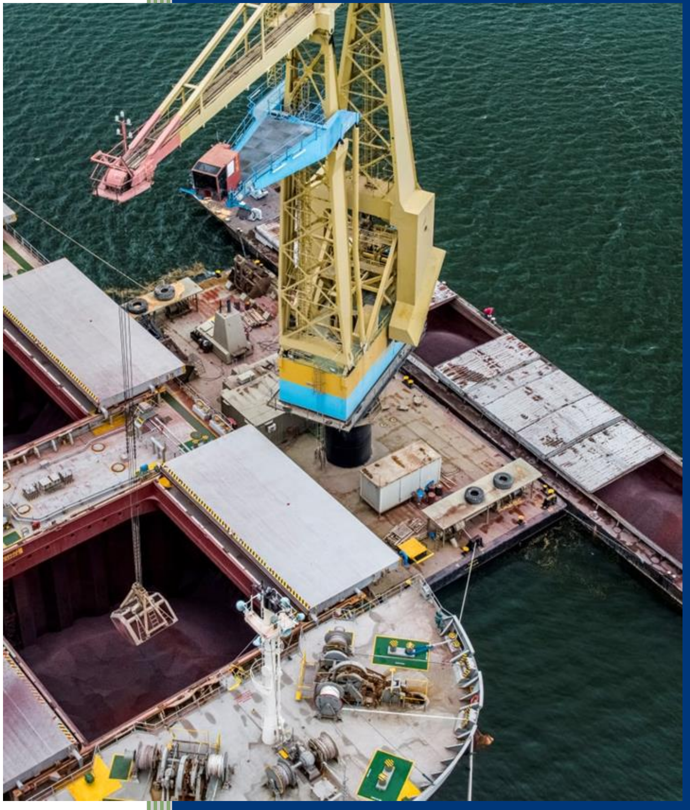
TTS – 2023

2023 Annual Report

TTS (Transport Trade Services) S.A.

BVB: TTS



Dear shareholders and investors,

2023 was an exceptional year for TTS Group, characterized by record levels of financial results and investments, and our expansion in the port of Constanța. Furthermore, TTS was among the 10 most traded shares on the Bucharest Stock Exchange, with the best performance on the Regulated Market, and we have received international recognition for our performance on the capital market. These results were achieved in a challenging geopolitical and macroeconomic context, proving once again the adaptability and robustness of our business model.

In pursuit of our strategic objective, which is to be the number 1 supplier of integrated logistics services in the Danube basin, in 2023 we made an important strategic move by **acquiring Decirom port operator and two large-capacity floating cranes**. These investments worth RON 190,0 million represent an important step for the **development of TTS Group's operations in the port of Constanța** by increasing both the operating capacity, and particularly the operating speed, the most important parameter in evaluating port efficiency.

Through the **record investments of RON 381,9 million** made in 2023, TTS Group strengthens its position as an integrated logistics services supplier on the Danube, **covering all elements of the logistics chain - an essential competitive advantage** that gives us the ability to optimize flows and ensure high efficiency levels.

TTS Group has recorded historic financial results, with an increase of over 24% in turnover and over 67% in EBITDA compared to 2022, supported by the flows of Ukrainian agricultural products redirected in 2022 on the Izmail/Reni – Constanța route. Maintaining these flows at high levels throughout 2023, along with the relative stabilization of shipping and port operating rates that followed the general rate increases in 2022, led to an increase in our income from agricultural products and from port operations. For the first time in the Group's history, our port operations significantly exceeded our river transport activity in terms of cargo volumes.

In 2023, **TTS Group recorded total revenues of RON 1.16 billion**, an advance of 24,3% compared to 2022, and **EBITDA of RON 437,6 million**, an increase of 67.2% compared to the previous year. In line with the group, **TTS recorded a turnover of RON 904.5 million**, up almost 38% compared to 2022, and an **EBITDA of RON 161,8 million**, an advance of 76.5%.

Financial results were supported by the **return of the aggregate volumes of cargo to the levels recorded in 2021, fueled by the robust growth of our port operations.** Thus, the 9,2% increase up to 15,2 million tons of the aggregate volume of goods transported and operated by the Group, was supported by the increase of more than 42% up to 8,9 million tons in the volumes operated in ports, in 2023.

The results of 2023 allow the distribution of **RON 68.4 million in dividends**, representing 45,2% of the net profits of TTS. The 2023 dividend proposal is aligned with our dividend policy and has considered the company's long-term plans and the allocation of resources to finance investment projects and maintain an appropriate degree of flexibility and financial resilience.

In terms of capital market activity, our strategy focused on increasing liquidity. **TTS shares ranked 8th in among the most traded shares listed on the Bucharest Stock Exchange in 2023** – an exceptional result considering the level of market capitalization of TTS shares, and we were the company that had the largest share price increase: 135.6%. This performance was supported by the excellent financial results, by the increase in the degree of transparency and pro-activity in communication, by the openness demonstrated by TTS in the relationship with investors, and by the market making activity of the two market makers, BRK Financial Group and Raiffeisen International Bank. We have communicated throughout the year with the market directly through BVB, by organizing video conferences, as well as by participating in investor conferences. These tools, along with increased coverage of TTS by analysis providers, have resulted in a more than four-fold increase in the number of TTS shareholders since listing, approaching 9.300 today.

The status of listed company has also increased our visibility at an international level, TTS being the only Romanian company nominated for the European Small and Mid-Cap Awards - a competition organized by the initiative of the European Commission, EuropeanIssuers and the Federation of European Stock Exchanges (FESE) open to companies listed on the European stock exchanges, and we ranked 2nd in the "Rising Star" category, for the performances obtained as a result of accessing the capital market through an IPO and adopting the best practices in investor relations.

We have made a strong commitment to the sustainability of our operations from an environmental impact perspective. We aim to further maintain a low level of the carbon dioxide footprint generated by the transport activity on the Danube through investments in ports and the fleet. We will also continue to adopt best practices of corporate governance and social responsibility. A confirmation of our strategy came in 2023 when, based on our Sustainability Reports 2022 and EHS 2022 published in early July, Morningstar Sustainalytics lowered the ESG risk rating of TTS to 21.8 with a momentum of -2.9 points. This is placing TTS Group close to the the border between "Medium risk" and "Low risk" - from which we are separated by less than 2 points, which is in line with our objective being to enter the category of companies with low ESG risk as soon as possible. From this perspective, we are confident that the results for the year 2023 - still under evaluation, to be published on July 1, 2024, will confirm the expectations and we will reach the "Low ESG Risk" zone by the end of the year.

In 2024 we will focus on two key objectives. First, we will continue to invest in the development of port operating capabilities, in parallel with investments in our fleet, both through the construction of new barges and through acquisitions. The second objective is to bring the sustainability reporting system up to the level required by the ESRS standards, mainly through its extension and its integration with other systems, to be in line with the provisions of the CSRD Directive.

The base of our achievements is our vertically integrated business model built on two principles – the commercial autonomy of the companies in the group and the operational coordination between segments. This model – with a high level of operational flexibility, has allowed us to quickly adapt to market conditions, has demonstrated over the years high levels of efficiency and resilience, and ensures solid development prospects for the years to come. The combination of the operational capacity of the companies in the group and the expertise of TTS in forwarding and integrated logistics services creates a unique architecture in the sector of transport operations and integrated logistics on the Danube. We are well positioned to ensure our consolidated presence and sustainable growth in all markets in which we operate.

On behalf of the TTS team, I would like to thank our shareholders and partners for their continuous trust and support, and I invite all of you to be with us in 2024, the year of strengthening TTS' activity as the number 1 provider of integrated logistics services in the Danube basin.

With regards,
Petru Ștefănuț

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1. TTS and the Group in 2023

1.1. 2023 – The Best Results in the History of TTS and of the Group

TTS ends 2023 with a turnover of RON 904,5 million, 37,9% higher than the turnover recorded in 2022, and a **net profit of RON 151,4 million**, 86,4% higher than the net profit recorded in 2022.

TTS – Profit and Loss account – 12 months 2023

(million RON)	12 months 2023	12 months 2022	Δ 2023/2022
Turnover	904,5	656,0	▲ +37.9%
Operating income	157,6	87,3	▲ +80.5%
Net profit	151,4	81,2	▲ +86.4%
EBITDA	161,8	91,7	▲ +76.5%

Following these results, the **net assets of TTS reached RON 369,1 million** (▲+49,0% Δ 2023/2022), for a **total asset value of RON 550,5 million** (▲+62,4% Δ 2023/2022) and **a debt level of RON 181,5 million** (+98,8% Δ 2023/2022).

TTS – Balance Sheet – 31.12.2023

(million RON)	31.12.2023	31.12.2022	Δ 2023/2022
Total assents	550,5	339,1	▲ +62,4%
Total debts, of which	181,5	91,3	▲ +98,8%
Loans	53,9	-	N/A
Net assets	369,1	247,8	▲ +49,0%

The debt level on 31.12.2023 doubled compared to 2022 (+98,9%), reflecting our intention to prudently improve the capital structure, the main share being **trade debts in the amount of RON 91,6 million** (+42,8% Δ 2023/2022, **in line with the evolution of turnover**) and the **balance of RON 53,9 million of the loan contracted to finance the acquisition of DECIROM S.A.** The difference consists mainly of investment subsidies (related to the Giurgiu port modernization project) and income recorded in advance.

At the Group level, the **turnover was RON 1.161,1 million**, 24,3% higher than the turnover recorded in 2022, i.e. RON 934,4 million, the **net profit reaching RON 305,5 million, up 70,8%** from 2022.

TTS group (consolidated) – Profit and Loss account – 12 months 2023

(million RON)	12 months 2023	12 months 2022	Δ 2023/2022
Turnover	1.161,1	934,4	▲ +24,3%
Operating income	351,5	210,4	▲ +67,1%
Net profit	305,5	178,9	▲ +70,8%
EBITDA	437,6	283,3	▲ +67,2%

Under these conditions, the total value of the **assets of TTS group** on 31.12.2023 **reached RON 1.339,4 million** (▲+33,3% Δ 2023/2022), a value which, in tandem with **low level of debt, respectively RON 252,5 million** (▲+35,3% Δ 2023/2022), led to **net assets of RON 1.087,0 million,** (▲+32,8% Δ 2023/2022).

TTS group (consolidated) – Balance Sheet – 31.12.2023

(million RON)	31.12.2023	31.12.2022	Δ 2023/2022
Total assents	1.339,4	1,005,0	▲ +33,3%
Total debts, of which	252,5	186,6	▲ +35,3%
Loans	110,8	68,0	▲ +63,6%
Net assets	1,087,0	818,4	▲ +32,8%

1.2. The Year of Record Investments

TTS Group reinvested the entire profit made in 2023, seizing of great opportunities to efficiently allocate our capital, **the volume of investments reaching a historical record value, i.e. RON 381,9 million** (achievement rate 114,6%), RON 76,6 million higher than the net profit of the year. Of the total amount invested, **RON 239,2 million** (62,6% of the total) were **allocated for the development of port operations** and **RON 134,5 million for the fleet** (35,2% of the total).

Investments – 12 months 2023

(million RON)	Realized	Budgeted	Achievement level
River transport	134,5	102,3	▲ 131,5%
Port operation	239,2	231,0	▲ 103,6%
Support activities	8,1	0	N/A
Total	381,9	333,3	▲ 114,6%

The difference of RON 8,1 million was invested by CNFR NAVROM in the shipyards operated by NAVROM Shipyard and in the SUPER QUATRO subsidiary, the **total value of NAVROM's investments being RON 142,6 million.**

The investments in port operations were made **mainly by TTS (Transport Trade Services), respectively RON 204,4 million** (RON 132,8 million in the takeover of DECIROM, RON 57,1 million in the purchase of floating cranes and RON 14,0 million in the modernization of Giurgiu port), and **CANOPUS STAR – investments of RON 21 million** in the project to expand its own operating and storage capacities.

In December 2023, TTS (Transport Trade Services) completed the modernization works of Giurgiu port, a project co-financed by European funds.

Similarly, TTS reinvested its entire profit in 2023, **the volume of investments reaching a historical record, i.e. RON 205,0 million** (achievement rate 90,5%), RON 53,6 million higher than the net profit of the year. **Of the total amount invested, RON 204,4 million** (99,8% of the total) were invested **in the development of TTS Group's port operations**.

Aggregate investments – 12 months 2023

(million RON)	Realized	Budgeted	Achievement level
Investments in the port operation segment	204,4	202,8	▲ 100,8%
Other investments	0,6	23,7	▼ 2,3%
Total	205,0	226,5	▼ 90,5%

1.3. The Structural Change of TTS Group's Operations: Port Operations vs. River Transport

From an operational point of view, 2023 marked an important evolution in the structure of the TTS Group's business portfolio, being the first year in which the port operation activity significantly exceeded river transport in volume, which resulted in the return of the volume of operated goods and transported by TTS Group at the level recorded in 2021.

Thus, the aggregate volume of goods registered an increase of 1,30 million tons compared to 2022, reaching at the end of the year 15,52 million tons (▲+9,2% Δ 2023/2022, ▼-0,2 % Δ 2023/2021), as a result of the increase by 2,65 million tons in volume of port operation activity (▲+42,3% Δ 2023/2022), which covered the decrease recorded by river transport (▼-17 ,0% Δ 2023/2022).

Operations[1] – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
River transport	6,60	7,94	▼ -17,0%
Port operations	8,93	6,28	▲ +42,3%
Total	15,52	14,22	▲ +9,2%

This evolution was determined by the significant increase in the group's activity in the Port of Constanța, starting from the 3rd quarter - with the takeover of DECIROM by TTS followed by the consolidation of the volumes operated by it starting from August 1, and continuing in the 4th quarter through the operationalization in September of the 2 floating cranes purchased by TTS in June

A similar evolution was experienced by the forwarding services provided by TTS for goods operated in ports that significantly exceeded the services provided for goods transported by river.

The aggregate volume of goods shipped by TTS registered an increase of 2,88 million tons compared to 2022, reaching at the end of the year 12,82 million tons (▲+29,1% Δ 2023/2022), because of the increase by 2,86 million tons (▲+66.5% Δ 2023/2022) of the volume of goods operated in ports shipped by TTS.

Operations – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
River transport	5,64	5,62	▲ 0,3%
Port operations	7,18	4,32	▲ 66,5%
Total	12,82	9,94	▲ 29,1%

1.4. Commodity Flows in 2023: Agricultural Products Up, Minerals Down, Chemical Products Flat

The flows of agricultural products registered in 2023 an increase of 3,30 million tons compared to 2022, reaching a volume of 8,44 million tons (▲+64,2% Δ 2023/2022), increases registering both port operation, and river transport.

[1] Excluding external subsidiaries of TTS (Transport Trade Services) GmbH. Vienna, PLIMSOLL Zrt. Budapest, Fluvius Kft. Budapest and Port of Fajsz Kft. Fajsz

Agricultural products - volumes by categories of operations - 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
River transport	3,00	2,12	▲ +41,5%
Port operations	5,44	3,02	▲ +80,2%
Total	8,44	5,14	▲ +64,2%

These increases were determined, on the one hand, by the fact **that the flows of Ukrainian agricultural products recorded high levels throughout the whole year 2023**, (double the period compared to 2022 when the influence of these flows was manifested only in the second semester) and , on the other hand, by **the increase in product flows from Romania, Serbia and Hungary** recorded in the second semester of 2023, compared to the same period in 2022.

At the opposite pole were the **flows of mineral products**, which recorded in 2023 a decrease of 1,86 million tons compared to 2022, **the volume recorded at the end of the year being 5,13 million tons** (▼ -26,6% Δ 2023/2022), the increase of 0,12 million tons (▲+5,8% Δ 2023/2022) per operation not being able to compensate the decrease of 1,98 million tons (▼-40,8% Δ 2023 /2022) registered on river transport.

Minerals – volumes by categories of operations – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023 / 2022
River transport	2,87	4,85	▼ -40,8%
Port operations	2,26	2,14	▲ +5,8%
Total	5,13	6,99	▼ -26,6%

The basis of this evolution was the lack of demand for mineral transport services for Romanian metallurgical plants, these flows decreasing by 1.84 million tons compared to 2022.

In contrast, **the flows of chemical products** remained practically at the level of 2022, **the total volume recorded in 2023 being 1,73 million tons** (▼-0,1% Δ 2023/2022), the increase of 0,11 million tons per operation (▲ +10,0% Δ 2023/2022) compensating almost entirely the reduction in transport volume.

Chemical products – volumes by categories of operations – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023 / 2022
River transport	0,50	0,61	▼ -18,7
Port operations	1,23	1,12	▲ +10,0%
Total	1,73	1,73	▼ -0,1%

1.5. 2022 and 2023 Dividends

Based on the O-GSM decision of 28.04.2023, in June TTS distributed the dividend for the year 2022 in the amount of RON 33.000.000, respectively RON 0,55/share. The 2022 dividend was 84.9% higher than the 2021 dividend.

The proposal of the Board of Directors of TTS regarding the distribution of dividends from the net profit 2023 included on the agenda of the O-GSM of April 30, 2024, is **RON 68.400.000** in total gross amount, **representing 45,19% of the individual net profit** (preliminary) in the amount of **RON**

151.354.834, and complies with the Company's Dividend Policy, approved by BoD Decision no. 1 from 30.09.2021.

