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(capitalised terms used in this disclaimer have the meanings ascribed to them in the rest of the sections)

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PROSPECTUS
FOR THE SECONDARY INITIAL PUBLIC OFFERING FOR SALE OF SHARES
ISSUED BY
TTS (TRANSPORT TRADE SERVICES) S.A.
AND FOR THE ADMISSION TO TRADING ON THE REGULATED MARKET
OPERATED BY BURSA DE VALORI BUCURESTI S.A.
OF THE SHARES ISSUED BY
TTS (TRANSPORT TRADE SERVICES) S.A.

A company organised and operating in accordance with Romania law
Offering for the sale of a number of up to 15,000,000 Shares
and for the admission of Shares to trading on the regulated market operated by Bursa de Valori
Bucureşti S.A.

Offering Price Range between RON [_19_] per Share and RON [_21_] per Share

Offering Period 24.05.2021 - 04.06.2021

Approved by the Financial Supervisory Authority [Decision 650 /19.05.2021]

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TTS (TRANSPORT TRADE SERVICES) S.A.

A company organised and operating in accordance with Romania law

Offering for the sale of a number of up to 15,000,000 Shares ("Offer Shares")

**and for the admission of shares having a nominal value of RON 1 each in the Company (the "Shares")
to trading on the regulated market operated by Bursa de Valori București S.A.**

Offering Price Range between RON _19_ per Share and RON _21_ per Share

**The Offering shall be initiated two business days after the Prospectus publication date,
namely starting 24.05.2021**

This document (the "**Prospectus**") was prepared and made available according to Law no. 24/2017 on issuers of financial instruments and market operations, as amended ("**Law no. 24/2017**"), Regulation no. 5/2018 on issuers of financial instruments and market operations issued by the Financial Supervisory Authority ("**FSA**") ("**Regulation no. 5/2018**"), (EU) Regulation 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC ("**Prospectus Regulation**"), Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to support the recovery from the COVID-19 crisis ("**Regulation 337/2021**"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 ("**Regulation EU 980/2019**") and Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 ("**Regulation EU 979/2019**").

This Prospectus refers to an offering for sale (the "**Offering**") initiated by Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Stefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Stefan Jancovschi, Silviu-Catalin Petrea, Antonio-Gabriel Stoean, Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron, Florin Alexandrescu (hereinafter jointly referred to as the "**Selling Shareholders**") for a number of up to 15,000,000 ordinary, nominative shares ("**Offer Shares**") issued by TTS (Transport Trade Services) S.A., a joint stock company registered and operating according to Romanian law, with registered office in Bucharest, 27 Vaselor Street, District 2, Romania, registered at the Trade Register of Romania under no. J40/296/1997, sole registration code RO 9089452 (the "**Company**" or "**TTS**").

The Company shall not receive any amounts from the sale of the Offer Shares, and all such amounts are to be received by the Selling Shareholders.

The final offering price ("**Final Offering Price**") for each Offer Share shall be set according to the mechanism presented in the chapter "**Subscription and Sale**".

After the completion of the Offering, the Company shall request the admission of the shares issued by the Company (the "**Shares**") to trading on the regulated market operated by Bursa de Valori București S.A. ("**Bucharest Stock Exchanges - BSE**"), a regulated market as defined by Directive 2014/65/EU ("**Directive on markets in Financial Instruments**"). It is estimated that the Shares will be admitted to trading on the BSE in June 2021. This Prospectus was approved by the FSA in Romania, but it has not been nor will it be approved by any other competent authority in the European Economic Area ("**EEA**").

AN INVESTMENT IN SHARES ENTAILS A HIGH DEGREE OF RISK. SEE CHAPTER "RISK FACTORS" FOR A REVIEW OF CERTAIN ISSUES THAT FUTURE INVESTORS SHOULD CONSIDER PRIOR TO MAKING AN INVESTMENT IN SHARES.

The Offering consists in an offering of Offer Shares to: (I) Romanian Institutional Investors and Retail Investors and (II) persons of EEA member states ("**Member States**"), save for Romania, subject to Prospectus Regulation and that (i) are "qualified investors" for the purpose set forth in article 2(e) of Prospectus Regulation ("**Institutional Investors**") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per EEA Member State and/or (iii) subject to any other exception mentioned in Article 1(4) of Prospectus Regulation; and (III) persons of other jurisdictions that may legally purchase the Offer Shares.

The Offering Period is of 9 Business Days, between 24.05.2021 and 04.06.2021, but it may be extended or amended subject to FSA approval and publication of an amendment to this Prospectus according to the applicable law. In this respect, see chapter "*Subscription and Sale*", section "*Offering Period*" in this Prospectus.

The distribution of this Prospectus and the exercise of any rights may be limited by law and, therefore, the persons in whose possession this Prospectus will come must abide by and inform themselves in relation to any such limitation. Any failure to comply with any of these limitations may represent a violation of the laws on securities in force. This Offering does not represent an offer to sell or a solicitation to participate in an offer to purchase securities in a jurisdiction where such offer or solicitation would be contrary to the law.

The present Prospectus was approved by the Romanian Financial Supervisory Authority as the competent authority according to Regulation (EU) 2017/1129. The Financial Supervisory Authority approves this Prospectus only from the point of view of meeting the standards of completeness, clarity and coherence imposed by Regulation (EU) 2017/1129 and such an approval should not be considered an approval of the issuer subject to this Prospectus.

THIS PROSPECTUS WAS APPROVED BY THE FSA. THE APPROVAL VISA APPLIED ON THE PUBLIC OFFERING PROSPECTUS DOES NOT CONSTITUTE A GUARANTEE OR ANY OTHER KIND OF ASSESSMENT BY THE FSA WITH REGARD TO THE OPPORTUNITY, ADVANTAGES OR DISADVANTAGES, THE PROFIT OR RISKS INVOLVED IN THE TRANSACTIONS TO BE EXECUTED BY ACCEPTING THE PUBLIC OFFERING SUBJECT TO THE APPROVAL DECISION. THE APPROVAL CERTIFIES ONLY THE COMPLIANCE OF THE PROSPECTUS WITH THE LEGAL REQUIREMENTS AND RULES ADOPTED FOR THE APPLICATION THEREOF.

READ THE PROSPECTUS BEFORE SUBSCRIBING

Manager: Swiss Capital S.A.

Distribution Agents/Distributors: SSIF BRK Financial Group S.A. and SSIF Tradeville S.A.

The date of this Prospectus is 10.05.2021

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SUMMARY

Section A – Warnings

Name of securities and International Securities Identification Number (ISIN) – Shares, ISIN ROYCRRK66RD8 (the "Shares")

Identity and contact details of the issuer, including Legal Entity Identified (LEI) - TTS (Transport Trade Services) S.A., a joint stock company registered and operating according to Romanian law, with registered office in Bucharest, 27 Vaselor Street, District 2, Romania, registered at the Trade Register of Romania under no. J40/296/1997, sole registration code RO 9089452, phone +40 21 210 29 07, fax +40 21 210 35 43, e-mail: office@tts-group.ro, LEI code 5493008M458S2MG7GP03 ("Company" or "TTS")

Identity and contact details of the offeror, including LEI if the offeror has legal personality – The Offering is initiated by several natural persons, TTS shareholders, namely Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Stefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Stefan Jancovschi, Silviu-Catalin Petrea, Antonio-Gabriel Stoean, Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron, Florin Alexandrescu (hereinafter jointly referred to as the "Selling Shareholders "). The Selling Shareholders may be contacted using the following details: address Bucharest, 27 Vaselor Street, District 2, Romania, phone: +40 21 210 29 07, fax +40 21 210 35 43, e-mail: office@tts-group.ro

Identity and contact details of the person asking for admission to trading on a regulated market – TTS (Transport Trade Services) S.A., a joint stock company registered and operating according to Romanian law, with registered office in Bucharest, 27 Vaselor Street, District 2, Romania, registered at the Trade Register of Romania under no. J40/296/1997, sole registration code RO 9089452, phone +40 21 210 29 07, fax +40 21 210 35 43, e-mail: office@tts-group.ro, LEI code 5493008M458S2MG7GP03

Identity and contact details of the competent authority approving the prospectus - Financial Supervisory Authority of Romania, with registered office at 15 Splaiul Independenței, District 5, post code 050092, Bucharest, fax 021.659.60.51, phone 021-65.96.271, e-mail office@asfromania.ro

Date of approval of the Prospectus: 19.05.2021

This summary should be read as introduction to this Prospectus. Any decision to invest in the shares issued by TTS should be based on consideration of the Prospectus as a whole by the investor. As the case may be, the investor might lose the entire capital invested or a part thereof. Where a claim relating to the information contained in the Prospectus is brought up before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors, when considering whether to invest in the shares issued by TTS.

Section B – Key information on the issuer

Who is the issuer of securities?

Name of the issuer: TTS (Transport Trade Services) S.A. ("Company" or "TTS")

Registered office: Bucharest, 27 Vaselor Street, District 2, Romania; **Legal form:** joint stock company; **LEI Code:** 5493008M458S2MG7GP03; **Law based on which it operates:** TTS operates based on the legal regulations in force in Romania, as well as on its articles of association; **Country in which the issuer was set-up:** TTS was set-up in Romania, as joint stock company.

Main activities: The Company's main object of activity is *Support activities for transportation* (NACE code 522) and its main activity is *Other transportation support activities* (NACE code 5229). The activities performed by the Company and, in general, by the group of which TTS is part ("TTS (Grup)"), consist in freight forwarding, river transport, port operations and other

ancillary and auxiliary services.

Its major shareholders, including if the issuer is held or controlled, directly or indirectly, and by whom: As of the Prospectus date, the major shareholder of TTS is Mr. Alexandru – Mircea Mihăilescu, holding 15,120,000 shares, representing 50.4% of TTS subscribed and paid up share capital, thus having control over TTS. The remaining shares issued by TTS are held by other 13 natural persons, out of which, as of the Prospectus date, two have significant stakes, namely Mr. Ion Stanciu holding 4,242,400 shares representing 14.14% of TTS subscribed and paid up share capital and Mr. Viorel Ștefan holding 3,030,300 shares, representing 10.10% of TTS subscribed and paid up share capital.

Identity of its main directors: TTS is managed based on a one-tier system by a Board of Directors, formed of three members: **Alexandru Mircea Mihăilescu**, non-executive director and president of the Board of Directors, **Ion Stanciu**, executive director and deputy general manager and **Stefan Sevastian**, non-executive director.

Identity of its statutory auditors: Deloitte Audit SRL, an independent audit company, registered with the Trade Register under no. J40/6775/1995, with registered office in Romania, Bucharest, District 1, 84-98 and 100-102 Calea Griviței, floors 8 and 9, The Mark Building, tax number 7756924, member of the Romanian Chamber of Financial Auditors, registered in the Public Register of Financial Auditors under no. 25/25.06.2001.

What is the key financial information regarding the issuer?

Excerpt from Consolidated Statement of Profit & Loss			
	Year ended December 31 2020	Year ended December 31 2019	Year ended December 31 2018
Revenue	520,286,096	551,794,655	475,190,598
Operating profit/loss or a similar financial performance indicator used by the issuer in the financial statements	62,245,940	69,232,888	25,768,363
Owners of the company	44,248,197	47,675,116	16,656,483
Revenue increase year on year	-5.7%	16.1%	1.4%
Commercial yield ratio	12.0%	12.5%	5.4%
Net profit margin	11.4%	12.1%	4.9%

Source: Group's Audited Consolidated Financial Statements based on the financial statements concluded as of 31.12.2020, 31.12.2019 and 31.12.2018

Excerpt from Consolidated Balance Sheet

	Year ended December 31 2020	Year ended December 31 2019	Year ended December 31 2018
Total assets	750,825,142	765,778,090	768,725,411
Equity attributable to equity holders of the parent	499,682,605	471,078,986	483,203,893
Net financial debt (long term debt plus short term debt minus cash)	(18,964,074)	(46,855,230)	(79,538,117)

Source: Group's Audited Consolidated Financial Statements based on the financial statements concluded as of 31.12.2020, 31.12.2019 and 31.12.2018

Excerpt from Consolidated Statement of Cash Flows

	Year ended December 31 2020	Year ended December 31 2019	Year ended December 31 2018
Net cash flow generated from operations	107,502,340	109,189,277	54,086,559
Cash flow used in investing activities	(64,396,646)	(68,801,785)	(49,000,324)
Cash flow generated by financing activities	(50,338,556)	(16,934,141)	(16,818,378)

Source: Group's Audited Consolidated Financial Statements based on the financial statements concluded as of 31.12.2020, 31.12.2019 and 31.12.2018

What are the key risks that are specific to the issuer?

Based on the analysis performed by TTS, the main risks specific to TTS (Grup), without being limited to, include the following:

Risks regarding the activity of TTS (Grup)

- **The activity of TTS (Grup) is subject to volatility both in terms of demand and prices, a common situation in transports industry.** The operating results of TTS (Grup) depend on the markets where it carries out business, as well as on the regional economies, which are impacted by the global conditions of demand and offer in key economic and industrial sectors for the region, such as agriculture, metals, constructions and chemical products. Historically, the tariffs for river transport on the Danube have been volatile and impacted by: fluctuations of demand and offer for river transport services, market's confidence, evolution of regional or global economies and various other factors which are not controlled by TTS (Grup). The fluctuations in the demand for river transport services are hard to estimate and may not be controlled by TTS (Grup). The demand is influenced, among others, by: economic conditions and regional and global policies, development and cost of alternative means of transport for the same type of goods, weather and hydrological conditions, demand for transported cargo (including metals, agricultural products, fertilisers and aggregates), fluctuations in the prices for the goods subject to naval transport, fluctuations in fuel price, legal changes. The river transport market is generally affected by the increase of fleets and their revamping, leading to increased competition and hence to lower transport fees. In their nature, river transport vessels and related equipment are mobile and, hence, may operate wherever there is a demand for river transport services. The capacity to respond to the demand in a certain geographical area and/or for a specific type of cargo, for a flexible period (such as the period of agricultural harvest) is an essential factor for the competitors on this market, including TTS (Grup). The port operation market where TTS (Grup) carries out business is influenced, in its turn, by administrative factors, domestic competition, as well as the market for the cargo.
- **A large part of TTS (Grup) is directly and indirectly impacted by Danube navigation conditions.** The activity of TTS (Grup) is highly impacted, directly and indirectly, by Danube navigation conditions. The variations in Danube flows may have an adverse impact on the hopper barge load factor (which is the weight of available capacity that is used). In particular, along Danube there are certain critical areas, where the water depth drops significantly, in case of low flows, and therefore the activity of TTS (Grup) may be impacted by: further decrease in the quantity of cargo that can be loaded on vessels, a reduced number of hopper barges in the convoy, need to navigate on these sectors barge by barge, which increases transport time and fuel consumption, suspended activity until navigation conditions improve and an extremely high risk of accidents as a consequence of mechanical incidents on the vessels. Hydro-technical works for the maintenance and modernisation of the fairway may reduce the negative effects of Danube's low flows. The improper navigation conditions on the Danube have an indirect impact on the port operation activity of TTS (Grup), both in Constanta and in Danube ports. The improper navigation conditions impact on the volume of cargo transported and processed in various ports. The improper navigation conditions on the Danube have a direct impact on the river transport activity and an indirect impact on the port operation activity of TTS (Grup), both in Constanta and in Danube ports, causing a lower yield and higher costs. Therefore, such improper navigation conditions have an adverse effect of the financial condition and operating results of TTS (Grup).
- **It is likely that TTS (Grup) may not successfully integrate recent or future acquisitions or may not obtain synergies from such acquisitions.** TTS (Grup) has mainly expanded through the acquisition of other businesses. As part of its strategy, it is likely that TTS (Grup) will continue to make acquisitions, investments, divestments or strategic alliances, which may yet not be completed or, if completed, may not bring TTS (Grup) the expected benefits or results. The following risks may occur from TTS (Grup) acquisition strategy: there may not be opportunities for acquisition in the future, TTS (Grup) may face an increased competition for potential acquisitions, TTS (Grup) may not have access to enough capital to finance potential acquisitions, TTS (Grup) may incorrectly assess the value of any acquisition opportunity, TTS (Grup) may not obtain any of the expected benefits and synergies out of any acquisition it completes, TTS (Grup) may face many difficulties in relation to the integration of operations of acquired entities, including the development of the necessary financial controls and information systems, that may prove costly, difficult to maintain and requiring significant administration time and their successful implementation, integration of acquisitions and management of related risks may pose significant pressure on the management of TTS (Grup) and the other resources.
- **TTS (Grup) client base is important for its revenues and the loss of any important client of TTS (Grup) or the failure of any such client to make the payments to TTS (Grup) in time or the failure to pay may have an adverse impact on the activity of TTS (Grup).** In 2020, TTS (Grup) had six clients, each accounting for 6% up to 10% of its revenues. TTS (Grup) may be subject to a material adverse impact in case of major decline in the business of the most important clients of TTS (Grup) or if the present relations that TTS (Grup) has with these clients materially deteriorate or cease in the future, and TTS (Grup) does not succeed to replace the business losses generated by such clients. The failure of TTS (Grup) to renew, increase the price or successfully renegotiate certain contracts may entail a decrease in the clients' purchasing volumes and revenue losses for TTS (Grup).
- **The effects of COVID-19 pandemic could have an adverse impact on the activity of TTS (Grup).** So far, COVID-19 pandemic has seriously affected a significant number of economic sectors in Romania and the measures taken to prevent the spread of the disease have caused roadblocks in the offer chains and the significant decrease in demand, and all these generated a higher uncertainty regarding future economic evolution, which triggered a high volatility on the financial markets and significant adjustments of the prices for financial assets. Until present, the activities and financial condition of TTS (Grup) have not been significantly impacted by the effects of COVID-19 pandemic. Nevertheless, the impact of pandemic effects, including the measures taken internally or imposed by authorities on companies that have not been significantly impacted yet, directly, may take shape only at the end of 2021, once the real economy absorbs the consequences of the pandemic.

Section C – Key information on the securities

What are the main features of the securities?

Type and class of securities: Ordinary, nominative shares issued in dematerialised form, according to Romanian law. **ISIN Code of offered shares:** ROYCRRK66RD8. **Currency of securities:** RON. **Unit nominal value:** RON 1 /Share. **Number of offered shares:** 15,000,000 Shares ("Offer Shares"). **Total number of shares issued by TTS:** 30,000,000 Shares. **Maturity of securities:** Not applicable.

Rights related to securities: The shares issued by the Company are of the same class, have an equal value and grant equal rights to their holders. Each share issued by the Company and paid by the shareholder grants the right to attend and vote at general shareholders meetings, right to have access to sufficient information about the items to be discussed at the general meeting, right to ask questions regarding the items on the agenda of the general meeting, right to dividend, a preference right to subscribe any new shares issued by the Company, right to elect and be elected in the management bodies, right of withdrawal in the special conditions set forth by the legislation in force, right to participate in asset allocation in case of liquidation, right to challenge the decisions of the general meetings as well as any other rights stipulated by law or by TTS articles of association. Furthermore, Companies Law and the specific regulations applicable to issuers of securities set forth, in case a shareholder, separately or cumulatively with other shareholders of the company, reaches the special holding thresholds set for each of these rights, the right to request the board of directors to convene the general shareholders meeting, to add items on the agenda of the general meeting and to submit draft decisions for the items included or proposed to be included on the agenda of the general meeting, right to submit to financial auditors facts they consider that should be investigated, to claim operations regarding the Company to financial auditors, to initiate, in own name but in the company's account a claim for liability against founders, directors, managers and/or financial auditors for damages caused by them to the company by breaching their duties (such right may be exercised only in case the general meeting does not approve the initiation of the claim for liability), right to request the court to appoint one or more experts in order to investigate certain operations related to company's management and to elaborate a report in connection therewith, as well as the right to request the election of the members of the Board of Directors using the cumulative vote method.

Relative seniority of the securities in the issuer's capital structure in the event of insolvency. In case of insolvency, followed by bankruptcy and liquidation, the liquidators may not pay to shareholders any amount against the quotas to which they would be entitled out of liquidation before paying the Company's creditors.

Eventual restrictions on the free transferability of the securities: The shares are freely transferable. The shares shall be transferred according to the specific provisions of Depozitarul Central S.A. and the applicable rules of Bursa de Valori București S.A.. By exception, based on the Placement Agreement, the Selling Shareholders shall agree with Swiss Capital S.A. that any of the Selling Shareholders, as well as any other person acting on their behalf, during the period between the Settlement Date and until and including 180 days from the Settlement Date ("**Lock up Period**") without the prior written agreement of Swiss Capital S.A., which shall not be withheld without a reason, during the Lock-up Period, directly or indirectly shall not: (a) offer, sell, lend, assign, mortgage, pledge, charge, contract to sell or otherwise transfer or dispose of in any other manner (or publicly announce any such measure), directly or indirectly, any Shares, any equity securities of the Company or any securities convertible or exchangeable into or exercisable for any equity securities of the Company or any securities or financial products the value of which is directly or indirectly set by reference to the price of the underlying securities, including equity swaps, forward sales and options or depositary receipts representing the right to receive any such securities; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any equity securities of the Company or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into any transaction described above, whether any such transaction described in (a) or (b) is to be settled by delivery of Shares or such other securities, in cash or otherwise. For the avoidance of any doubt, the restrictions above shall not apply to the Shares purchased by Swiss Capital S.A. as Stabilisation Manager during the Stabilisation Period for stabilisation purposes.

Where applicable, the dividend or pay out policy: TTS paid dividends corresponding to the profit obtained during 2018-2020. According to the Company's dividend policy, it intends to distribute dividend subject to the legal provisions in force and commercial considerations (including, without being limited to, the applicable provisions and restrictions, TTS (Grup) operating results, financial condition, cash requirements, contractual limitations, future plans and projects of TTS (Grup)). For the following years, the current Board of Directors of TTS intends to recommend to the ordinary general shareholders meeting that the Company should distribute 45% of the distributable profit each year. Also, the Board of Directors will recommend to the Company's ordinary general shareholders meeting to distribute an increased dividend or at least equal to the level of the previous

year. The proposal above may be adjusted depending on the investment needs, capital requirements, general economic context and other factors that the directors consider material, and for its implementation it is necessary that the shareholders approve the dividend distribution in the form proposed by the Board of Directors. Furthermore, the proposal for dividend distribution as described above is subject to the occurrence of exceptional market conditions or exceptional financing needs, as well as to the applicability of certain legal restrictions. Besides a possible dividend distribution in cash, the Company may also increase the share capital by incorporating the legal reserves/reported profit, and the newly issues shares are to be allocated free of charge to the Company's shareholders. Still, it is possible that from one year to another, shareholders may decide not to distribute dividends depending on the Company's profit subject to distribution, its investment plans or other capital needs, restrictions in the contracts concluded by the Company, general economic conditions and other factors that directors and shareholders consider important in making the decision regarding dividend distribution. There is no guarantee that the Company will distribute or pay dividend in the future.

Where will the securities be traded?

The shares issued by TTS are not traded on any regulated market or trading system and the Issuer has not requested and does not intend to request the admission of Shares to trading on any regulated market or trading system save for the regulated market operated by Bursa de Valori București S.A. ("**BSE**"), for which the Issuer shall request the admission to trading.

Is there a guarantee attached to the securities?

Not applicable

What are the key risks that are specific to the securities?

- **It is possible that the Shares are not admitted or maintained to trading on the Bucharest Stock Exchange.** BSE approves the admission of the Shares to trading on the Regulated Market operated by the BSE after checking the compliance with the admission requirements. There is no guarantee that the Shares will be admitted to trading on the Regulated Market operated by BSE or that the admission to trading will take place on a date different than the estimated one. If the Shares are not admitted to trading on the Regulated Market operated by BSE, the price of the Shares and the capacity to transfer the same may be materially impacted. The FSA has the authority to suspend trading in securities or request BSE to suspend trading in securities belonging to a company listed on the BSE if the Company fails to comply with the capital market regulations or if it considers that, due to the issuer's condition, trading would be harmful for investors. Therefore, there is no assurance that trading in the Shares will not be suspended. Any suspension of Shares from trading could adversely affect the trading price of the Offering and the transfer of Shares. Also, if the Company fails to fulfil certain requirements or obligations under the capital market laws, or if it is considered that, due to special circumstances, an orderly market cannot be maintained, the Shares may be withdrawn from trading on the market. There can be no assurance that such a withdrawal of the Shares from trading will not occur.
- **It is likely that the Shares' market after the Offering and their admission to trading on the BSE is not liquid.** Prior to the admission to trading, there was no trading market for the Shares. Although we requested BSE the admission to trading, we cannot provide any assurance that a liquid trading market for the Shares will develop or, if it develops, will continue to exist in the future. Therefore, the liquidity of the Shares' market is uncertain and unpredictable. It is likely that the Final Offering Price agreed by the Selling Shareholders and the Manager is higher or lower than the Shares' market price after their admission to trading on the BSE. The markets operated by the BSE are generally less liquid than those operated by other exchanges where investors hold shares. Investors shall consider that the Shares' market price could drop below the Final Offering Price after the admission of the Shares to trading.
- **Shares' market price may be impacted by the sales of substantial stakes on the markets where these are traded.** The sale or option to sell a substantial number of Shares after the Offering may have a material adverse effect on the Shares' trading price and may impact on the Company's option to attract additional capital by means of future offerings of securities. The Selling Shareholders and the Manager are subject to lock-up restricting the sales of Shares until the expiry of a period of at least 180 days from the Settlement Date. After the expiry of the lock-up period, the Selling Shareholders have the right to sell the Shares at their discretion. Moreover, the Company's subsequent offers for capital may decrease the quotas held by the current shareholders of the Company.

Section D – Key information on the public offering for sale of securities and admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General terms: The Offering consists in an offering by the Selling Shareholders of a number of up to 15,000,000 Shares. The Offering consists in an offering of Offer Shares outside the United States as per Regulation S based on Securities Law to: (I) Romanian Institutional Investors and Retail Investors and (II) persons of EEA member states, save for Romania, subject to Prospectus Regulation and that (i) are "qualified investors" for the purpose set forth in article 2(e) of Prospectus Regulation ("**Institutional Investors**") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per EEA Member State and/or (iii) subject to any other exception mentioned in Article 1(4) of Prospectus Regulation; and (III) persons of other jurisdictions that may legally purchase the Offer Shares.

In additions, investors may invest in Shares on the secondary market, after the completion of the procedure for their admission to trading on the regulated market of the Bucharest Stock Exchange.

Terms and estimated calendar of the Offering: 9 Business Days starting from and including 24.05.2021 until and including 04.06.2021; **Allocation Date:** 04.06.2021, namely the last day of the Offering Period; **Transaction Date:** Business Day immediately following the Allocation Date, namely 07.06.2021; **Settlement Date:** Date subsequent to Transaction Date by two Business Days, namely 09.06.2021.

The successful closing of the Offering shall depend, inter alia, on setting the Final Offering Price and on the decisions of each Selling Shareholder to carry out the Offering. In order to be successfully closed it is necessary that minimum 60% of Offer Shares are sold within the Offering.

Details on the admission to trading on a regulated market: It is intended that the Shares will be admitted to trading on the regulated market operated by BSE after the completion of the appropriate procedures of the BSE and their registration with the Financial Supervisory Authority, namely during June 2021.

Distribution Plan: Investors may subscribe the Shares offered through the Offering Manager, namely Swiss Capital S.A., through the Offering distributors, namely S.S.I.F. TradeVille S.A. and SSIF BRK Financial Group S.A. or through any eligible participant.

The Offering is split in two tranches ("**Offering Tranches**") as follows:

- (1) up to 15% of Offer Shares (2,250,000 Offer Shares) shall be offered to any natural or legal persons in Romania that do not meet the criteria for being considered Institutional Investors (as defined below) ("**Retail Investors**") ("**Retail Tranche**"), out of which:
 - a) Sub-Tranche A, with guaranteed allocation: representing 10% of total Offering, namely a total of 1,500,000 Offer Shares, with "*First come first served*" allocation. In this Sub-Tranche an investor may subscribe a maximum number of 7,500 Offer Shares.
 - b) Sub-Tranche B with "*Pro-rata*" allocation: representing 5% of total Offering, namely 750,000 Offer Shares. This Sub-Tranche B may be increased, based on the unilateral decision of the Selling Shareholders, up to maximum 10% of Offer Shares, depending on the interest of Retail investors, and the Institutional Investors (as defined below) tranche shall be decreased accordingly.
- (2) The remaining Offer Shares (12,750,000 Shares) will be offered to Romanian investors that are (i) credit institutions, (ii) investment firms (SSIF), (iii) undertakings for collective investments (collective investment funds, investment companies and/or investment management companies), (iv) insurance companies, (v) pension funds and companies managing the respective funds, (vi) traders, (vii) trust companies, (viii) other investors considered by the Manager to be professional clients according to the Manager's internal regulations and the applicable law and (ix) other financial institutions, including deposit banks; and SEE eligible investors, outside Romania, subject to Prospectus Regulation and that (i) are qualified investors for the purpose of article 2 (e) of Prospectus Regulation ("**Institutional Investors**") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per Member State, and/or (iii) are not subject to any other exception set forth in Article 1(4) of Prospectus Regulation ("**Institutional Investors Tranche**").

The final size of each Offering Tranche will be determined by the Selling Shareholders following the Manager's recommendation, based on the volume and price of subscriptions received from investors, on the Allocation Date.

Amount and percentage of immediate dilution resulting from the offering: Not applicable;

An estimate of the total expenses of the offering, including estimated expenses charged to the investor by the issuer or the offeror: The total fees, rates and charges due by the Company in connection to the Admission to Trading of TTS shares is

expected to be of approximately RON 800,000, and the total fees, rates and charges payable by the Selling Shareholders in connection to the Offering is expected to be of approximately RON 14,970,000 (assuming that all Offer Shares will be sold at the top price of the Offering Price Range).

Who is the person asking for admission to trading?

The person asking for admission to trading is the issuer of the Shares, TTS.

Why is this prospectus being produced?

Reasons for the offering and for the admission to trading: The Offering is carried out to allow the Selling Shareholders sell a part of their holdings, while also boosting the profile of TTS in the investment community and generating a secondary trading market for the Shares.

Use and estimated net amount of the proceeds: TTS shall not obtain any proceeds from the sale of Offer Shares, as well as from the admission of Shares to trading. The proceeds resulted from the sale of Offer Shares are to be received by the Selling Shareholders.

An indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered: The offering is not subject to an underwriting agreement on a firm commitment basis.

An indication of the most material conflicts of interest pertaining to the offer or the admission to trading: It is likely that the Manager and any of its affiliates or any of the Distributors has been or will be involved in transactions with the Company, its affiliates or any of the Selling Shareholders, in relation to the provision of financial or investment advice or any other type of services offered by the Manager or any Distributors, at market terms and in compliance with the legal regulations in force.

In relation to the Offering, the Manager and any affiliate acting as investor in own name and/or any Distributor may obtain Offer Shares and, as such, may keep, purchase or sell in own name such Offer Shares (a sale other than in connection to the Offering) and does not intend to disclose the volume of such investment or transaction, unless it is forced to do such disclosure by the legal regulations in force.

Save for the case mentioned above, to the extent that TTS and the Selling Shareholders are aware of such aspects, no person involved in the offering of Offer Shares or in the admission of Shares to trading has no conflict of interest in relation to the offering of Offer Shares and the admission of Shares to trading.

RISK FACTORS

An investment in shares involves a high degree of risk. Before making the decision to purchase Offer Shares, potential investors should consider the following risk factors, in addition to the other information included in this Prospectus. Any of these risk factors might have, separately or together with other risk factors, included or not in this Prospectus or in certain circumstances, material adverse effects on TTS (Group) financial condition, operating results and the trading price of the Shares, which might cause the total or partial loss of the investment by potential investors.

The Company prepared a description of the risks and uncertainties it considers material, but it is likely that these risks and uncertainties may not be the only ones that TTS (Grup) may face. Other risks and uncertainties, including those of which the Company is not currently aware or are considered immaterial, might have the adverse effects described above.

Risks regarding the activity of TTS (Grup)

1.1. The activity of TTS (Grup) is subject to volatility both in terms of demand and prices, a common situation in transports industry

The operating results of TTS (Grup) depend on the markets where it carries out business, as well as on the regional economies, which are impacted by the global terms of demand and offer in key economic and industrial sectors for the region, such as agriculture, metals, constructions and chemical products. Historically, the tariffs for river transport on the Danube have been volatile and impacted by:

- fluctuations of demand and offer for river transport services;
- market's confidence;
- evolution of regional or global economies; and
- various other factors which are not controlled by TTS (Grup).

The fluctuations in the demand for river transport services are hard to estimate and may not be controlled by TTS (Grup). The demand is influenced, among others, by:

- economic conditions and regional and global policies;
- development and cost of alternative means of transport for the same type of goods;
- weather and hydrological conditions;
- demand for transported cargo (including metals, agricultural products, fertilisers and aggregates);
- fluctuations in the prices for the cargo subject to naval transport;
- fluctuations in fuel price;
- legal changes.

The river transport market is generally affected by the increase of fleets and their revamping, leading to increased competition and hence to lower transport fees. In their nature, river transport vessels and related equipment are mobile and, hence, may operate wherever there is a demand for river transport services. The capacity to respond to the demand in a certain geographical area and/or for a specific type of cargo, for a flexible

period (such as the period of agricultural harvest) is an essential factor for the competitors on this market, including TTS (Grup). The port operation market where TTS (Grup) carries out business is influenced, in its turn, by administrative factors, domestic competition, as well as the market for the cargo. The increase in the available capacities strengthened the competition, which could result in a price below the level at which operators may cover their costs. Furthermore, river transport and port operation services are also impacted by the condition of port infrastructure, which is managed by port administrations. The lack of investments in access roads (both road and rail), docks and dredgings in the port also have a negative impact on the efficient operation of port terminals. Most of Danube ports are no longer connected to the national railroad system, which thus limits the access options for cargos to the ports.

The trends on the markets where TTS (Grup) operates, as well as the fee level for TTS (Grup) services are difficult to predict. The adverse fluctuation in the demand for TTS (Grup) services, the increased competition (from new or existing competitors), high costs or the general uncertainty on the market may have a material adverse impact on the activity of TTS (Grup), its financial condition, operating results and the trading price of the shares.

1.2. A large part of TTS (Grup) is directly and indirectly impacted by Danube navigation conditions

The activity of TTS (Grup) is highly impacted, directly and indirectly, by Danube navigation conditions. The variations in Danube flows may have an adverse impact on the hopper barge load factor (which is the weight of available capacity that is used). In particular, along Danube there are certain critical areas, where the water depth drops significantly, in case of low flows, and therefore the activity of TTS (Grup) may be impacted by:

- further decrease in the quantity of cargo that can be loaded on vessels;
- a low number of hopper barges in a convoy;
- need to navigate on these sectors barge by barge, which increases transport time and fuel consumption;
- suspended activity until navigation conditions improve; and
- an extremely high risk of accidents as a consequence of mechanical incidents on the vessels.

Hydro-technical works for the maintenance and modernisation of the fairway may reduce the negative effects of Danube's low flows. Such infrastructure works fall under the responsibility of the riparian states and may not be influenced by the Group. Also, Danube waters may freeze, which restricts the navigation and impacts on the activity of TTS (Grup). Within the maintenance and revamping works, the riparian states are responsible for breaking the ice, which cannot be influenced by the Group. TTS (Grup) relies on the authorities of relevant states to maintain the optimum navigation conditions on the Danube.

The improper navigation conditions on the Danube have an indirect impact on the port operation activity of TTS (Grup), both in Constanta and in Danube ports. The improper navigation conditions impact on the volume of cargo transported and processed in various ports.

The improper navigation conditions on the Danube have a direct impact on the river transport activity and an indirect impact on the port operation activity of TTS (Grup), both in Constanta and in Danube ports, causing a lower yield and higher costs. Therefore, such improper navigation conditions have an adverse effect of the financial condition and operating results of TTS (Grup).

1.3. It is likely that TTS (Grup) may not successfully integrate recent or future acquisitions or may not obtain synergies from such acquisitions.

TTS (Grup) has mainly expanded through the acquisition of other businesses. As part of its strategy, it is likely that TTS (Grup) will continue to make acquisitions, investments, divestments or strategic alliances, which may yet not be completed or, if completed, may not bring TTS (Grup) the expected benefits or results. The following risks may occur from TTS (Grup) acquisition strategy:

- there may not be opportunities for acquisition in the future;
- TTS (Grup) may face an increased competition for potential acquisitions;
- TTS (Grup) may not have access to enough capital to finance potential acquisitions;
- TTS (Grup) may incorrectly assess the value of any acquisition opportunity;
- TTS (Grup) may not obtain any of the expected benefits and synergies out of any acquisition it completes;
- TTS (Grup) may face many difficulties in relation to the integration of operations of acquired entities, including the development of the necessary financial controls and information systems, that may prove costly, difficult to maintain and requiring significant administration time; and
- the successful implementation, integration of acquisitions and management of related risks may pose significant pressure on the management of TTS (Grup) and the other resources.

It is likely that recent or future acquisitions will not improve the competitive position of TTS (Grup) and may have, considering the above factors, material adverse effects on the financial condition, operating results and outlook of TTS (Grup), as well as on the trading price of the Shares.

1.4. TTS (Grup) client base is important for its revenues and the loss of any important client of TTS (Grup) or the failure of any such client to make the payments to TTS (Grup) in time or the failure to pay may have an adverse impact on the activity of TTS (Grup)

In 2020, TTS (Grup) had six clients, each accounting for 6% up to 11% of its revenues. TTS (Grup) may be subject to a material adverse impact in case of major decline in the business of the most important clients of TTS (Grup) or if the present relations that TTS (Grup) has with these clients materially deteriorate or cease in the future, and TTS (Grup) does not succeed to replace the business losses generated by such clients.

The failure of TTS (Grup) to renew, increase the price or successfully renegotiate certain contracts may entail a decrease in the clients' purchasing volumes and revenue losses for TTS (Grup). Furthermore, the market in which TTS (Grup) is present is a competitive one, and clients may attempt to renegotiate the relations with service suppliers or even replace them so as to obtain cost savings and other benefits. In addition, these clients may not continue to request services from TTS (Grup) at the same level as currently registered or stop requesting them completely.

The occurrence of any of the risks above may have material adverse effects on the business of TTS (Grup), its financial condition and operating results.

1.5. The activity of TTS (Grup) may be adversely impacted if it fails to obtain or renew the necessary licences, if it does not meet the terms agreed in the licenses granted or does not succeed to maintain the certificates necessary to provide services to certain clients

TTS (Grup) activity in Romania and in the region depends on the continuous validity of licenses or authorisation of the companies part of TTS (Grup), on the issuing of new licenses or authorisation thereby and on meeting the terms included in such authorisation documents by TTS (Grup) members. As of the Prospectus Date, TTS (Grup) holds and observes in material aspects all the main licenses to carry out its business. The compliance by TTS (Grup) with the requirements imposed by authorities may be costly and expand over a long period of time. Such costs or long terms may be significant and may have an impact on the start and performance of the relevant activity.

The environmental or water management permits held by TTS (Grup) must be reviewed on a regular basis. Such permits include the obligation of TTS (Grup) to monitor the quality of the surrounding environment by submitting to authorities analysis bulletins regarding used waters and oils, generated waste or registered noise level. If TTS (Grup) fails to observe any aspect of the obligations included in the permits, the activity of TTS (Grup) may be suspended or interrupted. As of the Prospectus Date, TTS (Grup) holds all the necessary environmental permits or is in the process of obtaining them.

If significant changes to TTS (Grup) licenses or authorisations are needed, it is likely that such changes entail significant investments in order to comply. Therefore, especially if the respective expenses were not budgeted, the activity of TTS (Grup) may be adversely impacted.

The licenses and authorisations essential for TTS (Grup) may not be issued or renewed. It is likely that the licenses and authorisations that must be issued or renewed are not issued or renewed in due time or these may impose certain terms limiting the capacity of TTS (Grup) to perform its business or to make this in a profitable manner. It is possible that the value of the costs needed to comply is higher than budgeted. Such a case may occur especially if the legal provisions highly impacting on the operations of TTS (Grup) are amended, becoming stricter in the future, or are replaced by new provisions, significantly different from those in force before.

Any of or all these risks may limit the capacity of TTS (Grup) to obtain, maintain or renew the necessary authorisations and licences. Therefore, this may have important adverse effects on the activity, financial condition and operating results of TTS (Grup).

1.6. The success of TTS (Grup) depends on its upper management and other key employees

TTS (Grup) depends on its upper management and other key employees, such as the crews and captains of vessels. The loss of any member of its upper management or of key employees may have a major adverse impact on the activity of TTS (Grup), its financial condition and operating results. Moreover, there is a fierce competition for qualified employees in Romania. The loss of qualified personnel, especially navigating crew (commanders, mechanics) or the failure to attract, maintain or motivate members of upper management or other key employees may have material adverse effects on the activity of TTS (Grup), its financial condition and operating results.

1.7. TTS (Grup) is exposed to risks generated by the use of information technology (IT) in its operations

TTS (Grup) uses IT systems in its operations, mainly for planning and supervising the activity, scheduling, control and quality assurance, registering orders and bookkeeping. The improper functioning of TTS (Grup) IT systems, as well as possible external attacks on IT systems, could hinder the normal course of business. The occurrence of any of these risks might have significant adverse effects on the activity of TTS (Grup), its financial condition and operating results.

1.8. The coverage given by the insurance of TTS (Grup) may be insufficient for covering the effective losses of TTS (Grup)

Except for particular cases, TTS (Grup) does not carry insurance policies for risks that are typically insured in some Western markets, such as major accidents, business interruption and counterparty credit. Hence, there may be no guarantee that the current insurance policies of TTS (Grup) would be enough to cover all the losses of TTS (Grup) to the same extent as such risks are usually covered on certain more developed Western markets.

TTS (Grup) generally does not carry third-party liability insurance except to the extent required by law. There may be no guarantee that TTS (Grup) would not be liable to third parties for accidents affecting the cargo transported by TTS (Grup) or handled at its terminals. If an uninsured event occurs and TTS (Grup) could not transfer the costs and expenses to the parties liable for the respective event, it is likely that TTS (Grup) may have to make significant payments for which TTS (Grup) would not receive any indemnity, which would have a material adverse effect on the activity, financial condition, operating results and prospects of TTS (Grup), as well as on the trading price of the Shares.

Accidents or deterioration of transported cargo may occur on the markets in which TTS (Grup) operates. Certain insurance do not cover full coverage in connection thereto, such as if vessels are not in a good shape or the fleet is not technically maintained at a satisfactory level during the insured period. Any such accidents might have an impact on TTS (Grup) premiums due based on a policy, on replacement cost or the possibility of renewal. TTS (Grup) may not secure in the future the renewal of insurance policies on the same terms.

1.9. The litigation with Plohod Valentin may have an adverse impact on the Company's quota of the share capital of Canopus Star and, therefore, on the operations in Constanta Port

TTS (Grup) performs important activities in Constanta Port, some of them through its participation in Canopus Star. In particular, Canopus Star carries out specific grain handling and storage activities in a dedicated terminal in Constanta Port. The Company, Canopus Star and Transfer International Spedition S.R.L. (former shareholder of Canopus Star that sold its entire stake to Cargill Agricultura SRL) are subject to a litigation with Mr. Plohod Valentin. Plohod Valentin filed a petition requesting the court, among others, to assess the absolute nullity of three decisions of the general shareholders meeting of Canopus Star of 2003, 2004 and 2005. These decisions approved the acquisition by the Company and another member of TTS (Grup) of their shares in Canopus Star. As of the Prospectus Date, both the first court and appeal court, Constanta Court of Appeal, rejected the petition initiated by Mr. Plohod. Mr. Plohod Valentin may initiate the second appeal against the decision of the court of appeal within 30 days from the date when the decision was communicated (see "*TTS (Grup) Business – Legal and arbitrage proceedings*"). A decision against the Company could lead to the cancellation or decrease of its participation in Canopus Star for which it is possible not to receive any indemnity. If a contrary decision is issued, TTS (Grup) is also exposed to the payment of material damages to Plohod Valentin. The decrease or loss of the participation or the damages paid may have a negative impact on the activity of TTS (Grup) in Constanta Port and may generally impact its activity, financial condition and operating results, as well as the trading price of the Shares.

1.10. Fluctuating exchange rates may impact on TTS (Grup) activity

In the past 10 years, RON currency has significantly fluctuated versus the EUR, US Dollar and other currencies. Although TTS (Grup) carries out business in Romania and files consolidated financial statements in RON, TTS (Grup) sells services the prices of which are usually set in correlation with reference prices in EUR or other currencies, while certain expenses of TTS (Grup) are made in RON.

TTS (Grup) is exposed to foreign currency risks if there is an imbalance between the currencies of sales and acquisitions and those in which the loans and the functional currency of TTS (Grup) are denominated. The functional currency of TTS (Grup) is Romanian Leu (RON).

Moreover, certain liabilities of TTS (Grup) are in EUR or other currencies. Hence, any depreciation in the national currency versus EUR or other reference currencies may result in a loss for TTS (Grup) and may have an adverse effect on the activity of TTS (Grup), its financial condition and operating results, as well as on the trading price of the Shares.

1.11. TTS (Grup) is subject to a broad range of laws and regulations specific to river navigation, as well as to international conventions, and observing such regulations could trigger significant costs.

The naval transport activity is regulated from the construction of vessels to the status of operating permits, imposing strict restrictions and significant costs on the operators. The environmental, health and safety laws and regulations by which TTS (Grup) must abide impose increasingly stricter standards regarding, among others, air emissions, waste storage, treatment and disposal, usage and handling of toxic or hazardous materials, remediation of environmental contamination and regarding the working conditions for the employees of TTS (Grup). The special attention given to environmental protection translates in increasingly stricter regulatory requirements that may trigger in the future major investment expenses for compliance purposes.

Complying with the requirements above could trigger significant expenses. If a vessel does not keep its class or fails to pass any yearly, intermediary or special check, it will not be able to operate between ports and will be unusable.

TTS (Grup) obtained the necessary relevant authorisations for its activity and intends to do so also in the future. Still, there is the risk that some permits/authorisations were not or will not be obtained in the future due to the fact that national, international and European regulations applicable to TTS (Grup) have a high degree of complexity, being subject to changes after short time periods. Without the necessary authorisations, TTS (Grup) is subject to financial sanctions, and its reputation may be impacted or its activity may be totally or partially suspended, while each such case may have an adverse impact on the activity of TTS (Grup), its financial condition and the trading price of the Shares.

1.12. The effects of COVID-19 pandemic could have an adverse impact on the activity of TTS (Grup)

On 16 March 2020, the state of emergency was declared in Romania, which was replaced by the state of alert on 18 May 2020 which continues as of the date of this Prospectus. The measures taken by public authorities during the state of emergency and the state of alert aim to prevent and control the infection with SARS-CoV-2 "COVID-19" coronavirus and include, without being limited to: suspending the activity of certain companies, taking specific measures for carrying out activities in closed areas, circulation restrictions, obligation to quarantine / individual isolation, collective quarantine in places and geographical areas in certain circumstances, restrictions or special measures for domestic and international road and water transport.

So far, COVID-19 pandemic has seriously affected a significant number of economic sectors in Romania and the measures taken to prevent the spread of the disease have caused roadblocks in the offer chains and the significant decrease in demand, and all these generated a higher uncertainty regarding future economic evolution, which triggered a high volatility on the financial markets and significant adjustments of the prices for financial assets. The National Bank of Romania, in its financial stability report of June 2020, issued a warning regarding the perspective in which five systemic risks may amplify in the future period: (a) increased uncertainty on a global level and the fast decrease of investors' confidence in emerging economies, (b) deterioration of internal macroeconomic balances, including in terms of structure and costs of funding the budget deficit, (c) risk regarding

the insecure and unpredictable legal framework in the financial and banking area, (d) risk of default in case of loans contracted by the non-governmental sector and (e) risk on the access to financing of the real economy.

Until present, the activities and financial condition of TTS (Grup) have not been significantly impacted by the effects of COVID-19 pandemic. Nevertheless, the impact of pandemic effects, including the measures taken internally or imposed by authorities on companies that have not been significantly impacted yet, directly, may take shape only at the end of 2021, once the real economy absorbs the consequences of the pandemic. For example, a growing risk of uncertainty regarding the legal framework in the financial and banking area could have major adverse effects on the lending capacity of credit institutions. Also, the global uncertainty regarding economic evolution, together with the worsening of domestic macroeconomic conditions may materially change TTS (Grup) perspectives regarding the evolution of cash, by amplifying the risk of failing to receive the receivables due to TTS (Grup) entities due to lower liquidity or to the initiation of insolvency proceedings by debtors. Furthermore, the revenues generated by TTS (Grup) could be significantly affected by certain measures that may be imposed by authorities during the state of alert or state of emergency, such as individual isolation / quarantine or restricting the number of employees that may work in one unit, temporary closure of a port, quarantine of the geographical area, restrictions regarding the transport of raw materials / finished products.

All of the above may have a material impact on the financial condition and operations of TTS (Grup).

1.13. River transport activities may cause accidents with substantial damages that may impact on TTS (Grup) operations and reputation

River transport activities are subject to specific risks. These include, without limitation:

- shipwreck risk;
- fire and explosions on vessels;
- collision of vessels;
- accidents with impact on the environment;
- accidents involving hazardous goods;
- losses or damages of transported cargo; and
- interruption of activity caused by mechanical issues or human errors, terrorist acts, piracy, war, coup d'états, sabotages, natural calamities, unfavourable weather conditions and seek and rescue operations.

These specific risks may also have consequences, such as:

- wounded persons or losses of human lives;
- losses of goods;
- fines or other sanctions from authorities;
- losses of authorisations or licenses;
- losses of clients;
- higher insurance costs; or
- impact on the reputation of TTS (Grup).

As a consequence, the risks mentioned above, which may not be insured at all or may be inappropriately insured, may have an adverse impact on the activity of TTS (Grup), its financial condition and the trading price of the Shares.

2 Legal and regulatory risks

2.1 The legal and judicial systems of certain markets where TTS (Grup) carries out business are less developed than those of other European countries

The legal systems in Romania and Hungary are less developed than those of other European countries. Commercial law, competition law, capital market law, companies law, insolvency law and other branches are relatively new areas and under development. As such, it is likely that the laws and regulations existing in Romania and Hungary may be applied inconsistently or interpreted restrictively and without considering the business interests by both the authorities entitled to check the compliance with legal provisions and the courts of law.

The Romanian legal system may sometimes register considerable delays in solving the cases, hence it is difficult to obtain legal remedies in due time. The enforcement of legal provisions may prove difficult, especially in case the respective decisions may lead to closing companies or job losses. This lack of legal certainty and the missing capacity to legally appeal efficiently and in due time may have an adverse impact on TTS (Grup) activity and, furthermore, they may make it difficult to solve any claims that the investors in Shares may have.

2.2 Investors may not be able to initiate a jurisdictional procedure or enforce decisions of foreign courts of law against the TTS (Grup) or its assets in jurisdictions where it operates or where its executive directors have their residence

The presence of TTS (Grup) outside the United States and the United Kingdom may limit the legal actions that the investors in Shares may have against the Company. The Company is set up according to Romanian laws and almost all its subsidiaries are set up according to Romanian law. All the directors of TTS (Grup) and persons with executive positions have their residence outside the United States and the United Kingdom, mainly in Romania. All or a substantial part of the assets of TTS (Grup) and of directors and persons with executive positions within TTS (Grup) are located outside the United States and the United Kingdom, mainly in Romania.

The Romanian law may make it difficult to enforce legal decisions obtained against TTS (Grup) in foreign courts of law. Moreover, investors may not be able to initiate jurisdictional procedures against the directors of TTS (Grup) or TTS (Grup) in the United States of America or enforce legal decisions obtained in courts of law in the United States of America against the directors of TTS (Grup) or TTS (Grup) based on provisions regarding civil liability, as provided in the American federal laws on securities. It is unclear whether the civil liability actions based exclusively on provisions included in American federal laws on securities may be enforced outside the United States. Any claim for enforcement in front of a court of law outside the United States of America shall be subject to the compliance with the applicable procedural terms imposed by the national law in force, including the condition that the court decision does not breach the public order of the applicable jurisdiction, as well as the requirements regarding the initiation of legal proceedings.

3 Risks related to investments in Romania, as emerging market

3.1. Romanian economy is more vulnerable to global economic variations than the developed markets

Romanian economy is vulnerable to recession and downturn of global economic growth. The impact of global economic evolutions is often felt more on emerging markets, such as Romania or Hungary, than on mature markets. As it has happened before in the past, global economic crises could reduce foreign investments in countries in which TTS (Grup) operates, and local economies may face serious liquidity issues which could trigger, among others, tax increases, imposing new taxes or adopting other measures with major impact on the regulatory framework. Romania's future economic direction, especially in the particular context generated by

Covid-19, shall be determined by the efficiency of economic, financial and monetary measures taken by the Government and by regulatory and political evolutions.

A possible difficulty of TTS (Grup) to efficiently operate in the context of the changing economic, financial and monetary measures taken by the respective governments, considering the tax, legal, regulatory and political evolutions, may have a material adverse impact on its financial condition and operations.

3.2. Romania's difficulties in relation to European Union integration may have an adverse impact on the operations and financial condition of TTS (Grup)

Romania joined the European Union in January 2007. As part of the accession process, the European Union set a series of measures for Romania in order to meet the basic requirements for being part of the EU. The European Commission is responsible to monitor the progress made by Romania, by issuing yearly compliance reports. The European Commission Report on Romania's Mechanism for Cooperation and Verification published at the end of 2019 found an involution versus the progress registered in the previous years and the fact that Romania has not applied the recommendations made in November 2018. This report also includes a series of recommendations consisting in taking concrete legal and administrative measures meant, among others, to consolidate the independence of the legal system and improve its functioning.

The European Commission focused on these aspects in monitoring Romania in 2020 and these will be considered also in 2021 and offers continuous support to help Romania meet its objectives under the Mechanism for Cooperation and Verification. If Romania fails to meet its member obligations, it may be subject to sanctions by the EU, which may have a negative effect on the Romanian economy and, hence, an adverse impact on TTS (Grup) operations.

3.3. Social and military conflicts and political instability in the region where TTS (Grup) operates may have a negative impact on the activity of TTS (Grup)

The countries where TTS (Grup) performs its transport activities have gone through periods of substantial political and social changes. The effects of political instability or social and, eventually, military conflicts are, to a large extent, unpredictable, but may include a decrease of future investments or the sale of assets by qualified investors in highly uncertain times, a decline of macroeconomic ratios or a high volatility thereof, with direct impact on the demand for the services supplied by TTS (Grup) and on the supply terms for such services.

Such unpredictable evolutions in Romania or in the countries where TTS (Grup) operates might have a material adverse effect on governmental administrative performance, on the general macroeconomic conditions and on the Romanian business environment, likely to have a negative influence, to a large extent, on the activity and operating results of TTS (Grup).

3.4. Corruption could create a difficult business climate in Romania and in the region

Corruption is one of the main risks faced by companies carrying out business in Romania, Hungary and in the region. International and local mass-media, as well as international organisations, have issued many alert reports regarding the corruption level in Romania and Hungary. For example, the Corruption Perception Level in 2020 of Transparency International, that assesses corruption data for 180 countries all over the world and ranks them on a scale from 100 (less corrupt) to 0 (most corrupt), ranked Romania at level 44, the lowest score in the EU, together with Hungary and Bulgaria. As an overall perspective, the average ranking of the assessed countries is 43, while more than two thirds of the assessed countries register a ranking lower than 50. At the same time, the highest score ever registered by one of the assessed countries (namely Denmark and New Zealand) is 88.

Although it is difficult to foresee all the effects of corruption on TTS (Grup) operations, these may delay, among others, obtaining the operating authorisation necessary to TTS (Grup). As a consequence, corruption might have a material adverse impact on the activities, operations and financial condition of TTS (Grup) and on the trading price of Shares.

3.5. A downgrade of credit ratings by an international rating agency may have a negative impact on the activity of TTS (Grup)

Romania's long term debt in foreign and national currency is currently rated BBB by S&P, Baa 3 by Moody's and BBB- by Fitch. Romania's rating may be downgraded in the future if the risks flagged by the rating agencies are not properly managed through the stabilisation and consolidation of the state budget deficit after the recession caused by COVID-19.

Any negative changes in Romania's credit ratings for internal or external debt made by these international rating agencies or similar agencies may have a significant negative impact on the capacity to attract additional funds, on the interest rates and other commercial terms according to which such funds would be available.

4 Risks regarding the Shares

4.1. It is possible that the Shares are not admitted or maintained to trading on the Bucharest Stock Exchange

BSE approves the admission of the Shares to trading on the Regulated Market operated by the BSE after checking the compliance with the admission requirements. The Company intends to take all necessary steps to ensure that the Shares are admitted to trading on the Regulated Market operated by the BSE as soon as possible after the closing of the Offering. There is no guarantee that the Shares shall be admitted to trading on the Regulated Market operated by the BSE or that the admission to trading will take place on a date different than the estimated one. If the Shares are not admitted to trading on the Regulated Market operated by the BSE, the price of the Shares and the capacity to transfer the same may be materially impacted.

The FSA has the authority to suspend trading in securities or request BSE to suspend the trading in securities belonging to a company listed on the BSE if the Company fails to comply with the capital market regulations or if it considers that, due to the issuer's condition, trading would be harmful for investors. Therefore, there is no assurance that trading in the Shares will not be suspended. Any suspension of Shares from trading could adversely affect the trading price of the Offering and the transfer of Shares.

Also, if the Company fails to fulfil certain requirements or obligations under the capital market laws, or if it is considered that, due to special circumstances, an orderly market cannot be maintained, the Shares may be withdrawn from trading on the market. There can be no assurance that such a withdrawal of the Shares from trading will not occur.

4.2. It is likely that the Shares' market after the Offering and their admission to trading on the BSE is not liquid

Prior to the admission to trading, there was no trading market for the Shares. Although we requested BSE the admission to trading, we cannot provide any assurance that a liquid trading market for the Shares will develop or, if it develops, will continue to exist in the future. Therefore, the liquidity of the Shares' market is uncertain and unpredictable.

It is likely that the Final Offering Price agreed by the Selling Shareholders and the Manager is higher or lower than the Shares' market price after their admission to trading on the BSE. The markets operated by the BSE are generally less liquid than those operated by other exchanges where investors hold shares. Investors shall

consider that the Shares' market price could drop below the Final Offering Price after the admission of the Shares to trading.

4.3. Shares' market price may be impacted by the sales of substantial stakes on the markets where these are traded

The sale or option to sell a substantial number of Shares after the Offering may have a material adverse effect on the Shares' trading price and may impact on the Company's option to attract additional capital by means of future offerings of securities. The Selling Shareholders are subject to lock-up restricting the sales of Shares or convertible securities or that can be exchanged into shares, directly or indirectly, without the Manager's agreement, Swiss Capital, until the expiry of a period of at least 180 days from the Settlement Date. After the expiry of the lock-up period, the Selling Shareholders have the right to sell the Shares at their discretion. Moreover, the Company's subsequent offers for capital may decrease the quotas held by the current shareholders of the Company.

4.4. Volatility of Shares may have an adverse impact on the holders of such shares.

Shares' market price may be volatile and may register significant fluctuations. The price may drop due to diverse factors including, but without being limited to, those referred under "*Risk factors*", as well as due to the following factors:

- variations of operating results from one period to another or changes in the estimates regarding revenues or profit by TTS (Grup), made by sector participants or financial analysts;
- mergers, acquisitions and strategic partnerships including the Company, TTS (Grup) or its competitors;
- changes in market terms and regulatory changes;
- unfavourable media coverage or speculations regarding TTS (Grup);
- general volatility of share price on the BSE.

Therefore, it is likely that, if any of these factors occurs, the Share price may drop significantly.

4.5. It is likely that the Company will not distribute dividends in the future

The Company's shareholders decide if dividends will be distributed. Although the Company intends to ensure to shareholders a competitive yield during the business lifecycle, including by paying increasing dividend and aims to increase the dividend each year or at least keep it at the level of the previous year, according to the financial performance and investment needs, considering the Company's long term financial soundness, it is possible that from one year to another, shareholders decide not to distribute dividends depending on, but without being limited to, the following factors:

- a) Company's profit subject to distribution
- b) investment plans or other capital needs of TTS (Grup);
- c) restrictions in the contracts concluded by the Company such as the weights of net value in the loan agreements;
- d) general economic conditions; and
- e) other factors that directors and shareholders consider important in relation to dividend distribution.

There is no assurance that the Company will distribute or pay dividend in the future. If dividend is not paid in the future, the increase in capital, if any, for the Shares, would be the only source of gain for the investors.

4.6. The stakes of certain Shareholders may be diluted if they do not exercise the pre-emptive right in the Company's share capital increase

The Company may seek to attract funds to finance future acquisitions or other growth opportunities, may issue shares in connection to option plans or incentives regarding shares or may attract financing in order to reduce its indebtedness. For these and other purposes, it is possible that shareholders will decide to increase the Company's share capital. Shareholders have a pre-emptive right of subscribing for the shares newly issued by the Company, thus being able to increase their participation in the Company. It is possible that shareholders may not exercise their pre-emptive right due to insufficient funds or statutory or legal restrictions applicable thereto in the jurisdiction where they are located. In such a case, it is possible that their participations will be diluted.

4.7. Non-Romanian holders of Shares may be impacted by foreign currency risk

The price of Shares on BSE market and any potential dividends that the Company may distribute are denominated in RON. Investments by investors that use as reference currency another currency than RON are subject to foreign currency risk. Any depreciation of the RON in relation to such currencies will reduce the value of the investment in Shares or of any potential dividends distributed by the Company.

4.8. The rights of minority shareholders may differ from the expectations of foreign investors

The Company is organised and operates according to Romanian law. Shareholders' rights are governed by the Company's Articles of Association and Romanian law. These rights, including the rights of minority shareholders, as well as other aspects influencing these rights may differ in Romania from those in other jurisdictions and the capacity of an investor to exercise such rights may be limited. See "*Description of share capital*".

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

READ THIS ANNOUNCEMENT BEFORE PROCEEDING FURTHER!

In case you have any doubt regarding the content of this document, you must consult your own broker, banker, lawyer, accountant or financial advisor, as well as other consultants in relation to legal, tax, business, financial and other advice regarding subscribing for or purchasing the Offer Shares. The price of the Shares and the proceeds received from their sale may decrease, as well as it may increase.

TTS and, as the case may be, each of the Selling Shareholders, the latter only as far as they are concerned, assume the liability for the information included in this Prospectus. The Company and the Selling Shareholders, namely Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Ștefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Ștefan Jancovschi, Silviu-Cătălin Petrea, Antonio-Gabriel Stoean, Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron și Florin Alexandrescu, the latter exclusively as far as they are concerned, declare that, to the best of their knowledge, taking all the reasonable measures to make sure that this is the case, the information contained in this Prospectus is consistent with reality and that the Prospectus does not contain any omissions that could affect the significance of such information. None of the Company, the Selling Shareholders or the Manager is making any representation to any holder or purchaser or subscriber of Offer Shares regarding the legality of an investment in the Offer Shares by such holder, purchaser or subscriber under the relevant laws on investments or similar laws.

Swiss Capital S.A. (the "**Manager**") acts in connection to the Offering exclusively for the interest of the Selling Shareholders and no one else and will not be responsible to any other person to provide the protection afforded to their clients or advice in relation to the Offering. The Manager does not assume, in any circumstance, any liability regarding the content of this document and does not make any representation or guarantee regarding the exact, complete or sufficient nature of the information included herein.

No person is authorized to disclose any information or make any representation in connection with the Offering or the sale of the Offer Shares, except as contained in this Prospectus, and should any information thus be disclosed or any representation be made, the concerned information or representations would not be deemed authorized by the Company, the Selling Shareholders or the Manager. This Prospectus is published by the Company and the Selling Shareholders exclusively in order to allow a potential investor to decide regarding the purchase of Offer Shares and for the Shares to be admitted on the regulated market operated by Bucharest Stock Exchange. The Manager or its affiliates or advisors does not make any representation or guarantee whatsoever, either explicit or implicit, about the accuracy or completeness of any information contained in this Prospectus, and no information featured in this Prospectus shall be deemed a promise or a declaration made by the Manager regarding past or future events. Any reproduction or distribution of this Prospectus, in whole or in part, any disclosure of its contents (except to the extent that such contents are otherwise publicly available), and any use of any information herein for any purpose other than considering an investment in the Offer Shares and/or the admission of Shares to trading, is prohibited. The delivery of this Prospectus and any purchase made hereunder, under any circumstances, shall not create any implication that there has been no change in the business of the Company since, or that information contained herein is correct as at any time subsequent to, the date of this Prospectus. Each prospective investor, by accepting delivery of this Prospectus, agrees to the foregoing.

This Prospectus does not constitute an offer to sell, or a solicitation by or on behalf of the Company, Selling Shareholders, Manager or Distributors addressed to any person to subscribe for or purchase any of the Offer Shares in any jurisdiction in which such offer or solicitation would be unlawful. The distribution of this Prospectus and the Offering or the sale of Offer Shares may be restricted by law in certain jurisdictions. The

persons receiving this Prospectus are asked by the Company, the Selling Shareholders and the Manager to observe and inform themselves regarding such restrictions. Neither the Company nor the Selling Shareholders and the Manager have taken any action that would allow, other than under the Offering, an offering of Offer Shares or possession or distribution of this Prospectus or any other material regarding the Offering or concerning the Offer Shares in any jurisdiction where any legal proceeding or authorisation would be necessary for this purpose. This Prospectus may not be used for the purpose of, or in connection with, any offer to any person or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or is unlawful. Additional information regarding the restrictions applicable to offers and sales of Offer Shares are presented below and in the chapter "*Selling and Transfer Restrictions*".

In making an investment decision, potential investors should rely on their own examination of the Company and the contents of this Prospectus, including the analysis of the risks involved.

The Offering is addressed exclusively outside the United States Securities ("**United States**") according to Regulation S based on Securities Act 1933, as amended ("**Securities Act**") to: (I) Institutional Investors and Retail Investors in Romania and (II) persons of EEA member states ("**Member States**"), save for Romania, subject to Prospectus Regulation and that (i) are "qualified investors" for the purpose set forth in article 2 (e) of Prospectus Regulation ("**Institutional Investors**") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per EEA Member State and/or (iii) fall under any other exception included in Article 1(4) or Prospectus Regulation and (III) persons of other jurisdictions that may legally acquire the Offer Shares.

The Offering does not represent an offering for sale or solicitation of offering to purchase securities in any jurisdiction where such an offering or solicitation would be illegal.

If this document was made available to you electronically, please be aware that the documents made available in this manner may be modified or amended during the electronic transmission process and, consequently, none of the Company, the Selling Shareholders and the Manager or any other affiliates thereof shall be liable to any extent whatsoever for any differences between the document made available to you electronically and the printed version.

The information on the Company's website, <http://www.tts-group.ro>, any website mentioned in this Prospectus or any website directly or indirectly linked to the Company's website is not incorporated by reference into this Prospectus and it is not part of this Prospectus, unless such information is included, by reference, in the Prospectus and any decision to purchase the Offer Shares should not be made in reliance on such information.

In what the Offering is concerned, part of the Selling Shareholders, namely Mr. Alexandru – Mircea Mihăilescu, Mr. Ion Stanciu and Mr. Petru Ștefănuț ("**Selling Shareholders with Stabilisation Role**") agreed with Swiss Capital S.A., acting as "Stabilisation Manager", that the latter will retain from the Selling Shareholders with Stabilisation Role 10% of the gross proceeds obtained by the Selling Shareholders with Stabilisation Role following the Offering ("**Stabilisation Funds**") and will use such Stabilisation Funds to perform stabilisation activities, as the case may be, in connection to the Shares, over a period of maximum 30 calendar days from the first trading day in the Shares on the BSE ("**Stabilisation Period**") provided that the total number of Shares purchased by the Stabilisation Manager in connection to such procedure shall not exceed 1,011,760 Shares. No assurance is given as to the fact that such stabilisation measures, if taken, shall have the expected results.

The Offering period may be extended upon the initiative of the Company or the Selling Shareholders, provided that such extension is approved by the FSA and that an amendment to this Prospectus is published. For further details see chapter "*Subscription and Sale*" section "*Offering Period*" and section "*Amending and Revoking Subscriptions*" in this Prospectus.

Each Selling Shareholder, as well as the Manager, reserves the right, under the procedure for the allocation of the Offer Shares, to (i) reject, in full or in part, any subscription or offering to purchase Offer Shares of an Institutional Investor and (ii) sell to any qualified potential Institutional Investor less than the total number of Offer Shares subscribed by the respective investor.

This Prospectus will be available on the website of BSE at www.bvb.ro, website of the Company at www.tts-group.ro, website of Swiss Capital www.swisscapital.ro and on the websites of the Distributors, namely www.tradeville.eu and www.brk.ro and copies hereof will be additionally available, upon request, during the normal work hours, at the premises of Swiss Capital S.A. located at Romana Offices, 4th floor, 20 Dacia Boulevard, District 1, Bucharest, Romania, premises of S.S.I.F. TradeVille S.A. of 6A Calea Vitan, Bl. B, Tronson B, 3rd floor, District 3, Bucharest, Romania and that of SSIF BRK Financial Group S.A. of 119 Calea Moșilor, Cluj Napoca, Cluj County. The information contained in this Prospectus is considered accurate only as at the date indicated on the first page of this Prospectus. It is likely that the Company's activity and financial condition have changed since that date.

Posting the Prospectus on the internet does not represent an offering for sale or solicitation of offering to purchase any Shares addressed to or derived from any person in any jurisdiction where such an offering or solicitation would be illegal. The electronic version may not be copied, made available or printed in order to be distributed.

The Company's Articles of Association in force as of the Prospectus Date and the New Articles of Association are available on the Company's website at www.tts-group.ro.

NOTICE TO INVESTORS IN ROMANIA

THIS PROSPECTUS WAS APPROVED BY THE ROMANIAN FINANCIAL SUPERVISORY AUTHORITY ("FSA"). THE APPROVAL VISA APPLIED ON THE PUBLIC OFFERING PROSPECTUS DOES NOT CONSTITUTE A GUARANTEE OR ANY OTHER KIND OF ASSESSMENT BY THE FSA WITH REGARD TO THE OPPORTUNITY, ADVANTAGES OR DISADVANTAGES, THE PROFIT OR RISKS INVOLVED IN THE TRANSACTIONS TO BE EXECUTED BY ACCEPTING THE PUBLIC OFFERING SUBJECT TO THE APPROVAL DECISION. THE APPROVAL CERTIFIES ONLY THE COMPLIANCE OF THE PROSPECTUS WITH THE LEGAL REQUIREMENTS AND RULES ADOPTED FOR THE APPLICATION THEREOF.

NOTICE TO INVESTORS IN EEA

This Prospectus has been prepared considering that all offers of Offer Shares (other than the offer of Offer Shares in Romania) shall be made based on an exemption from the requirement to publish a prospectus for offerings of Shares, according to Article 1 par. (4) of Prospectus Regulation. Consequently, any person who is conducting or intends to conduct an offer of the Offer Shares within the EEA must act so as not to give rise to any obligation on the part of the Company, the Selling Shareholders and the Manager or any other persons to prepare a prospectus for such an offer.

As regards each EEA Member State where the Prospectus Regulation applies, (each a "**Relevant Member State**"), the offer of any Offer Shares is not made and shall not be made for the public in the relevant Member States (other than Romania) in other circumstances than: (a) to any person considered qualified investor as defined in article 2(1)(e) of Prospectus Regulation ("**Institutional Investor**"); and/or (b) to a number of less than 150 natural or legal persons, other than qualified investors, per relevant Member State; and/or (c) in any other cases set forth in Article 1(4) of Prospectus Regulation; provided that any such offering of Offer Share does not entail the publication by the Company or by any Selling Shareholder of a prospectus according to Article 3 of Prospectus Regulation or an addendum to this Prospectus, according to Article 23 of Prospectus Regulation.

For the purpose of this notice to investors, the expression "public offering" with respect to Offer Shares in any Relevant Member State means the communication addressed to certain persons, in any form and by any means, of sufficient information about the terms of the Offering and the Offer Shares so as to allow the investor to decide to purchase or subscribe for the Offer Shares.

Each person subscribing for or each buyer of the Offer Shares under a public offering initiated in an EEA Member State (other than Romania) shall be considered to have represented, acknowledged and agreed to be an Institutional Investor or to fall under one of the exceptions set for the in Article 1 (4) of Prospectus Regulation. The Company, the Selling Shareholders and the Manager, as well as any other person concerned, shall rely on the truth and accuracy of the information presented above.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements that include, without being limited to, any statements preceded by, followed by, or including terms such as "may", "shall", "would be", "to be to", "should", "expect", "intends", "estimates", "predicts", "forecasts", "anticipates", "project", "believes", "tries", "plans", "forecasts", "continues", "commits", "bounds", "potential", "objective", "should", "ongoing" as well as other similar terms or their negative forms.

Such forward-looking statements involve known or unknown risks, uncertainties and other important factors beyond the control of the Company, which could cause the Company's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements are those included in chapters "*Operating and Financial Review*", "*Risk Factors*" and other chapters in this Prospectus.

Such forward-looking statements are reported only as of the date of this Prospectus. The Company expressly declines any obligation or commitment to release any updates or revisions to any such forward-looking statements contained in this document to reflect any changes in the Company's expectations regarding them or any change regarding the events, conditions or circumstances underlying any of these statements, save for the case where such a procedure is imposed by any applicable regulation.

Furthermore, forward-looking statements should be carefully considered in light of the political, economic, social and legal environment in which the Company operates. The Company and the Selling Shareholders make no representation and offer any guarantee that the factors anticipated by such forward looking statements will actually occur. All the forward looking statements represent, in each case, one of the multiple possible scenarios and must not be considered as the scenario the most likely to occur or the standard scenario.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Company and most of the companies part of TTS (Grup) are Romanian legal persons, incorporated and operating under the laws of Romania. A large part of the members of the Boards of Directors and executive managers of the companies part of TTS (Grup) are Romanian citizens and are residents of Romania. Most of the assets held by the companies part of TTS (Grup) are located in Romania.

As a result, it may not be possible for investors to effect service of process upon the companies part of TTS (Grup) or the members of their management bodies in countries other than Romania. Also, it is possible that investors may not enforce, in countries other than Romania, decisions issued by courts, other than Romanian courts, against the companies of TTS (Grup) or the members of their management bodies.

Romania signed the Lugano Convention of 30 October 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (multilateral Treaty concluded between European Union member states and other non-member states, in force since 01 January 2010) and signed bilateral conventions for legal assistance with countries that are not members of the European Union, which also contain norms regarding the recognition and enforcement of court decisions. Romania signed such bilateral conventions with Albania, Algeria, Bosnia and Herzegovina, China, North Korea, Cuba, Egypt, Russian Federation, Northern Macedonia, Morocco, Mongolia, Moldova, Serbia, Syria, Tunisia, Turkey and Ukraine. In case of court decisions made by a court located in one of the countries that signed the Lugano Convention or the mentioned bilateral conventions, their recognition and enforcement in Romania shall be made according to the terms agreed by the parties in the mentioned treaties.

The recognition and enforcement of judgements against the companies part of TTS (Grup) or the members of their management bodies, which are made by other courts than the Romanian ones, would be carried out differently, depending on the country in which the respective court is located and the rules of the convention or treaty (if any) between Romania and the country where the judgement was issued.

The United States and Romania currently do not have bilateral or other treaties between them providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment rendered by any federal or state court in the USA in such matters would not automatically be recognised or enforceable in Romania.

A court judgment related to civil and commercial matters rendered in an EU member state ("**EU**") is recognised in all the other European Union member states by operation of law without any special procedure, according to the provisions of Regulation (EU) no. 1215/2012 of the European Parliament and of the Council ("**Regulation no. 1215/2012**"). Such recognition may be rejected in the following circumstances: (a) such recognition is manifestly contrary to public order in the member state where recognition is sought; (b) where the judgment was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable it to arrange for defence, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for it to do so; (c) it is irreconcilable with a judgment given in a dispute between the same parties in the member state where recognition is sought; (d) it is irreconcilable with an earlier judgment given in another EU member state or in a third state involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in the member state where recognition is sought; (e) the judgment conflicts with the provisions on jurisdiction in matters relating to insurance, jurisdiction over consumer contracts and individual employment contracts and exclusive jurisdiction included in Regulation no. 1215/2012.

A judgment made in civil or commercial matters by a court located in an EU member state can be enforced in the other EU member states without any decision approving the enforcement being necessary. In this respect, the party requesting the enforcement of the judgement shall provide to the competent enforcement authorities in the country where the enforcement is requested: (a) a copy of the judgment which satisfies the conditions necessary to establish its authenticity; (b) the certificate issued as set out in Annex I to Regulation no. 1215/2012 confirming that the judgement is enforceable and containing a summary of the judgement as well as, as applicable, relevant information regarding recoverable legal expenses and interest calculation.

The enforcement of a judgement made by a court located in an EU member state may be rejected upon the request of the person against which the enforcement is requested in case there is a reason for rejecting the recognition of such judgement, as mentioned above.

A judgment made in civil or commercial matters by a court located in a non-EU member state can be enforced in Romania in the following cases: (a) the judgment is final and enforceable according to the law of the country where it was made; (b) the court rendering it had, according to *lex fori*, jurisdiction to try the relevant litigation, but without relying exclusively on the presence in that jurisdiction of the defendant or of some of its assets which are not directly connected with that litigation; (c) there is reciprocity regarding the effects of foreign judgments between Romania and the foreign jurisdiction which rendered the judgment; (d) when given in default of appearance, the party who lost the trial was served in due course with the summoning for appearance for the hearing where the court tried the merits of the case and with the document which instituted the proceedings, was given the possibility to defend itself and was given the possibility to challenge the judgment.

The recognition in Romania of a Non-EU Judgment may be rejected in any of the following cases: (a) the judgment is manifestly contrary to public order of Romanian international private law (such inconsistency is assessed considering the strength of the connection of the case with Romanian legal order and the gravity of the effect such resulted); (b) the judgment is rendered in an area of law where persons cannot dispose freely of their rights and it was obtained exclusively for the purpose of withholding the matter from the incidence of the law that would otherwise be applicable pursuant to Romanian conflict of law rules; (c) the action or proceeding involving the same parties resulted in a judgment (even if not final) of the Romanian courts or is pending before Romanian courts as at the date the action or proceeding commenced before the foreign court which rendered the judgment; (d) the judgment is irreconcilable with a prior foreign judgment which may be recognised in Romania; (e) Romanian courts had exclusive jurisdiction to try the subject matter of the judgment; (f) the right of defence was breached; and (g) the judgment may be challenged in any other manner in the state where it was rendered. The recognition of the judgment may not be refused solely for the reason that the foreign court rendering the foreign judgment applied another law than the law that would have been applicable according to Romanian conflict of law rules, except where the trial concerns the civil status and the capacity of a Romanian citizen and the solution adopted by the court differs from the solution that would have been reached according to the Romanian law.

A Non-EU Judgment can be enforced in Romania based on a final decision of a Romanian competent court approving the enforcement, only if: (a) the requirements mentioned above for the recognition of Non-EU Judgment are met; (b) the Non-EU Judgment is enforceable according to the law of the jurisdiction where it was made; (c) where the Non-EU Judgment establishes an obligation arising from a foreign fiscal law, there exists reciprocity regarding the effects of foreign judgments in the relevant fiscal matter between Romania and the foreign jurisdiction which rendered the Non-EU Judgment.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Overview

Investors should rely exclusively on the information included in this Prospectus. No other person was authorized to disclose any information and/or make other declarations and representations save for those included herein and, if such were made, will not issue any opinion or representation suggesting that such information is authorized by TTS (Grup) or on behalf of TTS (Grup) or its management.

The Company will update the information contained in this Prospectus as an amendment hereto if, between the Prospectus approval date and the starting date of trading in Shares on the BSE, a new significant factor, material error or material inconsistency in relation to the information included herein occurs or is noticed, and that may impact on the valuation of Shares. The Prospectus and any amendment hereto shall be submitted to the FSA for approval and shall be made public according to the applicable norms in the legislation in force. If an amendment to the Prospectus is published, provided that the new factor, error or inconsistency occurs before the closing of the Offering and the transfer of securities, investors have the right to withdraw their subscription for Offer Shares made before the amendment is published. Such withdrawal must be made in the period and in the manner set in any such amendment, namely within three Business Days from the publication of the amendment. For further details see chapter "*Subscription and Sale*" section "*Offering Period*" and section "*Amending and Revoking Subscriptions*" in this Prospectus.

The content of this Prospectus will not be considered a legal, commercial or tax review. Potential investors must perform their own legal, commercial or tax reviews in connection to any subscription or purchase of Offer Shares.

Before making any decision regarding a potential subscription or purchase of Offer Shares, potential investors should read this Prospectus in its entirety. In order to make a decision regarding the investment, potential investors should rely on their own examination of TTS (Grup) and the terms of this Prospectus, which should also include the review under "**Risk factors**".

TTS (Grup) Financial Statements

This Prospectus includes (i) TTS (Grup) audited consolidated financial statements as of and for the year ended on 31 December 2020 ("**2020 Financial Statements**"); (ii) TTS (Grup) audited consolidated financial statements as of and for the year ended on 31 December 2019 ("**2019 Financial Statements**"); and (iii) TTS (Grup) audited consolidated financial statements as of and for the year ended on 31 December 2018, ("**2018 Financial Statements**") and all together the "**Audited Consolidated Financial Statements**" or "**Financial Statements**". The Financial Statements included in this Prospectus were prepared in accordance with the International Financial Reporting Standards ("**IFRS**"), adopted by the European Union. The Financial Statements were prepared in the national currency, Romanian Leu. The Financial Statements are presented elsewhere in this Prospectus.

The financial information contained herein and extracted from the Financial Statements are presented on a consolidated basis, unless otherwise specified.

Non-IFRS and Alternative Performance Measures

In this Prospectus, TTS (Grup) uses the following ratios for the analysis of its business and financial position, that it considers to represent Alternative Performance Measures ("APM"), as defined in the Guidelines on Alternative Performance Measures of the European Securities and Markets Authority ("ESMA") of 5 October 2015 and the subsequent updates published by ESMA until the date of this Prospectus.

The following table contains a summary of the APM values used, definition, basis of calculation and reconciliation of these ratios and the reasons for including them.

