 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 ensured by the General Manager of the Company, by the Financial Director and by the Operational Director.

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

By Decision no. 1 / 15.06.2021 The Board of Directors decided to take over the position of Chief Operating Officer by the Deputy General Manager.

The composition of the executive management of TTS 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, extended successively in 2016 and 2018, expires on 26.05.2022 (mandate contract being extended)
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	Concluded on 10.03.2021, expires on 10.03.2025

5.4. Degree of compliance with the provisions of the BSE Governance Code

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	
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	
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	

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Provisions of the BSE Code of Governance	Compliance	Clarifications
Section A - Responsibilities		
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	
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	
A.10. The corporate governance statement shall contain information on the exact number of independent members of the Board of Directors.	YES	
A.11. The Board of the companies in the Premium category must set up a nomination committee formed of non-executive members.	YES	
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	
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 September 2021, the first annual evaluation of the internal
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	PARTIALLY	

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Provisions of the BSE Code of Governance	Compliance	Clarifications
<p>Section B - Risk management and internal control system</p> <p>manages to address the deficiencies or weaknesses identified and the submission of relevant reports to the Council.</p>		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. The audit committee must evaluate the effectiveness of the internal control system and the 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	
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	
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	
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 BSE Code of Governance		
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:	YES	
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. Current reports and periodical reports (quarterly, half-yearly and annual);		
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 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	

Provisions of the BSE Code of Governance Section D - Adding value through investor relations	Compliance	Clarifications
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	
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	

6. Investor relations

6.1. Channels of communication with investors

In addition to communication by email or telephone, the contact details of the department being published on the website in the sections "INVESTOR RELATIONS → Contact information" and "CONTACT", in 2021 TTS implemented systems to ensure direct communication with investors.

First of all, the system for organizing online meetings with TTS management members, open to all investors, has been developed.

Thus, since the first periodic reporting as a listed company (S1 2022 report), TTS has organized online teleconferences with all interested investors and analysts. The purpose of these teleconferences was to discuss the results published in the regular reports with members of the Executive Board and the Board of Directors, and in addition, we responded to all investors' requests for dialogue. In total, in 2021, we organized 6 such teleconferences.

In parallel, TTS made available to the public video recordings and / or transcripts of regular teleconferences on the website in the section "INVESTOR RELATIONS → Conferences with investors and analysts → [YYYYY]".

Starting in 2022, regular online meetings with investors are organized with simultaneous translation into English.

Also in 2021, TTS implemented on the Hubspot platform a bilingual newsletter (Romanian - English) dedicated exclusively to communication with shareholders and investors, to which all those interested are subscribed. The main purpose of this newsletter is to communicate both alerts (on the publication of current and periodic reports, changes to the company's website, events organized or attended by TTS) and organizational issues mainly related to TTS general meetings and teleconferences.

Last but not least, TTS provided support to all shareholders regarding the organization and conduct of the GMS, ensuring in advance with them that the documents submitted in connection with participation and voting in general meetings are drafted correctly, including the possibility of online change directly by shareholders of votes wrongly introduced through the use of the voting platform and participation in the eVote GMS.

6.2. Implementation of the online platform for participation in general meetings of shareholders

In order to facilitate the participation in the general meetings of shareholders, TTS has implemented the online voting system in the general meetings of shareholders on the eVote platform developed by Governance Partners S.R.L.

By using this system, shareholders can participate in general meetings online, being able to watch the meeting live in streaming video. The main features of the eVote platform are the ability to vote before the start of the meeting and the ability to change the vote.

Thus, the voting on the platform starts a few days before the date of the general meeting, as soon as the register of shareholders at the reference date is uploaded to the system. After uploading, all registered users who are identified in the shareholders register are notified by email that they can vote at the general meeting. From then on, users may vote on the items on the agenda, regardless of the time, until the chairman of the general meeting announces the close of the voting session for each item on the agenda.

Also, once introduced, the vote may be changed at any time and at any time, until the close of the voting session. As in the case of a postal vote, the rule of validity of the last vote entered shall apply.

In addition, once registered in the system, users can vote at any of the future general meetings, if they are registered in the shareholders' register on the reference date of those meetings.

From the Company's point of view, the eVote platform greatly facilitates the process of administering general meetings. Thus, all the data on the presence and manner of voting are centralized in the system, the votes cast by mail being entered before the time of the meeting, immediately after receiving and validating the voting forms.