The 2023 dividend is **102,7% higher** than the 2022 dividend, given that TTS made investments in the amount of RON 204.9 million in 2023.

The evolution over time of dividends distributed by TTS was as follows:

	2019	2020	2021	2022	2023
Net profit [RON]	28.399.270	29.799.807	32.610.965	81.189.859	151.354.834
Dividend [RON]	**15.300.000**	**16.200.000**	**17.850.000**	**33.000.000**	**68.400.000**
Dividend rate	53,9%	54,4%	54,7%	40,6%	45,2%
Variation	-	**↑ +5,9%**	**↑ +11,2%**	**↑ +84,9%**	**↑ +102,7%**
Dividend per share	**RON 0,51**	**RON 0,55**	**RON 0,2975**	**RON 0,55**	**RON 1,14**

1.6. Sustainability: ESG Risk Rating Down (Morningstar Sustainalytics)

Following the July 2023 publication of the Sustainability Report 2022 and the Sustainability Report 2022, ESG rating agency Morningstar Sustainalytics upgraded TTS's ESG risk rating.

TTS' current ESG risk score is 21.8 with a -2.9 momentum (average risk, **37th percentile out of 16.313 companies assessed by Morningstar Sustainalytics**, 40th percentile in the transportation industry – 414 companies, a 36th percentile in the shipping sub-industry – 103 companies), down from 24.8 (medium risk, 47th percentile of 15,563 companies assessed by Morningstar Sustainalytics, 56th percentile in the transportation industry – 395 companies, 62nd percentile on the shipping sub-industry – 97 companies).

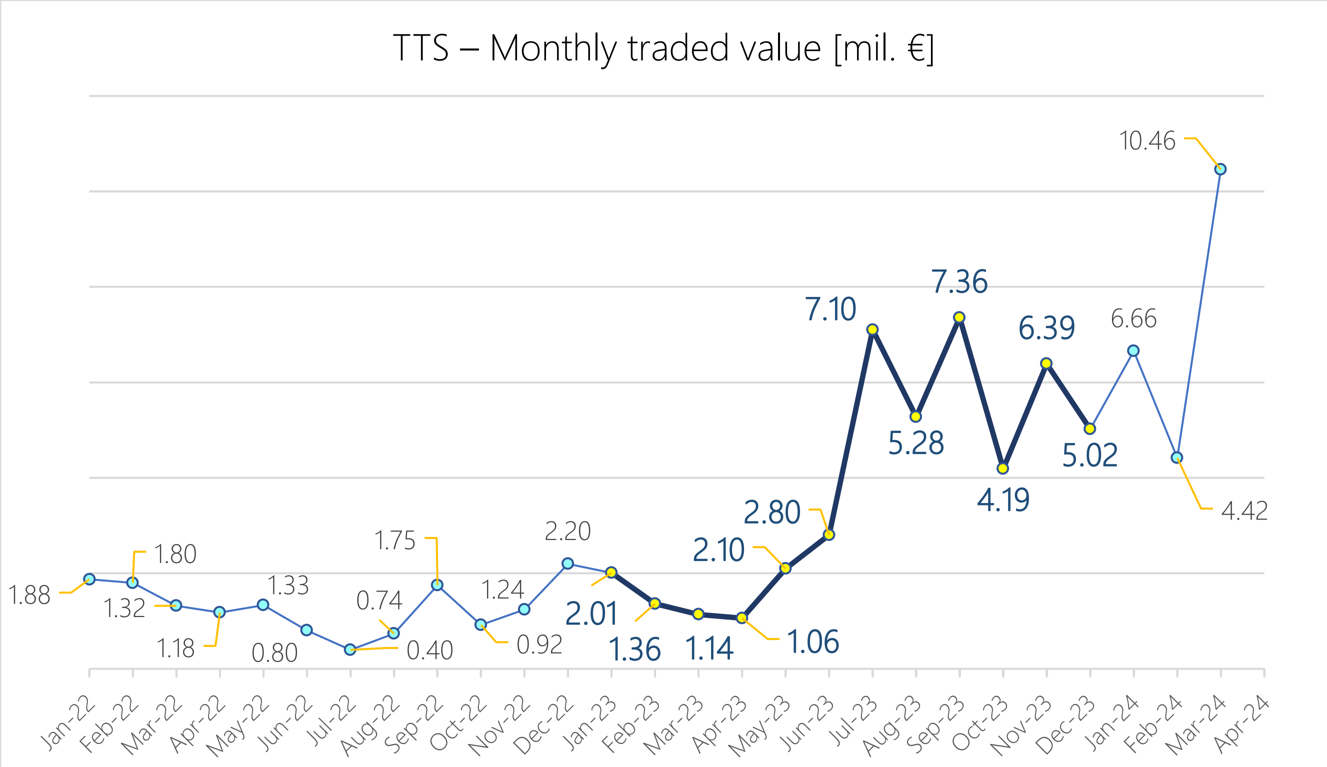
The Sustainalytics report was published on TTS' website.

1.7. The Evolution of TTS shares: 3,4 times Increase in Liquidity and 2,4 times in Capitalization.

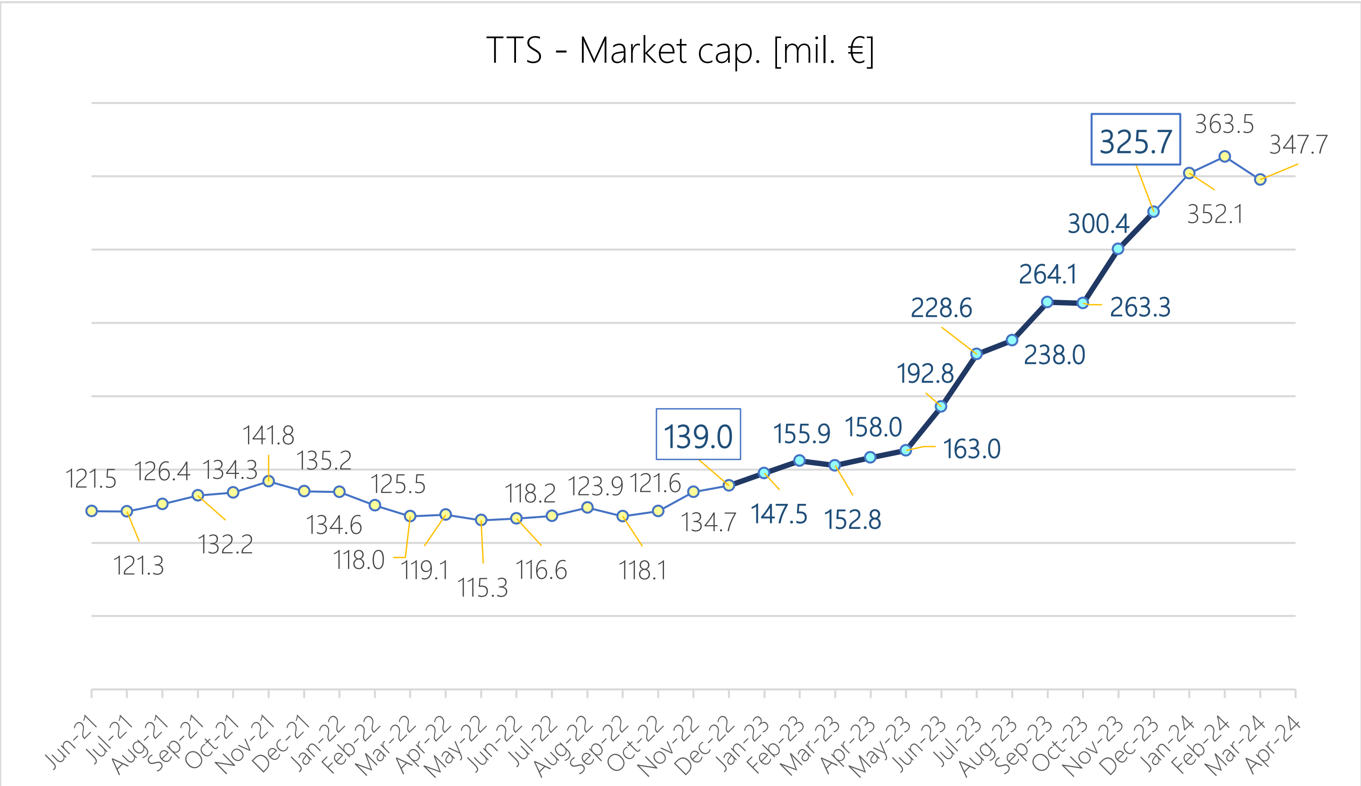
TTS shares recorded a double performance in 2023, ending the year in the 8th position in the ranking of the most traded shares on the Bucharest Stock Exchange and registering the highest price increase with an increase of 135,6%%

These results came amid increased liquidity in the shares since June when Raiffeisen Bank International began its activity as a market maker for TTS shares. **The effects of the presence in the market of two issuing market makers – BRK Financial Group and Raiffeisen Bank International**, were fully felt **in the second half of the year when the total value of transactions with TTS shares reached €35.3 million** (with an average daily of €282.693), **237,3% higher** than the value recorded in the first semester, respectively €10,5 million (daily average: €85.163).

The annual liquidity of TTS shares in 2023 was €45,8 million (with a monthly average of €3,82 million) **increasing by 194,6%** compared to the liquidity recorded in 2022, respectively €15,6 million (monthly average: €1,30 million).



Liquidity remained high in the first quarter of 2024 as well, with **March 2024 being the month with the highest trading value for TTS shares since listing until today, at €10,46 million**.



There was a similar evolution in the stock market capitalization **which increased by €132,8 million** in the second semester, after an increase of €53,8 million in the first half of the year.

Under these conditions, the capitalization of TTS shares reached €325,7 million at the end of the year, an increase of 134,3% compared to the capitalization recorded at the end of 2022, i,e, €139,0 million.

2. Outlook 2024

The situation on the markets

Agricultural products

The resumption of Ukrainian exports of agricultural products through Ukrainian ports on the Black Sea is expected to determine a general decrease in volumes exported through the port of Constanța, putting strong pressure on tariffs, especially on the spot market for transportation and operating services. The market situation is still affected by a very high level of uncertainty caused by the possible developments of the war in Ukraine.

Grain exports from the Danube basin follow the same developments as every year, with a period of blockage in the first part of the year, which, in our estimation, will unlock as a result of the pressure of the new harvest - relatively good according to market forecasts, on the storage capacities used still for the past harvest.

Minerals

In the estimation of TTS, the demand for river transport services and port operation for mineral raw materials for the iron and steel plants in the Danube basin could register an increase in relation to the year 2023, but it is difficult to estimate to what extent since it is uncertain whether the two plants that they intend to restart production will have continuous activity.

Chemical products

Market signals (reflected including in existing contracts) indicate a relative stability of chemical product flows.

Volumes operated by TTS Group

Regarding agricultural products, including Ukrainian ones, TTS Group does not rely on the "spot" market, but on stable commercial relationships and long-term integrated logistics service contracts for large volumes, thus being less sensitive to volume fluctuations from the "spot" markets of river transport and port operation. Under these conditions, we estimate that the volumes will be close to those of 2023.

Regarding agricultural products from the Danube basin, we estimate that the volumes will not register significant differences compared to the volumes recorded in 2023.

In terms of mineral products, existing contracts cover slightly higher volumes than in 2023.

TTS continues to carry out the traditional contracts for operation and transport of raw materials for fertilizers and finished products, and additionally, development and diversification projects are being analyzed and carried out, for the exploitation of Decirom's operation and storage capacities.

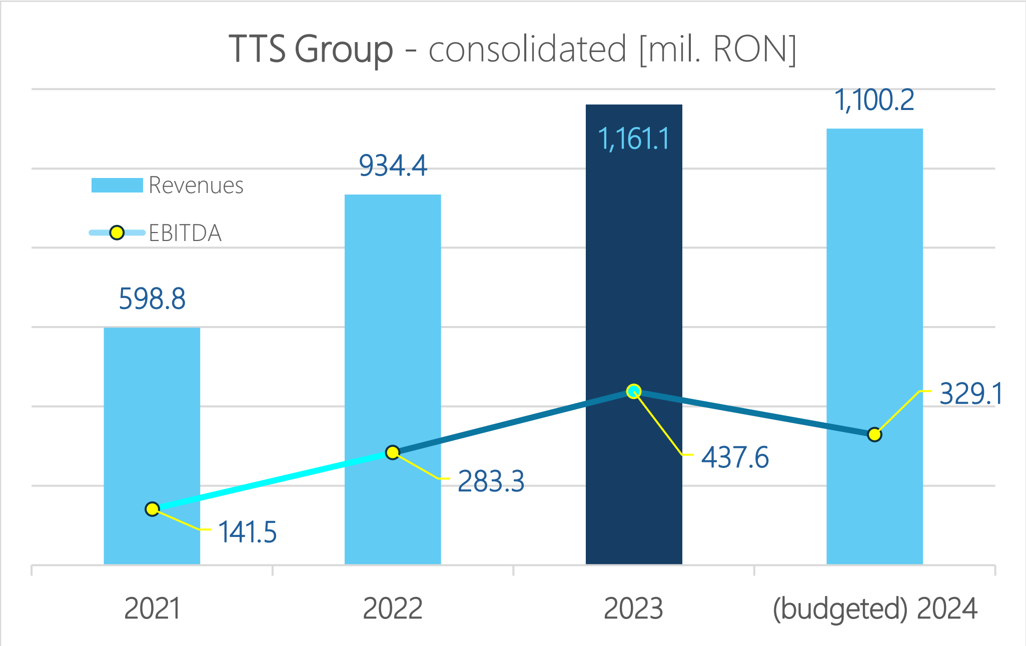
In parallel, our efforts will be directed towards lower volume cargo flows on various relationships, which will ensure **an increase in fleet efficiency through full/full navigation, made possible by the use of DECIROM's logistics capabilities**.

In line with these developments, as was publicly announced, TTS concluded for the year 2024 two contracts for the provision of integrated logistics services (shipping, river transport and port operation) with a total estimated value of RON 300 million.

Financial perspective

The budgeted revenues at TTS Group's level for 2024 are 5.3% lower than the revenues achieved in 2023, **but 17.7% higher compared to those achieved in 2022**, while the **budgeted EBITDA** is 37.3% lower than EBITDA achieved in 2023, but **16.3% higher compared to EBITDA 2022**.

[million RON]	2021	2022	2023	(budgeted) 2024
Revenues	598,8	934,4	1.161,1	1.100,2
EBITDA	141,5	283,3	437,6	329,1



Investments

We will continue to maintain a level of investment that ensures both the development of **new capacities and the modernization of existing capacities at the fleet level**, as well as **the expansion and diversification of port operating capacities, especially in the port of Constanța**. The completion of ongoing investments, forecasted for the end of 2025, will significantly increase the operating capacity in the port of Constanța

The value of the budgeted investments at TTS Group's level for 2024 - included on the agenda of the O-GSM of April 30, 2024, is RON 221,8 million (RON 93,0 million in the fleet and RON 120,1 million in port operation capacity), 83,6% higher than the value of the investments made in 2022, respectively RON 120,8 million.

The value of the investments is below the total value realized in 2023, but this fact is due to the "one-off" investments in the takeover of DECIROM and in floating cranes worth RON 189,9 million, If we do not take these investments into account, the budgeted value of investments for 2024 is higher by 15,6% compared to the value realized in 2023, i,e, RON 192,0 million.

Risk factors

High fuel, raw material, and energy prices, caused by still high and possibly rising inflation, will continue to have a negative influence on operating costs, as well as the costs of repairs, maintenance, modernization, and development of the asset base.

Although the forecasts do not indicate negative developments in 2024, the activity, both in terms of the volume of cargo transported and operated in the ports, and in terms of economic efficiency, may be negatively affected by weather conditions, especially with influence on the Danube water level, by the drought that may affect agricultural crops.

TTS Group's activity may also be affected by the regional and global geopolitical situation characterized by a high degree of instability, which may influence the performance of regional economies and the level of demand for services for cargo flows in the markets in which TTS Group is active. TTS, through the services and economic relations it has at its disposal, constantly analyzes with its own methods all the developments in the relevant markets along the Danube basin in order to find the best solutions to mitigate or counteract the negative impact on the TTS Group's activity.

A permanent challenge, which will also be felt in 2024, is the provision of the necessary personnel, especially highly qualified, both in the river transport segment and in the port operation segment (especially ship captains and floating crane operators).

3. Operations

3.1. General view

The physical indicators achieved by TTS group in 2023 are as follows:

Operations[2] – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
River transport	**6,60**	7,94	▼ -17,0%
Port operations	**8,93**	6,28	▲ +42,3%
Total	**15,52**	14,22	▲ +9,2%

Cargo – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	8,43	5,14	▲ 64,2%
Minerals	5,13	6,99	▼ -26,6%
Chemical products	1,73	1,73	▼ -0,1%
Other	0,22	0,36	▼ -38,0%
Total	15,52	14,22	▲ 9,2%

[2] For reasons of internal organization of the group, the external subsidiaries of TTS (Transport Trade Services) GmbH are not included. Vienna, PLIMSOLL Zrt. Budapest, Fluvius Kft. Budapest and Port of Fajsz Kft. Fajsz

River transport activity registered a 17,0% decrease compared to 2022 as a result of the reduction in mineral flows intended for Romanian metallurgical plants.