Net working capital	Calculated as inventories, trade and other receivables, other current assets, current assets held for sale and other trade and other payables.	Liquidity ratio
Net debt	Calculated as cash and cash equivalents minus interest bearing loans, overdraft and leasing.	Liquidity ratio
Adjusted EBITDA	Calculated as reported EBITDA, excluding adjustment expenses for current assets, non-current assets, net expenses for provisions and write off of doubtful receivables, as well as adjustments for extraordinary administrative expenses and other non-recurring specific expenses.	Performance ratio
Adjusted EBITDA margin	Calculated as adjusted EBITDA divided by revenue, expressed as percentage.	Performance ratio
Reported EBITDA	Calculates as total operating result of TTS (Grup) (excluding income tax, financial expenses/income and investment expenses) plus depreciation and amortization.	Performance ratio
Reported EBITDA margin	Calculated as reported EBITDA divided by total revenue, expressed as percentage.	Performance ratio

The APM mentioned above were included in this Prospectus to facilitate a better understanding of TTS (Grup) historic evolution as regards to operations, financial condition and liquidity and are used by TTS (Grup) as a basis for strategic planning and forecasting. TTS (Grup) uses the APM as additional and auxiliary information for operating results reported according to IFRS. APM are not defined or presented according to IFRS. APM are not measures for TTS (Grup) operating performance according to IFRS and should not be used instead of or considered alternatives to any performance and/or liquidity measures according to IFRS. Some of these measures are called APM as they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented according to IFRS or are calculated using financial measures that are not calculated according to IFRS. AMP refer to the reporting periods mentioned in this Prospectus and are not meant to predict future results. Furthermore, other companies, including those operating in

TTS (Grup) industry, may calculate AMP with similar names in a different manner than that used by TTS (Grup). As not all companies calculate the AMP in the same way, the presentation by TTS (Grup) of such AMP may not be comparable to other AMP with similar names of other companies and have limitations as analytical instruments and should not be considered in isolation or as a replacement of the review of TTS (Grup) operating results according to IFRS. These AMP are not audited.

For an explanation of each AMP, a reconciliation of AMP with the most directly comparable measures calculated and presented according to IFRS and a discussion of their limitations, see "*Non-IFRS and AMP Measures*". The management does not consider these AMP as a substitute of, or being superior to, equivalent measures calculated and presented according to IFRS or those derived using financial measures that are calculated according to IFRS.

Unaudited operating information

TTS (Grup) operating information in relation to its business is not audited and is derived from the following sources: (i) internal books and other records of TTS (Grup); (ii) accounting systems (based on invoices issued and/or received by TTS (Grup)); (iii) internal reporting systems for financial statements; (iv) management assumptions and reviews; and (v) discussions with key operating personnel.

The operating information derived from management accounts or internal reporting systems in relation to TTS (Grup) activity is included in chapters "*Operating and Financial Review*" and "*Company's Activity*".

Market information

Market data used in this Prospectus in chapter "*Activity of TTS (Grup)*" and "*Introduction to the industry of inland waterway transport*" have been extracted from official and industry sources and other sources believed to be reliable by TTS (Grup). The sources of such information, data and statistics include the World Bank, Eurostat, Danube Commission, Compania Națională Administrația Porturilor Dunării Fluviale S.A. Giurgiu (National Company for Administration of River Ports on the Danube - "**APDF Giurgiu**"), Compania Națională Administrația Porturilor Dunării Maritime S.A. Galați (National Company for Administration of Maritime Danube Ports - "**APDM Galați**"), Compania Națională Administrația Porturilor Maritime (National Company for Administration of Maritime Ports – "**CN APM Constanta**"), Administrația Canalelor Navigabile (Administration of Navigable Canals - "**ACN**" or "**Administration of Navigable Canals**"), Regulation on Danube navigation and the website of Constanta Port, as presented and described below. As far as TTS (Grup) is aware, the information, data and statistics have been accurately reproduced and, as far as it can be ascertained from the information published or provided by the aforementioned sources, no facts have been omitted which would render the reproduced information, data and statistics inaccurate or misleading.

For the quantitative data used in this Prospectus from Eurostat, the methodology used is that laid down in the "Reference manual for statistics regarding inland waterway freight version 8.0 June 2016". According to such methodology, the quantities transported from one port to another (loading and unloading) are registered twice, both when the cargo is loaded and when it is unloaded, while for transport activities TTS (Grup) reports internally only one cargo that was transported from one point to another. For example, TTS (Grup) transported 9.53 million tonnes in 2019, but in order to compare the activity of TTS (Grup) with the statistics provided by Eurostat with the aim to determine the market share, the quantities transported by TTS (Grup) should be doubled, up to 19.1 million tonnes. In this Prospectus, in order to be consistent with Eurostat methodology, when the activity of TTS (Grup) is compared to the total volume reported by Eurostat, for determining the market share out of the total quantities transported on inland waterways, the transported volume of TTS (Grup) is presented using the same methodology as Eurostat.

The quantitative data in this Prospectus for Danube – Black Sea Canal were extracted from the data provided by the Administration of Navigable Canals and are presented as effective tonnes transported through the canal (unlike Eurostat, the numbers are not doubled). In this Prospectus, in order to be consistent with ACN and to make a comparison of TTS (Grup) activity and the statistics provided by ACN, when determining TTS (Grup) market share out of total quantities transported through Danube-Black Sea Canal, the volumes transported by TTS (Grup) are presented using the same methodology as ACN.

The quantitative data in this Prospectus for Danube ports were derived from the following sources: APDM Galați, APDF Giurgiu and Danube Commission. The Danube Commission presents only the quantities transported to or from Danube Ports and these quantities (unlike Eurostat) are not counted twice. The data provided by APDM Galati and APDF Giurgiu present the total quantities operated in these ports (and not the transported quantities). In this Prospectus, in order to be consistent with these data providers and to make a comparison between TTS (Grup) activity and the statistics provided, when determining TTS (Grup) market share out of total quantities operated in Danube ports, the volumes operated by TTS (Grup) are presented using the same methodology as these providers.

The quantitative data in this Prospectus for Constanta port were derived from the port's website, Port statistics section. When presenting the weight of TTS (Grup) in the total quantities operated in Constanta port, certain categories of goods were excluded from the total market of Constanta port: miscellaneous (containers), oil products and raw oil. Also, the volumes sea-going – river and/or river – sea-going are doubled, while other volumes resulted from or delivered by road or rail are counted once. In this Prospectus, in order to be consistent with Constanta port data and to make a comparison between TTS (Grup) activity and the statistics provided, when determining TTS (Grup) market share out of total quantities operated in Constanta Port, the volume operated by TTS (Grup) in Constanta Port is presented using the same methodology.

For the quantitative data in this Prospectus regarding cargo transported on inland waterways in the Danube Basin, the following countries were included: Ukraine, Romania, Bulgaria, Serbia, Hungary, Croatia, Slovakia and Austria. Germany was not included because Eurostat reports the total quantities transported by inland waterway in Germany, that include the volumes transported on the Rhine and that are significantly higher than those on the Danube. The traffic distribution between the Rhine Basin and the Danube Basin in Germany is not available. The figures for Romania, Bulgaria, Hungary, Croatia, Slovakia and Austria were provided by Eurostat. Eurostat traffic data for inland navigation may be split in national, international and transit data. The values for Ukraine and Serbia were extracted from the reports issued by the Danube Commission, the yearly "Danube Navigation Statistics" published until 2017 (the version of November 2017 contains statistics for the year 2016). Information for the subsequent years were derived from: for Ukraine, from the website of Ukraine Statistics Institute www.okrstat.org, and for Serbia from the "Statistical pocketbook" for the years 2018, 2019 and 2020, www.stst.gov.rs. For Ukraine, the data in 2011 on total traffic were not available for each cargo category. They were split in cargo categories using the same weights of cargo categories as available for 2010.

In this Prospectus, when TTS (Grup) is referred to as "important provider" of logistics services within river transport services, TTS (Grup) when making this statement, relies on the number of vessels and volume capacity of its vessels as compared to other providers of river transport operating in the Danube's Basin.

Currencies

In this Prospectus, all references to "**RON**" and "**Leu**" are to the lawful currency of Romania, all references to "**EUR**", "**Euro**" and "**euro**" are to the lawful currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3

May 1998 on the introduction of the euro, as amended. All references to "US dollar", "USD" and "dollar" are to the lawful currency of the United States.

No representation is made as to the fact that any amount in a particular currency in this Prospectus could or could not have been converted into a different currency, at any exchange rate. There is a limited market for Romanian Leu outside Romania. The limited availability of these currencies may lead to volatile exchange rates.

TTS (Grup) consolidated financial statements are prepared in Romanian Lei. The Company's functional currency is Romanian Lei. The functional currency for all the Romanian entities of TTS (Grup) is Romanian Lei. The functional currency for TTS (Grup) subsidiaries located in Austria and Hungary is Euro and Forint.

The table below shows, for the periods and dates indicated, information on RON/USD exchange rate as published by the National Bank of Romania. The columns titled "Average" in the tables below show the yearly average rate calculated as the simple arithmetic mean of the monthly average exchange rates for the respective periods, and the columns titled "End of period" present the NBR exchange rate of the last Business Day of the relevant period.

<u>Year</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Average</u>	<u>RON per US \$ 1,00</u>
				<u>End of period</u>
2018	4.1469	3.7170	3.9416	4.0736
2019	4.3605	4.0573	4.2379	4.2608
2020	4.5316	3.9660	4.2440	3.9660

Source: NBR

The table below shows, for the periods and dates indicated, information on EUR/RON exchange rates published by the National Bank of Romania. The columns titled "Average" in the tables below show the yearly average rate calculated as the simple arithmetic mean of the monthly average exchange rates for the respective periods, and the columns titled "End of period" present the NBR exchange rate of the last Business Day of the relevant period.

<u>Year</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Average</u>	<u>RON per EUR 1,00</u>
				<u>End of period</u>
2018	4.6695	4.6206	4.6535	4.6639
2019	4.7808	4.6634	4.7452	4.7793
2020	4.8750	4.7642	4.8371	4.8694

Source: NBR

Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References to the Group (TTS (Grup))

In this Prospectus, "**Company**" or "**TTS**" refers to TTS (Transport Trade Services) S.A., and "**TTS (Grup)**" refers to TTS (Transport Trade Services) S.A. and all of its subsidiaries, as such are consolidated in the financial statements.

Countries

In this Prospectus, references to Region are to the countries limiting the Danube Basin, namely Romania, Hungary, Serbia, Austria, Germany, Slovakia, Bulgaria, Bosnia and Herzegovina, Croatia, Ukraine, Czech Republic, Slovenia, Switzerland, Republic of Moldova, Italy, Poland. The references to Danube Basin are to Ukraine, Republic of Moldova, Romania, Bulgaria, Serbia, Hungary, Croatia, Slovakia, Austria and Germany. In the context of this Prospectus, Danube's upper basin and/or Upper Danube refer to Germany, Austria and Slovakia, Danube's middle basin refers to Hungary, Croatia and Serbia, and Danube's lower basin refers to Bulgaria, Romania (including Constanta Port), Republic of Moldova and Ukraine.

Legal references

Except where expressly mentioned otherwise, a reference in this Prospectus to a legal provision is considered a reference to the respective provision as it was amended and/or republished and in force as at the date of this Prospectus.

General information

The language of this Prospectus is Romanian language. Certain legal references and technical terms were quoted in their original language so as to have the technically correct meaning assigned by the legislation in force.

The content of TTS (Grup) websites, as well as the content of any website accessible from hyperlinks on any of these websites (or any other website) is not included and/or is not part of this Prospectus.

THE OFFERING

<p>The Company</p>	<p>TTS (Transport Trade Services) S.A., a joint stock company registered and operating according to Romanian law, with registered office in Romania, 27 Vaselor Street, District 2, Bucharest, registered at the Trade Register of Bucharest under no. J40/296/1997, sole registration code RO 9089452, LEI code 5493008M458S2MG7GP03, phone: +40 21 210 29 07, fax +40 21 210 35 43, e-mail: office@tts-group.ro.</p>
<p>The Selling Shareholders</p>	<p>Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Ștefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Ștefan Jancovschi, Silviu-Cătălin Petrea, Antonio-Gabriel Stoean, Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron, Florin Alexandrescu.</p>
<p>The Offering</p>	<p>The Offering consists in an offering by the Selling Shareholders of a number of up to 15,000,000 Shares.</p> <p>The Offering consists in an offering of Offer Shares outside the United States as per Regulation S based on Securities Law to: (I) Romanian Institutional Investors and Retail Investors and (II) persons of EEA member states, save for Romania, subject to Prospectus Regulation and that (i) are "qualified investors" for the purpose set forth in article 2(e) of Prospectus Regulation ("Institutional Investors") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per EEA Member State and/or (iii) subject to any other exception mentioned in Article 1(4) of Prospectus Regulation; and (III) persons of other jurisdictions that may legally purchase the Offer Shares.</p>
<p>Offer Shares</p>	<p>Offer to a number of up to 15,000,000 Offer Shares as follows: Alexandru – Mircea Mihăilescu – up to 7,541,850 Shares, Ion Stanciu – up to 2,121,200 Shares, Viorel Ștefan – up to 1,533,300 Shares, Peter Hungerbuhler – up to 1,378,650 Shares, Constantin Hârțan – up to 757,575 Shares, Petru Ștefănuț – up to 454,550 Shares, Aurel-Florin Moldoveanu – up to 151,525 Shares, Daniel Ștefan Jancovschi – up to 226,525 Shares, Silviu-Cătălin Petrea – up to 226,525 Shares, Antonio-Gabriel Stoean – up to 226,525 Shares, Daniela-Camelia Simion – up to 151,525 Shares, Mihaela-Aurelia Cismek – up to 76,750 Shares, Mihaela Miron – up to 76,750 Shares, Florin Alexandrescu – up to 76,750 Shares.</p> <p>The Offer Shares are ordinary, nominative shares, have a nominal value of RON 1, are issued in registered (book entry) form. All Shares are issued according to Romanian law.</p>
<p>Law governing the Shares</p>	<p>Romanian law</p>

Retail Investor	any natural or legal persons in Romania that do not meet the criteria for being considered Institutional Investors.
Institutional Investor	means (A) Romanian investors that are (i) credit institutions, (ii) investment firms (SSIF), (iii) undertakings for collective investments (collective investment funds, investment companies and/or investment management companies), (iv) insurance companies, (v) pension funds and companies managing the respective funds, (vi) traders, (vii) trust companies, (viii) other investors considered by the Manager to be professional clients according to the Manager's internal regulations and the applicable law and (ix) other financial institutions, including deposit banks; and (B) eligible investors outside Romania that fall under paragraph 2 of the section " <i>General Information regarding the Offering</i> " under the chapter " <i>Subscription and Sale</i> " of this Prospectus.
Offering Tranches	<p>The Offering is split in two tranches ("Offering Tranches"), as follows:</p> <p>4.1 up to 15% of Offer Shares (up to 2,250,000 Offer Shares) will be offered to Retail Investors ("Retail Tranche") and</p> <p>4.2 The remaining Offer Shares (up to 12,750,000 Shares) will be offered to Institutional Investors ("Institutional Investors Tranche").</p> <p>The Retail Tranche will be divided in two Sub-Tranches with different allocation rules, as follows:</p> <p>a) Sub-Tranche A, with guaranteed allocation: representing 10% of total Offering, namely a total number of 1,500,000 Offer Shares, with "<i>First come first served</i>" allocation. In this Sub-Tranche a Retail Investor may subscribe minimum 240 Offer Shares including and maximum 7,500 Offer Shares, by one or more subscriptions.</p> <p>b) Sub-Tranche B with "Pro-rata" allocation: representing 5% of total Offering, namely 750,000 Offer Shares. In this Sub-Tranche a Retail Investor may subscribe minimum 240 Offer Shares. Any subscription of a Retail Investor that (i) is made for a number higher than 7,500 Offer Shares; or (ii) cumulated with the other subscriptions of the investor exceeds 7,500 Offer Shares and/or (iii) is made after the full subscription of the Retail Tranche – Sub-Tranche A and/or (iv) together with all the other subscriptions registered in the Retail Tranche would lead to the maximum number of 1,500,000 Offer Shares in the Retail Tranche – Sub-Tranche A being exceeded, will be registered in the Retail Tranche – Sub-Tranche B.</p> <p>Retail Investors may make multiple subscriptions, but these are allowed only through the same Manager/Distributor or Eligible Participant.</p> <p>In the Retail Tranche subscriptions may be made in both allocation categories, in Sub-Tranche A and Sub-Tranche B respectively.</p>

	<p>After the closing of the Offering, depending on the interest of Retail Investors, after consultation with the Manager and based on the unilateral decision of Selling Shareholders, a number of shares representing maximum 5% of the total value of the Offering may be reallocated from the Institutional Investors Tranche to the Retail Tranche, Sub-Tranche B.</p> <p>The final size of each Tranche will be determined by the Selling Shareholders following the Manager's recommendation, based on the subscriptions received from investors, on the Allocation Date (see section "<i>Allocation of Offer Shares</i>" under chapter "<i>Subscription and sale</i>" of the Prospectus).</p>
Manager	<p>The Offering's Manager is Swiss Capital S.A., financial investment company with registered office at 20 Dacia Blvd., Romană Offices, 4th floor, Bucharest, Romania, registered at Bucharest Trade Register under no. J40/4107/1996, sole registration code 8450590.</p>
Distributors	<ol style="list-style-type: none"> 1. S.S.I.F. TradeVille S.A., with registered office at 6A Calea Vitan, Bl. B, Tronson B, 3rd floor, District 3, Bucharest, Romania, post code: 031296; 2. SSIF BRK Financial Group S.A., with registered office at 119 Calea Moșilor, Cluj Napoca, Cluj County.
Stabilisation Manager	<p>Swiss Capital S.A.</p>
Stabilisation	<p>The Stabilisation Manager, or persons acting on its behalf, may, to the extent permitted by the applicable law and in full observance thereof, effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in other circumstances, during the Stabilisation Period.</p> <p>Such stabilisation, once initiated, may be interrupted at any time and may be made only during the Stabilisation Period.</p> <p>For Stabilisation purposes, 3 (three) of the Selling Shareholders, namely Alexandru – Mircea Mihăilescu, Ion Stanciu and Petru Ștefănuț ("Selling Shareholders with Stabilisation Role") agreed to grant the Stabilisation Manager a put option whereby a number of up to 1,011,760 Shares will be transferred by the Selling Shareholders with Stabilisation Role to the Stabilisation Manager, but not more than the effective number of Shares purchased by the Stabilisation Manager on the regulated market operated by BSE for stabilisation purposes.</p> <p>In connection with the stabilisation measures that could be taken by the Stabilisation Manager, the Selling Shareholders with Stabilisation Role agreed in the Placement Agreement the fact that the Stabilisation Manager will retain from the Selling Shareholders with Stabilisation Role 10% of the gross proceeds obtained by them from the Offering in order to finance the</p>

	<p>stabilisation measures.</p> <p>For more details, please see section "<i>Stabilisation</i>" under "<i>Subscription and sale</i>" chapter of the Prospectus.</p>
Offering Price Range	From RON __19__ per Offer Share to RON __21__ per Offer Share.
Final Offering Price	The Final Offering Price will be made public the latest on the Business Day following the Allocation Date and will be contained in the Offering Price Range. For details, see chapter " <i>Subscription and Sale</i> ".
Offering Period	9 Business Days starting on and including 24.05.2021 until and including 04.06.2021. For more details, see chapter " <i>Subscription and Sale</i> " section " <i>Offering Period</i> " in this Prospectus.
Allocation Date	04.06.2021, namely the last day of the Offering Period
Transaction Date	The Business Day immediately following the Allocation Date, namely 07.06.2021
Settlement Date	The day subsequent to the Transaction Date by two Business Days, namely 09.06.2021
Successful closing	The successful closing of the Offering will be subject, inter alia, to the determination of the Final Offering Price and each of the Selling Shareholders' decisions to proceed with the Offering. In order to be successfully closed, it is necessary that minimum 60% of the Offer Shares are sold under the Offering.
Intermediation method	Best efforts
Shareholders Register	The shareholders' Register is currently kept by the Board of Directors. Once the Shares issued by the Company are admitted to trading, the shareholders' Register will be kept by the Romanian CSD (Depozitarul Central S.A., with the registered office in 34-36 Bulevardul Carol I, 3rd, 8th and 9th floors, District 2, post code 020922, Bucharest, Romania).
Listing and Trading	<p>Application will be made to the BSE for the admission of Shares to trading on the regulated market operated by the BSE, a regulated market for the purposes of the EU Directive 65/20-14 on Markets in Financial Instruments.</p> <p>The security identification numbers and trading symbols of the Shares:</p> <p>ISIN: ROYCRRK66RD8</p> <p>CFI: ESVUFR</p> <p>FISIN: TTS/REGSHS RON1</p> <p>LEI: 5493008M458S2MG7GP03</p>

	Share trading symbol: TTS
Subscription	Will be made as set forth in the chapter " <i>Subscription and Sale</i> " of this Prospectus.
Settlement and Transfer	Payment for the Offer Shares is expected to be made in RON through RoClear (Romanian Clearing Settlement, Custody, Depository and Registration System), which is managed by the Romanian CSD, Depozitarul Central S.A.. Transfers of Shares within the Offering and secondary market sales of Shares will be settled and cleared through the settlement system managed by Depozitarul Central S.A., in accordance with applicable Romanian regulations.
Lock-Up	Based on the Placement Agreement, the Selling Shareholders will agree with the Manager that the Selling Shareholders, and any person acting on their behalf, during the period between the Settlement Date and until, and including, 180 days from the Settlement Date (" Lock Up Period "), without the prior written consent of Swiss Capital S.A., not to be unreasonably withheld, during the Lock-up Period, directly or indirectly, will not: (a) offer, sell, lend, assign, mortgage, pledge, charge, contract to sell or otherwise transfer or dispose of in any other manner (or publicly announce any such measure), directly or indirectly, any Shares, any equity securities of the Company or any securities convertible or exchangeable into or exercisable for any equity securities of the Company or any securities or financial products the value of which is directly or indirectly set by reference to the price of the underlying securities, including equity swaps, forward sales and options or depository receipts representing the right to receive any such securities; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any equity securities of the Company or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into any transaction described above, whether any such transaction described in (a) or (b) is to be settled by delivery of Shares or such other securities, in cash or otherwise. For the avoidance of any doubt, the restrictions above shall not apply to the Shares purchased by Swiss Capital S.A. as Stabilisation Manager during the Stabilisation Period for stabilisation purposes. For the avoidance of any doubt, the restrictions above do not apply to Shares purchased by Swiss Capital S.A., as Stabilisation Manager during the Stabilisation Period for stabilisation purposes. Swiss Capital undertakes to respond to a request to waive the interdictions above within 3 Business Days from the receipt of such request; lacking a response during the 3 Business Days period will be understood and interpreted as a tacit acceptance of the waiver.
Voting Rights	Each Share held carries one vote for the purposes of shareholder meetings. For details regarding voting rights, see chapter " <i>Description of Share Capital and Corporate Structure</i> " – section " <i>Rights, Preferences, Restrictions and Obligations derived from holding Shares</i> " in the Prospectus.

<p>Dividend Policy</p>	<p>Under the current legislation and the Company’s Articles of Association (as well as the New Articles of Association), each fully paid Share gives its owner (other than the Company) the right to receive dividends. Dividends are distributed to shareholders pro-rata with their contribution to the Company’s paid-up share capital.</p> <p>For details see chapter "<i>Dividend Policy</i>" in the Prospectus.</p>
<p>Taxation</p>	<p>For a discussion of tax consequences of purchasing and holding shares, see chapter "<i>Taxation</i>" in this Prospectus.</p>
<p>Use of Proceeds</p>	<p>The Company will not receive directly any proceeds from the sale of Offer Shares by the Selling Shareholders under the Offering. The proceeds resulted from the Offering will be used according to the chapter "<i>Use of Proceeds</i>" in this Prospectus.</p>
<p>Selling and Transfer Restrictions</p>	<p>For details see chapter "<i>Selling and Transfer Restrictions</i>" in this Prospectus.</p>
<p>Risk Factors</p>	<p>Investors are invited to review carefully the chapter "<i>Risk Factors</i>" in this Prospectus.</p>

USE OF PROCEEDS

The Company will not directly receive any amount of the proceeds received from the sale of Offer Shares by the Selling Shareholders under the Offering.

The gross proceeds obtained by the Selling Shareholders further to the Offering will be of approximately RON ____315.000.000__ (assuming that all the Offer Shares held by the Selling Shareholders would be sold for the maximum price of the Offering Price Range).

The total net proceeds obtained by the Selling Shareholders further to the Offering, after deduction of fees, rates and charges incurred with the Offering, will be of approximately RON ____300.030.000__ (assuming that all the Offer Shares held by the Selling Shareholders would be sold for the maximum price of the Offering Price Range).

The total fees, rates and charges due by the Company in connection to the Admission to Trading of TTS shares is expected to be of approximately RON 800,000, and the total fees, rates and charges payable by the Selling Shareholders in connection to the Offering is expected to be of approximately RON 14,970,000 (assuming that all Offer Shares will be sold at the top price of the Offering Price Range).

No commissions, fees or expenses in connection with the Offering will be charged to investors by the Company or any of the Selling Shareholders. However, if applicable, the investors will bear the costs associated with opening and maintaining a securities account (unless such investor already has an account) and any brokerage fees payable under any relevant agreements or pursuant to the regulations of the entity accepting such purchase orders.

The Offering is being conducted in order to allow the Selling Shareholders to dispose of a portion of their shareholding, while raising the profile of TTS within the international investment community and establishing a secondary trading market for the Shares.

DIVIDEND POLICY

Under the current legislation and the Company's Articles of Association (as well as the New Articles of Association), each fully paid Share gives its owner (other than the Company) the right to receive dividends. Dividends are distributed to shareholders pro-rata with their contribution to the Company's paid-up share capital. The ordinary general shareholders meeting approving the financial statements also decides the dividend to be distributed. The value of the dividend to be distributed shall be calculated based on the distributable profit obtained in the previous financial year and other distributable amounts, as included in the Company's financial statements. Shareholders' vote is based on the proposal of the Board of Directors or of shareholders holding individually or together at least 5% of the voting rights in the Company, being entitled to request the agenda to include also a new discussion item in relation to setting the dividend.

According to Law 24/2017, the reference date identifying the shareholders that are to benefit from dividend or other rights and that are impacted by the decisions of the general shareholders meeting shall be decided by the latter. Such date shall be at least 10 Business Days after the date of the respective general shareholders meeting. Once the dividend is decided, the general shareholders meeting shall also set the date when it shall be paid to shareholders. Such date shall not be later than 6 months from the date of the general shareholders meeting approving the dividend. In case the general shareholders meeting does not set the dividend payment date, it shall be paid within 30 days from the publication of the decision of the general shareholders meeting approving the dividend in Romania's Official Gazette, Part IV. If dividend is not paid until that date, the Company is in delay by operation of law. The decision has an enforceable nature, based on which shareholders may begin the foreclosure against the Company, according to the law. The Company must pay the dividend through Depozitarul Central and the participants to clearing-settlement and Register system. According to capital markets regulations, the Company must publish, before the dividend payment date, a communication, to be sent to the FSA and BSE, specifying the value of the dividend per share, the dividend ex date, the registration date and the dividend payment date, as approved by the ordinary general shareholders meeting, as well as the methods of dividend payment and identification information of the paying agent. Dividend become time barred after 3 years. Any dividend distributed but not paid until they become time barred may be retained by the Company.

According to Companies Law, a dividend distribution out of fictitious profits or from sources that cannot be distributed, during the financial year based on interim and annual financial condition, based on annual financial statements, or contrary to their conclusions, entails the criminal liability of the Company's directors, managers, or legal representatives.

According to art. 9 of the Company's New Articles of Association, the Company shall pay dividend to shareholders each year, according to the Company's dividend policy.

The Company distributed and paid dividends for the financial periods ended December 31 2018, 2019 and 2020 as follows:

- for the financial period ended December 31 2018, a gross total amount of RON 7,200,000, namely RON 0.24/share;
- for the financial period ended December 31 2019, a gross total amount of RON 15,300.000, namely 0.51/share;
- for the financial period ended December 31 2020, a gross total amount of RON 16,200,000, namely RON 0.54/share. Dividend was paid in April 2021.

As of the date of each of the distributions above the nominal value of one Share was RON 1.

According to the Company's dividend policy, it intends to distribute dividend subject to the legal provisions in force and commercial considerations (including, without being limited to, the applicable provisions and restrictions, TTS (Grup) operating results, financial condition, cash requirements, contractual limitations, future plans and projects of TTS (Grup)).

The Company's capacity to pay dividend is conditional, among others, upon the Company's future profit as registered in the individual financial statements that, in its turn, also depend on the distributable profits obtained from the Company's subsidiaries, according to the legal provisions in force and eventual restrictions. In order to decide the amount to be distributed as dividend, the statutory profit of the current year and the reported profit from the previous years will be adjusted to form the necessary statutory reserves.

It should be mentioned that the decision regarding dividend distribution, if applicable, is made by the subsidiaries (and such dividend is included in the Company's income), and such dividend is included in the Company's profit following that in which the subsidiary's profit is booked. The dividend paid by the Company's subsidiaries will be distributed as profit to the Company's shareholders in the year following that in which the subsidiaries paid such dividend, based on OGSM decision. Dividend (if distributed) may be paid only out of the statutory profit of the current year and the reported profit of the previous years, according to the bookings in the Company's financial statements approved by the OGSM, based on the report of the Board of Directors.

For the following years, the current Board of Directors of TTS intends to recommend to the ordinary general shareholders meeting that the Company should distribute 45% of the distributable profit each year. Also, the Board of Directors will recommend to the Company's ordinary general shareholders meeting to distribute an increased dividend or at least equal to the level of the previous year.

The distribution proposal mentioned above may be adjusted depending on the investment needs, capital requirements, general economic context and other factors that the directors consider material, and for its implementation it is necessary that the shareholders approve the dividend distribution in the form proposed by the Board of Directors. Furthermore, the proposal for dividend distribution as described above is subject to the occurrence of exceptional market conditions or exceptional financing needs, as well as to the applicability of certain legal restrictions. Besides a possible dividend distribution in cash, the Company may also increase the share capital by incorporating the legal reserves/reported profit, and the newly issues shares are to be allocated free of charge to the Company's shareholders.

Still, it is possible that from one year to another, shareholders may decide or not to distribute dividend, depending on the Company's distributable profit, investment plans or other capital needs it may have, the limitations existing the contracts signed by the Company, the general economic context and other factors that directors and shareholders consider material for deciding to distribute dividend. There is no guarantee that Company will distribute or pay dividend in the future.

CAPITALIZATION AND INDEBTEDNESS

The following tables should be read in conjunction with the chapters "*Selected Financial Information of TTS (Grup)*", "*Operating and Financial Review*", "*Business*" and the Financial Statements and the related notes thereto.

	28.02.2021
	<i>(Unaudited)</i>
	(RON)
Total interest bearing loans, current portion.....	53,983,978
Bank loans.....	23,000,746
Overdraft	30,809,276
Financial leasing	173,955
 Total interest bearing loans, current portion (save for current rates of long term debt)	 20,324,139
Bank loans.....	20,171,450
Overdraft	0
Financial leasing	152,689
Total interest bearing loans.....	74,308,117
 Capital and reserves	
Share capital	31,739,602
Reserves	223,522,013
Deferred earnings.....	244,420,990
Non-controlling interests.....	105,299,772
Total capitalization	604,982,378

Source: TTS (Grup) financial statements

The following table sets forth net financial indebtedness of TTS (Grup) as at **28.02.2021**

	28.02.2021
	<i>(Unaudited)</i>
	(RON)
Cash and cash equivalents	49,426,845
Total interest bearing borrowings.	73,981,472
Financial leasing debt	326,644
Net financial debt	-24,881,271

Source: TTS (Grup) financial statements

The Company represents that, as of February 28 2021, the total value of TTS (Grup) debt secured by collateral was RON 74.3 million, the total value of TTS (Grup) capitalization was RON 605 million and its total net debt was – RON 24.9 million.

There have not been any major changes in the Company's capitalization and/or debt since February 28 2021.

SELECTED FINANCIAL INFORMATION OF TTS (GRUP)

The summary annual statements below regarding the consolidated operating result and financial information as of and for the years ended December 31 2018, 2019 and 2020 have been derived from the audited financial statements included elsewhere in this Prospectus. The financial information included under "Non-IFRS measures and AMP" refer to financial information that was not derived from the Financial Statements but that was derived or resulted from management accounting or accounting records.

The information below should be read in conjunction with the Financial Statements and notes thereto included elsewhere in this Prospectus, as well as with the information in the chapters "Presentation of Financial and Other Information" and "Operating and Financial Review". Potential investors should read this Prospectus in its entirety and should not rely exclusively on the selected or summarised information.

Consolidated statement of profit & loss and other comprehensive income for the years ended December 31, 2020, 2019 and 2018

RON Thousand	Year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Revenue	520,286	551,795	475,191	-5.7%	16.1%
<i>Revenue from sales of merchandises</i>	20,947	25,273	41,898	-17.1%	-39.7%
<i>Revenue from sales of raw materials</i>	-	-	162	0.0%	-100.0%
<i>Revenues from sales of finished products</i>	9,056	103	-	8676.8%	0.0%
<i>Revenue from rendering of services</i>	483,359	517,376	424,719	-6.6%	21.8%
<i>Revenue from other activities</i>	6,925	9,043	8,411	-23.4%	7.5%
Raw materials and consumables	(68,101)	(93,003)	(86,434)	-26.8%	7.6%
Cost of merchandise sold	(17,613)	(18,900)	(30,274)	-6.8%	-37.6%
Depreciation and amortization	(51,994)	(54,725)	(46,569)	-5.0%	17.5%
Subcontractors expenses	(191,214)	(186,208)	(165,578)	2.7%	12.5%
Payroll expenses	(96,685)	(94,900)	(87,830)	1.9%	8.1%
Other expenses	(40,435)	(39,708)	(36,980)	1.8%	7.4%
Other gain and losses	8,001	4,881	4,243	63.9%	15.1%
Total operating result	62,246	69,233	25,768	-10.1%	168.7%
Investment expenses	(625)	504	827	-224.0%	-39.0%
Net of finance cost/ income	(2,536)	(3,012)	(3,169)	-15.8%	-5.0%
Profit of the year from continuing operations	59,085	66,725	23,426	-11.5%	184.8%
Income tax expenses	(10,829)	(13,439)	(5,616)	-19.4%	139.3%
Profit of the year:	48,256	53,287	17,810	-9.4%	199.2%
Translation adjustments	(345)	-	-	0.0%	0.0%
Total comprehensive income for the year, net of tax	47,911	53,287	17,810	-10.1%	199.2%
Owners of the Company	44,248	47,675	16,656	-7.2%	186.2%
Non-controlling interests	4,008	5,612	1,154	-28.6%	386.5%
Total comprehensive income for the year attributable to:					
Owners of the Company	43,904	47,675	16,656		
Non-controlling interests	4,008	5,612	1,154		

Source: Audited Consolidated Financial Statements

Consolidated statement of financial position as at December 31 2020, 2019 and 2018

RON Thousand	For the year ended			Change %	
	2020	2019	2018	2020/2019	2019/2018
ASSETS					
Non-current assets					
Property, plant and equipment	583,695	563,104	587,686	3.7%	-4.2%
Goodwill	3,847	3,847	2,944	0.0%	30.7%
Intangible assets	1,938	2,520	4,374	-23.1%	-42.4%
Investments in associates	7,597	8,183	27,312	-7.2%	-70.0%
Other long term assets	4,102	4,117	5,238	-0.4%	-21.4%
Total non-current assets	601,178	581,771	627,554	3.3%	-7.3%
Current assets					
Inventories	22,990	30,463	28,139	-24.5%	8.3%
Trade and other receivables	54,675	69,759	56,292	-21.6%	23.9%
Loans to associates	-	-	-	0.0%	0.0%
Other current assets	16,821	18,041	17,800	-6.8%	1.4%
Cash and cash equivalents	55,161	62,393	38,940	-11.6%	60.2%
Assets held for sale	-	3,351	-	-100.0%	0.0%
Total current assets	149,647	184,007	141,171	-18.7%	30.3%
TOTAL ASSETS	750,825	765,778	768,725	-2.0%	-0.4%
EQUITY AND LIABILITIES					
Equity and reserves					
Share capital	31,740	31,740	31,740	0.0%	0.0%
Capital premiums	(0)	(0)	0	0.0%	n.a.
Reserves	223,522	228,583	227,561	-2.2%	0.4%
Retained earnings	244,421	210,756	223,903	16.0%	-5.9%
-	-	-	-	-	-
Equity attributable to equity holders of the parent	499,683	471,079	483,204	6.1%	-2.5%
Non-controlling interest	105,300	102,216	97,167	3.0%	5.2%
Non-current liabilities					
Interest-bearing loans	23,114	46,059	64,170	-49.8%	-28.2%
Deferred tax liabilities	7,786	7,993	7,771	-2.6%	2.8%
Long term leasing	160	167	160	-4.1%	n.a.
Other long term liabilities	115	382	951	-69.8%	-65.6%
Total non-current liabilities	31,175	54,601	73,053	-42.9%	-25.3%
Current liabilities					
Trade and other payables	28,904	38,718	36,811	-25.3%	5.2%
Current portion of the leasing	209	295	187	-29.0%	57.5%
Interest bearing loans and borrowings	50,802	62,895	54,121	-19.2%	16.2%
Provisions for risks and charges	5,009	6,325	3,858	-20.8%	63.9%
Other current liabilities	29,744	29,650	20,325	0.3%	45.9%
Total current liabilities	114,668	137,883	115,302	-16.8%	19.6%
-	-	-	-	-	-
TOTAL LIABILITIES	145,843	192,484	188,354	-24.2%	2.2%
TOTAL EQUITY AND LIABILITIES	750,825	765,778	768,725	-2.0%	-0.4%

Source: Audited Consolidated Financial Statements

Consolidated statement of cash flows for the years ended December 31 2020, 2019 and 2018

For the year ended December 31			
RON thousand	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	59,085	66,725	23,426
Adjustments for non-cash items			
Depreciation, amortization and impairment	51,994	48,574	46,527
Net increase in provision for fixed assets	(4,307)	6,109	-
Net interest expenses	2,055	2,296	2,514
(Gain)/ Loss from disposals of fixed assets	(3,692)	860	(313)
Net increase in provision for current assets	976	(781)	2,973
Net increase / (Decrease) in provision for risks and charges	(1,316)	2,467	460
Net increase / (Decrease) in assets held for sale	-	-	-
Net increase in investments	-	-	(215)
Revaluation impact	-	-	-
Deferred tax revenue / (expenses)	-	-	-
Net increase / (Decrease) in value of associates	587	160	(133)
Exchange rates differences	-	-	-
Operating profit before working capital changes	105,381	126,409	75,240
Changes in operating assets and liabilities			
(Increase) / Decrease in trade and other receivables	14,494	(6,853)	2,495
Decrease / (Increase) in inventories	7,977	(6,285)	(6,644)
Increase / (Decrease) in trade and other payables	(14,620)	5,081	(3,619)
Cash generated from operations	113,231	118,351	67,473
Interest paid	(2,055)	(2,296)	(2,514)
Income tax paid	(3,673)	(6,867)	(10,872)
Net cash flow generated from operations	107,502	109,189	54,087
INVESTING ACTIVITIES			
Purchases of tangible and intangible assets	(73,108)	(70,218)	(50,843)
Payments for investments	(730)	(1,197)	-
Income from sale of fixed assets	5,601	4,374	2,115
Loans (granted) to associates	-	(950)	-
Encashment from sale of investments	3,841	(160)	133
Spin off payments	-	(351)	-
Dividends paid to non-controlling interests	-	(300)	(406)
Interest received	-	-	-
Cash flow used in investing activities	(64,397)	(68,802)	(49,000)
FINANCING ACTIVITIES			
Encashment from capital increases	-	-	-
Contribution of non-controlling interests	-	-	-
Dividends paid	(15,300)	(7,200)	(14,400)
Loans (paid) / received	(35,039)	(9,337)	28,141
Increase / (Decrease) in leasing	-	-	(1,448)
Shares bought back	-	(397)	(29,111)
Encashment from repayment of associates loans	-	-	-
Cash flow generated by financing activities	(50,339)	(16,934)	(16,818)

	For the year ended December 31		
Net (decrease) / increase in cash and cash equivalents	(7,233)	23,453	(11,732)
Cash and cash equivalents at the beginning of the year	62,393	38,940	50,672
Cash and cash equivalents from subsidiaries			
Cash and cash equivalents at the end of the year	55,161	62,393	38,940

Source: Audited Consolidated Financial Statements

NON-IFRS AND ALTERNATIVE PERFORMANCE MEASURES

The non-IFRS measures presented below include Reported EBITDA, Adjusted EBITDA, Reported EBITDA Margin, Adjusted EBITDA Margin, net debt and net working capital. These were included in this Prospectus to facilitate a better understanding of TTS (Grup) historic evolution as regards to operations, financial condition and liquidity and are used by TTS (Grup) as a basis for strategic planning and forecasting. Reported EBITDA and other non-IFRS measures should not be treated independently, as an alternative result from operating activities, cash flows from operating activities or other financial measures resulted from the operations of TTS (Grup) or its cash flows according to IFRS. TTS (Grup) includes Reported EBITDA and other non-IFRS measures in this Prospectus as it considers them useful ways to measure the performance and liquidity of TTS (Grup). Other companies, including those operating in TTS (Grup) industry, may calculate similar financial ratios in a different manner than TTS (Grup). As not all companies calculate these financial ratios in the same way, the presentation by TTS (Grup) of such financial ratios may not be comparable to other similar financial ratios of other companies and may have limitations in terms of financial analysis. Therefore, these should not be considered in isolation or as a replacement of a review of TTS (Grup) operating results according to IFRS. Such non-IFRS measures are not audited and may represent APM according to ESMA Guide on Alternative Performance Measures of 5 October 2015 and other additional recommendations published by ESMA until the date of this Prospectus.

Reported EBITDA is a non-IFRS financial ratio defined by TTS (Grup) as total operating result of TTS (Grup) (excluding income tax, net financial expenses/income and investment expenses), plus amortization and depreciation. Reported EBITDA margin is a non-IFRS financial ratio defined by TTS (Grup) as EBITDA divided by total revenue, expressed as percentage. Adjusted EBITDA is a non-IFRS financial ratio defined by TTS (Grup) as reported EBITDA excluding adjustment expenses for current assets, non-current assets, expenses for provisions and write off of doubtful receivables, as well as adjustments for extraordinary administrative expenses and other non-recurring specific expenses. Adjusted EBITDA margin is a non-IFRS financial ratio defined as adjusted EBITDA divided by revenue, expressed as percentage. TTS (Grup) presents reported EBITDA, reported EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin as these are used on a large scale by analysts of securities, investors and other interested parties in assessing the profitability of a company. Reported EBITDA and Adjusted EBITDA eliminate the potential difference in performance caused by fluctuations in the capital structure (impacting on the financing costs), taxation position (e.g. net operating loss eliminating profit tax), cost and age of fixed assets (impacting on depreciation expense) and the extent to which intangible assets are identifiable (impacting on depreciation expense).

EBITDA based ratios have limitations as instruments for analysis. Part of these limitations are:

- Ratios based on reported EBITDA and adjusted EBITDA do not reflect the cash expense of TTS (Grup) or expenses related to future capital requirements or contractual commitments;
- Ratios based on reported EBITDA and adjusted EBITDA do not reflect the adjustments from or cash requirements for the working capital needs of TTS (Grup);
- Do not show the interest expense or cash requirements needed to cover the payment of interest or principal of a debt of TTS (Grup);
- Although amortization and depreciation are non-cash expenses, the assets amortized and depreciated need, in many cases, their replacement in the future, and EBITDA based ratios do not reflect the cash requirements needed for such asset replacements; and

- Ratios based on reported EBITDA and adjusted EBITDA do not reflect the impact of certain payments or cash expenses resulted from aspects that are not representative for the current operations of TTS (Grup).

Due to these limitations, as well as those mentioned before, the non-IFRS ratios should not be presented individually or as a substitute for the financial ratios calculated according to IFRS. TTS (Grup) compensate such limitations mainly relying on the IFRS results of TTS (Grup) and use such non-IFRS ratios as additional measure.

Reported EBITDA, Adjusted EBITDA, Reported EBITDA Margin and Adjusted EBITDA Margin consolidated for the years ended December 31 2020, 2019 and 2018

Reported EBITDA and Adjusted EBITDA

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/ 2019	2019/ 2018
Total operating result	62,246	69,233	25,768	-10.1%	168.7%
(+) Depreciation and amortization	51,994	54,725	46,569	-5.0%	17.5%
Unaudited Reported EBITDA	114,240	123,958	72,338	-7.8%	71.4%
<i>Unaudited Reported EBITDA Margin (%)</i>	<i>22.0%</i>	<i>22.5%</i>	<i>15.2%</i>		
Adjustments for unaudited non-recurring items, out of which:					
Adjustments for net income / (expense) with current assets	(983)	781	(2,973)	-225.9%	-126.3%
Adjustments for net income / (expense) with non-current assets	4,471	-	24	n.a	-100.0%
Net income / (expense) with provisions	1,316	(2,467)	(460)	-153.3%	436.2%
Write off of doubtful receivables	(475)	(2,638)	(99)	-82.0%	2561.8%
Other administrative expenses	-	-	(1,785)	n.a	-100.0%
Extraordinary expenses – tank ship	(9,478)	-	-	n.a	n.a
Unaudited Adjusted EBITDA	119,388	128,282	77,631	-6.9%	65.2%
<i>Unaudited Adjusted EBITDA Margin (%)</i>	<i>22.9%</i>	<i>23.2%</i>	<i>16.3%</i>		

Source: Audited Consolidated Financial Statements

Reported EBITDA increased by 71.4% in 2019 as compared to 2018, from RON 72.3 million to RON 124.0 million. The increase shows a significant boost for the profit obtained from river transport and port operations, mainly due to higher volumes of transported and operated cargo and to the restructuring and efficiency measures taken, especially in the river transport segment, that allowed a balanced upstream/downstream traffic and an increase in the general efficiency of the business.

Reported EBITDA dropped by 7.8% in 2020 as compared to 2019, from RON 124.0 million to RON 114.2 million. This change was mainly triggered by the lower profit of the freight forwarding (9.1%) and port operation (41.6%) segments, following the impact of COVID crisis and the extreme drought on the activity and profitability.

Adjusted EBITDA increased in 2019 by 65.2%, or RON 50.7 million as compared to 2018, to RON 128.3 million. The decrease in the growth rate as compared to Reported EBITDA is the result of positions added back to Reported EBITDA in 2019, mainly caused by the evolution of adjustments for current assets (which increased from expenses of RON 3.0 million to net revenue of RON 0.8 million), which could not offset the decreases in the adjustments for provisions for clients from RON 0.5 million to RON 2.5 million and the loss from the write off of receivables of RON 2.7 million in 2019 versus RON 0.1 million in 2018.

Adjusted EBITDA dropped in 2020 by RON 8.9 million or 6.9% as compared to the previous year, from RON 128.3 million to RON 119.4 million. As compared to Reported EBITDA, the lower decrease of Adjusted EBITDA was triggered by the adjustments for net income with fixed assets of RON 4.5 million, which could not offset the adjustments with extraordinary expenses of RON 9.4 million, generated by the construction of the tank ship for CN APM Constanta.

Reported EBITDA, Adjusted EBITDA, Reported EBITDA Margin and Adjusted EBITDA Margin based on TTS (Grup) segments

The following tables reconcile Reported EBITDA and Adjusted EBITDA with the total operating profit at the end of the period, this being the IFRS financial measure the closest to these non-IFRS measures.

Forwarding segment

Reported EBITDA and Adjusted EBITDA for the forwarding segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Total operating result	30,257	33,358	30,389	-9.3%	9.8%
(+) Depreciation and amortization	2,575	2,757	2,910	-6.6%	-5.3%
Unaudited Reported EBITDA	32,833	36,115	33,299	-9.1%	8.5%
<i>Unaudited Reported EBITDA Margin (%)</i>	<i>26.9%</i>	<i>30.2%</i>	<i>30.0%</i>		
Adjustments for unaudited non-recurring items, out of which:					
Adjustments for net income / (expense) with current assets	286	(26)	3,562	-1.189.7%	-100.7%
Adjustments for net income / (expense) with non-current assets	-	-	-	n.a	n.a
Net income / (expense) with provisions	(191)	(152)	108	26.2%	-240.5%
Write off of doubtful receivables	(345)	-	(27)	n.a	-100.0%
Other administrative income / (expenses)	-	-	(1,785)	n.a	-100.0%
Unaudited Adjusted EBITDA	33,083	36,293	31,441	-8.8%	15.4%
<i>Unaudited Adjusted EBITDA Margin (%)</i>	<i>27.1%</i>	<i>30.4%</i>	<i>28.3%</i>		

Source: Audited Consolidated Financial Statements

The operating result from forwarding activities increased in 2019 to RON 33.4 million from RON 30.4 in the previous year, up by 9.8% based on increased revenues from forwarding mineral and agricultural products. The operating profitability of this segment decreased in 2020 to RON 30.3 million from RON 33.4 million in 2019, down by 9.3%, due to lower revenues from the forwarding of minerals and chemical products, as a consequence of COVID crisis in the metallurgical industry and of the drought, together with an increase in subcontractors expenses generated by higher cargo volumes forwarded by waterway and railway. A part of TTS (Grup) clients doing business in the metallurgical industry reduced their imports by approximately 1 million tonnes of cargo, which reduced the transported volumes accordingly. Another reason is the extreme drought in Romania, which significantly reduced the exports of grains, impacting on the activity – and efficiency – especially for port operation business, offset by the increasing revenues from the transport of agricultural products on longer routes, from Serbia and Hungary. Expenses with subcontractors increased due to higher volumes transported on railway and sea, services performed by third parties.

Reported EBITDA was calculated by adding up the operating result and amortization expenses. Amortization expenses refer to the amortization of the real estate and transport means held, which dropped each year of the period under review, from RON 2.9 million in 2018 to RON 2.8 million in 2019, and RON 2.6 million in 2020 respectively, due to the reduced amortization base of fixed assets as they completed their useful life period. Reported EBITDA registered the same trend as the operating result.

Reported EBITDA Margin did not register significant fluctuations during 2018-2019, and ranged between 30.0% and 30.2%, while in 2020 it was of 27% of total net revenues from the forwarding segment.

Adjusted EBITDA with non-recurring items increased by 15.4% in 2019 versus the previous year, to RON 36.3 million from RON 31.4 million. This is a consequence of the decreased ratio in 2018 following the negative adjustment of the increase of revenues from current assets by 7.6% in 2019 versus 3.6 in the previous year, from RON 111.0 million to RON 119.5 million, a decrease of other administrative expenses by 12.5% in 2019, namely RON 6.3 million versus RON 7.1 million in 2018 and a lower EBITDA in 2018 due to the impact of the write off of non-monetary items amounting to a total of RON 1.9 million. Adjusted EBITDA with non-recurring items decreased by 8.8% in 2020 versus the previous year, to RON 33.1 million from RON 36.3 million, fluctuating in the absence of non-significant non-recurring adjustments to the same extent as Reported EBITDA.

River transport segment

Reported EBITDA and Adjusted EBITDA for the river transport segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/ 2019	2019/ 2018
Total operating result	31,732	30,512	1,954	4.0%	1461.8%
(+) Depreciation and amortization	33,136	32,111	26,732	3.2%	20.1%
Unaudited Reported EBITDA	64,868	62,623	28,686	3.6%	118.3%
<i>Unaudited Reported EBITDA Margin (%)</i>	<i>22.5%</i>	<i>20.2%</i>	<i>11.4%</i>		
Adjustments for unaudited non-recurring items, out of which:					
Adjustments for net income / (expense) with current assets	(3,494)	2,557	959	-236.6%	166.7%
Adjustments for net income / (expense) with non-current assets	216	-	24	n.a	-100.0%
Net income / (expense) with provisions	38	(1,376)	(809)	-102.8%	70.2%
Net income / (expense) from revaluation	-	-	-	n.a	n.a
Write off of doubtful receivables	(108)	(2,518)	(26)	-95.7%	9485.3%
Other administrative expenses	-	-	-	n.a	n.a
Unaudited Adjusted EBITDA	68,216	63,960	28,538	6.7%	124.1%
<i>Unaudited Adjusted EBITDA Margin (%)</i>	<i>23.7%</i>	<i>20.6%</i>	<i>11.3%</i>		

Source: Audited Consolidated Financial Statements

The operating result for the river transport segment registered a positive trend during 2018-2020, showing an improvement of TTS (Grup) operating performance, from an operating result of RON 2.0 million in 2018 to RON 30.5 million and RON 31.7 million in 2019 and 2020 respectively. These evolutions were mainly based on the increased income from the transport of minerals and agricultural products, as well as on the slower increase of the direct expenses related to such income. This is the result of investments in fleet modernisation and making it better match the market and navigation conditions, as well as of activity restructuring measures and optimization of resource allocation for contracts' execution. For this purpose, the program for the modernisation and coverage

of open barges (large sized, capacity of 3,000 tonnes), started in 2015 and that will also continue in the following years (extended with the modernisation and coverage of barges with a capacity of 2,000 tonnes) allowed a balanced cargo traffic on both navigation routes on the Danube (upstream and downstream) and a flexibility in the use of propelled fleet according to real needs, which led to a more efficient use of non-propelled and propelled fleet and to lower usage of the vessels without cargo.

Reported EBITDA of RON 28.7 million in 2018 was mainly triggered by amortization expenses. In 2019 Reported EBITDA registered an increase of 118.3% versus the previous year, up to RON 62.6 million, while more than half was related to amortization. Reported EBITDA had a positive trend also in 2020, but more reduced, from RON 62.6 million in the previous year to RON 64.9 million, half of it consisting in amortization as well.

Reported EBITDA Margin registered a significant increase in 2019, up to 20.2% from 11.4% in 2018, generated by both the improved efficiency of the operating activity and by amortization expenses. In 2020 EBITDA margin registered an increase of 11%, up to 22.5% from 20.2%.

The impact of adjustments for non-recurring items in 2018 was insignificant, of RON 148.6 thousand, but in 2019 we can notice an increase of Adjusted EBITDA following non-recurring expenses with the write off of doubtful receivables and provisions of RON 3.9 million, partially counter-balanced by the net income from resumed depreciation of current assets of RON 2.6 million. In 2020 Adjusted EBITDA also increased by 6.7% versus the previous year, following non-recurring expenses with current assets of RON 3.5 million.

Port operation segment

Reported EBITDA and Adjusted EBITDA for Port operation segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Total operating result	1,789	13,196	6,407	-86.4%	106.0%
(+) Depreciation and amortization	13,428	12,864	12,940	4.4%	-0.6%
Unaudited Reported EBITDA	15,217	26,060	19,347	-41.6%	34.7%
<i>Unaudited Reported EBITDA Margin (%)</i>	<i>23.9%</i>	<i>33.4%</i>	<i>30.9%</i>		
Adjustments for unaudited non-recurring items, out of which:					
Adjustments for net income / (expense) with current assets	-	(16)	2	-100.0%	-1009.5%
Adjustments for net income / (expense) with non-current assets	-	-	-	n.a	n.a
Net income / (expense) with provisions	(229)	247	(45)	-192.5%	-647.8%
Write off of doubtful receivables	-	-	-	n.a	n.a
Unaudited Adjusted EBITDA	15,446	25,829	19,390	-40.2%	33.2%
<i>Unaudited Adjusted EBITDA Margin (%)</i>	<i>24.2%</i>	<i>33.1%</i>	<i>30.9%</i>		

Source: Audited Consolidated Financial Statements

Reported EBITDA for port operation segment increased by 34.7% in 2019 versus 2018, up to RON 26.1 million, from RON 19.3 million. This increase was mainly determined by the income from operation of agricultural products, which contributed by more than 70% to the income for port operation segment during the three years under review. Reported EBITDA dropped in 2020 by 41.6% to RON 15.2 million, this change being also a result of the lower income from the operation of agricultural products following drought.

Reported EBITDA Margin as percentage of the segment's income increased from 30.9% in 2018 to 33.4% in 2019, followed by a decrease in 2020 to 23.9%, but which is still slightly above the average level of the consolidated margin. The main factors contributing to the increase of the reported EBITDA margin from 2018 to 2019 were: increase in the operating result, due to higher operation volumes considering both the market evolution and the capacity of TTS (Grup) to attract more cargo for operation, as a result of the investments in the modernisation of port equipment and to commercial measures, part of the restructuring and efficiency measures, consisting in making flexible the tariffs for agricultural products off season. The significant decrease of EBITDA margin in nominal and percentage terms is triggered by lower volumes for all types of operated cargo as compared to 2019, namely by 27.1% for minerals, 22.6% for agricultural products and 9.9% for chemical products, as an effect of COVID crisis and extreme drought.

The adjustments for non-recurring items during 2018-2019 were generated by net income/expenses with current assets and the provisions booked or reversed, but the impact on EBITDA margin was insignificant for the port operation segment. For 2020, these adjustments are formed only from net provision expenses, and the EBITDA margin for this year registered a decrease, from 33.1% in the previous year to 24.2%.

Other activities Segment

Reported EBITDA and Adjusted EBITDA for other activities segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Total operating result	(1,532)	(7,832)	(12,980)	-80.4%	-39.7%
(+) Depreciation and amortization	2,854	6,992	3,987	-59.2%	75.4%
Unaudited Reported EBITDA	1,322	(840)	(8,994)	n.a.	-90.7%
<i>Unaudited Reported EBITDA Margin (%)</i>	<i>2.8%</i>	<i>(1.9%)</i>	<i>(18.4%)</i>		
Adjustments for unaudited non-recurring items, out of which:					
Adjustments for net income / (expense) with current assets	2,225	(1,734)	(7,496)	-228.3%	-76.9%
Adjustments for net income / (expense) with non-current assets	4,256	-	-	n.a	n.a
Net income / (expense) with provisions	1,698	(1,186)	286	-243.1%	-515.0%
Write off of doubtful receivables	(22)	(120)	(46)	-81.5%	162.8%
Extraordinary expenses – tank ship	(9,478)	-	-	n.a	n.a
Unaudited Adjusted EBITDA	2,644	2,200	(1,738)	20.2%	-226.6%
<i>Adjusted EBITDA Margin (%)</i>	<i>5.7%</i>	<i>5.0%</i>	<i>-3.5%</i>		

Source: Audited Consolidated Financial Statements

Reported EBITDA was negative during 2018-2019, and its lowest level was registered in 2018, when the performance of TTS (Grup) on other activities segment decreased due to the significant expenses booked as other gains or loss representing depreciation of current assets and additional provisions for risks and charges.

As a consequence, the Reported EBITDA Margin was negative during 2018-2019, of -18.4% and -1.9% respectively. In 2019 the ratio improved due to lower loss and increase in the revenues of this segment.

In 2020, it registered a positive value of RON 1.3 million, the highest Reported EBITDA of the entire period under review, registering an increase of RON 2.2 million as compared to the previous year. This is due to the significant booking under other gains or loss representing adjustments for net income, such as depreciation of fixed assets (RON 4.3 million), adjustments for net income with the depreciation of current assets (RON 2.2

million) and adjustments for income from settling certain provisions (RON 1.7 million). Thus, the Reported EBITDA margin registered a positive value of 2.8% in 2020.

The main adjustments for non-recurring items refer to expenses with current assets amounting to RON 7.5 million in 2019, representing doubtful receivables from clients under insolvency. The adjustments for non-recurring items in 2019 of RON 3.0 million represent expenses with current assets, provisions and write off of doubtful receivables, which caused the adjusted EBITDA to increase to RON 2.2 million and a margin of 5.0%.

The adjustments for non-recurring items in 2020 of RON 1.3 million are mainly expenses with current and non-current assets, extraordinary expenses and provision expenses, making the adjusted EBITDA increase to RON 2.6 million and a margin of 5.7%.

Net debt

Net debt is a non-IFRS financial ratio defined as cash and cash equivalents, minus interest bearing loans and overdraft, interest bearing borrowings and leasing. TTS (Grup) considers that net debt is a relevant ratio for indebtedness, financial flexibility and capital structure of TTS (Grup) as it presents the level of debt after including the cash and bank balances of TTS (Grup) activity, which could be used for paying overdue debts. TTS (Grup) considers that net debt may offer support to securities analysts, investors and other third parties in assessing TTS (Grup). Net debt and other similar ratios are used by different companies for different purposes and are often calculated so as to reflect the circumstances of the respective companies. As a consequence, proceed with caution when comparing the net debt of TTS (Grup) with that of other companies. The following table presents the component parts of TTS (Grup) net debt as of the date mentioned in the table.

Calculation of net debt

RON thousand	For the year ended December 31		
	2020	2019	2018
Cash and cash equivalents	55,161	62,393	38,940
(-) Interest bearing borrowings	(23,114)	(46,059)	(64,170)
(-) Interest bearing borrowings and other short term liabilities	(50,802)	(62,895)	(54,121)
(-) Leasing	(370)	(462)	(347)
Net debt	(19,124)	(47,022)	(79,698)

Source: Audited Consolidated Financial Statements

Net working capital

Net working capital is a non-IFRS ratio defined as inventories, trade and other receivables, other current assets, current assets held for sale and other trade payables and other current liabilities. TTS (Grup) considers the working capital a useful financial ratio presenting the general financial condition of TTS (Grup) as it points out the short term liquidity level, along with multiple activities of TTS (Grup) such as liabilities management, income collection ratio, payments to suppliers and inventories management. TTS (Grup) considers that working capital may offer support to securities analysts, investors and other third parties in assessing TTS (Grup). Net working capital and other similar ratios are used by different companies for different purposes and are often calculated so as to reflect the circumstances of the respective companies. As a consequence, proceed with caution when comparing the net working capital of TTS (Grup) with that of other companies.

The following table presents the component parts of TTS (Grup) net working capital as of the date mentioned in the table.

Net working capital

RON thousand	For the year ended December 31		
	2020	2019	2018
Inventories	22,990	30,463	28,139
Trade and other receivables	54,675	69,759	56,292
Other current assets	16,821	18,041	17,800
Current assets held for sale	-	3,351	-
Trade and other payables	(28,904)	(38,718)	(36,811)
Other short term liabilities	(29,744)	(29,650)	(20,325)
Net working capital	35,838	53,246	45,095

Source: Audited Consolidated Financial Statements

OPERATING AND FINANCIAL REVIEW

This analysis of the financial condition and results of operations of TTS (Grup) should be read by investors in conjunction with the Financial Statements and the notes thereof presented elsewhere in this Prospectus. The information included in this analysis and presented below, as well as the information presented in other chapters of this Prospectus, contain considerations on certain risks and alternative scenarios. Please refer to the chapters "Cautionary note regarding forward looking statements" and "Risk Factors" in order to consider the significant factors that could determine significant differences between current result and the results described or suggested in the forecasted statements included in this Prospectus. Investors should read the Prospectus in its entirety, and not only the summarised information.

Unless stated otherwise, the analysis presented below is based on the Company's statement of consolidated financial performance, statement of consolidated financial position and statement of consolidated cash flows as of December 31 2020, 2019 and 2018 and should be read in conjunction with the notes to these statements, derived from the Financial Statements presented elsewhere in this Prospectus.

Overview

TTS (Grup) is one of the most important participants to the Romanian transport market and the largest freight forwarder of the Danube Basin. TTS (Grup) is an integrated freight forwarding house, with its own fleet and own ports.

It is an integrated supplier of logistics, its main activities consisting in freight forwarding, river transport and port operation services, along with other ancillary and auxiliary services.

TTS (Grup) operates, probably, the larger river fleet on the Danube (according to its own information and statistics published by the Danube Commission for 2017 and the websites of the largest Danube navigation companies) (through its subsidiaries in Romania and Hungary). TTS (Grup) operates its own port terminal in Constanta Port (the largest maritime port in Romania and the Black Sea) and Danube ports. The activity of TTS (Grup) is performed in the entire Danube Basin, as follows:

- **Lower Danube** - TTS (Grup) operates in Romania through six port terminals, in Galați, Brăila, Oltenița, Giurgiu, Bechet and Turnu Severin. TTS (Grup) takes over cargo from Ukraine in Reni and Izmail ports (significant volumes of metals and minerals to Romania) and transports from/to Bulgaria (important volumes of grains, vegetal oils, fertilisers and minerals transported for export to Constanta);
- **Middle Danube** - TTS (Grup) operates in Hungary (Fajzs port, acquired in 2019). It also provides logistics services through its subsidiaries Plimsoll (forwarder) and Fluvius (transporter on both Danube and Rhine). Serbia and Croatia are important markets for the transport of raw materials for the metallurgical industry, as well as for finished products, chemical and agricultural products from/to the Black Sea, as well as to Western markets. Slovakia is a transit country for TTS and an important logistic factor ensuring the connection between Lower Danube and Upper Danube.
- **Upper Danube** - TTS (Grup) operates in Austria through the local subsidiary TTS Gmbh acting as regional forwarder of freight to Austria, Germany and Slovakia. The most significant volumes transported from Constanta Port or Hungary to Austria are of raw materials for the fertilisers industry, agricultural products and steel products. In Germany (Kelheim port), the main transported goods are

soy and rapeseed (from Serbia and Hungary), bentonite (from Constanta), other cargo transported to/from Western countries on the Rhine.

TTS (Grup) provides its clients integrated logistics services for transport in the entire Danube Basin, from Kelheim port in Germany to Izmail port in Ukraine and, through the Danube Black Sea Canal, to Constanta maritime ports, with connections to Sava, Tisa and Rhine. Furthermore, TTS uses third party services (river, sea, railways, road transporters and port operators) to perform part of the services contracted with clients.

The goods transported and operated in ports are part of four main categories: minerals, agricultural products, chemical products and other products. Minerals are mainly raw materials for the metallurgical industry, finished products resulted from these industries, equipment and installation (including oversized equipment for various products), quarry products. The imports of minerals and metals in Constanta Port and Ukraine are transported upstream to Liberty Steel Galați, Vimetco / Alum in Tulcea, Hesteel Smederevo (Serbia), Dunaújváros (Hungary), while steel products are exported along the Danube. Agricultural products consists mainly in cereals produced in countries in the Danube Basin (Hungary, Bulgaria, Serbia, Romania) and exported through Constanta port, as well as transported between riparian states. Chemical products include both raw materials necessary for the chemical industry (mainly for fertilisers) arriving mainly from overseas, in Constanta Port and having various destinations in the riparian countries, as well as finished products (mainly fertilisers), having various transport routes along the Danube, including through Constanta Port. The category "other cargo" contains ferry transport across the Danube of motor vehicles from Galați to Nicolae Bălcescu and, since 2020, through the new border point Isaccea-Orlivka between Romania and Ukraine.

Segments

TTS (Grup) generates revenue from the following business segments:

Forwarding, including the provision and sale to clients of integrated logistics services (river transport and port operations, mainly, but also maritime, railway and road transport), most of them performed by the specialised companies in the group and third party operators;

- **River transport**, including the provision and sale to clients (mainly through forwarding operations) of river transport services using own fleet;
- **Port operation**, including the provision and sale to clients (mainly through forwarding operations) of the following services using its own facilities in Constanta Port and seven Danube ports: i) direct and indirect transshipment through terminals from/to maritime vessels, barges, trucks and wagons; ii) direct transshipment from barges to maritime vessels and from maritime vessels to barges, using floating cranes; iii) storage; iv) other specific port operations (such as bagging of fertilisers, drying, dragging and weighting of grains, etc.);
- **Other activities**, including fleet support services (two naval shipyards used to perform fleet repair, maintenance and modernisation works), hydro-technical works and wholesale trade with timber.

The financial statements of TTS (Grup) also contain reports of income and expenses for four main segments, based on business segments:

- Forwarding (includes TTS and two subsidiaries),
- River transport (includes three subsidiaries),
- Port operation (includes four subsidiaries) and
- Other activities (includes five subsidiaries).

Material factors impacting on TTS (Grup) operating result

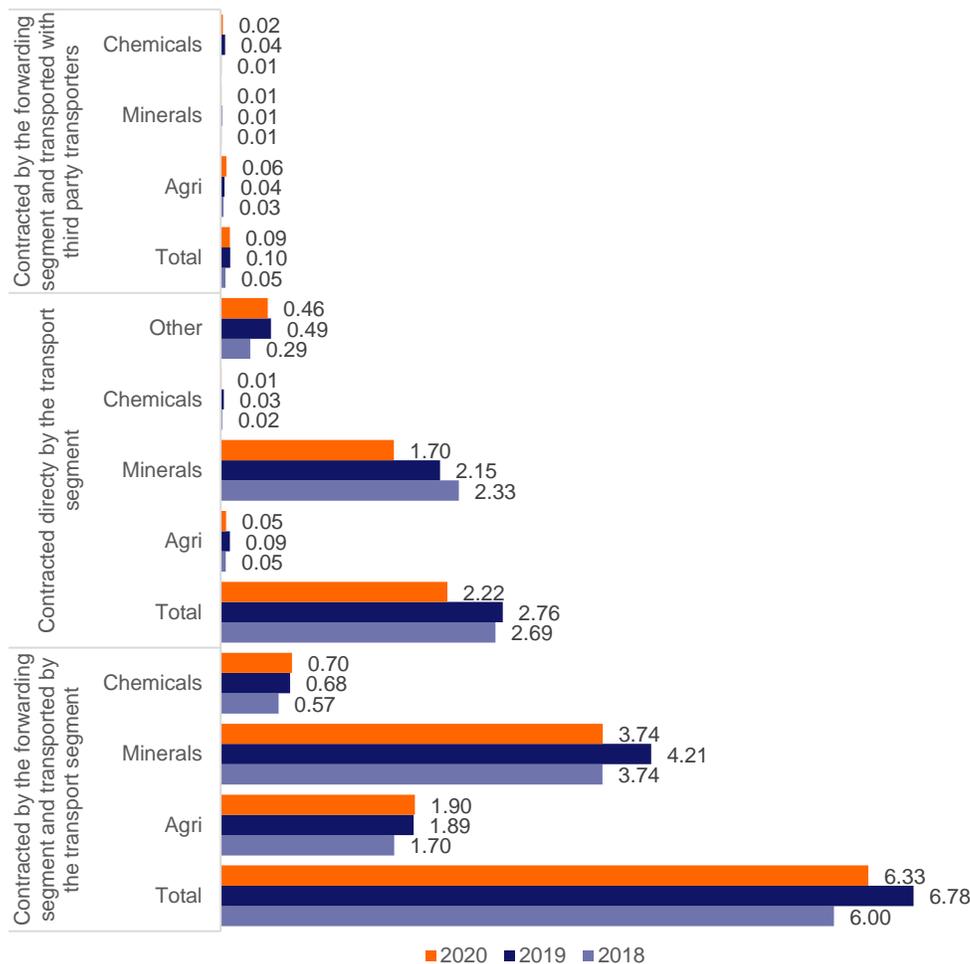
During the period under review, TTS (Grup) operating result was impacted by a number of material factors. As a consequence, TTS (Grup) operating result may not be conclusive as to future earnings, cash flows or financial position, for the reasons presented below.

Cargo volumes

TTS (Grup) total traffic data for the period under review, 2018-2020, are presented below, for the main activities, river transport and port operation.

In terms of the evolution of transported volumes, the following chart presents the total volumes of TTS (Grup) depending on the type of contract and freight:

Transport operations by type of contract and cargo (mt)*

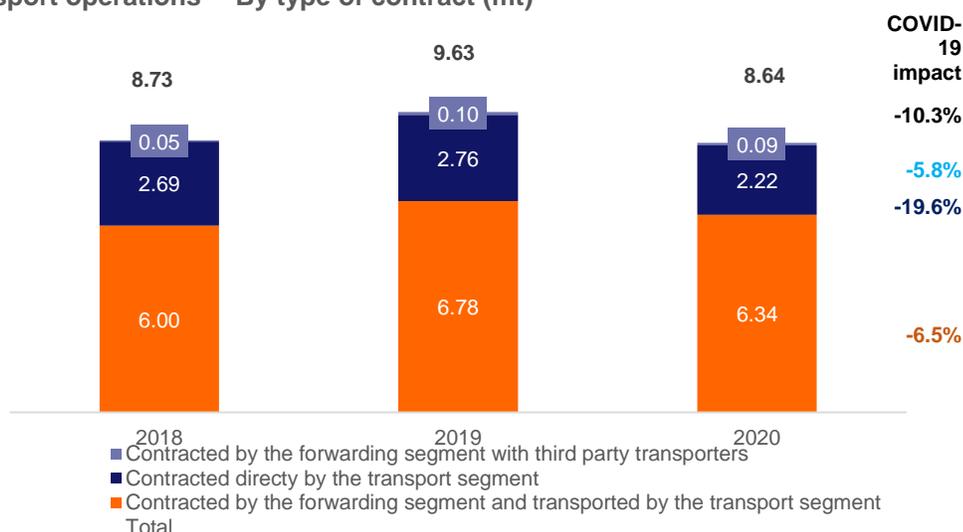


Source: TTS (Grup): * includes forwarded volumes

Thus, it can be noticed that the largest part of the volumes is generated by the contracts signed for the forwarding segment and transported by the river transport segment, accounting for 73% of total volumes in 2020. The contracts signed directly by the river transport segment accounted for 26% in 2020, while the volumes

contracted by the forwarding segment and transported using third parties accounted for only approximately 1% in the same year.

Transport operations* - By type of contract (mt)



Source: TTS (Grup); * includes forwarded volumes through third parties

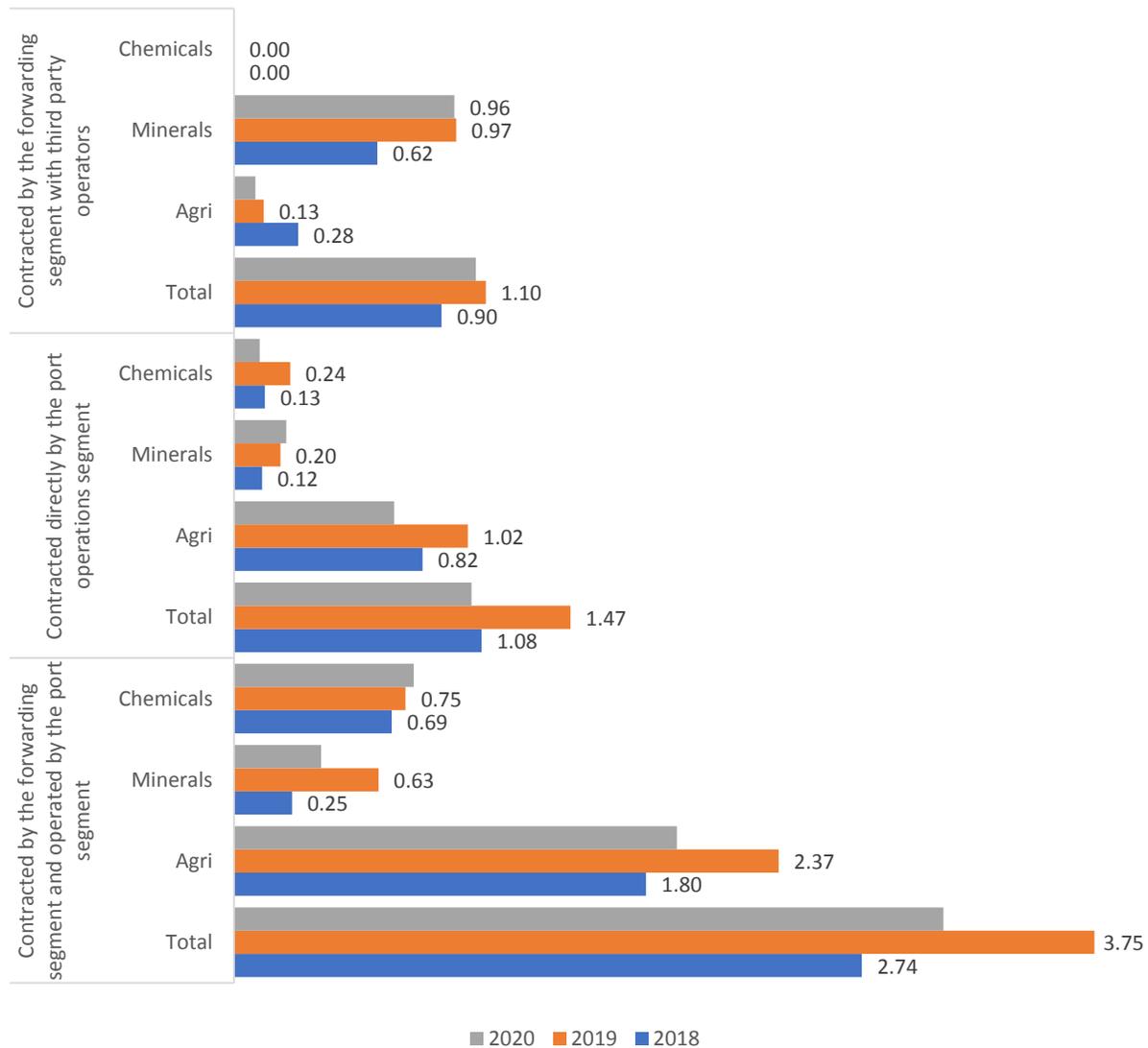
Transported volumes - total TTS (Grup)

(mt)	2018	2019	2020
Agricultural products	1.78	2.02	2.01
Minerals	6.08	6.37	5.44
Chemical products	0.59	0.75	0.73
Other products	0.29	0.49	0.46
Total*	8.73	9.63	8.64

Source: Management of TTS (Grup) * Includes volumes contracted by the forwarding segment and transported by third parties

A large part of the volumes related to port operation services is represented by the volumes contracted through the forwarding segment and operated through the port operation segment, as shown in the chart below.

Port operation per type of contract and cargo (mt)*



Source: TTS (Grup); *includes volumes forwarded with third parties

Thus, in 2020, the volumes decreased significantly, especially for agricultural products (and to a less extent for chemical products) due to drought, as well as for minerals, due to COVID 19 crisis that led to a reduced demand for the products operated by TTS. Still, we can notice that the largest part of the volumes is generated by the contracts signed by the forwarding segment and operated by the port operation segment, accounting for approximately 60% of total volumes in 2020. The contracts signed directly by the port operation segment accounted for 20% in 2020, a level similar to that of the volumes contracted through the forwarding segment and operated with the help of third parties.



Volumes operated in ports - total TTS (Grup)

(mt)	2018	2019	2020
Agricultural products	2.90	3.52	2.72
Minerals	1.00	1.80	1.57
Chemical products	0.82	0.99	0.89
Total*	4.73	6.32	5.18

Source: Management of TTS (Grup) * Includes volumes contracted by the forwarding segment and transported by third parties

The operating result is significantly influenced by the volumes of cargo transported and operated in ports. In 2018, 2019 and 2020, TTS (Grup) performed river transport for 8.7, 9.6 and 8.6 million tonnes of cargo respectively, out of which 8.7, 9.5 and 8.6 million tonnes respectively were transported using its own fleet, for 3.80, 4.72 and 4.44 billion to*km in 2018, 2019 and 2020 respectively. In 2018, 2019 and 2020, TTS (Grup) performed port operations for 4.7, 6.3 and 5.2 million tonnes of cargo respectively, out of which 3.82, 5.22 and 4.13 million tonnes respectively in its own port terminals, while for the rest it used port terminals belonging to third parties. A significant decrease in the demand for such services may have a negative impact on the operating result and cash flows. The most significant factors impacting the demand for TTS (Grup) services are:

- Evolution of trade and demand for cargoes that TTS (Grup) transports and operates in the Danube Basin and adjacent economies – such as raw materials for the metallurgical industry and related finished products, solid fuels, grains and other agricultural products, fertilisers and other chemical products (including raw materials for chemical products) and aggregate building materials. A significant change in the demand for such products may have a material impact on the entire use of the fleet and port terminals;
- Competition is another factor influencing the volumes of cargo it transports/operated, especially the seasonal ones. During the grain campaign, the Danube becomes "populated" by self-propelled

fleets from the Rhine, addressing the market traders of both agricultural products and fertilisers. The market is quite volatile during the season period and part of cargoes spot migrate to these fleets. Balancing the flows of the other large fleets is also a factor impacting on the available volumes;

- The general economic, political and global framework where it can be underlined, as major impact factor, the European policies that support or discourage certain transport methods, priority policies for investing in infrastructure. These are a factor with long term impact, resulting in the construction/support of transport alternatives that may change the geography of logistic flows with positive or negative impact on the company's relevant market;
- Development and costs of alternative transport methods for the same type of cargo;
- Controls of import, export, price and new forms of taxation. For example, national or regional programs for agricultural development encouraging a yield and a growth in the quantities of fertilisers used, which implicitly trigger an increase in the quantities of transported fertilisers and grains;
- Adverse weather conditions and seasonality: the volumes and operating result are affected by Danube's water level, having a direct impact on the navigation conditions. Low water levels lead to the vessels being loaded under their capacity and restricts the navigation on certain sectors of the Danube for longer or shorter periods, triggering lower revenues and increased expenses needed to obtain such revenues. In case very low temperatures are registered during winter (as in January 2017), Danube may freeze, which may hinder or temporarily stop the activity on certain navigation sectors. Adverse weather conditions (drought especially) directly influence the level of grain crops, and hence the trade (export and import) of such products, having an important weight in the total volume of cargo operated by the Group;
- Legal framework – the demand for pollutant products such as coal, certain types of fertilisers, dangerous goods is influence by environmental policies and restrictions imposed by the relevant authorities in the field.

Transport fees

TTS (Grup) performs its activity on a competitive market; the level of market prices depends on the perception of market participants (clients and service providers) on the balance between demand and offer, namely between the volume, structure and transport routes of the cargoes available on the market and the availability of transport and port operation capacities to provide the logistic services required by the existing cargo, at competitive economic terms, in time and safely. The imbalances between demand and offer, in general or for certain types of cargo or transport routes or time periods, cause changes in prices, which may increase or decrease. In general, at the level of Danube Basin, river ports and Constanta port, the service offer is higher than service demand, with certain limited exceptions, during peak grain season, when the demand for transport and port operation may exceed the service offer.

The operating result depends on the prices that TTS (Grup) may receive for various types of services offered.

TTS (Grup) operates using forwarding, transport, cargo operation contracts concluded with clients, depending on the specific and complexity of the services provided. The prices for the services are negotiated considering the complexity of the service package. Such a service package may also include, besides river

transport and/or port services offered by the Group, route planning and optimisation, forwarding and customs formalities, storage and other transport services performed by third parties (such as maritime transport, by rail or by road). Usually contracts set forth both a fix price for integrated services related to fix transport volumes, but may also include a mechanism for price adjustment aimed to adapt tariffs when there are increases in the price of fuel or Danube water drops below a certain level.

Long term contracts are generally concluded for one year or more. The prices for such contracts are agreed for the entire contractual period.

Spot contracts refer to specific lots of cargo, for which the services are to be provided during a fix period. In general, the prices for such contracts are fix for the specified lot of cargo and specified execution period.

In comparison, the prices for port operation services are much more stable than those for river transport and those for mineral transport are much more stable than those for the transport of grains and fertilisers (which are seasonal goods).

TTS (Grup) has the capacity to maximize the revenues from turning into account the size of its assets, the area covered and the contracting and execution flexibility, which makes it possible to conclude long term contracts, for high flows of cargo, at stable prices.

TTS (Grup) registers all the sales from forwarding, river transport and port operation as revenue from provision of services.