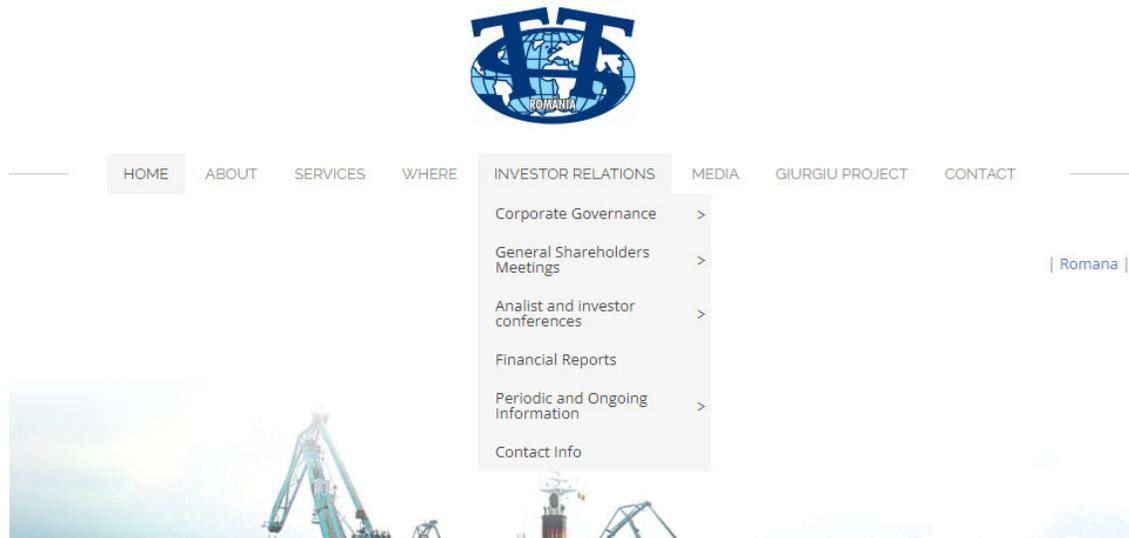
As the three forms of participation are not mutually exclusive, a shareholder who voted by mail may also vote online and may vote at the meeting. All three votes are recorded in the system, but the last vote entered is taken into account.

As a result, once the proceedings of the meeting are over, the complete documentation (minutes, decisions) is completed in less than 30 minutes, the quorum and vote data can be extracted from the system immediately.

6.3. Restructuring of the Company's website

To ensure a high level of transparency, TTS has introduced on the website the "INVESTOR RELATIONSHIP" section dedicated to corporate governance and investor relations in which it has systematized all information and documents of interest to investors and analysts, organized in three levels of depth and with 6 sections in the submenu:

- Corporate Governance;
- General Meetings of Shareholders;
- Conferences with investors and analysts;
- Financial reports;
- Periodic and continuous information;
- Contact information



The section is organized in such a way as to ensure access to documents and information relevant to shareholders in a maximum of two clicks.

6.4. Reporting systems - reporting transactions with affiliates

One of the most difficult requirements for TTS after admission to trading was reporting affiliate transactions. Given the vertically integrated business model of the TTS Group, through which the transport and port operation services, but also the repair and maintenance services are subcontracted mainly with Group companies, a very large number of orders / invoices are generated annually intra-group, subject to medium-term framework contracts between Group companies.

Starting from the integrated internal contract management system that underlies the accounting system, TTS has implemented a system for tracking and reporting transactions between affiliates, with aggregation at the level of the booking note of invoices and alerts when reporting level is exceeded. The aggregation was necessary because the reporting at the invoice level would have generated reports with a very high level of detail that did not bring any value from the perspective of investors.

In this way, the size of the reports has been reduced, while maintaining a very high level of transparency.

Thus, in 2021 TTS published 23 reports on transactions between TTS and its subsidiaries, but also on transactions made by TTS subsidiaries between them, the first report being published on 05.07.2021, 3 weeks after the first trading day.



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The reports were the subject of two half-yearly audit reports prepared by the Company's statutory auditor, which in turn were published on the BSE and FSA reporting platforms.

6.5. TTS entry into ARIR - Association for Investor Relations on the Romanian Stock Exchange

In October 2021, TTS became a member of ARIR - the Association for Investor Relations on the Romanian Stock Exchange, the company being convinced of the importance of communicating with investors in ensuring a high level of transparency in relation to capital markets.

The VEKTOR index (index maintained and administered by ARIR through which an assessment of the quality of the companies' activity in relation to investors is made) of TTS in 2021 was 8.5.