River transport – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	3,00	2,12	▲ 41,5%
Minerals	2,87	4,85	▼ -40,8%
Chemical products	0,50	0,61	▼ -18,7%
Other	0,22	0,36	▼ -38,0%
Total	**6,58**	**7,94**	▼ -17,0%

In response to the low level of demand for transport services, TTS subcontracted a larger volume of goods within the group, with the share of intra-group contracts increasing from 66,0% in 2022 to 83,4% in 2023.

Structure of river transport contracts – 12 months 2023

(volume of cargo – million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Third-party Contracts of the Shipping Segment[3]	0,15	0,38	▼ -61,9%
Direct contracts of the River Transport Segment[4]	0,95	2,32	▼ -59,1%
Intra-group contracts (Shipping – River Transport)	5,49	5,24	▲ 4,8%

The port operation activity registered an increase of 42,3% both as an effect of the flows of goods of Ukrainian origin that transited the port of Constanța, but also due to the volume increases of the flows of agricultural goods from Romania, Serbia and Hungary recorded in the second semester of 2023.

Port operations – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	5,44	3,02	▲ 80,2%
Minerals	2,26	2,14	▲ 5,8%
Chemical products	1,23	1,12	▲ 10,0%
Total	**8,93**	**6,28**	▲ 42,3%

In response to market conditions, the share of volumes contracted by the Port Operations Segment with TTS increased significantly from 59,1% in 2022 to 74,4% in 2023, concurrently with a 43,0% increase in volumes subcontracted by TTS with third parties.

Structure of port operations contracts – 12 months 2023

(volume of cargo – million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Third-party Contracts of the Shipping Segment	2,09	1,46	▲ 43,0%
Direct contracts of the Port Operations Segment[5]	1,75	1,97	▼ -11,3%
Intra-group contracts (Shipping – Port operation)	5,10	2,85	▲ 78,5%

[3] The Shipping segment does not include the external subsidiaries with TTS (Transport Trade Services) GmbH activity. Vienna and PLIMSOLL Zrt. Budapest

[4] Due to reasons of internal organization of the group, the River Transport Segment does not include the Fluvius Kft. Budapest subsidiary

[5] For reasons of internal organization of the group, the Port Operations Segment does not include the subsidiary Port of Fajsz Kft. Fajsz

3.2.Shipping Segment

The Shipping segment registered a volume of 12,82 million tons in 2023, 2,88 million tons higher than in 2022 (▲+29,1% Δ 2023/2022), mainly due to the increase in volume of flows of goods operated in the port of Constanța.

Shipping Segment – Goods transported by river – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	2,98	2,08	▲ 43,1%
Minerals	2,17	2,94	▼ -26,1%
Chemical products	0,49	0,60	▼ -18,9%
Total	5,64	5,62	▲ 0,3%

Shipping Segment – Goods operated in ports – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	4,34	1,78	▲ 144,3%
Minerals	1,91	1,62	▲ 18,0%
Chemical products	0,93	0,92	▲ 1,5%
Total	7,18	4,32	▲ 66,5%

3.3.River Transport Segment

The River Transport segment registered a volume of 6,48 million tons, lower by 1,08 million tons compared to 2022 (▼-14,2% Δ 2023/2022), mainly due to the low demand for services of transport for mineral goods intended for Romanian metallurgical plants.

River transport Segment - Volumes - 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	2,98	1,94	▲ 53,6%
Minerals	2,74	4,65	▼ -41,0%
Chemical products	0,49	0,61	▼ -19,5%
Other	0,27	0,36	▼ -26,6%
Total	6,48	7,56	▼ -14,2%

River transport Segment – Goods route completed – 12 months 2023

(billion tons * km)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	1,148	0,827	▲ 38,8%
Minerals	1,632	2,029	▼ -19,6%
Chemical products	0,287	0,399	▼ -28,1%
Total	3,071	3,256	▼ -5,7%

3.4.Port Operations segment

The Port Operations segment registered a volume of 6,85 million tons, higher by 2,03 million tons compared to 2022 (▲+41,8% Δ 2023/2022), mainly due to the increase in volume of flows of agricultural goods exported to Ukraine operated by direct transshipment at the buoy terminals operationalized by TTS in 2022.

The integration of DECIROM into the group starting in August and the commissioning in September of the floating cranes purchased by TTS in June, also contributed to the increase in volume of the Port Operations Segment.

Port operations Segment – Volumes – 12 months 2023

(million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	5,29	2,98	▲ 76,7%
Minerals	0,38	0,72	▼ -47,4%
Chemical products	1,19	1,12	▲ 5,7%
Total	6,85	4,82	▲ 41,8%

4. Investments

4.1. Investments in the River Transport Segment

Aggregate investments – 12 months_2023

(RON million)	Realized	Budgeted	Degree of achievement
Active acquisitions and ship conversions	65,9	35,9	▲ 183,4%
Ship repairs, recertifications and upgrades	68,6	66,4	▲ 103,4%
Total	134,5	102,3	▲ 131,5%

Asset acquisitions and ship conversions – 12 months_2023

(RON million)	Realized	Budgeted	Degree of achievement
Barge purchases	56,5	32,7	▲ 172,8%
Barge conversions and modifications	6,3	3,2	▲ 193,2%
Purchases of other assets	3,2	0	N/A
Total	65,9	35,9	▲ 183,4%

Ship repairs, recertifications and upgrades – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Barge recertifications	53,5	52,5	▲ 102,0%
Major repairs and re-certifications of liners	4,3	4,8	▼ 91,2%
Propelled vessel recertifications	1,0	0,6	▲ 171,1%
Capital repairs of technical and auxiliary vessels	2,0	1,8	▲ 110,2%
Ship upgrades	2,1	2,0	▲ 108,7%
Other equipment	5,5	3,5	▲ 157,7%
Maintenance	1,4	0,3	▼ 19,1%
Total	68,6	66,4	▲ 103,4%

4.2. Investments in the Port Operations Segment

Aggregate Investments – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Direct investment in operating capabilities	106,4	97,6	▲ 109,1%
DECIROM takeover	132,8	133,5	▲ 99,5%
Total	239,4	231,0	▲ 103,6%

Direct investment in port operating capabilities – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Purchase of floating cranes	57,1	54,8	▲ 104,2%
Canopus - Extension of terminal capacity	21,0	15,7	▲ 133,5%
Port Giurgiu – EU co-financed modernization	13,3	14,6	▼ 89,5%
New equipment	12,0	6,7	▲ 178,2%
Equipment maintenance	0,8	5,7	▼ 13,5%
Other	2,6	0	N/A
Total	106,4	97,6	▲ 109,1%

DECIROM takeover – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Acquisition of 99.9% of Decirom's share capital	107,8	108,6	▼ 99,3%
Share capital increase after acquisition	25,0	24,9	▲ 100,3%
Total	132,8	133,5	▼ 99,5%

4.3. Investments made by TTS

Aggregate investments – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Direct investment in assets	72,1	93,0	▼ 77,6%
DECIROM takeover	132,8	133,5	▼ 99,5%
Total	205,0	226,5	▼ 90,5%

Direct investment in assets – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Purchase of floating cranes	57,1	54,8	▲ 104,2%
Giurgiu port - modernization co-financed by the EU	13,0	14,6	▼ 89,5%
Giurgiu port – outside the EU financed project	0,9	0	N/A
New equipment	1,0	2,5	▼ 40,2%
Other	0,1	21,2	▼ 0,5%
Total	72,1	93,0	▼ 77,6%

DECIROM takeover – 12 months_2023

(RON mil,)	Realized	Budgetec	Degree of achievement
Acquisition of 99,9% of Decirom's share capital	107,8	108,6	▼ 99,3%
Share capital increase after acquisition	25,0	24,9	▲ 100,3%
Total	132,8	133,5	▼ 99,5%

5. Corporate Governance

5.1. General Shareholders' Meetings

TTS continues to offer for General Meetings of Shareholders the solution of participation by online voting or by mail based on the provisions of the TTS Articles of Incorporation and the GSM Regulation, both available on the company's website.

In 2023, 4 General Shareholders' Meetings were held:

Ordinary General Shareholders' Meeting of April 28, 2023 (annual O-GSM)

The purpose of the O-GSM was to debate and adopt the necessary decisions regarding the following subjects:

• Individual Annual Financial Statements of TTS as of and for the financial year ending on December 31, 2022,

• The Consolidated Financial Statements of TTS as of and for the financial year ending on December 31, 2022,

• The distribution of the net profit of the financial year 2021 in the amount of RON 81,189,859 and the gross dividend related to the financial year 2022 in the amount of RON 33,000,000,

• Discharge of the members of the Board of Directors of TTS for the financial year 2022,

• The income and expenditure budget of TTS for the financial year 2023, individual and consolidated

• TTS investment budget for 2023, individual and consolidated

• The Remuneration Report for Administrators and Executive Directors of TTS, related to the year 2022,

The financial statements were approved with the unanimity of the votes cast.

The dividend for the year 2022, the discharge of the BoD members, the revenue and investment budgets, as well as the advisory vote on the Remuneration Report were approved with more than 97% "FOR" votes.

Shareholders holding 48,602,330 voting rights or 81.004% of the total voting rights participated in the O-GSM – by electronic voting and by mail.

Ordinary General Shareholders' Meeting of June 19, 2023

The purpose of the O-GSM was the appointment by secret ballot of Ernst & Young Assurance Services as the company's financial auditor and the increase of the monthly fixed remunerations of the members of the Board of Directors, to the gross amount of RON 31.000.

The O-GSM was attended - via electronic voting and by mail, by shareholders holding approximately 81% of the total voting rights.

Extraordinary General Shareholders' Meeting of June 19, 2023

E-GSM had the purpose of debating and adopting the necessary decisions regarding the following subjects:

• the acquisition by TTS of a package of 18,997,938 shares issued by company DECIROM S.A., a package of shares representing 99.9% of the share capital and having a total value of 21.8 million euros ("the Transaction");

• approval of contracting a loan in the amount of a maximum of 11.5 million euros to finance the purchase of DECIROM's share package ("the Loan");

• approval of the guarantee of the Loan with the share package acquired through the Transaction and/or other real estate/movable guarantees, assignments of present and future debt rights or assignments related to current and future availabilities;

• the approval by TTS of the financing of development investments, worth up to 10 million euros, made by DECIROM in the construction of warehouses, storage spaces and the purchase of equipment, with the aim of consolidating its technical base and increasing its operating speed ;

• the purchase by the Company of two floating cranes intended to expand the operating capacity of TTS Group in the port of Constanța, with a total cumulative value of a maximum of 11 million euros, with all costs included;

• Supplementing the investment budget of TTS, individually and consolidated, for the year 2023 and mandating the Board of Directors to identify opportunities and conclude transactions for new investments that support the development strategy of the company and the group and their position on the market;

• Mandate the Board of Directors to carry out, in the name and on behalf of the Company, all necessary or useful actions and steps to fulfill those approved according to the points mentioned above.

Shareholders holding 48,537,921 shares or 80.897% of the total voting rights participated in the E-GSM - by electronic voting and by mail.

Extraordinary General Shareholders' Meeting of November 17, 2023

E-GSM had as its object the development of a program to buy back its own shares, with a view to developing a SOP program - "Stock Option Plan" and approving their distribution free of charge within a rights/options allocation plan.

The E-GSM was attended by - via electronic voting and by mail, shareholders holding 75% of the total voting rights.

5.2. Activity of the Board of Directors

In 2023, the Board of Directors met 14 times, 3 times in the physical or online presence of the members and 11 times by voting and debates by remote electronic means. 13 meetings were held with the participation of all Council members and 1 meeting with the participation of four out of five members.

During the meetings, 72 topics were debated (12 reports and communications to the market, 6 high-value contracts, 8 corporate governance topics, 9 GSM mandates and single partner decisions for subsidiaries, 13 topics related to the takeover of DECIROM, 18 topics related to TTS GSM, other internal topics that were subject to BoD debate) regarding which 44 decisions were taken (43 with the unanimous votes of the members of the Board of Directors) and 1 recommendation decision.

The decision regarding the update of executive management allowances taken during the meeting of April 28, 2023, was approved by the vote of 4 out of 5 members of the Board of Directors and the vote against from Mr. Ion STANCIU.

5.3. Corporate Governance Statement

The provisions of the BSE Governance Code Section A - Responsibilities	Compliance
A.1. All companies must have internal rules of the Board which include the terms of reference / responsibilities of the Board and the key management functions of the company, and which apply, inter alia, the General Principles of this Section.	YES
A.2. Provisions for the management of conflicts of interest should be included in the Council regulations.	YES
A.3. The Board of Directors must be composed of at least five members.	YES
A.4. The majority of the members of the Board of Directors must not hold executive office. In the case of Premium companies, no less than two non-executive members of the Board of Directors must be independent. Each independent member of the Board of Directors must submit a statement at the time of his / her nomination for election or re-	YES

The provisions of the BSE Governance Code Section A - Responsibilities	Compliance
election, as well as when any change of status occurs or, indicating the elements based on which he / she is independent in terms of character. and its judgment according to the criteria set out in point A.4.1. - A.4.9. from the Governance Code of BSE	
A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit corporations and institutions, must be disclosed to potential shareholders and investors prior to nomination and during his term of office.	YES
A.6. Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights.	YES[6]
A.7. The company must appoint a secretary of the Board responsible for supporting the work of the Board.	YES
A.8. The corporate governance statement will state whether an evaluation of the Board of Directors has taken place.	YES
A.9. The corporate governance statement must contain information on the number of meetings of the Board and the committees during the last year, the participation of the directors and a report by the Board and the committees on their activities.	YES
A.10. The corporate governance statement should include information on the exact number of independent members of the Board of Directors.	YES
A.11. The Board of Premium Companies must set up a nomination committee consisting of non-executive members.	YES

The provisions of the BSE Governance Code Section B - Risk Management and Internal Control System	Compliance
B.1. The Board must set up an audit committee.	YES
B.2. The chair of the audit committee must be an independent non-executive member.	YES
B.3. Among its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.	PARTIAL[7]
B.4. The assessment shall consider the effectiveness and purpose of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which the management manages to address the deficiencies or weaknesses identified and the submission of relevant reports to the Council.	PARTIAL
B.5. The audit committee must assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.	YES
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.	PARTIAL

[6] This was not the case for 2023

[7] The 2023 annual review is being finalized

The provisions of the BSE Governance Code Section B - Risk Management and Internal Control System	Compliance
B.7. The audit committee should monitor the application of legal standards and generally accepted internal auditing standards. The audit committee shall receive and evaluate the reports of the internal audit team.	YES
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be subsequently submitted to the Board.	YES[8]
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered by the company with shareholders and their affiliates.	YES[9]
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the closely related companies with a value equal to or greater than 5% of the company's net assets (according to the latest financial report) is approve,. by the Board following a binding opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors, insofar as these transactions fall into the category of events that are subject to reporting requirements.	YES
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third-party entity.	YES
B.12. In order to ensure that the internal audit department performs its core functions, it shall report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the general manager.	YES

The provisions of the BSE Governance Code Section C - Fair reward and motivation	Compliance
C.1. The company must publish on its website the remuneration policy and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	YES

The provisions of the BSE Governance Code Section D - Adding value through investor relations	Compliance
D.1. The company must organize an Investor Relations service - indicating to the general public the person (s) responsible or the organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including: D.1.1. The main corporate regulations: the articles of incorporation, the procedures regarding the general meetings of shareholders;	YES

[8] This was not the case for 2023
[9] This was not the case for 2023

The provisions of the BSE Governance Code Section D - Adding value through investor relations		Compliance
	D.1.2. Professional CVs of members of the company's management bodies, other professional commitments of members of the Board, including executive and non-executive positions on boards of directors of companies or non-profit institutions; D.1.3. Current reports and periodic reports (quarterly, half-yearly and annual); D.1.4. Information on general meetings of shareholders; D.1.5. Corporate event information; D.1.6. Name and contact details of a person who will be able to provide relevant information upon request; D.1.7. Company presentations, financial statements, audit reports and annual reports.	
D.2.	The company will have an annual dividend distribution policy published on the company's website.	YES
D.3.	The company will adopt a forecast policy, published on the company's website.	YES
D.4.	The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect at the earliest, starting with the next shareholders' meeting.	YES
D.5.	The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	YES
D.6.	The Board will present a brief assessment of the internal control and significant risk management systems to the annual general meeting of shareholders, as well as opinions on issues subject to the decision of the general meeting.	YES
D.7.	Any specialist, consultant, expert, or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders unless the Chairman of the Board decides otherwise.	YES
D.8.	The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarterly, as well as from one year to the next.	YES
D.9.	A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences.	YES
D.10.	If a company supports various forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the company are part of its development mission and strategy, it will publish the activity policy. in this area.	YES

5.4.Intra-group Transactions

In 2023, 45 reports were published on intra-group transactions with a total value of RON 669,216,447.28, covering transactions from 29.12.2022 to 13.12.2023, drawn up based on art. 108 of Law no. 24/2017 on issuers of financial instruments and market operations:

Parties in transaction	Number of reports	Period covered	Total amount
TTS and NAVROM	34	29.12.2022 - 13.12.2023	523.137.583,88
TTS and TTS Operator	5	21.09.2022 - 07.11.2023	59.544.109,28
TTS and Canopus Star	2	22.12.2022 - 05.10.2023	21.848.624,24
NAVROM and NAVROM SHIPYARD	3	18.10.2022 - 01.11.2023	49.531.829,33
NAVROM and NAVROM PORT SERVICE	1	12.12.2022 – 13.09.2023	15.154.300,55

The reports published in 2023 were the subject of two independent limited assurance reports on the information included in the reports on transactions with related parties, prepared by Ernst & Young Assurance Services S.R.L., reports published on 28.07.2023 and 29.01.2024, in accordance with the legal provisions.