In terms of direct competition – especially for river transport – pricing policy is an important factor. The seasonality – in case of agricultural products and fertilisers – shows a higher volatility in tariff policies with quite high extremes between peak season and off-season. TTS (Grup) is thus protecting itself from such a volatility using a mix of long term and spot contracts, mix which increases the access to more stable volumes of cargo and the freedom of access to a spot market when favourable.

Political and technological factors also have a significant impact on the pricing policy of the market with a major influence on that used by the group. Taxation policy (ports, CDMN) of riparian states has a direct impact on the tariffs charged by the company. There is the risk that tax increases may not always be transferred to the price in full, to the extent that clients may not absorb such increases in the price for the product they trade.

The same is valid also for salary policies that are influenced by the evolution of the minimum wage, with direct impact on the evolution of personnel cost component.

The demand-offer game does not always allow for a full transfer of these costs to the client, considering that the transport alternatives (rail, trucks) have a different absorption mechanism for such components. More than that, TTS (Grup) competitors carry out business in riparian states (and not only) that allow a more relaxed and more flexible salary policy.

The technological factor becomes a component with significant and immediate impact on the price, to the extent that the investment in digitalization become mandatory, and the yield from such activities is not a tangible component that may be measured on the short term.

Capacity usage

River transport activity is carried out along the entire length of the Danube, approximately 2,400 km, loading and unloading cargo in approximately 100 ports, using more than 400 barges and more than 30 pushers, making between 5,000 and 6,000 single voyages/year at a commercial speed of approximately 100 km/day.

At the same time, port operation activity is performed especially in Constanta and 7 Danube ports in Romania and Hungary, located between km 150 (Galați) and 1560 (Fajsz). Constanta, Galați and Braila ports may host both maritime and river vessels. The main cargoes in Galați are minerals and finished steel products exported by Liberty Steel Galați. The main cargoes in the river ports are minerals (mainly aggregates), chemical products (mainly fertilisers) and agricultural products. TTS (Grup) continuously modernises port equipment to obtain higher admission and exit rates in order to increase the volumes handled.

In these circumstances of geographical spread of activities and assets, the efficient allocation of resources is a fundamental aspect in ensuring the business yield.

Cutting down waiting times, number and length of the voyages of vessels without cargo have been and continue to remain major focus area for the central management and subsidiary companies.

In this respect, there are specific indicators measuring the fleet usage degree and efficiency.

Fluctuation of power and fuel prices

Electric power and especially Diesel are cost elements with prices and price variations that are independent from the will and actions of TTS (Grup), but having an impact on the operating result.

Still, measures for protection against price fluctuations were introduced, by including the BAF clause – *Bunker Adjustment Fee* – in the contracts with clients, that updates the prices charged according to the evolution of Diesel price.

In addition, the measures for the modernisation of propelled fleet (pushers) and cranes lead to a substantial decrease in specific consumptions, and hence in the total Diesel used, having an impact on costs and on lower emissions from the engines of the vessels used.

Another measure for reducing Diesel costs for CNFR Navrom fleet was the commissioning of three bunkering stations as tax warehouse (two in 2019 and one in 2020) in three strategic points on the Romanian Danube, namely Galați, Cernavodă and Turnu Severin, which leads to significant cost reductions.

Interdependency of forwarding, river transport and port operation segments

The forwarding segment is the interface between assets and execution power (company's own plus attracted third party sources) and the market. In this respect, the role of the forwarding segment is to turn into account as best as possible the company's own execution capacity, allocating the available resources efficiently on the niche areas of the market in need and turning into account the more efficient niche areas of the market by allocating to them its own resources, first of all, and third party resources additionally.

Therefore, revenues depend to a large extent on the volumes of cargo for transport and operation existing on the market and on the basic prices determined by the market. At the same time, the profitability depends on the ability to identify and contract goods and services as profitable as possible, to maintain and improve the business productivity, to control and reduce the level of operating costs.

Seasonality of transported cargo flows

Traditionally, the volumes of transported and operated mineral products are generally constant during one year. At the same time, agricultural products are subject to seasonality: the grain season begins in July and continues until December, the period January-June being considered off season, when, traditionally, the quantities of grains drop. The seasonality is more or less visible, depending on the level of crops and producers' prices, also on international markets. Traditionally, the prices for services are lower off season, especially those for river transport, impacting on the revenues and profitability respectively. The volumes of chemical products (fertilisers) are also subject to seasonality, as there are specific periods when these may be spread in the field, depending on the fertiliser type, plant type and the fertilising method chosen by farmers. As a result of such seasonal fluctuations, the revenues and cash flows as operating result are not constantly generated over the entire year. To mitigate the effects of seasonality, TTS (Grup) is continuously adapting to the real market terms by focusing on balancing the upstream/downstream cargo flows and using more flexible pricing policies during off season periods.

Segmentation

Starting 1 January 2015, TTS (Grup) divides its operations in four reporting segments: forwarding services, river transport services, port operation services and other activities.

The factors impacting on the results of TTS (Grup) segments are usually similar. The forwarding segment mainly depends on the demand for services in the Danube Basin, the tariffs on the river transport market, the availability of own fleet and port capacity of TTS (Grup) and the tariffs for different types of services provided by TTS (Grup). River transport segment mainly depends on the evolution of the demand for services in the Danube Basin, on the tariffs charged on the river transport market and on TTS (Grup) capacity to maximize revenues by efficiently allocating the available resources. The results of TTS (Grup) port operation segment depend on the volumes of cargo attracted for operation and are, to a certain extent, related to the levels of river transport activity.

The substantial part of intragroup sales during the period under review resulted from the provision of transport and cargo handling services provided by river transport and port operation segments and by the forwarding segment of TTS (Grup) respectively, as part of the integrated logistics services sold to external clients. Freight forwarding segment concludes contracts with river transport and port operation segments of TTS (Grup) at market terms and sells such services to clients.

Depreciation and amortization

Amortization consists in scheduling the cost of the transport fleet, real estate and port equipment during their entire life period. The property, plant and equipment of TTS (Grup) are registered at fair value plus modernisation, which extends the useful life of the assets, minus cumulated depreciation and any other depreciation losses. All the fix components are amortized linearly during the useful/economic life of the asset. Depreciation is based on cost minus estimated residual value. Other capital fit outs of the vessels or equipment are amortized during the estimated economic life period. TTS (Grup) expects amortization expenses to continue to increase as a consequence of the planned modernisation of its fleet and of capital expenses.

Main items of the profit or loss account

The main components of the Group's consolidated profit or loss account and other comprehensive income are the following:

Revenue

The revenue of TTS (Grup) are mainly derived from the sale of integrated transport and port services to clients (containing river transport, transshipment and other specific port operations, such as bagging or drying of bulk goods, as well as intermediation of road, rail and maritime transport, services provided by its business segments or specialised third party providers). Part of the revenues results from the sale of goods, mainly from trade operations performed by a company in the group and smaller sale activities carried out by other companies (revenue from the sale of fleet with advanced wear, revenue from hotel and restaurant services (starting March 2020, TTS (Grup) no longer performs hotel and restaurant services), etc.).

The consolidated revenue of TTS (Grup) is presented after eliminating intragroup sales. Therefore, only the revenue generated by the sales to external clients are recorded as consolidated revenue of TTS (Grup).

Raw materials and consumables

Raw materials and consumables mainly refer to purchases of fuels for river transport operations. According to the contracts for river transport, TTS (Grup) is the one covering the fuel costs, as well as canal and port fees. Considering its important weight, the fuel price is indexed in the long term contracts for river transport services. To a lesser extent, raw materials and consumables refer to the purchase of auxiliary materials and spare parts for naval shipyards and for transport and port operation services of TTS (Grup).

Merchandise sold

Merchandise sold mainly refer to the purchase of wood products for the trading activity performed by other activities segment.

Subcontractors expenses

Expenses with subcontractors mainly refer to the forwarding segment that purchases logistic services from providers outside TTS (Grup) (rail, maritime and road transport services, unloading, storage, port loading services). The river transport operations of TTS (Grup) include in this category expenses related to the services of crewing companies, maintenance services for equipment, port and navigation taxes, certifications, inspection and others. To a lesser extent, the port operation performed by TTS (Grup) involve subcontracted expenses for the acquisition of services from crewing companies, equipment maintenance services, port taxes, inspections and others.

Payroll expenses

Payroll expenses refer to salaries and personnel expenses and the related taxes.

Other expenses

Other expenses mainly refer to: rent, repairs, insurance expenses, electricity, local taxes and charges, telecommunication, advertising and protocol, commercials and publicity expenses.

Other gain and losses

Other gain and losses mainly refer to: other revenue (mainly revenue from commercial penalties, revenues from the sale of assets, subsidies, re-invoicing), net income / (expenses) for current assets (containing the provisions for trade receivables according to TTS accounting policy), net income / (expenses) with provisions (mainly reflecting the fluctuation of provisions for risks and charges), expensed with the sale of fixed assets (mainly vessels and engines), net expenses with exchange rate differences and net income / (expenses) with ongoing services (reflecting capitalised production) as well as administrative expenses (indemnities resulted from the failure to observe contractual obligations, sanctions given by state institutions, amounts to be re-invoiced).

Results for the years ended December 31 2020, 2019 and 2018

The following table presents the consolidated statement of profit and loss and other comprehensive income of TTS (Grup) for the years ended December 31 2020, 2019 and 2018:

Consolidated statement of profit and loss and other comprehensive income

RON Thousand	Year ended December 31				Change %
	2020	2019	2018	2020/2019	
Revenue	520,286	551,795	475,191	-5.7%	16.1%
<i>Revenue from sales of merchandises</i>	20,947	25,273	41,898	-17.1%	-39.7%
<i>Revenue from sales of raw materials</i>	-	-	162	0.0%	-100.0%
<i>Revenues from sales of finished products</i>	9,056	103	-	8676.8%	0.0%
<i>Revenue from rendering of services</i>	483,359	517,376	424,719	-6.6%	21.8%
<i>Revenue from other activities</i>	6,925	9,043	8,411	-23.4%	7.5%
Raw materials and consumables	(68,101)	(93,003)	(86,434)	-26.8%	7.6%
Cost of merchandise sold	(17,613)	(18,900)	(30,274)	-6.8%	-37.6%
Depreciation and amortization	(51,994)	(54,725)	(46,569)	-5.0%	17.5%
Subcontractors expenses	(191,214)	(186,208)	(165,578)	2.7%	12.5%
Payroll expenses	(96,685)	(94,900)	(87,830)	1.9%	8.1%
Other expenses	(40,435)	(39,708)	(36,980)	1.8%	7.4%
Other gain and losses	8,001	4,881	4,243	63.9%	15.1%
Total operating result	62,246	69,233	25,768	-10.1%	168.7%
Investment expenses	(625)	504	827	-224.0%	-39.0%
Net of finance cost/ income	(2,536)	(3,012)	(3,169)	-15.8%	-5.0%
Profit of the year from continuing operations	59,085	66,725	23,426	-11.5%	184.8%
Income tax expenses	(10,829)	(13,439)	(5,616)	-19.4%	139.3%
Profit of the year:	48,256	53,287	17,810	-9.4%	199.2%
Translation adjustments	(345)	-	-	0.0%	0.0%
Total comprehensive income for the year, net of tax	47,911	53,287	17,810	-10.1%	199.2%
Owners of the Company	44,248	47,675	16,656	-7.2%	186.2%
Non-controlling interests	4,008	5,612	1,154	-28.6%	386.5%
Total comprehensive income for the year attributable to:					
Owners of the Company	43,904	47,675	16,656		
Non-controlling interests	4,008	5,612	1,154		

Source: Audited Consolidated Financial Statements

Revenue

A large part of the sales between the group's segments during the period under review are derived from the purchase of transport and cargo handling services. Such services are provided by the river transport and port operation segment to the forwarding segment as part of the integrated logistics services sold to external clients. Thus, in 2020, out of total volumes of transport services contracted by TTS (Grup), only a small quota was contracted directly by the river transport segment with external clients (1.70 million tonnes of minerals, 0.05 million tonnes of agricultural products, 0.01 million tonnes of chemical products and 0.46 million tonnes of other goods). Likewise, in 2020, out of the total volumes of port operations contracted TTS (Grup), 0.23 million of minerals, 0.70 million tonnes of agricultural products and 0.11 million tonnes of chemical products were directly contracted by port operation with external clients. Thus, the forwarding segment offers integrated packages to external clients by contracting them from the other business segments of TTS (Grup).

TTS (Grup) registered an accelerated growth of revenue in 2019, up by 16.1% versus 2018, amounting to RON 551.8 million. The significant increase was due almost exclusively from the growth in the revenue from services (up by 21.8% as compared to 2018), despite the decrease in the revenue from the merchandise sold (down by 39.7% versus 2018).

Considering the reduced commercial and industrial activity at European level that generated lower volumes of transported cargo due to COVID crisis and the extreme drought in Romania, the revenue of TTS (Grup) decreased in 2020 by 5.7% as compared to 2019, to RON 520.3 million. The decline is mainly triggered by the significant nominal decrease of the revenue from services, from RON 517.4 million in 2019 to RON 483.4 million in 2020, accounting for 92.9% of the total turnover of TTS (Grup). For the other categories of revenue, save for the revenue from the sale of finished products that increased from RON 0.1 million to RON 9.0 million, the annual decreases registered range between -17.1% (revenue from merchandise sold) and -23.4% (revenue from other activities). Despite of lower transported volumes, the average prices for river transport remained relatively constant as compared to those of 2019, but the effect of lower transport volumes was partly offset by the increase in the average transport distance (especially due to the increase of volumes of agricultural products transported from Serbia and Hungary).

With respect to the contribution of business segments to the revenue of TTS (Grup), the table below presents the revenue derived from each segment separately for the years ended December 31 2018, 2019 and 2020. We can thus notice that the revenue from river transport segment, after eliminating inter-segment operations, accounts for the largest part in each of the 3 years under review, representing RON 252.5 million in 2018, RON 310.2 million in 2019 and RON 288.2 million in 2020 respectively and having a weight fluctuating between 53.1% and 55.4%.

Analysis of TTS (Grup) revenue derived from continued operations

RON thousand	For the year ended December 31					
	2020	%	2019	%	2018	%
Revenue, out of which:	520,286	100.0%	551,795	100.0%	475,191	100.0%
Revenue Forwarding segment	121,933	23.4%	119,477	21.7%	111,003	23.4%
Revenue River transport segment	288,243	55.4%	310,151	56.2%	252,524	53.1%
Revenue Port operation segment	63,699	12.2%	78,069	14.1%	62,669	13.2%
Revenue from Other activities segment	46,412	8.9%	44,097	8.0%	48,995	10.3%

Source: Audited Consolidated Financial Statements

Raw materials and consumables

TTS (Grup) expenses for raw materials and consumables increased by 7.6% in 2019 versus 2018, to RON 93.0 million from RON 86.4 million, and in 2020 they dropped by 26.8% versus 2019, to RON 68.1 million mainly due to the pro rata decrease of transported volumes. Expenses with fuels have the largest weight in this category in relation to river transport operations of TTS (Grup). The costs with raw materials and consumables of the river transport services of TTS (Grup) increased by 7.0% in 2019 versus 2018, to RON 80.9 million from RON 75.1 million, mainly caused by the increase in fuel price and also by higher fuel consumption due to higher transported and operated volumes. In 2020, due to the decrease of transported volumes and the lower oil quotations on the international markets and the effects of bunkering activity, this category of costs registered a decrease by 33.1% to RON 54.1 million.

TTS (Grup) expenses with raw materials and consumables in the port operation segment increased by 31.3% in 2019 as compared to 2018, to RON 9.5 million, from RON 7.2 million, as a consequence of an increased fuel consumption, caused by higher operated volumes, and dropped by 32.6% in 2020, to RON 6.4 million due to lower operated volumes.

TTS (Grup) expenses with raw materials and consumables in the forwarding segment decreased in 2019 as compared to 2018, to RON 228.2 thousand, from RON 766.2 thousand, due to the levelling of expenses with spare parts for floating cranes (registered under means of transport group). The use of spare parts for repairs made in 2020 generated an increase by 170.9% up to RON 618.1 thousand.

For the other activities segment, the expenses with raw materials and consumables decreased by 27.1% in 2019 versus 2018, to RON 2.4 million, from RON 3.3 million and increased by 186.6% in 2020, to RON 7.0 million mainly due to the business volume of naval shipyards.

Merchandise sold

During the period under review, as weight of revenue, merchandise sold increased to 6.4% in 2018 and to 3.4% respectively for the years ended December 31 2019 and 2020.

The cost of merchandise sold by TTS (Grup) decreased in 2019 versus 2018 from RON 30.3 million to RON 18.9 million and continued to decrease by 6.8% in 2020 versus 2019, to RON 17.6 million, according to the volume of trading activities performed.

Subcontractors expenses

TTS (Grup) subcontractors expenses increased by 12.5% in 2019 as compared to 2018, from RON 165.6 million to RON 186.2 million. Thus, on the forwarding segment, subcontractors expenses increased by 14.2% from RON 61.2 million in 2018 to RON 69.8 million in 2019. In the river transport services segment of TTS (Grup), third party expenses increased by 8.7% in 2019 versus 2018, from RON 89.8 million to RON 97.6 million. In the port operation segment, subcontractors expenses increased by 44.4% in 2019 versus 2018, from RON 9.9 million to RON 14.3 million following the increase in activity and the use of services provided by third party subcontractors (port staff), especially by TTS Operator, in Constanta Port. The trend was reversed in 2020, when this cost category dropped by 6.8% to RON 13.5 million, due to lower cargo volumes transported and operated. For the other activities of TTS (Grup), expenses for subcontracting third parties dropped by 5.7% in 2019 versus 2018, from RON 4.7 million to RON 4.4 million.

In 2020, these costs increased by 2.7% versus 2019, to RON 191.2 million, due to the increased activities with third parties (in the forwarding segment, at the naval shipyards as well as various services provided by third parties for the transport segment, in conjunction with the decrease registered by the port operation segment). In the forwarding segment, this category registered an increase of 3.7% up to RON 72.4 million. In the river transport segment of TTS (Grup), third party expenses remained relatively stable, dropping by 1.2% in 2020 to

RON 96.5 million. Similarly, in the port operation segment of TTS (Grup), subcontracting costs decreased by 6.8% in 2020, to RON 13.4 million. In the other activities segment of TTS (Grup), subcontractors costs doubled in 2020, to RON 9.0 million following the increased activity of naval shipyards.

Personnel expenses

The personnel expenses of TTS (Grup) increased by 8.1% in 2019 versus 2018, from RON 87.8 million to RON 94.9 million, mainly due to the general increase in personnel costs at a national level and the need of TTS (Grup) to observe the market rates. The total number of employees decrease by almost 7.0% in 2019 versus 2018.

In 2020, TTS (Grup) personnel expenses increased to RON 96.7 million, and during the period under review 2018-2020 they registered an increase of approximately 4.9% CAGR. The significant increase in personnel expenses in 2020 is caused by salary increases, along with a decrease by 5.4% in the number of employees. At the same time, the number of staff (crew) employed through crewing companies was relatively constant, 291 in 2018, 306 in 2019 and 291 in 2020.

The following table details the total number of employees of TTS (Grup) during 2018 – 2020 on a consolidated level:

Total number of employees	2018	2019	2020
Management	41	40	37
Operating personnel	1,002	947	926
Administrative personnel	426	362	309
Leased personnel	327	342	327
Total	1,796	1,691	1,599

Source: TTS (Grup)

Other expenses

The other expenses of TTS (Grup) totalled RON 37.0 million in 2018, RON 39.7 million in 2019 and RON 40.4 million in 2020, registering an increase of 4.6% CAGR during the period reviewed. In 2019, expenses with repairs reached RON 12.3 million as compared to RON 9.6 million in 2018, following the allocation of more resources for repairs, especially for the fleet. Significant evolutions in 2019 as compared to the previous reporting period were registered by leases (-12.3%), transport expenses (35.0%), fees and commissions (-35.7%) and post and telecommunications expenses (4%) respectively. Expenses with power totalled RON 4.6 million in 2020, RON 4.9 million in 2019 and RON 4.2 million in 2018.

As compared to 2019, the increases in the year ended December 31 2020 were mainly caused by expenses with repairs (8.8%) and leases (9.6%). Their evolutions were counterbalanced by decreases in the expenses with the transport of goods and personnel (20.3%) and with taxes, fees and similar charges (12.9%).

Other gain and losses

During the period under review, other gain and losses fluctuated significantly from one year to another.

In 2018, other gain and losses of TTS (Grup) consisted in a net gain of RON 4.2 million mainly resulted from adjustments for current assets, representing provisions for trade receivables according to the accounting policy of TTS (Grup), other administrative expenses of RON 5.4 million. Also, other gain mainly includes

penalties invoiced to end customers and gain from the sale of assets of CNFR Navrom S.A. and Navrom Bac S.R.L.

In 2019, other gain and losses of TTS (Grup) consisted in a net gain of RON 4.9 million, mainly from the penalties invoiced to end customers and gain from the sale of assets held by CNFR Navrom S.A. In addition, losses from receivables of RON 2.6 million were registered mainly in relation to the receivable from Interagro group of companies. Also, provision expenses were increased by RON 2.5 million in connection to projects related to the activity of TTS (Grup) naval shipyards.

In 2020, other gain and losses of TTS (Grup) consisted in a net gain of RON 8.0 million, mainly generated by an increase in the value of fixed assets of RON 4.3 million. Also, depreciations in relation to the activity of naval shipyards of RON 2.8 million were restated.

Total operating result

As a consequence of the above, TTS (Grup) total operating result increased by 168.7% in 2019 versus 2018, from RON 25.8 million to RON 69.2 million. Despite performing business in a unfavourable climate (COVID crisis and agricultural crisis caused by drought), leading to a dramatic downsize of the entire global economic activity, the total operating result in 2020 amounted to RON 62.2 million, down by 10.1% versus the previous year, but by 141.08% higher than in 2018. As weight in revenue, the total operating result of TTS (Grup) fluctuated during 2018-2019, from 5.4% in 2018 to 12.5% in 2019. During the year ended December 31 2020, despite the decrease in total revenue by 5.7%, the operating profit margin maintained a relatively constant level as compared to the previous year, reaching 12.0%, due to the improved operating performance that allowed a cost reduction of approximately 5.1%.

Net financing cost / income

The financing cost of TTS (Grup) dropped to RON 2.5 million in 2020, from RON 3.0 million in 2019. Financial income refer to the interest accrued by TTS (Grup) for overdraft and term deposits. Interest loans mainly refer to the loans received from Unicredit Bank and CITIBANK by TTS (Transport Trade Services) S.A., CNFR Navrom S.A., TTS Porturi Fluviale S.R.L., Canopus Star S.R.L., Navrom Bac S.R.L. and by Fluvius kft, but also to the overdraft facility received by CNFR Navrom SA, TTS (Transport Trade Services) S.A., Agrimol Trade S.R.L., Navrom Bac S.R.L., Navrom Shipyard S.R.L. from Unicredit Bank and CITIBANK.

Profit tax expense

TTS (Grup) profit tax expense decreased to RON 10.8 million in 2020, from RON 13.4 million in 2019, by approximately 19.4%. The taxation rate applied for the period 2018-2020 is 16%.

Profit for the year attributable

As a consequence of the above, the profit of TTS (Grup) in 2020 amounted to RON 48.3 million, down by 9.4% from RON 53.3 million in the previous year. As compared to 2018, when it reached RON 17.8 million, the net profit for 2019 increased by approximately 200%.

The total comprehensive income for 2020 also includes, in addition to the attributable profit for the year, translation adjustments of RON 0.3 million.

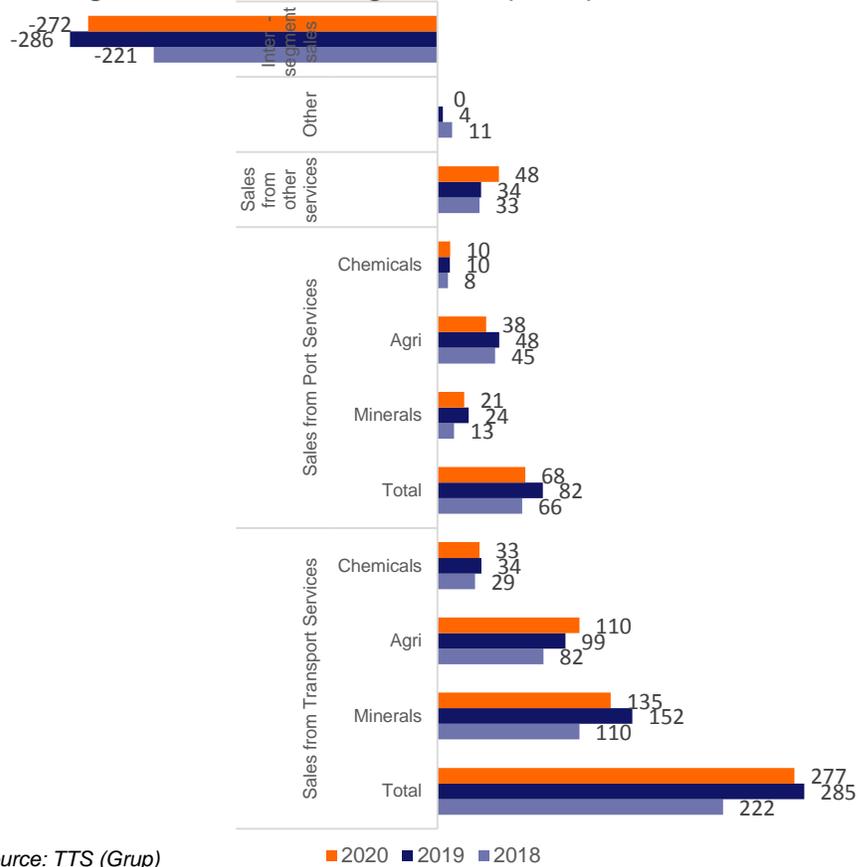
The net profit margin of 9.3% in 2020 is similar to that of 2019 (9.7%), both representing a significant increase versus 2018 when it was of only 3.7%.

Segment analysis for the periods ended December 31 2020, 2019 and 2018

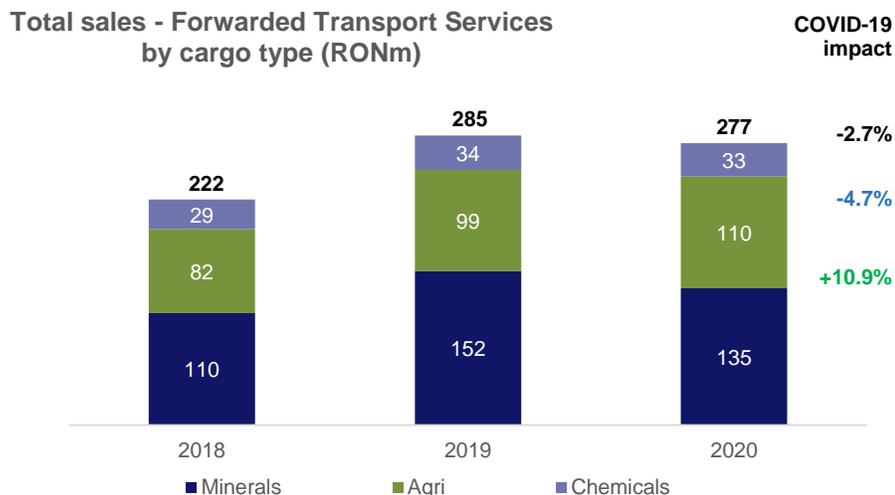
Forwarding Segment

Based on the volumes presented above, in 2020 the forwarding segment obtained gross revenue (before consolidation) of RON 393.4 million down by 2.9% as compared to 2019. The chart below presents the split of gross revenue into the main categories of products and based on the main segments of TTS (Grup).

Forwarding - Total sales and intersegment sales (RONm)

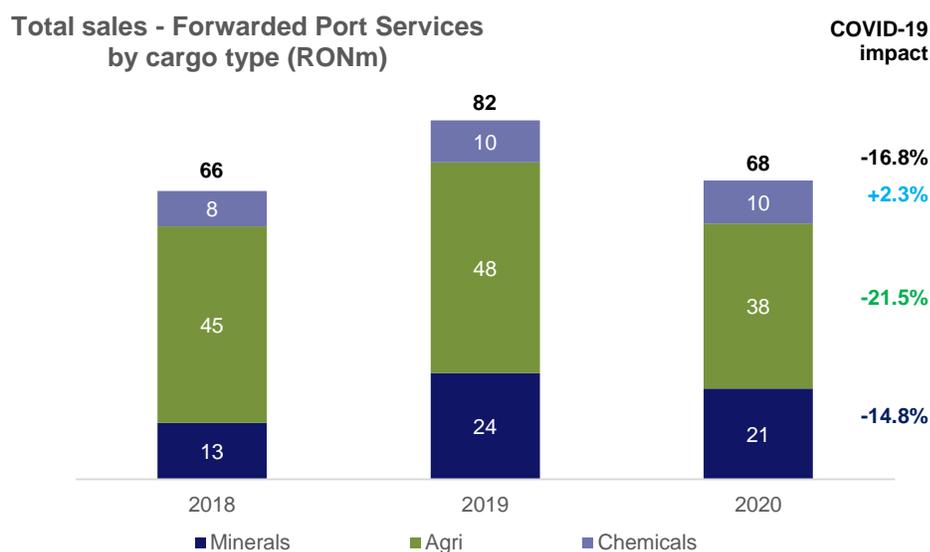


The total sales of the forwarding segment made through the river transport segment are presented in the following chart. Thus, the revenue of this sub-segment totalled RON 277 in 2020, down by 2.8% versus 2019, mainly as a consequence of lower revenues from minerals, which decreased from RON 152 million in 2019 to RON 135 million in 2020.



Source: TTS (Grup)

The revenue for the forwarding segment obtained through port operations segment registered a decrease by approximately 17%, from RON 82 million in 2019 to RON 68 million in 2020, mainly due to the decrease in the operated volumes of agricultural products and minerals, that dropped by 20% and 19% respectively.



Source: TTS (Grup)

Consolidated statement of forwarding segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Gross income	393,437	405,121	331,537	-2.9%	22.2%
Agricultural products	148,022	147,493	127,273	0.4%	15.9%
Chemical Products	42,289	43,675	37,235	-3.2%	17.3%
Minerals	155,284	175,763	123,151	-11.7%	42.7%
Other merchandise	0	-	-	0.0%	0.0%

Other services	47,842	38,189	43,879	25.3%	-13.0%
Net income	121,933	119,477	111,003	2.1%	7.6%
<i>Intersegment adjustment*</i>	271,504	285,643	220,534	-5.0%	29.5%
Merchandise sold	(1,425)	(0)	(7,007)	<i>n.a.</i>	-100.0%
Raw materials and consumables	(618)	(228)	(766)	170.9%	-70.2%
<i>Gross expenses</i>	(618)	(228)	(766)	170.9%	-70.2%
<i>Intersegment adjustment*</i>	-	-	-	0.0%	0.0%
Depreciation and amortization	(2,575)	(2,757)	(2,910)	-6.6%	-5.3%
Packaging costs	-	-	(1)	0.0%	-100.0%
Subcontractors expenses	(72,415)	(69,830)	(61,151)	3.7%	14.2%
<i>Gross expenses</i>	(341,687)	(352,666)	(279,461)	-3.1%	26.2%
<i>Intersegment adjustment*</i>	269,272	282,836	218,309	-4.8%	29.6%
Payroll expenses	(9,940)	(9,515)	(9,539)	4.5%	-0.3%
Electricity, heating and water	(157)	(171)	(161)	-7.8%	5.8%
Maintenance and repair expenses	(520)	(569)	(206)	-8.6%	176.0%
<i>Gross expenses</i>	(1,678)	(2,004)	(1,467)	-16.3%	36.6%
<i>Intersegment adjustment*</i>	1,158	1,434	1,260	-19.3%	13.8%
Other administrative expenses	(6,497)	(6,251)	(7,145)	3.9%	-12.5%
<i>Gross expenses</i>	(6,878)	(6,483)	(7,463)	6.1%	-13.1%
<i>Intersegment adjustment*</i>	381	232	318	63.8%	-26.8%
Other gains and loss	2,472	3,201	8,273	-22.8%	-61.3%
<i>Gross expenses</i>	1,148	1,757	6,752	-34.7%	-74.0%
<i>Intersegment adjustment*</i>	1,325	1,444	1,520	-8.3%	-5.0%
Total operating result	30,257	33,358	30,389	-9.3%	9.8%
<i>Operating profit margin (%)</i>	24,81%	27,92%	27,38%	-11.1%	2.0%
(+) Depreciation and amortization	(2,575)	(2,757)	(2,910)	-6.6%	-5.3%
Unaudited reported EBITDA	32,833	36,115	33,299	-9.1%	8.5%
<i>Unaudited EBITDA margin (%)</i>	26.93%	30.23%	30.00%		
Total intersegment adjustments*	(631)	(303)	(873)		
Total operating result (according to financial statements)	29,626	33,054	29,515	-10,4%	12,0%

Source: Audited Consolidated Financial Statements

The revenue of the forwarding segment registered a significant increase in 2019, up to RON 405.1 million, up by 22.2% versus the previous year. This increase mainly came as a result of the increase in the transported and operated cargo volumes. Thus, the volumes committed for transport by the forwarding segment increased by 15%, from 6.0 to 6.9 million tonnes, while the quantities committed for port operation increased by 36%, from 3.6 million tonnes to 4.8 million tonnes. The highest increases were registered by mineral products, with almost 14% for transport (from 3.7 to 4.2 million tonnes) and more than 77% for port operation (from 0.9 to 1.6 million tonnes). Agricultural products also registered increases of almost 12% for transport (from 1.7 to 1.9 million tonnes) and 19% for port operation (from 2.1 to 2.5 million tonnes). Chemical products registered an increase of almost 17% for transport (from 0.6 to 0.7 million tonnes), while the volumes operated in ports were relatively constant, 0.7 million tonnes both in 2018 and 2019. The largest part of these cargo volumes were transported and operated in port by the group's business segments; thus, in 2019 the transport segment transported 6.8 million tonnes of cargo and the operation segment operated 3.8 million tonnes of cargo derived from the forwarding segment. These volume increases were mainly due to the maturing of the operating system of the entire logistic group and to the previous and ongoing investments and revamping, allowing for a higher balancing between upstream/downstream river transport, as well as to generating additional quantities for port operation, considering a market significantly better in 2019 versus 2018. The level of prices charged in 2019 was almost

equal to that of 2018, with slight positive adjustments (through BAF – "bunker adjustment fee" included in the contracts), due to a higher Diesel price.

In 2020, despite a decrease in gross income (before eliminating inter-segment transactions) of 2.9% to RON 393.4 million, net revenue registered an increase of 2.1%, due to maintaining the activities with third parties (especially in the area of raw materials in transit) at a level approximately equal to that of 2019. The important volume decreases (especially raw materials for steel factories in Romania, grain operation in Danube ports and Constanta) affected especially inter-segment activities.

For the supply of integrated logistics services, the forwarding segment contracts for execution first of all the specialised companies inside the group, at market terms – transactions which are not included in the consolidation – such as transporters (by river, road, rail and sea) and third party port operators – registered under subcontractors expenses. Subcontractors expenses represented the largest cost line of the segment being directly correlated with the level of TTS (Grup) sales for this segment. In 2019, subcontractors expenses, including those with the services purchased from the other entities of the group amounted to RON 69.8 million, up by 14.2% versus the previous year due to the increase in the cargo volumes in relation to third parties, which increased by 21% for port operation (from 0.9 to 1.1 million tonnes) and by 204% for river transport (from 0.046 to 0.094 million tonnes).

In 2020, the subcontractors expenses of the forwarding segment increased by 3.7% to RON 72.4 million, mainly due to the changes in net revenue. Thus, the cargo volumes in relation to third parties for both river transport but especially for port operation were approximately the same as in 2019, while the volumes transported by rail increased, all at prices relatively equal to those of 2019 (save for maritime transport, where prices increased).

The following table presents the number of employees in the forwarding segment during 2018-2020:

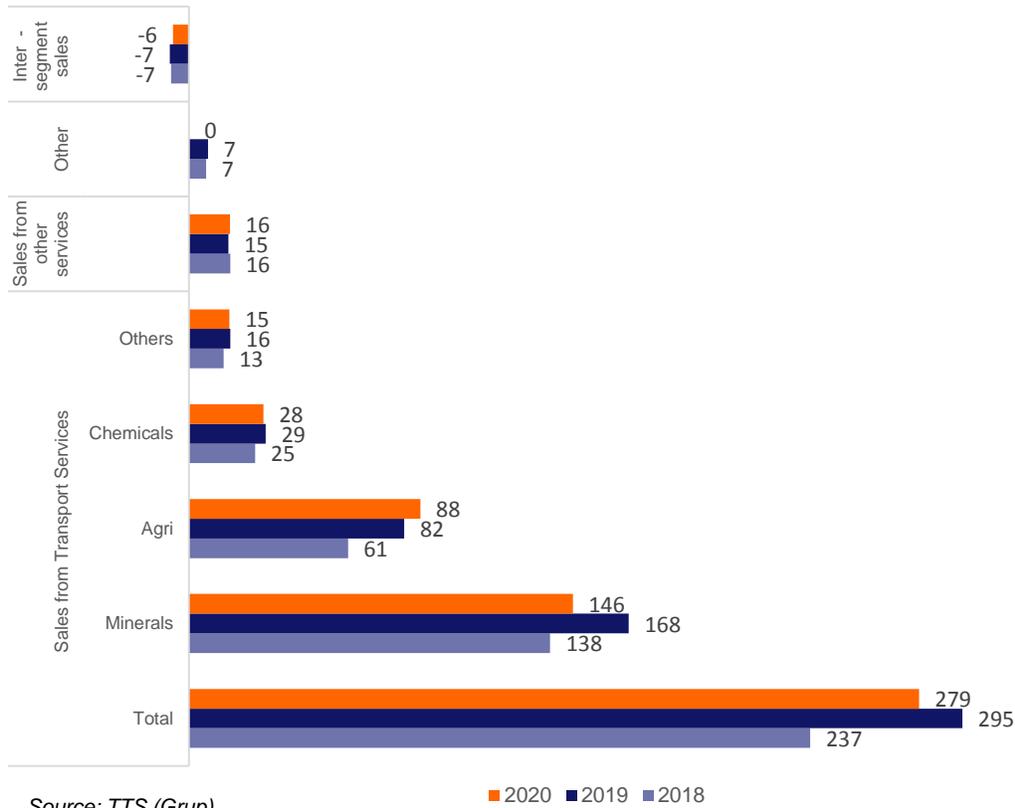
Number of employees forwarding segment	2018	2019	2020
Management	13	13	15
Administrative personnel	51	45	48
Total	64	58	63

Source: TTS (Grup)

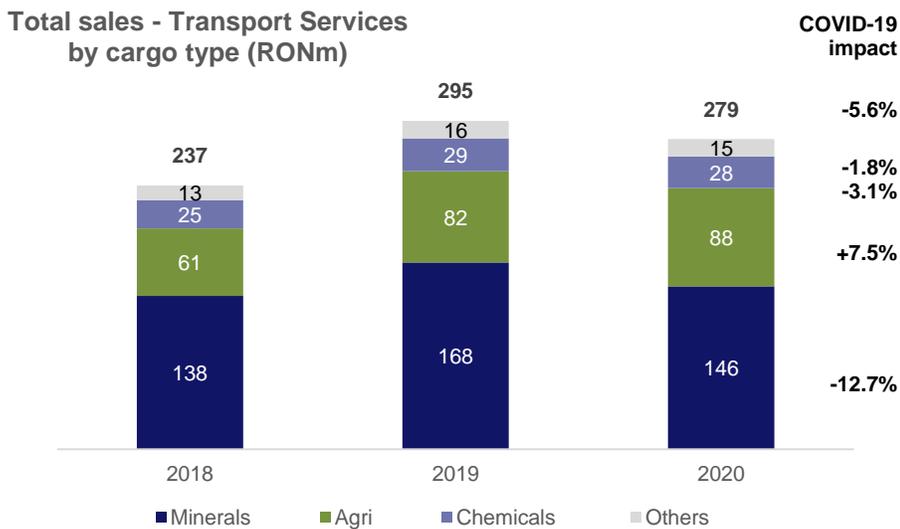
River transport Segment

Based on the volumes presented above, the forwarding segment obtained in 2020 gross revenue (before consolidation) of RON 294.3 million, down by 7.3% as compared to 2019. The split of gross revenue in the main product categories and based on the main segments of TTS (Grup) is presented in the chart below.

Total sales and intersegment sales (RONm)



The following chart presents the total sales of the river transport segment. Thus, the revenue of this segment (save for revenue related to other services) totalled RON 278.6 million, down by 5.6% as compared to 2019, mainly due to lower revenue from minerals, that dropped from RON 167.8 million in 2019 to RON 146.4 million in 2020.



Consolidated statement of river transport segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Gross income	294,257	317,382	259,266	-7.3%	22.4%
Agricultural products	88,268	82,119	60,685	7.5%	35.3%
Chemical Products	28,383	29,287	25,283	-3.1%	15.8%
Minerals	146,446	167,802	137,798	-12.7%	21.8%
Other merchandise	15,485	15,879	13,240	-2.5%	19.9%
Other services	15,674	22,295	22,261	-29.7%	0.2%
Net income	288,243	310,151	252,524	-7.1%	22.8%
Intersegment adjustment*	6,014	7,231	6,742	-16.8%	7.3%
Merchandise sold	(1,472)	(1,578)	(868)	-6.7%	81.8%
Raw materials and consumables	(54,105)	(80,869)	(75,109)	-33.1%	7.7%
Gross expenses	(54,105)	(80,905)	(75,113)	-33.1%	7.7%
Intersegment adjustment*	-	36	4	-100.0%	915.5%
Depreciation and amortization	(33,136)	(32,111)	(26,732)	3.2%	20.1%
Packaging costs	(7)	(3)	(4)	135.1%	-22.6%
Subcontractors expenses	(96,492)	(97,623)	(89,808)	-1.2%	8.7%
Gross expenses	(97,854)	(99,417)	(93,886)	-1.6%	5.9%
Intersegment adjustment*	1,363	1,794	4,078	-24.0%	-56.0%
Payroll expenses	(52,483)	(50,403)	(45,614)	4.1%	10.5%
Electricity, heating and water	(739)	(585)	(603)	26.4%	-3.0%
Gross expenses	(747)	(600)	(615)	24.5%	-2.5%
Intersegment adjustment*	9	16	13	-44.3%	23.6%
Maintenance and repair expenses	(9,431)	(8,097)	(4,936)	16.5%	64.0%
Gross expenses	(13,551)	(12,734)	(6,852)	6.4%	85.8%
Intersegment adjustment*	4,120	4,637	1,916	-11.1%	142.0%
Other administrative expenses	(9,726)	(9,304)	(9,732)	4.5%	-4.4%
Gross expenses	(10,130)	(9,769)	(10,210)	3.7%	-4.3%
Intersegment adjustment*	404	465	478	-13.0%	-2.7%
Other gains and loss	1,079	933	2,835	15.6%	-67.1%
Gross expenses	1,769	2,083	3,824	-15.1%	-45.5%
Intersegment adjustment*	(690)	(1,150)	(989)	-40.0%	16.3%
Total operating result	31,732	30,512	1,954	4.0%	1461.8%
Operating profit margin (%)	11.01%	9.84%	0.77%	11.9%	1171.6%
				0.0%	0.0%
(+) Depreciation and amortization	(33,136)	(32,111)	(26,732)	3.2%	20.1%
Unaudited reported EBITDA	64,868	62,623	28,686	3.6%	118.3%
Unaudited EBITDA margin (%)	22.50%	20.19%	11.36%		
Total intersegment adjustments*	808	1,433	1,242		
Total operating result (according to financial statements)	32,540	31,945	3,196	1.9%	899.7%

Source: Audited Consolidated Financial Statements

The revenue for the river transport segment of TTS (Grup) (before eliminating inter-segment transactions) increased to RON 317.4 million in 2019, by 22.4% more than in the previous year, due to the substantial growth of transported volumes, as well as of the average transport distance for both agricultural products and minerals.

The revenue obtained by TTS (Grup) from river transport services of agricultural products increased (by 35.3%, to RON 82.1 million in 2019 from RON 60.7 million in the previous year). This evolution shows the increase in transported volume by almost 18% to 2 million tonnes in 2019 from 1.7 million tonnes in 2018, due to a very good harvest in Romania in 2019 and to higher quantities transported from Hungary and Serbia, as well as on the Upper Danube, between Croatia/Serbia and Austria/Germany. The average transport distance increased from 492 km in 2018 to 592 km in 2019, by 20%.

The revenue from the transport of chemical products increased by 15.8% to RON 29.3 million in 2019 from RON 25.3 million, due to an increase by 17% of transported volumes, from 0.6 to 0.7 million tonnes, along with a slight decrease in the average transport distance, from 789 to 775 km.

The revenue from the transport of minerals increased by 21.8%, to RON 167.8 million from RON 137.8 million, due to the volumes of transported cargo which were higher by 4.9%, from 6.1 to 6.4 million tonnes, along with the increase of the average transport distance by 17%, from 409 to 472 km. These increases are mainly explained by the increase in the volumes transported for the steel factory in Smederevo/Serbia, as well as by the increase in the volume of finished products (various types of metals) following various relations on the Danube.

The revenue from the transport of other products, consisting in the transport of general goods, car and passenger ferry increased by 19.9% to RON 15.9 million, from RON 13.2 million, showing an increase in transported volumes from 0.3 to 0.5 million tonnes.

The revenue obtained by the river transport segment of TTS (Grup) (before the elimination of inter-segment transactions) dropped from RON 294.3 million in 2020, being by 7.3% lower than in the previous year, due to the lower volumes of transported cargo (almost 1 million tonnes of minerals) partially offset by the higher revenue from the transport of agricultural products.

The revenue obtained by TTS (Grup) from river transport services for agricultural products increased (by 7.5% to RON 88.3 in 2020 from RON 82.1 million in the previous year). This evolution shows the increase in the average transport distance due to the higher weight of cargo exported from Serbia and Hungary and a lower weight of Romanian exports.

The revenue from the transport of chemical products dropped by 3.1% to RON 28.4 million in 2020 from RON 29.3 million due to lower average transport distance, considering a cargo volume relatively equal to that of 2019.

The revenue from the transport of minerals dropped by 12.7%, to RON 146.4 million from RON 167.8 million, following the decrease in the cargo flows to the steel factories in Romania.

Income from the transport of other products, such as general goods, car and passenger ferry dropped by 2.5% from RON 15.5 million from RON 15.9 million, due to the impact of COVID crisis on the movement of goods (volumes lower by 6.6% versus 2019) and persons. The start of operations at the new border point Isaccea (Romania) - Orlivka (Ukraine), consisting in ferry crossing, compensated to a certain extent the decreased activity at the crossing point in Romania, Galați – Nicolae Bălcescu.

Expenses with raw materials and consumables that, to a large extent, include the cost of fuel for the vessels, increased by 7.7% in 2019 versus the previous year, due to higher consumption generated by higher volumes transported. In 2020 these expenses dropped by 33.1% due to lower volumes of transported cargo, lower

Diesel price and as the result of the commissioning of the bunkering stations as tax warehouse for own consumption, making possible significant savings related to fuel costs. In 2019 two such bunkering stations were commissioned, and the third one followed in 2020, and thus a large part of the fleet's consumption is self-supply, at lower prices than in independent bunkering stations or belonging to oil companies.

Payroll expenses of RON 45.6 million in 2018 registered an increase by 10.5% to RON 50.4 million in 2019, mainly due to the increase in salaries. Salary expenses registered an increase of 4.1% in 2020 versus the previous year, to RON 52.5 million, mostly due to salary increases.

The following table presents the number of employees in the river transport segment during 2018-2020:

Number of employees river transport segment	2018	2019	2020
Management	9	9	10
Crew staff	456	416	434
Administrative personnel	178	178	176
Leased personnel	291	306	291
Total	934	909	911

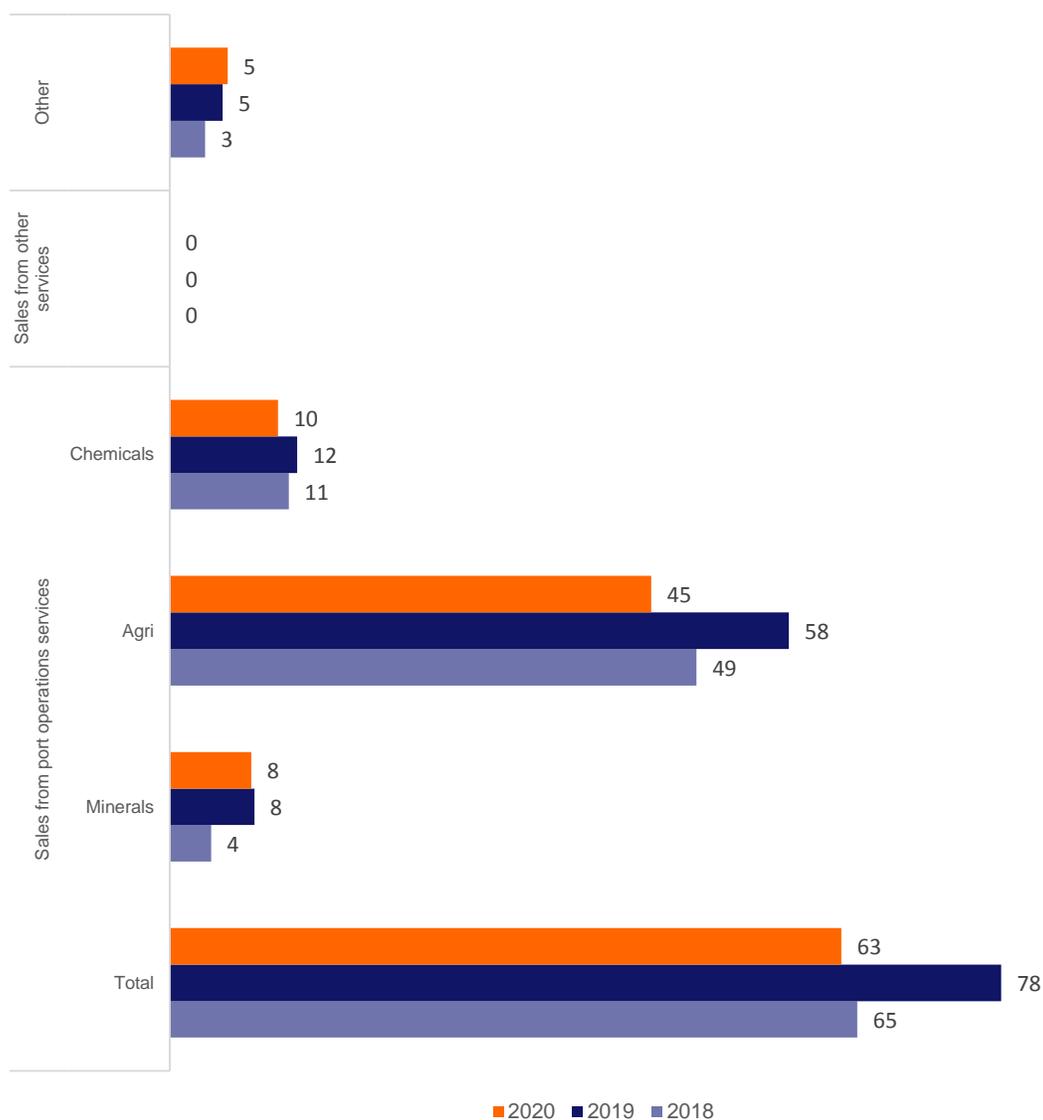
Source: TTS (Grup)

Subcontractors expenses dropped by 1.2% in 2020 versus 2019, due to the lower volumes of transported cargo.

Port operation segment

Based on the volumes presented above, the forwarding segment obtained in 2020 gross revenue (before consolidation) of RON 68.5 million, down by 17.5% versus 2019. The split of gross revenue in the main product categories and based on the main segments of TTS (Grup) is presented in the chart below.

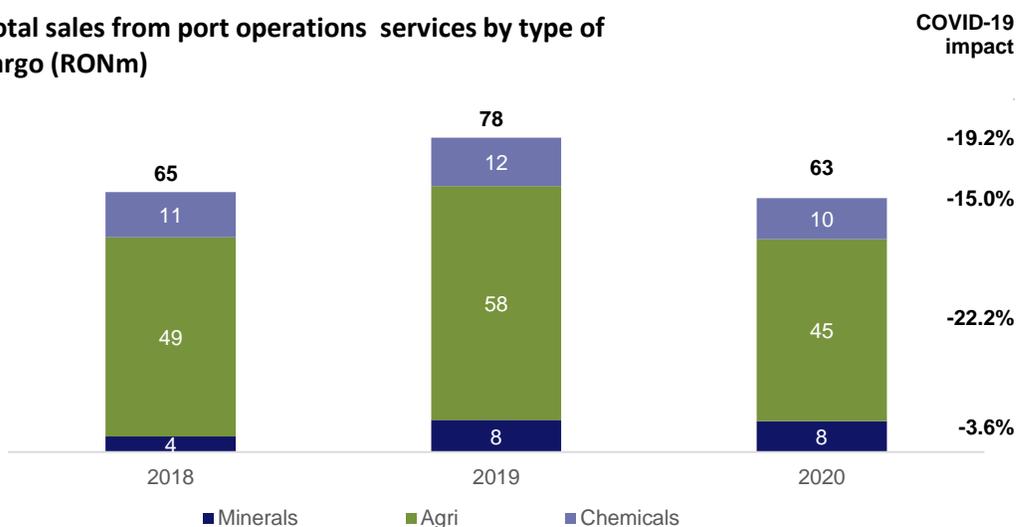
Port operations - Total sales and intersegment sales (RONm)



Source: TTS (Grup)

The total sales of the port operation segment are presented in the chart below. Thus, the revenue of this segment (save for revenue related to other services) totalled RON 63.0 million in 2020, down by 19.2% as compared to 2019, mainly due to lower revenue from agricultural products, that dropped from RON 58.1 million in 2019 to RON 45.2 million in 2020.

Total sales from port operations services by type of cargo (RONm)



Source: TTS (Grup)

Consolidated statement of port operation segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Gross income	68,500	83,040	67,875	-17.5%	22.3%
Agricultural products	45,227	58,146	49,473	-22.2%	17.5%
Chemical Products	10,178	11,980	11,188	-15.0%	7.1%
Minerals	7,657	7,946	3,894	-3.6%	104.1%
Other merchandise	-	-	-	0.0%	0.0%
Other services	5,439	4,968	3,320	9.5%	49.6%
Net income	63,699	78,069	62,669	-18.4%	24.6%
Intersegment adjustment*	4,802	4,971	5,206	-3.4%	-4.5%
Merchandise sold	-	-	59	0.0%	-100.0%
Gross expenses	-	-	-	0.0%	0.0%
Intersegment adjustment*	-	-	59	0.0%	-100.0%
Raw materials and consumables	(6,369)	(9,454)	(7,202)	-32.6%	31.3%
Gross expenses	(6,369)	(9,463)	(7,202)	-32.7%	31.4%
Intersegment adjustment*	-	9	-	-100.0%	0.0%
Depreciation and amortization	(13,428)	(12,864)	(12,940)	4.4%	-0.6%
Packaging costs	(2)	(6)	(1)	-63.4%	312.2%
Subcontractors expenses	(13,355)	(14,331)	(9,926)	-6.8%	44.4%
Gross expenses	(13,937)	(15,049)	(10,581)	-7.4%	42.2%
Intersegment adjustment*	582	718	655	-19.0%	9.6%
Payroll expenses	(18,647)	(18,447)	(16,223)	1.1%	13.7%
Electricity, heating and water	(2,300)	(2,308)	(1,906)	-0.3%	21.1%
Gross expenses	(2,303)	(2,309)	(1,908)	-0.3%	21.0%
Intersegment adjustment*	3	1	2	80.4%	-17.0%
Maintenance and repair expenses	(3,224)	(3,140)	(4,239)	2.7%	-25.9%

<i>Gross expenses</i>	(3,224)	(3,144)	(4,241)	2.6%	-25.9%
<i>Intersegment adjustment*</i>	0	3	3	-100.0%	27.6%
Other administrative expenses	(3,940)	(3,643)	(3,578)	8.2%	1.8%
<i>Gross expenses</i>	(8,117)	(7,863)	(7,970)	3.2%	-1.3%
<i>Intersegment adjustment*</i>	4,177	4,220	4,392	-1.0%	-3.9%
Other gains and loss	(644)	(681)	(306)	-5.4%	122.4%
<i>Gross expenses</i>	(644)	(681)	(306)	-5.4%	122.4%
<i>Intersegment adjustment*</i>	-	-	-	0.0%	0.0%
Total operating result	1,789	13,196	6,407	-86.4%	106.0%
<i>Operating profit margin (%)</i>	2,81%	16,90%	10,22%	-83.4%	65.3%
				0.0%	0.0%
(+) Depreciation and amortization	(13,428)	(12,864)	(12,940)	4.4%	-0.6%
Unaudited reported EBITDA	15,217	26,060	19,347	-41.6%	34.7%
<i>Unaudited EBITDA margin (%)</i>	23.89%	33.38%	30.87%		
Total intersegment adjustments*	40	19	96		
Total operating result (according to financial statements)	1,829	13,215	6,502	-86.2%	103.2%

Source: Audited Consolidated Financial Statements

In 2019, the revenue of port operation segment of TTS (Grup) (before eliminating inter-segment transactions) increased by 22.3% versus 2018, to RON 83.0 million, due to the increase of operated volumes to 5.2 million tonnes in 2019 from 3,8 million tonnes in 2018, up by 36.8%. The increase in revenue was hence mainly due to the operation of agricultural products that accounted for 72.9%, 70.0% and 66.02% of the total revenue of the port operation segment in 2018, 2019 and 2020. The revenue from the operation of minerals registered the highest increase during 2018-2020, to 11.2% of the total revenue of port operation segment in 2020, from 5.7% in 2018.

Segment's revenue dropped in 2020 as compared to 2019 by 17.5%, to RON 68.5 million. This is due to lower operated cargo volumes from 5.2 million tonnes to 4.1 million tonnes, mainly because of the decrease in the volumes of grains exported from Romania (by approximately 700 thousand tonnes, out of which almost half in Danube ports) as well as to the types of operated goods.

Payroll expenses account for the largest cost line of the segment and relate to the group's payroll expenses. The trend in this category was positive in each year of the period under review, up by 13.7% in 2019 versus the previous year, by 1.1% in 2020, namely RON 18.6 million. The general increase in this category resulted from the general salary increase in the entire group, while the number of employees decreased from 268 to 247 and the number of leased personnel (crew of floating cranes in Constanta) remained constant, 36 people. The following table presents the number of employees in the port operation segment during 2018-2020:

Number of employees port operation segment	2018	2019	2020
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Management	8	9	6
Operating personnel	266	268	247
Administrative personnel	55	53	46
Leased personnel	36	36	36
Total	365	366	335

Source: TTS (Grup)

Subcontractors expenses (representing services purchased by the group from personnel leasing companies, maintenance services, port fees, inspectors and others) are correlated to the level of TTS (Grup) sales for the segment. Subcontractors expenses increased by 44.4% in 2019 versus 2018, to RON 14.3 million from RON 9.9 million, but these decreased by 6.8% in 2020, to RON 13.4 million due to lower operated volumes, this type of expense being in general prorated with the level of activity.

Other activities Segment

Consolidated statement of other activities segment

RON thousand	For the year ended December 31			Change %	
	2020	2019	2018	2020/2019	2019/2018
Gross income	47,740	45,373	50,368	5.2%	-9.9%
Agricultural products	-	-	-	0.0%	0.0%
Chemical Products	-	-	-	0.0%	0.0%
Minerals	-	-	-	0.0%	0.0%
Other merchandise	-	-	-	0.0%	0.0%
Other services	47,740	45,373	50,368	5.2%	-9.9%
Net income	46,412	44,097	48,995	5.2%	-10.0%
Intersegment adjustment*	1,329	1,276	1,374	4.1%	-7.1%
Merchandise sold	(14,716)	(17,322)	(22,458)	-15.0%	-22.9%
Gross expenses	(14,716)	(17,322)	(22,469)	-15.0%	-22.9%
Intersegment adjustment*	-	-	12	0.0%	-100.0%
Raw materials and consumables	(6,998)	(2,442)	(3,349)	186.6%	-27.1%
Gross expenses	(6,998)	(2,476)	(3,418)	182.6%	-27.6%
Intersegment adjustment*	-	34	69	-100.0%	-50.3%
Depreciation and amortization	(2,854)	(6,992)	(3,987)	-59.2%	75.4%
Packaging costs	(3)	(2)	(1)	59.1%	73.9%
Subcontractors expenses	(8,952)	(4,423)	(4,693)	102.4%	-5.7%
Gross expenses	(9,872)	(5,467)	(5,868)	80.6%	-6.8%
Intersegment adjustment*	920	1,043	1,174	-11.8%	-11.2%
Payroll expenses	(15,615)	(16,536)	(16,454)	-5.6%	0.5%
Electricity, heating and water	(1,440)	(1,796)	(1,614)	-19.8%	11.3%
Gross expenses	(1,480)	(1,834)	(1,644)	-19.3%	11.5%
Intersegment adjustment*	39	37	30	5.4%	24.0%
Maintenance and repair expenses	(249)	(536)	(210)	-53.5%	155.7%
Gross expenses	(249)	(536)	(210)	-53.5%	155.7%

<i>Intersegment adjustment*</i>	-	0	-	-100.0%	0.0%
Other administrative expenses	(2,210)	(3,308)	(2,650)	-33.2%	24.8%
<i>Gross expenses</i>	(2,629)	(3,550)	(2,805)	-25.9%	26.5%
<i>Intersegment adjustment*</i>	420	242	155	73.5%	55.6%
Other gains and loss	5,094	1,428	(6,559)	256.8%	-121.8%
<i>Gross expenses</i>	5,182	1,764	(6,566)	193.8%	-126.9%
<i>Intersegment adjustment*</i>	(88)	(336)	7	-73.9%	-4958.8%
Total operating result	(1,532)	(7,832)	(12,980)	-80.4%	-39.7%
<i>Operating profit margin (%)</i>	-3,30%	-17,76%	-26,49%	-81.4%	-33.0%
				0.0%	0.0%
(+) Depreciation and amortization	(2,854)	(6,992)	(3,987)	-59.2%	75.4%
Unaudited reported EBITDA	1,322	(840)	(8,994)	-257.4%	-90.7%
<i>Unaudited EBITDA margin (%)</i>	2.85%	-1.90%	-18.36%		
Total intersegment adjustments*	38	255	(73)		
Total operating result (according to financial statements)	(1,495)	(7,577)	(13,054)	-80.3%	-42.0%

Source: Audited Consolidated Financial Statements

The revenue obtained from the other activities segment (before eliminating inter-segment transactions) dropped by 9.9% in 2019 versus 2018, to RON 45.4 million from RON 50.4 million. The decrease was largely due to the lower volume of trading activities (AGRIMOL). The negative trend was reversed in 2020, when gross revenue amounted to RON 47.7 million, up by 5.2% as compared to the previous year following the increase in the activity of naval shipyards and termination of hotel activities.

As of the Prospectus date, the trading activities of the other activities segment are limited to the export of timber.

In 2018, the expenses with merchandise sold represented the highest cost line of the segment (45.8% of net revenue), registering in 2019 a drop of 22.9% from RON 22.5 million to RON 17.3 million, while these expenses accounted for only 39.2% of segment revenue, as a consequence of lower trading activities with wood products. In 2020 these costs continued to decrease by 15.0% to RON 14.7 million, following group's restructuring by spinning off hotel and similar activities.

Payroll expenses are the second largest cost line, being relatively stable during 2018-2020. In 2019, payroll expenses for this segment slightly increased by 0.5% to RON 16.5 million, and in 2020 they dropped by 5.6% to RON 15.6 million, in the context of group's restructuring by spinning off hotel and similar activities. The following table presents the number of employees in the other activities segment during 2018-2020:

Number of employees other activities	2018	2019	2020
--------------------------------------	------	------	------

Management	11	9	6
Operating personnel	280	263	245
Administrative personnel	142	86	39
Total	433	358	290

Source: TTS (Grup)

Expenses with raw material and consumables decreased by 27.1% in 2019 versus 2018, while in 2020 they increased by 186.6% to RON 7.0 million, largely due to the extended activity of naval shipyards.

The same trend was registered by subcontractors expenses (such as the purchase of loading, transport, storage, port and river fees, painting, carpentry, blasting and general administrative services) that dropped by 5.7% in 2019, to RON 4.4 million from RON 4.7 million. The trend was reversed in 2020 when subcontractors expenses reached RON 9.0 million, which doubled versus the previous year due to the extended activities of naval shipyards.

The decrease of the operating loss in the other activities segment in 2020 was mainly due to a gain of RON 4.3 million representing the restatement of a depreciation for a fix asset, of RON 2.2 million, the restatement of depreciation for current assets and RON 1.7 million representing the restatement of provisions for litigation.

Liquidity and Capital Resources

The liquidity requirements of TTS (Grup) are mainly derived from the need to finance capital expenditure, including acquisitions. Also, the liquidity needs are determined by the observance of payment obligations in connection to loans and in order to pay dividends (see chapter "Dividend Policy"). During the period under review, TTS (Grup) met its liquidity needs mainly based on operating cash flows and, where necessary, by loans contracted from commercial banks. TTS (Grup) estimates that it will continue to meet the liquidity need in the same way also in the future, hence TTS (Grup) considers that it holds enough long and short term capital resources. TTS (Grup) does not have restrictions to use the capital resources that have had or could have a material impact on the Company's operations, directly or indirectly.

Cash flows statement

The following table presents the cash flows statement of TTS (Grup) for the years ended December 31 2020, 2019 and 2018.

Consolidated cash flows statement

RON thousand	For the year ended December 31		
	2020	2019	2018
Net cash flow generated from operations	107.502	109.189	54.087
Cash flow used in investing activities	(64.397)	(68.802)	(49.000)
Cash flow generated by financing activities	(50.339)	(16.934)	(16.818)
Cash and cash equivalents at the beginning of the year	62.393	38.940	50.672
Cash and cash equivalents at the end of the year	55.161	62.393	38.940

Source: Audited Consolidated Financial Statements

Net cash flow generated from operations

In 2019, net cash flow generated from operations increased by 101.9% as compared to 2018, to RON 109.2 million from RON 54.1 million. Profit adjustments before taxation representing fluctuations of non-monetary items were of RON 59.7 million in 2019, while the changes in operating assets and liabilities generated a cash outflow of RON 8.1 million.

Net cash flow generated from operations dropped by 1.5% to RON 107.5 million in 2020. Profit adjustments before taxation representing fluctuations of non-monetary items amounted to RON 46.3 million in 2020 versus RON 59.7 million in 2019. These were counterbalanced by the changes in operating assets and liabilities, which generated a cash inflow of RON 7.9 million in 2020, as compared to the negative adjustments of RON 8.1 million in 2019. Changes in operating assets and liabilities for the year 2020 led to a better cash inflow policy.

In 2018, TTS (Grup) registered a profit before taxation of RON 23.4 million, plus depreciation, amortization and impairment of RON 46.5 million and RON 2.9 million as a net increase in provisions for current assets (resulted from the supplementation of certain provisions and write off of receivables). Changes in working capital had a net negative impact on cash flows mainly due to the increase in inventories and decrease of trade payables, to a lesser extent offset by a decrease of trade and other receivables of TTS (Grup).

In 2019, TTS (Grup) registered a profit before taxation of RON 66.7 million, plus depreciation, amortization and impairment of RON 48.6 million and a net increase in provisions for risks and charges of RON 2.5 million due to the interruption of certain projects of naval shipyards. Changes in working capital had a net negative impact on cash flows mainly due to the increase in inventories and trade receivables, partially offset by an increase of trade and other payables of TTS (Grup).

In 2020, TTS (Grup) registered a profit before taxation of RON 59.1 million, plus depreciation, amortization and impairment of RON 52.0 million. Changes in working capital had a net positive impact on cash flows mainly due to the trade and other receivables received in due time.

Cash flow used in investing activities

Cash flow used in investing activities increased by RON 19.8 million or 40.4%, to RON 68.8 million in 2019 from RON 49 million in 2018. In 2019, cash outflows were used for investments in tangible and intangible assets of RON 70.2 million, mainly in view of continuing the modernisation program for vessels and barges, as well as for a new investment related to a new ferry and payments for the investments in the acquisition of a new company in Hungary of RON 1.2 million were partially offset by the funds obtained from the sale of fixed assets of RON 4.4 million consisting in the sale of vessels (most of the sales took place at CNFR Navrom S.A.). In 2019, TTS(Grup) pledged a collateral in the form of a bank deposit in favour of a subsidiary totalling RON 1.0 million in the context of the investment aimed at building and commissioning a new ferry.

Net cash flow used in investing activities by TTS (Grup) dropped by RON 4.4 million or 6.4%, to RON 64.4 million in 2020. Cash used in investing activities in relation to tangible and intangible assets (mainly for the modernisation of vessels and barges) amounted to RON 73.1 million, up by 4.1% as compared to 2020, mainly as a consequence of the management's plan for the modernisation of fleet and equipment used. This significant cash used in 2020 was partially counterbalanced by the income from the sale of fixed assets of RON 5.6 million as compared to an income of RON 4.4 million in 2019. In 2020, TTS (Grup) registered cash outflows related to payments for investments (acquisitions) amounting to RON 0.7 million versus RON 1.2 million in 2019, mainly consisting in purchases of equity securities.

Net cash flow generated by financing activities

Net cash flow generated by financing activities remained relatively constant between 2018 and 2019, when it increased by RON 0.1 million, from a net cash outflow of RON 16.9 million in 2019 to a net cash outflow of RON 16.8 million in 2018. In 2019, the net cash outflows of TTS (Grup) for the payment of loans and leasing totalled RON 9.3 million, from a net inflow of RON 26.7 million in 2018. Thus, the change in net payments was generated by a series of factors: (i) In 2019, the new loans of TTS (Grup) were below the level of the payments for old loans, and cash outflows consisted in the payment of the loans of previous years; (ii) In 2018, TTS (Grup) contracted a series of loans, as presented below.

Net cash flow generated by financing activities increased by RON 33.4 million and their balance tripled as compared to 2019, from a net cash inflow of RON 16.9 million in 2019 to an outflow of RON 50.3 million mainly due to the repayments for the loan contracted from UniCredit Bank SA, secured by mortgage on certain real estate held by TTS (Grup) in Bucharest, as well as on the properties and equipment belonging to the company TTS Porturi Fluviale SRL of Galați.

In 2019, the dividend paid for the year 2018 was of RON 7.2 million. The payment of the dividend for the year 2019, made in 2020, was by RON 8.1 million higher than in 2019, namely RON 15.3 million. In 2021, the dividend for the year 2020 was paid, amounting to RON 16.2 million, higher by RON 0.9 million than the dividend paid in 2020.

Net working capital

TTS (Grup) carries out business with a positive net working capital due to client payment terms, which are longer than the suppliers' payment requirements. The net working capital improved in 2019, when it increased by RON 8.2 million up to RON 53.2 million from RON 45.1 million in 2018, an effect mainly generated by the growth of trade and other payables balance as a consequence of the 16.1% increase in the consolidated income of TTS (Grup).

In 2020 the net working capital dropped by 32.7% to RON 35.8 million, mainly due to the decrease of trade receivables, lower revenue and lower inventories.

Borrowings

As of December 31 2020, TTS (Grup) had contracted bank facilities of EUR 42.7 million, HUF 2 million and RON 7.2 million made available to it, out of which the outstanding amount was EUR 15.2 million and RON 0.3 million.

Borrowings

RON thousand	For the year ended December 31		
	2020	2019	2018
Secured short term borrowings			
Short-term borrowings	26,075	34,593	25,753
Current part of long term borrowings	24,727	28,302	28,368
Long-term borrowings			
Long-term borrowings	23,114	46,059	64,170

Source: Audited Consolidated Financial Statements

TTS (Grup) has the following loans contracted from Unicredit Bank: (i) overdraft and bank letters of guarantee in amount of EUR 1.5 million, valid until 31.01. 2022, not drawn at 31.12.2020; (ii) treasury line with a total value of EUR 1 million, with a maturity date on 31.01.2022, not used as at 31.12.2020; (iii) a loan in amount of EUR 7 million due on 12.04.2022, repayable in 8 semi-annual instalments of EUR 875,000 each. The outstanding amount at December 31, 2020 is EUR 1.75 million equivalent of RON 8,521,450, balance remained to be repaid until 28.12.2021, the maturity of instalments being calculated depending on the initial date when the amount was drawn.

All loans from Unicredit Bank are secured by the mortgage on the building located in Bucharest, 27 Vaselor Street and the related land, Silo in Giurgiu. The Company contracted a credit line in amount of EUR 1,0 million from Citibank Europe PLC, Dublin-Romania Branch with automatic renewal for periods of 1 year, not drawn at 31.12.2020.

As subsidiary of TTS, CNFR Navrom contracted from Unicredit Bank SA a multi-purpose credit facility (umbrella with Navrom River) with an outstanding amount of RON 2,169,033, out of which the total amount drawn as at December 31, 2020 was EUR 445,442. The maximum available ceiling for both borrowers is EUR 3,000,000. The due date is 31.01.2022 for amounts drawn as overdrafts – overheads and 31.01.2022 for amounts used as letters of guarantee. The general maturity of the facility for issuing bank guarantee letters/opening of credit letters is 31.01.2025.

Furthermore, CNFR Navrom, as subsidiary of the Company, has the following borrowings from Citibank: i) term loan to finance the upgrading of the fleet and extension of its capacity, regarding the vessels owned. The amount granted is EUR 6,500,000 of which as at December 31, 2020 the company used EUR 2,736,842 equivalent of RON 13,326,778; ii) overdraft loan available in RON and EUR – the maximum amount available is EUR 2,000,000 with an outstanding amount at December 31, 2020 of RON 5,085,811 equivalent of EUR 1,044,443; iii) treasury line with a total value of EUR 700,000 to be used as follows: EUR 400,000 EUR for hedging operations swap on debt rate and EUR 300,000 for hedging operations on exchange rate. The line was not used as at 31.12.2020.

As subsidiary of TTS, Navrom Shipyard SRL has contracted a multi-purpose credit guarantee in amount of EUR 2.3 million from Unicredit Bank of which the value used at December 31, 2020 was EUR 1,775,975 equivalent of RON 8,647,932 and a treasury line of RON 7,200,00 lei also by Unicredit Bank, of which the value used at December 2020 is 261,687, amount that was fully paid in January 2020 when this line was closed.

On October 15, 2013, Canopus Star SRL signed an agreement with Royal Bank of Scotland (RBS) for financing the ongoing investment of Canopus for extension of the storage capacity of grain terminal from Constanta Port. Total value of the credit facility was EUR 11,500,000, having a maturity date on August 31, 2018. The loan was transferred during 2015 to Unicredit Bank SA and afterwards to Citibank Europe plc Dublin, in June 2016. Total value of credit facility is EUR 9,187,500, with the following destination: i) EUR 7,187,500 are related to refinancing of exposure to Unicredit Bank SA due in 31 May 2021 – used amount as at 31.12.2020 is EUR 718,750 (equivalent of RON 3,499,866); ii) EUR 2,000,000 are related to a credit line for treasury transaction (IRS transaction or swap on interest).

The balance of the loan received by Canopus Star SRL from Citibank SA is EUR 718,750 (RON 3,499,886) classified on short term.

Fluvius KFT, company part of TTS (Grup) contracted a loan from Citibank due on October 31, 2025 to refinance lease balances totalling EUR 2.5 million. The outstanding amount is EUR 2,187,500 (equivalent of RON 10,651,813) of which as at December 31, 2020, EUR 125,000 equivalent of RON 608,675 short term and EUR 2,062,500 (equivalent of RON 10,043,138) long term. In 2019 Fluvius kft contracted one more loan of EUR

300,000, in balance as at 31.12.2020, out of which EUR 50,000 (equivalent of RON 243,470) classified as short term and EUR 250,000 (equivalent of RON 1,217,350) classified as long term.

TTS Porturi Fluviale SRL, subsidiary of the Company, has an investment loan from Citibank in amount of EUR 1.5 million due on November 30, 2022 and an outstanding amount of EUR 631,579 (RON 3,075,411) as at December 31, 2020. The outstanding balance of the overdraft line at 31.12.2020 is RON 2,302,335.

In 2019, Navrom Bac S.R.L., a subsidiary of the Company, contracted an investment loan form Citibank, of EUR 1.5 million (equivalent of RON 7,304,100) out of which EUR 750.000 (equivalent of RON 3,652,050), classified as short term and EUR 750,000 (RON 3,652,050) classified as long term.

At December 31, 2020, Agrimol had one non-binding credit facility with a maximum approved amount of EUR 1,710,000 for working capital. The maximum available amount is the equivalent of EUR 1,500,000 with an outstanding amount as at December 31, 2020 of EUR 1,262,314.

See section *Financing Contracts* under chapter *Material Contracts* in the Prospectus.

The following table presents the maturity of all interest bearing bank borrowings, excluding leasing, at December 31 2020, in RON thousand:

RON thousand	Less than 1 year	1-2 years	2-5 years	Total
Interest bearing instruments				
Long- and short-term borrowings	50.802	13.314	9.800	73.915
Cash and cash equivalents	55.161			55.161

Source: Group's Audited Consolidated financial statements

Contingent liabilities

At December 31 2020, TTS (Grup) did not have material contingent liabilities and was not involved in material legal actions. If TTS (Grup) would have been involved in such material legal actions, it would recognise loss when, based on information available at that time, it was likely for a loss to be recognised and the value of the loss may be reasonable estimated.

Off balance sheet commitments

At December 31 2020, TTS (Grup) was not involved in any off balance sheet transaction.

Quantitative and qualitative information regarding market risk

TTS (Grup) is exposed to various market risks during normal business, including fluctuations in foreign exchange rates, interest rates, credit risk and liquidity risk.

Foreign currency risk

TTS (Grup) is exposed to fluctuations in the foreign exchange rates in relation to its commercial and financing transactions. Foreign currency risk results in relation to recognized assets and liabilities, including borrowings, expressed in foreign currencies. Due to the related high costs, the Group's policy is not to use derivatives to hedge this risk.

Interest rate risk

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, TTS (Grup) considers that their fair values do not differ significantly from their book values.

Credit risk

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

Liquidity risk

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, TTS (Grup) intends to be flexible in respect to financing options.

Recent evolutions

The merger by absorption of Navrom River by CNFR Navrom was completed in February 2021.

Critical accounting judgements

In applying the accounting policies, management must make judgments, estimates and assumptions regarding the reported amounts of assets and liabilities, revenues and expenses that are not recorded in other sources. Such estimates are related assumptions that the management reviews continuously, based on past experience and other factors that the management consider relevant. Due to the uncertainty of the factors underlying the estimates or judgements used in the preparation of the consolidated financial statements of TTS (Grup), the effective results may be different from such estimates.

The following are the critical judgements that the management of TTS (Grup) considers the most important for the preparation and understanding of financial statements.

Goodwill

Goodwill arising on an acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the cash generating units (or groups of cash generating units) of TTS (Grup) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Revenue recognition

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 Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group 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, based on one year long contract, level of tariffs being higher during season (July – December) and lower during 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 logistics contracts

Revenue from logistics services (transport, forwarding, port operations) are recognised over time according to the contractual conditions:

A. Revenue from logistics services are recognised 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 vessels or loading operation of 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 vessels' 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.
- Revenues are reflected in the forwarding segment (revenues generated by TTS, Plimsoll KFT and TTS GmbH Vienna), the river segment (revenues generated by CNFR NAVROM, Navrom Bac and Fluvius KFT) and port operation segment (revenues generated by Canopus Star, TTS Operator SRL, TTS Porturi Fluviale and Port of Fajsz). The forwarding segment is mainly involved in contracting the final clients and subcontracting the work to be done by transport suppliers mainly from the fluvial segment but also third parties. Port operations are also doing services for the first two segments but also for other third parties clients. Revenues are recognized over time in line with contractual terms.

B. Sale of goods

- Revenue from sales of goods is recognized when control of the goods is physically transferred being at the point the customer purchases the goods.
- This is a secondary stream activity of TTS (Grup) that it is mainly reflected in the activity of the subsidiaries Agrimol and Bunker Trade Logistic.
- 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.

Special recognition criteria:

The production cost of goods and services in progress is presented at the end of the period (monthly) in the work in progress account. At the beginning of the following period, works in progress are restated at the costs accrued from the beginning of the period.

Dividend and interest income

Income from dividend from investments are stated when the shareholders have the right to receive the same.

Income from interests related to a financial asset are recognised when it is probable that future economic benefits associated with the item will flow to TTS (Grup) and when such benefits may be credibly assessed. Interest income is registered in time, by reference to outstanding principal and the applicable effective interest rate, which is the exact discount rate of future cash inflows estimated during the useful life of the financial asset, until the net carrying value of the respective asset.

Exchange rate

Transactions in foreign currency are converted to the functional currency of each entity of TTS (Grup) using the exchange rate at the date of the transaction. The monetary assets and liabilities stated in a foreign currency, at the reporting date, are stated in the functional currency using the exchange rate at the respective date.

Foreign currency losses and gains from monetary items represent the difference between amortized cost in functional currency at the beginning of the period, adjusted at the effective interest and payments made during the period, and the amortized cost of the foreign currency converted at the exchange rate at the end of the period. Non-monetary assets and liabilities in foreign currency that are assessed at fair value are converted into the functional currency using the exchange rate of the date when fair value was determined. Conversion differences are included in the statement of profit and loss. Non-monetary items assessed at historical cost in foreign currency are converted at the exchange rate at transaction date.

Taxation

The income tax expense represents the sum of the tax currently payable 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 consolidated 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. TTS (Grup) current income tax liability 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 amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the Romanian laws that have been enacted or substantively enacted by the reporting date (2020 and 2019: 16%).

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current 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, 2020 was 16% (December 31, 2019: 16%), in accordance with the Romanian legislation.

Property, plant and equipment

Land and buildings held to be used in the production or supply of goods or services or for administrative purposes are stated in the consolidated financial statements at their cost less accumulated depreciation and accumulated impairment losses.

The depreciation of the property plant and equipment items is recorded in the statement of comprehensive income through the profit and loss of the year.

The depreciation commences when the assets are ready for their intended use.

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Vessels are assessed starting December 31 2017 at the revaluated value as set by an independent evaluator member of ANEVAR at that date.

On December 31 2012, for the purpose of preparing consolidated financial statements, TTS (Grup) applied one of the exceptions included in IFRS 1, exempting the entities adopting the standards for the first time from the requirements to restate cost information related to property, plant and equipment - "IFRS1 – D8 a first-time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition to IFRSs as deemed cost". More specifically, the provision allows a first time adopter of IFRS to use the fair value, determined by certain events, as a deemed cost at the date of that assessment for assessing events taking place after adopting the IFRS and make the appropriate bookings.