5.5.Transactions with TTS shares made by members of the Board of Directors and management of TTS

In 2023, the following transactions for the purchase of TTS shares carried out by members of the TTS administration and management were recorded:

Name	Position	Transaction date	Quantity	Average price [RON/share]
Petru STEFANUT	CEO	28.07.2023	14.400	17,25

6. Investor Relations and Market Communication

6.1. TTS' Communication Strategy

TTS continued the communication strategy established in 2022, based on the following principles:

- Promotion of TTS activity through periodic and continuous reporting
  TTS treats the reports published in fulfillment of its reporting obligations as the best opportunities to promote the company's activity. In this approach, our releases and stock market reports are built by expanding the content regulated by the legal provisions – which we consider as minimum mandatory content, according to the information needs of market participants that go well beyond the regulated content.
- Using the BVB platform as the main communication channel
  All our public communications, regardless of the channel used, have BVB releases as their starting point. This approach starts from the need to ensure access to information about TTS activity in an equal and non-discriminatory manner.

- <u>Maximizing the leverage of media channels and direct communication with investors</u>
  Once the releases are published on the BVB, we ensure the dissemination of the information both through media channels and through direct communication.
- <u>Monitoring the impact of the communication activity</u>

6.2.Investors Communication

The BVB platform

TTS published in 2023, 93 periodic and current reports, of which 45 reports on transactions with affiliates, 6 reports related to periodic reporting obligations, 11 reports related to general meetings of shareholders held in 2023, 1 report on transactions with TTS actions by board members, 3 reports on high-value contracts, 3 reports on financial analysis reports on TTS published by ERSTE Research Group, and 1 report each on significant shareholder holdings and litigation in which TTS is a party.

Separately, TTS published 5 reports on the acquisition of the DECIROM terminal in Constanța.

In addition to these, TTS has also published 6 current reports regarding events in the current activity which, in TTS' opinion, could have a significant impact on the market.

Media

TTS releases and reports were constantly picked up by the media, the most active being Ziarul Financiar, Bursa, Financial Intelligence and profit.ro.

In addition, TTS had three participations in YT channel shows "FeeltheMarkets", participations in two editions of the Financial Intelligence podcast.

Video conferences and meetings with investors and analysts organized by TTS

TTS organized five video conferences in 2023 – with simultaneous English translation, for the presentation of quarterly, half-yearly and annual results.

Newsletter and social media

In 2023, TTS published 39 editions of its own Newsletter (bilingual Romanian – English), with simultaneous download of communications on TTS' FB and Linkedin channels. The number of newsletters increased from 16 in 2022 to 39 in 2023 and the number of subscribers reached 140 (compared to 68 in 2022).

Conferences organized by media institutions

TTS participated in the conferences " Piața de capital: 2023" -Finmedia, "ZF Capital Markets Summit 2023" -ZF, " Forumul Investitorilor" -Ziarul Bursa and the ARIR 2023 Forum.

Conferences dedicated to investors

TTS participated in the conferences WOOD&Co, "Romania Investor Day", London (Mar. 2023), "Frontier Investor Days", Bucharest (Sept. 2023), Raiffeisen International Bank (Apr. 2023) and Wood & Co, "Winter Wonderland EME Conference", Prague (dec. 2023).

7. Capital Market Activity

7.1. TTS Shares and Structured Financial Instruments

Symbol	TTS	RBTTSTL1	RBTTSTL2	RBTTSTL3	RBTTSTL4
ISIN	ROYCRRK66RD8	AT0000A35ZZ5	AT0000A36001	AT0000A3AHJ0	AT0000A3AHK8
Issuer	TTS	Raiffeisen Bank International			
Segment	Main	Main			
Type	Shares	Structured products			
Category	Premium	Turbo Long Certificates			
Number	60.000.000	100.000.000	100.000.000	100.000.000	100.000.000
Nominal value	RON 1,00	RON 3,10	RON 4,60	RON 8,70	RON 7,00
Start trading	14.06.2021	10.08.2023	10.08.2023	03.04.2024	03.04.2024

7.2. Liquidity and Market Capitalization of TTS Shares

The liquidity of TTS shares increased in 2023 by RON 150.2 million compared to 2022, reaching RON 227.0 million (▲+195.9% Δ 2023/2022), and an increase in volume of 4 .82 million shares, reaching 12.25 million shares (▲+64.7% Δ 2023/2022).

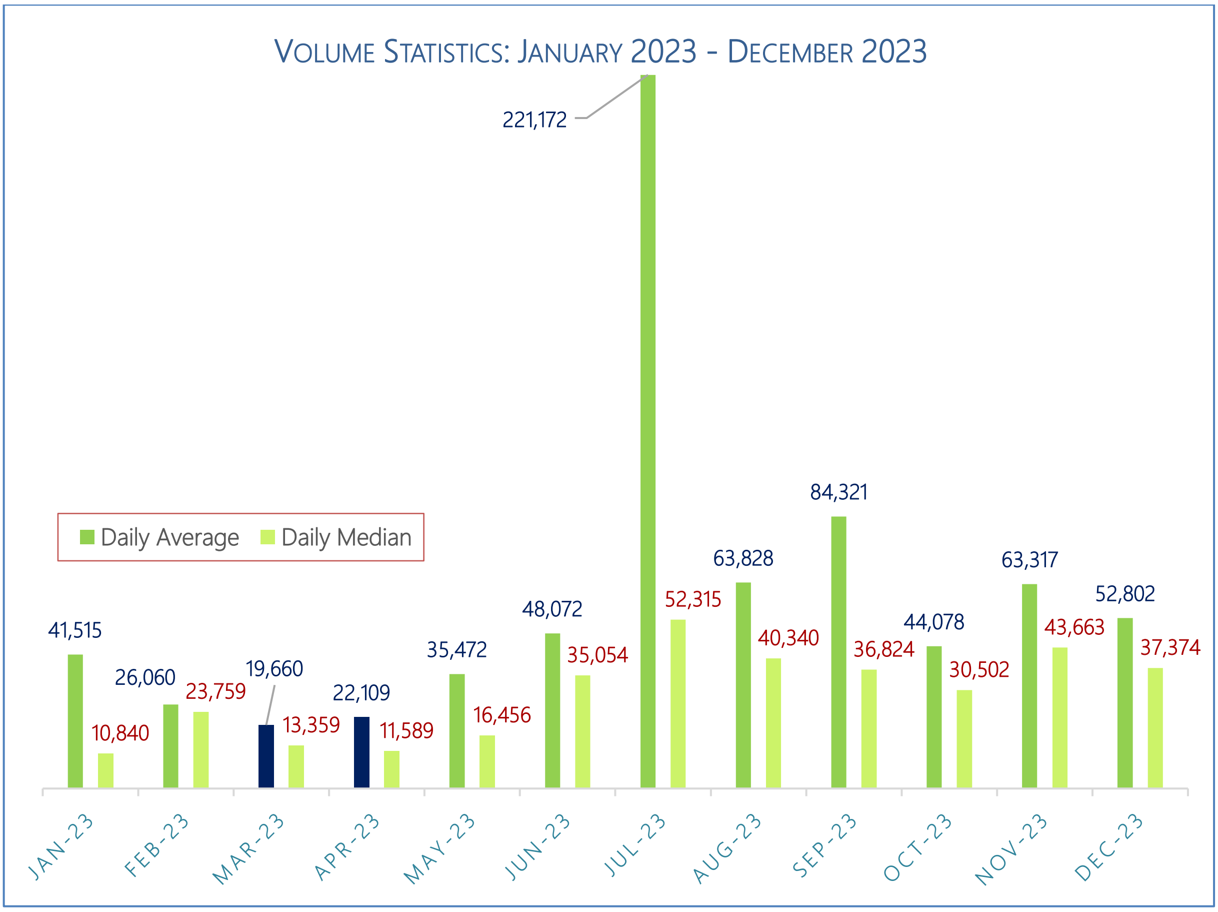
Liquidity of TTS shares – 12 months_2023

	12 months_2023	12 months_2022	Δ 2023/2022
Value	RON 226,952,773	RON 76,703,006	▲ +195,9%
Volume	12,255,559 shares	7,440,042 shares	▲ +64,7%

In 2023, the market capitalization of TTS shares increased by RON 932,4 million compared to 2022, reaching RON 1,62 billion (▲+135,6% Δ 2023/2022).

	31.12.2023	31.12.2022	Δ 2023/2022
Market cap.	RON 1.620.000.000	RON 687.600.000	▲ +135,6%

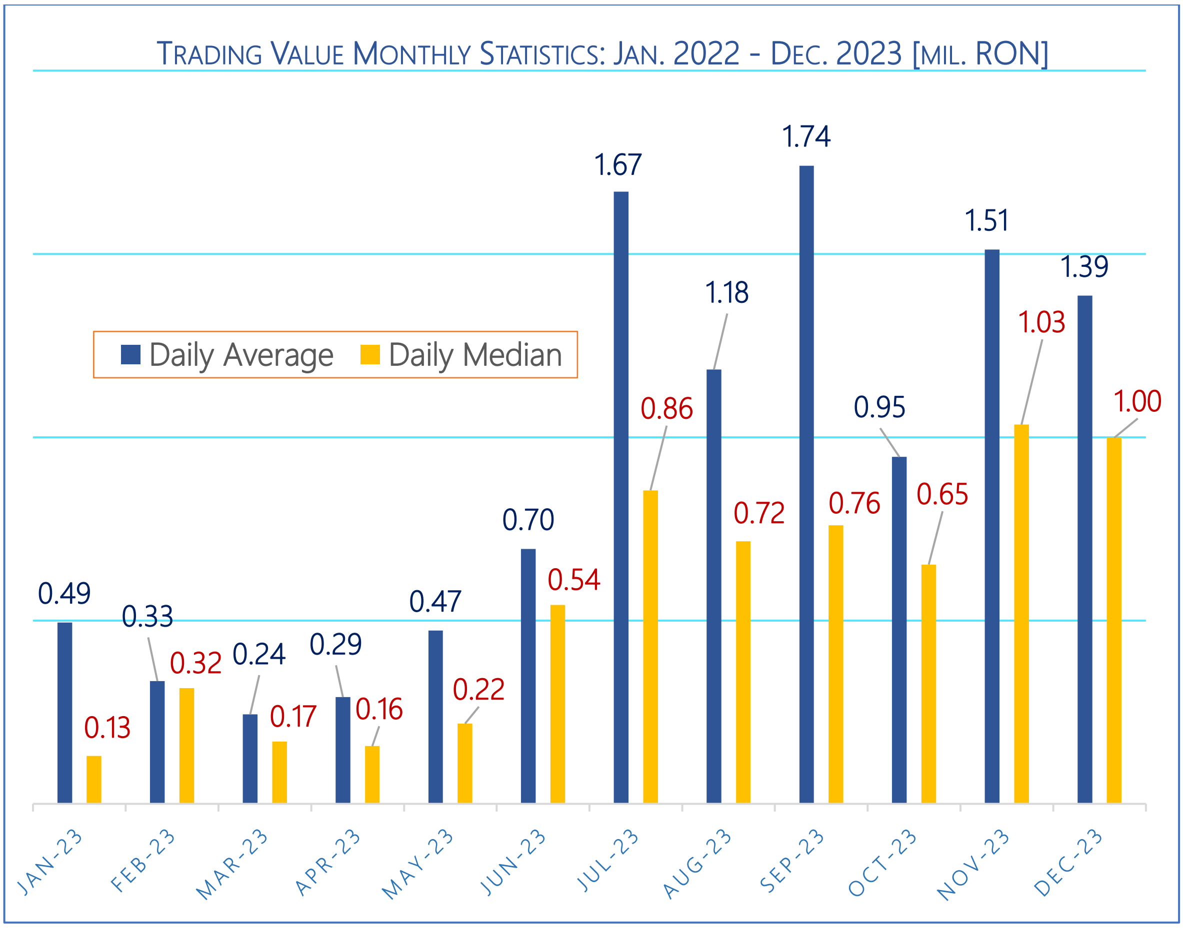
7.3. Monthly Evolution of Liquidity



	No. of traded shares			No. of traded shares / Free float[10]		
	Total	Daily average	Daily median[11]	Total	Daily average	Daily median
Dec-23	950.433	52.802	37.374	2,12%	0,118%	0,083%
Nov-23	1.329.657	63.317	43.663	2,97%	0,141%	0,097%
Oct-23	969.720	44.078	30.502	2,16%	0,098%	0,068%
Sep-23	1.770.734	84.321	36.824	3,95%	0,188%	0,082%
Aug-23	1.404.208	63.828	40.340	3,13%	0,142%	0,090%
Jul-23	4.644.622	221.172	52.315	10,36%	0,494%	0,117%
Jun-23	961.442	48.072	35.054	2,15%	0,107%	0,078%
May-23	780.393	35.472	16.456	1,74%	0,079%	0,037%
Apr-23	397.961	22.109	11.589	0,89%	0,049%	0,026%
Mar-23	452.180	19.660	13.359	1,01%	0,044%	0,030%
Feb-23	521.208	26.060	23.759	1,16%	0,058%	0,053%
Jan-23	830.301	41.515	10.840	1,85%	0,093%	0,024%

[10] The number of free-float shares in the case of TTS is 44,815,680 shares (FTSE Russell methodology)

[11] In the marked months, the monthly daily median exceeded the FTSE Russell liquidity threshold for SmallCap shares (0.05% of "free-float", respectively 22,408 shares)



	Value (RON)		
	Total	Daily Average	Daily Median
Dec-23	24.947.437	1.385.969	998.483
Nov-23	31.752.858	1.512.041	1.034.303
Oct-23	20.815.630	946.165	652.616
Sep-23	36.559.293	1.740.919	759.560
Aug-23	26.063.676	1.184.713	716.288
Jul-23	82.637.034	3.935.097	855.260
Jun-23	13.908.447	695.422	542.556
May-23	10.398.334	472.652	218.690
Apr-23	5.238.544	291.030	157.422
Mar-23	5.607.677	243.812	169.514
Feb-23	6.695.103	334.755	315.233
Jan-23	9.892.164	494.608	131.033

About TTS Group

TTS (Transport Trade Services) S.A.

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

The company was admitted to trading on the regulated market administered by the Bucharest Stock Exchange in June 2021 – the first day of trading was June 14, 2021.

On 31.12.2023, the subscribed and paid-up capital was RON 60.000.000, divided into 60.000.000 registered, ordinary, indivisible, freely transferable shares, issued in dematerialized form and recorded in the account with a nominal value of RON 1. The shares are of equal value and give owners equal rights under the law.

NACE code 5229 – Other activities related to transport.

The main activity of the Company is represented by the shipment of dry bulk goods on the Danube, namely agricultural products, mineral raw materials and raw materials and chemical products.

TTS offers integrated logistics services consisting of river transport services, port operation services and any other services specific to logistics chain management.

Transport and port operation services are subcontracted by TTS to its subsidiaries or to third parties.

Considering the specificity of the three types of goods operated, the Company is operationally organized in three departments:

1. Minerals – logistics operations for raw materials and finished products of metallurgical industries as well as for equipment.
2. Agri – logistics operations for agricultural goods, mainly cereals and oilseeds.
3. Chemicals – logistics operations for fertilizers and raw materials for fertilizer production.

Administration and management of TTS

TTS is managed by a Board consisting of five members, of which one member is executive and three members are independent. The composition of the Board was approved by O-GSM Decision no. 1/26/08/2021.

The Board is led by a President appointed by BoD Decision no. 1/30/08/2021.

The board of directors is assisted by three advisory committees:

- The remuneration and nomination committee consisting of three non-executive members, two of whom are independent members,
- The audit committee consisting of three non-executive members, two of whom are independent members led by an independent non-executive member,
- The Governance and Sustainability Committee consists of three members, two of whom are independent members of the Board of Directors. The third is the Director of Corporate Governance and Investor Relations.

The constitution, organization and functioning of the Committees is regulated by "CHAPTER VI. ADVISORY COMMITTEES. CONSTITUTION, ORGANIZATION AND FUNCTIONING OF ADVISORY COMMITTEES" from the BoD Regulation.

The composition of the Board of Directors is as follows:

Name and Surname	BoD status
Alexandru-Mircea MIHĂILESCU	Non-executive member (Board Chairman, Chairman of the Remuneration and Nomination Committee, member of the Audit Committee)
Ion STANCIU	Executive member
Elena BUTNARIU	Independent member (Chairman of the Audit Committee and member of the Remuneration and Nomination Committee)
Ana-Barbara BOBIRCĂ	Independent member (member of the Audit Committee, President of the Corporate Governance and sustainability Committee)
Dorin-Alexandru BADEA	Independent member (member of the Remuneration and Nomination Committee, member of the Corporate Governance and sustainability Committee)

The Board of Directors is assisted in its activity by a CA Secretary.

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

The executive management is ensured by the General Director of the Company, the Deputy General Director and the Financial Director.

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

The composition of the executive management of TTS during 2023 was as follows:

Name and Surname	Status in the executive management	Dates regarding the mandate contracts
Petru ȘTEFĂNUȚ	General Director	Concluded on 26.05.2014, expires on 31.05.2026
Ion STANCIU	Deputy General Director, Operational Director (from	Concluded on 26.05.2014, expires on 03.06.2024
Nicoleta FLORESCU	Financial Director	Concluded on 10.03.2021, expires on 10.03.2025

Holdings of TTS shares of the Company's administration and management on 31.12.2022

Name and Surname	Position	No. of shares	Capital participation
Alexandru-Mircea MIHĂILESCU	BoD President	15.184.333	25,307%
Ion STANCIU	Executive BoD member / Deputy General Director	4.287.400	7,146%
Petru ȘTEFĂNUȚ	General Director	939.500	1,566%
Dorin-Alexandru BADEA	Independent board	31.000	0,052%
Nicoleta FLORESCU	Financial Director	2.010	0,003%
Elena BUTNARIU	Independent board	0	0%
Ana-Barbara BOBIRCĂ	Independent board	0	0%

The internal regulatory framework of TTS

The internal regulatory system of TTS is aligned with the corporate governance standards applicable to companies listed in the Premium category on the main market of BVB and consists of the following policies and regulations:

- Regulation of the Management Board: approved by Decision of the BoD no. 1/03.08.2021 and amended by Decision no. 2/27.01.2023.
  The constitutive provisions and operating rules of the advisory committees are included in the BoD Regulation, it is no longer necessary to adopt separate regulations for each committee.

- GSM Regulation: approved by Decision of the BoD no. 1/30.09.2021, published on TTS' website.
  The regulation mainly contains provisions on how shareholders can exercise their legal rights as well as organizational provisions regarding the conduct of the GSM.

- Internal audit regulations: approved by Decision of the BoD no. 4/14.03.2022.

- Remuneration policy: approved by OGSM Decision no. 1/26.08.2021, published on TTS' website.

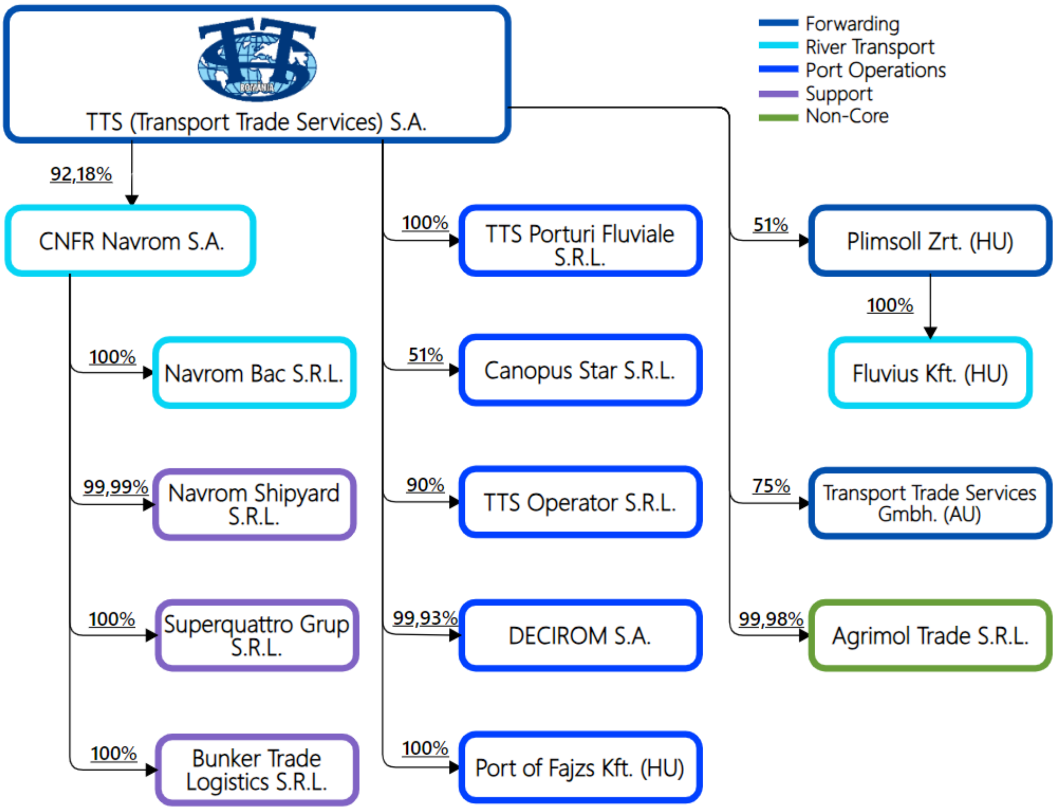
- Dividend policy: approved by BoD decision no. 1/30.09.2021, published on TTS' website.

- Forecast policy: approved by BoD decision no. 1/29.10.2021, published on the TTS website.

- **Insider information policy:** approved by BoD decision no. 1/12.11.2021.

TTS Group

The Transport Trade Services group of companies ("TTS Group" or "Group") is composed of 15 companies, respectively TTS (Transport Trade Services) S.A. ("TTS") and 14 companies in which TTS owns, directly or indirectly, more than 50% of the share capital. Eleven companies in the Group operate on the Group's three main business segments – Shipping, River Transport and Port Operations.



The main commodities transported and operated in the ports by TTS group are mineral products (raw materials for the steel industry and rolled products), agricultural products (cereals, oilseeds and feed) and chemical products (phosphate rock and finished products of the chemical fertilizer industry).

TTS Group owns a river fleet with a capacity of 800 thousand tons, 10 floating cranes, as well as port terminals in Constanța and in 7 Danube river ports.

The group offers integrated logistics services, namely transport services (river, rail, road), transshipment (between transport units, from warehouses, silos, etc.), storage (warehouses, silos, warehouse-type river units, etc.) and any other services specific to logistics chain management.

The following companies are part of the TTS group:

<u>Shipping Segment</u>

<u>TTS (Transport Trade Services) S.A. București</u>

Headquarters: București, România

Registered business no.: J40/296/1997

NACE code: 5229 - Other activities related to transport

Main activity: Cargo shipping

Plimsoll Zrt. Budapesta
Headquarters: Budapesta, Ungaria
Registered business no.: 01-10-049203
NACE code: 5229 - Other activities related to transport
Main activity: Shipment of goods by rail

TTS (Transport Trade Services) GmbH. Viena
Headquarters: 15b Lerchengasse, Langerzersdorf Austria
Registered business no.: 22 274/2769
NACE code: 5229 - Other activities related to transport
Main activity: Cargo shipping

River Transport Segment

CNFR NAVROM S.A. Galați
Headquarters: Galați, România
Registered business no.: J17/44/1991
NACE code: 5040 - Freight transport on inland waterways
Main activity: River transport of dry bulk goods (all categories)

Navrom Bac S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/595/1999
NACE code: 5030 - Passenger transport on inland waterways
Main activity: Transport by ferry

Fluvius Kft. Budapesta
Headquarters: Budapesta, Ungaria
Registered business no.: 01-09-701582
NACE code: 5040 - Freight transport on inland waterways
Main activity: River transport of dry bulk goods (all categories)

Port Operation Segment

Canopus Star S.R.L. Constanța
Headquarters: Constanța, România
Registered business no.: J13/1742/2001
NACE code: 5224 – Goods handling
Main activity: Port operation of dry bulk cargo (agricultural products)

TTS Operator S.R.L. Constanța
Headquarters: Constanța, România
Registered business no.: J13/5008/1994
NACE code: 5224 – Goods handling
Main activity: Port operation of dry bulk cargo (all categories)

DECIROM S.A. Constanța
Headquarters: Constanța, România
Registered business no.: J13/516/1991
Cod CAEN: 5224 - Goods handling
Main activity: Port operation of dry bulk cargo (all categories)

TTS Porturi Fluviale S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/1568/1996
NACE code: 5224 - Goods handling
Main activity: Port operation of dry bulk cargo (agricultural products)

Port of Fajsz Kft. Fajsz
Headquarters: Fajsz, Ungaria
Registered business no.: 03-09-132896
NACE code: 5222 - Service activities related to water transport
Main activity: Port operation of liquid and dry bulk cargoes

Auxiliary activities

Navrom Shipyard S.R.L. Galaţi
Headquarters: Galați, România
Registered business no.: J17/507/1999
NACE code: 3315 - Repair and maintenance of ships and boats
Main activity: Ship repair and maintenance (shipyard)

SUPERQUATRO GRUP S.R.L. Galaţi
Headquarters: Galați, România
Registered business no.: J17/337/2001
NACE code: 4291 - Hydrotechnical constructions
Main activity: Constructions for the maintenance of waterways and sea and river ports, dredging and ship displacements

Bunker Trade Logistics S.R.L.
Headquarters: Constanța, România
Registered business no.: J13/1816/2013
NACE code: 5222 - Service activities related to water transport
Main activity: Services related to the bunkering and fueling services of ships provided by OMV

Others (non-core business)

AGRIMOL TRADE S.R.L. Bucureşti
Headquarters: București, România
Registered business no.: J40/5512/2010
NACE code: 4619 - Intermediaries in trade with various products
Main activity: Trade in Romanian wooden products, lumber, plywood, barrels, houses.

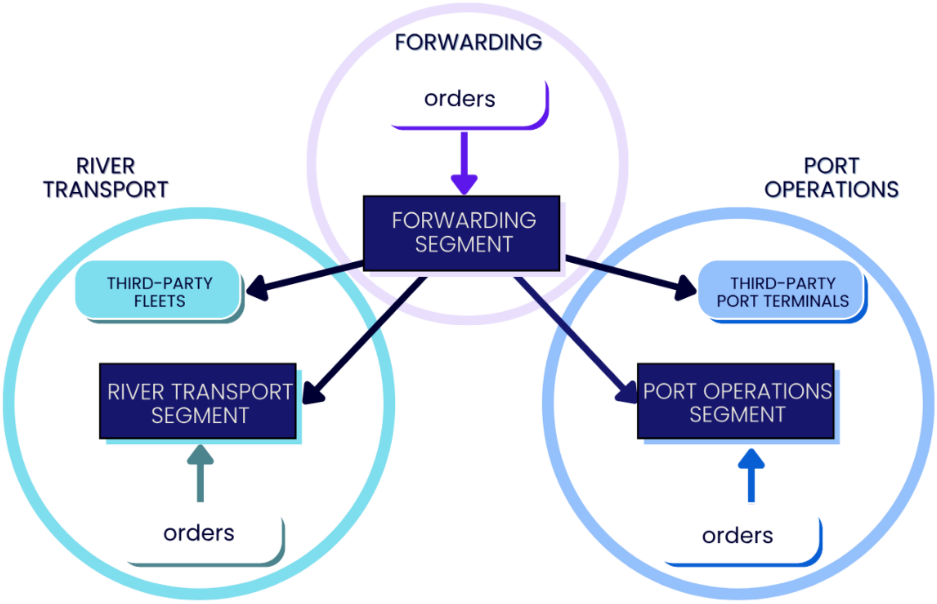
Corporate governance in the TTS group

The governance structure and rules under which TTS exercises control over the group companies are as follows:

- The companies in the group have the legal form of joint-stock company (S.A, Zrt.) or limited liability company (S.R.L., Kft., GmbH.)
- Each company has its own governing bodies, Board of Directors or Sole Administrator, depending on the provisions of the articles of incorporation, responsible for the proper functioning of the company.
- TTS exercises its control and appoints the persons in the management of the subsidiaries by voting in the general meetings of the shareholders/associates of the companies, or by decision of the sole associate, as the case may be.
- Companies have commercial autonomy, serving their own customer base in addition to orders placed within the group
- Voting mandates and representation of TTS in the general meetings of the shareholders/associates of the subsidiaries are approved by the Board of Directors of TTS, based on the informative materials made available to the shareholders/associates by each subsidiary
- At the request of the subsidiaries, in the case of situations that may affect the TTS group as a whole, the Board of Directors discusses these situations and makes guidance and recommendation decisions that are communicated to the subsidiary that made the request
- Intra-group transactions, both those between TTS and a subsidiary and those between subsidiaries, are subject to reporting obligations based on art. 108 of Law no. 24/2017 on issuers of financial instruments and market operations, reports being made with a rhythm dictated by reaching or exceeding the TTS reporting threshold
- The activity of reporting transactions between related parties is the subject of two reports drawn up by the statutory auditor of TTS.

TTS' business model

The business model of TTS involves employing, mainly, its own fleet (Navrom S.A., Fluvius Kft.) and its own port operators (TTS Porturi Fluviale S.R.L., TTS Operator S.R.L., CANOPUS Star S.R.L., Port of Fajsz Kft.), in parallel with the contracting by the Shipping Segment of transport or operation services with third parties.



At the same time, the companies in the Group active in the river transport and port operation markets, provide services directly to their own customers, in parallel with the execution of the orders received from the shipping companies in the Group.

TTS (Transport Trade Services) SA

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TTS (Transport Trade Services) SA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TTS (Transport Trade Services) SA (the Company) and its subsidiaries (together referred to as "the Group")with official head office in 27 Vaselor Street, Bucharest, 021253, Romania identified by sole fiscal registration number 9089452, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	Audit approach on the key audit matter
Revenue from transportation services As disclosed in note 4 and note 11, the Group has multiple sources of revenue, including revenue from transportation of goods on interior riverways and revenue from handling of goods, loading and unloading, storage, revenue from sales of finished products. Revenue is recognized when control over products and services have been passed to the customer. The revenues from contracts with customers recorded by the Group during 2023 amounted to 1,183,344,047 RON of which 1,125,226,939 RON recognized over time and 58,117,108 RON recognized at a point in time.	Our procedures included among others: 1. We performed a detailed understanding of the revenue processes and related flows, identifying the controls designed and implemented within the respective processes that we considered relevant and significant for our audit. 2. We performed operating effectiveness procedures for the manual internal relevant controls implemented by the Group/ Company for revenue recorded for transportation services to evaluate the occurrence and measurement of the transactions recorded. 3. We obtained and reconciled the operational revenues database with the trial balance for the year ended December 31, 2023

The Group recognizes revenue from transportation and logistics services over time based on the measurement of progress toward satisfaction of performance obligation, which the management determines using the output method. The output method involves management's application of significant professional judgments to determine the progress toward satisfaction of performance obligation. To properly recognize the value of the ongoing services at year end, the Group performs a cut off adjustment based on the position of the ship as indicated by the specific instruments onboard. Taking into account the fact that revenues from contracts with customers recognized over time represent a significant amount of the whole activity of the company and the fact that revenue recognition of such services and allocation between periods is based on estimates and data related to the position of the ships at year end, we have considered revenue from contracts with customers recognized over time as a key audit matter.	4. We performed detailed analytical procedures regarding the recorded revenues, analyzed monthly fluctuations 5. We analyzed revenue recognition accounting policies selected and applied by the Company considering the requirements of IFRS 15 6. We sent and obtained confirmations for transactions recorded during the year and closing balance as at year end for a sample of clients and reconciled the amounts confirmed by customers with the revenues amounts recorded by the Company/ Group. 7. We analyzed the correlation between revenues, accounts receivable and cash transactions using data analytics procedures, and performed test of cash collections by vouching with supporting bank statements for a sample of transactions. 8. We tested the accuracy, completeness and occurrence of the year end adjustment related to the split of revenues from transportation services between accounting periods 9. We performed tests of details by inspecting relevant supporting evidence on a sample basis for the revenues recorded during the year; we also performed detailed testing for a selection of sales transactions recorded close to year end and after the end of the financial year, by checking the invoices and related transportation documents to confirm that the revenues were recognized in the correct accounting period. We also corroborated the results of these procedure with the testing of the year end adjustment described above. 10. We further assessed the adequacy of Group's disclosures about revenue recognition and presentations required by IFRS.