For TTS (Grup) the assessment date followed the date of transition to IFRS, namely December 31 2012, when an exercise determining the fair value for all fixed assets took place, which became a deemed cost.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is no longer recognized further to its assignment or when no future economic benefits are expected from the continued use of the asset. Any gain or loss resulting from the assignment or disposal of an item of property, plant and equipment is determined as the difference between proceeds from sales and the carrying value of the asset and is recognized in the profit or loss.

The average useful life of each category of property, plant and equipment is presented as follows:

	<u>Years</u>
Buildings	3 – 60
Plant and equipment	2 – 30
Fixtures and furniture	2 – 16
Vessels	8 – 20

Intangible assets

Intangible assets purchased separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated depreciation amortization and accumulated impairment losses. 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:

	<u>Years</u>
Concessions and patents	1 – 5

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, the 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.

Provisions

Provisions are recognized when TTS (Grup) has a present obligation (legal or implicit) as a result of a past event, and it is probable that TTS (Grup) must settle that obligation and a reliable estimate of the value of the obligation may be made.

The value recognized as provision is the best estimate of the counter value required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties related to the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, the carrying value thereof is the present value of such cash flows.

INTRODUCTION TO INLAND WATERWAY TRANSPORT INDUSTRY

1. Macroeconomic Aspects

Danube riparian states (except for Germany and Austria) had concentrated, socialist economies until 1989. Heavy industry, large scale chemical industries, high consumers of raw materials and producers of significant quantities of finished products were the bases of all economies of riparian states. After this date, the economies started to liberalise, making way for market economies. In addition, large plants and factories, even entire industries, with a significant consumption of raw materials that needed logistic services, collapsed or, at best, reduced dramatically their production capacities. Examples may be the failure to complete and then the closing of Călărași steel plant, closing of Kremnikovsky (Sofia, Bulgaria) steel plant, closing of coking plant and reducing the production capacity of Galați steel plant (currently Liberty Steel Galați), which today produces three times less steel than in 1989. All this led to lower volumes of transported raw materials and finished products (and operated in ports).

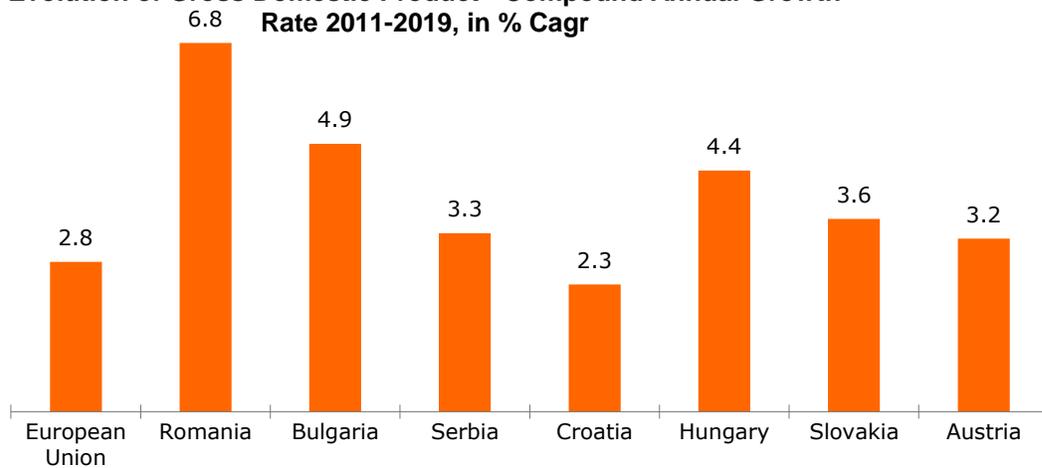
At the same time, before 1989, out of the riparian states, only Romania used continuously and intensely the facilities of Constanta Port, while the other countries used the Danube and Constanta occasionally and only for certain flows of cargo. Bulgaria used almost exclusively its ports on the Black Sea (without connection to the Danube), the Federal Republic of Yugoslavia used almost only its ports on the Mediterranean Sea (currently in Croatia and Montenegro), Hungary and Austria also used the Adriatic route and, after the opening of the Rhine-Main-Danube canal, both Danube Germany and Austria started to use this transport route. All the countries with socialist economies transported the largest quantities from/to the USSR, directly on rail (Romania, Hungary, Slovakia) but also on the Danube, from/to Reni and Izmail (in Ukraine today).

This environment is shown in the traffic data for the Danube-Black Sea Canal: in 1990, 5 million tonnes transited, out of which only 264,700 tonnes of cargo did not originate or was not directed to Romania (according to ACN website).

During the 30 years that passed from the anti-socialist revolutions of 1989, the economies of former socialist countries have changed significantly, both in terms of production structure and the geographical connections of their trade. Constanta Port has slowly become the main natural port for the economies of Romania, Bulgaria (to a certain extent), Serbia (to a large extent), Hungary (more and more important), Croatia, Slovakia, Austria and Germany (to a certain extent) so as, if Romania's traffic on the Danube-Black Sea Canal increased by 65% (2019 versus 1990), the total traffic of other Danube countries increased by more than 33 times.

Save for Serbia, Moldova (not significant for Danube transport) and Ukraine, all the other riparian countries are members of the EU. According to the statistics published by the European Commission, during 2011-2019, the average Gross Domestic Product ("GDP") of the European Union Member States had a compound annual growth rate of 2.8%, while the countries in the Danube Basin (save for Croatia) reported higher increases. During the same period, Romania had a growth rate above the European average, of 6.8%.

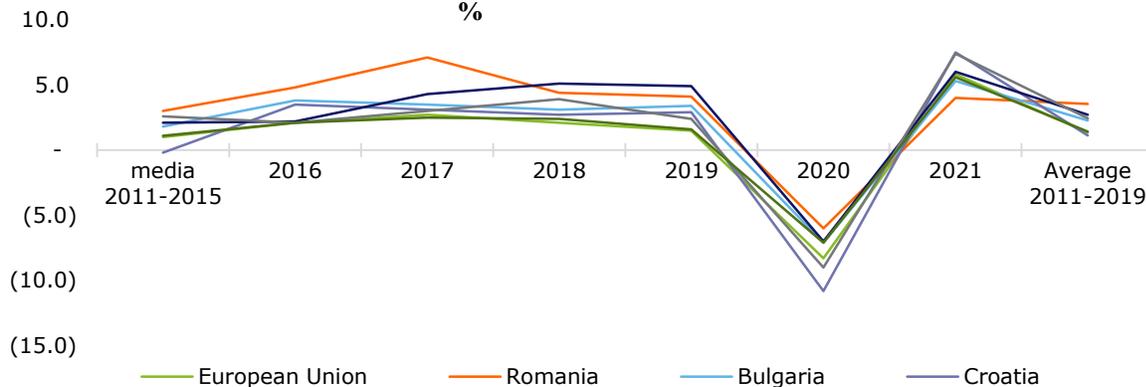
Evolution of Gross Domestic Product - Compound Annual Growth Rate 2011-2019, in % Cagr



Source: Eurostat

Although Eurostat data published in 2019 showed that the economies in the Danube Basin continued to increase, Covid crisis has had and continues to have a deep impact on economic growth. According to the European Commission data, included in summer communication, (07.07.2020), a GDP decline is estimated in 2020 versus 2019, between 6% (Romania) and 10.8% (Croatia), with an EU average of 8.3%, followed by a recovery in the following year of 4% (Romania) and 7.5% (Croatia) with an EU average of 5.8%. The economic impact is stronger in economic segments related to social life (tourism, public alimentation, passenger transport, consumption and production of various consumer goods connected directly to the unemployment rate and lower income, etc.). Moreover, the large industries – important for logistic systems as they provide large volumes for transport – seem to have been less affected and, anyhow, expected to recover in the second part of the year also due to national and EU support programs focusing, among others, on large infrastructure investments (especially steel consumers). Thus, both the GDP decline in 2020 and the estimated recovery in 2021 have different evolutions for different economic sectors.

GDP Evolution in Danube basin countries - Historical and 2021 forecasted average yearly growth rate, Danube Commission, summer 2020-07 July 2020, in %



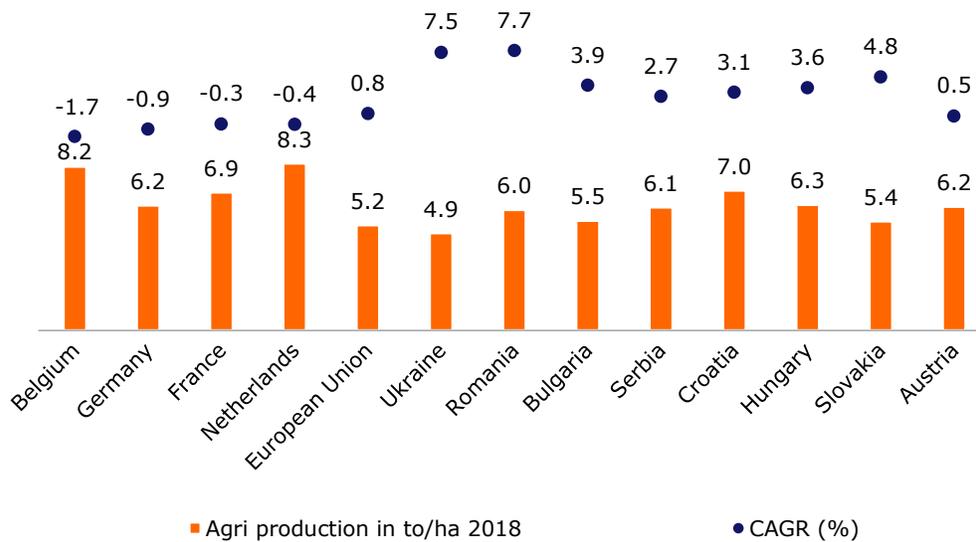
Source: Eurostat European Commission – European Economic Forecast, Summer 2020 (interim)

https://ec.europa.eu/info/sites/info/files/economy-finance/summer_2020_economic_forecast_-_statistical_annex.pdf

The options for growth of river transport needs for the economies of Danube riparian states are materially influenced by the increase in the production of the agricultural sector (indirectly related to the supply of fertilisers) and of the metallurgical sector.

According to the information provided by the World Bank statistics, the productions of grains per hectare in Danube riparian states are substantially lower than in the Western European countries. At the same time, the growth rate of the production per hectare in the Danube Basin countries (during 2010-2018) is significantly higher than that of Western European countries, following the progressive alignment between Eastern and Western Europe in terms of farm sizes, technologies used, use of fertilisers, irrigations etc.

Grains production in the Danube basin versus Western Europe



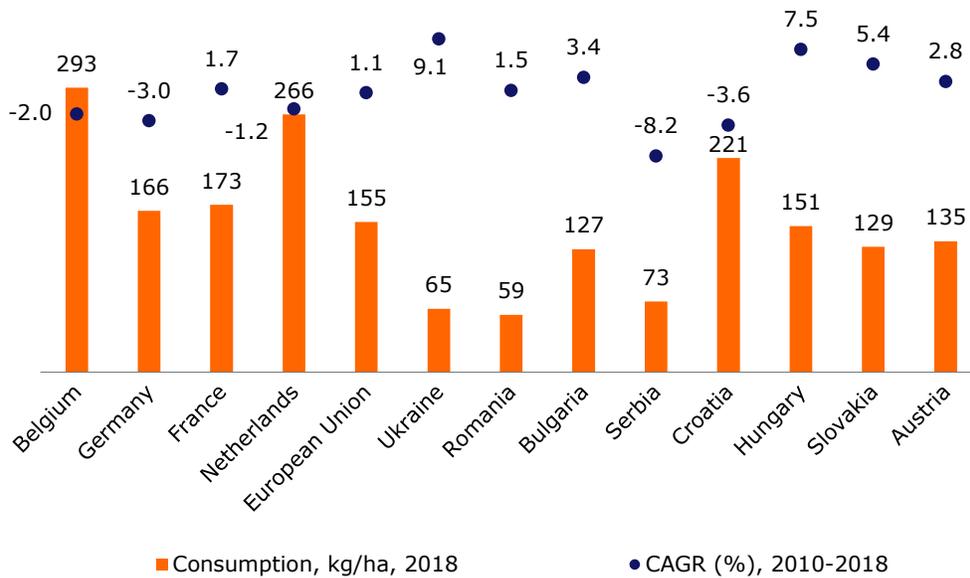
Source: The World Bank, World Development Indicators:

<https://databank.worldbank.org/reports.aspx?source=2&series=AG.YLD.CREL.KG&country=>

Considering that the domestic consumption needs of Danube riparian states are secured, all production increases may be considered for export, largely through Constanta Port. It is expected that this estimated growth of agricultural production will be accompanied by an increase in inputs such as fertilisers and other chemical products.

There is direct determination link between the consumption of chemical fertilisers and the level of agricultural production: the increase of one item determines (up to a critical, optimal level) the growth of the other. According to the World Bank statistics, there is still an important gap between the consumption of fertilisers (kg of active substance/hectare) between Western European countries and the Danube Basin ones. Save for Serbia, all the Eastern riparian states are much below the Western consumption and below the European average. The countries in the Danube Basin have positive and important growth rates (especially Serbia, Ukraine and Hungary), while the Western European countries register declines, triggered by the use of superior yield products, also superior in terms of environmental protection, but with higher prices and advanced crop technologies, that the farmers in the Danube Basin cannot yet afford on a large scale. The world market of agricultural products, the same for all, will trigger the need to increase production per hectare (and there are reserves in this respect, as per the data above), which may also be obtained by increasing the use of chemical fertilisers to levels closer to the European average in the future years. Considering that the local production of fertilisers is not enough for securing the consumption (and for certain products, the raw materials must be brought from overseas, through Constanta, such as phosphate rock for complex fertilisers based on phosphate), the need for transport and port operation should increase at the same pace as consumption.

Consumption of fertilisers in the Danube Basin vs Western Europe



Source: The World Bank, World Development Indicators:

<https://databank.worldbank.org/reports.aspx?source=2&series=AG.CON.FERT.ZS>

The metallurgical sector, both ferrous and nonferrous, provides the largest transport volumes on the Danube, hence also for port operation. The volumes of raw materials needed (iron ore, coke, injection coal, bauxite) are largely transported on the Danube, from Constanta, Izmail or Northern ports, via Rhine-Main. Also, an important part of finished production is transported on the Danube. The few large metallurgical plants located on the Danube, in Tulcea, Galați, Smederevo, Dunaujvaros and Linz revamped their production processes in time and some of them (such as Galați and Smederevo) undergo modernisation and development projects or have special plans in this respect. It should be mentioned that out of the metallurgical plants important for the company's activity, only Tulcea is in the production chain (aluminium) for industries highly impacted by COVID-19 crisis (aeronautics and motor vehicles production). The steel plants in Galați and Smederevo do not produce tin for the auto industry, but they also suffered because of the pandemic, especially in the first half of 2020.

According to a press release published by Liberty Steel Galați¹, it has a plan to build a new steel production capacity in Galați, based on green, modern, revolutionary technologies that will not only double the current steel production but will also make Galați steel plant be the first in Europe with neutral carbon footprint towards 2030. The financial restraint recently registered by the main financier of the group of which Liberty Steel Galați is part could lead to a readjustment of the plans announced by Liberty Steel Galați.

¹ <https://libertygalati.ro/news/gfg-alliance-signs-mou-with-romanian-government-to-create-a-european-greensteel-flagship-at-liberty-galati/?lang=en>

2. Market of Cargo Transport Services on Inland Waterways in Europe

One of the main advantages of river transport is the fact that it is cheaper than other transport means, especially in case of large mass cargo and for long distances. Still, in the EU, the weight of inland waterways transport in total transports (in ton*km, including transit) was of only 5.9% in 2018; only the Netherlands (42.3%), Romania (28.7%), Bulgaria (26.3%) and Belgium (15.1%) have weights exceeding 10% (according to Eurostat).

At the same time, river transport is less pollutant than other competitive transport methods. According to Eurostat, river transport accounted for 1.8% of greenhouse gas emissions of the transport sector, as compared to 12.8% for aviation, 13.5% for maritime transport and 71.3% for road transport. In the current context, when the EU policies are highly focused on environmental protection and reduction of greenhouse gas, the navigation on inland waterways has become a priority again, both in the EU and in the national countries.

According to *the Conclusions on effective waterway infrastructure rehabilitation and maintenance on the Danube and its navigable tributaries*, final version of 24 March 2020², on 01.04.2020, at the meeting of transport ministers of Danube countries, the progress in implementing the measures in the Master Plan for Danube infrastructure works, approved in 2014, co-financed by the EU., was analysed. The document mentions investments of more than EUR 75 million from EU co-financing in Danube rehabilitation; one of the main targets was to ensure the minimum navigation depth continuously over the entire Danube, of 250 cm. Also, the document contains the commitment of the countries (under conclusions, page 3, paragraph 10 of the document) to complete the unfinished items of the 2014 Master Plan during 2021-2027.

At the EU level, the cargo transport on inland waterways enjoys an important network of rivers open for the navigation of commercial vessels. The most important is the Rhine, which connects the large ports of the North Sea (Rotterdam, Amsterdam and Anvers) with the most industrialised area of Europe. Other rivers important for navigation are the Danube, Elbe (with Hamburg port at the end), Seine and Oder.

At the same time, a network of canals interlinking most of these rivers was built, which allowed for direct connection on inland waterways between an increasing number of geographical areas. Thus, navigable canals connecting the Elbe and the Rhine were built, linking Ruhr industrialised area to Hamburg port and the Rhine-Main-Danube canal, allowing the direct access between the two large rivers and their transport networks.

² <http://www.ebu-uenf.org/wp-content/uploads/Conclusions-annex.pdf>,

On 6 December 2020 the European Commission published the "EU Strategy on Sustainable & Smart Mobility (SSMS)". This strategy assumes the following:

- Inland waterways transport in the European Union will increase by 25% by 2030 and by 50% by 2050, to obtain a 90% reduction in greenhouse gas emissions from transport.
- Objective that 75% of inland freight carried today by road to shift to rail and waterborne transport by 2050.

Also, the EU proposed a budget of EUR 15 billion to eliminate roadblocks and modernise the infrastructure of the existing waterways (2021 – 2027).

Inland waterways may contribute by:

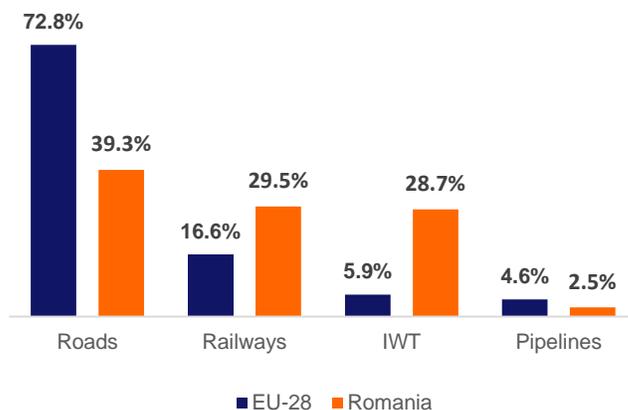
- reduced carbon footprint;
- reduced traffic congestion;
- high transport capacity and reliability.

Inland waterways represent a strategic sector that enables:

- 76% of EU external trade;
- 40% of EU internal trade;
- Reduction of greenhouse gas.

Romania's transports are almost equally split in three modes (roads, rails and inland waterways) as seen in the chart below, with the roads accounting for 39.3% of total, unlike the EU, where roads are the prevailing transport mode with 72.8%. In terms of inland waterways, in Romania these hold a very large weight, being of almost 5 times larger than in the EU, where these represent 5.9%.

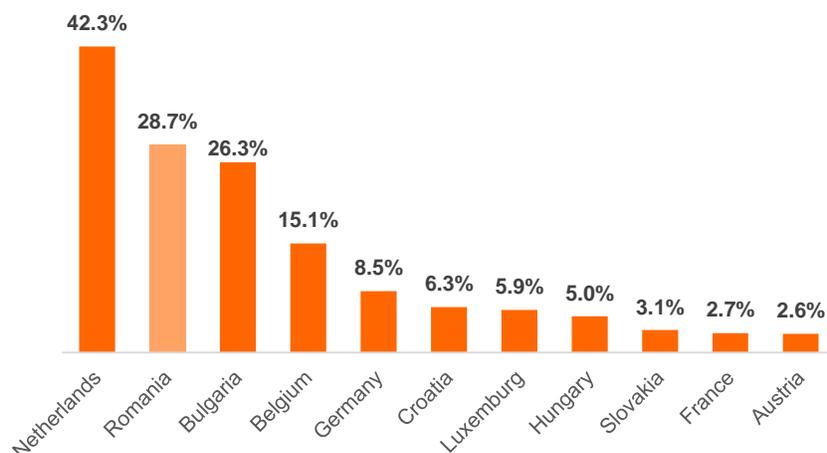
Modal share of transport modes (2016)



Source: European Union Transport in figures – Yearly statistical publication 2018 (EU Transport in Figures; Statistical Pocketbook); * weights of TKM

Furthermore, as compared to the countries presented below, Romania ranks second in terms of weight of inland navigation, with 28.7%, while The Netherlands rank first with a weight of 42.3%.

Modal share of inland navigation per country (2018)



Source: *European Union Transport in figures – Yearly statistical publication 2018 (EU Transport in Figures; Statistical Pocketbook)*; * weights of TKM

According to Eurostat data, the Danube accounts for approximately 10% of the volumes and 16% of the routes of the freight transported on European Union waterways (2018) (Tonnes-kilometre indicator is measured based on the volumes calculated according to Eurostat methodology – see "*Presentation of Financial and other Information*").

3. Market of cargo transport services in the Danube Basin

The approximately 2,400 kilometres of waterways of the Danube from Kelheim (Germany, km 2.414) to Sulina (Romania, km 0) go through 10 countries: Germany, Austria, Slovakia, Hungary, Croatia, Serbia, Romania, Bulgaria, Moldova and Ukraine.

Danube navigation was impacted significantly by two main directions for infrastructure development: construction of dams with double role (production of electric power and levelling of Danube waters) and opening of Danube-Black Sea Canal.

Double-role dams have been built in Austria and Slovakia (at Gabčíkovo), but the most important double-role dam on the Danube is the dam at Portile de Fier (also known as the Iron Gates).

The dam at Portile de Fier created a fundamental change in the model of navigation on the river, allowing the shift away from convoys of flat boats towed by tugs to convoys of barges pushed by pushers. This change has allowed the construction of larger, stronger, faster vessels that, since 1980, have led to the substantial growth of cargo transport on the Danube.

The building of the Danube-Black Sea Canal brought the second fundamental change in Danube transport as it made the direct connection, by water, of the economies of Danube riparian countries with a large deep-water sea port, which may receive high capacity vessels and which offers competitive cargo loading and unloading speeds.

From an economic point of view, the importance of the Danube has also increased as a result of its connection to Main and Rhine through the Rhine-Main-Danube canal, especially for upstream countries (Danube Germany and especially Austria).

The map below presents the geographical area in which TTS (Grup) is present. This is mostly defined in the Danube Basin going through the 10 countries from north-west to south-east out of which Austria, Slovakia, Hungary and Serbia are landlocked. For the main flows of cargo to and from some of these countries, the Danube is the main transport mode (capturing and providing the traffic to and from secondary waterways), while the role of Constanta Port as the "natural" gate for the countries located on the Danube towards the sea has grown in time.

One of the most important of cargo flows is that of agricultural products. The Danube crosses the richest area in terms of agriculture in the Central and Eastern Europe, being the natural export mode for the entire region. Hungary, Serbia, Bulgaria and Romania provide volumes to Danube ports, where the cargo are loaded in barges and transported to Constanta. Here, the most important traders aggregate volumes depending on origin, quality and terms, loading large cargo vessels that then sail to Western Europe, Middle and Far East.

An additional cargo flow is represented by chemical products (mainly fertilisers and raw materials for the production of fertilisers). Most of them serve the same agricultural areas, but the cargo flow usually follows a route contrary to agricultural products. These originate in North Africa, as well as Ukraine (the Ukraine ports on the Danube being transfer points) while Constanta is the main entry and the Danube is the main route for their transport.

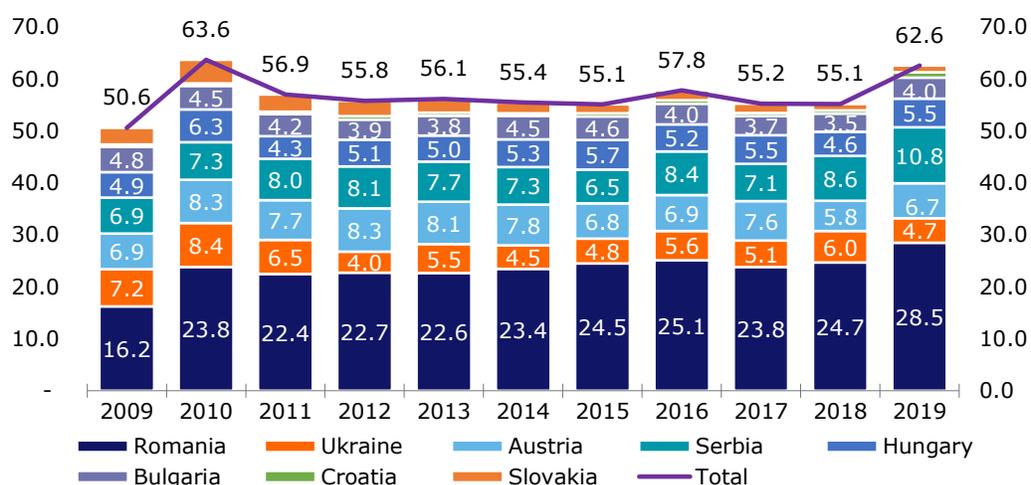
The main cargo flow in terms of volumes is represented by minerals and metals (mainly iron ore, coking coal, coke, bauxite and finished products such as tin, bars and others). Mineral products originate from Ukraine and Russia, Australia, South Africa, South America and the USA, being transported through Constanta Port or the Ukrainian ports on the Danube, serving the steel plants located along the Danube.

TTS (Grup) carries out business on these markets both as river transport provider and as port operator both in Constanta and the 6 terminals strategically located on the Romanian shore of the Danube and Fajsz port in Hungary.



The total cargo volumes transported on the Danube have had a relatively stable level, of around 55 million tonnes, after the economic crisis of 2008, with a slight general increase (Cagr 2.2% 2009-2019). Still, this total volume is formed of many cargo flows, both in terms of type and geographical area. Thus, the cargo volumes from/to Austria mainly dropped due to the lower traffic through the Rhine-Main-Danube canal, part of the cargo being shifted to rail transport. Important cargo volumes from (grains) and to (coal) Hungary were taken over by Rijeka/Bakar port on the Adriatic Sea, Serbia's market varies according to the very high fluctuation of domestic traffic (quarry and coal products) and grain export, as well as due to periods when Smederevo steel plant worked in emergency mode (from the sale to US Steel by the Serbian state until 2017, when it was taken over by Hbis/China), etc.

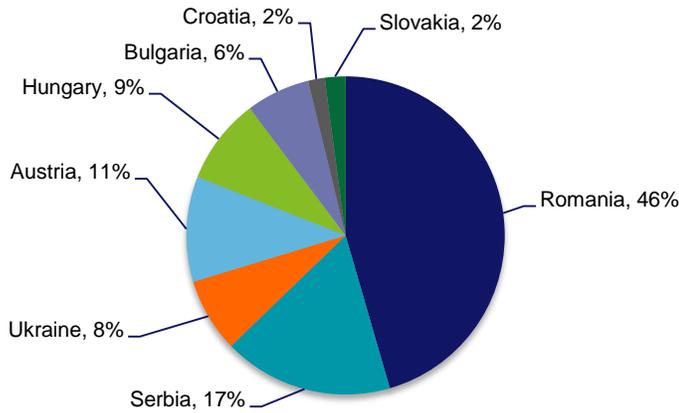
Volumes transported by cargo type, per riparian country, (mt)



Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

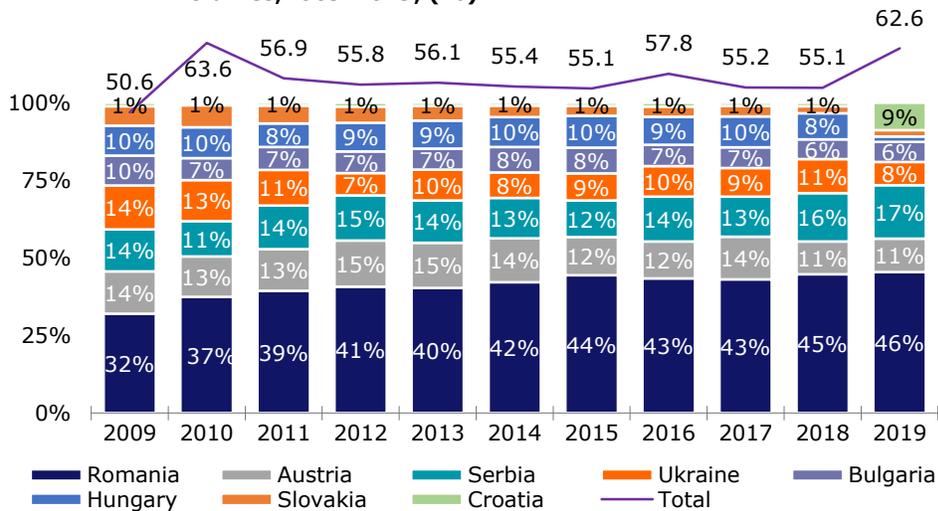
Considering the cargo volumes transported on the Danube in 2009, Romania is the largest river transport market (approximately 46% of total, versus approximately 32% in 2009), this being mainly due to Constanta Port. Romania is followed by Serbia (approximately 17%) and Austria coming third (approximately 11%). On the opposite side, the smallest river transport markets along the Danube are Croatia and Slovakia (each with approximately 2%). It can be noticed below that more than 10 million tonnes, out of the 16 that transited the Danube-Black Sea Canal in 2020 represented cargo coming from or going to other countries than Romania (namely 64%, an absolute premiere in the canal's history).

Romania market share in Danube Basin



Source: Danube Commission, Eurostat, TTS; 2019 data

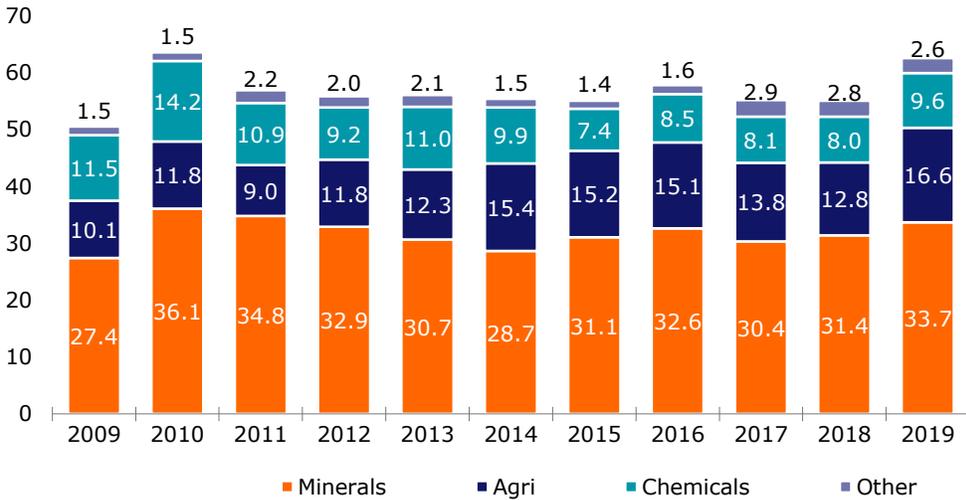
Market share of Danube riparian countries, per cargo volumes, 2009-2019, (%)



Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

Despite certain annual fluctuations due to various causes, market or context related, the structure of the main cargo groups transported on the Danube is relatively stable, showing a slight positive trend for agricultural products, along with a slightly negative trend for chemical products (registering a recovery in the last years) and minerals (mainly due to lower local traffic with quarry and river products: sand, crushed rock, gravel).

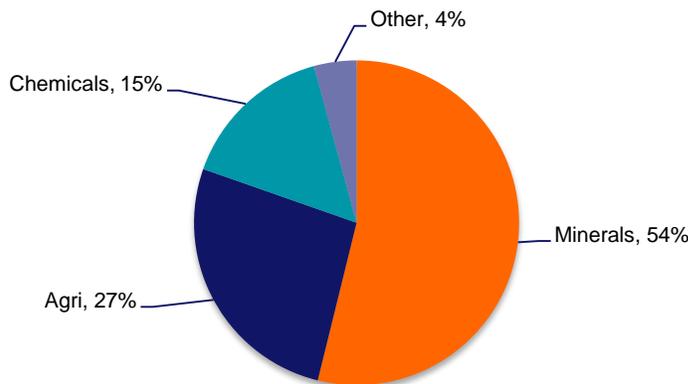
Transported volumes on Danube, by cargo type 2009-2019 (mt)



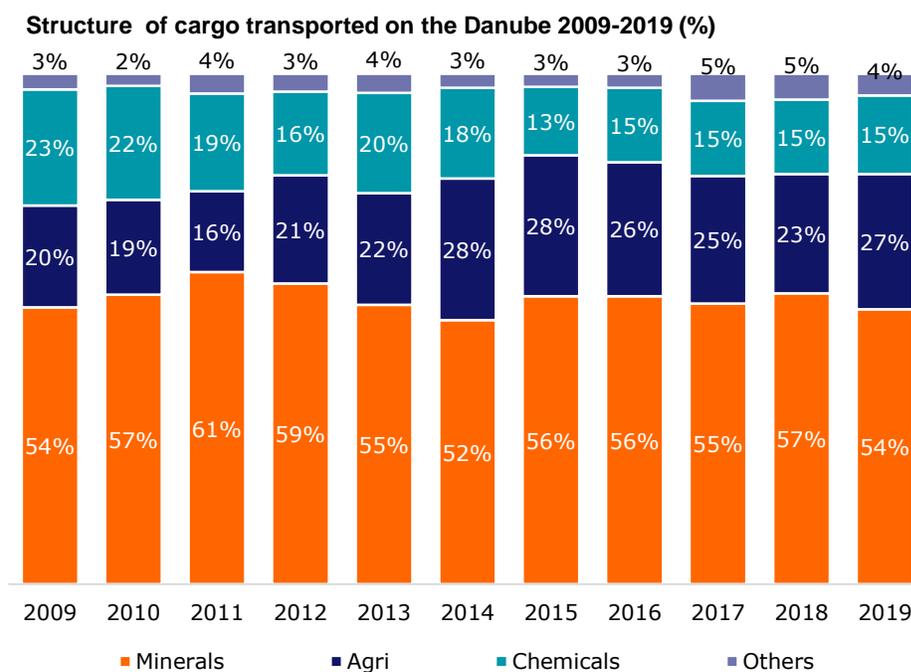
Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

With respect to the cargo volumes transported in the Danube Basin, the largest weight in total transported cargo is held by **minerals**, their volume constantly reaching more than 50% of total cargo volumes transported during the period under review. Agricultural products hold the second weight, of 23-26% in the last years, followed by chemical products with a weight of 14-15% in the last years. In 2019, the weights of minerals, agricultural products and chemical products were of 54%, 27% and 15% respectively, the remaining 4% representing other cargoes transported.

Cargo type segmentation on Danube - 2019

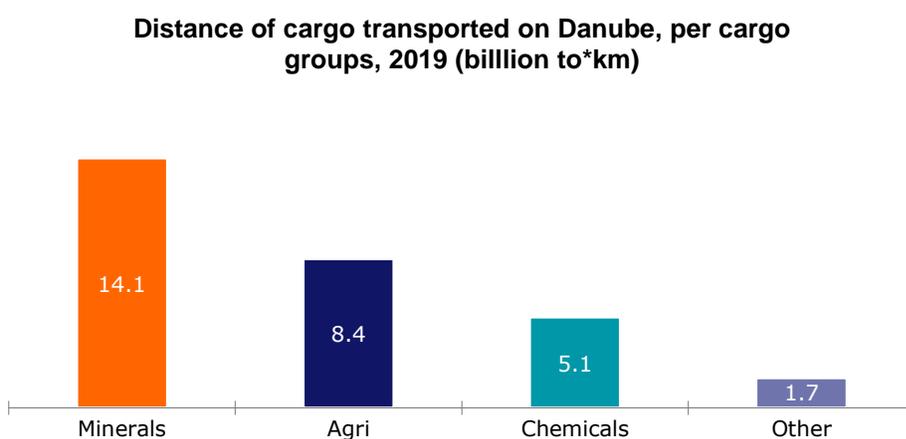


Source: Danube Commission, Eurostat, TTS; 2019 data



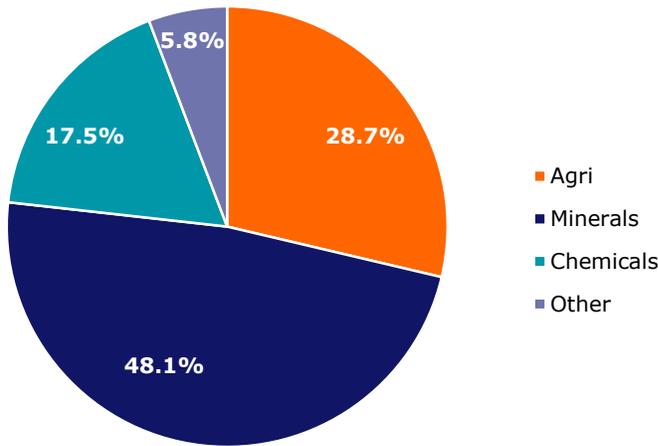
Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

The weight of cargo groups in total distance is close to their weight in cargo volumes transported for agricultural and chemical products (with similar average transport distances, of 1016 km and 1064 km respectively). Minerals had a shorter transport distance (839 km) while other products group had a longer distance (1284 km).



Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

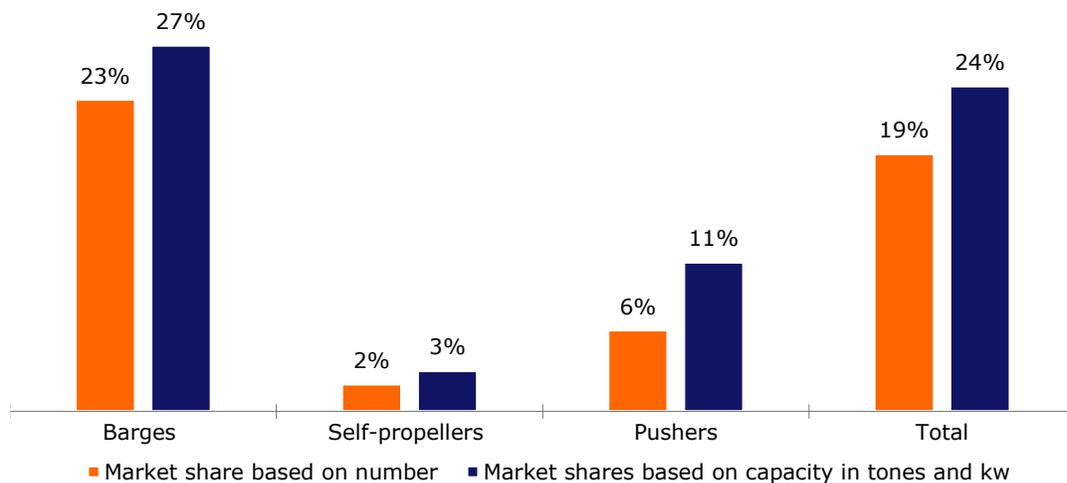
Structure of cargo transported on Danube, 2019, (%)



Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

According to the annual report of the Rhine Commission (CCNR market overview 2017, page 93), the average construction year of Rhine fleet is 1965 for the dry products fleet and 1979 for oil products fleet. The same report mentions that Danube fleets were largely built after 1981 (Romania – 55%, Ukraine – 74%, Slovakia – 77%). From a structural standpoint, Danube fleet is different than that on Rhine, being largely formed of barges and pushers, versus self-propelled as on the Rhine. The chart below presents both the structure of Danube fleet and the periods when it was built, with TTS (Grup) market shares, according to the latest official data available as provided by the Danube Commission (2017).

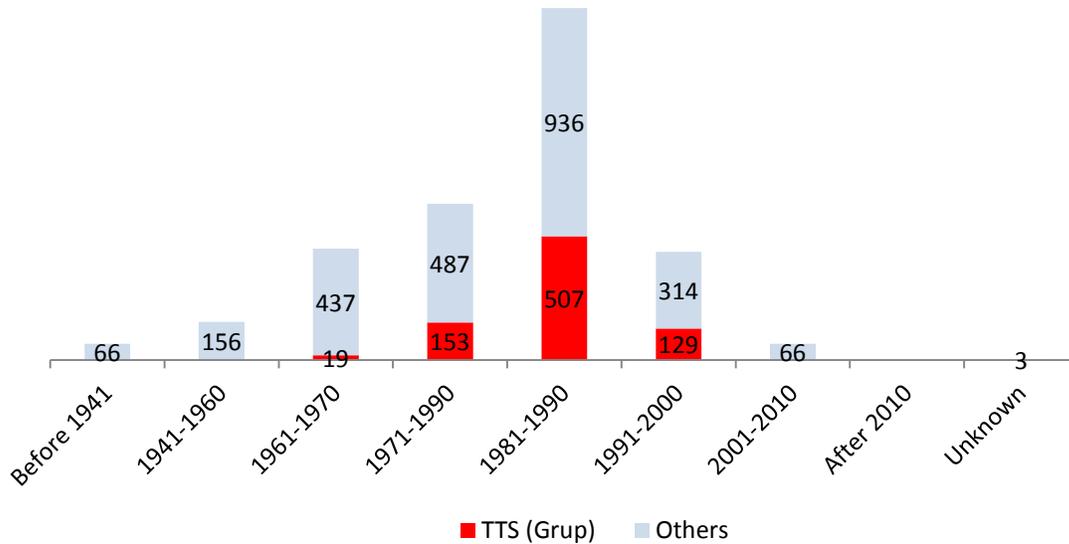
Vessel fleet in Danube Basin and TTS weight



Source: Danube Commission, TTS (Grup), 2017 Data

Below is a confirmation of the statistical data of the Rhine Commission, quoted above, according to which the largest part of Danube fleet was built after 1980. It can also be noticed that TTS (Grup) fleet is relatively younger than the average Danube fleets.

Fleet in Danube Basin classified by age and capacity (th tones)



Source: Danube Commission, TTS; * 2016 data

Since 2005 all liner pushers have been modernised with Caterpillar, Cummins and Deutz engines and the latest IT technologies. During the past 6 years, 5 pushers were built mainly for low water navigation conditions. 10 out of 14 ‘servant’ pushers (serve the barges at ports or for short voyages) were modernised with Volvo or Deutz engines, while other 2 units are currently under modernisation process. Since 2004, the fleet of covered barges increased from 74 (capacity 149 kt) to 184 (capacity 385 kt).

Considering the fact that every year there are periods with lower than normal water volumes (draft of 250 cm) or low water (less than 210-220cm), TTS (Grup) fleet is adjusted to such navigation conditions with barges and pushers of various sizes, as well as surcharges included in the contracts with clients for low water periods. In this respect, the critical years were 2018, 2015, 2011 and 2003.

With respect to barges’ draft, for those without load it is of 70-80cm, and for those fully loaded it ranges between 220cm for schleps and 380cm for 3kt barges. In normal circumstances, TTS (Grup) may transport up to 16kt in a convoy with 6 barges, while competitors may generally carry up to 10kt. TTS (Grup) holds large line pushers with draft between 190-210cm, as well as series of small pushers (draft of 160-170cm / 800-900 CP) for port manoeuvres and assistance on short voyages.

4. Market of port operation services in the Danube Basin

According to Eurostat methodology, the quantities of cargo transported on the Danube are the total quantities leaving from and arriving to each country, in its ports. Therefore, we may consider that the same quantities may be assigned to each country in terms of port operation. The following table shows that Romania is the largest port operation market (2019), even if we exclude Constanta port, contributing 15.1 million tonnes.

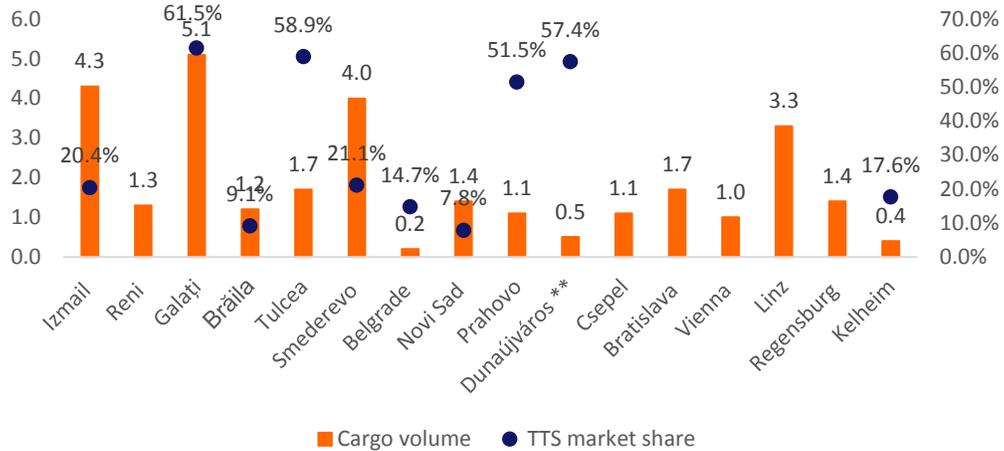
Cargo volumes transported on the Danube (mt)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ukraine	7.2	8.4	6.5	4.0	5.5	4.5	4.8	5.6	5.1	6.0	4.7
Romania	16.2	23.8	22.4	22.7	22.6	23.4	24.5	25.1	23.8	24.7	28.5
Bulgaria	4.8	4.5	4.2	3.9	3.8	4.5	4.6	4.0	3.7	3.5	4.0
Serbia	6.9	7.3	8.0	8.1	7.7	7.3	6.5	8.4	7.1	8.6	10.8
Hungary	4.9	6.3	4.3	5.1	5.0	5.3	5.7	5.2	5.5	4.6	5.5
Croatia	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.6	0.6	1.1
Slovakia	3.2	4.5	3.3	3.0	2.6	2.1	1.7	1.9	1.8	1.2	1.3
Austria	6.9	8.3	7.7	8.3	8.1	7.8	6.8	6.9	7.6	5.8	6.7
Total	50.6	63.6	56.9	55.8	56.1	55.4	55.1	57.8	55.2	55.1	62.6

Source: Eurostat, Danube Commission, Serbia and Ukraine national statistics

The river ports of Danube Basin are, on one side, ports that can operate both maritime and river vessels and, on the other side, ports that can operate only river vessels. The first category includes the ports in maritime Danube area, from the mouth of the Danube to Brăila. Their importance – fundamental at some point for the economies of riparian states – decreased dramatically after 1984, when the Danube-Black Sea Canal was open. On the other hand, Danube ports belong to or serve the large steel or chemical plants and commercial ports of general use, most of them private. The first ones are those in Tulcea, Galați, Prahovo, Smederevo, Dunaujvaros and Linz, which are by far the largest ones on the Danube in terms of operated cargo volumes. For the others, especially for those located starting from the mouth of the Danube to Hungary, the most important cargoes are agricultural products, gravel pit products extracted from the Danube and chemical fertilisers. If in 1995 there were only several ports able to operate grains in lower Hungary, nowadays there are tens of terminals, larger or smaller, some improvised, operating grains continuously or seasonally. In the past 10-15 years many terminals/silos/loading points were built on the Romanian Danube, most of them belonging to producers and traders of agricultural products.

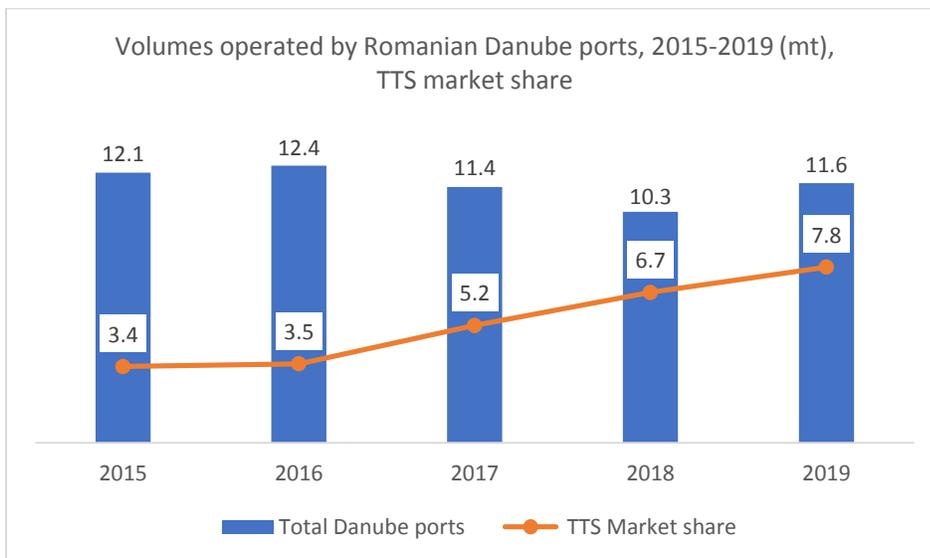
Cargo volumes operated in the main Danube ports, 2019 and TTS share of cargo transport to/ from these ports (mt and %)



Source: Danube Commission

The following chart presents the evolution of cargo volumes transhipped in the Romanian Danube Ports during 2015-2019. Between 2/3 and 3/4 of total volumes are operated by the ports of APDM Galați, river and sea, in Brăila, Galați și Tulcea, where both maritime and river vessels are operates. In these ports the largest weight is held by minerals, representing imports of raw materials of the large metallurgical plants Liberty Steel Galați and Alum Tulcea, as well as the quarry products delivered to various locations in Brăila area.

In contrast, in the other Danube ports under the sub-jurisdiction of APDF Giurgiu, the largest weight is held by agricultural products, followed by minerals (especially quarry products) and chemical fertilisers.



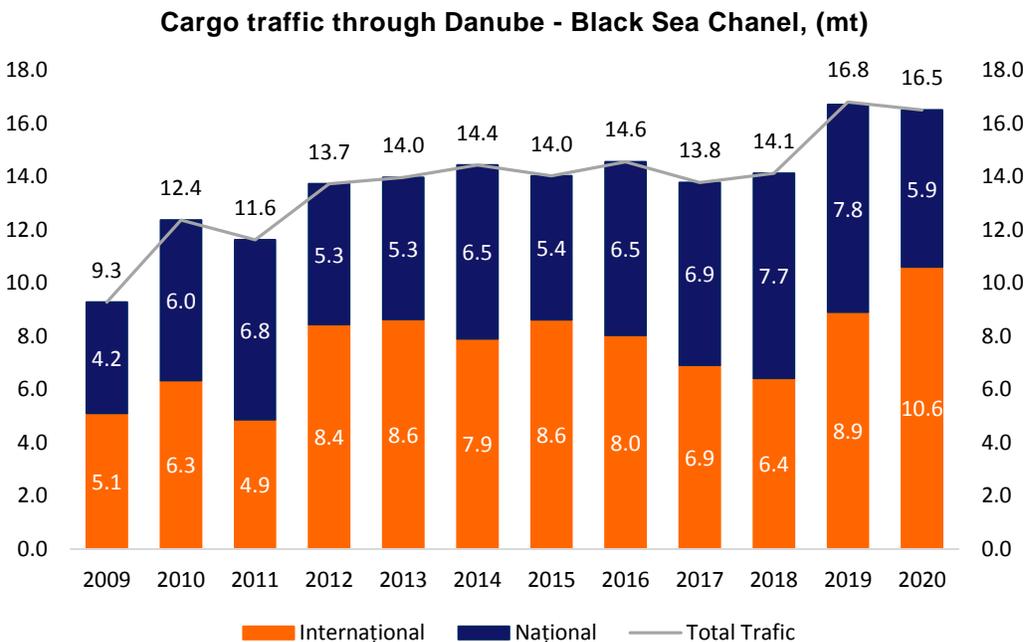
Source: Danube Commission, APDM, APDF Giurgiu, TTS

5. Market of port operation services in Constanta Port

After the significant development of Agigea area, according to the information issued by the Organisation of European maritime ports, Constanta Port has become the largest Black Sea port and the main Black Sea hub for the transport of grains and cargo in containers. Constanta Port has 156 berths, out of which 140 functional, with an operating capacity estimated at more than 100 million tonnes of cargo.

Furthermore, the construction of the Danube-Black Sea canal made an efficient connection between the economies of riparian countries and the Black Sea and transformed Constanta Port in the natural port of Danube Basin, having a similar role as that of Rotterdam for the economies of riparian countries in the Rhine Basin. The volumes transported through the Danube-Black Sea Canal increased from 5 million tonnes in 1990 to almost 17 million tonnes in 2016, with a compound annual growth rate of 6.1%.

The evolution of cargo volumes circulated through the Danube-Black Sea Canal coming from other countries than Romania is even more important – as seen in the chart above, these increased from an insignificant level in 1990 to more than 60% of total volumes circulated between the Danube Basin and Constanta Port in 2020, which shows that Constanta Port transformed not only in a Romanian part, but in a Central European port on the Black Sea.

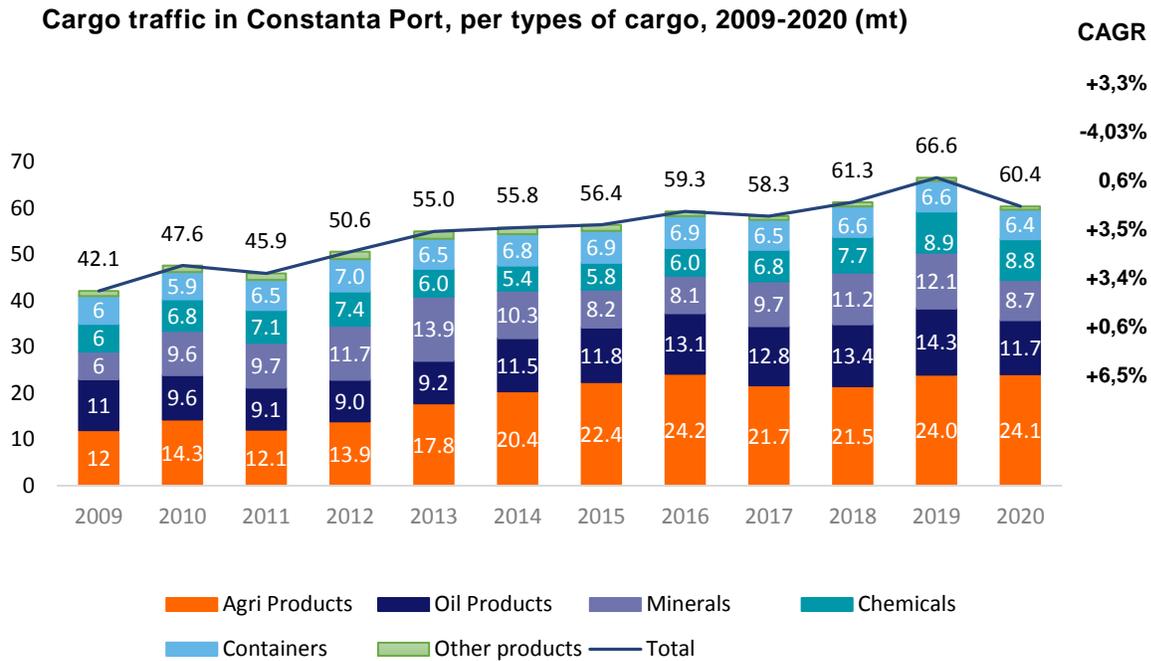


Source: www.acn.ro

The cargo volumes operated in Constanta port had a positive trend during 2009-2020, from 42 million tonnes of transported cargo in 2009 to more than 60 million tonnes in 2020, with a compound annual growth rate

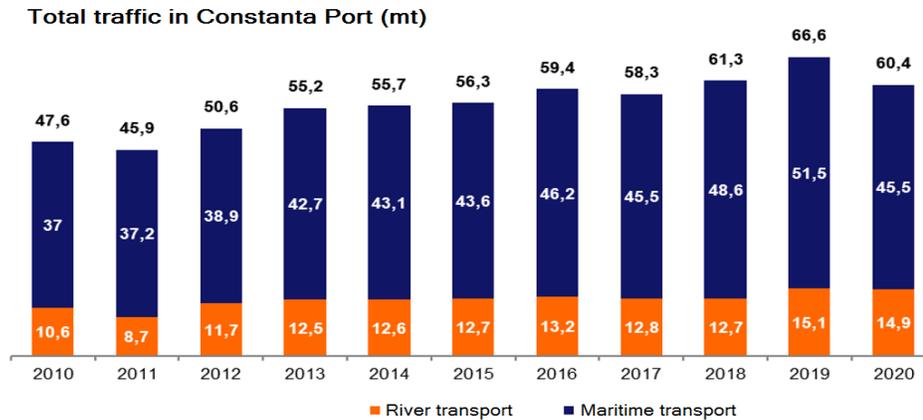
of 3.34%. In 2020, the volumes operated in Constanta Port split per cargo types included: 40% agricultural products, 19% oil products, 14% minerals, 15% chemical products, 11% containers and 1% others.

The increase was mainly triggered by the growth in the quantities of agricultural products, which reached a compound annual growth rate of 6.5% during 2009-2020.



Source: CNAPM Constanta

Constanta Port statistically registers the volumes of operated cargo in two categories: cargo coming to Constanta or leaving from Constanta from/to the continent by river (river traffic) and cargo coming/leaving on maritime vessels (maritime traffic). In 2020, river transport accounted for approximately 24.67% of a total volume of 60.4 million tonnes of cargo operated in Constanta port (versus only 19% in 2009). Cargo reaching and leaving from Constanta Port by river registered a compound annual growth rate of 5.94% during 2009-2020, versus a general increase in cargo volumes of 3.34% during the same period, up to 14.9 million tones in 2020.



Source: Constanta Port

It should be noticed that, according to the statements made by the management of CN APM Constanta, after 30 years, in 2019, the record traffic registered in 1989 of 62.3 million tonnes was exceeded. According to the statement made by the general manager of the National Company for the Administration of Maritime Ports Constanta (https://www.dcnnews.ro/portul-constant-a-cifrele-momentului--a-fost-deposit-1989--anul-cu-cel-mai-mare-traffic-de-marfuri_663313.html).

https://translate.google.com/translate?sl=ro&tl=en&u=https://www.dcnnews.ro/portul-constant-a-cifrele-momentului--a-fost-deposit-1989--anul-cu-cel-mai-mare-traffic-de-marfuri_663313.html

6. Information regarding the trends impacting on TTS (Grup) activity

Recent evolutions show that the effects of drought registered in Romania in 2020 and 2021 continue to impact on the agricultural productions. The quantities of grains transported from Romania to Constanta port for export are low, both in terms of river transport and port operation. This led to a decrease in the volumes of cargo transported and operated in the ports, both in Danube ports and Constanta Port versus the same period of 2020, without this decrease being material for TTS (Grup) financial prospects. Moreover, this trend was not also valid for the volumes of fertilisers and raw materials for fertilisers transported and operated by TTS (Grup), nor for the volumes of grains coming from Hungary, Serbia and Bulgaria.

As of the Prospectus date, the market shows a trend of recovery for the metallurgical industries in the entire region where TTS (Grup) carries out business, which leads to higher volumes of such products being transported and operated, versus the same period of 2020, especially in terms of river transport.

With regard to TTS (Grup) costs, the charges and rates charged by port administrations, other

administrations and third parties remained at the same level or at a level similar to those charged in 2020. The Diesel price continues to resume to the level registered at the beginning of 2020, a trend that has started even since the fourth quarter of 2020. Still, the increase in this cost is covered by the self-bunkering activity performed by TTS (Grup) and by the provisions on bunker adjustment factor or BAF. At TTS (Grup) level there is a certain increase in the costs with repairs and maintenance due to the increasing trade in the price for metallic products.

As for the tariffs charged for TTS (Grup) activities, the trend is to keep the same level as that of 2020.

At the Prospectus Date there is no trend, uncertainty, requirement, commitment or event of which TTS (Grup) is aware reasonably likely to have a material impact on TTS or TTS (Grup) prospects for the current financial year.

7. Waterways transport strategy 2020-2030 (EUR 4.5 billion)

The strategy for 2020-2030: the following decade will represent a period of fast development for the transport on inland waterways, with significant improvement of navigation conditions and mobility in the trans-European transport network (Ten-T), by investments in port infrastructure and hinterland links.

The main objective of this strategy is to position Romania on the main commercial route between Europe and Asia by turning into account the potential of Constanta Port and its connection with the rest of Europe by Ten-T Rhine-Danube corridor, formed of networks of waterways, rails and motorways (Source: Ministry of Transport and Infrastructure- July 2020).

Strategic objectives:

- Secure the conditions for continuous navigation on the Danube;
- Development and modernization of Constanta Port to attract new flows of cargo and to increase its competitiveness;
- Development and modernization of river ports and inter-mode transport;
- Promote inland waterways transport.

Investments of EUR 4.5 billion planned as follows:

- EUR 1.07 billion in the Danube;
- EUR 2.06 billion in river ports;
- EUR 1.33 billion in Constanta Port.

Romania has available European funds of approximately EUR 80 billion for the next decade – a relatively high amount that could incentivize the development of Romania's infrastructure and the country's economic convergence. The Romanian Government has announced that a large part of this amount will be used to build or modernize the infrastructure.

Thus, the EUR 80 billion package could turn into a historical incentive for Romania, as the amount represents 36% of Romania's GDP in 2019, equivalent with the cumulated flows of foreign direct investments in Romania since its accession to the European Union in 2007.

Historically, Romania has never benefitted from such an important "cash-pushing" in such a short period, and the next decade could transform in a fast development period for the country. Romania's transport infrastructure is one of the less developed in the European Union, and these European funds made available to Romania could result in a major modernization of road, rail, urban and rural infrastructure of the country.

TTS (GRUP) BUSINESS

1 Overview

TTS was set up as freight forwarding house and continues to keep this specific. Still, in time, through investments (in assets and acquisitions), by building a solid base of own assets, TTS turned from a typical forwarder into one that not only enjoys its own means of execution, but has become the leader of a complex mechanism from an organizational, geographical and functional standpoint. In Romania there is no special legislation regulating the activity of freight forwarding houses. Freight forwarding in relation to river transport of goods, port and storage operations is governed by the general civil law norms, regulating the obligations specific to the parties of a freight forwarding contract.

TTS (Grup) is one of the most important players on the Romanian transport market and the largest freight forwarder in the Danube Basin.

TTS (Grup) is an integrated logistics provider, its main activities including freight forwarding, river transport and port operation, plus other related and ancillary services. TTS (Grup) operates one of the largest fleets on the Danube (through its subsidiaries in Romania and Hungary) and operates its own port terminals in Constanta Port (the largest maritime port in Romania and on the Black Sea) and in Romanian Danube ports (Galați, Brăila, Oltenița, Giurgiu, Bechet and Turnu Severin) and in Hungary (Fajzs). Furthermore, it uses the services of third party providers (river, maritime, rail, auto forwarders and port operators) to execute a part of the services contracted with clients.

In the past years, it has continuously held a market share of more than 30% of the cargo volume transported on the Danube (transported volumes do not include German Danube), according to Eurostat calculation methodology. At the same time, in the area of port operations in Constanta Port, it holds a market share of more than 16%, with a peak of more than 20% in 2019 and almost 20% in 2020, for operations performed with own equipment and through third party operators, according to the calculation methodology of CN APM Constanta (volumes of oil products and containers being excluded from the total of Constanta Port as TTS (Grup) does not work with such products directly or through third parties). In terms of port operation in Danube ports, TTS (Grup) holds a market share of approximately 8% (2019) for the volumes operated in the six Romanian Danube ports, where it owns equipment (according to APDM Galați and APDF Giurgiu calculation methodology).

The transported and operated (loaded and unloaded) cargo in ports are contained in four main groups: minerals, agricultural products, chemical products and other products. Minerals are mainly raw materials for the metallurgical industry, finished products resulted from this industry, equipment and installations (including oversized equipment for various projects, under development in the last years), general goods, quarry products. Agricultural products are mainly grains produced by the countries in the Danube Basin and meant to be exported through Constanta Port, but also transported between the riparian states. Chemical products include both the raw materials needed for the chemical industry (mainly for fertilisers), usually arriving from overseas, through Constanta Port and having various destinations in the riparian states, as well as finished products (mainly fertilisers), having various transport routes along the Danube, including through Constanta Port. The group "other cargo" contains the ferry crossing for cars from Galați to Nicolae Bălcescu and ferry crossing between Romania and Ukraine, Isaccea-Orlivka (new investment, commissioned in the second part of 2020).

TTS (Grup) provides its clients integrated logistics services for transport in the entire Danube Basin, from the port of Kelheim in Germany to Izmail port in Ukraine and, through the Danube-Black Sea Canal (with a length of 64.4 km), until Constanta maritime port, with connections to Sava, Tisa and the Rhine.

The business model is based on international freight forwarding, as the first segment in place even since the Company was founded. During the Company's development, organically and by acquisitions, other three segments were vertically integrated: river transport segment, port operation segment and other activities segment (in general formed of assets supporting the basic activities):

- **International freight forwarding**, contains the supply and sale to clients of integrated logistics services (mainly river transport and port operation, but also maritime, rail and road transport). This activity, that serves clients and generates revenue, was performed by TTS in the first years of activity through the acquisition from independent suppliers of transport and port operation services. Along its development through the acquisition of subsidiaries, TTS has become the mother company of the group and, for the international freight forwarding business, it subcontracts the transport and port operation services, intra-group from its subsidiaries as well as from independent suppliers of river transport, for port operation and other services such as road, rail, maritime transport, measuring and weighting, quality check or insurance;
- **Freight river transport**, performed by TTS subsidiaries, is the second business segment. TTS (Grup) integrates the transport performed by the fleets of its subsidiaries CNFR Navrom and Navrom Bac in Romania and FLUVIUS in Hungary. These fleets are used for river transports for TTS as well as for other clients, under TTS coordination. All the river transport operations formed a separate reporting segment.

TTS (Grup), through the two subsidiaries mentioned above, owns a diversified fleet of modern pushers, tugs, barges and self-propelled vessels able to transport any kind of dry cargo; it owns a small number of river tanks used for the transport of mineral oils and liquid urea. It is the main river forwarder in the Danube Basin in terms of the volume of transported cargo, with a market share exceeding 30% in the last three years and 15% in terms of cargo routes in to*km. (measured based on Eurostat statistic calculation methodology, see "*Presentation of financial and other information – Market data*");

- **Port operation**, for loading-unloading barges and maritime vessels in Constanta Port and the Danube ports, is the third business segment of TTS as freight forwarder, by subcontracting these services from its subsidiaries: Canopus Star, TTS Operator in Constanta Port, TTS Porturi Fluviale subsidiary in the Danube Romanian ports, Port Fajsz subsidiary in Hungary. The mentioned TTS subsidiaries derive revenue not only intra-group from TTS but also from independent clients.

Port operation business contains: i) direct and indirect transshipment through terminals from/to maritime vessels, barges, trucks and wagons; ii) direct transshipment from barges to maritime vessels and from maritime vessels to barges, using floating cranes; iii) storage; iv) other specific port operations (such as bagging of fertilisers, drying, dragging and weighting of grains, etc.).

TTS (Grup) owns port facilities through its subsidiaries. In Constanta it holds 51% of Canopus Star terminal for grains, with a capacity of 110 thousand tonnes and, through TTS Operator, holds high capacity floating cranes. On the Danube, through TTS Porturi Fluviale subsidiary, it owns operation facilities in Galați port, a silo of 30 thousand tonnes, Brăila port, a silo of 4 thousand tonnes, warehouses and platforms, cranes, Oltenița port, platforms, cranes, Giurgiu, a silo of 6 thousand tonnes, cranes, platforms, Bechet port, platforms, warehouse, crane, Drobeta Turnu Severin port, platforms, warehouses, cranes. In Hungary TTS owns Port Fajsz subsidiary, used to operate grains and for ship assistance.

In these locations, TTS (Grup) owns and operates infrastructure containing loading and unloading equipment, platforms, warehouses, fix cranes, floating cranes, technical and administrative buildings.

- *Other activities*, the fourth segment, consists in support services for the fleet (two naval shipyards used for fleet repair, maintenance and modernisation), hydro-technical works and wholesale trade with timber.

2 History and evolution

Freight forwarding

TTS S.A. Bucuresti was founded in 1997, as freight forwarding house, with registered office at 34 Vaselor Street, District 2, Bucharest. At present the registered office is located at 27 Vaselor Street, District 2, Bucharest, with a secondary office at 34 Vaselor Street, District 2, Bucharest.

The objective of TTS was to offer its clients the necessary logistics for the transport on Danube corridor, Danube-Black Sea Canal, Constanta Port and has succeeded to implement innovative techniques that brought satisfaction to clients through increased efficiency. During the first years of activity, TTS provided the logistic for the freight transit to Constanta Port. It has inaugurated the technology of direct transshipment of grains from barges to the maritime ship using an elevator rented from the Netherlands. TTS gave its clients the possibility to bring grains from Hungary and Serbia with barges on the Danube to Constanta and to load maritime vessels of 30 thousand tonnes by direct transshipment. The competition used the silo built by Saligny where vessels of maximum 10 thousand tonnes could be loaded, limitation given by the technical operation and location conditions of the silo. A special success was the multi-mode logistic organisation by which grains from Hungary were transported by rail, unloaded gravitationally in barges and from barges were loaded in Constanta Port in maritime vessels by direct transshipment.

TTS understood and turned into account the importance of the Danube-Black Sea Canal that secured for Constanta Port the connection to Danube riparian states by river, in addition to the rail and road connections existing before.

A successful forwarding activity entails, on one side, the access to the freight, clients and, on the other side, the access to the execution component, namely assets/third part transport and port operation companies. TTS, due to the founder's and management's experience in the field, succeeded to establish strong and stable relations with various clients, especially foreign and multinational companies in the area of trade with grains, chemical products, as well as steel producers. The Company's development secured its own financial resources for organic growth through the acquisition of high tonnage floating cranes for transshipment operations. During that period, TTS innovated in Constanta Port a terminal for anchoring maritime vessels to two buoys for unloading part of the cargo in barges. The released ship could enter the low depth berths for full discharge. The next step was the acquisition of stakes at companies holding river transport fleet or port assets. The acquisitions were made in small but consistent stakes, until control was taken over. In December 1998 a stake of 9% of the shares of CNFR Navrom was acquired, a company listed in the BSE, then participations in other companies such as Canopus Star, Mast Co S.A. (currently TTS Operator), TransEuropa (currently TTS Porturi Fluviale). The objective of TTS was to ensure stability and performance for the development of integrated, highly performing and efficient logistic systems.

TTS felt the urge to innovate, to create a system of own assets sustaining its forwarding business and a faster, safer and more efficient transport on the Danube. The principles were simple: the cargo is to be transported, especially on the Danube, and it must be transported faster, safer and more efficiently – but at both

ends there should be ports able to load and unload, in Constanta Port and Danube ports – and the loading/unloading should be made faster, safer and more efficiently. Thus, the system port-river fleet-port, became the `circle` that was first drawn and then, in two decades, it was built.

Being at the beginning of the journey, with limited financial resources, but also considering that the port terminals in Constanta and on the Danube (in Romania) were already privatised, at the beginning TTS chose to cooperate with large foreign companies to create specific services but based on innovative models, especially in the area of port operation. At the same time, TTS continuously assessed the market to seize any opportunity to acquire assets and/or companies matching its development strategy and in view of `closing the circle`.

The beginning – in 1997/1998 – was in port operation by exploiting together with a large multinational company of an elevator for grains, unique in Constanta. This cooperation allowed TTS to upgrade substantially the speed and quality standards when loading grains into maritime vessels, as well as the size of loaded vessels: this allowed the traders to address further markets (Asia) efficiently, and not only the markets in Black Sea and Mediterranean Sea basins.

As of the Prospects date, TTS is an integrated logistics supplier, a market leader in its main business, continuously expanding, while the forwarding component continued to be at the core but is sustained by and must sustain its own strong assets in river transport (including support activities, such as naval shipyards) and port operation areas.

Port operation

As it did not have its own port terminal in Constanta, or a land on which to build one, TTS had to continue to innovate. In 1999 it rented Berth 100 (high berth versus the water) in Constanta Port. At Berth 100, following its height, the Company implemented a technical innovation, enabling the gravitational unloading from trucks and wagons to barges, while subsequently the cargo is transhipped in maritime vessels with floating cranes. Until now, this technology made possible the operation of almost 5 million tonnes of various bulk cargo, especially grains and chemical fertilisers. At the same time, in 2000, the first step was made to create its own port operation capacity in Constanta, by acquiring the majority stake in Mast Co. S.A. (subsequently renamed TTS Operator S.R.L.).

Pursuing logically the innovative trend, in 2003, TTS (Grup) built its multi-buoy mooring system, enabling the direct transhipment of Cape Size and Panamax ships. This operating system compensated the lack of its own port terminal with classical mooring berths. This terminal was fundamental in building and consolidating the TTS position as port operator in Constanta and for strengthening the cooperation relation with various other port operators in Constanta.

Starting 2005, TTS (Grup) focused on developing its port operation capacity through a series of investments. Thus, TTS (Grup) acquired from the Netherlands two more high capacity floating cranes able to operate Cape Size ships, as well as several Ganz floating cranes, typical for Constanta port.

In 2004 TTS (Grup) took over the majority stake in Canopus Star, a company without assets that held a rented piece of land in Constanta Port. Subsequently, during 2005 – 2008, TTS increased the share capital of Canopus Star and built two warehouses from scratch, with a total capacity of 50 thousand tonnes for grains. When the terminal of 50,000 tonnes became operational, the business was consolidated with Cargill, the grain trader, becoming a shareholder. Then, in 2014, the stage two of the investment was completed, adding a storage capacity of 60,000 tonnes. Starting 2015, the terminal has a storage capacity of 110,000 tonnes and allows the full loading of Panamax ships with a capacity of up to 70,000 tonnes, due to the depth of 13.5 meters at berths. As of the

Prospectus date there are ongoing new investment works at the terminal, which will increase its operating capacity and efficiency.

In 2004, TTS started the development of port operation business in river ports, located on the Romanian part of the Danube. The development of the port operation segment in Danube ports included the acquisition of 41% of the shares of Trans Europa Port S.A., currently TTS Porturi Fluviale, that owned a terminal in Brăila port and another one in Turnu Severin port. Subsequently the company increased its quota in the share capital of TTS Porturi Fluviale to 100%. In 2008 the Company purchased the majority stake in Bac Shipping S.R.L. that owned two berths in Oltenița Port. Subsequently, Bac Shipping S.R.L. merged by absorption with TTS.

TTS (Grup) acquired two warehouses in Brăila port as well as a grain silo in Galați port, with a storage capacity of 30,000 tonnes.

The port operation activities in Danube ports continued to develop by building a small port terminal in Bechet and by acquiring a port terminal in Giurgiu, in 2015 (formed of a silo for grains of 6 thousand tonnes, with the usual complementary equipment, including a portal crane of 16 tonnes, subsequently modernised) and its consolidation through other acquisitions in 2020 (a warehouse of 3 thousand square meters together with a piece of land – rented, of more than 5 thousand square meters – and buying a plot of land of 2 thousand square meters expanding the rented area, in 2019).

In 2019 Fajzs port in Hungary was acquired, located downstream from the difficult navigation point Dunafoldvar, in order to develop port operations for agricultural products, fertilisers, as well as to unload barges in case of low waters and to create a base for technical interventions and small repairs to the fleet.

The table below presents the evolution of the main assets and port facilities during 2000-2020:

	2000	2020
Number of terminals	1	10
out of which abroad	0	1
Number of berths	2	20
river	2	13
maritime	0	7
Storage capacity		
Grains (thousand tonnes)	0	145
General/warehouses (thousand sqm)	0	10
Platforms (thousand sqm)	0	40

Source: Management of TTS (Grup)

River transport

The development of the river transport segment started in December 1998, when the State Fund "Fondul Proprietatea" offered for sale 2,762,688 shares issued by CNFR Navrom, company admitted to trading on the BSE at that date, symbol COVG, since 25.11.1996. Out of the 2,762,688 shares offered for sale, representing 40.088% of the share capital of CNFR Navrom, TTS subscribed and purchased a participation of 643,770 shares, representing 9.34% of the share capital of CNFR Navrom. At that time, CNFR Navrom hold 352 non-propelled vessels (capacity of 667,000 tonnes) and 45 propelled vessels (see chapter "*TTS (Grup) Business*" – section "*TTS (Grup) Assets*"). Subsequently, TTS launched a public offering for purchasing a stake of 12% of the share capital of CNFR Navrom, offering approved by the National Securities Commission ("**NSC**") by NSC Decision no.

2047/4.12.2001 and, after exceeding the 33% threshold of the share capital of CNFR Navrom, it launched a public takeover offering, approved by NSC Decision no. 265/06.02.2003, while after exceeding the 50% threshold launched another public takeover offering approved by NSC Decision no. 733/10.03.2005. After that, through successive acquisitions and share capital increases, TTS, as of the Prospectus Date, holds 92.03% of the share capital of CNFR Navrom. CNFR Navrom was delisted since 07.08.2015.

Moreover, in 2001, the Company acquired NFR Drobeta Turnu Severin S.A. that subsequently merged with CNFR Navrom in 2008, being absorbed by the latter.

Immediately after taking over the control in CNFR Navrom, the Company, considering the reduced output of the propelled vessels, started an ambitious revamping program. This was initiated in 2005 with the full fit out of 14 pushers, partially financed using a loan granted by the International Finance Corporation, part of the World Bank. At the date of this Prospectus 34 out of the 38 propelled vessels held by TTS (Grup) were already fit out, including the 3 propelled vessels already modernised, acquired by TTS (Grup) from third parties.

The evolution of the fleet assets since 2000 to the Prospectus Date is presented below. Fleet development is quantitative considering the number of non-propelled vessels and the transport capacity, but in particular qualitative. Propelled vessels were fit out (and the vessels subsequently purchased were all fit out by the former owners), so that all the line vessels were modernised and, out of the 14 manoeuvre vessels, only four have not been fit out (for two of them fit out works are in progress). With respect to non-propelled fleet, the focus was to increase the number and capacity of the covered fleet. Thus, if in 2000 covered barges accounted for 45% of total barges and 32% of transport capacity, at the Prospectus Date these weights increased to 67% and 63% respectively. This change in fleet structure was made by the acquisition, in time, of covered barges, as well as by initiating the program for covering the uncovered fleet (in 2015), which will continue in the future.

	2000	2020
Fleet (number of units)		
Barges and schleps	352	420
Out of which covered	157	282
Pushers and tugs	45	38
Modernised	2	34
Self-propelled	0	8
Fleet capacity (thousand metric tonnes or thousand kw)		
Barges and schleps	667	768
Out of which covered	213	484
Pushers and tugs	63	56
Modernised	4	54
Self-propelled (thousand metric tonnes)	0	14

Source: Management of TTS (Grup)

Whereas the strategy to expand its presence in other countries of the Danube basin, the most recent transaction concluded by TTS (Grup) in the river transport segment was to take over, mid-2006, the majority stake (51%) in Plimsoll KFT, a forwarding company in Hungary, controlling 100% of the share capital of Fluvius, a river ship-owner operating with six self-propelled vessels on the Danube, Rhine Main, Mosela and Neckar.

In 2014, the company TTS GmbH Viena was set-up, having as main object of activity the promotion of the services offered by TTS (Grup) in the Danube upper basin.

To reduce the risk of volatility in fuel supply and its price, in 2014 the Company, through the companies Bunker Trade Logistics and TTS Operator, concluded a partnership with OMV Petrom S.A.. Bunker Trade Logistics (of which 95% is held by CNFR Navrom) supplies the fuel produced by OMV Petrom S.A. in its own refineries, the bunker station being located at Berth 100 of Constanta Port.

Subsequently, in 2019 and 2020 CNFR Navrom commissioned three own bunkering stations in Galati, Cernavoda and Turnu Severin ports, thus securing important cost reductions in relation to fuel supply.

Continuing its innovative development model, in 2020 a new Romania-Ukraine border crossing point was open, namely the ferry crossing between Isaccea/Romania and Orlivka/Ukraine. This project, an investment of more than RON 24 million, made during 2018-2020 received EU funds of more than EUR 1 million. The project is aimed to serve first of all the cargo truck traffic from/to Ukraine (and other countries of the Commonwealth of Independent States) to Romania, Southern Europe and Turkey.

This project is acknowledged as high profile and very necessary from the infrastructure standpoint, facilitating the trade and mobility of cargo and persons between Ukraine and Romania, which before used to take place through the territory of the Republic of Moldova (control point Reni - Ukraine and Giurgiulești – Republic of Moldova).

Orlivka - Isaccea ferry crossing offers the shortest direct route from Ukraine to South Europe countries and Turkey. The distance from Orlivka ferry complex to Isaccea Romanian ferry terminal is of 900 meters, and transit time is of 7-8 minutes. Due to ferry crossing the route between the states was reduced by 200 km, and the time was reduced by 10-12 hours.

A new berth was built on the complex, on two levels, to arrange river ferries with lateral loading. The ferries have a capacity of up to 30 motor vehicles and 6 trucks, while the berth needs 5 minutes to unload and 10 minutes to load. Therefore, in 10 hours, the border point can serve between 1,000 and 1,200 transport units.

Despite certain historical events, occurred during 2000-2020, such as war and crisis in the former Yugoslavia, bombing of Novi Sad bridges, financial crisis in 2009 (followed by the reduction of steel production at Galați) and the recent COVID-19 pandemic, TTS (Grup) has registered two decades of continuous development, summarised as follows:

- investments of more than EUR 200 million in assets;
- 9 successful acquisitions: one company listed on the BSE, one through the privatization program and 7 from private entities;
- increase of cargo flows on the river transport segment from 6 mt/year (90% Romanian origin/destination) to 9 mt/year (50% Romanian origin/destination);
- increase of the average transport distance from 200 km to more than 500 km;
- expansion of port operation segment from 1 mt to more than 4 mt per year.