Key audit matter	Audit approach on the key audit matter
Decirom subsidiary acquisition- Purchase price allocation in business combination and Goodwill impairment testing On 1 August 2023, the Group acquired control of Decirom SA, a non- listed company based in Constanta, through the purchase of 99.9% of ordinary shares. The main object of activity is the loading and unloading operations of river and sea vessels in Constanta Harbour. The Group acquired the company because it enlarges the range of handling products in the operating segment that can be offered to clients. The final purchase price allocation involved a complex exercise aimed to determine the fair value of identifiable net assets of the acquired company and the resulting goodwill representing the excess of the consideration paid over in the amount of the fair value of assets minus liabilities acquired of RON 79,476,507. Determining the fair value of assets and liabilities acquired in business combination involves significant judgments and estimates by the management and is performed with participation of an independent appraiser.	Our procedures included among others: 1. We reviewed the sale-purchase agreement related to the Decirom acquisition to assess the date of obtaining control of the subsidiary, the identity of the former shareholders, any contingent liabilities/ assets resulting from the clauses of the contract 2. We assessed the independence and competence of the external valuation expert who prepared the Purchase Price Allocation ("PPA") report 3. We analyzed the methodology used by management and the external valuation expert within the PPA report issued to assess the completeness of assets/ liabilities identified, the fair values determined, the assessment related to net realizable value of the assets for which the replacement cost method has been used (computation of value in use) 4. We involved our valuation specialist to assist us in the evaluation of the valuation methodologies namely indexation factors in deriving replacement cost and the expected depreciations to date. We checked for a sample of assets the mathematical accuracy and reasonability of the depreciation percentages used. 5. We also assessed with involvement of our valuation specialist the impairment model developed for the items valued at replacement cost and assessed the reasonability of the assumptions used namely evolution of turnover for next 5 years, EBITDA margin evolution, WACC and terminal growth rate, comparison of EBITDA margin used with other market peers. 6. Based on the Purchase Price Allocation report, we tested the mathematical accuracy of Goodwill computation and the related accounting entries recorded for the fair value adjustments. 7. We also checked that the company followed the IAS 36 requirements related to performing an impairment exercise at year end for the Goodwill resulted from the above described acquisition. Procedures related to the impairment test are presented below:

Impairment testing of goodwill was one of the key audit matters because assessment of the recoverable amount of cash generating units to which goodwill is allocated includes numerous assumptions made by the Group's management, including the estimated effect of synergies, determination of a cash-generating unit for impairment testing purposes, forecasted revenue and gross margin, long-term growth rates and discount rates and other. Since this is a significant event of the year and considering that goodwill amount recorded is significant and also the estimates and judgement involved, we have considered Decirom acquisition and the related goodwill impairment testing as a key audit matter. The Group disclosures related to Decirom acquisition and impairment testing of goodwill are presented in note 1 and note 13.	8. We analysed together with our valuation specialists the methodology used by management to assess the value in use of the Decirom cash generating unit ("CGU"), to determine its compliance with IAS 36 9. We evaluated of the Group's key assumptions and estimates used, including those to determine the discount rate, the future operating cash flows, the growth rates, operating margins, working capital needs and the capital expenditure. We involved our valuation specialists to assist us in the evaluation of key assumptions and estimates used by the Group, including the determination of the discount rates. In this context, we evaluated whether or not certain assumptions on which the valuation was based, individually and taken as a whole, considered: i) the economic environment of the industry, and the Group's economic circumstances; ii) existing market information; iii) the business plans of the Group including management's expectations (cranes owned by Decirom operating efficiently higher volumes by serving also clients of the Group) ; iv) the risks associated with the cash flows, included the potential variability in the amount and timing of cash flows and the related effect on the discount rate; v) specific requirements of IFRS; vi) benchmarking against general performance of peer companies 10. We tested the mathematical accuracy of the discounted cash flow computation; 11. We tested the mathematical accuracy of the computations performed by management in respect of the sensitivity analysis in the available headroom of Decirom CGU 12. We further assessed the completeness and accuracy of disclosures in the consolidated financials of the Group related to Decirom acquisition as per the requirements of IFRS 3 Business Combinations and Goodwill Impairment testing (IAS 36)

Other matters

The Financial Statements of the Company for the year ended December 31, 2022 were audited by another auditor who issued an unmodified audit report dated March 27, 2023.

Other information

The other information comprises the Consolidated Administrators' Report as well as Remuneration Report, but does not include the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Consolidated Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Administrators' Report on the consolidated financial statements and Remuneration Report, we have read these reports and report that:

a) in the Administrators' Report on the consolidated financial statements we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying consolidated financial statements as at December 31, 2023;
b) the Administrators' Report on the Consolidated financial statements identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, Annex 1 articles 15 – 19 and 26-27;
c) based on our knowledge and understanding concerning the entity and its environment gained during our audit of the financial statements as at December 31, 2023, we have not identified information included in the Consolidated Administrators' Report that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Group by the General Meeting of Shareholders on June 18, 2023 to audit the consolidated financial statements for the financial year end December 31, 2023. Total uninterrupted engagement period has lasted for one year, covering the financial period ended December 31, 2023.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Group and we remain independent from the Group in conducting the audit.
In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the consolidated financial statements, included in the annual consolidated report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of TTS (Transport Trade Services) SA (the Company) and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2023, included in the attached electronic file „ TTS (Transport Trade Services) SA Reporting package.zip" (identified with the key 6984c49a7bebb2bcee2d89ab8f829ad6f378d0a6e66970ad3d51fb65bafa9897) with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation). Our opinion is expressed only in relation to the electronic format of the consolidated financial statements and does not extend to the other information included in the annual consolidated report.

Description of the subject matter and the applicable criteria

The Management has prepared electronic format of consolidated financial statements of the Group for the year ended 31 December 2023 in accordance and to comply with ESEF Regulation requirements. The requirements for the preparation of the consolidated financial statements in ESEF format are specified in the ESEF Regulation and represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance

Responsibilities of the Management and Those Charged with Governance

The Management of the Group is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the consolidated financial statements in XHTML format. Such responsibility includes the selection and application of appropriate iXBRL tags using the taxonomy specified in the ESEF Regulation, ensuring consistency between the human-readable layer of electronic format of the consolidated financial statements and the audited consolidated financial statements. The responsibility of Group's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of consolidated financial statements of the Group, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the consolidated financial statements of the Group is prepared, in all material respects, in accordance with the applicable criteria, specified above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the consolidated financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic (XHTML) reporting format of the consolidated financial statements of the Group, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the consolidated financial statements of the Group, including the preparation of the consolidated financial statements of the Group in XHTML format and its tagging in machine readable language (iXBR);
- tested the validity of the applied XHTML format;
- checked whether the human-readable layer of electronic format of the consolidated financial statements (XHTML) corresponds to the audited consolidated financial statements;
- assessed the completeness of the tagging of information in the consolidated financial statements while using the machine-readable language (iXBRL) under the requirements of the ESEF Regulation;
- assessed the appropriateness of the applied iXBRL tags selected from the core taxonomy and the creation of extensions to the elements in the extended taxonomy specified in the ESEF Regulation when there were no suitable elements in the core taxonomy;
- evaluated the anchoring of the taxonomy extensions to the elements in the extended taxonomy specified by the ESEF Regulation.

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

Opinion on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, in our opinion, the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2023 is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: Negoescu Ioana-Monica
Registrul Public Electronic: AF3614

Monica Negoescu

Name of the Auditor/ Partner: Negoescu Ioana Monica
Registered in the electronic Public Register under No. AF3614

Bucharest, Romania
29 March 2024

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	4	1,161,114,220	934,409,848
Other operating income	4	22,229,827	20,191,485
Raw materials and consumables		(108,036,986)	(123,833,868)
Cost of merchandise sold		(36,365,945)	(32,523,946)
Subcontractor's expenses		(329,675,525)	(331,178,765)
Payroll expenses	6	(214,458,553)	(124,214,100)
Administrative expenses	5	(48,675,519)	(45,122,439)
Depreciation and amortization		(86,086,591)	(72,940,789)
Other gains	7	8,399,446	7,336,593
Other losses	7	(16,923,673)	(21,727,950)
Operating profit		**351,520,701**	**210,396,069**
Share of profit of associates	8	1,574,885	1,026,111
Finance income	9	5,237,519	1,327,762
Finance costs	9	(4,802,941)	(4,147,675)
Profit before tax		**353,530,164**	**208,602,267**
Income tax expense	10	(48,058,127)	(29,747,916)
Profit for the year		**305,472,037**	**178,854,351**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(857,221)	(711,470)
Net other comprehensive loss that will be reclassified to profit or loss in subsequent periods		**(857,221)**	**(711,470)**
Other comprehensive income/ loss for the year, net of tax		**(857,221)**	**(711,470)**
Total comprehensive income for the year, net of tax		**304,614,816**	**178,142,881**
Profit for the year attributable to:			
Owners of the Company		283,542,059	164,061,610
Non-controlling interests	21	21,929,978	14,792,741

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	Note	Year ended December 31, 2023	Year ended December 31, 2022
Total comprehensive income for the year attributable to:			
Owners of the Company		282,684,838	163,350,140
Non-controlling interests	**21**	21,929,978	14,792,741
No of shares		**60,000,000**	**60,000,000**
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders of the parent	**20**	**4.7257**	**2.7343**
Diluted, profit for the year attributable to ordinary equity holders of the parent		**4.7257**	**2.7343**

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024 by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

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TTS (Transport Trade Services) SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(all amounts are expressed in "RON", unless specified otherwise)

	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	12	922,352,683	665,998,798
Goodwill	13	32,319,054	3,846,603
Intangible assets		1,314,764	1,375,410
Rights of use assets	12	798,644	228,941
Investments in associates	14	9,157,058	8,483,345
Other long-term assets	15	3,824,248	691,051
Total non-current assets		**969,766,451**	**680,624,148**
Current assets			
Inventories	16	34,665,237	39,738,689
Trade and other receivables	17	63,872,877	84,648,748
Contract assets	17	1,683,687	11,292,254
Government grants	18	3,990,301	14,103,367
Other current assets	18	35,797,393	28,566,065
Short term deposits	28	35,911,001	-
Cash and cash equivalents	28	193,715,040	146,032,810
Total current assets		**369,635,536**	**324,381,933**
Total assets		**1,339,401,987**	**1,005,006,081**
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	19	61,739,602	61,739,602
Reserves	20	297,759,856	286,956,544
Retained earnings		595,037,756	353,086,676
Equity attributable to equity holders of the parent		**954,537,214**	**701,782,822**
Non-controlling interests	21	**132,420,309**	**116,616,621**
Total Equity		**1,086,957,523**	**818,399,443**
Non-current liabilities			
Interest-bearing loans	22	74,699,782	40,879,479
Government Grants	25	18,532,662	14,922,614
Long term lease liability		1,099,011	263,832
Other long-term liabilities	25	6,609,939	380,330
Deferred tax liabilities	10	16,218,793	9,299,504
Total non-current liabilities		**117,160,187**	**65,745,759**

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	Note	December 31, 2023	December 31, 2022
Current liabilities			
Trade and other payables	23	38,018,484	45,270,965
Contract liabilities	23	8,096,834	8,150,627
Government grants	25	1,759,903	5,616,808
Lease liabilities		393,663	57,806
Interest bearing loans and borrowings	22	36,056,374	26,829,020
Provisions for risks and charges	24	5,553,229	3,881,069
Income tax liability		13,425,146	10,985,777
Other current liabilities	25	31,980,644	20,068,807
Total current liabilities		**135,284,277**	**120,860,879**
Total liabilities		**252,444,464**	**186,606,638**
Total equity and liabilities		**1,339,401,987**	**1,005,006,081**

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024 by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

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TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in "RON", unless specified otherwise)

	Note	Share capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Translation reserve	Attributable to owners of the parent	Non-controlling interests	Total
Balance as of January 1, 2023		**61,739,602**	**10,620,132**	**204,574,914**	**72,685,797**	**353,086,676**	**(924,299)**	**701,782,822**	**116,616,621**	**818,399,443**
Profit for the year		-	-	-	-	283,542,059	-	283,542,059	21,929,978	305,472,037
Other comprehensive loss		-	-	-	-	-	(857,221)	(857,221)	-	(857,221)
Total comprehensive income			**-**	**-**	**-**	**283,542,059**	**(857,221)**	**282,684,838**	**21,929,978**	**304,614,816**
Transfers between reserves	20	-	1,379,868	9,312,238		(10,692,106)	-	-	-	-
Revaluation reserve		-	-	-	(2,004,025)	2,004,025	-	-	-	-
Stock option plan (SOP)	20	-	-	2,972,451	-	-	-	2,972,451	-	2,972,451
Share capital issued		-	-	-	-	-	-	-	-	
Dividends distributed		-	-	-	-	(33,000,000)	-	(33,000,000)	-	(33,000,000)
Increase in percentage held in subsidiaries		-	-	-	-	97,103	-	97,103	(281,979)	(184,876)
Dividends distributed to non-controlling interest		-	-	-	-	-	-	-	(5,952,907)	(5,952,907)
Non-controlling interest from the acquisition of the new subsidiary		-	-	-	-	-	-	-	108,596	108,596
Balance as of December 31, 2023		**61,739,602**	**12,000,000**	**216,859,604**	**70,681,772**	**595,037,756**	**(1,781,520)**	**954,537,214**	**132,420,309**	**1,086,957,523**

As of December 31, 2023, the share capital was RON 60,000,000 divided into 60,000,000 shares with a nominal value of RON 1. All issued shares are paid in full. During April 2023, dividends were distributed for RON 33,000,000 , respectively RON 0.55 per share.

According to Decision from December 21, 2023, the Board of Directors established the first parameters of the SOP Program first stage comprising purchase of 110,500 free title shares of the Company ("Options"). The options share capital was granted to workers, management personnel, and subsidiaries who significantly aided in the growth of the TTS group.

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

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TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in "RON", unless specified otherwise)

	Share capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Translation reserve	Attributable to owners of the parent	Non-controlling interests	Total
Balance as of January 1, 2022	**31,739,602**	**6,000,000**	**158,117,340**	**75,977,018**	**284,562,363**	**(212,829)**	**556,183,494**	**106,345,018**	**662,528,512**
Profit for the year					164,061,610		164,061,609	14,792,741	178,854,351
Other comprehensive loss		-	-	-	-	(711,470)	(711,470)		(711,470)
Total comprehensive income		**-**	**-**	**-**	**164,061,610**	**(711,470)**	**163,350,140**	**14,792,741**	178,142,881
Transfers between reserves	-	4,620,132	46,457,574	-	(51,077,706)	-	-	-	-
Revaluation reserve				(3,291,220)	3,291,220	-	-	-	-
Share capital issued	30,000,000	-	-	-	(30,000,000)	-	-	-	-
Dividends distributed	-	-	-	-	(17,850,000)	-	(17,850,000)	-	(17,850,000)
Increase in percentage held in subsidiaries	-	-	-	-	99,190	-	99,190	(174,915)	(75,725)
Dividends distributed to non-controlling interest	-	-	-	-	-	-	-	(4,346,222)	(4,346,222)
Balance as of December 31, 2022	**61,739,602**	**10,620,132**	**204,574,914**	**72,685,797**	**353,086,676**	**(924,299)**	**701,782,822**	**116,616,621**	**818,399,443**

According to the AGM dated April 1, 2022, the increase of the share capital by the amount of RON 30,000,000 was approved by the partial incorporation of the undistributed profit from previous years (reported result), with the issue of new shares in return and their free distribution to shareholders at a rate, allocation of 1 newly issued share for each share held.

During April 2022, dividends, were distributed for RON 17,850,000 , respectively RON 0.29 per share.

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024 by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

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This is a free translation from the original Romanian version.
Notes attached are an integrant part of the consolidated financial statements.

	Notes	Year ended, December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities:			
Profit before taxation		**353,530,164**	**208,602,267**
Adjustments for non-cash items:			
Depreciation, amortization, and impairment	12	86,086,591	72,940,789
Reversal of impairment loss/ Impairment loss of property, plant and equipment	12	(2,358,147)	4,797,068
Share-based payment		2,972,451	-
Interest expense		3,795,203	3,114,745
Interest income		(5,232,405)	(1,305,102)
(Gain)/ Loss from disposals of property plant and equipment		(625,781)	2,479,336
Estimated credit losses		6,408,734	3,364,578
Net increase / (Decrease) in provision for risks and charges		1,672,160	2,346,505
Share of profit of associates		(1,463,866)	(524,837)
Income from government grants		(246,857)	-
Operating profit before working capital changes		**444,538,247**	**295,815,349**
Changes in operating assets and liabilities:			
Decrease / (Increase) in trade and other receivables		18,427,199	(60,704,687)
Decrease / (increase) in inventories		4,731,430	(10,166,337)
(Decrease) / Increase in trade and other payables		(18,549,145)	18,450,957
Cash generated from operations		**449,147,731**	**243,395,282**
Interests paid	22	(3,795,203)	(3,114,745)
Income tax paid		(33,477,718)	(15,516,336)
Net cash flow from operations		**411,874,810**	**224,764,201**
Investing activities:			
Purchases of tangible and intangible assets		(249,526,291)	(120,823,384)
Acquisition of a subsidiary, net of cash acquired		(106,980,671)	-
Proceeds from sale of property plant and equipment		7,987,073	4,485,995
Dividends cashed in from investments		790,153	-
Interest received		5,568,261	1,305,103
Government grants cashed in	18	10,113,066	-
Short term deposits		(35,911,001)	-
Cash flow used in investing activities		**(367,959,410)**	**(115,032,286)**

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Financing activities:			
Dividends paid		(33,000,000)	(17,850,000)
Proceeds from borrowings	22	57,447,370	24,387,996
Repayment of borrowings	22	(14,399,713)	(24,804,558)
Dividends paid to non-controlling interests	21	(5,952,907)	(4,346,222)
Acquisition of non- controlling interest		(184,876)	(75,725)
(Payment of lease liabilities) / acquisitions leasing		(143,044)	88,610
Cash flow from/ (used in) financing activities		**3,766,830**	**(22,599,899)**
Net increase in cash and cash equivalents		47,682,230	87,132,016
Cash and cash equivalents at the beginning of the year		**146,032,810**	**58,900,794**
Cash and cash equivalents at the end of the year		**193,715,040**	**146,032,810**

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024 by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

EY
Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
Signed for identification
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1. GENERAL INFORMATION

TTS (Transport Trade Services) SA (hereinafter referred to as 'the Company'), is a company incorporated in Romania, in1997 having its registered office at no 27, Vaselor Street, Bucharest.

The core business of the Company is represented by activities related to transport. TTS (Transport Trade Services) S.A. operates as a sender of goods in domestic and international transport, on interior riverways, offering integrated/modular transport services.

The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "Group" and individually as "Group entities").

The consolidated financial statements of the Company as at and for the year ended December 31, 2023, were initially approved on March 29, 2024.

Consolidation perimeter

TTS (Transport Trade Services) SA prepares consolidated financial statements for the year ended December 31, 2023. Consolidated financial statements include the financial statements of companies TTS SA („the Company") and its subsidiaries: CNFR Navrom S.A., Canopus Star S.R.L., TTS Porturi Fluviale S.R.L., TTS Operator S.R.L., Navrom Bac S.R.L., Navrom Shipyard S.R.L., Agrimol Trade S.R.L., Decirom S.A , Bunker Trade Logistic S.R.L, TTS (Transport Trade Services) GMBH., Superquatro Group SRL, Plimsoll Zrt and Fluvius Kft, Port of Fajzs kft known as "the Group".

As at December 31, 2023 the Company owned directly or through other subsidiaries investments in the following entities:

Name of investment	Core Business	Place of establishment and operations	Type	December 31, 2023	December 31, 2022
				%	%
CNFR Navrom S.A.	Transportation of goods on rivers	Galați, Romania	Subsidiary	92.1839	92.16913
Canopus Star S.R.L.	Handling of goods	Constanța, Romania	Subsidiary	51	51
TTS Porturi Fluviale S.R.L.	Handling of goods	Galați, Romania	Subsidiary	100	100
TTS Operator S.R.L.	Handling of goods	Constanța, Romania	Subsidiary	90	90
Decirom S.A	Handling of goods	Constanța, Romania	Subsidiary	99.93	-
Navrom Bac S.R.L.	Transportation on rivers	Galați, Romania	Subsidiary	92.1839	91.7335
Navrom Shipyard S.R.L.	Repair and maintenance of ships and boats	Galați, Romania	Subsidiary	92.1829	92.1642
Superquatro Group S.R.L.	Hydrotechnical works	Galați, Romania	Subsidiary	92.1839	92.1691

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1. GENERAL INFORMATION (continued)

Name of investment	Core Business	Place of establishment and operations	Type	December 31, 2023	December 31, 2022
				%	%
TTS (Transport Trade Services) Gmbh	Complementary activities related to transport	Austria	Subsidiary	75	75
Plimsoll Zrt	Complementary activities related to transport	Budapesta, Ungaria	Subsidiary	51	51
Fluvius Kft	Transportation of goods on rivers	Budapesta, Ungaria	Subsidiary	51	51
Port of Fajsz Kft	Handling of goods	Fajsz, Ungaria	Subsidiary	100	100
Agrimol Trade S.R.L.	Trading various products	București, Romania	Subsidiary	99.9772	99.9772
Bunker Trade Logistics S.R.L.	Complementary activities related to transport	Constanța, Romania	Subsidiary	92.1839	92.1691
Transterminal-S S.R.L.	Railway transportation of goods	Chișinau, Rep. Moldova	Associate	20	20
Navrom Port Service S.A.	River transportation of goods	Galați, Romania	Associate	49.98	49.98
Management NFR S.A.	Business and consultancy services	București, Romania	Investment	20	20
GIF Leasing IFN	Finance lease	Bucuresti, Romania	Investment	7.7014	7.7014

MANAGEMENT NFR SA is a stockholding entity, established in 2003, where TTS (Transport Trade Services) SA owns 20%. The entity's core business is at no 34, Vaselor Street, Bucharest. The core business is represented by the business and management consultancy services (code CAEN 7022). The Company is in advanced liquidation procedure and the Group does not have significant influence on the company during 2023.

GIF LEASING IFN is a limited liability entity, established in 2004, where TTS (Transport Trade Services) SA owns 7.7014% from the share capital. The entity's headquarters is at no. 24, Negustori Street, Bucharest. The core business is related to leasing (code CAEN 6491). The Company is in insolvency.
There is no significant influence over the above mentioned 2 companies, both going through closing related procedures.

Business combinations
Acquisition of Decirom S.A

On 1 August 2023, the Group acquired 99.9% of the shares of Decirom SA, a non-listed company based in Constanta, Romania. The main object of activity is the loading and unloading operations of river and sea vessels in Constanta Port (CAEN code 5224). The Group acquired the company because it significantly enlarges the range of handling the products in the operating segment that can be offered to its clients.
The Group has elected to measure the non-controlling interests in the acquiree at fair value.

1. GENERAL INFORMATION (continued)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Decirom SA as of the date of acquisition were:

	Fair value recognized on acquisition
Assets	
Property, plant, and equipment (note 12)	97,722,853
Cash and cash equivalents	859,693
Trade receivables	4,214,167
Other assets	200,535
Software	31,981
Liabilities	
Trade payables and other payables	14,303,225
Deferred tax liability (Note 10)	9,249,498
Total identifiable net assets at fair value	79,476,507
Non-controlling interest measured at fair value (note 21)	108,596
Goodwill arising on acquisition (Note 13)	28,472,451
Purchase consideration transferred	107,840,362
Analysis on cash flows on acquisition (investing activity)	
Cash paid on acquisitions	107,840,362
Net cash acquired on acquisition	(859,693)
Acquisition of a subsidiary, net of cash acquired	106,980,671

Trade payables and other payables includes a loan to prior shareholders as presented in note 25.
The acquisition date fair value of the trade receivables amounts to RON 4,214,167. The gross amount of trade receivable is RON 4,214,167 and is expected that the full contractual amounts can be collected.
The goodwill of RON 28,472,451 comprises the value of expected synergies arising from the acquisition of Decirom, which is not separately recognized. Goodwill is allocated entirely to the Port operation segment.
None of the goodwill recognized is expected to be deductible for income tax purposes.

The Group engaged a valuation specialist to perform a purchase – price allocation report, to identify and fair value all the assets and liabilities of Decirom as at the acquisition date (August 1st, 2023) in line with IFRS 3. The results of the Purchase Price Allocation report are disclosed above. The Goodwill comprises the value of the expected synergies from acquisition (integration within the Group).

The deferred tax liability mainly comprises the tax effect of the fair value adjustments recorded as they will not be deductible for tax purposes.

The fair value of non controlling interest in Decirom was computed based on the fair values of assets/ liabilities acquired supported by an impairment model considering no synergies with TTS Group including EBITDA margins of 29%- 31%, WAC of 13.5%. perpetuity increase of 3% and revenue increases of 7% on average for the 5 year period considered.

The costs related to the transaction were recorded as expenses of the period.

From the date of acquisition, Decirom SA contributed with a revenue in amount of RON 21 mil of revenue and net loss of RON 1,5 mil of the Group. If the combination had taken place at the beginning of 2023, the Group's revenue would have been impacted with a total of RON 45 mil and the profit before tax with a profit of RON 1,4 mil.

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A. Changes in accounting policy and disclosures.

The standards/amendments that are effective and have been endorsed by the European Union New

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Group as of 1 January 2023:

- **IFRS 17 insurance contracts,**
- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments),**
- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments),**
- **IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)**

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Group's accounting policies.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments),**

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements

B. Standards issued but not yet effective and not early adopted

B.1) The standards/amendments that are not yet effective, but they have been endorsed by the European Union

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Group.
- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Group.

B.2) The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Group.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Group.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Group.

3. MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU.

3.2 Basis of preparation

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

In contrast to the consolidated financial statements as of 31 December 2022, the Group has reassessed presentation for some of the information in the current period to increase the level of relevance. Where applicable, the Group has reclassified the comparative information for consistency purposes.

The Group reassessed presentation for 'contract assets' and 'contract liabilities' in the statement of financial position using the terminology from IFRS 15. IFRS 15.109 allows an entity to use alternative descriptions. Management decided to disclose sufficient information so that users of the financial statements can clearly distinguish between unconditional rights to receive consideration (receivables) and conditional upon service finalization rights to receive consideration.

Moreover, in order for a better presentation Management reassessed presentation for government grants (2, 3), contract assets (1), contract liabilities (4), income tax payable (5), other operating revenue (6) and also separate disclosure for other gains and other losses caption (7).
"1) contract assets have been reclassified from Trade and other receivables to Contract assets to distinguish between unconditional rights to receive consideration (receivables) and conditional upon service finalization rights to receive consideration
2) ,3) Government grants have been reclassified from Other current assets to better present the nature of the amount on the Statement of financial position in line with IAS 1
4), 5) Contract liabilities and income tax payable reclassified separately on the Statement of financial position from Other current liabilities in line with IAS 1
6), 7) Other operating revenues reclassified from other gains in the Statement of profit or loss to show separately the value of the Variable considerations from the contracts with customers in line with IFRS 15; Also other gains and losses presentation has been reassessed to present separately gains elements from losses elements.
8) Finance income and Finance expenses have been represented as gross amounts instead of the prior presentation when they were presented net as Net of finance cost/income.

Also in Cash flows statements, for the year ended December 31, 2022, there is a reassessed presentation of the payments of dividends to non- controlling from investing cash flows to financing activity to better comply with IAS 7. The amount presented is the same as reported last year of RON 4,346,222, there is only a change in the category where it is presented (see disclosure below).

Please see below the reassessed presentations made at the level of each line item in the Consolidated statement of Profit and Loss and Other Comprehensive Income and Consolidated Statement of Financial Position for the year ended December 31, 2022.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Consolidated Statement of Financial Position

	December 31, 2023	Reassessed presentation *December 31, 2022*	Reported *December 31, 2022*	*Difference 2022*	*Note*
ASSETS					
Non-current assets					
Property, plant and equipment	922,352,683	665,998,798	665,998,798	-	
Goodwill	32,319,054	3,846,603	3,846,603	-	
Other intangible assets	1,314,764	1,375,410	1,375,410	-	
Right to use assets	798,644	228,941	228,941	-	
Investments in associates	9,157,058	8,483,345	8,483,345	-	
Other long-term assets	3,824,248	691,051	691,051	-	
Total non-current assets	**969,766,451**	**680,624,148**	**680,624,148**	-	
Current assets					
Inventories	34,665,237	39,738,689	39,738,689	-	
Trade and other receivables	63,872,877	84,648,748	95,941,002	(11,292,254)	1
Contract assets	1,683,687	11,292,254	-	11,292,254	
Government grants	3,990,301	14,103,367	-	14,103,367	2
Other current assets	35,797,393	28,566,064	42,669,432	(14,103,367)	
Short term deposits	35,911,001	-	-	-	
Cash and bank balances	193,715,040	146,032,810	146,032,810	-	
				-	
Assets classified as held for sale	-	-	-	-	
Total current assets	***369,635,536***	***324,381,933***	***324,381,933***	-	
Total assets	***1,339,401,987***	***1,005,006,082***	**1,005,006,082**	-	
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	61,739,602	61,739,602	61,739,602	-	
Share premium	-	-	-)	-	
Reserves	297,759,856	286,956,544	286,956,544	-	
Retained earnings	595,037,756	353,086,676	353,086,676	-	

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Consolidated Statement of Financial Position (continued)

	December 31, 2023	Reassessed presentation *December 31, 2022*	Reported *December 31, 2022*	*Difference 2022*	*Note*
Equity attributable to equity holders of the parent	954,537,214	701,782,822	701,782,822	-	
Non-controlling interest	132,420,309	116,616,621	116,616,621	-	
Total equity	*1,086,957,523*	*818,399,444*	*818,399,444*	-	
Non-current liabilities					
Long-term borrowings	74,699,782	40,879,479	40,879,479	-	
Government grants	18,532,662	14,922,614	-	14,922,614	3
Deferred tax liabilities	16,218,793	9,299,504	9,299,504	-	
Lease liabilities	1,099,011	263,832	263,832	-	
Other non current liabilities	6,609,939	380,330	15,302,944	(14,922,614)	
Total non-current liabilities	*117,160,187*	*65,745,760*	*65,745,760*	-	
Current liabilities					
Trade and other payables	*38,018,484*	*45,270,965*	45,270,965	-	
Contract liabilities	8,096,834	8,150,627	-	8,150,627	4
Government Grants	*1,759,903*	*5,616,808*	-	5,616,808	3
Lease liabilities	393,663	57,806	57,806	-	
Short-term borrowings	36,056,374	26,829,020	26,829,020	-	
Provisions	5,553,229	3,881,069	3,881,069	-	
Income tax payable	13,425,146	10,985,777	-	10,985,777	5
Other current liabilities	31,980,644	20,068,806	44,822,017	(24,753,210)	
Total current liabilities	*135,284,277*	*120,860,878*	120,860,878	-	
Total liabilities	*252,444,465*	*186,606,639*	186,606,637	-	
Total equity and liabilities	*1,339,401,988*	*1,005,006,083*	1,005,006,081	-	

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Consolidated Statement of Profit and Loss

Description	2023	Reassessed presentation 2022	Reported 2022	Difference	Note
Revenue	1,161,114,220	934,409,847	934,409,848	-	
Other operating income	22,229,827	20,191,484.	-	20,191,485	6
Raw materials and consumables	(108,036,986)	(123,833,867)	(123,833,868)	-	
Cost of merchandise sold	(36,365,945)	(32,523,946)	(32,523,946)	-	
Depreciation and amortization	(86,086,591)	(72,940,788)	(72,940,789)	-	
Subcontractor's expenses	(329,675,524)	(331,178,764)	(331,178,765)	-	
Payroll expenses	(214,458,553)	(124,214,099)	(124,214,100)	-	
Other expenses	(48,675,519)	(45,122,438)	(45,122,439)	-	
Other gains	8,399,446	7,336,593	-	7,336,594	7
Other losses	(16,923,673)	(21,727,950)	-	(21,727,950)	7
Other gain and losses			5,800,128	(5,800,128)	
Operational profit	**351,520,702**	**210,396,069**	**210,396,069**	**-**	
Share of profit of associates	1,574,885	1,026,111	1,026,111	-	
Finance income	5,237,519	1,327,762	-	1,327,762	8
Finance costs	(4,802,941)	(4,147,675)	-	(4,147,675)	
Net of finance cost/income			(2,819,913)	2,819,913	
Profit before tax	**353,530,164**	**208,602,266**	**208,602,266**	**-**	
Income tax expenses	(48,058,127)	(29,747,916)	(29,747,916)	-	
Profit for the year	**305,472,037**	**178,854,350**	178,854,350	**-**	
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	**(857,221)**	**(711,470)**	**(711,470)**	-	
Net other comprehensive loss that will be reclassified to profit or loss in subsequent periods	**(857,221)**	**(711,470)**	**(711,470)**		
Other comprehensive income/ loss for the year, net of tax	**(857,221)**	**(711,470)**	**(711,470)**		
Total comprehensive income for the year	**304,614,816**	**178,142,881**	**178,854,350**	-	
Attributable to:					
Owners of the Company	283,542,059	164,061,609	164,061,610	-	
Non-controlling interests	21,929,978	14,792,741	14,792,741	-	

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Consolidated Statement of Cash Flows

	2023	Reassessed presentation 2022	Reported 2022	Difference
Cash flows from operating activities:				
Profit before taxation	**353,530,164**	**208,602,267**	**208,602,267**	**-**
Adjustments for non-cash items:				
Depreciation, amortization, and impairment	86,086,591	72,940,789	72,940,789	-
Interest expense	3,795,203	3,114,745	-	3,114,745
Interest revenue	(5,232,405)	(1,305,102)	-	(1,305,102)
Net interest expenses	-	-	1,809,643	(1,809,643)
(Gain)/ Loss from disposals of property plant and equipment	(625,781)	2,479,336	2,479,336	-
Decrease in provision for current assets	-	-	(877,296)	877,296
Written off receivables	-	-	4,241,874	(4,241,874)
Estimated credit losses	6,408,734	3,364,578	-	3,364,578
Net increase / (Decrease) in provision for risks and charges	1,672,160	2,346,505	2,346,505	-
Share-based payment	2,972,451	-	-	-
Shares of profit of associates	(1,463,866)	(524,837)	(524,837)	-
Reversal of impairment loss/ Impairment loss of property, plant and equipment	(2,358,147)	4,797,068	4,797,068	-
Income from government grants	(246,857)	-	-	-
Operating profit before working capital changes	**444,538,246**	**295,815,349**	**295,815,349**	**-**
Changes in operating assets and liabilities:				
Decrease /(Increase) in trade and other receivables	18,427,199	(60,704,686)	(60,704,686)	-
Decrease/ (increase) in inventories	4,731,430	(10,166,337)	(10,166,337)	-
(Decrease) /Increase in trade and other payables	(18,549,145)	18,450,957	18,450,957	-
Cash generated from operations	449,147,731	243,395,283	243,395,283	-
Interests paid	(3,795,203)	(3,114,745)	(3,114,745)	-
Income tax paid	(33,477,718)	(15,516,336)	(15,516,336)	-

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Consolidated Statement of Cash Flows (continued)

	2023	Reassessed presentation 2022	Reported 2022	Difference
Net cash flow generated from operations	411,874,810	224,764,201	224,764,201	-
Investing activities:				
Purchases of tangible and intangible assets	(249,526,291)	(120,823,384)	(120,823,384)	-
Acquisition of a subsidiary, net of cash acquired	(106,980,671)		(75,725)	75,725
Dividends cashed in from investments	790,153			
Proceeds from sale of property plant and equipment	7,987,073	4,485,995	4,485,995	
Interest received	5,568,261	1,305,102	1,305,102	-
Short term deposits	(35,911,001)	-	-	-
Government grants cashed in	10,113,066			
Dividends paid to non-controlling interests	-	-	(4,346,222)	4,346,222
Cash flow used in investing activities	**(367,959,410)**	**(115,032,287)**	**(119,454,233)**	-
Financing activities:				
Government grants cashed		-	-	-
Acquisition of non- controlling interest	(184,876)	(75,725)		(75,725)
Dividends paid to non-controlling interests	(5,952,907)	(4,346,222)		(4,346,222)
Dividends paid	(33,000,000)	(17,850,000)	(17,850,000)	-
Repayment of borrowings	(14,399,713)	(24,804,557)	(24,804,557)	-
Proceeds from borrowings	57,447,370	24,387,996	24,387,996	-
(Payment of lease liabilities) / acquisitions leasing	(143,044)	88,610	88,610	-
Cash flow generated by financing activities	**3,766,830**	**(22,599,898)**	**(18,177,951)**	**(4,421,947)**
Net increase in cash and cash equivalents	47,682,230	87,132,016	87,132,016	-
Cash and cash equivalents at the beginning of the year	**146,032,810**	**58,900,794**	**58,900,794**	-
Cash and cash equivalents at the end of the year	**193,715,040**	**146,032,810**	**146,032,810**	-

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

The material accounting policies are presented below.