3 TTS (Grup) Operating Model

Forwarding

TTS, as a company, was set up as a freight forwarding house and continues to keep this specific. Still, in time, through investments (in assets and acquisitions), by building a solid base of own assets, TTS turned from a typical forwarder into one that not only enjoys its own means of execution, but has become the leader of a

complex mechanism from an organizational, geographical and functional standpoint. On the one hand, TTS must exercise its role as forwarder – meaning to build, offer and contract more or less complex logistic services, the execution of which is subcontracted – and, on the other hand, TTS must act as a good administrator of the assets it holds (irrespective if these are simple equipment or entire companies, with their employees and equipment). This structure, in its entirety, actually creates an integrated logistic system, a monolith in front of clients and the market, and its split into forwarding, transport and operation has more to do with internal reasons, specific to the execution and statistical records and less to the de facto conduct in relation to the market. In these circumstances, TTS, or TTS (Grup) system developed certain particularities in relation to its operating model as compared to other service suppliers, as follows:

River transport

TTS (Grup) loads and unloads cargo in almost 100 river ports. In terms of river transport business, TTS (Grup) makes operational distinctions between the navigation model on the Lower Danube (region) and that of Upper Danube. On the Lower Danube, navigation is performed in convoys of 6-8 barges, with capacities of up to 3000 tonnes, propelled by pushers with powers of up to 3.500 HP, having a draft that, water depth allowing, reaches 2.5-3 meters or even more than 3.5 meters on Cernavodă – Galați/Tulcea/Izmail portion. On the Upper Danube, navigation is carried out using self-propelled vessels, to which 1-2 barges may be attached, or with pushers, often with low draft (of approximately 1.5 meters, as the water level is generally lower than in the Lower Danube), pushing 1-4 barges depending on the pusher's power, navigation segment and moving direction (upstream or downstream).

Typical convoys use a classical navigation system – compact convoys formed of a pusher with 6-8 barges, usually loaded with the same type of cargo, sailing directly and in full the distance between the loading and the unloading ports. This system limits the access of the pusher fleet only to large lots, appropriate for this navigation system.

By comparison, self-propelled vessels (eventually in convoy with 1-2 barges) have a greater flexibility and they may often address smaller lots of cargo. In a small convoy format, these may also travel on the Upper Danube, where the draft is stronger and the riverbed narrower.

The hybrid model consist in flexible convoys (pusher with 6 to 9 barges, usually loaded with several types of cargo) leaving from one port and stopping along the way in various ports to leave or take over one or more barges.

Large convoys coming from the Lower Danube are split in the manoeuver area of Komarno Port (Slovakia), where convoys of 1-4 barges are formed, typical for the navigation on the Upper Danube, propelled by self-propelled vessels or by low draft pushers. For the Lower Danube, TTS (Grup) may use both the standard and the hybrid models, due to the fact that it holds high power pushers, as well as low power pushers, of approximately 800 horse power, which are used along the Danube for manipulating barges on short distances.

For the Upper Danube, TTS (Grup) is equipped with both self-propelled vessels and with four modern pushers, with high power and low draft (140 cm).

Port operation

TTS (Grup) port operations take place in Constanta port and in six Danube ports (Galați, Brăila, Oltenița, Giurgiu, Bechet and Turnu Severin), each under the supervision of local port authorities, having specific features for each area.

Constanta Port

In Constanta port, the largest part of TTS (Grup) cargo volumes (approximately 2/3) are operated by direct transshipment, with floating cranes, from maritime vessels to river vessels and vice versa, while the rest is operated through the grain terminal of TTS (Grup). Direct transshipment consists in handling the cargo from one transport means to the other, without touching the ground. Indirect transshipment is related to the cargo transported to a warehouse, barn, silo or storage barge, then being transited to river or maritime vessels. Direct transshipment performed using the fleet of highly performing floating cranes, owned by TTS (Grup), offers not only flexibility (not being connected to the location of a terminal, in a certain area of the port), but also competitive prices, considering that the costs (and hence the tariffs charged to clients) are lower than for a classical transshipment through a berth terminal. This flexibility of the direct transshipment (especially with grains) substantially reduces the ship loading or unloading time.

Danube Ports

TTS (Grup) operations in Danube ports are mainly directed to and equipped for loading grains from the shore into barges (and maritime vessels in Galați and Brăila) and the discharge of fertilisers from the barges (and maritime vessels in Brăila) to the shore, to be distributed to farmers. TTS (Grup) operations in Danube ports have specific features, related to the different activities of TTS (Grup):

- (i) bagging installations in 3 out of 6 ports, where the cargo is unloaded in bulk and further delivered in bags (leading to lower transport costs for clients due to better cargo handling capacities)
- (ii) mobile installations for grains transshipment from trucks to barges (maritime vessels), in 4 of the 6 ports, generating flexibility in using the terminal as well as the possibility to reduce total logistics costs from farmers to Constanta due to the efficiency of the loading process. The need to discharge the cargo in warehouses and then reload it in the barges is suppressed due to direct transshipment.

4 Competitive Advantages

The main strengths of TTS (Grup) are the following:

- **diversified and solid client base with long-term and close partnership relations**

It has a history of long-term relations with its clients. For most of them, the relations turned into partnerships where the parties share their projects and work together to complete them. Thus, TTS (Grup) has the chance to support various projects of its clients and hence to consolidate its position as their partner and increase business volumes.

Its clients are producers of the metallurgical and chemical industry (such as Liberty Steel Galati, Hesteel Smederevo, Alum/ALRO/Vimetco, Elixir Serbia), trading houses (such as DBK Vienna, Cargill Agricultura SRL, Glencore, COFCO, COSCO, Belor), freight forwarding houses (such as Panta Rhei Vienna, Sea Danube Serbia).

Cargill Agricultura SRL is the main partner in terms of consolidated turnover (also due to the partnership related to the grain terminal Canopus Star, where Cargill Agricultura SRL is the main client), accounting for more than 10% of TTS (Grup) revenue in 2020. Only six clients hold quotas between 5% and 11%, other 12 have quotas between 1% and 3%, and 20 other clients have a turnover exceeding EUR 500 thousand, which shows the

diversified client base of TTS (Grup) and its low dependency on a client or small number of clients. The largest part of these clients have been working with TTS(Grup) for a long period of time.

- **a geographical footprint covering the entire Danube Basin, reducing the risk of volatility in respect to cargo volumes as compared to its competitors.**

Based on Eurostat statistics and methodology and the Company's records, TTS (Grup) holds a market share for river transport of more than 30% in the Danube Basin (save for Germany and Moldova), more than 50% in Romania (including Constanta Port and the cargo arrived/departed to/from the port from/to other countries than Romania, almost 70% of its transport business being connected to Constanta Port) and ranging between 10% and 20% in Ukraine, Bulgaria, Serbia, Croatia and Hungary, in terms of transported cargo volumes. This competitive position enables it to benefit from the economic growth in the region while being at the same time less exposed to the volatility of each national market in the region. For example, even if the largest category of transported cargo – minerals – comes from a limited number of clients in the region, the client portfolio is spread along the entire Danube, which ensures a higher forwarding stability than in case it would depend on a single such client. Furthermore, in terms of agricultural products, the geographical area covered by the fleet and port operations reduce the risk of seasonal fluctuations impacting on the offer or demand for goods in a certain country.

- **due to its size and diverse service range, the Company is the natural partner of clients in need of river transport and port operation services**

The Danube transport market is mainly formed of products derived from the metallurgical industry, agricultural market and chemical products market (fertilisers). This is a market mainly defined, to a large extent, by the need to "move" high volumes of cargo. The structure of TTS (Grup) fleet thus meets such needs and addresses players whose business is related to volume: raw materials for the steel industry, exports of grains or import/transit of fertilisers.

TTS (Grup) holds one of the largest and the most diversified river fleets in the Danube Basin, with a total cargo transport capacity of almost 800,000 tonnes including barges of various sizes, pushers, tugs and self-propelled vessels. TTS (Grup) has continuously invested in its fleet by purchasing new equipment or by implementing large modernisation programs. Considering the fleet size, it is one of the few river forwarders having the capacity to execute transport contracts for the transport of very high quantities of cargo in the Danube Basin. Based on Eurostat statistics (measured according to the methodology presented in the *"Presentation of financial and other information – Market data"*) in 2019, TTS (Grup) had a market share of 30.46% of the total volume of cargo transported on the Danube and 16.06% of the cargo distance in to*km. Moreover, it distinguishes itself as the largest direct transshipment operator (cargo handling from one transport means to the other without touching the ground, using floating cranes) in Constanta Port, with a fleet of seven floating cranes, out of which three have a large capacity and are able to operate Cape Size ships. This generates a higher ship loading and unloading speed, which allows a faster rotation of barges during loading and unloading, as well as the control over a longer logistic chain.

- **offers clients a versatile and flexible system as to the capacity to take over large or fractioned cargo volumes**

Considering the navigation system it uses due to its large and diversified fleet, TTS (Grup) is unique on the market, thus combining the advantages of a large operator focused on large volumes with the flexibility of small operators focused on small spot cargo lots.

The capacity to easily adjust, given by the navigation structure and philosophy, namely by the capacity to use line pushers sailing upstream/downstream in complete convoys distributing barges in ports according to the client's

needs, supplemented by the service pushers ensuring port handling and assistance, create a competitive advantage cumulating the efficiency of a large ship-owner with the flexibility of a small ship-owner.

These two advantages (high volume and operating flexibility) have a major impact on one side on the revenue (diversified client portfolio, diversified cargo types) as well as on costs (due to economies of scale).

- **has a vertically integrated structure of synergic activities**

Through the vertical integration of logistics services, TTS (Grup) creates the possibility to offer its services to clients in a more efficient manner by managing every stage of cargo transport on inland waterways: freight forwarding, river transport, port operation and related and alternative transport services. More than one third of the port operation activity performed with own assets is transported by own fleet.

This structure offers TTS (Grup) a series of advantages:

- a) *capacity to provide its clients "one-stop-shop" packages*, its beneficiaries being mainly clients with high cargo volumes, with long term contracts, interested in securing a complex service flow in the relevant area, usually from the place of origin to the place of destination;
- b) *mobilisation of logistics services for an efficient cargo transport* – due to the diversified equipment and the capacity to manage the cargo flows so as to maximise the use of the fleet and port operation capacities, TTS (Grup) is able to respond to the clients' needs in an efficient and flexible manner and in due time;
- c) *capacity to maintain competitive and stable prices for clients* – generated by its operating model and by avoiding additional costs in the contract execution process, it benefits from long term clients in a competitive environment.

- **due to its size and business structure, TTS (Grup) creates substantial economies of scale for itself as well as for its clients**

TTS (Grup) benefits of economies of scale that also reach its clients with high volume of cargo to be transported and operated, based on a good level of acquisition prices, by the efficient allocation of internal resources such as qualified personnel and transport capacities, which makes it more cost efficient as the volume of transported cargo grows. TTS (Grup) focuses on an operation close to the capacity of its cargo transport fleet and allocates resources efficiently on the Danube for both upstream and downstream cargo transport.

- **highly qualified and stable management and execution personnel**

TTS (Grup) enjoys a highly qualified and experienced management (24 years), both at the headquarters and in the subsidiaries. Also, its professionals, from the forwarding segment to ship captains and crane staff at the cranes in Constanta Port are known and recognised as experts in their area of activity.

TTS (Grup) has made constant efforts to increase the qualification of key personnel through specific training courses and, in particular, through its organisational culture based on accumulating experience by being directly involved in solving the issues.

The culture of TTS (Grup) is to hire young professionals, including students and to train them according to its deontological principles encompassing reliability, commitment to the company and the profession. TTS (Grup) has a succession policy for the management positions based on selecting and forming a talent base for each position, so that, depending on experience, it is able to internally recruit the appropriate people to take over management positions.

- **ability to innovate, grow organically and through acquisitions.**

TTS (Grup) has started its activity from small operations of a freight forwarding house and has succeeded, in 24 years, to become a large integrated operator in the Danube Basin and Constanta Port. TTS (Grup) has become successful based on an innovative model of vertically integrating the services, by continuous investments in assets (new and revamped), by acquisitions of companies.

Thus, TTS (Grup) has acquired, from its set-up, nine companies, in Romania and abroad, the most important being CNFR Navrom, TTS Operator and Canopus Star.

- CNFR Navrom: was one of the four river navigation companies in Romania (CNFR Navrom, Romnav Brăila, Giurgiunav Giurgiu and NFR Drobeta), that has witnessed a continuous and sustained quantitative but also qualitative development;
- TTS Operator: was a small port operation company in Constanta, that was grown in one of the most renowned port operation companies in Constanta;
- Canopus Star: was a company without activity, without assets, that was turned in a modern and efficient grain terminal through massive investments made after the acquisition.

Also, TTS (Grup) has developed its assets organically, by investing in the consolidation, expansion and modernisation of its river transport and port operation assets, as well as of support assets such as naval shipyards.

5 TTS (GRUP) OPERATIONS

Forwarding Segment

TTS (Grup) freight forwarding operations provide cargo transport and port operation services that it contracts from within TTS (Grup) and from external providers. Forwarding operations are the main interface of TTS (Grup) with its clients, and the contracts with them are concluded by TTS (Grup) freight forwarding houses.

TTS (Grup) freight forwarding operations manage to reduce the risk of tariff volatility, acting as a buffer between transport suppliers (including those of TTS (Grup) – that are contracted at market fees) and clients. The operations are managed so as to use its maximum transport capacity before purchasing from third parties, the operations also consider the efficiency of TTS (Grup) fleet. In addition, the long term contracts concluded with clients (save for spot contracts) usually include provisions regarding the bunker adjustment factor or BAF and/or low water surcharge or LWS, thus reducing the risk of higher costs for TTS (Grup) due to increases in fuel price or adverse weather conditions that may reduce the total cargo volume that can be transported (thus additional barges are needed).

The number of vessels held by TTS (Grup) allows it to actively manage the use and split of the fleet based on clients' demand. The mix between short and long term contracts (from several weeks to more than a year) and the organisation of port operations for the transported cargo and the intermediation of complementary services (maritime, rail and road transport) secure the necessary flexibility so as the forwarding segment team may spot and seize the favourable market opportunities. In case a demand for services that cannot be satisfied with its own fleet is anticipated or identified, TTS (Grup) contracts capacities from third parties.

Cargo volumes committed by the forwarding segment (and executed by its own transport segment and third parties)

Million tones	2018	2019	2020	Variation %	
				2018/2019	2019/2020
Minerals	3.74	4.22	3.75	12.8%	-11.3%

Agri products	1.72	1.92	1.96	11.7%	1.7%
Chemicals	0.58	0.72	0.72	25.5%	0.1%
Total	6.04	6.87	6.43	13.7%	-6.4%

Source: Management of TTS (Grup)

Volumes of cargo committed by the forwarding segment (and executed by its own port operation segment and third parties)

Million tones	2018	2019	2020	Variation %	
				2018/2019	2019/2020
Minerals	0.88	1.60	1.34	82.0%	-16.1%
Agri products	2.08	2.50	2.02	20.6%	-19.2%
Chemicals	0.69	0.75	0.78	8.7%	4.6%
Total	3.64	4.85	4.15	33.1%	-14.5%

Source: Management of TTS (Grup)

When analysing the evolution of volumes in terms of cargo types, committed by the forwarding segment, a general positive trend of growing volumes is noticed for both transport and port operation, despite the decreases for minerals and agricultural products registered in 2020 as compared to 2019 caused both by COVID pandemic (for minerals) or the drought registered in Romania (for port operation of agricultural products). The highest volumes are represented by minerals, followed by agricultural and chemical products. Despite the drought, the grain transport had continuous increases during the period under review, of 11.7% in 2019 versus 2018 and of 1.7% in 2020 versus 2019, due to the cargo transported in the first part of the year from Romania and, in the second part of the year, from Serbia and Hungary. The transport of minerals increased by 12.8% in 2019 as compared to 2018 (especially due to the increase in the volumes of bauxite ad raw materials in transit through Constanta Port: iron ore, coal, coke) and decreased by 11.3% in 2020 versus 2019 (by approximately 470 thousand tonnes), due to the decrease by more than 600 thousand tonnes in the volumes of transported bauxite, balanced only partially by the increase of other cargo volumes in other areas. Chemical products increased by more than 25% in 2019 versus 2018, and remained flat, at 720 thousand tonnes, also in 2020. With respect to the volumes of the forwarding segment related to port operation services, this increased significantly, by 33.0% in 2019 as compared to 2018, followed by a decrease of 14.5% in 2020 versus 2019, due to lower volumes of agricultural products (by 19.2%) and minerals (by 16.1%). Chemical products increased by 4.6% in 2020 versus 2019. For the reconciliation with the data on market size, see "Presentation of financial and other information – Market data".

River transport Segment

For cargo transport TTS (Grup) uses mainly the assets of its own transport segment and, to a lower extent, the service of third party transporters. River transport operations secure the largest part of the services contracted by

the freight forwarding houses of TTS (Grup). The fleet carries out the transport along the entire Danube, from Constanta/Izmail (downstream) to the German ports Regensburg and Kelheim (upstream). Part of the self-propelled fleet is used for transport through the Rhine-Main-Danube canal for transport between the ports of the two rivers, Rhine and Danube. The fleet loads and unloads in approximately 100 port terminals on the Danube, including Constanta Port.

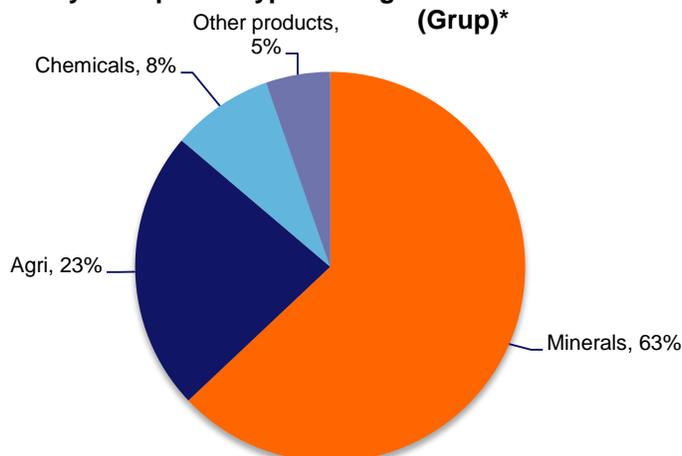
The volume of cargo transported by the forwarding segment increased by almost 10% in 2019 versus 2018, when all product types registered positive evolutions. In 2020 there was a decline for all the products but more significant for minerals, for the reasons mentioned above, that had volumes of approximately 900 thousand tonnes (-14.5%) lower than in 2019. See "*Presentation of financial and other information – Market data*"

Volume transported on inland waterways, per types of cargo

Million tones	2018	2019	2020	Variation %	
				2018/2019	2019/2020
Minerals	6.07	6.35	5.43	4.8%	-14.5%
Agri	1.75	1.98	1.95	13.1%	-1.1%
Chemicals	0.58	0.71	0.71	21.8%	-0.1%
Other products	0.29	0.49	0.46	70.6%	-6.6%
Total	8.68	9.53	8.55	9.8%	-10.3%

The table above shows that minerals account for the largest part of the volumes of cargo transported by TTS (Grup) on inland waterways (63%), followed by agricultural products (23%), chemical products (8%) and other products (5%).

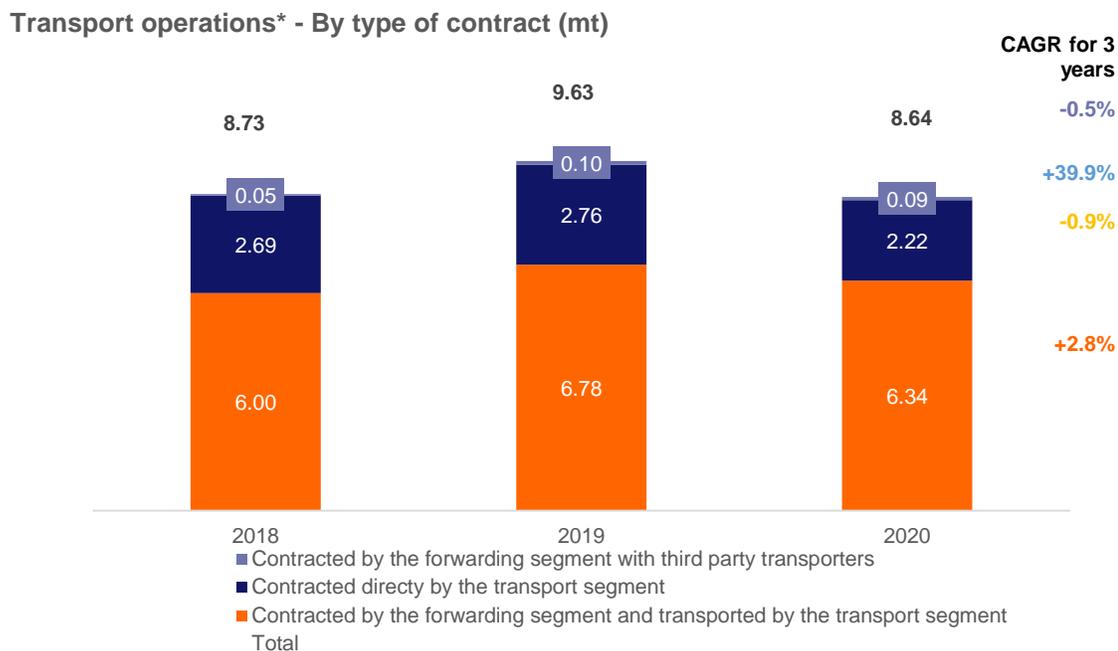
Weight structure by transported type of cargo at TTS (Grup)*



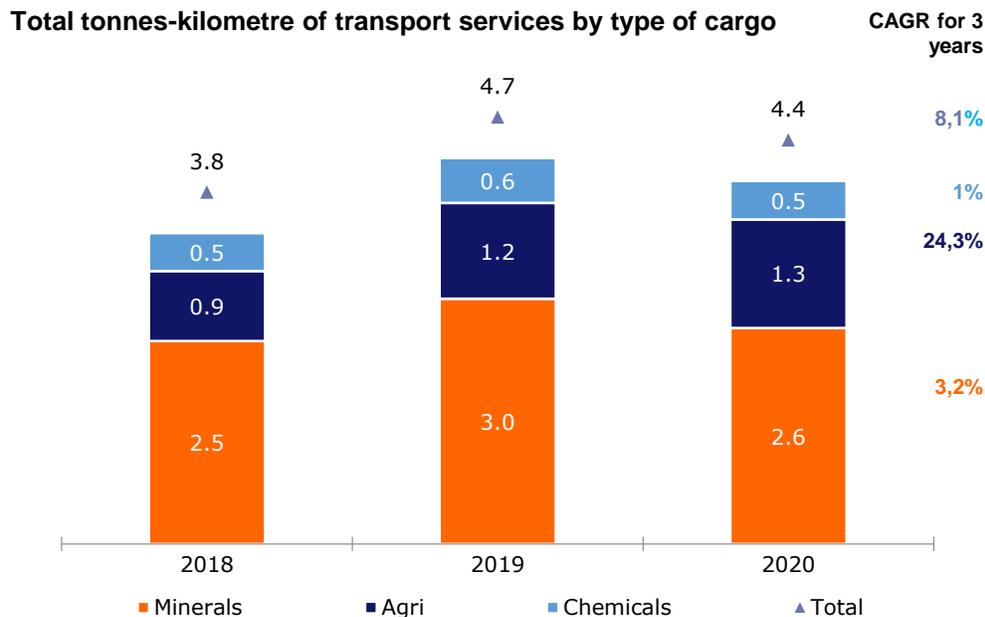
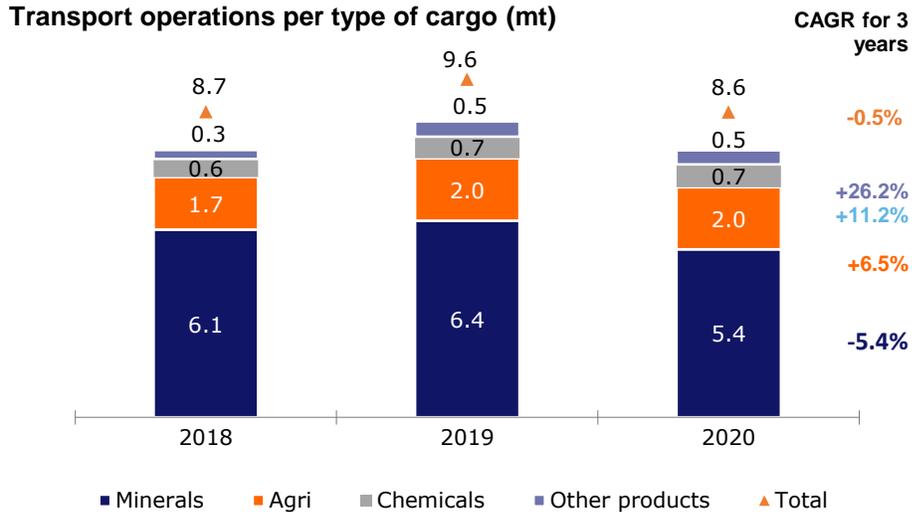
Sources: TTS; *2020 data – Volumes contracted by the forwarding segment and transported by third parties are included (1% of total)

In 2019, the operating performance of TTS (Grup) measured based on the volumes transported, in tonnes-kilometre, increased from 3.8 billion in 2018, on a consolidated level, to 4.7 billion tonnes-kilometres, mainly following the increase for minerals and agricultural products. In 2020, the transport services measured in to*km dropped to 4.4 billion due to the decrease for minerals (as explained above). Still, the distance of cargo during 2018-2020 increased by 15.79% versus the cargo volumes that registered a decrease of 1.5% during the same period; for agricultural products we can notice a continuous increase in the cargo distance, by 44.4% during 2018-2020, versus the growth in volumes of 11.4%.

In 2020 the cargo volume transported by TTS (Grup) dropped by 10.3% to 8.64 million tonnes of cargo, from 9.63 million tonnes in 2019 (including volumes transported with third parties river transporters). Out of the volumes transported in 2020, 6.34 million tonnes (73.3%) were contracted by the forwarding segment and transported by the transport segment of TTS (Grup), and 2.22 million tonnes (25.7%) were contracted directly by the transport segment of TTS (Grup). During the entire period under review, the volumes committed by the forwarding segment of TTS (Grup), but transported by third parties accounted on average for less than 1.0% of the total volumes transported by the group, increasing or decreasing depending on the availability of own fleet at a certain point in time.

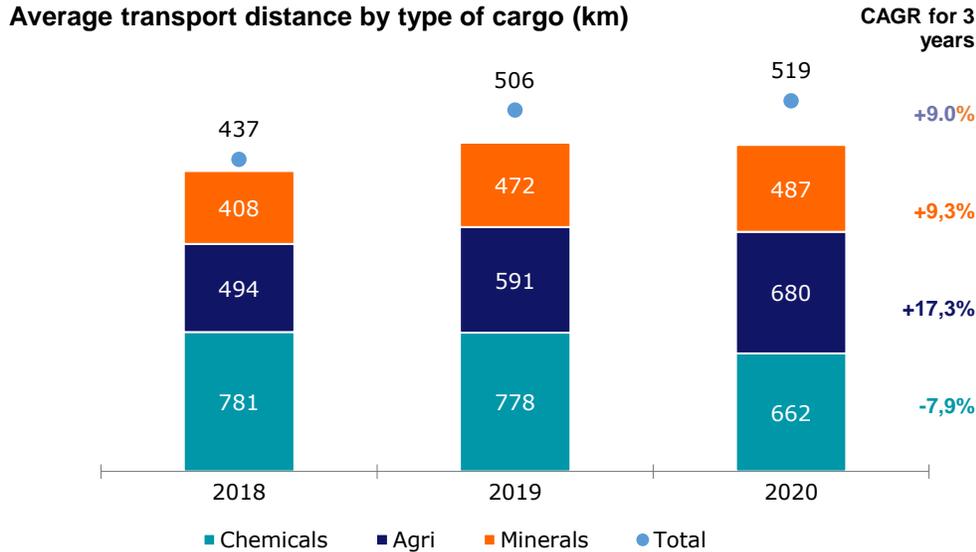


In terms of transported volumes broken down in cargo types, the weight of transported minerals and metals is incumbent during the period under review, fluctuating between 62.8% (2020) and 70% (2018) respectively. This is due to the fact that the fleet of TTS (Grup) serves four large metallurgical plants, located in Romania, Serbia and Hungary, for which it constantly transports very high quantities of raw materials and finished products.



Source: TTS (Grup) (excluding other products - below 0.1% of total)

The different evolution of cargo distance versus volumes is due to the geographical areas where various cargo flows were transported: in 2020 the transported quantities with destination/origin in Romania dropped, for both minerals and agricultural products (with shorter transport distances) and leaving higher weights to transit flows, with longer transport distances: minerals from/to Serbia and between Danube countries, agricultural products of Hungary and Serbia, which led to a longer average transport distance. Chemical products registered a slight increase in the weight of fertilisers imports for Romania, which slightly shortened the average transport distance (along with the slight decrease in the quantities of phosphate from Constanta to Austria, with transport distance of more than 1900 km).



Source: TTS (Grup) (excluding other products - below 0.1% of total)

Port operation segment

TTS (Grup) performs port operations in Constanta Port and the river ports in Galați, Brăila, Giurgiu, Turnu Severin, Oltenița, Isaccea (Tulcea) and Bechet and, starting 2019, in the port of Fajsz in Hungary. Its operations include the loading, unloading, storage, bagging (process of packing bulk fertilisers in bags, for subsequent distribution to farmers), drying and weighting the goods and other port operation related services. In particular, TTS (Grup) performs:

- direct transshipment from barges to maritime vessels and vice versa with floating cranes;
- indirect transshipment through the terminal from/to maritime vessels, barges, wagons and trucks; and
- storage in Danube ports in Romania and Constanta Port.

TTS (Grup) owns loading-unloading equipment and port infrastructure, including concrete platforms, warehouses, silos, technical and administrative buildings.

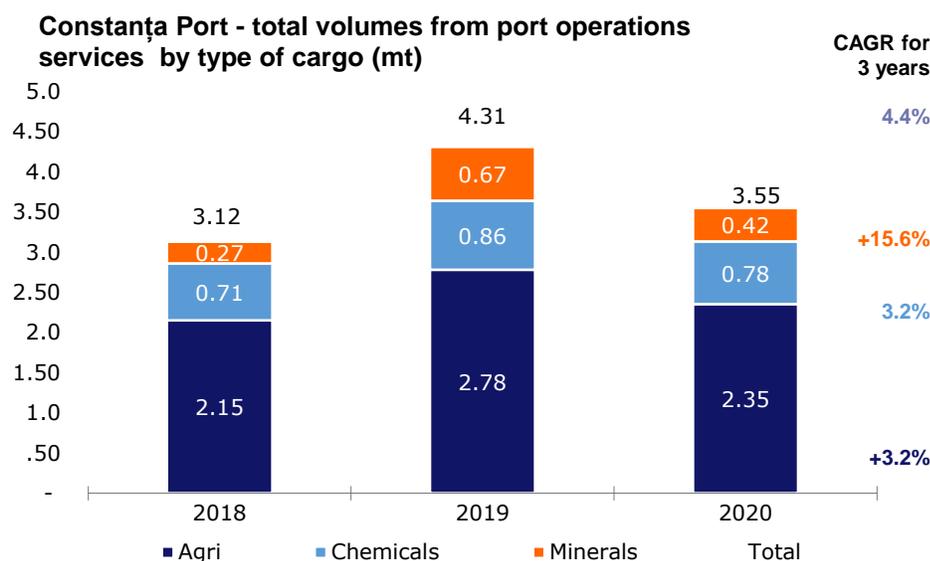
During 2018-2020, the cargo volume (in effective tonnes) operated by the port operation segment of TTS (Grup) had a compound annual growth rate of 4%. The highest compound annual growth rate of cargo volume was registered for minerals (27%) and chemical products (4,25%), while agricultural products have a compound rate of only 0.2%, after an increase 2018/2019 of 29.62% in 2019 versus 2018 and a recovery in 2020 to the volumes operated in 2018, for the reasons explained above.

Volumes operated by TTS (Grup) port operation segment, per cargo type, excluding volumes operated by third parties, for the years 2018 – 2020

Million tones	2018	2019	2020	Variation %	
				2018/2019	2019/2020
Minerals	0.38	0.83	0.61	121.77%	-27.09%
Agri products	2.62	3.39	2.63	29.62%	-22.56%
Chemicals	0.82	0.99	0.89	20.63%	-9.91%
Total	3.82	5.22	4.13	36.74%	-20.88%

Source: Management of TTS (Grup)

The most important port operations of TTS (Grup) are performed in Constanta Port (operated by the National Company Administration of Maritime Ports Constanta - "Administrația Porturilor Maritime S.A. Constanta"). The following chart presents the total cargo volumes operated by the operation segment of TTS (Grup) in Constanta Port, per cargo types, for the period 2018-2020, in effective tonnes. See "Presentation of financial and other information – Market data".



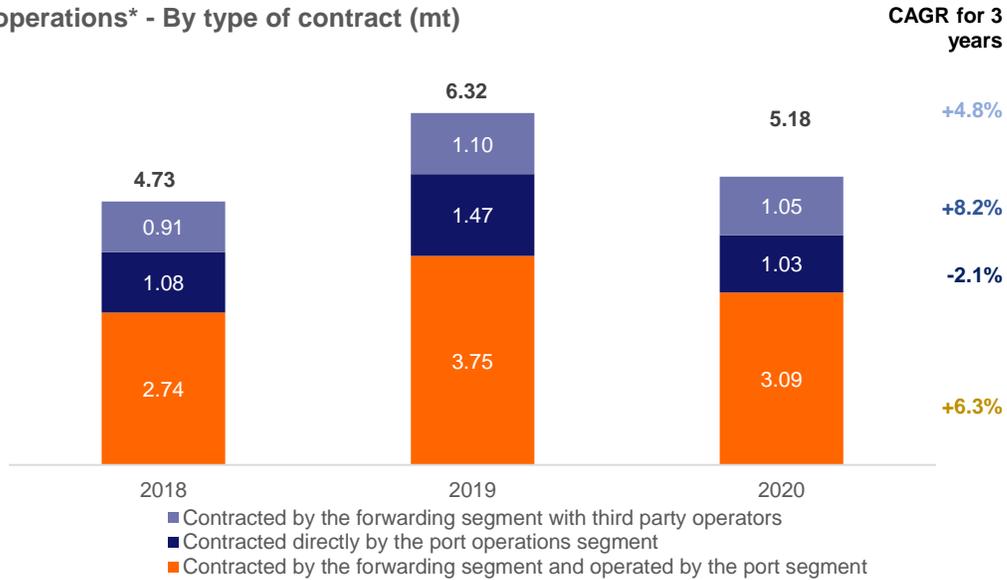
Source: TTS (Grup)

Evolution of cargo volumes – port operation

During 2018-2020, the total cargo volume operated in ports (operations performed with own means and by third parties port operators, contracted by TTS) had a compound annual growth rate of 4.8%. The highest compound annual growth rate of cargo volumes (more than 8%) was registered for the volumes under forwarding contracts and operated through third parties, due to the increase of minerals volumes in transit. The volumes contracted by the forwarding segment and operated by the operation segment of TTS (Grup) also increased by

6.3%, while the volumes contracted and executed by the operation segment of TTS (Grup) dropped by 2.2% due to lower volumes of exported grains. It can be mentioned that the highest weight of operated volumes is contracted through the forwarding segment (77% of total port operations – including operation by third parties - of TTS (Grup) in 2018 and 2019 and 80% in 2020).

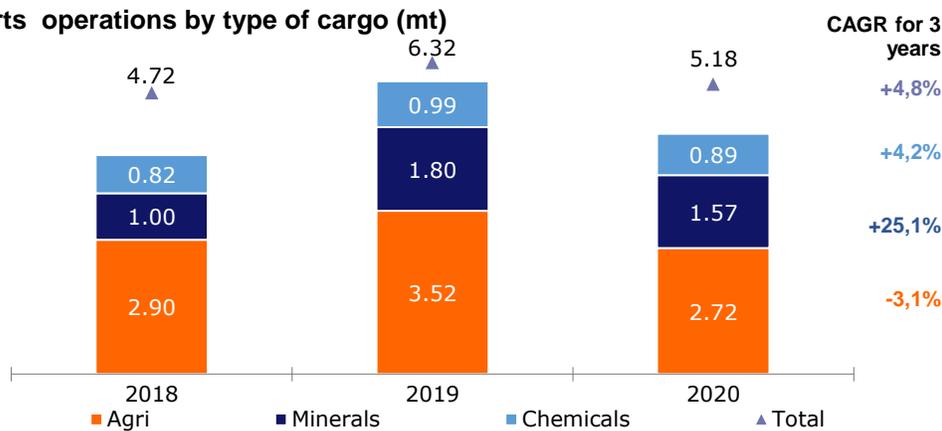
Port operations* - By type of contract (mt)



Source: TTS; * includes forwarded volumes through third parties

During 2018-2020, agricultural products had the largest weight in handled volumes, as the port terminals of TTS (Grup) are used to operate agricultural products and fertilisers (in Danube ports); the activity of direct transshipment with floating cranes is suitable for any cargo type but, for minerals arriving in Constanta in large vessels and requiring storage at the terminal, TTS uses the services of specialised third parties. Still, the weight of agricultural products dropped from approximately 61% in 2018 to 52.5% in 2020, due both to lower volumes in 2020 (due to the drought that reduced Romania’s exports) and to the continuous growth in volumes and weight for minerals (from 21% in 2018 to 30% in 2020). Chemical products have a relatively stable weight of around 16-17%.

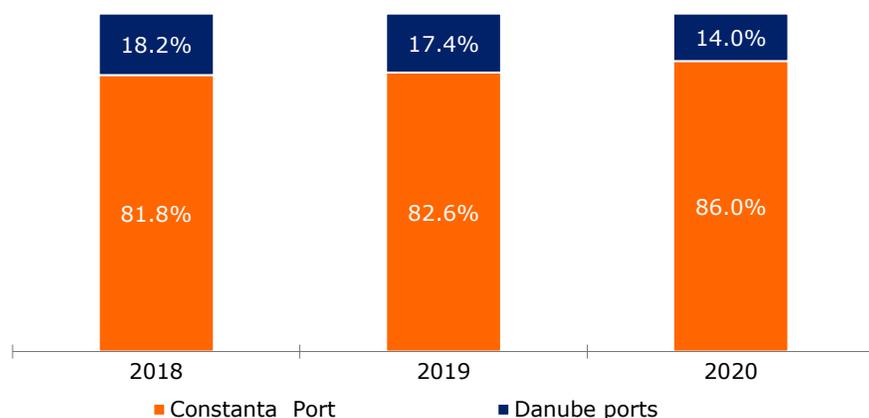
Ports operations by type of cargo (mt)



Source: TTS (Grup); includes volumes operated by third parties

The chart below shows the strategic importance of Constanta port in the port operation segment of TTS (Grup), which registered an average weight during the period under review of 83.46% of total port operations of the operation segment of TTS (Grup). Constanta Port is the connection gate between the Danube Basin and the rest of the world and hence, naturally, the largest quantities of freight are operated here, the size of individual cargo lots being that of a maritime ship, usually between 5,000 and 70,000 tonnes. At the same time, for Danube ports, the size of an individual lot is that of a barge, usually between 1,000 and 2,000 tonnes, save for Brăila and Galați ports where maritime vessels/barges of up to 5,000 tonnes are operated. In addition, it should be noticed that Danube ports are much more reduced in terms of infrastructure and equipment and their acquisition and development started later than for Constanta Port. During the period under review, the growth pace of volumes in river ports is substantially higher than in Constanta Port. The increasing weight of the operations performed in Constanta Port in 2020 is also due to the proportionally lower quantities of agricultural products operated in Danube ports, due to drought.

TTS Port operations services volumes shares split by ports



Source: TTS (Grup)

Other operations

The other operations of TTS (Grup) contain support activities essential for river transport business (two naval shipyards for fleet repair and maintenance), hydro-technical activities, timber trading and other activities.

Naval shipyards have a special importance: they ensure not only the repair, docking and recertification (extension of navigation certificates) of vessels, but also all fleet modernisation works.

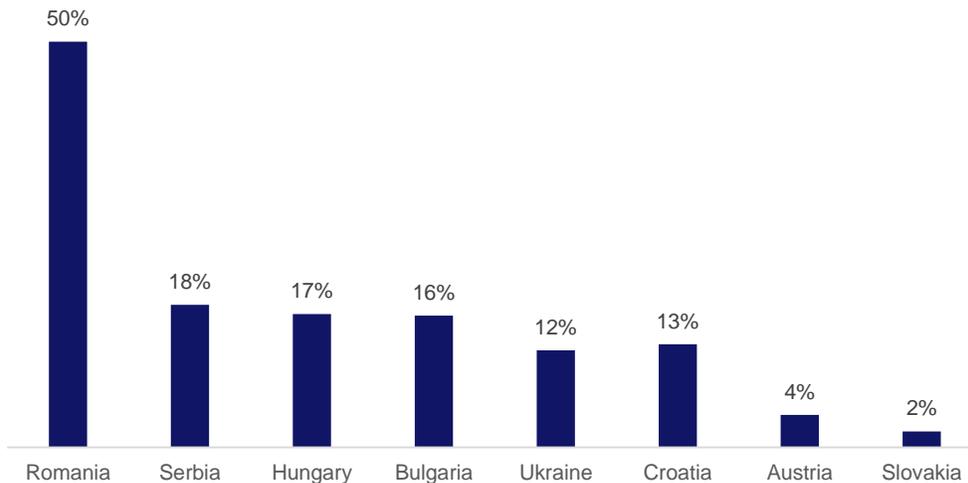
6 Position on the market

River transport

TTS (Grup) is among the largest players in the freight forwarding area in the Danube Basin. The market shares per cargo types and countries and the quotas held of total transported cargo volumes per each country, as presented below, are measured according to Eurostat methodology (see "*Presentation of financial and other information – Market data*") and include the entire activity of TTS (Grup), operations performed using its own means or third parties' means.

In terms of river transport, Romania keeps and consolidates the most important transport market in the Danube Basin, representing 46% (2019) of the total market of Danube transports, mainly due to Constanta Port (supplying in 2019, 15.1 million tonnes of a total of 28.5 million tonnes of the Romanian market). TTS (Grup) held in 2019 a market share of approximately 50.4% of the Romanian market (including the traffic from/to Constanta Port and the cargo with other origin/destination than Romania) and a market share of approximately 30% on the entire Danube Basin, thus being the largest river transport company in the region in terms of transported cargo volumes (it should be mentioned that this market share also includes the volumes coming from and leaving for the other riparian states via Constanta Port).

TTS (Grup) market share for Danube riparian countries in 2019



Source: Danube Commission, Eurostat, TTS (Grup); 2019 data

TTS (Grup) market share - river transport for each riparian state

%	2014	2015	2016	2017	2018	2019
Ucraina	20,32	29,08	23,56	22,39	11,83	12,06
România	51,26	51,92	52,63	53,69	54,37	50,44
Bulgaria	12,48	14,50	14,85	10,70	19,55	16,39
Serbia	11,61	17,08	11,51	14,26	14,57	17,74
Croația	17,74	18,11	8,71	2,30	11,89	12,83
Ungaria	18,58	22,41	22,78	19,59	18,08	16,57
Slovacia	1,87	3,43	0,82	2,10	1,25	1,97
Austria	3,93	4,01	2,77	3,31	3,31	4,03
Total	28,44	32,01	30,50	30,74	31,54	30,46

Source: Eurostat, Danube Commission & Management of TTS (Grup)

In the past years, TTS (Grup) consolidated its position in the entire Danube Basin (a market share for volumes of more than 30%, starting 2015), both internally and on various markets, especially in the countries of strategic interest (outside Romania/Constanta Port): Bulgaria, Serbia, Croatia and Hungary. It should be mentioned that it consolidated its position and increased its market share in Serbia, although it is a market with significant growth (growth rate of more than 8% during 2014-2019), where TTS doubled the volumes in 2019 versus 2014, reaching a market share of 17.74% versus 11.61%. Increases are also registered on the Bulgarian market, from 12.48% in 2014 to 16.39% in 2019, on a declining market, but of great interest due to the proximity and possibilities to balance the traffic. A special note should be made regarding Hungary, a market highly important in relation to Constanta Port, but with a fluctuating agricultural products market and a minerals market (coal imports) creating a strong competition between Constanta Port and Bakar Port/Adriatic Sea. See "*Presentation of financial and other information – Market data*".

It can be noticed that TTS has a market share in terms of cargo distance substantially lower than in terms of volumes: 13.43-16.06%, versus more than 30%; this shows an average transport distance much shorter than the Danube average due especially to the much higher quantities of minerals transported for Romanian steel plants, but also the high quantities of grains exported by Romania. In 2019, TTS (Group) market share exceeded 16%, a consequence of the growth pace in the compound annual growth rate (CAGR) of 2.08% during 2014-2019, due to higher volumes of agricultural products; still, it should be mentioned that minerals increased their market share after the fall of 2016, due to the resumption of activity (and growth) at Smederevo steel plant.

TTS (Grup) market share in terms of distance

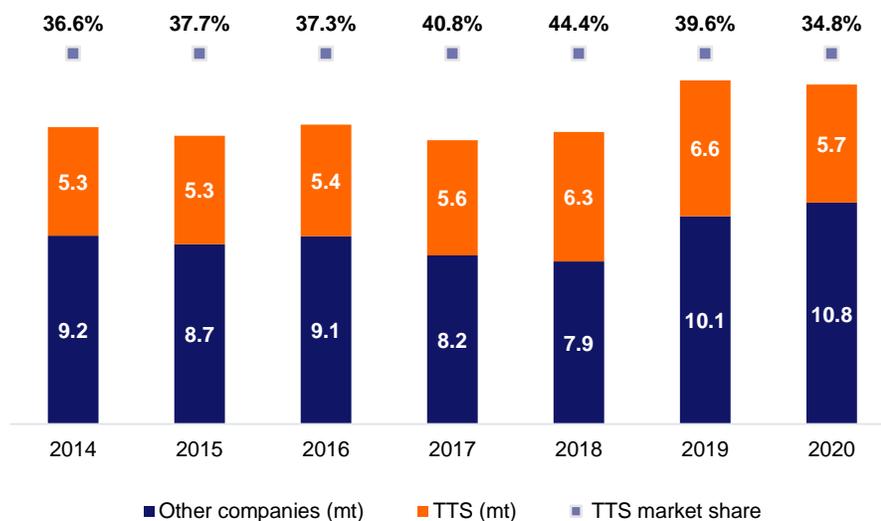
%	2014	2015	2016	2017	2018	2019
Minerals	21.66%	21.35%	17.43%	18.52%	19.24%	21.22%
Agri products	8.67%	10.84%	11.58%	15.08%	14.08%	13.85%
Chemicals	12.33%	12.35%	10.94%	13.49%	11.09%	10.76%
Othe rproducts	0.03%	0.04%	0.04%	0.03%	0.03%	0.03%
Total	14.48%	15.20%	13.43%	15.43%	15.31%	16.06%

Source: Management of TTS (Grup)

In terms of cargo volumes, TTS (Grup) is the market leader for freight transport on the route Danube – Black Sea, accounting for approximately 40% of the traffic through the Danube – Black Sea Canal in 2019, which dropped to 34.8% in 2020 due to lower volumes of imported raw materials, generated by Covid 19 crisis. TTS (Grup) managed to maintain a market share of more than one third during 2014 – 2020, despite increasing competition.

TTS (Grup) has had a recurrent market share of more than 30% starting 2015 (measured based on the cargo volumes transported in the Danube Basin), exceeding 31% in 2018, calculated according to Eurostat Methodology (see "*Presentation of financial and other information – Market data*"). In terms of product categories, the market share is around 38% for minerals (37.71% in 2019), more than 20% for agricultural products (almost 24% in 2019) and almost 15% for chemical products (see "*Presentation of financial and other information – Market data*"). Considering the insignificant weight (in total volumes) of the transports using third parties fleets, we still consider that the all the transport market shares of TTS (Grup) are the same as the market share of the transport segment, as defined and presented in this Prospectus. Therefore the market shares presented for the transport segment should be considered as being also the market shares of TTS (Grup).

TTS (Grup) market share on the Danube-- Black Sea Canal

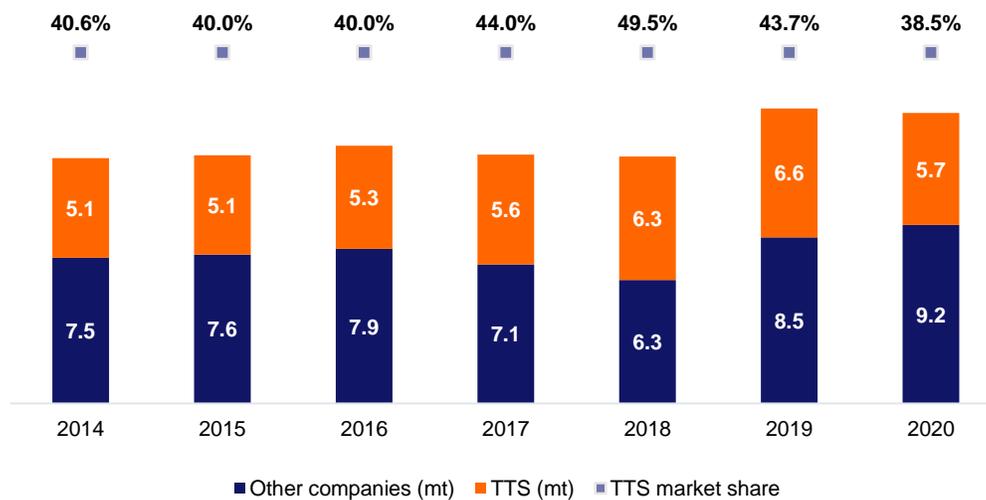


Source: CN APM Constanta, TTS (Grup)

TTS (Grup) river transport operations around Constanta Port

At the same time, in 2019, TTS (Grup) had a market share of 43.7% of total river traffic from/to Constanta Port, which in 2020 dropped to 38.5% for the reasons set forth under the section "*Presentation of financial and other information – Market data*".

TTS (Grup) market share in river traffic in and to Constanta Port



Source: CN APM Constanta, TTS (Grup)

Port operation

Danube Ports

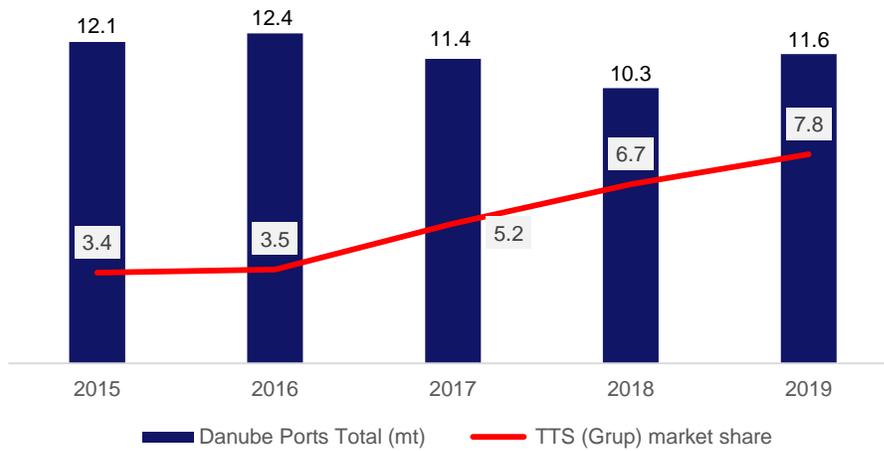
In Romania, port terminals have strategic locations, from Galați (km 150 on the Danube) to Drobeta Turnu Severin (km 930 on the Danube). This strategic positioning allows TTS (Grup) to hold a market share of approximately 10% of the total volumes operated in these ports, considering that more than 70% of the total volumes related to Danube ports consist in minerals and metals (raw materials used in steel production at Galați and Tulcea) and quarry materials extracted from the Danube.

Romanian port terminals on the Danube recorded operated cargo volumes of 11.6 million tonnes in 2019, higher than 10.3 million tonnes in 2018. The cargo volumes operated by TTS (Grup) in Danube ports increased from 0.6 million in 2017 (5.2% market share) to 0.9 million tonnes in 2019 (7.8% market share), dropping to 0.6 million tonnes in 2020, due to the dramatic decrease of grain exports due to extreme drought; in 2019 67% (612 thousand tonnes) of the volumes operated by TTS (Grup) in Danube ports were represented by agricultural products, in 2020 the weight was only of approximately 48% (277 thousand tonnes).

In terms of the structure of the cargo operated in TTS Danube ports in 2020, approximately 48% of total volumes consisted in agricultural products, while minerals and metals accounted for approximately 32% of total volumes, and chemical products for approximately 20%. TTS (Grup) directed its investments and location of its terminals to serve mainly the agricultural products and fertilisers, products with high potential for growth and with much lower geographical concentration. For the future period the investment plans consider investments for diversifying the cargo structure by developing the traffic of non-agricultural products (steel products, construction materials) in certain ports (Oltenița și Giurgiu), following an identical strategy, proven successful, implemented in the last years at Drobeta-Turnu Severin port.

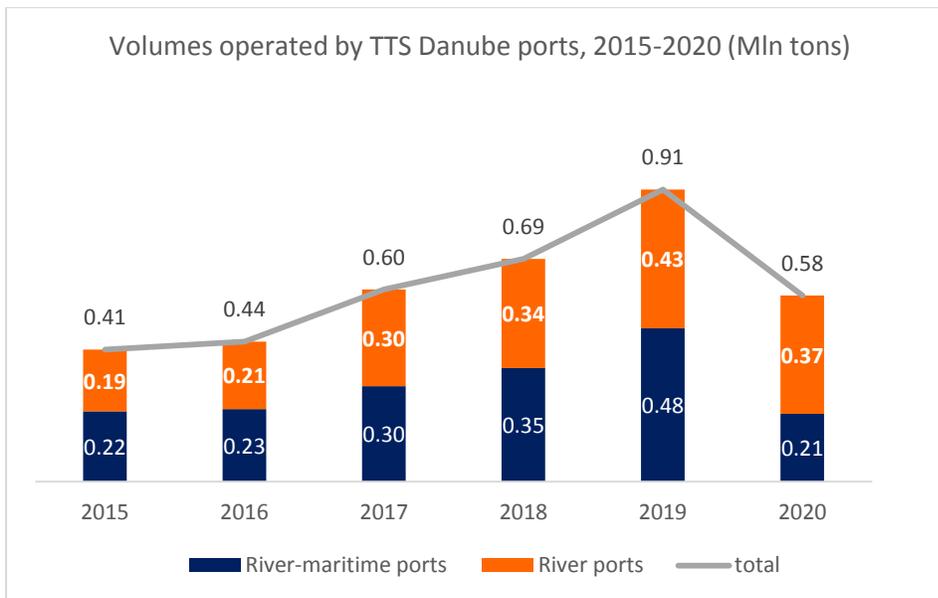
Cargo volumes operated by Danube ports in Romania (mt)

**Cargo volumes operated by Danube ports, 2015-2019 (mt)
TTS (Grup) market share**



Source: TTS; APDM, Danube Commission

Cargo volumes operated by TTS in Danube ports (mt)

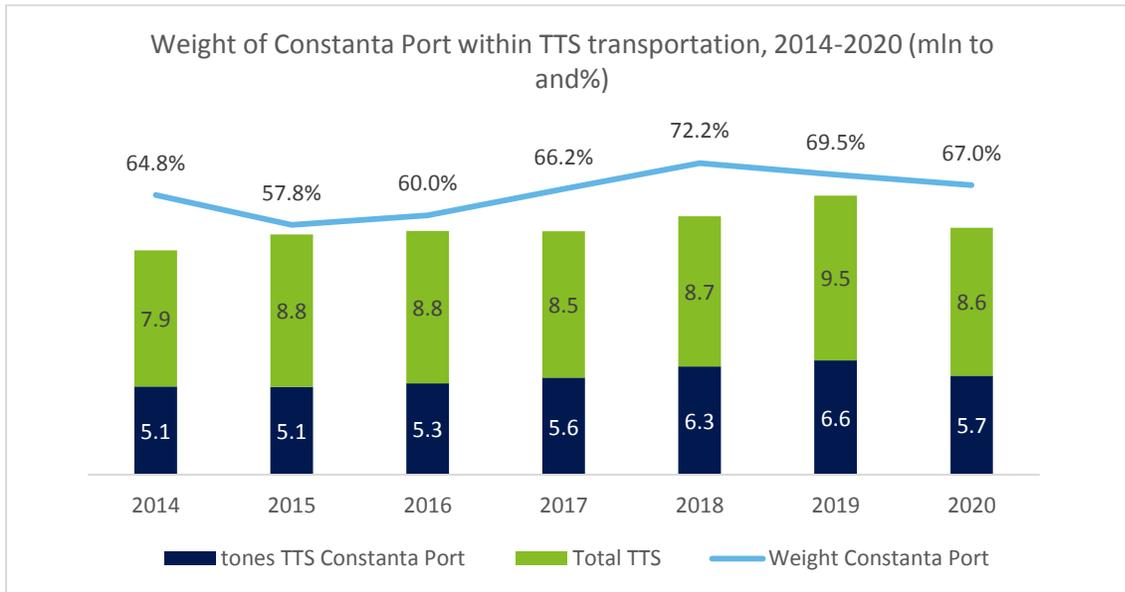


Source: TTS (Grup)

Constanta Port

Constanta Port is located at the crossroad of commercial routes connecting the markets of landlocked countries of Central and Eastern Europe with Transcaucasia, Central Asia and the Far East. It is the main Romanian port on the Black Sea, having an extremely important role of transit node for Central and South-Eastern European countries.

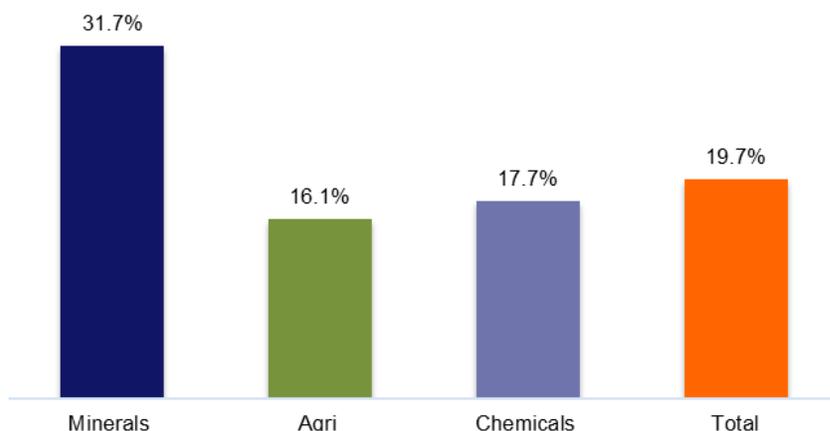
On a constant basis, more than 60% of the volumes transported by TTS (Grup) have had as starting and/or destination point Constanta Port. This weight is substantially influenced by the volumes of raw materials imported by Liberty Steel Galati and Alum Tulcea; for example, together they accounted for more than 3 million tonnes 2019 and by 1 million tonnes less in 2020, which decreased substantially the market share both to/from Constanta Port as well as that of traffic through the Danube-Black Sea Canal.



Sources: CN APM Constanta, TTS (Grup)

In 2020 the market share of TTS (Grup) for port operation in Constanta was of 19.7% (according to the methodology of CN APM Constanta, volumes operated in own terminals plus by third port operators contracted by TTS, excluding oil products and containers), TTS holding important market shares for all the cargo types it operated. In 2020 the structure of cargo operated in Constanta Port by TTS (Grup) was: agricultural products (47.4%), minerals (33.6%) and chemical products (19%) respectively.

TTS market footprint in Constanta Port by cargo type*



Source: TTS, Constanta Port; *2020 data; Volumes contracted by the forwarding segment and operated by third parties included (23% of total)

7 Clients

TTS (Grup) has long term contractual relations with clients that wish to have one stop shop logistics packages tailored to their needs. In 2020, one client had a contribution higher than 10% of consolidated revenue (this was also caused by the partnership for the grain terminal in Constanta). Also, only 5 clients hold weights ranging between 5% and 10% of TTS (Grup) consolidated revenue. It should be mentioned that 7 of top 10 clients have constantly been among the first 10 clients of TTS (Grup) in the past 5 years. The client portfolio contains mainly: (i) international and local producers and traders of grains, (ii) steel producers or traders of raw materials for the steel industry, (iii) freight houses and (iv) other clients.

Cargill Agricultura SRL is the main client of TTS (Grup), based on the partnership that the two companies have in relation to Canopus terminal in Constanta Port, where Cargill Agricultura SRL is the main client. In terms of client concentration, Cargill Agricultura SRL accounts for 11% of total clients, while the top 5 clients account for 20% of total. Furthermore, the top 10 clients aggregate approximately 55% of total revenues of TTS, which translates in a relatively low level of concentration of the client base.

International producers and traders of grains

Romania is an important grain producer in the European Union and in 2019 it was the main grain exporter, the community leader in terms of quantities of wheat and corn. Romania consolidates its position of cereal producer and exporter in the European Union due to generally good harvests in the last decade. In 2018, Romania was the third largest producer of grains in Europe, after France and Germany, being also the largest producer of corn and sunflower seeds in the European Union.

International producers and exporters of grains are the typical clients of TTS (Grup). TTS (Grup) sets the prices for the services considering the annual volumes to be transported and also offers diversified services (such as: transport, handling, direct or indirect transshipment, storage, quality control) in the entire logistic chain. The cooperation with this type of clients has a long history, and with some of them partnership are in place. TTS (Grup) provides logistics services to all large international traders active in the Danube area (especially Cargill,

Glencore/Viterra, Cofco), but also to local traders and producers (Maria Cereale/Agro Chirnogi and Comcereal Dolj, of Romania, Octopod of Bulgaria).

In 2019 Cargill Agricultura SRL and Glencore Agricultură ranked 4th and 7th respectively in the top grain traders in Romania. Cerealcom Dolj, company ranking 8th in the top of Romanian grain traders was included in TTS (Grup) portfolio in 2019.

Steel industry producers or traders of raw materials for the steel and chemical industries

These clients secure the volumes of minerals, for both transport and port operations. They are long term and stable clients, located both in Romania and abroad (especially Austria, Serbia and Hungary), the most important ones being Liberty Steel Galati, Alum Tulcea, Hbis Smederevo, DBK Vienna, Sea Danube/Elixir Serbia).

HBIS Group increased its production by 2.2 times in 2 years. In 2016 the Smederevo plant was acquired by Hesteel Group, which increased the production to 2 million tonnes in 2018. Also, Serbia was the world leader regarding the increase in the production of raw steel in 2018, by 38.9%, according to the data of the World Steel Association. Almost the entire Serbian production comes from Smederevo Steel, a company held by the Chinese group HBIS, also known as Hesteel. In 2017, China and Serbia signed a memorandum of understanding for the development of a Chinese-Serbian industrial park, as a joint venture, covering 500 hectares of industrial area in Smederevo, close to the Danube and large European corridors.

Liberty Steel Galați announced its objective to double the annual production of steel at Galați plant, from 2 mt to 4 mt per year. In this respect, it signed a memorandum with the Romanian Government to create an emblematic operation GREENSTEEL at LIBERTY Galați.

Freight houses

TTS (Grup) operations in relation to freight houses refer to flows of seasonal goods (grains or fertilisers) or ad-hoc cargo flows (such as equipment), with regular quantities and terms. Specific (short term) agreements were concluded with some of these clients, while others are stable, long term clients. Some of the most important clients in this category are: Panta Rhei Austria (subsidiary of Kuehne und Nagel group).

Occasional clients

Occasional clients are mainly small trading houses, brokers and local producers. These are not often part of the client portfolio and use the services of TTS (Grup) only when needed. The contracts concluded with these clients are over a limited period. These clients also include clients with seasonal business, but the disadvantages of seasonality in terms of volumes and financial results are balanced by the geographical diversity, as well as by the diversity of the sectors in which the clients carry out business.

8 TTS (Grup) development strategy for the period 2021-2025

TTS (Grup) has implemented, for more than two decades, a consistent development strategy in order to become an integrated logistics player with regional presence, in the Danube Basin and Constanta Port. The development strategy relied on continuous investments in companies and organic growth by continuously understanding, anticipating and responding to the changing needs of the clients, considering their expansion.

The acquisitions (navigation companies, port operators or assets of these areas of activity) were made after careful analyses regarding the added value brought, additional synergies and their necessary integration in the general development strategy. All the companies acquired were integrated in the Group from a management and operational standpoint.

After IFC (International Finance Corporation) became a shareholder of TTS in 2012, the Company started to expand its geographical presence by holding subsidiaries, making acquisitions or setting up own companies outside Romania, so that today it has a subsidiary in Austria and three in Hungary.

Organic growth was focused on the revamping of the equipment held (both transport fleet and port equipment) in order to increase operating yield, economic efficiency, business size and reduce the impact of its business on the environment.

As of the Prospectus Date, TTS (Grup) is a consolidated logistic group ready to continue its geographical expansion by acquiring assets and companies especially in order to meet its objective to increase the physical footprint and the geographical activities, to become the most important logistics player in the Danube region.

The future development strategy combines the business and the investment (acquisitions and organic growth) strategies that should be implemented in close coordination and sustainably, to meet its objective to become a well-known leader of supply of integrated logistics in the Danube Basin.

The development strategy entails the consolidation of its position and the increase in market share on all local markets of Danube riparian states, especially Bulgaria, Serbia, Croatia and Hungary. Special attention should be given to the opportunity that local acquisitions (especially ports) would open for the hinterland, especially for Serbia, Croatia and Hungary markets that would make the direct connection between the Danube and the countries in the Danube Region, as well as the ports of the Adriatic Sea. The Upper Danube (Austria and Germany) continues to remain an area with growth potential as it is an entry gate to the Rhine and Western Europe as well as the intermediary link to Hungary and Middle and Lower Danube.

Romania remains the main market, especially due to Constanta Port and the 6 ports on the Danube, offering an additional boost to TTS (Grup) operations and efficiency by controlling the three parts of the logistic chain: port loading – transport fleet – port unloading, for a part of the cargo volumes processed. In this respect, the direction is towards organic growth (investments in the modernisation and development of the existing assets), without eliminating possible opportunistic acquisitions.

Business Strategy

TTS (Grup) considers, in its strategy, the vital roles of Danube and Constanta Port, as well as the strong connection between them.

1. Danube is the basic connection between the riparian states and Constanta Port, the ports of riparian states being mainly used as entry/exit points for local cargoes to/from the Danube. TTS (Grup) pursues a strategy of growing the inter-connection between the countries in the Danube Basin and the ports of the riparian states by turning some of them in logistic interconnection hubs between the Danube and the economies of the countries located in the Danube Basin, as well as by expanding towards the freight from hinterland by rail and road, having a consistent approach in the entire Danube Basin.
2. Constanta Port is the main gate for the cargoes coming from and going to the economies of the countries located in the Danube Basin, and not only for those of riparian states.

The strategy pursues the consolidation and market share increase in the Danube Basin in general and on niche market segments of interest (whether markets of certain countries - Bulgaria, Serbia, Croatia, Hungary, especially – or specific cargo flows or specific clients – flows of raw materials for the large steel and chemical plants, large flows of grains), together with the needs of its clients and its expansion plans.

This will be implemented not only by consolidating the relations with the current clients and by attracting new clients, but also by increasing the efficiency of the assets held and the use of services provided by specialised third parties providers.

A special component is the Company's intention to develop its activity in the Middle and Upper Danube, as well as on Western Europe rivers (mainly the Rhine and Main). This development is forecasted to take place using the existing operations in Hungary and Austria, by organic growth consisting in investments in assets, acquisitions in the area and partnerships with important players active on these markets.

The company already pays special attention, and this will increase in the future, to increasing the inter-mode character of its business, by increasing the volumes of cargo transported by rail and maritime vessels. The rail transport segment is an important activity of Plimsoll Budapest, which performs – as freight forwarder – transports from/to Hungary to/from ports of the North Sea and Adriatic Sea especially. At the same time, TTS continuously develops its brokerage activity for maritime transport, especially in the Black Sea Basin. Analyses are currently being performed to assess the opportunity to acquire assets in the future (wagons in Hungary, by acquisition or long term leasing, and Volgobalt ships, by acquisition or long term leasing), for the development and increase in the efficiency of this business.

Furthermore, the company investigates the possibility to open distribution nodes (for fertilisers and steel products) in Middle Danube ports serving the countries in the Danube Basin. This is the reason why TTS (Grup) gives special attention to any opportunity to acquire one/two ports located on the Middle Danube.

The business strategy relies on the investment strategy focusing on acquisitions of companies and development and modernisation of the existing assets, in a sustainable manner.

Investment Strategy:

(1) Continue the development and modernisation of river fleet. To maintain and grow its position on the market in terms of fleet size and quality and the capacity to transport higher cargo volumes, the investments in vessel modernisation continue, for both propelled and non-propelled vessels. Continuing the program to cover with aluminium covers the barges initially uncovered (built specifically for raw materials transport), started in 2015, is a priority.

Covered barges allow the transport of any type of dry cargo, while uncovered barges may carry only minerals, thus contributing to balancing cargo traffic and to a substantial decrease of empty transport, leading to an efficiency increase.

Covering the barges gives the possibility that cargo flows transported upstream and downstream on the Danube balance more than before considering that, in general, the upstream cargo flows (Serbia and Hungary) consist of minerals (iron ore, coking coal, coke), and the downstream ones mainly consist of agricultural products and secondly in fertilisers or finished products of the metallurgical industry. This reduces the numbers of voyages and the distances sailed by barges without load, leading to increased revenues and profitability in particular. In addition, more and more types of raw materials transported to Serbia require covered barges, due to their technical specifications).

Aluminium covers were chosen instead of traditional steel covers due to their higher reliability, easier handling and lower weight. A set of aluminium covers (for a barge) is by approximately 20 tonnes lighter than a set of steel covers, which means that the barges with aluminium covers may continuously transport a cargo volume higher by 20 than those with steel covers, at any limit set by the minimum sailing depth. Until now 50 barges with a capacity of 3,000 tonnes were covered and the process will continue for 18 more barges until 2025.

In addition, a revamping program for barges with a capacity of 2,000 tonnes was initiated, aimed not only to cover them with aluminium covers but also to increase their transport volumes by approximately 25%. The program started in 2021 and contains the revamping of at least 32 barges until 2025.

These two modernisation directions of the open fleet will lead, in 2025, to the increase in the number of covered vessels by approximately 18%, while their transport capacity will be by 25% higher as compared to 2020.

It should be mentioned that the size and quality of the barges used for transport have a direct impact on port performance related to loading and unloading. The difference in operating output, in tonnes/hour, is of at least 2 to 1 between the operation of a barge and of a schlep. For barges too, as the vessel is bigger the operating output is higher.

In terms of propelled vessels, they will continue to be modernised both for adjusting the pushers' structure to the navigation conditions, to reduce as much as possible the effects of periods with low waters and difficult navigation, as well as for continuously observing the environmental and pollution norms in force and the implementation of more environmentally friendly propelling technologies.

Besides the fact that the revamping of line vessels decreased the draft by 20-30 cm (to 200-220 cm), the navigation model led to the acquisition and revamping of a number of vessels with lower power but with low draft, of 130-170 cm, that can navigate on low waters or can serve short navigation distances (100-200 km). Thus, besides the revamping of small, manoeuvre vessels, serving short navigation distances (10 vessels were revamped, and two out of the last four are planned to be revamped this year) in 2016 the company started a program of acquisition and modernisation at the Bratislava shipyard (modernisation consists in changing the entire vessel equipment and systems with new and modern ones), certain "Muflon" vessels (initially for navigation on Elbe, known for low water); vessels with a minimum navigable depth of 130-140 cm, having a power of 1,500 HP, were obtained. Until now 5 such vessels are part of CNFR Navrom fleet, serving the Upper Danube (Slovakia-Germany) and difficult navigation areas and Sava river when the level of Danube water makes the navigation difficult. Adjusting the structure of its assets to navigation conditions will continue to be a focus.

(2) Investments in infrastructure and equipment to increase the volumes operated in Danube ports. TTS (Grup) considers that there are important possibilities to develop port activities in the Danube ports, to increase the volumes operated and its market share (currently below 10% for the six ports in Romania and completely insignificant for the port in Hungary).

There are two types of investments necessary in Danube ports:

1. Investments for the revamping of port infrastructure (platforms, access ways, system planning, etc.) that are not directly productive and do not bring additional volumes, but have a substantial contribution to the smooth performance of the activity including, indirectly, to the increase of cargo volumes;
2. Directly productive investments in the modernisation of working equipment and increasing their productivity or in new port, storage (warehouses, silos) or operation (cranes, various equipment) capacities;

Investments are necessary at the following ports: Brăila, Oltenița, Giurgiu and Fajsz, for which certain projects were completed or are pending execution (for Braila, Giurgiu and Fajsz) or the works are in progress (for Oltenița). The central and local management will decide the type, size, opportunity and time for carrying out the investments, depending on the strategic reasons and yield in each case.

The result of these investments will be the ports' capacity to attract higher cargo volumes by increasing the volumes of grains operated during peak season, and by having the option to operate general goods, metallic and construction products, which do not have seasonality.

These investments in the development of Danube ports will lead not only to the business increase for the port operation segment, but also to a higher control power over specific cargo flows and to a better use of its own river transport fleet and even to increasing the cargo volumes operated in Constanta port by own means.

(3) Investments in infrastructure and equipment to increase the volumes operated in Constanta Port. This is an important strategy for TTS (Grup) as the largest part of the volumes transported by TTS (Grup) in the Danube Basin were loaded or unloaded in Constanta Port. Constanta Port received more than 15 million tonnes of cargo in 2020, by river, from/to riparian states.

Based on the increase of the last years, the management believes that the trend will continue. The planned increase of operating capacities in Constanta Port is aimed to increase the cargo volume operated in the port, especially grains, by investing in the expansion and revamping of port equipment, but also in view a forecasted increase in the volumes of minerals and chemical fertilisers in the future years.

Investments are mainly related to Canopus terminal, with an investment in progress (especially equipment, allowing for an important increase in the volumes of cargo operated, even starting with 2021/2022 season). Volumes will grow mainly by increasing the traffic from the barges to the terminal, which will decrease accordingly the deliveries by trucks. There is the technical possibility for a new investment, which will be made depending on market evolution, namely an extension of the current storage capacity by approximately 50%, which, in its turn, will generate higher operated cargo volumes.

The investments in the revamping of floating cranes and other port operation equipment will continue.

(4) Investments for consolidating and boosting the presence in the Upper Danube segment (Hungary - Germany), as well as on Western Europe rivers (Rhine), both organically and by new acquisitions. TTS (Grup) performs transports from/to Upper Danube (Germany and Austria). The focus on business consolidation and business growth in the area materialised in 2014 by setting up the TTS GmbH Vienna branch and continued in 2016 with the acquisition of Plimsoll Budapesta (forwarder) with its Fluvius branch (river transporter with self-propelled vessels, active also on the Rhine, which is served only by 3 vessels). Also, after 2015 progressive investments were made in a fleet of five pushers with low draft, fit for the transport on this Danube segment. TTS (Grup) remains open to opportunistic acquisitions of companies or assets fit for the operation on this Danube segment or on the Rhine.

(5) Investments in new business segments and green and renewable energy

TTS was part of an EU study during 2013 – 2014 aimed to assess how sustainable it was to promote LNG (liquid natural gas) as fuel, including for river vessels. On this occasion, TTS prepared not only a study about the demand/offer on the Danube market, but also a preliminary design of a small LNG terminal in Constanta; at the same time, Navrom completed the transformation project for a river pusher shifting from Diesel consumption to a mix of Diesel /LNG consumption.

At present, TTS negotiates its partnering with a European program, partially EU funded, to produce and distribute LOHC (liquefied organic hydrogen carrier), project Green Hydrogen @ Blue Danube IPCEI. TTS involvement consists in building a LOHC terminal in a Danube port, an investment of approximately EUR 25 million, which should be operational before 2026.

(6) Continuing the digitalisation of fleet and port operation. Starting from the information systems developed "in-house", currently responding to the "track and trace" needs of the fleet, TTS (Grup) plans to develop a system allowing the shift to the planning and optimisation of fleet movement. Such a system is already operational for Fluvius fleet and the development and testing are ongoing for Navrom fleet.

Thus, systems for automatic sizing of the quantities of bulk cargo loaded in barges by equipping line vessels and non-propelled vessels with specific equipment are currently being investigated. At present, a pilot project is run and, if the results are satisfactory, it will be extended to the rest of the fleet. This system will allow a strict control of the loaded/unloaded cargo, a better monitoring and a reduction of cargo differences and eliminating eventual claims from clients related to cargo differences. TTS (Grup) has submitted an application to access funds through the National Recovery and Resilience Plan ("NRRP"), part of the request being targeted to digitalisation (EUR 2.3 million) and the rest to revamping 8 pushers according to the most recent environmental standards.

(7) Continuing regional development by acquisitions and partnerships

Besides consolidating its market position by investments in the development and modernisation of the assets existing in Romania, TTS (Grup) has a well-defined strategy of acquisitions/partnerships for expanding outside the country, in accordance with its business strategy.

This, TTS seeks acquisition opportunities related to:

- a foreign river company, small or medium sized, adding assets, market and expansion to the fleet and the current operating model;
- one/two ports with good connections to land infrastructure (road and rail), with potential for subsequent business development, located on the Middle Danube in Serbia and/or Croatia and/or Hungary and/or Slovakia;
- assets for river transport on Western Europe rivers (self-propelled vessels); acquiring a company specialised in the transport with small vessels is also considered an option.

Furthermore, TTS reviews partnerships for port operation, rail and river transport in several countries such as Hungary, Serbia, but also in Romania.

(8) Investments made by TTS (Grup) during 2018-2020

The following table presents the investments made by TTS (Grup), from each of its business segments, during 2018-2020:

Investments made by TTS (Grup) (RON million)	2018	2019	2020
Forwarding segment	3.846	0.800	2.211
New investments	3.846	0.800	1.157
Investments in existing fix assets	0	0	1.054
River transport segment	39.978	56.714	54.262
New investments	12.593	25.068	18.495
Investments in existing fix assets	27.385	31.646	35.767

Port operation segment	7.171	7.779	11.841
New investments	3.802	7.614	11.335
Investments in existing fix assets	3.369	0.165	0.506
Other activities segment	1.739	3.741	1.294
New investments	1.739	3.741	0.835
Investments in existing fix assets	0	0	0.459
Total investments	52.734	69.035	69.607

Source: Audited Consolidated Financial Statements

The table below presents TTS (Grup) investments made during 2018-2020 with a value exceeding RON 1 million:

Business segment	Year	Value (RON million)	Investment type	Investment object
Forwarding	2018	2.4	Development	Acquisition and modernisation of port equipment
	2020	1.1	Maintenance	Major repair of floating crane
River transport	2018	6.6	Development	Covering 20 barges with aluminium covers
		2.4	Development	Acquisition of 4 barges of 3,000 tonnes
		2.4	Development	Annual share of investment in border crossing point Isacceca-Orlivka, ferry crossing Romania-Ukraine
		9.7	Maintenance	Investments for recertification of 8 line pushers
		1.1	Maintenance	Investments for recertification of 8 line pushers
		16.1	Maintenance	Investments for recertification of 51 barges

	2019	5.2	Development	Covering 10 barges with aluminium covers
		18	Development	Annual share of investment in border crossing point Isaccea-Orlivka, ferry crossing Romania-Ukraine
		7.6	Maintenance	Investments for recertification of 8 line pushers
		1.7	Maintenance	Investments for recertification of 5 manoeuver pushers
		15.8	Maintenance	Investments for recertification of 95 barges
		3.7	Maintenance	Investments for maintenance of self-propelled fleet in Hungary
	2020	2.9	Development	Covering 14 barges with aluminium covers
		2.3	Development	Acquisition of low draft pusher
		1.4	Development	Acquisition of floating dock
		6.8	Development	Modernisation of propelling system 3 line pushers
		4.8	Development	Completion of investment in border crossing point Isaccea-Orlivka, ferry crossing Romania-Ukraine
		5.1	Maintenance	Investments for recertification of 3 line pushers
		1.8	Maintenance	Investments for recertification of manoeuver and auxiliary vessels
		27	Maintenance	Investments for recertification of 87 barges
Port operation	2018	2.1	Development	Acquisition of silo in Galati port
		2.4	Maintenance	Investments for the maintenance of floating cranes and other port equipment in Constanta
	2019	4.2	Development	Acquisition and modernisation of port equipment in Danube ports
		1.3	Development	Acquisition of Fajsz terminal
	2020	1.4	Development	Acquisition of equipment and modernisation of Canopus terminal
		3.6	Development	Acquisition and modernisation of port equipment in Danube ports
		3.6	Development	Acquisition of silo with a capacity of 4,000 tonnes in

				Braila port
		1.7	Development	Acquisition of 1,900 sqm land and warehouse of 3,000 sqm in Giurgiu port
Others	2018	1.7	Development	Acquisition of various equipment
	2019	3.7	Development	Acquisition of various equipment

Source: TTS (Grup) Management

(9) Investments in progress at the Prospects Date

The major investments of TTS (Grup) in progress as of the Prospectus Date or for which certain firm commitments have been made are:

- Investment in Constanta Port, Canopus terminal (stage III): project for increasing the operating capacity consisting in investments in (a) equipment to increase the loading/unloading capacity for barges and maritime vessels, (b) port platform, (c) two truck unloading mobile points and (d) wastewater collection and treatment stations, amounting to approximately EUR 4.5 million, estimated completion date is end of 2021 or beginning of 2022. The investment could offer the possibility to increase the cargo volume operated by the terminal by 50-80% versus 2020. This investment is financed out of own sources. In the future there is the technical option to increase the terminal's storage area by 40-50% (hence an increase in the storage capacity by 50-60 thousand tonnes) but a decision to invest will be made depending on market conditions (Capex not included in total).
- Investment in Oltenita Port, Oltenita port terminal: port modernisation project both as infrastructure and equipment, consisting in investments in (a) port platform, (b) warehouse for fertilisers on metallic structure of 1,000 sqm, (c) electronic weighing system, (d) wastewater collection and treatment station and € auto port crane, new, according to the environmental standards in force at the Prospectus date. The value of the investment project is of approximately EUR 1.5 million and is aimed at increasing the cargo volume operated at the terminal by 50%. This investment is financed out of own sources.
- Investment in Navrom fleet: (i) project for investments in development consisting in investments in (a) covering with aluminium covers 8 barges of 3,000 tonnes and 2 barges Europa 2B type of 1,700 tonnes, (b) modernisation and covering of 6 barges of 2,000 tonnes; the value of the investment project for barge development, according to (a) and (b) amounts to approximately EUR 2.6 million, (c) modernisation of two manoeuvre vessels amounting to approximately EUR 1.3 million and (ii) investment project for fleet maintenance, aimed to invest in 58 non-propelled vessels and 11 pushers, amounting to approximately EUR 5.2 million. These investments are scheduled to be completed by end 2021 and are financed out of own sources, as well as out of an investment loan of EUR 3 million, contracted by CNFR Navrom in April 2021.

(10) Investment Program for the period 2021-2025

TTS (Grup) intends to allocate significant funds to complete its organic growth program for both river transport and port operation segments, funds to be used for investments in maintenance and in expansion as well.

Thus, for river transport, approximately EUR 42 million are allocated, out of which EUR 25 million for maintenance and EUR 17 million for expansion, for the period 2021-2025.

The investments for maintenance envisage the works needed to be performed to the vessels to renew the navigation certificates (every 5 years) and keeping the vessels at normal operating parameters for this period of 5 years, namely approximately 60 non-propelled vessels/year and 9 pushers/year.

The investments in expansion, of EUR 17 million, consider fleet revamping works, especially for non-propelled vessels. Thus, the program to increase the number of/transport capacity for barges will continue (at the same time with the progressive decrease in the number of schleps) by covering with aluminium covers the barges of 3,000 tonnes and those of Europa 2B type, to fit out, cover and increase the transport capacity of barges of 2,000 tonnes. There are in total 60 vessels scheduled for these works until 2025. Furthermore, TTS (Grup) assesses the opportunity to start building new barges, of Europa 2B type, which are considered the most modern barge type on the Danube, with a capacity of 1,700 tonnes, having the most efficient ship hull and the best ratio between the loaded cargo volume and draft. An amount of approximately EUR 1.3 million is allocated for the revamping of two manoeuvre vessels for activities in Constanta Port, in progress as of the Prospectus Date.

The port operation segment follows the same trend of organic growth by allocating funds of approximately EUR 15 million until 2025, out of which EUR 2 million for maintenance and EUR 13 million for expansion.

The potential significant investments considered by TTS (Grup), for which there are no firm commitments in place as of the Prospectus date, are:

- In Brăila Port the intention is to double the capacity of the existing silo to 8,000 tonnes, considering an investment of approximately EUR 3 million that could be started after 2022. Depending on the existing market conditions, the current storage capacities for chemical fertilisers are to be replaced with more modern and more efficient ones (investment of approximately EUR 3 million).
- For Giurgiu Port a project to revamp the terminal is ongoing for accessing European funds, estimated at approximately EUR 3.5 million. The project consists in building a concrete port platform, installing another modernised port crane, building a warehouse of approximately 1,000 sqm and purchasing various equipment and installations. TTS (Grup) intends that Giurgiu Port to become its first green port, in the sense that no port equipment will use fossil fuels, but only electric power.
- For Fajsz Port there are revamping projects the value of which will range between EUR 0.5 and 2 million, depending on the existing market conditions, to be analysed when Covid crisis diminishes and travel will no longer be restricted.

(11) Continuing and developing a responsible environmental policy.

TTS (Grup) promotes a coherent policy for protecting the surrounding environment. On top of monitoring the specific indicators and observing the limits imposed by law, one of the main objectives of TTS is to reduce greenhouse gas emissions, an objective aligned to the policies promoted at European level to reduce emissions by 90% until 2050 (Green Deal).

TTS has practiced an environmentally responsible policy even since its setup but, in the current context, the premises are much more favourable. The navigation on inland waterways, one of the priority sectors in the Green Deal project, with a level of emissions significantly below road transport, may benefit to a large extent from the advantages of the new trend at the European level.

For each company part of TTS (Grup), the environmental policy translates in operational and investment plans.

On an operational level, the reduction of greenhouse gas emissions is derived from a policy balancing the cargo flows, which means the decrease of voyages with empty vessels, low consumptions per ton of cargo and per ton km, with direct impact on the carbon footprint.

On an investment level, the environment has always been an essential criterion for TTS (Grup), on top of efficiency and profitability, as follows:

a. For the propelled fleet

The program to reduce emissions from the use of fossil fuels, by using "*environmental friendly*" engines will continue. The first stage of the revamping program took place during 2006-2009 and has continued, while at present all the 24 line vessels are revamped and, out of the 14 "short-range" vessels, 10 are revamped, and two are in the process. This revamping was the main element that contributed to the decrease of the specific consumption of Diesel and to the reduction of CO₂ emissions per specific transport unit.

Thus, the CO₂ emissions decreased during 2014-2020 from 17.39 to 14.56 kg/thousand tonnes*km (annualised rate -2.91%) due to lower specific Diesel consumptions per thousand tonnes*km from 5.54 kg to 4.47 (annualised rate -3,51%). As compared to the EU average of -27, TTS (Grup) fleet has a carbon footprint by 48% lower than that registered by inland waterways navigation at European level (EU-27 IWT).

In the long run, TTS (Grup) aims to continue its alignment to European environmental norms (Stage V norms to become effective in 2022).

These actions are supplemented by prospection programs and investments in new technology (both as energy and propulsion sources). Considering the diverse technologies currently existing, TTS (Grup) plans to develop an in-house pilot project: manoeuver vessels with propulsion and electric engines and hybrid line vessels, including the conversion of some Diesel fuel engines to engines supplied with Liquefied Organic Hydrogen or dual fuel. To the extent that the results are positive in terms of profitability and considering also non-reimbursable European Funds and the availability of the energy source in TTS (Grup) commercial basin, the investments may be extended to the rest of the fleet.

b. For ports

With regard to the ports held and operated by TTS (Grup), investments are directed to equipment and installation with high outputs and low consumption.

In terms of the level of emissions, an evolution similar with that of the fleet is also valid for the operation in Constanta Port. For the handling operations it performs, TTS (Grup) uses floating cranes (with Diesel engines) for which, during 2014-2020, the annualised rate of CO₂ emissions per ton of operated cargo was of -5.17%, while the annualised rate of the specific Diesel/ton of operated cargo consumption was of -5.74%.

In the future TTS (Grup) will continue the investments in less pollutant equipment, aiming to reduce gas and dust emissions, etc.

c. New projects

TTS (Grup) plans to expand its business in areas connected to the core business, but so that it can use the competencies and expertise developed inside the group. In this respect some of the major projects impacting on the reduction of carbon footprint are:

- LOHC operation terminal;
- Investments to build a mini park of photo voltaic cells, to supply electric power to a naval shipyard.

9 TTS (Grup) Assets

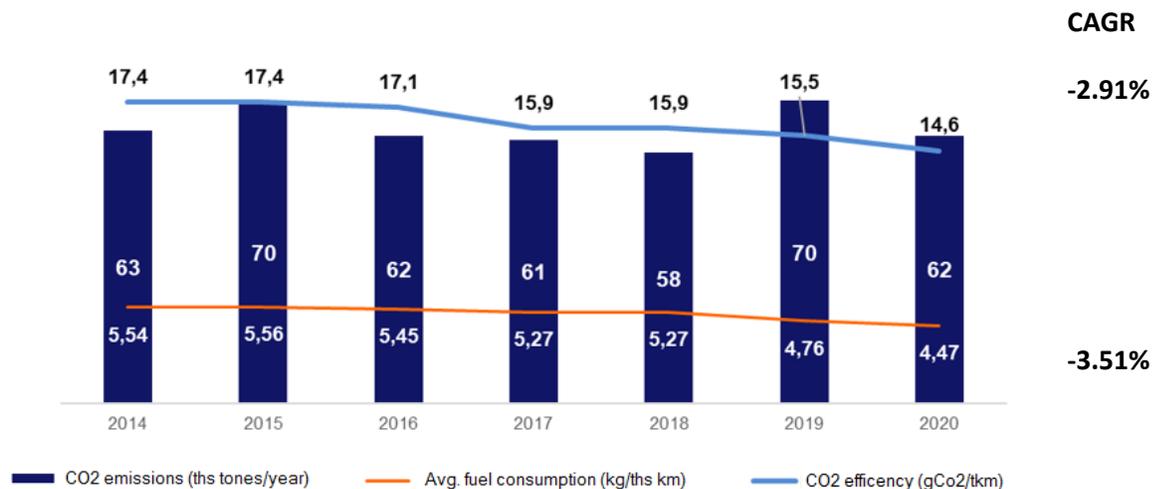
As of the Prospectus Date, for river transport operations, TTS (Grup) holds 481 river vessels, out of which:

- (a) 38 pushers out of which 34 revamped pushers (with power ranging between 800 and 3.600 HP), holding together an aggregate power of 56k KW out of which the revamped ones account for 54k KW;
- (b) 420 non-propelled vessels (barges, schleps and tanks) with a total transport capacity of 768 k tonnes, including 282 covered barges with a capacity of 484 k tonnes (including 12 tank barges with an individual capacity of 1,250 tonnes), 138 uncovered barges with an individual capacity ranging between 1,000 and 3,000 tonnes; and
- (c) 8 self-propelled vessels with a total transport capacity of 14,021 tonnes and an aggregate power of 8,162 KW.

Besides these, TTS (Grup) also holds 8 floating cranes.

For increased efficiency, covered barges were used to balance the cargo flows upstream/downstream, and the continuous modernisation of the fleet led to a reduction in the average fuel consumption from 5.54 kg/thousand to-km in 2014 to 4.47 kg/thousand to-km in 2020. Also, the CO2 emissions decreased from 17.4 grams/to-km in 2014 to 14.6 grams/to-km in 2020, as shown in the following chart.

TTS: Fleet fuel consumption & CO2 efficiency

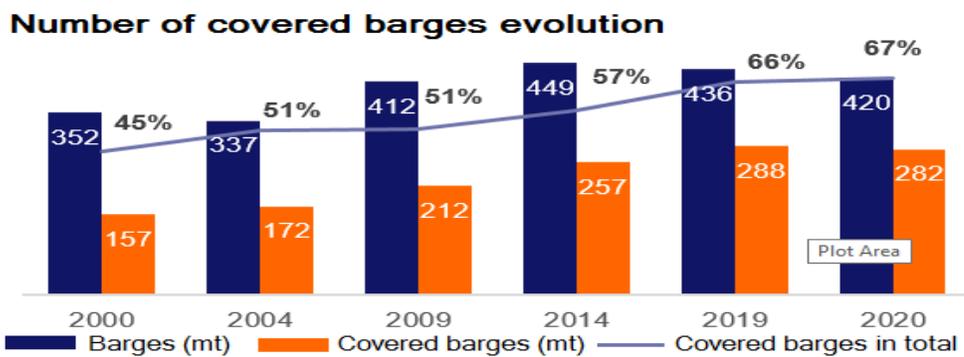


Source: TTS (Grup)

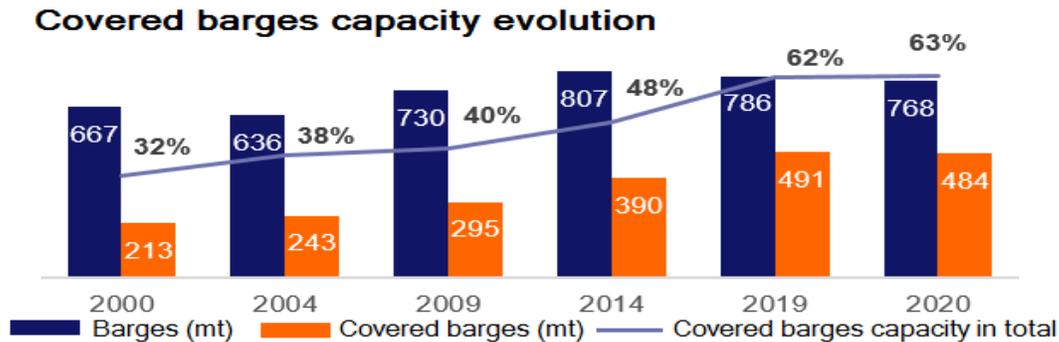
The cargo flows were distributed as follows: covered barges with minerals and fertilisers upstream and those with grains and steel products downstream, having the following benefits:

- increased efficiency and reduction of CO2 emissions
- reduced Diesel consumption per tonnes km (tkm)
- increased average transport distance
- increased transport speed
- more options for a better organisation at the loading/unloading points

As seen in the following chart, the number of covered barges has had a continuous positive trend in the past two decades, up to 282, as compared to 157 in 2000. Following this increase, the capacity of covered barges has increased from 213 kt to 484 kt.



Source: TTS (Grup)



Source: TTS (Grup)

Thus, during 2018-2020 the following changes were registered:

- time when barges have no load decreased by 17% from 24% to 20% of their total usage time;
- pushing empty barges decreased by 29%, from 14% to 10% of total pushing effort;
- average transport distance increased by 22%, from 443 km to 539 km;
- average transport speed (km/day) increased by 11% from 103 to 114.

TTS (Grup) is the owner of or has the right to use the port facilities and the land where it carries out business. According to Romanian law, the port plots of land where TTS (Grup) performs its activities are generally owned by the state. The administration and use of river transport and port infrastructure, the functioning of port administrations and the management of inland waterways, as well as the authorisation to carry out river transport and port operation activities are subject to special regulations (see "*Regulatory aspects*". *Infrastructure for river transport and port operation may be, inter alia, leased by concession or subleased by concession on rented*).

The companies of TTS (Grup) have concluded lease agreements with port administrations for certain plots of land part of port infrastructure. For more details regarding the material lease contracts concluded by Group companies, see chapter "*Material Contracts*" section "*Contracts for Lease of Plots of Land or Port Assets*". TTS (Grup) companies have built a series of supra-structures on the plots of port land (for example silos, operational buildings, storage halls, platforms etc.). These structures were generally built considering the investment commitments assumed by TTS (Grup) under certain lease contracts.

The following table presents the assets and structures of TTS (Grup) held or leased by TTS (Grup) in the ports where it has facilities.

Port	Land in sqm	Lease contract expiry date	Superstructure elements
Constanta Port	39,702	31.12.2050	<ul style="list-style-type: none"> • Canopus Star grain terminal formed of 10 metallic silo cells with a capacity of 60k tonnes; • offices; • a warehouse for storage of grains, capacity 50k tonnes; • a fire water pumping station; • an operational building; • a workshop. New investments in progress
	3,970	31.12.2050	
	9,843	07.04.2030	
	984	07.04.2030	
	624	09.03.2031	
	3,924	20.10.2021	<ul style="list-style-type: none"> • NAVROM Subsidiary – the application for extension of contract validity was initiated; - platform for shipping agency; • Modular container park.
	11,452	07.12.2035	<ul style="list-style-type: none"> • TTS Operator - 2 km railway; • office containers;
	1,257	06.12.2035	<ul style="list-style-type: none"> • bunkering station as tax warehouse; • vessel loading station.
Galați Port	401,90	15.12.2022	<ul style="list-style-type: none"> • Navrom office building in the port;
	10,807	01.05.2027	<ul style="list-style-type: none"> • TTS Porturi Fluviale silo of 30,000 tonnes; • laboratory building; • weighbridge;

Port	Land in sqm	Lease contract expiry date	Superstructure elements
	30,222	02.10.2023	<ul style="list-style-type: none"> • Navrom Shipyard concrete and gravel platforms; • containers; • industrial hall and welfare facility; • workshop for docks repair and maintenance; • thermal power unit; • workshop for engine repairs; • warehouse; • production hall; • administrative building; • transformer unit building.
	6,334,41	2044	<ul style="list-style-type: none"> • Navrom Bac Galati – building, ticket counter; garage; embankment; boat ramp; concrete landing platform.
	5,937	30.04.2049	<ul style="list-style-type: none"> • Similarly in I.C. Bratianu Commune, Tulcea county, building-waiting room, embankment, • concrete landing platform.
Brăila Port	14,699	01.05.2040	<ul style="list-style-type: none"> • silo; weighbridge; • laboratory.
	9,943	01.09.2023	<ul style="list-style-type: none"> • metallic shed, platform
	3,512	26.10.2030	<ul style="list-style-type: none"> • port entry road, platform
	6,800	Ownership title	<ul style="list-style-type: none"> • grain hall, • mechanical shop, • access ramp, • two warehouses and • two administrative buildings; • 4 cranes.
Drobeta Turnu Severin Port	38,238	20.01.2024	<ul style="list-style-type: none"> • TTS Port Fluviale - platforms
	-	31.12.2042	<ul style="list-style-type: none"> • three leased cranes; • administrative building; • building (laboratory).
	6,073	For the period during which the port land is conceded to the respective authority	<ul style="list-style-type: none"> • Navrom - branch • administrative building; • metrological office building and • repair building.
Giurgiu Port	6,004	19.02.2026	<ul style="list-style-type: none"> • grain silo;
	6,875	22.09.2030	<ul style="list-style-type: none"> • weighting machine; • office containers; • crane;

Port	Land in sqm	Lease contract expiry date	Superstructure elements
	1,914	ownership	<ul style="list-style-type: none"> • concrete platform.
Cernavodă Port	17,561	02.04.2025	<ul style="list-style-type: none"> • metallic hall; • office containers; • security cabins; • lifting slipway for vessel launch; • installations; • perimeter enclosures; • shelter; • pedestrian alley; • thermal plant; • one warehouse; • concrete platform; • warehouse for materials; • an access ramp and a hall. • Protection land without buildings • Navrom – concrete platform access • tax warehouse Grivița 3
	22,854	ownership	
	1,681 200	ownership 11.12.2021	
Isaccea Port	7,534	31.12.2022	<ul style="list-style-type: none"> • Navrom – a floating crane; • a ship loading equipment. • Navrom Bac – administrative compound – international customs point
	20,117	09.02.2026	
Bechet Port	2,200	18.08.2024	<ul style="list-style-type: none"> • a platform; access road; • a crane; • warehouse; office containers;
	4,356	18.05.2050	
Oltenița Port	8,109	01.03.2043	<ul style="list-style-type: none"> • a system for operation and loading of grains; • platform for cargo handling – new investment in progress.

To ensure business continuity, TTS (Grup) has initiated the formalities for the extension of the validity period of the lease contracts closing the expiry date.

In terms of TTS infrastructure and assets in Constanta Port, as well as the company's partners on the Black Sea, see the image below.

Port	Galati, Romania	Brăila, Romania	Oltenița, Romania	Giurgiu, Romania	Bechet, Romania	Turnu Severin, Romania	Fajsz, Hungary
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Source: TTS (Grup)

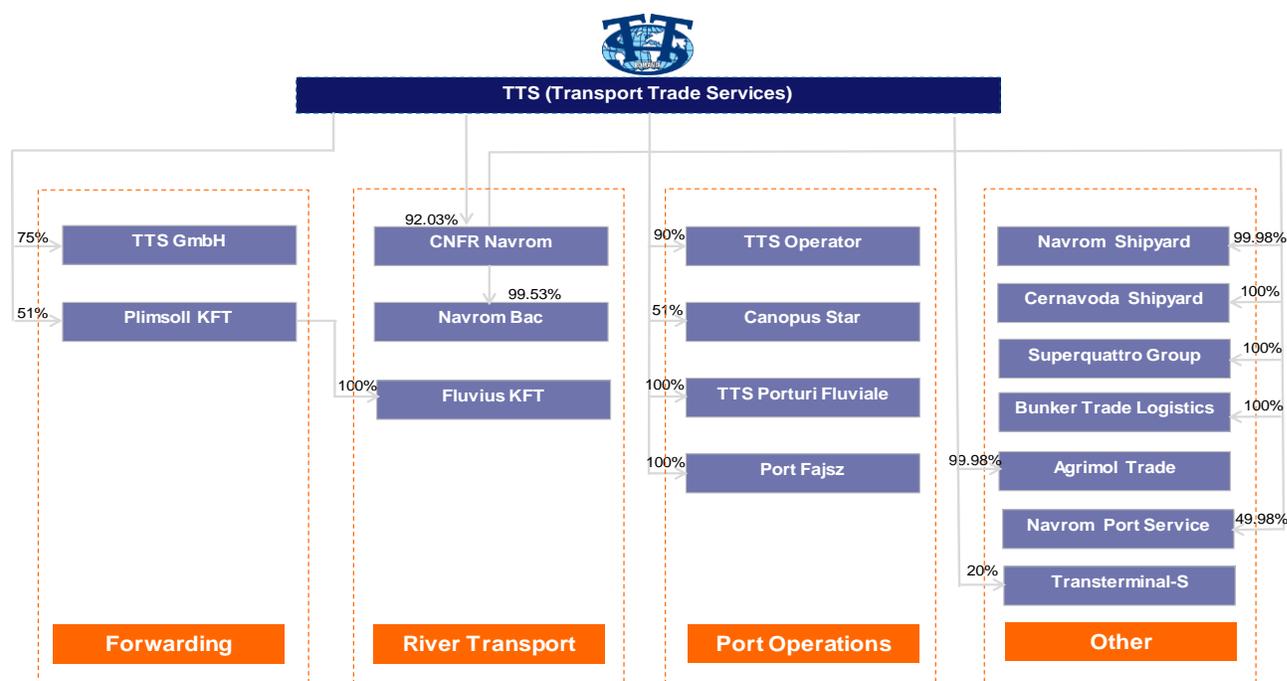
Infrastructure of TTS assets- Danube Ports

Source: TTS (Grup)

Area	10,807sqm	34,857 sqm	8,109 sqm	14,793 sqm	6,556 sqm	38,238 sqm	5,569 sqm
Main types of cargo	Grains	Grains Fertilisers Various goods	Grains Fertilisers Gravel Steel	Grains Fertilisers Gravel Steel	Grains Fertilisers	Grains Fertilisers Various goods	Grains Fertilisers
Capacity	Grains warehouse with a capacity of 30,000t	4.000t Grains warehouse, other warehouses, Quay cranes, Floating warehouse, Barges instalation	Direct transshipment and luggage equipment, Portal 6t type crane, Ongoing investment for concrete platform, Storage warehouse, weighing system	Grains warehouse with a capacity of 6,000t, Portal 6t type crane , Planned investment for concrete platform, Storage crane, Other equipment	Direct transshipment equipment, Storage crane , Warehouse, Portal type crane	Flat warehouse 3,000t Open warehouse 13,725m ² 3 cranes with packaging installation	Floating crane 5t, Terek- Fuchs Mobile Crane, Forklift, Weighing bridge for trucks, transporter bands
Infrastructure	Barges, trucks, rail, maritime vessels	Barges, trucks, rail, maritime vessels	Barges, trucks	Barges, trucks	Barges, trucks	Barges, trucks, rail	Barges, trucks

10 TTS (Grup) Structure

The following chart presents the Company and its subsidiaries that it consolidates (TTS (Grup)), at the Prospectus Date:



Source: TTS

a. TTS (Grup) Subsidiaries, directly controlled by the Company:

Romanian River Shipping Company Navrom S.A. ("CNFR Navrom")

CNFR Navrom, set up in 1991, with registered office in Galați, conducts river transport operations offering its clients river transport services. CNFR Navrom has several subsidiaries, as detailed in the section "b. Subsidiaries indirectly controlled by the Company" below). The Company holds 92.03% of the share capital of CNFR Navrom, with the remainder being held by minority shareholders natural and legal persons.

TTS Operator S.R.L. ("TTS Operator")

TTS Operator, set up in 1994, with registered office in Constanța, specializes in port operations, especially direct transshipment in Constanța Port, but also provides customs assistance services. The Company holds 90% of the share capital of TTS Operator, with the remainder being held by a shareholder natural person.

Canopus Star S.R.L. ("Canopus Star")

Canopus Star, set up in 2001, with registered office in Constanța, performs specific operations of handling and storage of grains in a specialized terminal. In 2004, the Company purchased 41.6% of the share capital of Canopus Star and subsequently it became the majority shareholder in 2005. In 2007, following a contribution in cash, the shareholders, the Company and Transfer International Spedition S.R.L. increased the share capital of Canopus Star from RON 2,500 to RON 18,700,000. Three further capital increases followed and in 2008 the share capital amounted to RON 70,350,000 of which 81% was held by the Company and 19% by Transfer International

Spedition S.R.L. On 28.11.2008, the Company assigned to Cargill Agricultura S.R.L. a shareholding of 30%, and, at the Prospectus Date, the Company holds 51% of the share capital of Canopus Star, the remaining 49% being held by Cargill. The articles of association restricts the transfer of shares to certain categories of prospective buyers (e.g. competitors of shareholders or their affiliates). Based on Canopus Star articles of association, Cargill has the right to request Canopus Star to buy its shares for a price equal to the net carrying value of the asset as set out in the latest reported annual or semi-annual balance sheet.

TTS Porturi Fluviale S.R.L. ("TTS Porturi Fluviale")

TTS Porturi Fluviale, set up in 1996, with registered office in Galați, is a port operator providing cargo loading, unloading, storage, handling, storage services and port technical assistance. TTS holds 100% of the company.

TTS (Transport Trade Services) GmbH Viena ("TTS GmbH Viena")

TTS GmbH Vienna, set up in 2014, with registered office in Austria, and is a freight forwarder and purchases and organises the logistics flows on the Upper Danube, while also promoting the services offered by the Company on the Austrian market. TTS holds 75% of the company.

Plimsoll KFT ("Plimsoll KFT")

Plimsoll KFT, set up in 1992, with registered office in Hungary, is a freight forwarder, mainly by railway traffic, covering Hungary and the neighbouring countries, extending towards the Adriatic Sea and the North Sea. The Company holds 51% of its share capital, and the remainder is held by shareholders natural persons. Plimsoll KFT controls 100% of the river operator Fluvius KFT ("**Fluvius**"), with registered office in the same country. Fluvius owns a fleet of self-propelled vessels and provides river transport services, mainly on the Danube between Hungary and Germany, but also on the Rhine.

Agrimol Trade S.R.L. ("Agrimol")

Agrimol, with registered office in Bucharest, is a supplier and exporter of timber and other wood products. 99.9771% of its share capital is held by the Company, and the rest by a shareholder natural person. Agrimol holds 30.0007% of the share capital of For Serv Drum, under insolvency, according to Law no. 85/2014.

Port of Fajsz KFT ("Port Fajsz")

Port Fajsz, with registered office in Hungary, is a small sized port of Hungary, used for the acquisition of grains and vessel assistance. TTS holds 100% of Port Fajsz company.

b. *Subsidiaries indirectly controlled by the Company*

The Company holds 92.03% of CNFR Navrom. By means of this participation, the Company has an indirect control over the following subsidiaries:

Navrom Bac S.R.L. ("Navrom Bac")

Navrom Bac, set up in 1999, with registered office in Galați, provides ferry crossing of Danube for motor vehicles, heavy trucks and passengers, between Galați and I.C. Brătianu commune of Tulcea County. CNFR Navrom holds 99.53% of the share capital of Navrom Bac, the remainder being held by shareholders natural persons.

Navrom Shipyard S.R.L. ("Navrom Shipyard")

Navrom Shipyard, set up in 1999, with registered office in Galați, conducts various activities in the naval area such as repairs, constructions and fit-outs of propelled and non-propelled vessels, docking works at own docks, diagnosis and specific technical solutions, naval design, repairs and reconditioning for naval parts and equipment,

technical repairs for the vessels located in various locations in the Romanian sector of the Danube. CNFR Navrom holds 99.70% of the share capital of Navrom Shipyard, the remainder being held by shareholders natural persons.

Cernavodă Shipyard S.R.L. ("Cernavodă Shipyard")

Cernavodă Shipyard, set up in 2013, with registered office in Cernavodă, Constanta County, performs repair works for barges, tugs and pushers and builds various equipment such as barge caps, bodies of new vessels, pontoons. CNFR Navrom holds 100% of the share capital of Cernavodă Shipyard.

Bunker Trade Logistics S.R.L. ("Bunker Trade Logistics")

Bunker Trade Logistic, set up in 2013, a port operator with registered office in Constanta, offers in partnership with OMV Petrom S.A. and TTS Operator bunkering services for river and maritime vessels. CNFR Navrom holds 100% of the share capital of Bunker Trade Logistics.

Superquatro Grup S.R.L. ("Superquatro Grup")

Superquatro Grup, with registered office in Galați, performs hydro-technical construction activities (constructions for the maintenance of waterways and maritime and river ports, defences, support and consolidation of river banks, constructions for the unloading and extraction of water), executes dredging works and provides wreck removal and refloating of vessels. CNFR Navrom holds 100% of the share capital of Superquatro Grup.

c. The Company holds directly and indirectly shareholdings (booked using the equity method) in the following companies that are not part of TTS (Grup):

Navrom Portservice S.A. ("Navrom Portservice")

Navrom Portservice, set up in 1999, with registered office in Galați, provides specific port services such as handling of non-propelled vessels, disbanding and forming of convoys, surveillance of non-propelled units in the harbour road and at berth during the entire operation period, shipping agency for vessels, etc.. CNFR Navrom holds 49.9772% of the share capital of Navrom Portservice, with the remainder being held indirectly by Liberty Steel Galați.

Transterminal – S SRL Chișinău, Republic of Moldova

Transterminal – S SRL is a Romanian-Moldavian company providing rail transport services in the Republic of Moldova and the countries part of the Community of Independent States and related operations; it owns its own fleet of wide gauge railcars. The Company holds 20% of the share capital of Transterminal – S SRL.

11 Research and development

The Group has succeeded to implement innovative and creative technical solutions for port operations and navigation. These innovations have provided TTS (Grup) with competitive advantages over the years. TTS (Grup) has continuously developed and modernised its own infrastructure and equipment in Danube ports, especially its own concepts of equipment for bagging of fertilisers and operating grains in direct transshipment from trucks to barges.

The following table contains the main technical solutions and/or innovations implemented by TTS (Grup) along the years:

Between 1997 and 1999	TTS (Grup) introduced the technology of direct transshipment from river barges to maritime vessels using a high-efficiency floating elevator brought to Constanta from Rotterdam. As a result of its use, TTS (Grup) managed to load maritime vessels with grains up to 30,000 TDW.
1999	Creation of a multi-mode logistics chain (barge-maritime vessel) at Berth 100. At Berth 100, bulk cargo from wagons or trucks is unloaded gravitationally, by free falling, directly into river barges by a system of chutes, without any power consumption.
1999-2002	TTS (Grup) introduced technically advanced technologies and equipment to improve the loading and unloading norms for maritime vessels in Constanta Port, from the usual norm of 2,000 tonnes/day to 10,000 tonnes/day using high-capacity floating cranes.
2003-2004	TTS (Grup) consolidated its position as port operator by installing in Constanta Port a point of direct transshipment to buoys. This system allows the operation of large-sized maritime vessels on both boards, thus increasing the loading or unloading speed.
2005-2007 and then between 2013-2014	TTS (Grup) developed Canopus Start grain terminal, one of the two terminals in Constanta Port where vessels of 50-70,000 TDW can be fully loaded. The first development stage (storage capacity of 50 thousand tonnes) focused on a horizontal storage (warehouse), such deposits being inexistent in Constanta at that date, allowing the smooth operation of corn. Including at the Prospectus Date, this horizontal warehouse is the largest and the most modern one in Constanta.
2009	Upon the request of an important partner, CNFR Navrom professionals assessed the options to transport bauxite on Sherbro river, from Nitti-2 loading point to the transshipment point at sea, in the Atlantic Ocean.
2007-2011	TTS and CNFR Navrom provided advice to a company in Egipt (NILE CARGO of Cairo) for the rehabilitation and modernization of Nile navigation (consisting in mapping the navigation depths from Aswan dam to Alexandria and Damietta ports, internal organization and management of the navigation company, training of sailing crew), and – together with Ship Design company in Galați – designed a

	special self-propelled vessel tailored to Nile navigation conditions and supervised the building of the first two ships in Alexandria naval shipyard ("Project Nile").
2010	Under project Nile, similar services were offered to the Nile navigation company, in Sudan, namely: assess the condition of existing fleet, assess Khartoum naval shipyards and the operating capacity in three Sudan ports (Khartoum, Karima and Rabak – Kusti).

12 Employees

a. General information regarding the Company's employees.

At the end of 2020 TTS (Grup) had 1,599 permanent employees out of which 46 people were employed by the Company. Out of them 4 had management positions within TTS, performing their activities based on mandate agreements and 42 people were employed based on employment agreements as permanent employees, as follows: 38 persons employed based on individual employment agreement full time and 4 persons with individual employment agreement part time. At the end of 2020, the Company did not have temporary employees.

In terms of distribution of the Company's employees by geographical area and activity performed, as at the end of 2000, all the Company's employees performed their duties in Bucharest, 27 Vaselor Street, District 2.

<i>Geographical area</i>	<i>Total employees</i>	<i>Persons employed based on mandate agreement</i>	<i>Persons employed based on individual employment agreement full time</i>	<i>Persons employed based on individual employment agreement part time</i>	<i>Temporary employees</i>
Bucharest	46	4	38	7	0

<i>Geographical area</i>	<i>Activity performed</i>	<i>Number of people</i>
Bucharest	Upper management (based on mandate agreement)	4
	Human Resources & Compliance Department	2
	Financial-Accounting Department	5
	Ore Department	8
	Grains Department	7
	Chemical Department	3

<i>Geographical area</i>	<i>Activity performed</i>	<i>Number of people</i>
	Investment Department	2
	Legal Department	1
	ISO, SSM Advisors	2
	Administrative Department	11
	Operating Reports Department	1

b. *Employees – shareholdings and options, compensatory remunerations, bonus plans*

The Company does not fund benefits, life insurance, health insurance or private pension programs. In addition, there are no bonuses, incentives or stock options and there are no compensatory payments in case the employment agreement is terminated.

There are no agreements regarding employees' participation to TTS share capital.

c. *Occupational health and safety.*

The Company complies with the applicable laws on occupational health and safety. Compliance is ensured by organisational initiatives, by allocating resources and appointing persons responsible for implementation.

d. *Collective Labour Agreement at Company's level*

At present there is no collective labour agreement in force or trade unions within the Company.

13 Environmental protection

The companies part of TTS (Grup) must comply with the provisions and regulations of the Romanian law on health, safety, security and environmental protection. To this end they must obtain, maintain and renew various authorisations (see chapter "*Regulatory Matters*").

Part of TTS (Grup) companies hold environmental permits imposing certain conditions and obligations related to their object of activity and facilities. The environmental permits, valid for 5 years from the issue date, with annual re-approval, have been issued by the competent territorial environmental protection agencies following the compliance with environmental protection regulations. In assessing whether to award the permits, the companies have been subject to a thorough process consisting in submitting large documentations including lists of vessels, motor vehicles and equipment, technical environmental monitoring reports, lease contracts for port infrastructure, contracts concluded with authorised companies for waste collection, treatment, discharge/recovery, water management authorisations, plans for preventing and fighting against accidental pollution and location charts and plans.

TTS (Grup) has a well-developed strategy for environmental protection, and it monitors and regularly assesses the operations performed. This strategy led to ISO 9001:2008, ISO 14001:2004 and ISO 45001:2018 certifications for

the facilities belonging to TTS Operator, TTS Porturi Fluviale, Navrom Shipyard, Bunker Trade Logistics, Cernavodă Shipyard, Agrimol and CNFR Navrom. These certifications are relevant for port operation areas, cargo storage, conditioning, grain storage, cargo railway transport, cargo inland waterway transport, fabrication of metallic structures, naval and non-naval repair and construction works.

TTS (Grup) has implemented various plans in order to reduce accidental pollution and act in case it occurs and installed pollution control equipment. TTS (Grup) ensures the regular implementation and update of the programs for preventing and reducing the waste generated from its operations. Moreover, TTS (Grup) regularly reviews its plans to reduce and deal with accidental pollution. In addition, TTS (Grup) temporarily stores waste waters and bilge waters in the tanks of its own vessels or in retention tanks. Other steps that TTS (Grup) has taken include setting up special recipients for specific waste collection, as well as concrete platforms, de-pollution absorbing products and anti-pollution dams.

Furthermore, the companies part of TTS (Grup) must send to the competent environmental protection authority, on a regular basis, reports on the results of monitoring the environmental factors, performed by a subcontracted certified laboratory. Such reports refer to the analysis of sewage waters, noise level, air emissions, proof of managing the generated waste or of consumed fresh oil and waste oils. This ensures an efficient monitoring aimed to prevent environmental pollution.

Each company part of TTS (Grup) has agreements in place with authorised companies for the supply of drinking water, discharge of sewage water, waste collection, treatment and neutralization and for collection, recovery and/or elimination of waste oils.

14 Corporate Social Responsibility

Company's mission is to grow profitably and sustainably, having shareholders, investors, clients, employees and community deriving benefits from its policy.

Company's focus on clients, as well as on employees and the community, implementation of pioneering projects, concluding sustainable partnerships and the professionalism witnessed by the Company in conducting its economic business have secured the Company's long-term success.

One of the Company's objective is to encourage the development of the employees' professional development and training by incentivising them to attend training courses and develop their knowledge, management skills and career progression. Through its training programs, the Company makes efforts to ensure a constant growth of employees' skills and a superior use of their potential, while developing solid and long term working relations. Education for development, at the management level, is intended to increase operational excellence on the long term, by a joint growth of the entire team. The Company considers professional training and education as an important investment in the employees with the aim to bring benefits to the Company on one side and prosperity to the employees on the other side.

Company's pioneering activities consist in its willingness to be subject to change so as to create a sustainable development, by combining economic success with the best technical solutions for the present as well as for the future. The Company concludes long term partnership as it carries out business according to its values: professional integrity and skill, with a constant ethical conduct towards all collaborators and business partners.

The company considers a priority to create a mutually beneficial environment by concluding social and economic partnerships that also observe the current requirements on environmental protection.

The Company published for the first time an annual monitoring report in 2012, prepared by an external auditor. This report has continued to be published, including at the Prospectus date. The report, the initial version of the

current Sustainability Report, monitors the activity of all the companies part of TTS (Grup) in the following areas: environment, including carbon emissions, social, labour relations, residue collection and recycling, etc.

The Company promotes an organisational culture based on merits and respects and fosters cultural diversity, its employees having various nationalities, ethnical origins and religions. The Company also supports gender diversity by promoting both women and men in management position, for both middle and upper management.

From a social standpoint, the Company observes human rights, labour rights and promotes the fight against corruption. The Corporate Governance Code, issued in 2011, sets out rules on, among others, Company's and its employees' conduct in relations inside or outside the Company, as well as policies and directions for business ethics available in the entire TTS (Grup).

Company's code of ethics and conduct contains a series of rules on responsible behaviour such as: comply with the applicable law, ensure high quality for the services provided to clients, have good business relations, have business honesty, be moral in relation to competition, commit to shareholders in relation to a fair management, loyalty, information, transparency and confidentiality, appreciate work dignity and treat staff with dignity and respect, fair remuneration of employees, professional development of employees, ensure labour health and safety, social issues, observe human rights and cultural diversity, reject any discrimination and fraudulent practices and corruption.

Although there is no trade union in the Company, TTS has a constant focus on not to allow any form of forced or mandatory work, as well as on keeping the best working environment for its employees, respecting the right to free choice of profession and personal life. At the same time, the Company ensures that these requirements are also observed by its suppliers and business partners being against any form of constraint on employees in relation to labour relations. The Company is subject to national and international laws and regulations on work performed by children, completely forbidding the use of children below 16 years old and abides by the provisions on youth health, safety and morality.

The Company observes all the legal rights of its employees, including with respect to legal annual leave and legal holidays and has compensatory schemes. The company has clear policies abiding by all the laws, rules and regulations valid in each country where it carries out business.

TTS (Grup) focuses on the investments in the economic development of the communities where it operates by sustaining education in schools for various training courses, promoting culture, encouraging skills and competencies as well as promoting honest practices.

Social initiatives:

- activities improving the living conditions in the communities where it carries out business – thus, part of the assets built on the Danube by TTS were transferred to local administrations;
- activities preserving cultural legacy – performing activities in partnership with the Romanian Academy for princeps editions, supporting the National Art Museum of Romania in relation to the project Friends of the National Art Museum of Romania;
- financial support – sponsorship related to COVID-19 in 2020, when the pandemic started;
- involvement in the education of children, the potential leaders of tomorrow – thus being one of the pillars of the corporate social responsibility in relation to the community;
- activities impacting on disfavoured categories – initiatives together with Save the Children Romania, "Sfantul Dimitrie" Bucharest Center or sponsorships to orphanages;
- sponsoring sport clubs, associations and events.

On a yearly basis, the Company redirects 3% of income tax to grant sponsorships or make donations for various humanitarian causes.

15 Licences and authorisations

a. *Health, safety and security licenses.*

TTS (Grup) conducts its business according to the provisions and regulations of Romanian and European Union laws on health, safety and security. At the Prospectus Date, TTS (Grup) is in the process of obtaining or updating its authorizations related to fire protection and firefighting for its assets. The completion of these procedures depends on meeting certain requirements, which may involve some works and improvements being made. TTS (Grup) estimates that the value of these investments will be materially insignificant, even if obtaining the authorizations is/ or may be conditional upon obtaining of additional validations and approvals. TTS (Grup) performs its activities in areas for which the fire protection and firefighting authorizations have been obtained by their owners.

b. *Authorisation of river transport, rail transport, port activities and forwarding business*

These authorisations are essential for TTS (Grup). TTS (Grup) must obtain, maintain and renew, as the case may be, a number of authorisations and licenses granted by various authorities. These authorisations relate to the operations conducted in the areas of river transport, rail transport (for TTS (Grup) ancillary activities), port and forwarding activities. Usually, issuing such licenses is conditional upon the compliance with certain legal requirements or standards regarding the way in which operations are performed and the condition of TTS (Grup) vessels and equipment.

The competent national authorities authorise the companies part of TTS (Grup) and issue the certificates necessary for the operation of propelled vessels, barges and other equipment used on European inland waterways: Community certificates for inland navigation, technical certificates for inland navigation, nationality certificates, Union certificates, ship certificates and safety certificates for vessel construction and equipment. In addition, TTS (Grup) subsidiaries operating in the area of navigation also hold the authorisations necessary to operate in European inland waterways.

The other companies part of TTS (Grup) are authorised by the national competent authorities to perform activities in the following areas: cargo storage, cargo and/or passenger public transport, vessel loading – unloading, execution, modernisation, reconstruction and repairs of maritime vessels, inland navigation and floating constructions, construction of naval and non-naval metallic structures and mechanical and electric works on vessels and naval equipment.

c. *Authorisation of activities in free zones and border crossing points.*

Free zones are defined as geographical areas on Romanian territory where cargo, transport means and other assets are subject to the provisions of Law no. 141/1997 on the Romanian Customs Code. For operations conducted in free zones, TTS (Grup) holds working permits issued by Compania Națională Administrația Porturilor Maritime S.A. Constanța. These licenses cover the following operations: lease of real estate, load/unload of vessels, cargo storage, maintenance and operation of bunkering fixed stations, shipping agency and cargo transport with river vessels.

For the operations carried out at border crossing points, the companies part of TTS (Grup) were authorised by Constanta Coast Guard to perform operations related to cargo handling and loading/unloading, cargo transport on inland waterways, repair of vessels, supply of vessels, shipping agency, services related to water transport and bunkering of vessels at the border crossing points of Constanta, Tulcea, Sulina, Cernavodă,

Midia and Constanta Sud – Agigea, as well as for the activities carried out in Braila Free Zone.

d. Authorisation of trade and storage activities.

In addition to freight forwarding, river transport and port activities, certain companies of TTS (Grup) provide other services either as a main or as a secondary activity. Navrom Bac and Bunker Trade Logistics conduct trading operations. The National Agency for Fiscal Administration – Regional Customs Directorate Galați has issued the authorisations necessary for wholesale/retail trade of petrol, diesel and lamp oil. TTS (Grup) also trades timber, through Agrimol. Agrimol has obtained the relevant authorisation from the Forest Guard Bucharest. The members of TTS (Grup), namely Canopus Star and TTS Porturi Fluviale, are authorised by the county Directorates for Agriculture and Rural Development for storage of agricultural products in silos and warehouses located in Danube ports and Constanta Port.

16 Insurance

The companies of TTS (Grup) have concluded insurance policies specific to the activities they perform. The companies of TTS (Grup) have the following types of insurance:

- Hull & Machinery insurance for floating cranes;
- Protection and Indemnity for damages caused to sailors;
- liability insurance for damages caused to passengers;
- protection and indemnity insurance for crew;
- fire insurance and other general risks related to the buildings owned by TTS (Grup), and extended PAD-type insurances for the houses owned by the Company;
- insurance for electronic equipment;
- insurance for accidental failure of TTS (Grup) machines and equipment;
- civil liability insurance for freight forwarders;
- civil liability insurance for offices and premises;
- civil liability insurance for third parties;
- optional insurance for vehicles, construction machinery, agricultural machinery and other special machinery, of CASCO and RCA type; and
- liability insurance for the members of TTS (Grup) companies' management bodies.

According to the financing practices on the market, part of the insurance policies related to certain movable or immovable assets of various companies in TTS (Grup) are assigned to various creditors as collateral for the loans granted.

17 Intellectual property

The Company has registered and benefits from national protection regarding four trademarks for transport services class. These are (i) combined individual trademark displaying the short name of the Company (TTS) together with a graphic element, (ii) verbal individual trademark (NR TTS LINE), which does not contain graphic or any other elements, (iii) combined, individual trademark Canopus displaying the shortened name of the company Canopus Star SRL, together with a graphic element in white, green and black colours and (iv) individual

trademark NR TTS Line Mercur. The protection period extends to July 2025 for the combined trademark containing the Company's logo, May 2026 for the verbal trademark NR TTS LINE and March 2027 for the NR TTS Line Mercur and February 2029 for Canopus individual trademark. At the same time, the Company has registered and is protected in the community a figurative mark symbolizing the Company's logo, for the transport services class. The protection extends until April 2027.

C.N.F.R. Navrom S.A. has registered and benefits from protection for a combined individual trademark granted for transport services class, at a national level. The trademark reproduces the extended name of the company (Compania de Navigație Fluvială Română Navrom S.A.) together with a graphic element symbolizing the company's logo. The protection extends until June 2026.

TTS (Grup) also has registered, at Community level, the combined trademark Agrimol Trade owned by Agrimol Trade SRL, protected until April 2025.

The Company has registered and owns the domain tts-group.ro, the website presenting the activity of the Company and of TTS (Grup). C.N.F.R. Navrom has registered and owns the domain www.navrom.ro, the website presenting the activity of this Company and of TTS (Grup).

18 Legal and arbitration proceedings

TTS (Grup) companies are part of various litigation cases or judicial proceedings arisen in their normal course of business, both as plaintiff and as defendant. TTS (Grup) is not involved in and is not aware of any governmental, legal or arbitration proceeding pending or threatened during a period of 12 months preceding the date of this Prospectus that may have or recently has a material impact on the financial condition or profitability of the Company and/or TTS (Grup), save for the one below:

i. Litigation with Mr. Plohod Valentin

The Company, Canopus Star and Transfer International Spedition S.R.L. are part in a litigation case with Valentin Plohod. Valentin Plohod filed a petition requesting the court, among others, to assess the absolute nullity of three decisions of the general shareholders meeting of Canopus Star of 2003, 2004 and 2005. These decisions approved the acquisition by the Company and another member of TTS (Grup) of their shares in Canopus Star. As of the Prospectus Date, both the first court and appeal court, Constanta Court of Appeal, rejected the petition initiated by Mr. Plohod. Mr. Plohod Valentin may file the second appeal against the decision of the court of appeal within 30 days from the date when the decision was communicated. In February 2016 Valentin Plohod filed a criminal complaint against certain natural and legal persons, out of which several persons holding management positions in TTS (Grup) and two companies in the Group, namely Canopus Star and TTS, for alleged facts in relation to the object of the civil case mentioned above. The criminal complaint received a closing solution, against which the plaintiff Plohod filed an appeal, registered with Constanta Court. The final resolution was rejection and was issued on 10.11.2017. See "*Risk factors – Litigation with Plohod Valentin may have an adverse impact on the Company's quota of the share capital of Canopus Star and, therefore, on the operations in Constanta Port*".

At the Prospectus Date the Company and some of the companies part of TTS (Grup) are involved in the bankruptcy/insolvency proceedings of certain trading partners, as creditors, aiming to recover the receivables. The value of such receivables is not material in terms of TTS (Grup) financial condition or profitability.

TTS (Grup) booked provisions of RON 38,891,124 that also include the amounts related to the various legal proceedings in which it is involved.

MANAGEMENT

1. General

The Company is directed by the Board of Directors, which delegated the Company's management to the managers. The members of the Board of Directors are appointed by the ordinary general shareholders meeting for a period of 4 years, which can be renewed. The President of the Board of Directors is elected by the Board of Directors out of its members.

The Articles of Association stipulates that the Company is managed by a Board of Directors formed of 3 members out of which an executive director, a non-executive director and a non-executive independent director. As of the date of this Prospectus, the Board of Directors is formed of three members, out of which an executive director and two non-executive directors.

The Board of Directors is responsible for all useful and necessary acts to carry out the Company's object of activity, except for the duties that are allocated by law or the Articles of Association to the general shareholders meeting.

The Board of Directors performs its activity at the Company's headquarters.

2. Board of Directors

As of the date of this Prospectus, the Board of Directors consists of the following members:

1. Alexandru Mircea Mihăilescu – non-executive director / President of the Board of Directors;
2. Ion Stanciu – executive director / Deputy General Manager;
3. Ștefan Sevastian – non-executive director.

The members of the Board of Directors mentioned above were elected for 4 years, until 8.03.2023.

After the admission of the Shares issued by the Company to trading on the BSE, the Company's Board of Directors shall convene an ordinary general meeting that will have on the agenda the election of two non-executive, independent members of the Board of Directors.

Alexandru Mircea Mihăilescu is the President of TTS Board of Directors since 05.12.2007 and was an executive director of TTS during 1998 - 2011. His current term of office as member of TTS Board of Directors and President of TTS Board of Directors respectively will expire on 8.03.2023. Alexandru Mircea Mihăilescu graduated from Bucharest School of Economics, Faculty of International Business and Economics. Mr. Alexandru Mircea Mihăilescu, in the past 5 years, held management positions in CNFR Navrom. He was also the manager of Sulina Free Zone Administration. Alexandru Mircea Mihăilescu speaks German, French and Spanish. The business address of Mr. Alexandru Mircea Mihăilescu is the same as TTS registered office, namely 27 Vaselor Street, District 2, Bucharest.

Ion Stanciu is, as of the date of this Prospectus, an executive director of TTS, appointed on 07.03.2011. His current term of office as member of TTS Board of Directors will expire on 08.03.2023. Ion Stanciu is also the Company Deputy General Manager since 2014, and his term of office will expire on 03.06.2024. Ion Stanciu graduated from Bucharest School of Economics, Faculty of Trade, in 1986. Prior to being TTS Deputy General Manager, he was the General Manager of TTS, during 2011- 2014, and executive manager, during 1997 – 2011. He also held management positions in Shilam AG, Transorient S.A., Romtrans S.A, as well as Sulina Free Zone

Administration. Ion Stanciu speaks English. Mr. Ion Stanciu is also a director of Canopus Star and his term of office is to expire on 11.10.2024. The business address of Mr. Ion Stanciu is the same as TTS registered office, namely 27 Vaselor Street, District 2, Bucharest.

Ștefan Sevastian is a non-executive director of TTS since 05.12.2007. His current term of office as member of TTS Board of Directors will expire on 08.03.2023. Ștefan graduated from Bucharest School of Economics, Faculty of Foreign Trade in 1979, as well as from a series of post-graduate courses on management and marketing organised by Bucharest School of Economics. In the past he was regional director of Bancpost, South-Eastern Region, and Economic Director of the Administration of Waterways. The business address of Mr. Ștefan Sevastian is in Constanta.

3. Executive managers

As of the Prospectus Date, the members of the Company's management that were delegated duties are Mr. Petru Ștefănuț, General Manager, Mr. Ion Stanciu, Deputy General Manager and Mrs. Nicoleta Florescu, Finance Manager. Mr. Ștefănuț, Mr. Stanciu and Mrs. Florescu hold these positions based on mandate agreements and may act jointly or severally. The executive managers perform their activity at the Company's registered office.

Petru Ștefănuț, as of the date of this Prospectus, is the General Manager of TTS, holding this position since 02.06.2014. The current term of office as TTS General Manager of Mr. Petru Ștefănuț will expire on 31.05.2022. Petru Ștefănuț is a chartered accountant since 1996 and graduated from Bucharest School of Economics, Faculty of Cybernetics, in 1974. In the past he was advisor and finance manager of TTS and, before joining the Company, he was the chief accountant of the Romanian Chamber of Commerce and Industry, as well as of I.C.E. Terra S.A. Mr. Ștefanut also worked for TRAWA Vienna, Ministry of Foreign Trade, Energo Construcția and Romanian Bank of Foreign Trade. The business address of Mr. Petru Ștefănuț is the same as TTS registered office, namely 27 Vaselor Street, District 2, Bucharest.

Ion Stanciu, as of the date of this Prospectus, is the executive director of TTS and the Company's Deputy General Manager since 2014. The current term of office as TTS Deputy General Manager of Mr. Ion Stanciu will expire on 03.06.2024. The profile of Mr. Stanciu is described above, under point 2, "*Board of Directors*".

Nicoleta Florescu, as of the date of this Prospectus, is the Finance Manager of TTS, holding this position since 10.03.2021. The current term of office as Finance Manager of Mrs. Florescu will expire on 10.03.2025. Mrs. Nicoleta Florescu is a chartered accountant and member of CECCAR since 2008 and graduated from Bucharest School of Economics, Faculty of Finance, Insurance, Banks and Stock Exchanges in 1997. From September 2003 until March 2021, Mrs. Florescu was the chief accountant of TTS, and, before that, was the chief accountant of Procer Company S.A.. The business address of Mrs. Nicoleta Florescu is the same as TTS registered office, namely 27 Vaselor Street, District 2, Bucharest.

4. Contracts concluded between the members of the Board of Directors and/or the Company's Executive Managers and TTS or TTS subsidiaries

There are no contracts for services concluded between the members of TTS Board of Directors and/or Executive Managers of TTS or any of its subsidiaries setting out granting benefits upon contract termination. Furthermore, the mandate agreements concluded between the members of TTS Board of Directors and/or TTS Executive Managers and TTS do not contain provisions whereby compensations must be paid in case of early termination of mandate agreements.

5. Other managers of TTS (Grup)

The persons holding key position in TTS (Grup) are:

Name	Position	Entity
Cătălin Eduard Țigănuș	General Manager	CNFR Navrom
Vasile Ioan Tofan	Economic Manager	CNFR Navrom
Elena Botea	President of the Board of Directors	CNFR Navrom
Dan Stefan Jancovschi	Director	CNFR Navrom
Iordan Barbălată	Director	TTS Operator
Elena Nedelcu	Chief Accountant	TTS Operator
Marian – Gheorghe Butușină	Director and General Manager	Canopus Star
Sadet Dinisleam	Chief Accountant	Canopus Star
Abduraman A. Sergean	Sole Director	TTS Porturi Fluviale
Otilia Gheorghe	Economic Manager	TTS Porturi Fluviale
Botond Szalma	Director / General Manager	Plimsoll Co. Ltd Fluvius Hungary
Herfried Leitner	Director	TTS GmbH
Constantin Hârțan	Sole Director	Navrom Bac
Marilena Constanța Vasilache	Manager	Navrom Bac
Claudiu Frangulea	Manager	Navrom Shipyard
Carmen Ștefan	Head Accountant	Navrom Shipyard
Dorin Buca	Manager	Cernavoda Shipyard

Cătălin Eduard Țigănuș has been the General Manager and member in the Board of Directors of CNFR Navrom since 16 October 2018, and his term of office will expire on 26 September 2021. Previously he was the commercial manager of CNFR Navrom, during December 2006 - October 2020. Țigănuș Cătălin Eduard has a bachelor of science in mechanical engineering issued by the Faculty of Mechanics, major "Naval machines and installations", Galati University, 1990 and also attended the post graduate course on "Management of International Transactions" of the Bucharest School of Economics. Mr. Țigănuș speaks English and French.

Vasile Ioan Tofan is the Economic Manager of CNFR Navrom since 2006. Previously Mr. Tofan was the Economic Manager of Romportmet S.A Galați (2001 – 2005), head of finance-accounting department of Romportmet S.A Galați (1999 – 2000) and department head accountant at Sidex SA Galați (1995-1999). Mr. Tofan graduated from the Faculty of Economic Studies – Finance-Credit of "Dunărea de Jos" University Galați in 1995 and from master studies in Financial Management and Public Administration at the Faculty of Economic and Legal Studies of Danubis University Galați. Moreover, Mr. Tofan also graduated from various post graduate courses. Mr. Tofan is also an expert valuator, financial auditor, CECCAR expert valuator since 2005 and chartered accountant since 1999. Mr. Tofan speaks German and French.

Elena Botea is the president of the Board of Directors of CNFR Navrom since October 2018. She also held the position of manager of legal and integrated management department of CNFR Navrom since March 2008. Previously, Mrs. Botea was, among others, executive manager of Management NFR S.A. during 2003-2008 and head of cabinet for CNFR Board of Directors during 1998-2003. Mrs. Botea graduated from the Faculty of Ships of "Dunărea de Jos" University Galați and the Faculty of Law of "Danubius" of University Galați.

Daniel Jancovschi Ștefan is member of the Board of Directors of CNFR Navrom since 2018. Mr. Daniel Jancovschi Ștefan is also the director of the ore department of TTS since 2006. Previously, Mr. Daniel Jancovschi Ștefan worked as economist for TTS (1997-2006) and the companies Shilam A.G. (1996-1997) and Transorient SA București (1993 – 1996). Mr. Daniel Jancovschi Ștefan graduated from the Bucharest School of Economic Studies and speaks English and French.

Iordan Barbălată is the director of TTS Operator since 2005 and was appointed for an unlimited period. Prior to this, he held management positions in Mast Co S.A., Transcanal S.A., Anca Intermed S.R.L. and worked as analyst developer for the Administration of Waterways Constanta. Iordan Barbălată graduated from the Faculty of Mathematics – Mechanics of Bucharest University in 1997 and, in 2001, he completed a major in port operations at the Marine University of Constanta.

Elena Nedelcu is the Chief Accountant of TTS Operator since 2001. Previously Mrs. Nedelcu held, among others, positions of chief accountant of Reconvertie și Valorificare Active and SC Price Waterhouse Coopers Management Consultants, deputy manager of Bankcoop BGCP SA Constanța Branch and chief accountant of Bankcoop S.A.. Mrs. Nedelcu graduated from the Faculty of Trade of Bucharest Schhol of Economic Studies and is a tax advisor, member of the Romanian Chamber of Tax Advisors and chartered accountant, member of CECCAR.

Marian – Gheorghe Butușină is the director of Canopus Star since October 2013 and general manager of the same company since December 2008. The current mandate as director of Canopus Star expires on 11.10.2024 and he was appointed general manager for an unlimited period. Prior to this, he held management positions in Int'l Cargo Inspection Co. Ltd. Constanta. Marian – Gheorghe Butușină graduated from the Institute of Civil Marine, Constanta, Faculty of Navigation in 1980 and from a series of post-graduate courses on multimodal transport. Marian – Gheorghe Butușină also holds the qualification of container inspector certified by IICL (Institute of International Container Lessors) issued in 2001.

Sadet Dinisleam is the Chief Accountant of Canopus Star since 2008. Previously, Mrs. Dinisleam held, among others, positions of head of finance department, economist, head of taxation department and economic manager at CNM Petromin S.A.. Mrs. Sadet Dinisleam graduated from the Faculty of Trade of Bucharest School of Economic Studies and is a chartered accountant, member of CECAR and intern auditor 3rd year at the Prospectus Date. She speaks English and French.

Abduraman A. Sergean is the sole director of TTS Porturi Fluviale since 22.10.2013. The current term of office expires on 20.10.2023. During December 2007 – October 2013 he was the technical manager of TTS. In

the past he was the technical manager and general manager of Sulina Free Zone Administration. Abduraman A. Sergean graduated from the Bucharest Institute of Constructions, Faculty of Constructions and Installations, in 1998 and from a series of post-graduate trainings. He speaks Turkish and English.

Otilia Gheorghe is the Economic Manager of TTS Porturi Fluviale since 2015. Previously, Mrs. Gheorghe held, among others, positions of chief accountant at Trans Europa Port S.A. Galați, Trans Europa S.A. Galați, T.B. Import-Export S.R.L. Galați, Trans Europa S.A. Galați, Agroport S.A. Galați and Unicat S.A. Galați, as well as of economist at Trans Europa S.A. Galați. Mrs. Gheorghe graduated from the Faculty of Economic Sciences of "Alexandru Ioan Cuza" University in Iași and is a chartered accountant member of CECCAR since 2004. Mrs. Gheorghe speaks English and French.

Botond Szalma is the executive director of Plimsoll Co. Ltd. Since 1992 and of Flavius Co. Ltd. since 2012, as well as the president of the Board of Directors of Plimsoll Zrt. since 2017. At present, among others, he is the vice-president of FONASBA, London (the Federation of National Associations of Ship Brokers and Agents) (since 2012), president of Hungarian Shipbrokers and Shipping Agents Association (since 2010) and president of the Hungarian Association of Logistics, Purchasing and Inventory Management (since 2002). In the past he held management positions in MAHART, Dunaferr Logistics Co Ltd., Dunaferr Portolan Co. Ltd. and Dunasped Co. Ltd. **Botond Szalma** graduated from the Technical University in Budapest, Faculty of Transport, in 1981 and Corvinus University in Budapest, Faculty of Business Management, in 2003.

Herfried Leitner is the executive director and shareholder of TTS GmbH since 2014. Previously he was the CEO of Helogistics Holding GmbH. – Vienna, Austria, general manager of FM Logistic, Prague, and he also held other management positions in MAERSK Logistics Prague and L.S.C. Logistic GmbH. Vienna. Herfried Leitner graduated from the Logistics & Forwarding College of Graz & Mitterdorf, Austria and Krems University, Faculty of Management and IT, master studies.

Constantin Hârțan is the sole director of Navrom Bac since 2018. Previously, Mr. Hârțan held various positions in CNFR Navrom starting 1977, such as head of IT department, commercial manager, general manager as well as president of the Board of Directors. Mr. Hârțan initiated and led the operation for opening the border point with Ukraine at Iscea/Orlivka. Mr. Hârțan graduated from the Faculty of Mathematics and Information Systems of "Alexandru Ioan Cuza" University in Iasi in 1977.

Marilena Constanța Vasilache is the Executive Manager of Navrom Bac S.R.L. since 2007. Previously, Mrs. Vasilache held, among others, positions of commercial manager of A.F.D.J. – R.A. Galați, commercial manager, head of commercial department, marketing engineer and head of commercial department at A.Z.L. Galați. Mrs. Vasilache graduated from the Faculty of Mechanics, major Thermal Machines and Refrigeration Galați University and from a master programme in business management at the Faculty of Management of Bucharest School of Economic Studies. Mrs. Vasilache speaks Russian and French.

Claudiu Viorel Frangolea is the Executive Manager of Navrom Shipyard since March 2020. Previously Mr. Frangolea held, among others, positions of production director at Den Breejen S.R.L. Romania (2019-2020) as well as other positions at Island Offshore Management AS Norway, Irish Ferries via TCP Solution Ltd., Norcoat International, Damen Shipyards Galați and Nigeria LNG via Pacmarine Services, Singapore. Mr. Frangolea graduated from the Faculty of Naval Architecture and Electrical Engineering of "Dunărea de Jos" University in 2002. Mr. Frangolea speaks English and Russian, beginner level.

Carmen Ștefan is the Chief Accountant of Navrom Shipyard since 2015. Previously Mrs. Ștefan was the economic manager of Superquatro Group SRL (2008-2015) and economic manager of Navrom Centrul de Afaceri S.A. (2000-2008). Mrs. Carmen Ștefan graduated from the Faculty of Management and Marketing in Economic Business of Constantin Brâncoveanu University and from a master in Financial Management in the European

Area of "Danubius" University Galați. Mrs. Ștefan is chartered accountant by CECCAR since 2010 and speaks French.

Dorin Buca is the Executive Manager of Cernavoda Shipyard since 2014. Previously he held, among others, the position of chief engineer at Navrom Shipyard and Brăila Naval Shipyard, manager of production projects at St. Barbara Naval Shipyard Belgium and deputy general manager of Brăila Ship Repair S.A. and director of SANAB Reparații Navale S.R.L.. Dorin Buca graduated from the Faculty of Mechanics, Ships Department, of Galați University. Mr. Dorin Buca speaks English and French.

6. Corporate Governance and Advisory Committees

Corporate Governance Statement

As of the Prospectus Date, whereas the Shares are not admitted to trading on a regulated market, the Company must observe the corporate governance framework set by the Companies Law. The Company and the members of its management bodies observe the corporate governance framework set by the Companies Law, with the following exceptions:

- As some of the members of the Board of Directors and some of the executive managers have various positions in the administration, management and control bodies of the Company's subsidiaries, any loan granted by the Company to such subsidiaries may be qualified as credit granted by the Company to its own directors, which is forbidden by the Companies Law;
- As some of the members of the Board of Directors and some of the executive managers have various positions in the administration, management and control bodies of the Company's subsidiaries, conflicts of interest may occur;
- Starting 2019, none of the members of TTS Board of Directors meets the criterion of being an independent non-executive member.
- TTS does not have an audit committee.

Corporate Governance Plan

Starting on 04.01.2016, the new Corporate Governance Rulebook issued by Bucharest Stock Exchange became applicable and it applies to all issuers of securities traded on the regulated market operated by Bucharest Stock Exchange. The Corporate Governance Rulebook shall be applicable to the Company after the admission of the Shares it issued to trading on the regulated market operated by Bucharest Stock Exchange.

According to the provisions of the Corporate Governance Rulebook, issuers must include a statement on corporate governance in the annual report, as a separate section, which shall contain a self-assessment of the way in which the "mandatory provisions" are observed, as well as the measures taken in view of complying with the provisions that are not fully met. All the cases in which a company defaults on a provision contained in the section "Mandatory provisions" of the Rulebook shall be reported to the market as a current report according to BSE Rulebook – Market Operator.

The Company intends to initiate measures so that, within 12 months from the date of admission of Shares to trading on the regulated market operated by Bucharest Stock Exchange, a corporate governance plan is implemented. The corporate governance plan shall contain the following: (a) independent directors; (b) advisory committees (as detailed below); (c) nomination and remuneration policy; (d) details of the New Articles of Association (as detailed below); (e) responsibility and liability and (f) code of conduct.

Advisory Committees

As of the date of this Prospectus, the Board of Directors has not formed any advisory committees.

As per the New Articles of Association, according to BSE Corporate Governance Rulebook, the Board of Directors shall form the following advisory committees: audit committee and remuneration and nomination committee.

The audit committees shall be formed of at least three non-executive members, out of which two shall be independent (president of the committee and another member) and shall have, among others, the following duties: assist the Company's managers in performing their duties related to financial reporting, internal audit and financial control, as well as to supervise the credibility and integrity of the financial information reported by the Company; approve the annual internal audit plan, review and assess internal audit reports and propose solutions in relation to any irregularities found; monitor the independence and correctness of internal and external financial auditors, as well as the application of legal standards and generally accepted internal audit standards; assess conflicts of interest in what concerns the transactions concluded between the company and its subsidiaries with affiliates. Most of the members of the audit committee, including the president of the audit committee, must have the relevant appropriate qualification for the functions and responsibilities of the audit committee, and at least a member of the audit committee must be experienced in applying accounting principles or in financial audit.

The remuneration and nomination committee shall be formed exclusively of non-executive directors, out of which most will be independent directors and will have, among others, the following duties: (a) elaborate the Company's remuneration policy as well as perform any other duties assigned according to the law and (b); submit recommendations for the position of member in the Board of Directors and elaborate and submit candidate selection procedure for the position of executive managers and other leadership positions; assess the personal and professional skills of the members of the Board of Directors, managers and other persons in management positions; assess the qualification requirements for the personnel in management positions and make proposals regarding the remuneration plans for the members of the Board of Directors and Managers.

The Board of Directors shall decide the corporate governance rules sustaining the implementation of a transparent, ethical and efficient corporate governance system, ensuring (i) efficient and balanced roles and responsibilities for the members of the Board of Directors (ii) transparency and accuracy of the information provided by the Company's shareholders and third parties; and; (iii) an ethical and upright conduct for the members of the Board of Directors, managers and employees.

7. Positions held by the Members of the Board of Directors and Managers

In addition to their positions in the Company, the members of the Board of Directors and the Company's executive managers hold or have held in the past five years the following administration, management or supervision positions:

Name	Entity	Position	Period	Currently has the position: YES /NO
Alexandru Mircea Mihăilescu	CNFR Navrom S.A.	Director	2007 – 2017	NO
Ștefan Sevastian	Mang & Co Management S.R.L. (voluntarily liquidated in	Director	2014 – 2017	NO

Name	Entity	Position	Period	Currently has the position: YES /NO
	2017)			
Ion Stanciu	Canopus Star S.R.L.	Director	2008 – 2021	YES
	Socep S.A.	Member of Supervisory Board	2012 - 2018	NO
Petru Ștefănuț	Agrimol Trade S.R.L.	Director	2012-2018	NO

8. Remunerations and Benefits

During 2020, a total gross remuneration of RON 2,011,640 was paid to the members of TTS Board of Directors and TTS executive managers (including any conditional or deferred remuneration), in consideration of the services provided to the Company.

In 2020 none of the members of the Board of Directors or the Company's executive managers received additional remunerations from other companies of TTS (Grup) save for TTS.

The President of the Board of Directors, the General Manager and the Deputy General Manager of the Company receive company cars, for which the usage costs are borne by the Company, as well as company phone plus the related subscriptions. The Company's Finance Manager receives company phone and company car only upon request.

Neither TTS nor other company part of TTS (Grup) allocates and/or has accumulated amounts for the payment of pensions or other benefits in favour of the members of the Board of Directors or the Company's executive managers.

9. Participations and stock options

The table below presents the number of shares, namely 20,271,500 shares accounting for 67.57% of TTS share capital, held by the members of the Board of Directors and the Company's executive managers as of the date of this Prospectus. As of the date of this Prospectus, the Company has not issued any stock options.

Name	TTS Shares	Quota of TTS share capital
Alexandru Mircea Mihăilescu	15,120,000	50.40%
Ion Stanciu	4,242,400	14.14%
Petru Ștefănuț	909,100	3.03%
Total	20,271,500	67.57%

Statements of the members of the Board of Directors and managers of the Company

Every member of the Board of Directors and every executive manager of the Company mentioned above represents that he/she:

- (i) has not been and is not convicted of fraud during the last 5 years preceding the Prospectus date;
- (ii) acting as a member of the administrative, management or supervisory bodies, has not been associated with any bankruptcy, sequestration, liquidation or receivership over the last 5 years preceding the Prospectus date;
- (iii) has not been publicly incriminated and/or receive any official public sanction against him/her by statutory or regulatory authorities (including by professional bodies) and was not prohibited by the court to act as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the last 5 years prior to the Prospectus date;
- (iv) does not carry out activities outside the Company/TTS (Grup) which are material to the Company, other than those presented in the section "*Positions held by members of the Board of Directors and Managers and persons in key positions*" above;
- (v) has not entered into any contract with the Company or its subsidiaries that provide for benefits upon contract termination, other than those included in the section "*Remunerations and benefits*" above;
- (vi) does not hold shares in the Company's share capital other than those presented in the section "*Holding of Shares and Options*" above;
- (vii) there is no family relationship between them and other members of the administrative, management, supervisory bodies of the Company, Company's managers or persons in key positions within the Company;
- (viii) there are no arrangements or understandings with major shareholders, customers, suppliers or others, under which he/she has been appointed as member of an administrative, management or control body of the Company or person holding a key position within the Company.
- (ix) there is no restriction on the assignment, within a certain period of time, of the shareholding in the Company, save for the obligation assumed by each of the Selling Shareholders, based on the agreement concluded with Swiss Capital S.A. (described under chapter "*Subscription and sale*", section "*Placement Contract and Lock-up Period*" that, during the period between the Offering Settlement Date and until, inclusively, 180 days from the Offering Settlement Date ("**Lock-up Period**") not to (a) offer, sell, lend, assign, mortgage, pledge, charge, contract to sell or otherwise transfer or dispose of in any other manner (or publicly announce any such measure), directly or indirectly, any Shares, any equity securities of the Company or any securities convertible or exchangeable into or exercisable for any equity securities of the Company or any securities or financial products the value of which is directly or indirectly set by reference to the price of the underlying securities, including equity swaps, forward sales and options or depositary receipts representing the right to receive any such securities; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any equity

securities of the Company or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into any transaction described above, whether any such transaction described in (a) or (b) is to be settled by delivery of Shares or such other securities, without the prior written agreement of Swiss Capital S.A..

- (x) there is no conflict of interest or threatened conflict of interest between the obligations to the Company and his/her private interests or other obligations, save for those specified below under the section "*Conflicts of Interest*".

10. Conflicts of Interest

The Company's Board members and executive managers hold various other positions in companies within the TTS (Grup) or affiliates, they perform activities within the Company/TTS (Grup) and/or have the quality of shareholders in other companies of TTS (Grup), situations that might create conflicts of interest with the membership in the Board of Directors or the position of TTS manager. In case a conflict of interest occurs, the Company's board members and executive managers shall act in accordance with applicable legal provisions, abstaining from deliberations and voting or from being part of the decision making process in connection to the conflict of interest case and reporting the respective conflict of interest.

Managers have the obligation to immediately disclose to the Board of Directors any material personal interests they may have in the Company's transactions, as well as all other conflicts of interest. All business transactions between the Company and members of the Board of Directors or between the Company and managers and with persons or companies in close relations therewith are concluded at market prices in compliance with applicable legal and internal regulations.

11. Professional Liability Insurance Policies

Currently the Company has in place a professional liability insurance policy for the members of the Board of Directors and executive managers, as well as for the economic manager. The professional liability insurance policies cover damages caused by the insured persons while performing their duties within TTS, as well as direct damages caused by the insured persons while performing their duties with direct impact on the subsidiaries where TTS is majority shareholder. The liability limit insured in the insurance policy is EUR 2,000,000 per event, namely EUR 2,000,000 for the entire insurance period. The insurance policy is valid until 28.10.2021.

12. Succession plan

TTS (Grup) sustains internal development and promotion and implements a policy for training its own leaders, while the Company and subsidiaries carry out management mentorship programs. Within TTS (Grup) there are internal processes and procedures aimed at guiding the career of a possible candidate to an executive management position. For the purpose of this principle, the management teams of both the Company's divisions and TTS subsidiaries have an average age below 50 years also, but also with a seniority of more than 10 years.

The succession policy is based on clear assessment policies and, subject to those, an employee may be defined in terms of its capacity to assume a key role.

TTS (Grup) promotes the transfer of responsibility at the decision making level. Each key management position has a substitute, so that the substitute person spends much time together with the person he/she is to replace in case of unavailability, to ensure the transfer of small, detailed aspects that make the difference in many cases: team relations, various information not included in any report, organisational culture aspects that are not obvious.

The Company has implemented rules for the selection/substitution/representation/replacement within its

internal policies. In terms of TTS (Grup) management, namely the members of the board of directors and the executive managers of TTS, as well as those of TTS (Grup) subsidiaries, it complies, through its policies, with the governance principles according to the regulations in force.

During the selection and appointment process managed by the Board of Directors members in relation to appointing the candidates for director positions who are to be subject to the approval by shareholders at the ordinary general shareholders meeting, the following principles are considered:

- i. if candidates meet the necessary training and experience requirements specific to the members of the Board of Directors, severally and jointly, as well as if they observe the rules set out in the legal regulations in force and the Company's articles of association;
- ii. candidates are assessed without considering any form of discrimination based on genetic features, age, nationality, race, colour, ethnicity, religion, political option, social origin, disability, family situation or responsibility, trade union membership or activity, any exclusion, difference, restriction or preference that is aimed at or leading to the failure to grant, restriction or elimination of the recognition, use or exercise of the rights set out by the applicable legislation;
- iii. selection of independent candidates according to the rules and criteria set out in the applicable legal framework;
- iv. candidates will be selected considering the need to continue to make decisions and to prevent, if possible, the simultaneous replacement of the majority of Board members, while observing the requirement that the nominations for the renewal of the mandates of Board members should be made only after reviewing the performance of the member/s during the previous term of office.

At the level of the Board of Directors, in order to continue the exercise of duties even in case of absence of Board members, rules on substitution/representation of the members of the Board of Directors apply.

In order to ensure the continuity in relation to the exercise of the duties of the Board of Directors before the end of the term of office, the Board of Directors convene the ordinary general shareholders meeting having on the agenda the election of the members of the Board of Directors within the applicable legal periods, thus enabling an optimal functioning of the decision making process within the Company.

In terms of subsidiaries, the Company, as majority shareholder, promotes similar principles for the election of the board of directors or single director, as the case may be.

During the candidate selection process for the open executive management and upper management positions, the following methods apply, in compliance with the governance principles according to the legislation in force:

- i. internal recruitment – process by which, to fill in an open position, the Company or the subsidiary makes the selection from inside TTS (Grup), out of the existing employees. Promoting internal employees in the open position is the best way to ensure business continuity within the Company or subsidiaries, according to the internal norms and procedures and legal regulations;
- ii. external recruitment - process by which, to fill in an open position, the selection is made outside TTS (Grup) as there is no internal staff reserve. External recruitment methods may include: Internet job ad (specialised recruitment websites, social media), advertorial, recruitment /executive search/headhunting agencies or recommendations.

At TTS (Grup) both the executive management of the Company and the subsidiaries have implemented

and use the recruitment method mentioned above to select and appoint the subordinated middle management.

In order to ensure the continuity of the duties belonging to the executive management, according to the applicable legal framework, rules for the substitution of executive management apply, for both TTS and TTS (Grup) subsidiaries:

- i. the executive management may delegate to some employees of the Company part of their duties or signature right, on a temporary or permanent basis; in this case, the decision will expressly state the limits of representation;
- ii. in case of temporary unavailability, the General Manager will be substituted by the persons appointed, according to the legal provisions;

At TTS, a loyalty plan for the persons with key positions in the Company was promoted, and they received shares issued by the Company. The Company plans, during the period right after the admission to trading, to develop a "stock option plan" as part of the implementation of the best loyalty practices for the Company's employees and those of TTS (Grup) subsidiaries, but also for implementing the corporate governance standards specific to a company admitted to trading.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

1. General

The company was founded in 1997, is organized and operates as a joint stock company under the laws of Romania. The Company is registered with the Trade Register Office in Bucharest, Romania under number J40/296/1997, with sole registration code 9089452 and LEI code 5493008M458S2MG7GP03. Company's headquarters is located at 27 Vaselor Street, District 2, Bucharest. The Company has a secondary location for office activity at 34 Vaselor Street, District 2, Bucharest. The legal and commercial name of the company is TTS (Transport Trade Services) S.A.. The phone number at the Company's registered office is +40 21 210 29 07 and its webpage is <http://www.tts-group.ro>. The Company was established for an indefinite period.

Companies Law lays down the main rules regarding the registration, functioning, spin-off and dissolution of Romanian companies. Companies that have their shares traded on a regulated market must observe the additional rules included in Law no. 24/2017, the special regulations issued by the FSA for the enforcement of this law, as well as the rules imposed by Bucharest Stock Exchange.

At the date of this Prospectus, the Company operates according to the Companies Law and the Articles of Association, as adopted by the decision of the extraordinary general shareholders meeting of 15.07.2020 ("**Articles of Association**").

On 03.03.2021, the extraordinary general shareholders meeting adopted the New Articles of Association of the Company with the aim to implement a corporate governance appropriate for a company whose shares are admitted to trading on the regulated market (the "**New Articles of Association**"). The New Articles of Association will enter into force on the Settlement Date, subject to the settlement of the Offering, preceding the admission of the shares issued by the Company to trading on the regulated market operated by the BSE. In case the Offering is not settled, the Articles of Association existing prior to the New Articles of Association shall continue to apply.

According to the Articles of Association, art. 5 of Chapter II, Company's main object of activity is *Support activities for transportation* (NACE code 522) and its main activity is *Other transportation support activities* (NACE code 5229). Other activities performed by the Company and, in general, by TTS (Grup) consist in river transport and port operation. The Company may also perform other activities necessary for carrying out its object of activity.

The Shareholders Register is kept by the Board of Directors. After the Shares issued by the Company are accepted to trading, the Shareholders Register shall be kept by Depozitarul Central S.A.

According to the Articles of Association, the Company is managed and administered by a Board of Directors formed of 3 directors, out of which one executive director and two non-executive directors. Directors are elected for a period of 4 years, which may be renewed. Directors must be insured for professional liability. For additional details please see chapter "*Management*" in this Prospectus. According to the new Articles of Association, the Company is to be managed and administered based on a one tier system, by a Board of Directors formed of 5 directors, out of which 2 non-executive directors shall be independent. Most of the directors shall be non-executive, namely at least three members shall be non-executive directors.

Both according to the Articles of Association and the New Articles of Association, the Board of Directors is legally gathered in the presence of the majority of directors in office as of the meeting date, and decisions are made based on the majority of the votes cast by the directors present.

The Articles of Association, as well as the New Articles of Association, do not contain provisions leading to a delay, postponement or prevention of a change in control over the Company.

According to the excerpt from the shareholders register and the certificate of findings issued by the Trade Register on the Prospectus Date, the Company's shareholding structure is:

1. Alexandru – Mircea Mihăilescu holds **15,120,000** shares numbered: 1 – 14,847,000 // 24,877,001-25,150,000, representing **50.400000%** of share capital;
2. Ion Stanciu holds **4,242,400** shares numbered: 14,847,001 – 19,089,400, representing **14.141333%** of share capital;
3. Viorel Stefan holds **3,030,300** shares numbered: 19,089,401 – 22,119,700, representing **10.101000%** of share capital;
4. Peter Hungerbuehler holds **2,757,300** shares numbered: 22,119,701 – 24,877,000, representing **9.191000%** of share capital;
5. Constantin Hârțan holds **1,515,150** shares numbered: 25,150,001 – 26,665,150, representing **5.050500%** of share capital;
6. Petru Ștefănuț holds **909,100** shares numbered: 26,665,151 – 27,574,250, representing **3.030333%** of share capital;
7. Aurel Florin Moldoveanu holds **303,050** shares numbered: 27,574,251 – 27,877,300, representing **1.010166%** of share capital;
8. Daniel Ștefan Jancovschi holds **453,050** shares numbered: 27,877,301 – 28,330,350, representing **1.510166%** of share capital;
9. Silviu Cătălin Petrea holds **453,050** shares numbered: 28,330,351 – 28,783,400, representing **1.510166%** of share capital;
10. Antonio Gabriel Stoean holds **453,050** shares numbered: 28,783,401 – 29,236,450, representing **1.510166%** of share capital;
11. Daniela Camelia Simion holds **303,050** shares numbered: 29,236,451 – 29,539,500, representing **1.010166%** of share capital;
12. Aurelia Mihaela Cismek holds **153,500** shares numbered: 29,539,501 – 29,693,000, representing **0.511668%** of share capital;
13. Mihaela Miron holds **153,500** shares numbered: 29,693,001 – 29,846,500, representing **0.511668%** of share capital;
14. Florin Alexandrescu holds **153,500** shares numbered: 29,846,501 – 30,000,000, representing **0.511668%** of share capital;

The table below presents the Selling Shareholders' holdings in the Company, as well as the number of shares they will continue to hold in case the Offering is closed successfully and all Offer Shares are sold:

Selling Shareholder	Holding before the Offering	Holding after the Offering, in case all 15,000,000 Offer Shares are sold
Alexandru Mircea Mihăilescu	15,120,000 Shares (50.400000%)	7,578,150 (25.2605%)
Ion Stanciu	4,242,400 Shares (14.141333%)	121,200 (7.0707%)
Viorel Stefan	3,030,300 Shares 10.101000%)	497,000 (4.9900%)
Peter Hungerbuehler	2,757,300 Shares (9.191000%)	378,650 (4.5955%)
Constantin Hârțan	1,515,150 Shares (5.050500%)	757,575 (2.5253%)
Petru Ștefănuț	909,100 Shares (3.030333%)	454,550 (1.5152%)
Aurel Florin Moldoveanu	303,050 Shares (1.010166%)	151,525 (0.15051%)
Daniel Stefan Jancovschi	453,050 Shares (1.510166%)	226,525 (0.7551%)
Silviu Cătălin Petrea	453,050 Shares (1.510166%)	226,525 (0.7551%)
Antonio Gabriel Stoean	453,050 Shares (1.510166%)	226,525 (0.7551%)
Daniela Camelia Simion	303,050 Shares (1.010166%)	151,525 (0.5051%)
Aurelia Mihaela Cismek	153,500 Shares (0.511668%)	76,750 (0.2558%)
Mihaela Miron	153,500 Shares (0.511668%)	76.750 (0.2558%)
Florin Alexandrescu	153,500 Shares (0.511668%)	76,750 (0.2558%)

The control over the Company is held directly by the shareholder Alexandru Mircea Mihailescu who, at the Prospectus Date, holds 50.4% of the Company's share capital. Despite the control over the Company exercised by Mr. Mihailescu, the Romanian law and the articles of association forbid him to exercise its control power in an abusive manner. According to the provisions of both the Articles of Association and the New Articles of Association and to capital markets regulations, all the Company's shareholders have equal rights, each Share granting its holder a voting right at the general shareholders meeting. In case the Offering is successfully closed, Mr. Alexandru Mircea Mihailescu will no longer hold the majority of the Company's share capital, after its completion.

TTS is not aware of any agreement the application of which may generate, at a later date, a change in control over the Company.

2. Company's Object of Activity

According to the National Classification of Economic Activity (NACE) and the Articles of Association/New Articles of Association, Company's main field of activity is support activities for transportation (NACE code 522) and its main object of activity is other transportation support activities (NACE code 5229).

The Company may also perform a series of secondary and auxiliary activities as set forth in article 5 of the Articles of Association/New Articles of Association.

The Company may also perform other activities necessary for carrying out its object of activity.

3. Share Capital

3.6. Subscribed and paid up share capital

Company's share capital is fully subscribed and paid up and has a value of RON 30,000,000, representing cash contributions by shareholders. The Company is not aware of any right to purchase or any obligation related to capital.

Company's share capital is divided into 30,000,000 ordinary, nominative shares, each having a nominal value of RON 1, issued in dematerialized form, registered in the Company's shareholders register and numbered from 1 to 30,000,000.

The Company has not issued convertible securities, exchange securities or securities with warrants associated.

As of the date of this Prospectus, Company's share capital is:

Total authorised share capital	RON 0
Number of shares issued and fully paid up	30,000,000 shares
Number of shares issued and not fully paid up	0 shares
Nominal value per share	1 RON
Number of shares at the beginning of the financial period	30,000,000
Subscribed and paid up share capital	RON 30,000,000
Subscribed and not paid up share capital	0 RON
Own shares	0 shares
Shares held by Company's subsidiaries	0 shares
Total number of shares	30,000,000 shares
A reconciliation of the number of shares outstanding at the beginning and at the end of the financial period.	Not applicable

3.7. Authorised share capital

Currently, the Company's share capital is fully subscribed and paid up, with no authorized share capital. To the best of its knowledge, the Company is not aware of any acquisition rights and/or obligations related to the unissued capital of the Company.

As of the Prospectus Date, there are no commitments to increase the Company's share capital.

3.8. History of the Company's share capital

Following the decision made by the extraordinary general shareholders meeting of 30.06.2017, the nominal value of the shares issued by the Company was reduced from RON 50/share to RON 1/share. This decrease in nominal value was registered at the Trade Register on 04.08.2017 and the number of shares issued by the Company increased from 66,657 shares to 33,332,850 shares following this change. On 28.11.2017, the decrease of the Company's share capital was registered with the Trade Register, namely from RON 33,332,850 to RON 31,333,150 as approved by the decision of the extraordinary general shareholders meeting no. 2 of 28.08.2017. The share capital was decreased following the cancellation of 1,999,700 shares held by the Company in its own share capital following their redemption from the shareholder International Finance Corporation ("IFC").

By decision of the extraordinary general shareholders meeting no. 2 of 12.03.2018, the Company share capital was decreased from RON 31,333,150 to RON 30,000,000, following the cancellation of 1,333,150 own shares with a nominal value of RON 1,333,150, acquired by the Company from IFC. Following this redemption, IFC was no longer a shareholder of the Company. The share capital decrease was registered with the Trade Register on 23.07.2018.

The decision of the extraordinary general shareholders meeting no. 1 of 14.06.2019 approved the decrease of the Company's share capital by RON 8,525,000, from RON 30,000,000 to RON 21,475,000 by cancelling 8,525,000 shares with a nominal value of RON 1 each as a consequence of the Company's spin-off by separating the administration of "non-core" participations, namely hotels and railway transport, as well as the business of leasing and subleasing own or leased real estate properties, namely the demerged part of the Company's assets consisting in all the balance sheet and off-balance sheet items related to these businesses and including the same in a newly set-up company for spin-off purposes, namely TTS ADRENT CONSULT - S.A. The spin-off was symmetrical, the newly-formed benefitting shares were distributed to the shareholders of the spun off Company pro rata with the quota held in the Company's share capital, as of the spin off date. The share capital decrease was registered with the Trade Register on 08.11.2019.

The decision of the extraordinary general shareholders meeting no. 1 of 20.11.2019 approved the increase of the Company's share capital out of the undistributed profit of the previous years from RON 21,475,000 to RON 30,000,000, by issuing 8,525,000 new shares distributed to shareholders pro rata, free of charge. The share capital increase was registered with the Trade Register on 28.11.2019.

As of the date of this Prospectus, the Company's share capital is of RON 30,000,000, divided in 30,000,000 shares, each share having a nominal value of RON 1.

4. Rights, Preferences, Restrictions and Obligations derived from holding Shares

According to the New Articles of Association, the shares issued by the Company are of the same class, have an equal value and grant equal rights to their holders. Each share issued by the Company and paid by the shareholder grants one voting right at general shareholders meetings.

According to the Companies Law, every shareholder must exercise its rights in good faith, by observing the rights and legitimate interests of the Company and of other shareholders.

After the Shares are admitted to trading, the Company shall be bound by the Companies Law, as well as by all capital market regulations.

4.1. Right to participate at general shareholders meetings and voting right

The right to attend the general shareholders meetings and the right to vote are shareholders' fundamental rights. The duties of general shareholders meeting are detailed in section "*General Shareholders Meeting*" below. Shareholders, among others, have the right to have access to sufficient information about the items to be discussed at the general meeting.

Law 24/2017 and FSA Regulation no. 5/2018 set out the following rights for shareholders holding shares admitted to trading on a regulated market:

- the right of one or more shareholders representing severally or jointly at least 5% of the share capital to add items to the agenda of the general meeting and to submit draft decisions for items included or proposed to be included on the agenda of the general meeting. These rights may be exercised only in writing (sent by courier or electronically) within maximum 15 days from the publication of the convening notice;
- the right of each shareholder to ask questions regarding the items on the agenda of the general meeting correlated to the Company's obligation to respond to questions asked by shareholders;
- the right of each shareholder registered as of the Reference Date to appoint any other natural or legal person as proxy to attend and vote on its behalf at the general meeting; the reference date is set by the Company's Board of Directors to determine the shareholders having the right to attend and vote at the general shareholders meeting ("**Reference Date**"); and
- the right to attend general meetings by electronic means.

4.2. Right to information

Shareholders have the right to have access to sufficient information on the items subject to discussion at the general meeting. According to the New Articles of Association, the Company shall make available to shareholders the documents or information on the items on the agenda, including annual financial statements, Board of Directors annual report, as well as the proposal for dividend distribution. Such information will be published on the Company's web page at least 30 days before the date of the general shareholders meeting.

According to FSA Regulation no. 5/2018, the Company has the obligation, during the entire period starting at least 30 days before the date of the general meeting and until the date of the meeting inclusively, to make available on its website at least the following information, in Romanian and English: (i) convening notice for the general shareholders meeting, (ii) total number of shares and voting rights as of the convening date, (iii) documents that are to be presented to the general meeting, (iv) a draft decision or, in case no decision is proposed to be made, a comment of a competent body of the Company, appointed according to the applicable law, for each item of the draft agenda for the general meeting and, (v) as the case may be, the special power of attorney forms that are to be used for the vote by representation based on a special power of attorney, as well as the forms to be used for vote by correspondence.

The Company must use the information means ensuring, to a reasonable extent, the efficient distribution of information to the public in the entire European Union.

4.3. Right to dividend

In each financial year, the Company shall distribute and pay dividend to shareholders, according to the dividend policy approved by the Company. According to the New Articles of Association, each shareholder shall receive a dividend calculated pro rata to its quota of the Company's paid up share capital, provided that the Company registers profit, as recorded in the annual financial statements approved by the general shareholders meeting and if the ordinary general shareholders meeting decides to distribute dividends.

According to capital market legislation, the date as of which shareholders that are to receive dividends shall be decided and announced by the general shareholders meeting and shall be at least 10 business days after the date of the general shareholders meeting. Once the dividend is decided, the general shareholders meeting shall also set the date when it shall be paid to shareholders. Such date shall not be later than 6 months from the date of the general shareholders meeting approving the dividend. In case the general shareholders meeting does not set the dividend payment date, as mentioned above, it shall be paid within 30 days from the publication of the decision of the general shareholders meeting approving the dividend in Romania's Official Gazette, Part IV. This deadline is set by law. Dividend is paid through Depozitarul Central.

According to capital market regulations, the Company must publish, before the dividend payment date, a communication, to be sent to the FSA and BSE, specifying at least (i) the value of the dividend per share, (ii) the ex date, (iii) the registration date and (iv) the dividend payment date, as well as (v) payment methods and (vi) identification data of the paying agent. Dividends become time barred after 3 years, so that the dividends distributed but not paid within this period remain at the Company's disposal.

For additional details regarding shareholders' right to dividends, see chapter "*Dividend Policy*" in this Prospectus.

4.4. Pre-emptive Rights

According to both the Articles of Association and the New Articles of Association, existing shareholders have a pre-emptive right to subscribe any new shares issued by the Company. Therefore, the shares issued for the share capital increase shall be offered for subscription first to the existing shareholders, pro rata with the shares they hold. The pre-emptive right may be exercised only during the period decided by the general shareholders meeting, which may not be less than one month from the date set in the offering prospectus, date subsequent to the registration date and publication date of the decision made by the extraordinary general shareholders meeting or by the board of directors approving the share capital increase in Romania's Official Gazette.

If, after the deadline for exercising the pre-emptive right, the new shares issued were not fully subscribed, the shares that were not subscribed may be cancelled or offered to other investors, as decided by the competent statutory body.

According to capital market regulations, in case of a share capital increase by contribution in cash, as well as by conversion of certain, liquid and outstanding liabilities, waiving the shareholders pre-emptive right to subscribe new shares must be decided by the extraordinary general shareholders meeting, attended by shareholders representing at least 85% of the subscribed share capital, by vote of shareholders holding at least $\frac{3}{4}$ of voting rights. If the shareholders' pre-emptive right to subscribe new shares is waived, these will be offered for public subscription, in compliance with the legal provisions on public offerings for sale. The share capital increase by contribution in kind is approved by the extraordinary general shareholders meeting, attended by shareholders representing at least 85% of the subscribed share capital, by vote of shareholders holding at least $\frac{3}{4}$ of voting rights. Contributions in kind may consist only in new and efficient assets necessary for carrying out the object of activity of the issuing company. For waiving the pre-emptive right in case a share capital increase by

contribution in kind is approved, the decision must be made in the same terms as applicable when waiving the pre-emptive right in relation to a share capital increase by contribution in cash.

4.5. Right to elect and be elected in management bodies

According to Companies Law and the Articles of Association, the general shareholders meeting is the competent body appointing and revoking the members of the Board of Directors.

According to capital market legislation, the members of the Board of Directors may be elected by cumulative vote. Upon the request of a significant shareholder (a person or group of persons acting in concert who directly or indirectly holds at least 10% of the Company's share capital or voting rights) the election based on this method shall be mandatory. By cumulative vote method, every shareholder has the right to assign the cumulated votes to one or more persons to be elected in the Board of Directors.

4.6. Right of withdrawal

According to Companies Law, in certain circumstance, shareholders that did not vote in favour of a certain decision of the general meeting have the right to withdraw from the Company and to request that the Company acquires their shares. This right may be exercised only if the respective decision of the general meeting refers to: (i) changing the main object of activity, (ii) relocating the Company's registered office to another country; (iii) changing the Company's legal form; or (iv) Company's merger or spin-off. The issuer must pay the value of the shares held by the shareholders that exercised their withdrawal right within 4 months from the filing of the application for withdrawal.

Moreover, according to the regulations applicable to companies admitted to trading on a regulated market, the shareholders that do not agree with the decision regarding the withdrawal from trading may request to withdraw themselves from the company, within 45 days from the registration date, by submitted a written application in this respect to the company. The respective application will contain how the shareholders wishes the payment to be made, in compliance with the payment method set according to the applicable provisions. The right to withdraw may be exercised by the shareholders existing as of the record date of the extraordinary general shareholders meeting that decided the withdrawal from trading, on condition that they held the respective shares also on the record date of the meeting that decided the withdrawal from trading. In such a case, the issuer wil pay the value of the shares to the requesting shareholders within maximum 15 business days from receiving the application.

The price paid by an issuer to the shareholder exercising the right to withdraw from the company is decided by an independent valuator registered with the FSA and considering the valuation standards in force, according to the law.

In case of extraordinary general shareholders meetings, in case the company's withdrawal from trading is subject to approval, the issuers include in the meeting's convening notice, as a separate agenda point, the presentation of the report prepared by an independent chartered valuator regarding the price per share that is to be paid in case shareholders withdraw frim the issuer. The price may not be less than the market value decided according to the international valuation standards by an independent chartered valuator registered with the FSA.

4.7. Right to participate in asset distribution in case of liquidation

According to Companies Law, once the liquidation is completed, liquidators prepare the final financial statement, presenting the quota assigned to each share out of the distribution of the Company's assets. The amounts due to shareholders, not received within two months from the publication of the financial statement, shall be deposited with a bank or one of its units, on behalf of the shareholder.

Liquidators may not pay to shareholders any amount against the quotas to which they would be entitled out of liquidation before paying the Company's creditors.

4.8. Right to challenge the decisions of general meetings

Under the Companies Law, the decisions of the general meeting contrary to law or Articles of Association may be challenged in court, within 15 days from the publication in Romania's Official Gazette, Part IV, by any shareholder who did not attend the general meeting or who participated but voted against and requested that this be added to the meeting minutes. When invoking reasons of absolute nullity, the right to take action is not time barred and the court motion may be made by any interested person.

According to capital market legislation, the same term is valid in case of challenging the decisions of the general shareholders meeting contrary to the law or Articles of Association that lead to a change in the share capital.

4.9. Rights of minority shareholders

Companies Law and the specific regulations applicable to issuers of securities set out certain rights of shareholders holding a minimum percentage of the Company's share capital, such as:

- right to request financial auditors to investigate allegations and internal auditors will consider such facts when preparing the report for the Board of Directors. In case the claim is made by shareholders holding individually or together at least 5% of the share capital, internal auditors must check the allegations, and, in case they confirm, include them in a report to be submitted to the Board of Directors and made available to the general meeting.
- right of the shareholder(s) holding individually or together at least 5% of total voting rights to claim operations regarding the Company to financial auditors, and the financial auditors shall elaborate, within 30 days, based on the information provided by directors, additional reports, according to financial audit standards and the reporting framework defined in the international accounting standards and FSA regulations, regarding the operations claimed. The additional report is made public on FSA website.
- right of shareholder(s) holding individually or together at least 5% of the Company's share capital to request the Board of Directors to convene a general shareholders meeting, to add items on the agenda of the general meeting and to submit draft decisions for the items included or proposed to be included on the agenda of the general meeting;
- right of shareholder(s) holding individually or together at least 5% of the Company's share capital to initiate, in own name, but on Company's behalf, a court action to engage the liability of founders, directors, managers and/or financial auditors for losses they caused to the Company by breaching their duties. This right may be exercised only in case the general meeting does not approve the initiation of the claim for liability.
- right of shareholder(s) holding individually or together at least 10% of the Company's share capital to request the court to appoint one or more experts to analyse certain operations related to the management of the Company and to prepare a written report in this respect;
- right of a shareholder/shareholders holding directly or indirectly at least 10% of the Company's share capital or voting rights to request the appointment of members of the Board of Directors using the cumulative vote method. In case this request is not observed, the shareholders mentioned above have the subsequent right to request in court the immediate convening of a general shareholders meeting.

4.10. Obligation to notify a major shareholding

According to the regulations applicable to companies admitted to trading on a regulated market, in case a shareholder acquires or sells Company's shares in a quota that reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33%, 50% and 75% of total voting rights in the Company, the respective shareholder must immediately notify to the issuer the quota of voting rights it holds following the respective purchase or sale. Voting rights are calculated based on all shares with voting rights, even if their exercise is suspended.

Shareholders must notify to TTS the quota of voting rights in case it reaches the thresholds stated in the first paragraph of this section 4.10 or if it is higher or lower, following its own acquisitions or sales or following events by which the distribution of voting rights changes, based on the information published by TTS following an increase or decrease in the share capital or number of voting rights.

The voting rights of a person are calculated taking into consideration:

a) voting rights held by a third party with whom the respective person concluded an agreement by which the two undertake to adopt a common long term policy regarding the Company's management, by exercising together the voting rights they hold;

b) voting rights held by a third party according to an agreement concluded with the respective person setting out the temporary transfer, for a consideration, of the respective voting rights;

c) voting rights in connection to shares pledged as guarantee in favour of that person, provided that it controls the voting rights and declares the intention to exercise them;

d) voting rights in connection to shares the beneficial interest of which is held by that person;

e) voting rights held or that may be exercised according to letters a) -d) by a person controlled by the respective person;

f) voting rights for the shares owned by the respective person that, lacking specific guidelines from shareholders, it may exercise without restrictions;

g) voting rights held by a third party in own name but on behalf of the respective person;

h) voting rights exercised by the respective person as attorney that, lacking specific guidelines from shareholders, it may exercise as it wishes;

i) voting rights held by a third party, other than as mentioned under letter a) and e), acting jointly with the respective person.

4.11. Obligation to launch a mandatory public takeover offering

According to Law no. 24/2017, where a person, as a result of his/her direct acquisition or an acquisition by persons acting in concert therewith, holds securities issued by an issuer that, added to his/her prior holdings or to the holdings of persons he/she acts in concert with, gives him/her, directly or indirectly, more than 33% of the voting rights in the issuer, the respective person is required to initiate a mandatory public takeover offering addressed to all securities holders for ("**Mandatory Public Takeover Offering**"). Such a Mandatory Public Takeover Offering must aim to obtain all the participations of the respective securities holders, at a fair price, and must be carried out as soon as possible, but no later than two months after the date when the respective holding of 33% is reached.

By derogation, there is no obligation to launch a public offering in case of shareholders that acquired the holdings exceeding 33% of voting rights prior to the entry into force of Law no. 24/2017 that obtained the position of holder of more than 33% of voting rights, in compliance with the legal provisions in force at the time of acquisition.

Also, the launch a public offering is not mandatory in case the position representing more than 33% of voting rights in the issuer resulted following an excepted transaction. "Excepted transaction" means that the respective position was obtained:

- a) within the privatisation process;
- b) by acquisition of shares from the Ministry of Public Finance or from other legally authorised entities, within the process of enforcement of budgetary claims;
- c) as a result of transfers of shares between a parent company and its subsidiaries or between subsidiaries of the same parent company; or
- d) resulting from a voluntary takeover bid addressed to all holders of the respective securities for all their holdings.

Prior to launching the Mandatory Takeover Public Offering, the voting rights attached to securities exceeding 33% of the total voting rights in the issuer are suspended and the respective shareholder, together with persons acting in concert therewith, are prohibited from acquiring, by other operations, shares of the same issuer.

In case that holding more than 33% of the voting rights in the issuer is unintentional (as described below), the holder of such position may either carry out a public offering as mentioned above or dispose of a number of shares so as to decrease the position obtained unintentionally. An acquisition of holdings exceeding 33% of voting rights in the issuer will be deemed to be unintentional if the respective position results from operations such as:

- a) share capital decrease, by share buy-back followed by cancellation of shares;
- b) exercise of the pre-emptive, subscription or conversion rights in relation to rights initially granted, as well as a result of conversion of preferential shares into ordinary shares; or
- c) merger/spin-off or inheritance.

4.12. Provisions regarding "squeeze-out" and "sell-out" applicable to securities

According to Law no. 24/2017, a shareholder that carried out a public offering addressed to all shareholders and for all their holdings, has the right to request the shareholders that did not subscribe under the offering to sell the respective shares to it, at a fair price, in case it is in one of the following cases:

- a) holds shares representing at least 95% of the total number of shares in the share capital granting voting rights and at least 95% of the voting rights that may be effectively exercised;
- b) purchased, under the public offering addressed to all shareholders and for all their holdings, shares representing at least 90% of the total number of shares in the share capital granting voting rights and at least 90% of the voting rights targeted under the offering.

Such a right may be exercised within 3 months from the closing date of the public offering.

In addition, a minority shareholder has the right to request the bidder that finds itself in one of the cases mentioned above to purchase its shares at a fair price calculated according to legal provisions.

5. Rules regarding changes in the share capital of the Company

5.1. Share capital increase

According to the New Articles of Association and the applicable regulations, the extraordinary general shareholders meeting has the power to decide to increase and decrease the share capital. The Company's share capital may be increased by: (i) issuing new shares or increasing the nominal value of existing shares in exchange for new contributions in cash and/or in kind; (ii) incorporating reserves (save for legal reserves) as well as benefits or issue premiums, (iii) offsetting certain and outstanding receivables of the Company with its shares.

The shares issued for the share capital increase shall be offered for subscription first to the existing shareholders, pro rata with the numbers of shares they hold.

Under the applicable law in force on the Prospectus issue date, the extraordinary general shareholders meeting may authorise the Board of Directors to increase the share capital up to a maximum limit decided by the meeting. This cannot exceed half of the subscribed share capital existing at the time of authorisation. The validity period of the authorisation granted by the extraordinary general shareholders meeting is of maximum 3 years and may be renewed by the general meeting for a period that, for each renewal, cannot exceed 3 years.

By decision of the extraordinary general meeting, the Board of Directors may be delegated, in addition to the duty to decide the share capital increase, the duty to withdraw the pre-emptive right for the respective operation, in compliance with the quorum and majority conditions set out in the law in relation to withdrawing the pre-emptive right.

5.2. Share capital decrease

According to the Company's New Articles of Association, the decision to decrease the share capital is made by the general shareholders meeting. The share capital may be decreased only upon the expiry of a two-month period as of the publication of the decision of the general shareholders meeting approving the share capital decrease in Romania's Official Gazette, Part IV.

6. Corporate Bodies

6.1. General Shareholders Meeting

General shareholders meetings of a joint stock company, such as the Company, may be ordinary and extraordinary. There are no differences between the two in terms of convening formalities.

Ordinary and extraordinary general meetings have different quorums, voting majorities and duties. Extraordinary general meetings have higher decision powers (see below). Therefore, the law stipulates higher quorums and voting majorities for extraordinary general meetings.

According to the New Articles of Association, the general meeting shall be convened at the initiative of the Board of Directors. Also, the general meeting may be convened by the Board of Directors upon the request of shareholders representing, severally or jointly, at least 5% of share capital, within maximum 30 days from the date when such request is received. In this case, the general meeting shall gather at the first or second call, within maximum 60 days from the date when the request was received by the Company.

The convening notice shall be published in (i) the Official Gazette, (ii) one of the widely read newspapers in the city where the Company's registered office is located and (iii) on the Company's web page.

The gathering period may not be less than 30 days from the publication of the convening notice in the Official Gazette. In the convening notice for the first general meeting, the day and time for the second general meeting may be set, in case the first one may not be held. If the day for the second general meeting is not

mentioned in the convening notice for the first meeting, it may gather after the lapse of a period of at least 10 days from the date when the first meeting was convened.

The Company shall make available to shareholders, at least 30 days before the date of the general shareholders meeting, the documents and information related to agenda items on its own website, including:

- (i) annual financial statements;
- (ii) annual report of the Board of Directors;
- (iii) full report of financial auditor;
- (iv) remuneration report;
- (v) proposal for dividend distribution.

Shareholders may attend the general meetings also by electronic means, namely video conferences, conference calls, provided that quorum and voting requirements valid for general shareholders meetings held in person are met.

According to the New Articles of Association, besides discussing other items on the agenda, the ordinary general meeting shall have the following duties:

- a) to discuss, approve or amend the Company's annual financial statements after reviewing the reports presented by the Board of Directors and financial auditors and decide the dividend;
- b) to choose and revoke members of the Board of Directors;
- c) to appoint or dismiss the financial auditor and set the minimum term of the financial audit contract;
- d) to decide the remuneration due to the members of the Board of Directors for the current financial period;
- e) to set the general limits of the additional remunerations for the members of the Board of Directors, as well as managers' remuneration;
- f) to decide on the management of the Board of Directors;
- g) to decide the income and expenses budget and the business plan for the following financial period;
- h) to approve the Company's remuneration policy;
- i) to approve the remuneration report for the most recent financial period – shareholders' opinion at the general meeting discussing the remuneration report, resulted from the vote, having a consultative nature;
- j) to decide in relation to any other aspects, according to legal duties.

The ordinary general meeting may approve the financial statements only if these are accompanied by financial auditors' report.

The decisions of the ordinary meeting within the ordinary general meeting are valid if shareholders present, that were represented at the meeting or voted by correspondence hold at least 1/4 of total voting rights, and decisions shall be made with the majority of the votes cast by shareholders present, represented or who voted by correspondence.

If the ordinary general meeting could not be held as quorum conditions were not met, at the next call of the Company's ordinary general meeting, the decisions included on the agenda of the first meeting may be made with the majority of votes cast, irrespective of the quorum.

According to the New Articles of Association, the extraordinary general meeting gathers as many times it is necessary to make decision regarding:

- a) changing the legal form;
- b) relocation of registered office;
- c) share conversion from one category to another;
- d) set-up or cancellation of secondary offices abroad;
- e) share capital increase;
- f) share capital decrease or the acquisition of own shares by the Company, according to the law;
- g) any amalgamation, merger with other companies, spin-off or dissolution;
- h) Company's early dissolution;
- i) amending the object of activity, as well as amending the main object of activity;
- j) admission of Company's shares to trading on a regulated market, multilateral trading system or organised trading system, as well as withdrawal from trading;
- k) limiting or withdrawing the pre-emptive rights in case of issuing new Company shares;
- l) changing the Company's financial period, if allowed by law;
- m) bond issue;
- n) conversion of a category of bonds into another category or in shares;
- o) prior approval for concluding documents for the purchase, sale, exchange or pledging certain fixed assets of the Company the value of which exceeds, separately or together, during a financial year, 20% of total fixed assets, save for receivables;
- p) prior approval for leasing of tangible assets for a period longer than one year, the individual or aggregate value of which, in relation to the same co-contractor or persons involved or that act in concert exceeds 20% of total tangible assets, less receivables as of the date of concluding the legal document, as well as joint ventures exceeding one year that exceed 20% of total fixed assets, save for receivables;
- q) approval regarding the conclusion by the Board of Directors of legal documents in the name and on behalf of the Company by which assets (including securities) are acquired for the Company or for selling, leasing, exchanging or pledging Company's assets the value of which exceeds half of the accounting value of the Company's assets as of the date when the legal document is concluded;
- r) approval regarding the conclusion by any member/members of the Board of Directors, in own name, of legal documents for the disposal and acquisition, respectively, of assets to or from the Company, with a value exceeding 10% of the Company's net assets;
- s) any other changes to the New Articles of Association, including the adoption of new articles of association, except for those changes that may be adopted by the Board of Directors;
- t) any other aspects included on the agenda that need the approval of the extraordinary general meeting, according to the law.

At the first call of an extraordinary general shareholders meeting, discussions are valid if shareholders present, represented and voting by correspondence represent at least 1/4 of all voting rights, while at the following calls of such an extraordinary general shareholders meeting, discussions will be valid if shareholders present, represented or voting by correspondence represent at least 1/5 of all voting rights.

Decisions are made based on the majority of votes cast by shareholders present or represented at the meeting or who voted by correspondence.

Notwithstanding the above, the decision to amend the Company's main object of activity, to decrease or increase the share capital, change the legal form, merge, spin off or dissolve the Company is made with a majority of at least 2/3 of voting rights held by the Company's shareholders present or represented or voting by correspondence.

In case of share capital increase by contribution in kind, the withdrawal of shareholders' pre-emptive right to subscribe new shares must be decided by the extraordinary general shareholders meeting attended by shareholders representing at least 85% of the subscribed share capital, based on the vote of shareholders holding at least 3/4 of voting rights. These quorum and majority requirements are also valid if the pre-emptive right is withdrawn in case the share capital is increased by conversion of certain, liquid and outstanding receivables.

The share capital increase by contributions in kind is approved by the extraordinary general shareholders meeting attended by shareholders representing at least 85% of the subscribed share capital, based on the vote of shareholders holding at least 3/4 of voting rights. Contributions in kind may consist only in new and efficient assets necessary for carrying out the Company's object of activity.

The share capital increase by increasing shares' nominal value may be decided only with the vote of all shareholders, unless it is carried out by incorporating reserves, benefits or issue premiums.

In other cases expressly mentioned by the legislation in force, quorum and decision making shall be carried out according to the provisions included in the respective regulations.

6.2. Board of Directors

According to the new Articles of Association, the Company is managed by a Board of Directors formed of five members. Most of the directors shall be non-executive, out of which two shall be independent directors. The members of the Board of Directors are appointed by the ordinary general shareholders meeting for a period of 4 years. The activity of the Board of Directors is performed according to its own internal regulation.

The Board of Directors shall form committees, such as the audit and remuneration and nomination committee, which shall consist exclusively in non-executive directors and the Board of Directors shall name a majority of independent directors as members of such committees. The audit committee shall be formed of at least three members, out of which two members (president of the audit committee and another member) shall be independent.

The Board of Directors is responsible for all necessary and useful acts in order to carry out the Company's object of activity, save for those reserved by law and/or Articles of Association for the general shareholders meeting.

The Board of Directors has the following main duties:

- a) implements the decisions of the general shareholders meeting;
- b) convenes the general shareholders meeting, decides its agenda and submits to the general meeting for approval all the matters for which it is responsible;

- c) organises the general shareholders meeting;
- d) decides the reference date for shareholders entitled to attend and vote at the general meeting;
- e) sets the main activity and development directions of the Company;
- f) decides the accounting and financial control system and approves financial planning;
- g) approves the Company's annual financial statements;
- h) elaborates and submits to the general shareholders meeting, on a yearly basis, within maximum 4 months from the end of each financial period, the annual report, according to the law;
- i) submits to the ordinary general meeting for approval, on a yearly basis, the income and expenses budget and, as the case may be, the business plan for the following financial period;
- j) approves the policy on the yearly distribution of dividend or other benefits to shareholders;
- k) supervises the publication of information and communication;
- l) appoints and dismisses managers and decides their remuneration;
- m) approves the employment of persons with management positions in the Company;
- n) supervises managers' activity;
- o) decides the manner of organisation of managers' activity;
- p) approves the changes to the Company's articles of association, following the decisions of the Board of Directors made according to the duties delegated by the general shareholders meeting, according to the law;
- q) decides the establishment or cancellation of secondary offices in the country;
- r) appoints and dismisses the members of the committees formed at the level of the Board of Directors;
- s) approves the internal regulation of the Board of Directors and the committees' terms of reference;
- t) decides managers' remuneration within the general limits decided by the general shareholders meeting;
- u) organises the internal audit activity;
- v) files the application to initiate insolvency procedure for the Company;
- w) appoints the empowered persons and approves their mandate for participating and exercising voting rights, in the name and on behalf of the Company, at the general meetings of the companies in which the Company holds more than 50% of share capital;
- x) decides on any other matters in its power;
- y) elects the President of the Board of Directors;
- z) supervises the activity of consultative committees and reviews the regular reports they issue;
- aa) approved any loan agreement up to EUR 30,000,000 per financial year, but not more than EUR 120,000,000 for the entire term of office;

- bb) pledges the Company's assets to obtain collaterals for participating in competitive auctions and performance bonds up to the level approved by the General Shareholders Meeting;
- cc) in compliance with the powers reserved by law for the general shareholders meeting, approves any legal document exceeding EUR 15,000,000 that is to be concluded by two managers acting jointly or with a value exceeding EUR 5,000,000 to be concluded by a manager acting severally;
- dd) organises the control for ensuring the integrity of the Company's management;
- ee) approves the appointment of persons to fill in positions such as directors/permanent representatives in other companies where the Company is a shareholder or partner;
- ff) appoints a secretary of the Board of Directors responsible for supporting the activity of the Board of Directors.

According to the New Articles of Association, the Board of Directors or one of its committees is legally gathered at the first call in the presence of the majority of directors in office at that date. Lacking the necessary quorum, the meeting shall be convened again at the same place and time on a date decided by the president of the meeting, for which the same quorum requirements as for the first call shall apply. The decisions of the Board of Directors and of the committees shall be made based on the majority of the votes cast by the shareholders present.

For additional details regarding the Company's directors, see chapter "*Management*" section - "*Board of Directors*".

6.3. Executive Management – Company's Managers

Company's management shall be delegated to the General Manager, Deputy General Manager and Finance Manager, appointed by the Board of Directors out of directors or from outside the Board of Directors.

In relation to third parties and in court, the Company is represented by any two managers acting jointly. Managers may delegate the representation right according to the law. The Board of Directors shall represent the Company in relation to managers.

Managers are responsible for taking all the measures in relation to the Company's management, within the limits of the Company's object of activity and in compliance with the exclusive powers reserved by the law or by the Articles of Association to the Board of Directors and the general shareholders meeting.

RELATED PARTIES TRANSACTIONS

According to IAS 24, the transactions with persons and companies that are, among others, members of the same group as the Company or that are controlled by or control the Company must be disclosed, unless these are already included as consolidated entities in the Company's consolidated financial statements. Control exists if a shareholder holds more than half of voting rights in the Company or if, based on contractual agreements, it has the power to control the financial and operating policies of the Company's management. The disclosures required by IAS 24 also extend to transactions with associated companies, including joint-ventures, as well as on transactions with persons that have a significant influence on the Company's financial and operating policies, including family members or intermediary entities. These include the members of the Board of Directors and their family members, as well as other entities over which the members of the Board of Directors or their family members may exercise a significant influence on in which they hold a significant share of voting rights.

A summary of such related parties transactions in the financial years ended 31 December 2018, 2019 and 2020 and until the Prospectus date is presented below. The business relations with the companies part of TTS (Grup) that are consolidated in the Company's consolidated financial statements are not included.

The Company concluded a share purchase and sale agreement on 23.03.2018 to purchase 1,333,150 of own shares, having a nominal value of RON 1/share, representing a quota of 4.2548% of the Company's subscribed and paid up share capital, held by its shareholder IFC (see "*Material Contracts – Share Sale-Purchase Agreement with the IFC*").

The Company concluded a lease agreement with TTS Adrent Consult S.A. for a plot of land to be used as parking located in Bucharest, 14-16 Ion Măiorescu Street, District 2, for a lease of RON 50,000/month valid until 31.12.2025.

The Company considers that all related party transactions are generally concluded at normal market conditions. The balances of acquisitions, debts and receivables (if applicable) regarding significant transactions with related parties on 31 December 2020 are presented in the Financial Statements. Except for the above transactions, during the period considered by the historical financial information and until the date of this Prospectus, the Company has not entered into any significant related parties transaction.

MATERIAL CONTRACTS

The following contracts have been concluded by the members of TTS (Grup) during a period of two years prior to the date of this Prospectus, other than those concluded during regular business or are contracts (other than those concluded during regular business) concluded by any member of TTS (Grup) and contain provisions under which a member of TTS (Grup) has an obligation or entitlement which is, or may be, material to TTS (Grup) as of the date of this Prospectus. The following contracts do not represent all the contracts of TTS (Grup).

1. Financing contracts

The major loans contracted by TTS (Grup), in effect as of the date of this Prospectus, are presented below:

1.1. Company's credit facilities

The Company has concluded the following contracts with UniCredit Bank S.A. ("**UniCredit**"):

- i) Contract for credit facilities concluded on 08.01.2007 and renewed for successive periods by which a non-binding credit line of EUR 3,000,000 was made available to the Company, with multicurrency use, decreased by addendum no. 7 of 9.12.2020 to EUR 1,500,000 EUR. The purpose of the loan is (A) overdraft – overhead with maturity on 31.01.2022 and (B) letters of guarantee/letters of credit with general maturity on 30.12.2025. Several addendums to the loan contract were concluded on 11.01.2016, 27.12.2016, 21.12.2017, 27.12.2018, 04.12.2019 și 09.12.2020, 26.01.2021.
- ii) Contract for treasury line concluded on 28.12.2015 making available to the Company a non-binding treasury line of EUR 1,000,000, with multicurrency use (RON/EUR/USD). The maturity date of the credit line is 31.01.2022.
- iii) Contract for credit facilities concluded on 12.04.2017, making available to the Company a non-binding credit line for the amount of EUR 7,000,000 to be used in EUR. The last instalment is due on 28.12.2021.

The credit facilities granted by UniCredit are used to cover the Company's overhead and financial needs, to issue letters of guarantee or letters of credit, as well as to hedge the risk of the transactions performed as treasury operations.

The collateral package also includes real estate mortgages on (i) the building in Bucharest, 27 Vaselor Street and the related land, owned by the Company (ii) building owned by TTS Porturi Fluviale, identified with cadastre /topographic number 101116-C17 registered in the Land Register no. 101116-C17 of Galați county, as well as collateral on (i) the silo of Giurgiu city, (ii) equipment of TTS Porturi Fluviale, (iii) amounts from receivables resulted from the insurance policies for the insured buildings, having as object the assets that were pledged as collateral to UniCredit, (iv) present or future accounts and sub-accounts opened with UniCredit and (iv) Company's receivables resulted from the contracts it concluded with its clients, having the quality of assigned debtors. The mortgaged assets are encumbered by standard restrictions regarding sale, pledge, dismantling, joining, demolition, restructuring, fitting out, building, lease or any other disposal.

The contracts for credit facilities contain usual terms and restrictions. Most of the contracts set out an early payment for refinancing the loan with any other financial institution, as well as a penalty for defaulting on

the obligation to submit the Company's individual and consolidated financial statements. The contracts for loan facilities also include an obligation regarding turnover (activity in the accounts opened with UniCredit). Furthermore, there are certain financial reports and reporting obligations that the Company must observe, such as the obligation to maintain the current ratio of 1 and a minimum debt service ratio of 1.1.

The contracts for credit facilities also set out that the Company, without the prior agreement of UniCredit, may not: (i) assume any collaterals or grant loans to third parties, other than in the normal course of business, (ii) issue new shares, decrease the Company's share capital or the share value below the threshold existing at the time the loan was granted, (iii) initiate proceedings for the Company's merger or spin off or (iv) change control over the Company and over TTS (Grup) entities (considered a single debtor by UniCredit), (v) determine or allow changes in the shareholding structure (directly and/or indirectly), save for listed companies or intra-group shareholding changes.

Also, there is an obligation to notify UniCredit prior to performing certain operations, such as: (i) pledging the Company's assets as collaterals in favour of third parties, (ii) requesting or contracting a loan from a credit or financial institution, as well as concluding certain financial debts from third persons, including shareholders, save for some exceptions, (iii) changing the Company's management team, changes to the Company's articles of association and reorganisation of the Company or TTS (Grup) that, in the opinion of UniCredit, is a single debtor with the Company, (iv) any sale/transfer or pledge of the Company's assets in favour of third parties, etc.

The contracts for credit facilities grant UniCredit the right to request additional collaterals if there are any adverse changes to the Company's economic, financial and legal condition and for the failure to observe certain obligations of other companies of TTS (Grup).

The Company contracted a credit line in amount of EUR 1,000,000 from Citibank Europe PLC, Dublin-Romania Branch for (i) overdraft, (ii) issuing letters of guarantee and (iii) issuing letters of credit, with automatic renewal for periods of 1 year, not drawn at 31.12.2020. The line is secured by collateral on the Company's bank accounts and assignment of the Company's third parties receivables acceptable for the bank.

1.2. TTS (Grup) credit lines

CNFR Navrom concluded three contracts for credit facilities with UniCredit, as follows:

- i) Contract concluded on 14.02.2008, with the subsequent addendums, making available to CNFR Navrom a non-binding revolving credit line of EUR 4,500,000 and for the amount of maximum EUR 50,000 made available to Hotel Mercur S.R.L (subsequently Navrom River S.R.L. and currently closed company, which was dissolved without liquidation following the merger by absorption by CNFR Navrom). The merger became effective on 22.09.2020, date as of which the rights and obligations related to the credit line were transferred to CNFR Navrom, with multicurrency use (RON/EUR/USD). The value of the credit facility was reduced to EUR 3,000,000 by addendum no. 4 of 19.12.2017. The maturity date of the credit facility a) for overdraft – overhead is 31.01.2022 and b) for issuing letters of guarantee/letters of credit is 31.01.2025;
- ii) Contract concluded on 28.12.2015 making available to CNFR Navrom a non-binding treasury line of EUR 2,000,000, with multi-currency use (RON/EUR/USD). By addendum no. 6 of 26.01.2021 the line was reduced to EUR 1,000,000, maturing on 31.01.2022.

- iii) Contract concluded on 07.04.2021 making available to CNFR Navrom an investment loan of EUR 3,000,000 to refinance the expenses for the modernisation of pushers, as well as those for the acquisition and assembly of caps, maturing 60 months after the signing date, namely on 07.04.2026.

The loan contracts concluded by CNFR Navrom mentioned under (i) and (ii) above cover the borrowers' overhead, issuing letters of guarantee or letters of credit, as well as the risk of the transactions performed as treasury operations.

The facilities are secured by: (i) mortgage on and interdictions to dispose of, pledge, dismantle, lease, demolish, build, fit out, restructure and join in relation to the real estate owned by CNFR Navrom S.A. located in Galați, 23 Portului Street, plot 2-5, including on the present and future rents/leases in connection to the building and the allowances paid based on contracts for collateral/insurance of any kind in connection and related to the payment of such rents or leases; (ii) guarantee issued by TTS (Transport Trade services) S.A.; (iii) collateral on the bank accounts of CNFR Navrom, collateral account and the amounts in such accounts, on all present and future receivables of CNFR Navrom derived from insurance policies; (iv) collateral on all the bank accounts and sub-accounts, present and future, opened by CNFR Navrom with UniCredit, (v) collateral on the vessels owned by CNFR Navrom, (vi) collateral on the cash receivables resulted from the insurance contracts/policies issued by an insurance company, related to assets that were pledged as collateral to the bank.

The contracts for credit facilities contain standard terms and restrictions. One loan contract sets out an early payment in case the loan is refinanced with another financial institutions. Both contracts under (i) and (ii) contain obligations related the credit balance of the clients account.

Usual restrictions, such as interdictions regarding (i) loans and collaterals to third parties, (ii) share capital decrease, (iii) change of control are included. The prior notice of the lender is required for certain operations, including: (i) pledge collaterals on the Company's assets in favour of third parties, (ii) request or contract other loans from other financial institutions as well as of certain financial liabilities of other persons, including shareholders, with certain exceptions. The prior agreement of UniCredit is necessary for (i) changes in shareholding structure, save for some exceptions, (ii) issue of new shares/equity interests, (iii) decrease of share capital and/or nominal value of the existing shares/equity interests and (iv) initiation of merger or spin-off procedures by the borrower.

CNFR Navrom has concluded with CITIBANK a framework contract for bank loans as follows:

1. term loan for a maximum available amount of EUR 6,500,000 EUR to finance the upgrading of the fleet and extension of its capacity, regarding the ships held by CNFR Navrom. The loan is to be repaid in 19 quarterly instalments, the last one maturing on 30.11.2022.
2. loan for (i) overdraft, for working capital purposes or (ii) issuing letters of bank guarantee or (iii) issuing import letters of credit, with a maxim amount of EUR 2,000,000, for a period of 12 months.
3. treasury line for hedging foreign currency fluctuations and other risk hedging operations, including interest rate swap with a maximum amount of EUR 400,000 for the hedging operations by interest rate swap and EUR 300,000 for risk hedging operations against foreign currency fluctuations, during the terms mentioned at points 1, 2 and 3 above.

These facilities are secured by collateral on the current accounts of CNFR Navrom opened with CITIBANK, assignment to CITIBANK of all present and future receivables, less those derived from the commercial relation with ArcelorMittal Galați S.A, assignment to CITIBANK of CNFR Navrom third party receivables acceptable for the bank, letter of guarantee issued by TTS and pledge over 10 pushers.

CNFR Navrom undertakes, during the validity term of the contract concluded with CITIBANK to keep the total debt/EBITDA ratio for the last 12 months at a level below or equal to 2.0x, indebtedness ratio below or equal to 0,50x and coverage ratio higher or equal to 1.2x. Also, CNFR Navrom must notify CITIBANK prior to any change in shareholding structure occurred after the contract was concluded.

As a subsidiary of TTS, Navrom Shipyard contracted from UniCredit Bank a multi-purpose loan, namely overdraft and issuance of bank guarantee letters, having a total value of EUR 2.3 million, out of which EUR 1.8 million for overdraft and EUR 0.5 million for bank guarantees. The overdraft line of EUR 1.8 million matures on 31.01.2022 and the line for bank guarantee letters of EUR 0.5 million matures on 31.01.2025.

Canopus Star has concluded a framework contract for loan facilities with CITIBANK on June 21 2016, by which CITIBANK made available to Canopus Star credit facilities of EUR 9,187,500, as follows:

- i) A loan of EUR 7,187,500 with multicurrency use (EUR/USD), final maturity on 31.05.2021, for refinancing the exposure to Unicredit Bank S.A. (transfer from Royal Bank of Scotland), granted for the modernisation and capacity increase of the grain terminal in Constanta Port.
- ii) A treasury line of EUR 2,000,000, to hedge the interest rate risk for the loan with IRS transactions or swap on interest. The facility has a maturity of 5 years and is due on June 21 2021.

The collateral package includes (i) collateral on bank accounts, (ii) assignment of all the borrower's present and future receivables (iii) mortgages on metal silos for grains and the related equipment, located in Constanta Port. There are restrictions regarding the right to sell, pledge, lease, dismantle, consolidate, build, demolish, restructure and fit out applicable to fluctuating payment assets. Moreover, letters of guarantee were issued by the Company and Cargill Incorporated.

The loan contract contains mandatory standard information, certain financial covenants and obligations related to turnover. The borrower undertakes to notify the bank before any change in shareholding structure or direct or indirect control. Contracts include provisions on the loans becoming early due in case of substantial adverse changes and failure to meet the other payment obligations of Canopus Star.

As subsidiary of TTS (Grup), Fluvius KFT contracted a loan from Citibank due on 31.10. 2025 to refinance lease balances having an outstanding amount of EUR 2.5 million. At the Prospectus Date in Hungary there is a moratorium to postpone the due instalments for loans until 30.09.2021.

As subsidiary of TTS (Grup), TTS Porturi Fluviale contracted a loan from a CITIBANK with a maximum amount of EUR 2.1 million out of which EUR 1.5 million as a term loan maturing on 30.11.2022, while the remaining amount may be used for overdraft, issuing bank guarantees, letters of credit or as treasury line. The limit for each such loan type is EUR 500,000 with a repayment period of 12 months, save for the treasury line that has a limit of EUR 100,000 and matures on 30.11.2022. Among others, the loan is secured by mortgage on two real estate located in Galați county, Galați City, Complex Comercial Tiglina 1 used as commercial and administrative area and on a real estate located in Brăila, Brăila City, 2 Fata Portului Street, collateral on a Gemeni 4 floating crane owned by TTS and located in Constanta Port, collateral on the current accounts of TTS Porturi Fluviale opened with CITIBANK and a letter of guarantee issued by TTS.

As subsidiary of TTS (Grup), Agrimol has concluded with CITIBANK a contract for a non-binding credit facility in maximum approved amount of EUR 1,710,000 for working capital, with automatic extension for periods of one year. Among others, the facility is secured by collateral on Agrimol accounts opened with the bank, mortgage on the borrower's present and future inventories, as well as by a letter of guarantee issued by TTS.

2. Lease contracts for plots of land or port assets

TTS (Grup) companies have concluded lease contracts with various public authorities for a significant number of plots of land located in port areas, mainly in Constanta, Galați, Brăila, Drobeta Turnu Severin, Giurgiu, Cernavodă, Tulcea și Bechet. The plots of land belong to the Romanian state's public domain.

The laws regulating the lease of port areas has been amended in time and, therefore, there are differences between the terms included in the various lease contracts concluded by TTS (Grup).

In general, the lease contracts for port areas are concluded (i) by open public auction or (ii) by direct allocation of plots of land, whether developed or not, where there are supra-structure elements held by private operators. In certain cases, TTS (Grup) companies acquired the supra-structure elements and therefore certain lease contracts were granted directly to these companies. The granting of lease contracts is still unclear and the authorities' interpretations of the terms for granting lease contracts are not consistent. Moreover, the practice of Cadastre and Real Estat Publicity offices in the country for the registration of TTS (Grup) companies as owners of the supra-structure elements is not consistent. Not all TTS (Grup) companies have been registered in the land registers as owners of the supra-structure elements they hold.

If a court decides that such lease contracts were concluded in breach of legal provisions and hence these are declared void, TTS (Grup) members using the respective property may be forced to cease any activity related thereto.

The lease contracts concluded by Canopus Star and TTS Operator for the assets located in Constanta Port set out that the lease will be negotiated every 5 years, upon the request of any party. If the parties do not agree the lease change within 10 days from the notice sent by any party, the parties must jointly appoint an expert setting the value of the lease by means of an evaluation report. The lease set by the expert will be mandatory for the parties. Other lease contracts have fix lease or fluctuating lease depending on inflation rate or annual cargo traffic. For certain contracts, in case the parties do not agree the lease change within 90 days from any party's initiative, any of them may file with the competent court an application for setting the lease by issuing a court decision to this end.

After lease contracts end, the lessees will or will not be compensated for the investments made/supra-structure elements held if the port authority decides to take over these assets. If the port authority decides not to take over the assets, the lessee must dismantle them from the leased land.

The following details the material lease agreements currently in force or concluded or renewed by TTS (Grup) companies in the past 2 (two) years.

2.1. Constanta Port

2.1.1 Lease contracts concluded by Canopus Star

Canopus Star has concluded four lease contracts with C.N. Administratia Porturilor Maritime S.A. Constanța ("CN APM Constanța"), namely (i) a contract for leasing certain platforms existing in the port, valid until December 31 2050, the termination of which also entails the termination of the lease contract set out at point (ii), (ii) a contract for the lease of plots of land with a total area of 43.672 sqm, with the existing supra-structure elements, valid until December 31 2050, the termination of which also entails the termination of the lease contract set out at point (i), (iii) a contract and subsequent addendums for the lease of a plot of land of 10,827 sqm, valid until 07.04.2030 and (iv) a contract for the lease of a plot of land of 624 sqm, valid until 09.03.2031. Canopus

may request the extension of the contracts under (i) and (ii) by a written notice sent to the port authority 60 days before the expiry of the initial period, while for the contracts under (iii) and (iv) eventual subsequent extensions may be made according to the legal provisions in force at the time of making the request.

Canopus Star has made investments in the expansion and modernisation of leased platforms. The new works were transferred free of any encumbrance to port authorities, once completed. In order to fully cover the investment made by Canopus Star, a compensation mechanism was agreed by which the amounts invested by Canopus Star are offset against 55% of the monthly lease.

In case of the lease contracts under (i) and (ii) above any party may unilaterally terminate the contract by a notice sent 5 days in advance in the following cases: (i) parties do not reach an agreement regarding the change in fees, (ii) parties do not reach an agreement regarding changes to the contract within 30 days from the notice sent by any party (iii) Canopus failed to meet the payment obligations. Any party may unilaterally terminate the contract for other reasons than those stated before, within 90 days from the written notice, but indemnities may be granted only in certain cases.

With respect to the lease contracts under (iii) and (iv), CN APM Constanța has the right to unilaterally terminate them without any other formality and without involving the court in case that, at any time during the contractual term, major interests and public order aspects for the development of port infrastructure are revealed, as approved by legal norms issued by the Romanian state, that could not be foreseen at the time the contracts were concluded. In case Canopus Star does not meet the obligations assumed in the lease contracts within 30 business days from the date of the termination notice, for these reasons, it will operate the contract termination. The period of 30 days may be extended to 90 days only in exceptional cases. Canopus Star has the right to unilaterally terminate the contracts by sending a notice 12 months prior to the date considered for termination.

CN APM Constanța may elect to take over the immovable assets built by Canopus Star on the leased land upon contract expiry or termination and compensate Canopus Star based on the prior approval of the Ministry of Transport. If there is no intention to take over the assets, Canopus Star must dismantle them at its cost. The supra-structure elements built by Canopus Star on the leased land that are not removed upon the expiry or termination of the lease contract, together with any other investments made by Canopus Star in port infrastructure, will become owned by CN APM Constanta, without any compensation to Canopus Star.

2.1.2 Lease contracts concluded by TTS Operator

TTS Operator has concluded two lease contracts, as subsequently amended, with CN APM Constanta:

- The first lease contract was concluded in 2002 for a plot of land of 10,634 sqm, and subsequently, by addendums, the area was extended to 11,452 sqm, out of which 10,634 sqm is the land for the supra-structure elements of TTS Operator and 818 sqm is undeveloped land plus a platform of 208 sqm. The contract, as amended by subsequent addendums, is valid until 21.12.2035. The contract may be extended upon the request of TTS Operator by notice sent one year before the expiry date. The assets built by TTS Operator before December 22 2015 will be dismantled on the contract's expiry or termination date. In case they are not removed, the assets will be transferred to the port authority without any compensation. The immovable assets built after December 22 2015, according to the investment program agreed by the parties, could be taken over by the port authority. Decisions regarding the transfer or any possible compensations will be made on the contract's expiry or termination date with the approval of the Ministry of Transport.
- The second lease contract for a plot of land of 1,257 sqm was concluded in 2010 and was extended until December 06 2035 by addendum no. 10/06.05.2016. CN APM Constanța will terminate the contract if TTS Operator defaults on its obligations and such default is not remedied within 30 days. There are minimum traffic requirements in both contracts.

2.1.3 Lease contract concluded by CNFR Navrom

A lease contract for a plot of land with an area of 3,924 sqm was concluded in 2016. The contract is concluded over 5 years starting October 20 2016. The contract may be extended based on the parties' written agreement upon the prior request from CNFR Navrom sent 60 days before the expiry date.

2.2 Danube Ports

2.2.1 Galați Port

TTS Porturi Fluviale has concluded a lease contract with CN APDM Galați in 2017 for a plot of land of 10,807 sqm located in Galați Port. The contract was concluded for 10 years, until May 1 2027 and may be extended for a period of maximum 10 years upon the written request of TTS Porturi Fluviale subject to meeting its contractual obligations. The lease contract may be unilaterally terminated by any party by written notice sent 15 days in advance.

After the expiry or termination of this contract for the plot of land of 10,807 sqm located in Galați Port, the fully amortized investments/assets will be transferred to CN APDM Galați free of any charges and without any compensation. The assets that are not fully amortized may be taken over by CN APDM Galați at the remaining value. If the assets are not taken over, TTS Porturi Fluviale must remove them from the leased land. Also, minimum traffic requirements are included, to be negotiated on a yearly basis. Failure to agree the minimum yearly traffic will lead to the contract being terminated.

CNFR Navrom has concluded a lease contract in 2011 with CN APDM Galați for a plot of land of 2,401.9 sqm that, upon CNFR Navrom request, was reduced by 2,000 sqm in 2014, to 401.9 sqm. An office building belonging to CNFR Navrom is built on this land. The lease contract for the remaining area of 401.9 sqm is valid until 15.12.2022.

On 24.08.2020 addendums to all the lease agreements for plots of land concluded by TTS (Grup) companies with CN APDM Galați were concluded, amending the contract structure in order to update their provisions according to the applicable legislation in force as of the respective date.

2.2.2 Brăila Port

TTS Porturi Fluviale has concluded in 2010 a lease contract with CN APDM Galați for a plot of land of 14,699 sqm and after that, in 2016, the area was re-measured and set at 14,200 sqm. The contract is valid until May 1 2040 and may be unilaterally terminated by any party by written notice sent 15 days in advance.

In 2013, TTS Porturi Fluviale has concluded a lease contract with CN APDM Galați for a plot of land of 9,943 sqm. The contract is valid until August 31 2023.

In 2020, TTS Porturi Fluviale has concluded a lease contract with CN APDM Galați for a plot of land of 3,512 sqm. The contract is valid until October 25 2030.

2.2.3 Drobeta Turnu Severin Port

In 2013 TTS Porturi Fluviale has concluded a lease contract with CN APDF Giurgiu for a plot of land of 38,238 sqm located in Drobeta Turnu Severin Port. The contract is valid until January 20 2024 and may be extended upon the request of TTS Porturi Fluviale, subject to meeting its contractual obligations. CN APDF Giurgiu has the option to take over the real estate built by the lessee on the leased land upon contract's expiry or termination and pay to TTS Porturi Fluviale the remaining value of the assets as compensation. If there is no intention to take over the assets, TTS Porturi Fluviale must dismantle them.

In 2008, following the merger by absorption with Navigație Fluvială Română Drobeta S.A., CNFR Navrom took over the lease contract concluded with CN APDF Giurgiu for a plot of land of 6,073 sqm located in Drobeta Turnu Severin Port, valid until 2057, according to the provisions of the concession agreement concluded in 2001 between the Ministry of Public Works, Transport and House and CN APDF Giurgiu.

2.2.4 Isaccea Port

In 2009 CNFR Navrom concluded a lease contract with APDM Galați for a port platform of 7,534 sqm, located in Isaccea Port. According to the subsequent amendments concluded, the contract is valid until December 31 2022. After its expiry or termination, APDM Galați may choose to take over the fix assets built on the area leased by CNFR Navrom and pay to CNFR Navrom their remaining value as compensation. If there is no intention to take over the assets, CNFR Navrom must dismantle them.

2.2.5 Giurgiu Port

In 2016, the Company has concluded a contract with CN APDF Giurgiu for a plot of land of 6,004 sqm located on the Romanian sector of Giurgiu Port. The contract is concluded for 10 years, until 15.02.2026, and may be extended for maximum 10 years, subject to the Company meeting its obligations. Upon contract expiry or termination, the Company must remove all movable assets and temporary constructions on the land. Still, the temporary constructions may remain owned by CN APDF Giurgiu, subject to a fair compensation. The investments in leased assets (utilities, rebuilding of access ways, revamping of hydro-technical constructions etc.) remain owned by CN APDF Giurgiu without any compensation being granted.

3. Contracts for acquisitions

TTS (Grup) companies have made acquisitions to develop their business. In the past 2 (two) years, TTS (Grup) has expanded its portfolio by acquiring the majority stake in the Hungarian operator Plimsoll KFT, assets (such as silos) in Giurgiu Port and expansion of its fleet of pushers.

4. Contract for sale-purchase of shares from the IFC

On 23.03.2018 the Company purchased from IFC (part of the World Bank) its remaining shareholding of 4.2548% of TTS share capital, namely 1,333,150 shares with a nominal value of RON 1/share for which it paid

EUR 6,239,142, redemption approved by the decision of TTS extraordinary general meeting. The own shares of IFC were cancelled by the decision of the Company's extraordinary general shareholders meeting no. 2 of 12.03.2018. Thus, TTS share capital was decreased from RON 31,333,150 to RON 30,000,000, this being registered with the Trade Register on 05.07.2018.

For details regarding the participation of the Company's shareholders following the decrease in share capital, see "*Description of Share Capital and Corporate Structure*".

5. Contracts concerning the Offering

For details on the contracts concerning the Offering, see chapter "*Subscription and Sale*" in this Prospectus.

REGULATORY ASPECTS

1. Companies Law

Companies Law no. 31/1990, republished, as subsequently amended and supplemented ("**Companies Law**") sets out the main rules regarding the registration, functioning, merger, spin off and liquidation of companies.

2. Post Listing Corporate Regulations

After the shares are admitted to trading, the Company shall be also subject to capital market specific corporate regulations including: (a) Law no. 24/2017 ("**Law 24/2017**") on issuers of financial instruments and market operations setting out the legal framework applicable to market operations with securities admitted or to be admitted on a regulated market, on a multilateral trading system or organised trading system supervised by the Romanian Financial Supervisory Authority - Law 24/2017 also applies to the issuers of such financial instruments, securities, public offerings and market abuse operations, (b) Regulation no. 5/2018 on issuers of financial instruments and market operations issued by the Romanian Financial Supervisory Authority ("**Regulation no. 5/2018**") as well as (c) various European regulations applying directly, such as Regulation EU UE 596/2004 on market abuse and Prospectus Regulation.

3. Activity of Freight Forwarding Houses

In Romania there is no special legislation regulating the activity of freight forwarding houses. Freight forwarding in relation to cargo river transport, port operation and storage is governed by the general civil law norms, regulating the obligations specific to the parties of a freight forwarding contract.

The freight forwarding contract developed as a consequence of the practice in the field. The specialised professional associations adopted a series of template contracts, such as: General terms regulating the activity of freight forwarding houses (adopted by the Union of Romanian Freight Forwarding Houses – USER) or FIATA Model Rules for Freight Forwarding Services.

Until 2011, in Romanian legislation, the freight forwarding of goods did not have its own regulation. Prior to that, it was classified by the doctrine as a part of the contract for the transport of goods. The freight forwarding contract obtained express regulation when the Romanian New Civil Code entered into force, on 1 October 2011, being referred to in Chapter IX, Section 3, Subsection 4 titled "Freight forwarding contract", art. 2064 – 2071, being expressly qualified as a species of the commission contract.

4. River Transport and Port Activities

4.1. Internal Regulations

Government Ordinance no. 19/1997 on transports, approved by Law no. 51/2002 sets forth: (a) the general norms applicable to road, rail, waterway and air transport, (b) components of the transport network of national and European interest included therein and (c) powers and responsibilities of the competent regulation, coordination, control, inspection and surveillance authorities regarding transport activities and means of transport.

The Ministry of Transport is a specialised body of the central public administration, while also being the state authority in the field of rail, road, sea, inland waterway, air, multi-mode and combined transports.

Government Ordinance no. 42/1997 on maritime and inland waterway transport, approved by Law no. 601/2003 on the approval of Government Ordinance no. 48/2003 for the amendment and supplementation of Government Ordinance no. 42/1997 on shipping traffic regulates the specific rules applicable to: (a) inland waterways transport, (b) organization of the institutional system in this area, (c) specific rules for the safe navigation. (d) specific rules for vessels and (e) specific rules for vessels' staff and/or staff conducting shipping activities and related activities.

The Ministry of Transport, Infrastructure and Communications as regulatory authority in the area of inland waterway transport, performs its tasks and duties directly or by delegating power by means of public institutions, national companies, autonomous administrations or trading companies under its authority.

The Romanian Naval authority, set-up by Government Decision no. 1133/2002 is the central specialised authority subordinated to the Ministry of Transport, Infrastructure and Communications in the field of navigation and ship safety. Port and/or inland waterway administrations perform the duties of port and/or inland waterway authority. The administrations ensure the enforcement of port and inland waterway policy elaborated by the Ministry of Transport, Infrastructure and Communications, the coordination of port and inland waterway activities and the implementation of infrastructure development programs.

Compania Națională Administrația Porturilor Dunării Maritime - S.A. Galați and Compania Națională Administrația Porturilor Dunării Fluviale - S.A. Giurgiu were set up by Government Decisions no. 518 and 520 of 1998. The Ministry of Transport, Infrastructure and Communications granted them a concession for the ship traffic infrastructure belonging to the state's public domain (that cannot be sold or mortgaged and remains owned by the state). The two national companies act as port authority and port and/or free zone administration.

Compania Națională Administrația Canalelor Navigabile - S.A. Constanta was set up by Government Decision no. 519/1998. It performs duties of port and waterway authority: (a) in ports the ship traffic infrastructure of which belongs to the state's public domain and this was granted as concession by the Ministry of Transport, Infrastructure and Communications, (b) on Danube-Black Sea Canal and Poarta Albă - Midia – Năvodari Canal.

Government Ordinance no. 22/1999 on port and waterway administration, usage of ship transport infrastructures belonging to public domain, as well as the performance of ship traffic activities in ports and inland waterways ("**GO 22/1999**") regulates the administration and use of ship traffic infrastructure, the organisation and operation of port and/or inland waterways administrations, as well as the authorisation and performance of ship transport activities.

According to GO 22/1999, the Romanian Naval Authority must authorise operators in order to carry out (i) ship transport activities with goods and/or persons, (ii) activities connected to ship transport activities such as the safety in ports and inland waterways and activities related to ship operation and (iv) activities auxiliary to ship transport activities, such as activities for the maintenance and repair of ship transport infrastructure, coast signage and buoys for navigation, maintenance dredging for ensuring the depths in ports and inland waterways, assisting vessels in operating dangerous goods, unloading residues and waste waters from vessels, unloading the garbage and domestic waste from vessels, as well as other activities.

Furthermore, GO 22/1999 sets forth that administrations may make available to users port land belonging to the state's public domain based on sub-concession or lease agreements, according to the law, in order to efficiently perform the port operations as defined in GO 22/1999. The use by vessels of piers, berths, port

installations, inland waterways and airlocks is made based on order/services agreement concluded between administrations and the owners/operators of vessels or their agents.

GO 22/1999 was amended by Law 235/2017 and subsequently by GEO 160/2020. Changes include the set-up of the Supervisory Council in naval area, organised and functioning as a structure without legal status within the Competition Council ("**Supervisory Council**"). The Supervisory Council has the following duties (i) supervises to what extent port administrations comply with the obligation to make the port infrastructure available to all users, freely and without discrimination, (ii) approves the substantiation norms of fees for using port and inland waterways infrastructure, charged by port administrations, as well as their structure in terms of expense items; (iii) approves the substantiation norms for lease, and royalty respectively for lease and concession/sub-concession of port land belonging to the state's public domain or administrative-territorial units charged by port administrations; (iv) approves the substantiation norms of fees charged by port administration for performing safety services and the structure in terms of expense items of these fees and checks their weight in the cost of the service provided; (v) supervises the application without discrimination of the fees mentioned under (ii) – (iv); (vi) assesses at its own initiative or upon receiving a claim and makes a decision regarding an unfair or discriminating conduct, applied by decisions made by the administrator of ship transport infrastructure in the areas set out in GO 22/1999, (vii) monitors and approves the procedure for elaborating framework agreements, (viii) issues recommendations for adopting measures facilitating the development of ship transport, (ix) collaborates with other public authorities in performing its duties, (x) regularly reviews the compliance with the legal framework in its area of activity and makes proposals for its improvement, according to European Union regulations and (xi) exchanges information with similar supervision bodies of European Union member states regarding their activity, principles and decision making practices, so as these are harmonised.

In performing the duties of relevant authority, the Supervision Council reviews at its own initiative or based on a claim and makes a decision regarding the failure to comply with the provisions of Regulation (EU) 2017/352, in relation to: a) obligations regarding access to market for the provision of port operations in maritime ports, as well as the conditions included in art. 3 of the regulation; b) minimum requirements for the provision of port services, as well as the procedure ensuring the compliance with the minimum requirements, included in art. 4 and 5 of the regulation; c) provisions on the limitation of the number of port services providers, according to article 6 of the regulation; d) limits for which domestic operators are responsible, set according to art. 8 of the regulation; e) provisions on the transparency of financial relations, set according to article 11 of the regulation; f) provisions on setting the fees for port services, as well as the fees for using port infrastructure, according to articles 12 and 13 of the regulation; g) failure to observe the obligations to consult port users and other interested parties mentioned at art. 15 of the regulation, including the obligation to keep confidential commercially sensitive information.

The amendments to GO 22/1999 aimed to make more efficient the use of port land belonging to the state's public domain and to increase the performance and professionalism standards of the management of port administrations, while administrations should give increased attention to their essential obligations to repair, maintain and modernise port and waterway infrastructure.

Another amendment of GO 22/1999 consists in supplementing the criteria for assigning sub-concession agreements by (i) performance criteria and (ii) ways to grant incentives/penalties for meeting/failure to meet the performance criteria, as well as elimination of criteria regarding (i) measures for environmental protection, (ii) minimum volume of cargo per year to be operated in/from vessels through the berths of the respective infrastructure and (iii) amounts by which the royalty shall decrease and increase respectively in case the volume of cargo operated in the berths of the respective infrastructure is higher and lower, respectively, than the minimum volume of cargo set in the tender documents. Also, the sub-concession agreements must contain provisions

regarding contract termination for the failure to pay the royalty for reasons for which the operator is responsible and failure to observe the schedule of execution of the investment program, if the amendment to the schedule was not approved by the respective concession provider, and the operator is responsible for the failure to observe the schedule. Another new element is that it also contains ways to indemnify for investments made in the sub-conceded ship transport infrastructure.

The regulation on the lease of ship transport infrastructure belonging to the state's public domain and is conceded to port and/or inland waterways administrations of 07.08.2012 was approved by Order 1286/2012 issued by the Ministry of Transport, Infrastructure and Communications. It stipulates that the planned and unplanned port land on which supra-structure elements are located (constructions, concrete platforms etc.), being privately owned by operators, is leased by port administrations to the respective operators. The right to temporarily use the port land/ship transport infrastructure is transferred to the lessee by means of a lease agreement concluded with the port administration as lessor.

The order of the Minister of Transports no. 859/2013 approved the "Regulation for navigating on the Danube in the Romanian sector" – edition 2013. The Regulation is based on the Fundamental Provisions for Navigating on the Danube adopted by the Danube Commission in 2010, and together with the decisions of the Convention on Danube navigation signed at Belgrade on 18 August 1948 ("Convention 1948") and the additional protocol thereto of 18 August 1948 form the international regulatory framework directly applicable to operators authorised to perform ship transport activities on the Danube.

4.2. International Regulations

The Convention on Danube navigation signed at Belgrade on 18 August 1948, together with the two annexes and the additional protocol thereto of 18 August 1948, set forth the principle of ensuring free navigation for all the commercial vessels belonging to all states with respect to port rights, navigation fees and conditions applicable to the navigation from Ulm to the Black Sea following Sulina branch.

European Code for Inland Waterways (CEVNI) (adopted by Resolution CEE-ONU no. 24 of 15 November 1985) mainly refers to general provisions regarding the duties of crew members, marks and draft scales on inland vessels, day and night signals on vessels, rules of the road, prevention of pollution of water and disposal of waste.

The fundamental provisions on Danube navigation elaborated by the Danube Commission (DFND) were taken over in the Regulation on navigation on Danube Romanian sector (between Km 1075 and exit in the Black Sea). The regulation defines the "vessel" as: inland waterway vessel, including small boats and ferries, as well as floaters and maritime vessels and the "ferry" as the vessel that crosses the waterway and is classified as ferry by the competent bodies.

The European agreement of 19 January 1996 on large inland waterways of international importance (AGN) has as main purpose to adopt a coordinated plan of development and construction of a network of waterways of international importance including Danube, Danube-Black Sea Canal and Constanta Port.

Budapest Convention on the Contract for the Carriage of Goods by Inland Waterway ("**Budapest Convention**") is an international convention that harmonised, for the first time, the legal provisions regulating the contracts for international cargo transport on inland waterways. Budapest Convention was concluded on 22 June 2001 and entered into force on 1 April 2005. It applies to all contracts for cargo transport by inland waterways in case the loading or unloading port is located in a country part of the convention. Budapest convention regulates the general rights and obligations of contracting parties mainly containing regulations related to: (a) type and

content of transport documents, (b) liability in case goods are lost or deteriorated during transport, (c) as well as the circumstances and cases that allow the exemption from liability.

In order to set single general terms regarding transport of cargo subject to foreign trade on the Danube, the river navigation companies of Bulgaria, Hungary, Romania, former USSR and former Czechoslovakia concluded, in September 1955, the Convention regarding the general terms for the transport of cargo on the Danube, also known as Bratislava Convention. Bratislava Convention mainly regulated: (a) relations between the parties of the river transport contract, (b) rights and obligations of parties in the river transport contract, as well as (c) working manner for carrying out the river transport contract.

On 2 September 1989, the Convention on the General Conditions of Carriage of Goods in International Traffic on the Danube ("**Siofok Convention**") was adopted by the riparian states. Siofok Convention was amended and supplemented by the Vienna Convention of 3 September 1994 and is in force as amended since 01 January 1995. Siofok Convention applies to international carriage of goods between Danube loading and unloading ports. It does not apply to the transport of persons or to inland cargo transport on the Danube. Siofok Convention replaces Bratislava Convention of 1955, regulating the same aspects as the latter, but adjusted to current economic realities.

4.3. European Union Regulations

Council Regulation (EEC) No 2919/85 of 17 October 1985 lays down the conditions to access the arrangements under the Revised Convention for the navigation of the Rhine relating to vessels belonging to the Rhine Navigation. It also regulates the competence and terms for granting a vessel the certificate confirming that it belongs to Rhine navigation.

Council Regulation (EEC) No 3921/91 of 16 December 1991 ("**Regulation no. 3921/91**") laying down the conditions under which non-resident carriers may transport goods or passengers by inland waterway within a member state. Regulation no. 3921/91 regulates the freedom of operators to perform cabotage services between member states without being necessary to set up a registered office or other unit, provided that it observes the legislation of the member states in which they are registered and that they are authorised for the international transport goods or passengers by inland waterway. Regulation 3921/91 also sets out that, in providing transport services, operators may use only vessels that belong to individuals residing in a member state and are member state nationals, or to legal persons which have their registered place of business in a member state and the member states nationals have a controlling interest therein.

Council Regulation no. 1356/96/EC on common rules applicable to the transport of goods or passengers by inland waterway between member states with a view to establishing freedom to provide such transport services was adopted on 8 July 1996. Its objective is to guarantee the fact that operators carrying goods or passengers on inland waterway have the freedom to provide such transport services between EU countries. Thus, the regulation applies to the transport of goods or passengers by inland waterway between EU Member States and in transit through them provided that these: (a) are established in an EU Member State in accordance with the laws of that Member State; (b) are entitled in that Member State to carry out international transport of goods or passengers by inland waterway, (c) use for such transport operations inland waterways vessels which are registered in a Member State or, in the absence of registration, possess a certificate of membership of a fleet of a Member State; (d) satisfy the conditions laid down in Regulation no. 3921 /91 under which non-resident carriers may transport goods or passengers by inland waterway within a Member State.

Directive (EU) 2016/1629 of the European Parliament and of the Council laying down the technical requirements for inland waterway vessels, amending Directive 2009/100/EC and repealing Directive 2006/87/EC, as subsequently amended, establishes (i) the technical requirements necessary to ensure the safety of craft

navigating on the inland waterways and (ii) the classification of those inland waterways. The compliance of a craft with the requirements included in Directive 2016/1629 is confirmed by a union inland navigation certificate issued by the competent authorities of the Member States.

Directive 2008/68/EC of the European Parliament and of the Council on the inland transport of dangerous goods was adopted on 24 September 2008 and subsequently amended and contains common rules for the transport of dangerous goods by road, by rail or by inland waterway within the EU. Also, the directive refers to aspects like loading and unloading, transfer to or from another mode of transport and the stops necessitated by the circumstances of the transport. Furthermore, the directive extends the application of international norms to inland transport of dangerous goods.

5. Regulations on Warehouses

The Emergency Ordinance no. 12/2006 for laying down measures regulating the market of grains and grain processed products sets forth certain measures in order to improve the organisation and functioning of the grain market. The Emergency Ordinance no. 12/2006 lays down the obligation to store grains only in areas authorised by the Ministry of Agriculture and Rural Development. These warehouse areas must ensure the compliance with the requirements regarding storage, reception, preservation and delivery of grains at the quality indices agreed with the owners of the goods.

The Order of the Minister of Agriculture and Rural Development no. 222/2006 for the approval of the Regulation on the authorisation of warehouse areas for agricultural products contains the procedures for granting the authorisation as warehouse to storage areas for agricultural products and the minimum technical conditions that storage areas must observe. The Order also contains the procedures regarding its suspension or cancellation.

6. Vessel Bunkering

Bunkering consists in supplying fuel to vessels, both on water and on land in the ports operated by port administrations. Bunkering is regulated by the provisions of GO no. 22/1999, as amended by Law 235/2017 and GEO 160/2020, classifying these bunkering activities as activities ancillary to ship transport activities.

Government Decision no. 245/2003 approving the Regulation for the enforcement of Government Ordinance no. 42/1997 on ship transport lays down the fact that bunkering operations for vessels and those with dangerous goods are performed with the authorisation and under the surveillance of port management.

7. Activity of Naval Shipyards

Government Ordinance no. 42/1997 (GO 42/1997) defines the basins of naval shipyards Romania's inland waterways as being areas of water included in naval shipyards used for vessel construction and repairs. GO 42/1997 stipulates that, upon the request of the naval site, newly built vessels in Romania wear the Romanian flag, based on a temporary permit issued by the Romanian Naval Authority. At the same time, port management is responsible for keeping track of the vessels under construction in the register of vessels under construction.

8. Activities in Free Zones and Border Crossing Points

8.1. Customs Code

Law no. 84/1992 on the status of free zones defines the free zone as being the geographical area on Romanian territory where economic operators carry out business, and the persons, goods, means of transport and other assets are subject to the provisions of union and national customs legislation. Introducing in or taking out from the country of goods, means of transport and any other assets are subject to the provisions of Law 86/2006

approving the Customs Code of 2006, as subsequently amended. In Romania the EU Regulation no. 952/2013 laying down the Union Customs Code applies.

8.2. Favourable approval of the Coast Guard

According to the provisions of the Emergency Ordinance no. 105/2001 on Romania's state border, approved with amendments by Law no. 243/2002, save for border control activities, all the activities performed at border crossing points that, in their nature, impact on the performance of specific control activities, public order, environment and traffic safety at border crossing points are subject to the approval of the Coast Guard.

9. Wholesale Trade Activities

Government Ordinance no. 99/2000 on trading market products and services sets forth that performing trading activities in public areas with food, non-food products and market services (included in the annex to the ordinance) is subject to the approval of local public administrations. Trading such products and services is allowed only for operators legally formed and registered, that trade in market products and services and hold the functioning permits issued according to legal regulations in force. Also, for the exercise of trading activities with food products, operators must hold the appropriate qualifications.

10. Regulations on Vessel Registration and Operation

10.1. Certificate for the vessel belonging to Rhine navigation

Order no. 1417/2012 on measures for the enforcement of Council Regulation (EEC) No 2919/85 of 17 October 1985 laying down the conditions for access to the arrangements under the Revised Convention for the navigation of the Rhine relating to vessels belonging to the Rhine Navigation. The order sets forth the conditions and the power of the Romanian Naval Authority to issue and withdraw the certificate for belonging to the Rhine navigation for a ship under Romanian or foreign flag.

10.2. Nationality Certificate and Ship Certificate

According to Government Ordinance no. 42/1997 on maritime and inland waterway transport, in order to have access to Romanian national waters, any ship must hoist the flag of the state where it is registered. The Ministry of Transport, through the Romanian Naval Authority, gives the right to hoist the Romanian flag to vessels owned by Romanian legal or natural persons, as well as to vessels held by authorised individuals, individual or family businesses.

After granting the right to hoist the Romanian flag, port management registers the vessel in the appropriate registers and issue the vessel nationality document. The nationality document certifies this right, the validity of which expands over the entire period in which the vessel has the right to hoist the Romanian flag or until the owner and/or vessel operator changes. According to the Order of the Ministry of Transport no. 889/2013 on the record and registration of vessels under Romanian flag, the nationality documents issued by port management may be nationality certificates for maritime vessels or ship certificates for the other vessels subject to the order.

11. Regulation on Personal Data Protection and Processing

Law no. 190/2018 on measures for the enforcement of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). The legal document lays down the information that qualifies as personal data, as well as the terms and conditions in which they may be processed.

12. Foreign Currency Regulations

The Romanian foreign currency regime is regulated by Regulation no. 4/2005 of the National Bank of Romania, laying down the complete liberalisation of foreign currency operations starting 1 September 2006. Still, if short term capital flows of high importance have a strong pressure on the foreign currency market and materially impact on the monetary policies of the National Bank of Romania, with significant impact on domestic liquidity, the National Bank of Romania may initiate certain safeguarding measures in relation to capital foreign currency operations, for a period of maximum six months. Safeguarding measures include, among others: (i) temporary withholding of incoming and outgoing foreign currency amounts; (ii) restrictions on maturity; (iii) increase of minimum reserve; (iv) introduce restrictions regarding the initiation of new short term capital foreign exchange operations and (v) introduce additional measures for monitoring capital foreign exchange operations and/or foreign currency control measures.

13. Regulations on Environmental Protection

13.1. General Regulations

According to the provisions of Government Emergency Ordinance no. 195/2005 on environmental protection, the public authorities for environmental protection are responsible for authorising the economic and social activities impacting on the environment.

According to the Special Rules on Navigation of Danube between Sulina roadstead and Brăila port (km 175) set forth by the River Administration of Lower Danube – Galați based on article 23 of the "Convention on Danube Navigation", concluded in Belgrade on 18 August 1948 and on "Fundamental provisions on the navigation on Danube" adopted by Danube Commission in 2010, the International Convention for preventing pollution by vessels of 1973, amended by the Protocol of 1978 (MARPOL 73/78) to which Romania adhered by Law no. 6/1993 also apply to river and maritime vessels navigating on the respective part of the Danube.

Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements, amended by Directive 2009/123/EC was transposed in national legislation by amending Law no. 17/1990 on the legal status of inland maritime waters, territorial sea, contiguous zone (the part of sea adjacent to territorial sea expanding into the sea until 24 marine miles) and of Romania's exclusive economic area.

13.2. Regulations regarding environmental permits

An environmental permit must be obtained in order to carry out the activities included in Annex 1 of the Order of the Ministry of Environment and Sustained Development no. 1798/2007 (i.e. transports on inland waterway, rail transport, warehouse, wholesale trade of wastes and disposals).

According to Order no. 1798/2007, environmental permits may be granted based on the documentation submitted by the operator with environmental protection authorities.

13.3. Regulations regarding ways to prevent and repair damages to the environment

Government Emergency Ordinance no. 68/2007 on environmental liability regarding the prevention and repair of damages to the environment lays down that: (a) operators in Romania are strictly liable for damages caused to the environment, including land, water or air, in any case of pollution and (b) operator must bear all the costs in such cases, unless: (i) the damage is caused by a third party, (ii) the operator acted according to the decisions and/or instructions of a public authority, (iii) it is an activity for which it was technically impossible to foresee the damage or (iv) it is about an authorised event.

Ordinance no. 68/2007 transposed in Romanian law the provisions on Directive no. 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage, as well as the provisions of EU Regulation no. 259/1993 on the supervision and control of shipments of waste within, into and out of the European Community, regulation cancelled and replaced by EU Regulation no. 1013/2006 on shipments of waste.

13.4. Regulations regarding ship-generated waste and cargo residues

Ordinance no. 20/2012 on port reception facilities for ship-generated waste and cargo residues aims to reduce the discharge of ship-generated waste and cargo residues in the navigable national waters, especially of illegal discharges by vessels using Romanian ports, by improving the availability and use of port reception facilities for ship-generated waste and cargo residues.

Ordinance no. 20/2012 transposed in national legislation the Directive 2000/59/EC of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues, repealed by Directive EU 883/2019 on port reception facilities for the delivery of waste from vessels, amending Directive 2010/65/EU and repealing Directive 2000/59/EC.

13.5. Regulations on the prevention of water pollution

The following EU Directives were transposed in the national legislation by means of Government Decision no. 570/2016 ("**HG 570/2016**") on the approval of the Program for staged elimination of discharges, emissions and losses of priority hazardous substances and other measures for main pollutants, published in the Official Gazette no. 633 of 18 August 2016:

- i) Directive 2008/105/EC of the European Parliament and of the Council of 16 December 2008 on environmental quality standards in the field of water policy, amending and subsequently repealing Council Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and amending Directive 2000/60/EC of the European Parliament and of the Council, published in the European Union Official Journal series L, no. 348 of 24 December 2008;
- ii) Commission Directive 2009/90/EC of 31 July 2009 laying down, pursuant to Directive 2000/60/EC of the European Parliament and of the Council, technical specifications for chemical analysis and monitoring of water status, published in the European Union Official Journal series L, no. 201 of 1 August 2009, and
- iii) Directive 2013/39/EU of the European Parliament and of the Council of 12 August 2013 amending Directives 2000/60/EC and 2008/105/EC as regards priority substances in the field of water policy, published in the European Union Official Journal series L, no. 226 of 24 August 2013.

GD 570/2016 aims to reduce the pollution caused by hazardous substances and prevent the pollution caused by certain hazardous substances discharged in the water.

13.6. Regulations regarding environmental management

According to Government Decision no. 57/2011 laying down certain measures ensuring the enforcement of the provisions of Regulation (EC) no. 1.221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC, the central public authority for environmental protection in Romania ("**National Agency for Environmental Protection**") was appointed as competent agency responsible for registering Romanian companies with respect to environmental management and audit. Also, the National Agency for Environmental Protection is responsible for the registration in EMAS of companies located in other EU member states, where the

registration is mandatory, according to art. 3 (2) of Regulation (EC) no. 1.221/2009 of the European Parliament and of the Council.

13.7. Regulation regarding public access to environmental information

According to Government Decision no. 878/2005 on the public access to environmental information, published in the Official Gazette no. 760 of 22 August 2005, the companies holding environmental permits must actively disclose and make available to public certain environmental information. This decision transposed in national legislation Directive no. 2003/4/EC of the European Parliament and of the Council on public access to environmental information.

The regulations listed above in this chapter form the main regulatory framework of the Company and of companies part of TTS (Grup). These do not provide a complete list of all the applicable regulations.

TAXATION

The information presented below is a summary of the most important tax consequences that may be generated by the purchase, holding and sale of shares in Romanian listed companies.

Such information is based upon laws, regulations and administrative procedures in effect at the date of this Prospectus and does not purport to be a legal opinion or to address all tax aspects that may be relevant for Romanian or foreign companies, as well as for individuals, in connection to shares of Romanian listed companies.

The issuer of the shares recommend potential investors, before making the decision to purchase shares, to consult its own tax advisors as to the particular tax consequences to such holder, including the applicability of double taxation treaties, proposed changes in applicable tax laws as of the date of this Prospectus, and of any actual changes in applicable tax laws after the publication of the Prospectus.

1. Relevant definitions included in domestic tax legislation

Law no. 227/2015 on Fiscal Code ("**Fiscal Code**") includes the following definitions:

"**resident**" means any Romanian legal entity, any foreign legal entity which has its place of effective management in Romania, any legal entity having its headquarters in Romania, incorporated according to European legislation and any resident individual.

"**resident individual**" is any natural person who either (a) has his/her domicile in Romania, or (b) has his/her centre of vital interests located in Romania, or (c) is present in Romania for a period or several periods exceeding in aggregate 183 days during any 12 consecutive months, and that period(s) end(s) in the calendar year relevant for tax purposes, or (d) is a Romanian citizen who works abroad as an officer or an employee of the Romanian State.

"**non-resident individual**" means any individual who does not meet the conditions for being considered a resident individual, as well as any individual foreign citizen with diplomatic and consular position in Romania, foreign citizen who is an employee or officer of an international or intergovernmental organization registered in Romania, a foreign citizen who is an officer or an employee of a foreign state in Romania and their family members;

"**Romanian legal entity**" means any legal entity established and operating in accordance with Romanian law;

"**foreign legal entity**" means any legal entity which is not a Romanian legal entity and any legal entity established pursuant to European law which is not headquartered in Romania;

"**non-resident**" means any foreign legal entity, any non-resident individual and any other foreign entities, including undertakings for collective investment in transferable securities without legal personality, which are not registered in Romania according to the law;

2. Taxation of dividends

2.1. Tax rate

According to the Fiscal Code and its enforcement Norms (approved by Decision no. 1/2016 on the Fiscal Code Enforcement Norms, as subsequently amended), dividends paid by Romanian companies to shareholders

legal entities or individuals (residents or non-residents) are subject to 5% withholding tax ("Tax on Dividends"). This tax must be withheld by the Romanian company out of the gross value of dividends paid to shareholders.

2.2. Exemption from Tax on Dividends

Shareholders Romanian legal entities receiving dividends from a Romanian company may be eligible for exemption from the Tax on Dividends pursuant to Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU member states ("Directive 2011/96/UE"), which was implemented in the Fiscal Code, provided that they have held a minimum of 10% of the shares of the Romanian company for a period of at least one year elapsed until the date of payment of said dividends.

Shareholders legal entities that are tax residents in an EU member state may benefit from the same exemption from the Tax on Dividends set forth by Directive 2011/96/EU subject to compliance with the two criteria specified above (regarding quota and minimum holding period) plus the following two criteria: have one of the organization forms provided for in Directive 2011/96/EU and pay income tax or a tax similar to income tax in their home state (without the possibility of an option or exception).

If the shares in the Romanian companies are not held by shareholders foreign legal entities for a period of at least 1 year from the dividend payment, the Tax on Dividend shall be applied by the Romanian company at the time of paying the dividends but, as long as the shares continue to be held until the lapse of a 1-year period, the tax paid may be recovered from the Romanian tax authorities.

Dividends distributed by a Romanian legal entity to privately managed pension funds, optional pensions funds and bodies of the public administration exercising, according to the law, the rights and obligations deriving from the capacity of shareholder of the state/administrative-territorial unit in that Romanian legal entity are also exempted from the payment of the Tax on Dividend.

2.3. Application of double taxation treaties for non-resident shareholders

The Tax on Dividends laid down in the Fiscal Code may be reduced or even eliminated depending on the shareholder's country of residence (individual or legal entity), based on the double taxation treaties (if any) concluded between Romania and the country of residence of the non-resident shareholder ("Double Taxation Treaty").

To benefit from the protection of the applicable Double Taxation Treaty, a non-resident shareholder is required to provide a tax residency certificate issued by the tax authority from the relevant state or another document issued by an authority, other than the tax authority, responsible for the certification of the tax residency under the domestic law of that state. This certificate must be valid for the year in which the tax is owed and must be submitted (directly or by the shareholder's custodian agent) to the company paying dividends, in original or as notarised copy, together with an authorised translation into the Romanian language. In case the competent foreign authority issues the tax residency certificate in electronic format or online, it shall represent the original of the tax residency certificate.

In the absence of a tax residency certificate at the time of dividend payment, the Tax on Dividends will apply and, after the tax residency certificate is submitted (within the statute of limitation) the Tax on Dividend paid may be recovered from the Romanian tax authorities.

2.4. Declaration and payment of Tax on Dividends

The Romanian Company paying dividends must declare and pay the Tax on Dividend until the 25th day of the month following dividend payment, but no later than 25 January of the year following the approval of the

annual financial statements in case dividends were distributed but not paid until the end of the year in which the annual financial statements were approved. For dividend payers whose fiscal year is different from calendar year, the deadline of 25 January mentioned above is replaced by the 25th day of the first month of the different tax year, following the year in which the annual financial statements were approved.

3. Taxation of capital gains obtained from the sale of shares

3.1. Tax rate set out by the Fiscal Code

According to Fiscal Code, capital gains obtained by shareholders from the sale of shares in Romanian listed companies are subject to tax as follows:

- 1) 16% income tax in case of Romanian legal entities paying income tax and in case of foreign legal entities;
- 2) 1% or 3% income tax in case of Romanian legal entities paying micro-companies income tax;
- 3) 10% income tax in case of individuals resident in Romania and in case of non-resident individuals;

This gain is calculated as the positive difference between the sale price and the purchase price of those shares, less any fees, charges and other amounts related to the purchase/sale of shares.

3.2. Exemption from tax on capital gains

Capital gains derived by from the sale of shares held in a Romanian legal entity by Romanian legal entities paying income tax or by legal entities resident in a state with which Romania has concluded a Double Taxation Treaty are not subject to taxation in Romania, provided that said shareholders have held more than 10% of the share capital of the company for a continuous period of at least one year, on the date of the sale.

3.3. Application of double taxation treaties

Non-residents (individuals and legal entities) may benefit from the protection granted by a Double Taxation Treaty concluded between Romania and their country of residence in order not to pay in Romania the tax on capital gains obtained by the sale of shares in a Romanian company. For non-resident legal entities, invoking the protection of the double taxation treaty is necessary when the exemption set forth under section 3.2 above does not apply.

To benefit from the protection of the applicable Double Taxation Treaty, the non-resident seller must obtain from the competent tax authorities in its country of residence a tax residency certificate or another document certifying its tax residency in original or as notarised copy (together with an authorised translation into the Romanian language). This certificate must be sent to the Romanian intermediary involved in carrying out the transaction; in case there is no such intermediary, the non-resident seller must send the tax residency certificate to the company whose shares are transferred.

Otherwise, in the absence of a tax residency certificate at the time of realising the capital gains in Romania and in the absence of any exemption, the tax mentioned at par. 3.1. above applies. In case the certificate is submitted subsequently (within the statute of limitation) the tax paid in Romania may be recovered from the Romanian tax authorities.

3.4. Declaration and payment of tax on capital gains

3.4.1. Capital gains realised by shareholders individuals

Resident and non-resident individuals realising capital gains from the sale of shares issued by a Romanian company are required to file with the competent tax office an annual tax return with respect to income tax and social contributions due, by 15 March of the following year.

Non-resident individuals must be registered in Romania for tax-purposes in order to observe the obligations to declare and pay the tax on capital gains in Romania, directly or by a proxy with a tax domicile in Romania – in case of persons resident in (i) an EU member state, (ii) a state in the European Economic Area or (iii) a state with which Romania has concluded an international agreement for tax administrative cooperation and recovery of tax receivables in Romania. In case of non-resident individuals that do not meet any of the conditions set forth under (i) – (iii) above, the obligation to declare and pay the tax on capital gains due in Romania must be carried out (in the name and out of the funds of the individual) by an attorney having the tax residency in Romania.

Non-resident individuals do not have the obligation to declare in Romania the gains/losses resulted from transactions made during the year, provided that the double taxation treaties concluded between Romania and the countries of residence of the non-resident individuals do not mention the right to tax in Romania and the respective persons submit the tax residency certificate.

3.4.2. *Capital gains obtained by shareholders Romanian legal entities*

If the tax exemption set forth at section 3.2 above does not apply, capital gains realised by a Romanian legal entity from the sale of shares in another Romanian company shall be part of that company's taxable result (profit or loss) and shall be subject to tax, as appropriate.

In case the shareholder is a Romanian legal entity paying micro-company tax, it shall due a tax of 1% or 3% (depending on the number of employees) on the income from the sale of shares and not on the capital gains.

3.4.3. *Capital gains obtained by foreign legal entities*

As a general rule, a foreign legal entity deriving income from the sale of shares in a Romanian company must register with the competent tax authority for the declaration and payment of the capital gains tax to Romanian tax authorities. The procedure for declaring and paying income tax by the non-resident seller of shares may be carried out using a proxy in Romania.

If the non-resident seller benefits from the relief of a Double Taxation Treaty in respect of Romanian capital gains tax, to invoke the treaty protection, it must provide a tax residency certificate (or a similar document certifying the tax residency) to the company whose shares are sold. A notarised copy of the tax residency certificate or of the similar document certifying the tax residency shall be attached to the tax return to be submitted to the competent fiscal body.

3.5. Individual social healthcare contribution

A 10% social healthcare contribution is due by shareholders resident individuals for investment income (dividends, capital gains) if they estimate for the current year non-salary income (such as income from independent activities, income from assigning the use of goods, income from investments) the aggregate value of which is at least equal to 12 minimum gross salaries per country, in force at the time of filing the income tax return and social contributions due by individuals.

The 10% social healthcare contribution is calculated by reference to a fix base (12 minimum gross salaries per country) and not to the income effectively realised. This obligation exclusively applies to individuals, as there is no obligation to withhold any amount on the side of income payers.

3.6. Other taxation aspects

The sale of shares in a Romanian company qualifies as VAT exempt operation without deduction right. Also, stamp taxes do not apply in case of selling shares in a Romanian company.

THE COMMENTS ABOVE ARE A GENERAL SUMMARY AND DO NOT COVER ALL THE TAX ASPECTS THAT COULD BE IMPORTANT FOR A CERTAIN INVESTOR. A POTENTIAL INVESTOR SHOULD CONSULT ITS TAX ADVISORS REGARDING THE PARTICULAR TAX IMPLICATIONS GENERATED BY THE INVESTMENT IN SHARES, TAKING INTO ACCOUNT THE SPECIFIC CIRCUMSTANCES OF THE POTENTIAL BUYER.

SUBSCRIPTION AND SALE

1. General information regarding the Offering

The Offering consists in a number of up to 15,000,000 Shares offered by the Selling Shareholders ("**Offer Shares**"), representing maximum 50% of the Company's Shares. The Offer Shares are offered by:

- Alexandru – Mircea Mihăilescu – up to 7,541,850 Shares,
- Ion Stanciu – up to 2,121,200 Shares,
- Viorel Ștefan – up to 1,533,300 Shares,
- Peter Hungerbuhler – up to 1,378,650 Shares,
- Constantin Hârțan – up to 757,575 Shares,
- Petru Ștefănuț – up to 454,550 Shares,
- Aurel-Florin Moldoveanu – up to 151,525 Shares,
- Daniel Ștefan Jancovschi – up to 226,525 Shares,
- Silviu-Cătălin Petrea – up to 226,525 Shares,
- Antonio-Gabriel Stoean – up to 226,525 Shares,
- Daniela-Camelia Simion – up to 151,525 Shares,
- Mihaela-Aurelia Cismek – up to 76,750 Shares,
- Mihaela Miron – up to 76,750 Shares,
- Florin Alexandrescu – up to 76,750 Shares.

The Offering consists in an offering of Offer Shares to: (I) Romanian Institutional Investors and Retail Investors and (II) persons of EEA member states, save for Romania, subject to Prospectus Regulation and that (i) are "qualified investors" for the purpose set forth in article 2(e) of Prospectus Regulation ("**Institutional Investors**") and/or (ii) are less than 150 natural or legal persons, other than Institutional Investors, per EEA Member State and/or (iii) subject to any other exception mentioned in Article 1(4) of Prospectus Regulation; and (III) persons of other jurisdictions that may legally purchase the Offer Shares.

The Offer Shares will be offered in two tranches: Retail Tranche and Institutional Investors Tranche (see section "*Offering Tranches*" below).

The Offer Shares will be offered at a price in the range of RON _19_ to RON _20_ ("**Offering Price Range**"). Subscriptions will be made in RON.

The Offering Period will begin on 24.05.2021 and end on 04.06.2021 (see section "*Offering Period*" below). The Selling Shareholders and the Manager may: (i) extend the Offering Period; or (ii) amend other dates related to the Offering, in each case subject to Romanian legislation. The Offering may not be closed earlier.

Information related to the index of allocation for the Retail Tranche - Sub-Tranche B, together with the final number of allocated Offer Shares will be made public on the last day of the Offering Period ("**Allocation**").

Date) expected to be 04.06.2021. The Final Offering Price (as defined below) will be publicly announced at the latest on the Business Day immediately following the Allocation Date.

In case the Offering is not fully subscribed, the allocation will consider the pro rata principle with respect to the Selling Shareholders, with the option to make certain adjustments as agreed on the Allocation Date.

The transactions related to the Offer Shares will be carried out on the next Business Day following the Allocation Date (the "**Transaction Date**"), estimated to be 07.06.2021. The settlement will be made through the Romanian CSD's system within two Business Days from the Transaction Date (see section "*Settlement*" below). The admission of Shares to trading will take place after subscribers are notified in relation to the number of Offer Shares that was allocated to them.

After the beginning of the Offering Period, the Offering may not be revoked or suspended unless in exceptional cases set out by the applicable law.

2. Offering Tranches

Any Romanian or foreign investor, individual or legal entity, may subscribe in the Offering, except for those investors whose subscription in the Offering would constitute a violation of applicable legislation. Investors who are not Romanian individuals or legal entities and intend to subscribe for Offer Shares must be familiar with the laws applicable to the Offering in their jurisdictions and the restrictions set out in the chapter "*Selling and Transfer Restrictions*" below.

For the purpose of this Prospectus:

- "**Institutional Investors**" mean (A) Romanian investors that are (i) credit institutions, (ii) investment firms (SSIF), (iii) undertakings for collective investments (collective investment funds, investment companies and/or investment management companies), (iv) insurance companies, (v) pension funds and companies managing the respective funds, (vi) traders, (vii) trust companies, (viii) other investors considered by the Manager to be professional clients according to its internal regulations and the applicable law and (ix) other financial institutions, including deposit banks; and (B) eligible investors, outside Romania, subject to paragraph 2 of the section "*General information regarding the Offering*" above; and
- "**Retail Investors**" mean any natural or legal persons in Romania that do not meet the criteria for being considered Institutional Investors.

The Offer Shares will be split in two tranches (each one a "**Tranche**") as follows:

- 1) up to 15% of Offer Shares (up to 2,250,000 Offer Shares) shall be offered to Retail Investors ("**Retail Tranche**") and
- 2) the remaining Offer Shares (up to 12,750,000 Offer Shares) shall be offered to Institutional Investors ("**Institutional Investors Tranche**").

The Retail Tranche shall be split in two Sub-Tranches with different allocation rules, as follows:

- a) Sub-Tranche A, with guaranteed allocation: representing 10% of total Offering, namely a total of 1,500,000 Offer Shares, with "*First come first served*" allocation. In this Sub-Tranche a Retail Investor may subscribe minimum 240 Offer Shares, including, and maximum 7,500 Offer Shares, including by one or more subscriptions of minimum 240 Offer Shares;
- b) Sub-Tranche B with "*Pro-rata*" allocation: representing 5% of total Offering, namely 750,000 Offer Shares. In this Sub-Tranche B a Retail Investor may subscribe minimum 240 Offer Shares. Any valid subscription

of a Retail Investor that (i) is made for a number exceeding 7,500 Offer Shares; or (ii) cumulated with the other subscriptions of the investor leads to more than 7,500 Offer Shares and/or (iii) is made after the full subscription of the Retail Tranche – Sub-Tranche A and/or (iv) together with all the other subscriptions registered in the Retail Tranche – Sub-Tranche A would lead to maximum number of 1,500,000 Offer Shares in Retail Tranche – Sub-Tranche A being exceeded, it shall be registered as order in Retail Tranche - Sub-Tranche B.

Retail Investors may make multiple subscriptions, which will be allowed only through the same Manager/Distributor or Eligible Participant. In case of multiple subscriptions, the responsibility to register in the Retail Tranche – Sub-Tranche B the orders related to valid subscriptions the value of which, cumulated with the other subscriptions of the investor, would lead to the number of 7,500 Offer Shares being exceeded, lies with the Manager/Distributor and/or Eligible Participant through which the respective subscriptions were made.

In the Retail Tranche subscriptions may be made in both allocation categories, namely Sub-Tranche A and Sub-Tranche B.

After the closing of the Offering, depending on the Retail Investors' interest, after consulting the Manager and based on the unilateral decision of the Selling Shareholders, a number of shares representing maximum 5% of the total value of the Offering may be relocated from the Institutional Investors Tranche to the Retail Tranche, Sub-Tranche B.

The final size of each Tranche shall be determined by the Selling Shareholders following the Manager's recommendation, based on the level of subscriptions received from investors, on the Allocation Date (see section "*Allocation of Offer Shares*" below).

The Offer Shares within each of the Tranches above are of the same class, namely ordinary shares, are subject to the same legal provisions and confer the same rights and obligations to their owners.

3. Offering Period

The Offering will be initiated two Business Days after the Prospectus publication date.

Subscriptions may be made starting on 24.05.2021 and until 04.06.2021 inclusively, namely 9 Business Days ("**Offering Period**"). The Manager and the Selling Shareholders may extend the Offering Period or may change other data related to the Offering according to Romanian law and the terms of the Prospectus may be amended after it has been approved by the FSA subject to the following terms: a) obtain the FSA approval to amend the Prospectus, b) the change in Offering terms does not lead to less favourable conditions for those to which it is addressed and c) the amendment is subject to an announcement made available to investors in the same terms as the Prospectus. Any request to amend the approved Prospectus will be submitted to the FSA at least three Business Days prior to the last day of the Offering. In case the amendments regarding price or other items in the Prospectus, save for the Offering closing date, is approved, the FSA has the right to extend the Offering period so that there are at least two Business Days from the publication of the amendment and until the closing of the Offering.

For more details regarding revocation of subscriptions see "*Changing and Revoking Subscriptions*" below.

4. Offering Price

The Offer Shares are offered at the Offering Price Range of RON ___19___ to RON ___21___ per Offer Share. Subscriptions of Offer Shares will be made in RON.

Retail Investors may subscribe for Offer Shares at the fixed price of RON __21__ per Offer Share, i.e. the top of the Offering Price Range.

Institutional Investors may validly subscribe for Offer Shares at any price within the Offering Price Range, including the bottom and/or the top of the Offering Price Range. The price tick for the subscription of Offer Shares by Institutional Investors is RON 0.1.

Bank charges or any other charges, including any applicable commissions of the relevant market institutions, relating to the payment of the subscription price shall be borne separately by the investors. Such charges cannot be quantified by the Manager, the Selling Shareholders, or the Company.

5. Bookbuilding

During the Offering Period, a bookbuilding process for the Offer Shares will be carried out. During the bookbuilding process, the Manager and the Selling Shareholders will gauge the level of interest in the Offering on the part of Institutional Investors and the price sensitivity of such Institutional Investors in relation to the Offering Price Range. Potential Institutional Investors will be required to specify the number of Offer Shares which they would be prepared to acquire and the related price for them. Such number of Offer Shares and the price at which such investors express their interest will be recorded in a book maintained by the Manager (the "**Book**").

Subscriptions received from Retail Investors will not be considered in the bookbuilding process.

The Offer Shares in the Institutional Investors Tranche are only to be sold at the Final Offering Price and only to those investors who subscribed Offer Shares at a price equal to, or higher than, the Final Offering Price.

6. Final Offering Price

The Final Offering Price for Retail Investors is equal to the Final Offering Price for Institutional Investors. The Final Offering Price will be determined within the Offering Price Range, the latest on the Business Day immediately following the Allocation Date, by the Selling Shareholders in agreement with the Manager on the basis of the expressions of interest made by the Institutional Investors during the bookbuilding process. The allocated Offer Shares will be sold to Retail Investors and Institutional Investors at the Final Offering Price. The successful closing of the Offering will be subject, inter alia, to the determination of the Final Offering Price and each of the Selling Shareholders' and the Manager's decisions to proceed with the Offering.

The Selling Shareholders will notify investors, the FSA and the BSE with respect to the Final Offering Price the latest on the first Business Day following the Allocation Date. The relevant pricing notification will be published on the websites of the BSE (www.bvb.ro), Swiss Capital S.A. (www.swisscapital.ro), Distributors S.S.I.F. TradeVille S.A. and SSIF BRK Financial Group S.A. and of the Company (www.tts-group.ro).

If at least 60% of the Offer Shares are subscribed at a price within the Offering Price Range, the Offering will be considered as successfully closed.

If less than 60% of the Offer Shares are subscribed at a price within the Offering Price Range, the Selling Shareholders will decide, after consulting the Manager, whether to continue with the Offering.

In case the Offering is not successfully closed, the price paid by investors will be returned to the investors subscribing in the Offering, in each case, less the value of the transfer fees or any fees charged by the relevant market institutions, to the investors' accounts specified in the subscription forms submitted for the subscription of Offer Shares or in the contract for investment services or in any other way agreed with the Manager, Distributor or Eligible Participant, as the case may be, within 5 (five) Business Days from the end of the Offering Period. The investors will not be paid any interest in relation to such amounts.

If the Final Offer Price is lower than the price paid by an investor for each Offer Share that it subscribed for, an amount equal to the difference between (a) the total consideration paid in advance by that investor for the Offer Shares subscribed; and (b) the number of Offer Shares sold to the relevant investor multiplied by the Final Offering Price, will be returned to the relevant investor, in each case less any bank transfer fees and any applicable fees of the relevant market institutions, to the investor's bank account specified in the subscription form submitted in relation to the subscription of Offer Shares (the "**Subscription Form**"), in the investment services agreement or as otherwise agreed with the Manager/Distributor/Eligible Participant, as applicable, within maximum 5 (five) Business Days from the last day of the Offering Period. No interest will be payable to investors in respect of such amounts.

If an investor has indicated more than one account for the reimbursement of any such amounts, the Manager reserves the right to pay the whole amount to be reimbursed to only one of the accounts indicated by the investor. Payments to the Investors' bank accounts will be made firstly for validated subscriptions and subsequently for the invalidated subscriptions. The Manager will not be liable for any failure to transfer such amounts, which occur as a result of the information provided by an investor for such purposes having been incomplete or incorrect.

7. Subscription Procedure

By subscribing under the Offering, each Retail Investor or Institutional Investor confirms that it (a) has read this Prospectus, (ii) has accepted the terms and conditions set out in the Prospectus and (iii) has made the subscription according to the terms included in this Prospectus.

Valid subscriptions for Offer Shares by Institutional Investors will be collected in the Book kept by the Manager (the "**Book**"). The contents of the Book or any information related to subscriptions (including, but not limited to, the subscription level) will not be made public.

7.1. Subscription Procedure for Retail Investors Tranche

Subscriptions by Retail Investors can be made during the entire Offering Period, during the business hours of the Manager's, Distributors' or Eligible Participants' units (as Eligible Participant is defined below), but no later than 12:00 p.m. (Romania time) on the last day of the Offering Period.

Retail Investors can subscribe for Offer Shares:

- a) through Swiss Capital S.A., at its registered office of 20 Dacia Boulevard, Romana Offices, 4th floor, District 1, Bucharest, Romania, post code 010412;
- b) through the Distributor S.S.I.F. TradeVille S.A., 6A Calea Vitan, Bl. B, building B, 3rd floor, District 3, Bucharest, Romania, post code 031296;
- c) through the Distributor SSIF BRK Financial Group S.A., at its office of 119 Calea Moșilor, Cluj Napoca, Cluj County (including the Distribution Network of SSIF BRK Financial Group listed in the Annex), or.
- d) at the authorised offices of each Eligible Participant.

"Eligible Participants" mean any intermediaries (other than the Manager and the Distributors), which are investment firms or credit institutions qualified as participants to the trading system of the BSE, and which (i) have signed an irrevocable and unconditional undertaking (the "Engagement Letter") to observe the provisions of this Prospectus and the applicable law, in the form made available by Swiss Capital S.A. and (ii) have submitted a signed copy of the Engagement Letter to Swiss Capital S.A. in the form agreed. Each Eligible Participant must comply (and must ensure that its internal systems allow it to comply) and is exclusively liable for any non-compliance with the requirements set out in this Prospectus including, without being limited to, the requirements

regarding the availability of funds and the settlement of the transactions carried out following the acceptance of subscriptions by the respective Eligible Participant. The Manager and the Distributors will not be liable for any non-compliance with the requirements set out in this Prospectus by any Eligible Participant. Trading orders corresponding to each subscription of Offer Shares made by Retail Investors will be registered, during the Offering Period, in the BSE system dedicated to public offerings, by Swiss Capital S.A., the Distributors or the Eligible Participant that received and validated the respective subscription, as applicable.

The minimum subscription of a Retail Investor must be for minimum 240 Offer Shares ("**Minimum Subscription**"). Brokerage fees for subscriptions made by any Retail Investor may be charged subject to the decision of the Manager, Distributors or Eligible Participants. Investors will not bear any cost or additional fees in connection to the placement of buy orders for Offer Shares, save for the costs (if any) borne for opening and keeping a securities account (unless such investor already has an account) and any brokerage fees that must be paid based on any relevant contracts or according to the regulations of the entity accepting such buy orders.

Retail Investors will subscribe for the Offer Shares at the maximum price of the Offering Price Range.

The subscription is made by filling in a subscription form (the "**Subscription Form**") to be made available in standard form (i) at the headquarters of Swiss Capital S.A. of 20 Dacia Boulevard, Romana Offices, 4th floor, District 1, Bucharest, Romania, and/or at the headquarters of Distributors, namely S.S.I.F. TradeVille S.A. of 6A Calea Vitan, Bl. B, building B, 3rd floor, District 3, Bucharest, Romania, and/or the headquarters of SSIF BRK Financial Group S.A. of 119 Calea Moșilor, Cluj Napoca, Cluj County (including the Distribution Network of SSIF BRK Financial Group S.A. listed in the Annex), and/or at the headquarters of the Eligible Participants and/or (ii) on the websites of the Manager. Swiss Capital, at www.swisscapital.ro, Distributors, namely www.tradeville.eu and on www.brk.ro, as well as of the Eligible Participants, together with the Payment Evidence (as defined below) and the requested documents (see section "*Subscription Documents for Retail Investors*").

The Collection Account for the subscriptions of Offer Shares through the Manager Swiss Capital S.A. is the RON bank account having IBAN RO65BRDE450SV20473524500 open with B.R.D. – Group Societe Generale S.A., beneficiary Swiss Capital S.A. (the "**Collection Account**"). The Collection Account will also be published on the webpage of Swiss Capital S.A. at www.swisscapital.ro.

If a Retail Investor has concluded an investment services agreement with the Manager/Distributors or an Eligible Participant, such Retail Investor may validly subscribe for Offer Shares on the basis of orders given as a regular investment services business and by any means of communication provided by that agreement, without being required to submit any Subscription Form or identification documents.

Subscription Forms related to Offer Shares for which the amount transferred into the Collection Account or indicated in the settlement commitment statement or the bank guarantee is less than the number of Offer Shares subscribed by that Retail Investor multiplied by the maximum price, or if any of the subscription procedures were not complied with, will not be validated. Subscriptions that are not validated will not be considered in the allocation process. Retail Investors whose Subscription Forms for Offer Shares were not validated will be notified accordingly and the amounts transferred will be returned in the investor's account referred to in the Subscription Form or in the contract for financial investment services or any other means agreed with the Manager/Distributor/Eligible Participant for Offer Shares within maximum 5 (five) Business Days from the end of the Offering Period.

7.2. Payment Evidence for subscriptions by Retail Investors

Subscriptions for Offer Shares by Retail Investors, save for the Retail Investors that concluded an investment services agreement with the Manager, Distributors or an Eligible Participant, will be valid only if the Subscription Form is accompanied by the documents mentioned below, under "*Subscription Documents for Retail Investors*" and by the Payment Evidence. The Subscription Form together with the documents mentioned below, under "*Subscription Documents for Retail Investors*", as well as the Payment Evidence, may be sent in original, with original signature, by post or other courier services or as scanned documents by e-mail or fax or by e-mail with extended electronic signature to the e-mail addresses specified by the Manager, Distributor or Eligible Participants. In case the documents are sent by e-mail, the Manager, Distributor or Eligible Participant will send to the subscriber an e-mail confirming the receipt of the respective documents within 24 hours.

In case of physical subscriptions at the units of the Manager, Distributors or Eligible Participants, considering the epidemiologic context generated by Covid-19 pandemic, the appropriate measures will be taken at those units in order to keep the social distance and ensure the appropriate protection to the persons receiving and checking the subscriptions thus received.

The following documents will be considered to make proof of the payment of the price for the subscribed Offer Shares ("**Payment Evidence**"):

- 1) Evidence that the price for the Offer Shares subscribed by that Retail Investor has been paid, as follows:
 - (i) for subscriptions through Swiss Capital S.A. - payment order evidencing that the price for the subscribed Offer Shares has been transferred to the respective Collection Account, provided that such amount credits the relevant account before 17:00 hrs. (Romania time) on the last day of the Offering Period;
 - (ii) for subscriptions through one of the Distributors or through an Eligible Participant – the price for the subscribed Offer Shares may be paid in cash or by bank transfer, according to the internal procedures of the respective Distributor/Eligible Participant, as communicated by each Distributor/Eligible Participant to the relevant Retail Investors.

The payment order must contain the name of the Retail Investor together with the personal number for Romanian individuals, passport number for foreign individuals or unique registration code/registration number for legal entities. The account number filled in by the Retail Investor in the Subscription Form must be the same as the account number from which the subscribed amount is effectively transferred to the relevant Collection Account or bank account specified by the Distributor/Eligible Participant. The amounts transferred by Retail Investors, representing the value of the subscribed Offer Shares, will not bear interest in favour of the investors.

Retail Investors must take into account possible transfer fees and, if applicable, account opening fees. No payment in cash or no deposit in cash directly to the Collection Accounts is accepted unless the subscription is made through a Distributor or Eligible Participant whose internal procedures allow the payments in cash.

Each payment order is equivalent to a subscription and combining several payment orders for one single valid subscription is not possible. If the amount transferred by a Retail Investor to the Collection Account, indicated in the written statement received from a custodian of such a Retail Investor or existing in the brokerage account is higher than the maximum price within the Offering Price Range multiplied by the number of Offer Shares indicated by that Retail Investor in the Subscription Form, the subscription will only be validated for the number of Offer Shares indicated in the Subscription Form. In circumstances where the amount transferred to the Collection Account, the amount existing in the brokerage account or the amount mentioned in the custodian's

statement is lower than the subscribed amount, the Subscription Form and hence the subscription will be invalidated for the entire subscribed amount.

- 2) Settlement commitment statement issued by the custodian agent by which it undertakes the responsibility for settlement according to the limitations set by the FSA;
- 3) A bank guarantee letter issued by a credit institution from the European Union covering the settlement risk undertaken by Swiss Capital S.A., TradeVille S.A., SSIF BRK Financial Group S.A. or the relevant Eligible Participant;
- 4) Settlement commitment statement issued by Swiss Capital S.A., TradeVille S.A., SSIF BRK Financial Group S.A. or the relevant Eligible Participant by which every one of them undertakes the responsibility for settlement according to the limitations set by the FSA.

Subscriptions will be validated only if the amounts representing the value of subscriptions reach the Collection Account by the 17:00 hrs. on the last day of the Offering Period or if the Retail Investor, during the same period, submits (i) a written statement from the custodian or the Manager, Distributor or Eligible Participants by which they commit to perform the settlement for the subscribed Offer Shares or (ii) bank guarantee letter issued by a credit institution in the EU to cover the settlement risk. The Manager will not be liable is, for reasons beyond its control, the Collection Account is not effectively credited with the amounts representing the value of subscriptions until the last day of the Offering Period, by 17:00 hrs..

Retail Investors which have concluded an investment services agreement with the Manager, Distributors or an Eligible Participant and which subscribe through the Manager, Distributors or the respective Eligible Participant, as applicable, may also subscribe using either the amounts existing in the brokerage account(s) or a settlement commitment statement. In this case, Retail Investors will ensure that the existing amounts in their brokerage account(s) and/or the settlement commitment statement fully cover the subscribed amount. A subscription cannot be covered by a mix of amounts available in the brokerage account(s) and payment orders for the remaining amount.

No validation will be made for the Subscription Forms for which:

- during the last day of the Offering Period, the money for the requested Offer Shares are not in the Collection Account or in the brokerage account of the Manager/Distributors or Eligible Participant through which the Retail Investor subscribes or the Retail Investor did not send a written statement issued by a custodian/Manager/Distributor/Eligible Participant whereby it commits to guarantee the settlement for the Subscribed Shares or the bank guarantee letter mentioned above; or
- the amount transferred by the Retail Investor to the Collection Account or the amount specified in the bank guarantee letter or in the statement on the settlement commitment is not enough for the Offer Shares subscribed by that investor; or
- the subscription procedures were not observed.

Subscriptions that were not validated will not be considered in the allocation procedure. The Retail Investors whose Subscription Forms were not validated shall be notified accordingly and the amounts paid shall be returned to them in the account specified in the Subscription Form.

7.3. Subscription Documents for Retail Investors

If a Retail Investor concluded an investment services agreement with the Manager/Distributors or with an Eligible Participant, that Retail Investor may validly subscribe for Offer Shares on the basis of orders given as a

regular investment services business and by any means of communication provided by that agreement, without being required to submit any Subscription Form or identification documents.

In case a Retail Investor did not conclude an investment services agreement with the Manager or an Eligible Participant, it must submit:

- (a) the Subscription Forms for Offer Shares by Retail Investors duly filled in in two original copies with original signature or extended electronic signature;
- (b) Payment Evidence; and
- (c) the documents listed below, depending on each investor type.

The documents shall be submitted in Romanian or English. Documents in another language than Romanian or English shall be submitted as certified translation into Romanian or English.

<p>Individuals subscribing in their own name:</p>	<ul style="list-style-type: none"> ▪ ID (original and copy) – for investors Romanian citizens; ▪ Passport or Residence Permit or Identity Card for EU citizens (original and copy) – for investors foreign citizens.
<p>Individuals subscribing in the name of other individuals:</p>	<ul style="list-style-type: none"> ▪ ID (original and copy) for the representative; ▪ ID (copy) - for investors Romanian citizens; ▪ Passport or Residence Permit or Identity Card (copy) for EU citizens– for investors foreign citizens. ▪ Power of attorney issued especially for the subscription of Offer Shares or General Power of attorney, in authentic form, with apostille as applicable (copy and original).
<p>Individuals subscribing for minor children:</p>	<ul style="list-style-type: none"> ▪ ID (original and copy) for the person subscribing for the minor child – for Romanian citizens; ▪ Passport or Residence Permit or Identity Card for EU citizens (original and copy) – for foreign citizens. ▪ Birth Certificate or ID (for minors of 14-18 years old) of the minor child (copy and original); ▪ The guardianship document (copy and original), as appropriate.
<p>Individuals subscribing for persons under trusteeship:</p>	<ul style="list-style-type: none"> ▪ ID (original and copy) for the person subscribing for the impaired person – for Romanian citizens; ▪ Passport or Residence Permit or Identity Card for EU citizens (original and copy) – for foreign citizens. ▪ ID for the impaired person (original and copy) – for investors Romanian citizens; ▪ Passport or Residence Permit or Identity Card for EU citizens (original and copy) of the impaired person – for investors foreign citizens;

	<ul style="list-style-type: none"> ▪ The trusteeship document (copy and original).
<p>Resident legal entities subscribing in their own name:</p>	<ul style="list-style-type: none"> ▪ Copy of the registration certificate issued by the Trade Register; ▪ Certificate of status issued by the Trade Register (original, issued no more than 30 Business Days prior to subscription date); ▪ Power of attorney in original for the person signing the Subscription Form (unless it is the legal representative of the legal entity) or proof that the person concerned is legally representing the subscribing legal entity who can individually sign the Subscription Form; ▪ Updated articles of association (copy); ▪ ID or Passport or Residence Permit (original and copy) of (1) the person subscribing in the name of the legal entity.
<p>Non-resident legal entities subscribing in their own name:</p>	<ul style="list-style-type: none"> ▪ Registration certificate of the non-resident legal entity issued by the Trade Register or any equivalent institution, if applicable (copy); ▪ Updated articles of association of the non-resident legal entity (certified as true copy by the legal representatives of the non-resident legal entity); ▪ Certificate of status on current standing, in original, for the non-resident legal entity, specifying the legal representatives of the respective non-resident corporate entity, issued by the Trade Register or an equivalent institution (issued no more than 30 Business Days prior to subscription date); in case there is no authority or institution authorised to issue such certificate, any corporate document specifying the legal representatives of the non-resident legal entity; such a corporate document will clearly state if the legal representatives have the right to act severally or jointly; ▪ In case subscriptions are made through another person than the legal representative of the non-resident legal entity, power of attorney signed by the legal representatives of the non-resident legal entity granting power of attorney to the respective person to subscribe Offer Shares on behalf of the non-resident legal entity (original and copy); ▪ ID or Passport or Residence Permit of the person subscribing as legal representative or attorney of the non-resident legal entity (original and copy).
<p>Non-resident legal entities subscribing through a resident legal entity:</p>	<ul style="list-style-type: none"> ▪ Registration certificate of the non-resident legal entity issued by the Trade Register or any equivalent institution, if applicable (copy); ▪ Updated articles of association of the non-resident legal entity (certified as true copy by the legal representatives of the non-resident legal entity);

	<ul style="list-style-type: none"> ▪ Certificate of status on current standing, in original, for the non-resident legal entity, specifying the legal representatives of the respective non-resident corporate entity, issued by the Trade Register or an equivalent institution (issued no more than 30 Business Days prior to subscription date); in case there is no authority or institution authorised to issue such certificate, any corporate document specifying the legal representatives of the non-resident legal entity; such a corporate document will clearly state if the legal representatives have the right to act severally or jointly; ▪ Registration certificate of the representative resident legal entity issued by the Trade Register (copy); ▪ Updated articles of association of the representative resident legal entity (copy); ▪ Certificate of status on current standing, in original, for the representative resident legal entity issued by the Trade Register (issued no more than 30 Business Days prior to subscription date); ▪ ID or Passport or Residence Permit of the legal representative or attorney of the resident legal entity subscribing as attorney of the non-resident legal entity (original and copy). ▪ Power of attorney signed by the legal representative of the non-resident legal entity granting power of attorney to the resident legal entity to subscribe in the Offering (original).
<p>Authorised Individuals carrying out economic activities or family associations:</p>	<ul style="list-style-type: none"> ▪ Authorisation issued by the local Town Hall (copy); ▪ Copy of the sole registration code; ▪ ID or Passport or Residence Permit (original and copy) of the person signing the Subscription Form; ▪ Power of attorney in original for the person signing the Subscription Form (in case another person makes the subscription).
<p>Freelancers authorised to carry out independent activities:</p>	<ul style="list-style-type: none"> ▪ Free practice decision or authorisation (copy); ▪ Tax registration certificate (copy); ▪ ID or Passport or Residence Permit (original and copy) of the person signing the Subscription Form; ▪ Power of attorney in original for the person signing the Subscription Form (in case another person makes the subscription).
<p>Resident and non-resident persons represented by an asset management company</p>	<ul style="list-style-type: none"> ▪ ID (copy) – for investors Romanian citizens; ▪ Passport or Residence Permit or Identity Card for EU citizens (copy) – for investors foreign citizens.

	<ul style="list-style-type: none"> ▪ Representation mandate (original and copy); ▪ Documents below for the asset management company.
Asset management company	<ul style="list-style-type: none"> ▪ Registration certificate of the representative resident legal entity issued by the Trade Register (copy); ▪ Updated articles of association of the representative resident legal entity (copy); ▪ Certificate of status on current standing, in original, for the legal entity issued by the Trade Register (issued no more than 30 Business Days prior to subscription date); ▪ ID or Passport or Residence Permit (copy and original) of the legal representative or attorney of the legal entity; ▪ Power of attorney for the person signing the Subscription Form, unless the legal representative of the legal entity or document attesting the quality of legal representative of the legal entity (original and copy).
Entities managed by other resident or non-resident legal entities (investment funds, pension funds, etc.)	<ul style="list-style-type: none"> ▪ Authorisation document of the asset management company, according to legal provisions (copy); ▪ Authorisation document of the entity and the following documents for the legal entity that manages the entity; ▪ Registration certificate of the legal entity issued by the Trade Register or any equivalent institution, if applicable (copy); ▪ Updated articles of association of the legal entity (copy); ▪ Certificate of status on current standing, in original, for the legal entity, specifying the legal representatives of the respective non-resident corporate entity, issued by the Trade Register or an equivalent institution (issued no more than 30 Business Days prior to subscription date); in case there is no authority or institution authorised to issue such certificate, any corporate document specifying the legal representatives of the non-resident legal entity; such a corporate document will clearly state if the legal representatives have the right to act severally or jointly; ▪ Power of attorney for the person signing the Subscription Form, unless the legal representative of the legal entity or document attesting the quality of legal representative of the legal entity (original and copy). ▪ ID or Passport or Residence Permit (original and copy) of the person subscribing on behalf of the legal entity.

Swiss Capital S.A, the Distributors or the Eligible Participant are entitled to request any additional documents for the purpose of complying with their obligations to observe the "know your customer" rules, based on their internal norms and procedures of client identification.

In case of investors without legal personality, the identification documents of the management company must be submitted.

7.4. Subscription Procedure for the Institutional Investors Tranche

By subscribing for Offer Shares, each Institutional Investor confirms that it has read this Prospectus, that it has accepted the terms and conditions set out in this Prospectus and that it has made the subscriptions according to the terms included in this Prospectus.

The subscriptions in the Institutional Investors Tranche may be made only through the Manager.

Institutional Investors may subscribe in the Offering during the entire Offering Period, during the Manager's normal business hours. Institutional Investors may pay brokerage fees in accordance with the investment services agreement concluded with the Manager, which will be charged based on the Manager's decision. Investors will not bear any cost or additional fee for the placement of buy orders for the Offer Shares, save for the costs (*if any*) related to the opening and maintaining of a securities account (unless such investor already has an account) and any brokerage fees payable under any relevant agreements or pursuant to the regulations of the entity accepting such purchase orders.

There is no minimum subscription requirement in case of Institutional Investors. Institutional Investors may make multiple subscriptions for the Offer Shares.

Institutional Investors may validly subscribe for the Offer Shares at any price up to the top of the Offering Price Range. The price tick for the subscriptions for Offer Shares made by Institutional Investors is RON 0.1.

7.5. Subscription documents for Institutional Investors

If an Institutional Investor has concluded an investment services agreement with the Manager, such Institutional Investor may validly subscribe for Offer Shares on the basis of orders given as a regular investment services business and by any means of communication provided by that agreement, without being required to submit any Subscription Form or identification documentation. Institutional Investors which have not concluded an investment services agreement with the Manager may validly subscribe for Offer Shares only if they submit a Subscription Form and the applicable identification documentation listed at section 7.3 "*Subscription Documents for Retail Investors*".

The value of the Offer Shares allocated to an Institutional Investor must be guaranteed through:

- (i) Payment order evidencing that the price for the allocated Offer Shares has been transferred to the Collection Account, provided that such amount is credited to the Collection Account before 17:00 hrs. (Romania time) on the Transaction Date. The payment order must contain the name and unique registration code of the Institutional Investor. Investors must take into account possible transfer fees and, if applicable, account opening fees/management fees. No deposit in cash directly to the Collection Accounts is accepted. The amounts transferred by Institutional Investors, representing the value of the allocated Offer Shares, will not bear interest in favour of such Institutional Investors. Each payment order is equivalent to a single subscription and combining several payment orders for a single valid subscription is not allowed. The Manager will be held liable if, for reasons outside its control, the Collection Accounts is not effectively credited with the amounts representing the value of the allocated Offer Shares the latest by 17:00 hrs. (Romania time) on the Transaction Date.

- (ii) A settlement commitment statement issued by the custodian agent by which it undertakes the responsibility for settlement according to the limitations set by the FSA;
- (iii) A bank guarantee letter issued by a credit institution from the European Union covering the settlement risk undertaken by the relevant Manager according to its risk management rules; or
- (iv) A settlement commitment statement issued by the Manager by which it undertakes the responsibility for the settlement of the value of the subscribed Offer Shares, in compliance with the FSA limitations.

The guarantee must also include any applicable fees charged by market institutions or the Manager according to the investment services agreement.

8. Change and Withdrawal of Subscriptions

The subscriptions made by Retail Investors in the Offering are irrevocable and may be changed only if a supplement to the Prospectus is published. After the trading in the Shares starts, the Offering may no longer be revoked. Institutional Investors may change the number of subscribed Offer Shares or withdraw the subscription for Offer Shares until and including the last day of the Offering Period.

If an amendment to the Prospectus is published, the investors that subscribed for Offer Shares prior to the publication of the amendment to the Prospectus have the right to withdraw their subscription within three Business Days from the publication of the amendment to the Prospectus, provided that the new factor, error or inconsistency occurs before the closing of the Offering Period. This period may be extended by the Company or by the Selling Shareholders. The deadline for making the withdrawal will be included in the amendment to the Prospectus.

In case an amendment to the Prospectus is published, it will contain a visible mention regarding the right to withdraw, clearly stating: (a) that the right to withdraw is granted only to the investors that subscribed for Offer Shares before the publication of the amendment to the Prospectus and only in case the Offer Shares have not yet been allocated to investors at the time the new factor, material error or material inconsistency occurred; (b) the period during which investors may exercise their right to withdraw; and (c) who can investors contact in case they wish to exercise their right to withdraw.

Between the time when the Prospectus was approved and the expiry of the initial validity of the Offering expires, the Manager, Distributor or Eligible Participant will inform the investors subscribing for Offer Shares, through every one of them, regarding the possibility to publish an amendment to the Prospectus, place and time of publication and the fact that they will support them in exercise their right to withdraw their acceptance in such a case. If investors have the right to withdraw as described above, each of the Manager, Distributor or Eligible Participant will contact the investors subscribing in the Offering through every one of them by the end of the first Business Day following the day when the amendment is published. The change or withdrawal of subscriptions by Institutional Investors will be subject to the same requirements as those related to the initial subscription (see sections 7.4. and 7.5 above). Retail Investors may withdraw their subscriptions by filling in a Withdrawal Form sent to Swiss Capital S.A., Distributors or to the Eligible Participant through which the subscription was made.

The withdrawal form ("**Withdrawal Form**") will be available in standard form (i) at the headquarters of Swiss Capital S.A. of 20 Dacia Boulevard, Romana Offices, 4th floor, District 1, Bucharest, Romania, at the headquarters of Distributors, namely S.S.I.F. TradeVille S.A. of 6A Calea Vitan, Bl. B, building B, 3rd floor, District 3, Bucharest, Romania, and/or the headquarters of SSIF BRK Financial Group S.A. of 119 Calea Moșilor, Cluj Napoca, Cluj County (including the Distribution Network of SSIF BRK Financial Group S.A. listed in the Annex), or at the headquarters of the Eligible Participants and/or (ii) on the websites of the Manager. Swiss Capital, at www.swisscapital.ro, Distributors, namely www.tradeville.eu and on www.brk.ro, as well as on the websites of the Eligible Participants.

If subscriptions are withdrawn, investors shall be reimbursed the entire amount paid by them corresponding to the withdrawn subscriptions, in each case less any bank transfer commissions and any applicable commissions charged by the relevant market institutions, to the bank account indicated by each investor for the reimbursement of any such amounts, within 5 (five) Business Days as of the date the relevant subscriptions have been withdrawn by the investors. No interest shall be payable to investors in respect of such amounts. If an investor has indicated more than one account for the reimbursement of any such amounts, the whole amount may be reimbursed to only one of the accounts indicated by the investor. Investors are exclusively liable for providing correct data for making such payments.

Although the Prospectus has been approved by the FSA, the FSA may decide to ban the Offering by: (a) revoking the approval of the Prospectus if it finds that the Offering is carried out in breach of Law 24/2017, of the regulations issued by the FSA for its enforcement, as well as (i) if it concludes that circumstances subsequent to the approval decision lead to major changes in the items and data motivating it; and/or (ii) if the Selling Shareholders notify the FSA that they cancel the Offering, before the offering announcement is launched; and by (b) cancelling the approval of the Prospectus if obtained based on false or misleading information. The FSA may exercise this power within one year from the closing of the Offering. Revoking the decision approving the Prospectus during the Offering Period will make void the subscriptions made until the time of revocation and the cancellation of the decision approving the Prospectus will make void the transactions concluded until the time of cancellation, making way for the return of the titles and funds received by the Selling Shareholders, on a voluntary basis or based on a decision of a court of law, as well as for the investors' option to claim damages.

9. Allocation of Offer Shares

The Sellers, based on the Manager's agreement, may re-allocate a number of Offer Shares representing maximum 5% of the total value of the Offering from the Institutional Investors Tranche to the Retail Tranche, Sub-Tranche B. The final size of each Tranche and the final number of Offer Shares will be decided on the Allocation Date on the basis of the number of subscriptions in the Book and/or interest shown by Retail Investors.

The subscribed Offer Shares will be allocated to investors by the Selling Shareholders, upon the Manager's recommendation, on the Allocation Date, according to the provisions included in this Prospectus.

The subscriptions validated by the Manager, by one of the Distributors or by an Eligible Participant are registered as orders in the BSE trading system.

9.1. Allocation within the Retail Investors Tranche

The final number of subscribed Offer Shares and the final size of the Retail Tranche – Sub-Tranche B of the Offering will be decided by the Selling Shareholders upon the Manager's recommendation, depending on the level of subscriptions by Retail Investors, on the Allocation Date, in compliance with this Prospectus.

Allocation of Offer Shares within the Retail Investors Tranche, Sub-Tranche A

The maximum number of Offer Shares that may be allocated within the Retail Investors Tranche, Sub-Tranche A, is of 1,500,000 Shares, representing 10% of the total number of Offer Shares.

Retail Investors that subscribed within the Retail Investors Tranche – Sub-Tranche A shall have a guaranteed allocation of 100% for valid subscriptions that, individually and/or cumulatively (made by the Retail Investor exclusively through the same Manager, Distributor or Eligible Participant) do not exceed 7,500 Offer

Shares per investor, registered in Sub-Tranche A, based on the first come first served principle, until the full subscription of this Sub-Tranche of 1,500,000 Offer Shares. In case of multiple subscriptions if, after an additional subscription, the total number of Offer Shares subscribed by the respective Retail Investor exceeds 7,500 Offer Shares, then the order that leads to the threshold of 7,500 Offer Shares being exceeded is registered in Sub-Tranche B, even if Sub-Tranche A is not fully subscribed. The liability for registering such orders in Sub-Tranche B lies with the Manager, Distributor and/or Eligible Participant through which the subscriptions of the respective investor were made. The order or orders made before exceeding the threshold of maximum 7,500 Offer Shares, subscribed by the respective Retail Investor, remain registered in the Retail Tranche - Sub-Tranche A.

All the orders related to the subscriptions by Retail Investors (i) made after the full subscription of Sub-Tranche A or (ii) the value of which would lead to the maximum number of 1,500,000 Offer Shares within Sub-Tranche A being exceeded (even if the order of the respective investor does not exceed the maximum number of 7,500 Offer Shares) are registered in Sub-Tranche B.

All the Offer Shares in Sub-Tranche A left unsubscribed on the Offering closing date will be reallocated to Sub-Tranche B.

The time priority for the allocation based on the "*first come first served*" principle is given by the time when the order related to the subscription was registered in the BSE trading system, which is the effective time defined by the BSE Code, the time taken into consideration for determining the priority for the executions of the orders.

Allocation of Offer Shares within the Retail Investors Tranche, Sub-Tranche B

If the number of Offer Shares validly subscribed within the Retail Tranche, Sub-Tranche B is higher than, or equal to, the Offer Shares allocated to this Sub-Tranche B (as determined on the Allocation Date), each Retail Investor will receive the number of subscribed Offer Shares.

If the number of Offer Shares validly subscribed within the Retail Tranche – Sub-Tranche B is higher than the number of Offer Shares of this Sub-Tranche B, the Offer Shares of Sub-Tranche B will be allocated to each Retail Investor pro rata to the number of Offer Shares subscribed by such a Retail Investor, by orders registered in the Retail Tranche – Sub-Tranche B (in case an investor had orders registered in Retail Tranche – Sub-Tranche A, these orders are not considered in the calculation of the number of Offer Shares subscribed by the respective investor in Retail Tranche – Sub-Tranche B). In case the number of Offer Shares allocated to a Retail Investor after pro rata allocation is not an integer, the number of Offer Shares allocated to the respective Retail Investor shall be rounded down to the immediately lower integer.

For the purpose of allocating any Offer Shares not allocated within Retail Tranche – Sub-Tranche B (resulting from such rounding down of the number of Offer Shares within the process of pro rata allocation), Retail Investors shall be ranked in decreasing order based on the number of Offer Shares subscribed by each of them within Sub-Tranche B and, if one or more Retail Investors subscribed exactly the same number of Offer Shares they will be ranked in increasing order based on the time stamp in the BSE electronic system associated with their trading order for the respective subscription, and the resulting unallocated Offer Shares shall be allocated one per Retail Investor (but so that the number of Offer Shares allocated in aggregate to an order does not exceed the number of Offer Shares initially requested through that order), starting with the largest allocation.

After the closing of the Offering Period, depending on the interest of Retail Investors, namely if there is an oversubscription of the Retail Tranche – Sub-Tranche B higher than the oversubscription of the Institutional Investors Tranche, after consultation with the Manager and based on the unilateral decision of the Selling Shareholders, a number of shares representing maximum 5% of the total value of the Offering may be reallocated

from the Institutional Investors Tranche to the Retail Tranche, Sub-Tranche B. In such a case the total value of Sub-Tranche B will be of 10% of the total number of Offer Shares, while the total value of the Retail Tranche shall represent 20% of the Offering.

Common provisions regarding the allocation of Offer Shares within the Retail Investors Tranche

In case of oversubscription, Retail Investors will be returned the differences between the amounts paid for the subscribed Offer Shares and the value of the allocated Offer Shares (less bank transfer fees and any applicable fees of market institutions) to the current account specified by each Retail Investor in the Subscription Form or, in case of Retail Investors that are clients of the Manager, one of the Distributors or Eligible Participant, to the investment account of the respective Retail Investor within 5 Business Days from the Settlement Date. Such amounts will not bear any interest for the benefit of the Retail Investors. In case the Retail Investor specifies several accounts for the return of the appropriate amounts, the Manager, Distributors and Eligible Participants reserve the right to return the appropriate amount to only one of the accounts specified by the Retail Investor in the Subscription Form. Payments to subscribers' bank account will be made first for valid subscriptions and then for the invalid ones.

Reasons independent from the Selling Shareholders, Manager, Distributors or Eligible Participants may cause delays in processing the information and in preparing and sending the notice on the Offering results to the FSA. Therefore, the Manager, Distributors, Eligible Participants and the Sellers may not be held liable for delays in returning the amounts due to Investors in case the Offering is oversubscribed.

Offer Shares allocated to Retail Investors will be automatically transferred to "Section1" of the Romanian CSD on the Settlement Date, except for the Offer Shares allocated to those Retail Investors who have a valid investment services contract with the Manager/Distributors of Eligible Participant through which they subscribed in the Offering.

The Manager is responsible for allocating the Offer Shares within the Retail Tranche according to the provisions in this Prospectus.

9.2. Allocation within the Institutional Investors Tranche

The Selling Shareholders will make the allocation of Shares within the Institutional Investors Tranche on the basis of the Book, upon the recommendation of the Manager, at the Final Offering Price.

The number of Shares allocated to each Institutional Investor will be determined at the absolute discretion of the Selling Shareholders, that may consider criteria such as: information held by Institutional Investors about companies active in the same area as the Company, number of subscribed Offer Shares; subscription size; quality of the feedback offered during pre-deal investor education process; whether the subscription was received at the beginning or early in the Offering Period; price offered for the Offer Shares; evaluation of the probable period for which the investor will hold the Shares; reputation of the investor and/or history of its relation with the Company or other Romanian companies or companies active on the Company's market, etc..

By subscribing in the Offering, Institutional Investors acknowledge and agree that the Selling Shareholders have absolute discretion to determine the number of Shares allocated to each Institutional Investor and that they may be allocated less Shares than subscribed or they may not be allocated any Shares at all.

Institutional Investors also acknowledge and agree that they will have no right to request, and the Selling Shareholders and/or the Manager shall have no obligation to disclose the reasons for their allocation and pricing decisions.

10. Transaction

Orders corresponding to validated subscriptions for Offer Shares made by the Retail Investors are entered by the Manager, Distributors and Eligible Participants into the relevant segment of the public offerings market of the BSE at any time during the Offering Period and until 18:00 hrs. (Romania time) on the last day of the Offering Period. The Manager can extend this period to the extent necessary.

On the Transaction Date the orders corresponding to the Offer Shares allocated to Institutional Investors shall be registered in the relevant segment of the public offerings market of the BSE, exclusively in accordance with the allocations made by the Selling Shareholders in close consultation with the Manager, provided that the corresponding subscriptions are validated and the payment, settlement commitment or bank guarantee letter for the allocated Offer Shares has been received.

The allocation of the Offer Shares made by the Selling Shareholder in close consultation with the Manager is mandatory and is legally binding for the Institutional Investors. On the Transaction Date, the Manager will place the sell orders for the Offer Shares in the BSE system. In case that, until the hour on the Transaction Date indicated by the Manager, there will be Institutional Investors that have not guaranteed the payment of the Offer Shares allocated to them using any of the options detailed under "*Subscription of Offer Shares by Institutional Investors – Subscription Documents for Institutional Investors*", the Manager through which that Institutional Investor subscribed will re-allocate the relevant Offer Shares to another Institutional Investor(s), with the latter's consent and provided that such Institutional Investor(s) can guarantee the payment for the additionally allocated Offer Shares, as described above, until the time limit set by the Manager. The Manager and Distributors will perform the trades related to Offer Shares on the public offerings markets of BSE system on the Transaction Date.

11. Settlement

Settlement of the trades with allocated Offer Shares will be made through the Romanian CSD clearing settlement system on the Settlement Date.

12. Stabilisation

Swiss Capital S.A. shall act as Stabilisation Manager and shall perform stabilisation actions as below. The Stabilisation Manager, or persons acting on its behalf, to the extent permitted by applicable law and in full observance thereof, may purchase no more than 1,011,760 Shares on the regulated market operated by the BSE with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in other circumstances, during a period of 30 calendar days from the Shares' admission to trading on the regulated market operated by the BSE (the "**Stabilisation Period**"). Such stabilisation, once initiated, may be interrupted at any time and may be made only during the Stabilisation Period.

In the context of Stabilisation, three of the Selling Shareholders, namely Mr. Alexandru – Mircea Mihăilescu, Mr. Ion Stanciu and Mr. Petru Ștefănuț ("**Selling Shareholders with Stabilisation Role**") agreed to grant to the Stabilisation Manager a put option according to which a number of up to 1,011,760 Shares will be transferred to the Selling Shareholders with Stabilisation Role by the Stabilisation Manager, but not more than the effective number of Shares purchased by the Stabilisation Manager on the regulated market operated by the BSE for stabilisation purposes. With respect to the stabilisation measures which could be taken by the Stabilisation Manager, the Selling Shareholders with Stabilisation Role agreed in the Placement Agreement that the Stabilisation Manager will retain from the Selling Shareholders with Stabilisation Role 10% of the gross proceeds obtained by the Selling Shareholders with Stabilisation Role following the Offering for funding the stabilisation measures.

No assurance is given as to the fact that such stabilisation measures, if taken, shall have the expected results.

13. Placement Agreement and Lock-Up Period

The Selling Shareholders, the Company and the Manager intend to enter a Placement Agreement on or around the date of this Prospectus (the "**Placement Agreement**") by which the parties will agree the rights and obligations in relation to carrying out a public offering for sale in view of the admission of the Company's shares to trading on the regulated market operated by Bucharest Stock Exchange.

Under the Placement Agreement, the Company and the Selling Shareholders will give certain customary representations (including, in relation to the Company's business, financial statements and legal compliance in relation to the Offer Shares and in relation to the Prospectus) and indemnities to the Manager in connection with the Offering. The obligations of the parties to the Placement Agreement will be subject to certain conditions that are typical for an agreement of this nature, including, amongst other, the accuracy of the representations and warranties under the Placement Agreement and the execution of a pricing agreement between the Selling Shareholders and the Manager in relation to the Final Offering Price on or around the Allocation Date ("**Pricing Agreement**").

Pursuant to the Placement Agreement, the Selling Shareholders will agree with the Manager that any of them or any person acting on their behalf, during the period between the Settlement Date and until and including 180 days from the Settlement Date ("**Lock-Up Period**") will not:

- (a) offer, sell, lend, assign, mortgage, pledge, charge, contract to sell or otherwise transfer or dispose of (or publicly announce any such action), directly or indirectly, any Shares, other equity securities of the Company or any securities convertible or exchangeable into or exercisable for any equity securities of the Company or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options or depositary receipts representing the right to receive any such securities; or
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any equity securities of the Company or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into any transaction described above, whether any such transaction described in (a) or (b) is to be settled by delivery of Shares or such other securities, in cash or otherwise.

without the prior written agreement of Swiss Capital S.A..

Lock-up restrictions do not apply for takeover offerings, subscription rights, reorganisation plan, redemption of shares and granting awards under employee bonus schemes.

For the avoidance of any doubt, the restrictions above do not apply to the Shares purchased by Swiss Capital S.A. as Stabilisation Manager during the Stabilisation Period for stabilisation purposes. Swiss Capital undertakes to respond to a request to waive the restrictions above within 3 Business Days from the receipt of such request; lacking a response within the deadline of 3 Business Days will be understood and construed as a tacit acceptance of the waiver.

Each contracting party may unilaterally terminate the Placement Agreement in case the Manager and the Sellers do not conclude the Pricing Agreement or do not reach an agreement regarding the allocation of Offer Shares before the Allocation Date.

14. Other contractual relations

The Manager and any of its affiliates and any of the Distributors may have engaged or may engage in the future in transactions with the Company, its affiliates or any of the Selling Shareholders related to the provision of financial or investment advice or any type of services provided by the Manager or any of the Distributors, at market terms and in compliance with the applicable legal provisions.

In connection with the Offering, the Manager and any affiliate acting as an investor for its own account and/or any of the Distributors may take up Offer Shares and in that capacity may retain, purchase or sell for its own account such Offer Shares (a sale other than in connection to the Offering) and does not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Save for the case mentioned above, to the extent that TTS and the Selling Shareholders are aware, no person involved in the Offering of Offer Shares or in the Shares' admission to trading has any conflict of interests related to the Offering of Offer Shares and Shares' admission to trading.

SELLING AND TRANSFER RESTRICTIONS

1. General

The distribution of this Prospectus and the offering of the Offer Shares in certain jurisdictions may be restricted by law and, therefore, persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus does not constitute an offer to subscribe for or purchase of any Offer Shares offered hereby to any person in any jurisdiction where it is unlawful to make such offer or solicitation.

Subscribers for or purchasers of Offer Shares may be required to pay certain stamp duties and other charges in accordance with the laws and practices of the country of purchase, in addition to the Offer Price stated on the first page of this Prospectus.

2. No public offering outside Romania

No action has been or will be taken in a country or jurisdiction other than in Romania that would permit a public offering of the Offer Shares or possession or distribution of this Prospectus (or other offering or publicity material relating to the Offer Shares) in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

This Prospectus may only be distributed and the Offer Shares may only be offered for sale or purchase to the public in Romania in compliance with Law no. 24/2017, Regulation 5/2018, Prospectus Regulation, Regulation EU 979/2019 and Regulation EU 980/2019, as well as other mandatory legal provisions.

3. European Economic Area

Starting on 21 July 2019, when the Prospectus Regulation became applicable, the Prospectus Regulation is mandatory and directly applies in all Member States.

In relation to any EEA Member State where the Prospectus Regulation applies, save for Romania, the Offer Shares may be offered in the Member State only based on the following exceptions included in the Prospectus Regulation:

- Exclusively to qualified investors;
- To less than 150 natural or legal persons, other than qualified investors, per Member State;
- In any circumstances contemplated in Article 1(4) of Prospectus Regulation,

provided that no such offer of Offer Shares shall require the publication by the Company, the Selling Shareholders or the Manager of a prospectus pursuant to Article 1 of the Prospectus Regulation.

This Prospectus has been approved by the FSA and it has not been, and will not be, approved by or notified to any other competent authority in the EEA.

For the purposes of this section, the expression "*offer to public the Offer Shares*" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to subscribe for the Offer Shares and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC directly applying to all Member States.

In case the Offering is addressed exclusively to qualified investors in a certain Member State, other than Romania, any subscriber for Offer Shares, in relation to the Offering, located within an EEA Member State, will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2 (e) of the Prospectus Regulation. The Company, the Selling Shareholders, the Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement.

4. United States of America

The Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States of America and, consequently, may not be offered or sold within the United States. The Offer Shares may be offered or sold outside the United States in offshore transactions pursuant to Regulation S under the Securities Act.

5. Other jurisdictions

Offer Shares may be offered to persons of other jurisdictions that may legally purchase the Offer Shares.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa, New Zealand or Japan. The Shares may not be offered or sold in Australia, Canada or Japan or to or for the account or benefit of any resident of the United States, Australia, Canada, South Africa, New Zealand or Japan.

LEGAL MATTERS

The Company, the Selling Shareholders and the Manager were assisted on certain legal matters regarding the Offering by Schoenherr și Asociații S.C.A.

INDEPENDENT AUDITORS

Deloitte Audit SRL, an independent audit company, audited the Consolidated Financial Statements of TTS (Grup) as of and for the financial periods ended on December 31 2018, 2019 and 2020 and issued unqualified audit reports on those financial statements.

Deloitte Audit SRL is registered with the Trade Register under no. J40/6775/1995, and has its registered office in Romania, Bucharest, District 1, 84-98 and 100-102 Calea Griviței, floors 8 and 9, The Mark Building,

tax number 7756924 and is a member of the Chamber of Financial Auditors of Romania, being registered in the Public Register of Financial Auditors under no. 25/25.06.2001.

Deloitte Audit SRL has given and maintained its written consent to the inclusion of its audit reports in this Prospectus in the form and format in which such reports are presented and to the inclusion of the references to its name in the form and context in which such are presented in this Prospectus.

For the purposes of Prospectus Regulation, Deloitte Audit SRL has stated that it assumes the liability for the preparation of the reports included in this Prospectus and represents that they have taken all reasonable care to ensure that the information in the reports, to the best of their knowledge at the moment of issuing the audit reports, are true and in accordance with the facts and contain no omission likely to affect its import.

GENERAL INFORMATION

1. Company and Selling Shareholders

The Company TTS (Trade Transport Services) S.A. was founded in 1997 as a joint stock company under the laws of Romania. The Company's registered office is located at 27 Vaselor Street, District 2, Bucharest, Romania, phone +40212102907. The Company is registered with the Trade Register Office in Bucharest under number J40/296/1997, with sole registration code RO9089452.

The Selling Shareholders are:

- Alexandru – Mircea Mihăilescu, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Mihăilescu is the President of the Board of Directors of TTS;
- Ion Stanciu, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Stanciu is member of the Board of Directors and Deputy General Manager of TTS and director of Canopus Star;
- Viorel Stefan, with business address, for the purpose of the Prospectus, in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Stefan does not hold any position within TTS (Grup);
- Peter Hungerbuhler, with business address, for the purpose of the Prospectus, in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Hungerbuhler does not hold any position within TTS (Grup);
- Constantin Hârțan, with business address in Galați, Punct Trecere Bac - Faleza Dunării. Mr. Hârțan is the sole director of Navrom Bac.
- Petru Ștefănuț, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Ștefănuț is the General Manager of TTS. Mr. Ștefănuț was director of Agrimol during 2012-04.01.2018;
- Aurel-Florin Moldoveanu, retired, not holding any position within TTS (Grup). The business address of Mr. Moldoveanu, for the purpose of the Prospectus, in Bucharest, 27 Vaselor Street, District 2, Romania;
- Daniel Jancovschi Ștefan, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Daniel Jancovschi Ștefan is the manager of the mineral products department of TTS and member of the Board of Directors of CNFR Navrom.
- Silviu-Catalin Petrea, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Dl. Petrea is the manager of the chemical products department of TTS.
- Antonio-Gabriel Stoean, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Stoean is the manager of the agricultural products department of TTS and is a member of the Board of Directors of Plimsol, Budapest.
- Daniela-Camelia Simion, with business address, for the purpose of the Prospectus, in Bucharest, 27 Vaselor Street, District 2, Romania. Mrs. Simion does not hold any position within TTS (Grup);
- Mihaela-Aurelia Cismek, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mrs. Cismek is the secretary of TTS.
- Mihaela Miron, with business address, for the purpose of the Prospectus, in Bucharest, 27 Vaselor Street, District 2, Romania. Mrs. Miron works as an engineer in the investment department and as personal data protection officer;

- Florin Alexandrescu, with business address in Bucharest, 27 Vaselor Street, District 2, Romania. Mr. Alexandrescu is the economic manager of TTS.

The Selling Shareholders may be contacted using the following contact details: address Bucharest, 27 Vaselor Street, District 2, Romania, phone +40 21 210 29 07, fax +40 21 210 35 43, e-mail: office@tts-group.ro.

2. Listing and Trading

Shares are intended to be admitted to trading on the regulated market operated by the BSE around [_____] June 2021. At the date of this Prospectus, the Company has filed with the BSE a provisional application for admission to trading together with this Prospectus, in accordance with the applicable law.

3. Authorisations

The Company has approved the admission of the Shares to trading on the regulated market operated by the BSE by decision of the Extraordinary General Shareholders Meeting no. 1 of 03.03.2021, decision published in Romania's Official Gazette, part IV, no. 1355, issue of 02.04.2021.

The Company approved the Prospectus by decision of the Board of Directors no. 1 of 10.05.2021.

4. Statement on Material Changes

There haven't been any material changes in the financial condition and/or financial performance of TTS (Grup) since January 31 2020.

5. Documents Available for Inspection

During the term of this Prospectus, the following documents will be available to investors and the Company will publish them on its webpage at www.tts-group.ro:

- (i) Prospectus;
- (ii) Articles of Association;
- (iii) New Articles of Association; and
- (iii) Consolidated Annual Financial Statements of TTS (Grup) and the audit reports thereon.

6. Information included in the Prospectus by reference and their location:

Articles of Association of TTS	https://ro-tts.weebly.com/relatia-cu-investitorii.html
New Articles of Association of TTS	https://ro-tts.weebly.com/relatia-cu-investitorii.html
Consolidated Annual Financial Statements of TTS (Grup) and the audit reports thereon	https://ro-tts.weebly.com/rapoarte-financiare.html

Information not applicable to the Prospectus according to Annex I and Annex XI of Prospectus Regulation

The following points of Annexes I and XI of Prospectus Regulation, based on which this Prospectus was prepared, do not apply to the Company and/or Shareholders:

Annex I: 1.4, 2.2, 5.1.2, 5.3, 7.2.2, 8.4, 11.1, 11.2, 11.3, 13.2, 15.3, 16.4, 18.1.2, 18.1.4, 18.2.1, 18.3.1a, 18.3.2, 18.3.3, 18.4.1, 19.1.2, 19.1.3, 19.1.4, 19.1.5, 19.1.6, 19.2.2, 19.2.3.

Annex XI: 4.4, 4.6, 4.7, 4.9 (first assumption), 4.10, 4.12, 5.1.10, 5.2.2., 5.3.3, 5.3.4, 5.4.3, 5.4.4, 6.2, 6.3, 6.4, 6.6, 9, 9.1, 9.2.

DEFINITIONS AND GLOSSARY OF SELECTED TERMS

CN APM Constanta	C.N. Administratia Porturilor Maritime S.A. Constanta
ACN	Administrația Canalelor Navigabile – Administration of Navigable Canals
APDM Galați	Compania Națională Administrația Porturilor Dunării Maritime S.A. Galați
APDF Giurgiu	Compania Națională Administrația Porturilor Dunării Fluviale S.A. Giurgiu
Selling Shareholders	Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Stefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Stefan Jancovschi, Silviu-Catalin Petrea, Antonio-Gabriel Stoean, Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron, Florin Alexandrescu
Shares	All the shares issued by the Company for which admission to trading on the BSE shall be requested
Offer Shares	A maximum number of 15,000,000 offered under the Offering
FSA	Financial Supervisory Authority
Europa 2B barge	Considered the most modern barge type on the Danube, with a capacity of 1,700 tonnes, having the most efficient ship hull and the best ratio between the loaded cargo volume and draft
BSE	Bucharest Stock Exchange
CAGR	Compound annual growth rate
CECCAR	Romanian Body of Chartered and Certified Accountants
Professional Client	Means the persons or entities meeting the criteria set forth in Annex 2 to Law 12/2018 on securities market, namely those listed at section I points 1-4 of annex II to Directive 2014/65/EU, as well as the persons or

	entities that are treated, upon request, as professional clients according to section II of the respective annex or that are recognised as eligible counterparties according to article 30 of Directive 2014/65/EU, save for the case when they concluded an agreement to be treated as non-professional clients according to section I point four of the respective annex
CNFR Navrom or CNFR Navrom S.A.	COMPANIA DE NAVIGATIE FLUVIALA ROMANA Navrom - S.A., with headquarters in Galați, 34 Portului Str., registered at the Trade Register under no. J17/44/1991, tax code 1639097
Depozitarul Central	Depozitarul Central S.A., the entity operating the Romanian Clearing Settlement, Custody, Depository and Registration System for financial instruments listed on the BSE, with registered office at 34/36 Carol I Bd., floors 3, 8 and 9, District 2, Bucharest, Romania
Financial Markets Directive	Directive 2014/65/EU
Law no. 24/2017	Law no. 24/2017 on issuers of financial instruments and market operations, as subsequently amended
Companies Law	Law no. 31/1990 on companies, republished, as amended and supplemented
LOHC	Liquefied Organic Hydrogen Carriers
Capesize Ships	The largest dry cargo ships; these ships are too large to transit the Suez Canal (Suezmax limits) or Panama Canal (Neopanamax limits), and so have to pass either the Cape Agulhas or Cape Horn to traverse between Atlantic and Pacific oceans.
Panamax Ships	Panamax is the standard for the size limits for ships travelling through the Panama Canal. The limits and requirements are published by the Panama Canal Authority ("ACP").
Offering	The offering for sale initiated by Alexandru – Mircea Mihăilescu, Ion Stanciu, Viorel Stefan, Peter Hungerbuhler, Constantin Hârțan, Petru Ștefănuț, Aurel-Florin Moldoveanu, Daniel Stefan Jancovschi, Silviu-Catalin Petrea, Antonio-Gabriel Stoean,

	Daniela-Camelia Simion, Mihaela-Aurelia Cismek, Mihaela Miron, Florin Alexandrescu (hereinafter jointly referred to as the " Selling Shareholders ") for a number of maximum 15,000,000 shares.
Regulation no. 5/2018	Regulation no. 5/2018 on issuers of financial instruments and market operations issued by the Financial Supervisory Authority
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as subsequently amended
Regulation EU 979/2019	Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301
Regulation EU 980/2019	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
Regulation 337/2021	Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to support the recovery from the COVID-19 crisis

EEA	European Economic Area
Company or TTS	TTS (Transport Trade Services) S.A., a joint stock company registered and operating under the laws of Romania, with registered office in Bucharest, 27 Vaselor Street, District 2, Romania, registered with the Trade Register Office in Romania under number J40/296/1997, sole registration code RO9089452.
Member States	European Union member states and other states of the European Economic Area
to*km	Tonne per kilometre
TTS (Grup)	TTS (Transport Trade Services) S.A. and all its subsidiaries, as consolidated in the financial statements

THE COMPANY
TTS (Transport Trade Services) S.A.

27 Vaselor Street, Bucharest
Romania

SELLING SHAREHOLDERS

Alexandru – Mircea Mihăilescu

Viorel Stefan

Constantin Hârțan

Aurel-Florin Moldoveanu

Silviu-Catalin Petrea

Daniela-Camelia Simion

Mihaela Miron

Ion Stanciu

Peter Hungerbuhler

Petru Ștefănuț

Daniel Stefan Jancovschi

Antonio-Gabriel Stoean

Mihaela-Aurelia Cismek

Florin Alexandrescu

MANAGER

Swiss Capital S.A.

Romana Offices, 4th floor, 20 Dacia Boulevard, District 1, Bucharest
Romania

DISTRIBUTORS

TradeVille S.A.

6A Calea Vitan, Bl. B, Tronson B, 3rd floor,
District 3, Bucharest
Romania

SSIF BRK Financial Group S.A.

119 Calea Moșilor, Cluj Napoca, Cluj County
Romania

LEGAL ADVISERS

Schoenherr și Asociații SCA
Blvd. Dacia 30, District 1, 010413 Bucharest
Romania

INDEPENDENT AUDITORS

Deloitte Audit SRL

84-98 and 100-102 Calea Griviței, floors 8 and 9, The Mark Building, Bucharest
Romania

TTS (Transport Trade Services) S.A.

The Company

Alexandru – Mircea Mihăilescu, President of the BoD

Petru Ștefănuț, General Manager

Alexandru – Mircea Mihăilescu

Selling Shareholder

Ion Stanciu

Selling Shareholder

Viorel Stefan

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Peter Hungerbuhler

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Constantin Hârțan

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Petru Ștefănuț

Selling Shareholder

Aurel-Florin Moldoveanu

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Daniel Stefan Jancovschi

Selling Shareholder

Silviu-Catalin Petrea

Selling Shareholder

Antonio-Gabriel Stoean

Selling Shareholder

Daniela-Camelia Simion

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Mihaela-Aurelia Cismek

Selling Shareholder

Mihaela Miron

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

Florin Alexandrescu

Selling Shareholder, by attorney

Alexandru – Mircea Mihăilescu

ANNEXES

Distribution Network of SSIF BRK Financial Group

1. Bucharest Agency

Bucharest, District 2, 7 Bocsa Street, ap.1

[Phone: 0364260762](tel:0364260762)

officebucuresti@brk.ro

2. Iasi Agency

Iasi, 4 Calea Chisinaului Street, bl. Plomba, entrance D, ap.1

[Phone: 0242234569](tel:0242234569)

iasi@brk.ro

3. Suceava Agency

Suceava, 53 Stefan cel Mare Street, bl.G, entrance B

[Phone: 0330401092](tel:0330401092)

suceava@brk.ro

4. Timisoara Agency

Timisoara, 6 Simion Barnutiu Street, comp.2

[Phone: 0356401257](tel:0356401257)

timisoara@brk.ro