Going concern

The going concern principle. The Company operates according to the going concern principle. This principle assumes that the entity will continue its activity normally, without entering liquidation or significantly reducing its activity.

Presentation currency

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

Included in the Group are also foreign companies that have the functional currency HUF or EUR, for which translation is applied. The resulting differences are recorded through other comprehensive income. The Group presents this effect in the statement of changes in equity above. However, presentation of such items does not change the nature of the reserve. Generally, reclassification to profit or loss will only occur when required by IFRS.

The exchange rates as of December 31, 2023, and as of December 31, 2022 are:

	December 31, 2023	December 31, 2022
EUR	4.9746	4.9474
USD	4.4958	4.6346

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

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

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash

All other assets are classified as non-current.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

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

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

Fair value measurement
The Group measures and recognizes at fair value ships (presented within ships category).
Also, fair values of financial instruments measured at amortized cost are estimated for disclosure purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1: market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's policies by verifying the major inputs applied in the latest valuation and assessing the changes from the previous valuation.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee.
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties.
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquirer's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of the retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and non-controlling interests.

When assets of the subsidiary are carried at revalued amounts or fair values, the related cumulative gain or loss is recognized in revaluation reserves in other comprehensive income. As PPE carried at fair value is disposed, the revaluation reserve corresponding to the respective asset is moved to retained earnings.

The fair value of any investment retained in the former subsidiary when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4 Goodwill

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) 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.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.5 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate.

3.6 Non-current assets held for sale

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.7 Revenue from contracts with customers

Revenue for all businesses is recognized when the performance obligation has been satisfied, which happens upon transfer of control to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services.

Group implemented the following 5 (five) steps of analysis in revenue recognition:

1) Identify contract with a customer.
2) Identify the performance obligations in the contract. Performance obligations are promises in a contract to deliver goods or services that are distinct to customers.
3) Determine the transaction price, net of discounts, returns, sales incentives and value added tax, which an entity is entitled to obtain as compensation for the delivery of goods or services promised in the contract
4) Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct goods or services promised in the contract. When this cannot be observed directly, the relative stand-alone selling price is estimated based on expected cost-plus margin.
5) Recognize revenue when performance obligation has been fulfilled by delivering the promised goods or services to the customer (when the customer has control over the goods or services).

3. MATERiAL ACCOUNTING POLICIES (continued)

3.7 Revenue from contracts with customers (continued)

The Group recognizes revenue from the following major sources:
1) from logistic services
2) from sales of goods
3) from construction contracts.

Revenue from sale of goods/ merchandises is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenues from logistics services are recognized over time as the customer benefits from the entity's performance as the services are rendered.

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 according to the contractual considerations. 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 a yearly basis but usually same over a longer period of time. Tariffs for transport are more stable for minerals and part of chemicals, i.e. contracts valid one year (or more), spot contracts are calculated according to the basic rule. Tariffs for grains are agreed for main volumes, basis on one year long contract, level of tariffs being higher during season (July – December) and lower for off-season (January-June); spot contracts follows the basic rule.
Contract considerations for transport performance obligations are adjusted with BAF (bunker adjustment fee) and LWS (low water surcharge).

The company has the following revenue streams:

3.7.1. Revenue from logistic services

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

Revenue from logistic services is recognized as the transport is confirmed by the beneficiary based on the following:

- freight documents (bill of lading, other related transport documents);
- Documents attesting to the unloading operation from transport vehicles like barges, maritime ships or loading operation of loading the commodities (tally upon unloading / Out Turn Report – OTR / draft unloading survey)
- For the transportation services in progress at year end- the revenue is recognized over time as it is and the value recognized is based on data related to the position of the ships at year end

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically assumes responsibility for the services to the final customer, negotiates price and assumes risk of non-payment.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.7 Revenue from contracts with customers (continued)

3.7.1. Revenue from logistic services (continued)

Revenues are reflected in the forwarding segment (revenues generated by TTS (Transport Trade Services) SA, Plimsoll zrt Hungary and TTS (Transport Trade Services) Gmbh Austria), the fluvial segment (revenues generated by CNFR NAVROM SA, Navrom Bac SRL and Fluvius kft Hungary) and port operation segment (revenues generated by Canopus Star SRL subsidiary,TTS Operator SRL and Decirom from Constanta, the subsidiary TTS Porturi Fluviale SRL from Galati and Port of Fajsz kft from Hungary) detailed in Note 11. The forwarding segment is mainly involved in contracting the final clients and subcontracting the work to be done by transportation 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.

3.7.2. Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the good at the customer's location. The normal credit term is 30 to 90 days upon delivery.

3.7.3. Revenues from construction contracts

Revenue and costs for construction contracts in Navrom Shipyard are recognized at a point in time when delivered to client based on acceptance from the beneficiary. As the project is executed, costs are capitalized as work in progress.

The Group is using the practical expedient in relation to the disclosure of the backlog as at December 31, 2023 and 2022 due to the nature of the framework contracts in place.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods and services rendered, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of penalties give rise to variable consideration.

Some customer contracts for transportation services include penalties clauses to be invoiced to client for costs incurred when client does not bring the goods at the established place for transportation timely and there are costs incurred by TTS Group for waiting. These revenues are recognized when such delays occur, and the penalties are invoiced to the client.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.7 Revenue from contracts with customers (continued)

Contract assets

A contract asset is initially recognized for revenue earned from rendered services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

Contract liabilities

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., executes the transportation service for the customer).

3.8 Share based payments

Employees (senior executives and key personnel) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in payroll expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).
If the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, the entity shall presume that services rendered by the counterparty as consideration for the equity instruments have been received. In this case, on grant date, the entity shall recognize the services received in full, with a corresponding increase in equity.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in payroll. For transactions measured by reference to the fair value of the equity instruments granted, the Group measures the fair value of equity instruments granted at the measurement date, based on market prices if available, considering the terms and conditions upon which those equity instruments were granted.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group's policy is to establish tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such tax provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been identified.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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.

A. 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. The Group's current income tax liability is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

B. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts 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 (2023 and 2022: 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.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Taxation (continued)

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.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.11 Non-Reimbursable Government Grants

Receivables are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.
Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.12 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 statement of financial statements at their cost less accumulated depreciation and accumulated impairment losses.
Tangible assets in progress that will be used in production or in administration are stated at cost less any impairment. Costs include professional fees and, in case of qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policies. Such assets are classified under such categories of tangible assets when completed or ready for use for the purpose they were intended. The depreciation of such assets, on the same basis as other owned assets, commences when the assets are ready for use as intended by the management.

Land is not depreciated.

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. For ships, included in Plant and equipment, the revaluation model is used. They are depreciated on the estimated useful life of these assets which are subject to revaluation with sufficient regularity, report being issued by an independent member of ANEVAR.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.12 Property, plant, and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when tit is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 Group's profit or loss.

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

	Years
Buildings	3 – 60
Plant and equipment	2 – 30
Fixtures and furniture	2 – 16
Ships	8 - 20

3.13 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:

	Years
Software	1 – 5

3.14 Impairment of tangible and intangible assets other than goodwill

Intangible assets with an indefinite useful life and the intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.14 Impairment of tangible and intangible assets other than goodwill (continued)

Where the asset does not generate cash, inflows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there can be identified a consistent allocation basis, the Group's corporate assets are also allocated to individual cash generating units or to the smallest group of cash generating units for which a consistent allocation basis can be identified.

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

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

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

3.15 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.

3.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of a past event, and it is probable that an outflow of resources incorporating economic benefits will be required to 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 (if the effect of the time value of money is material).

When expected that some of or all the economic benefits required to settle a provision be recovered from third parties, then the receivable is recognized as asset if it is almost certain that the repayment will be collected, and the value of the receivable can be reliably assessed.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.16 Provisions (continued)

Taxation provisions

The Group records current tax provision relating to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Romanian Tax Authorities. Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the Group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. There are no such open issue with the tax authorities for the Group as at December 31, 2023 for which a provision would be needed.

Onerous contracts

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

Warranties

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

3.17 Use of estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Critical accounting judgements

The following are the critical judgements that the management has used in applying the Group's accounting policies and which have a significant impact on the carrying values recognized in the financial statements.

i) *Allowances for inventories*

At the end of each reporting period, the Group revises the sufficiency of allowances for slow moving inventories as in Note 16.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.17 Use of estimates (continued)

ii) *Useful life of tangible and intangible assets*

The Company revises the estimated useful life of tangible and intangible assets at the end of each annual reporting period. The useful lives are presented in Note 3.12 tangible and intangible accounting policies.

iii) *Deferred tax.*

The carrying amount as at December 31, 2023 and December 31, 2022 is presented in Note 10.

3.18 Application of IFRS 9 Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. Financial assets resulting from the main operations of the company are presented as Trade receivables while receivables from secondary operations like sale of ships (PPE) are presented as sundry debtors.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognized in profit or loss and is included in the Net of finance cost/ income line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

(i) Amortized cost and effective interest method (continued)

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, lease receivables, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade and other receivables, long term receivables, short term deposits and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group has established a provision based on its historical aging analyses, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Group's core operations.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

(ii) Significant increase in credit risk (continued)

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) the financial instrument has a low risk of default.
(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.
For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increase in credit risk before the amount becomes past due.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

(ii) Significant increase in credit risk (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Leases

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

Group as a lessee

i) Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3 Impairment of non-financial assets.

ii) Lease liabilities

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

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

ii) Lease liabilities (continued)

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

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

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

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

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its equipment.

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

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

3.18 Application of IFRS 9 Financial Instruments (continued)

Segment reporting

An operating segment is a component of an entity: that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Reportable segments are operating segments or aggregations of operating segments that meet specified criteria:

- its reported revenue, from both external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments, or
- the absolute measure of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss, or
- its assets are 10 per cent or more of the combined assets of all operating segments.

If the total external revenue reported by operating segments constitutes less than 75 per cent of the entity's revenue, additional operating segments must be identified as reportable segments (even if they do not meet the quantitative thresholds set out above) until at least 75 per cent of the entity's revenue is included in reportable segments.

Settlement prices among segments are set objectively.

The results, assets and liabilities related to a segment include elements that may be allocated directly to one segment, and elements that may be allocated on a reasonable basis.

Capital expenses related to a segment represent the total costs registered over the period for purchasing tangible and intangible assets.

Contingent assets and liabilities

A contingent liability is:

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

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

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

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is an analysis of the Group's revenue for the year from continuing operations:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from sales of merchandises	44,437,886	42,339,634
Other operating revenues	22,229,827	20,191,485
Revenues from sales of finished products	69,365	3,343
Revenue from rendering of services	1,106,330,688	883,563,814
Revenue from other activities	10,276,281	8,503,057
Total	**1,183,344,047**	**954,601,333**
Revenue from contracts with customers	**1,183,344,047**	**954,601,333**
Revenue from segment information (note 11)	1,161,114,220	934,409,848
Other operating revenue (note 11)	22,229,827	20,191,485
Total	**1,183,344,047**	**954,601,333**

For more details, please see also note 11 Segment revenue. Other operating revenues relates to variable considerations from contracts with customers, mainly penalties.

The following table classifies the proceeds from the sale of services in 2023 according to the timing of revenue recognition:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue recognized over time	1,125,226,939	900,679,479
Revenues recognized at a point in time (merchandise, finished goods, construction)	58,117,108	53,921,854
Total	**1,183,344,047**	**954,601,333**

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5. ADMINISTRATIVE EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022
Electricity expenses	9,696,818	7,077,179
Repairs	14,738,407	16,133,453
Rent expenses	6,071,888	6,593,367
Insurance expenses	6,696,507	6,546,380
Training	443,298	281,170
Transportation services	2,523,743	1,922,948
Legal Expenses	1,196,906	998,629
Advertising and marketing expenses	1,838,031	1,240,485
Travel expense	731,277	506,598
Communication expenses	1,208,313	1,172,621
Other taxes, charges and similar expenses	3,530,331	2,649,609
Total	**48,675,519**	**45,122,439**

6. PAYROLL EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and allowances expenses	190,923,065	110,410,016
Insurance contribution for work	4,850,181	2,980,677
Other expenses regarding insurance and social protection	6,131,095	3,908,620
Meal tickets	5,853,185	4,129,366
Stock option plan benefits	2,864,851	-
	210,622,377	**121,428,679**
Board Members executive and non-executive	3,728,576	2,785,421
Stock option plan benefits	107,600	
Total	**214,458,553**	**124,214,100**

Details about SOP (stock option plan) benefits can be found in Group accounting policy on share based payments and the disclosures for the related recorded equity element.

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7. OTHER GAINS AND LOSSES

	Year ended December 31, 2023	Year ended December 31, 2022
Other income	4,165,805	3,898,134
Reversal for impairment loss of specific property plant and equipment items	2,358,147	-
Own work capitalized in construction of PPE	1,249,713	2,561,163
Income from current assets	-	877,296
Net gain on disposal of property, plant and equipment	625,781	-
Total	8,399,446	7,336,593

	Year ended December 31, 2023	Year ended December 31, 2022
Net foreign exchange loss	(940,788)	(1,331,352)
Estimated credit losses trade receivables/ sundry debtors	(6,497,149)	(4,241,874))
Impairment loss for specific property plant and equipment items	-	(4,648,697)
Net income / (expenses) from provisions for risks and charges	(1,672,160)	(2,346,505)
Other expenses	(7,813,576)	(6,793,060)
Loss on disposal of property, plant and equipment	-	(2,366,462)
Total	**(16,923,673)**	**(21,727,950)**

In 2022, the line related to adjustments for fixed assets includes the amount of RON 4,648,697 and is related to the establishment of impairments for equipment and respective machines that are in conservation.

The provision recorded in 2023 in amount of RON 4,420,499 relates to property, plant and equipment belonging to the operating segment representing the value of items that is highly unlikely to be used in the future according to their physical status and management plans. The reversed provision in 2023 in amount of RON 6,778,646 relates to PP&E from the river transport segment. This is related to a building of the Group that has been refurbished and is being used as headquarters for some companies in the Group. The reversal was done according to the results of a valuation report considering both replacement value model and revenue capitalization method based on available market data.

Net income / (expenses) from provisions for risks and charges mainly refers to the provision for employee benefits for which the amount and timing of payment is not certain.

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8. SHARE OF PROFIT OF ASSOCIATES

	Year ended December 31, 2023	Year ended December 31, 2022
Share of profit of associates	1,463,866	974,867
Other financial income/ (expense)	111,019	51,244
Total	**1,574,885**	**1,026,111**

The share of the profit of associates represents the gain for the current year from recording the investments through the equity method.

For further details regarding financial investment gain please see note **14.**

9. FINANCE INCOME

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	5,237,519	1,327,762
Total	5,237,519	1,327,762

FINANCE COST

	Year ended December 31, 2023	Year ended December 31, 2022
Bank fees	(1,007,739)	(1,032,930)
Interests on borrowings	(3,795,202)	(3,114,745)
Total	**(4,802,941)**	**(4,147,675)**

10. INCOME TAX

The tax rate applied for the reconciliation above for the years 2023 and 2022 is 16% in Romania.

	Temporary differences 2023	Deferred tax amount 2023	Temporary differences 2022	Deferred tax amount 2022
Property plant and equipment	(49,224,324)	(7,875,892)	(61,382,406)	(9,821,185)
Provision	5,553,229	888,517	3,881,069	620,971
Trade receivables	113,000	18,080	(620,563)	(99,290)
Subsidiary acquisition	-	(9,249,498)	-	-
Tax liabilities	**-**	**(16,218,793)**	**-**	**(9,299,504)**

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax expense (note 10.2)	**50,388,336**	**29,834,707**
Expenses / (Income) with deferred tax recognized in the current year (note 10.1)	(2,330,209)	(86,791)
Total	**48,058,127**	**29,747,916**

The tax rate applied for the reconciliation above for the years 2023 and 2022 is 16% in Romania.

During the year 2023 the Group compensated amount from current income tax with RON 14,471,249 (2022: RON 5,210,931) amount from VAT liability following compensations decisions issued by State Authorities. As at December 31, 2023, the Group has income tax payable of RON 13,425,146 and as at December 31, 2022 an amount payable of RON 10,885,777.

10.1. Details regarding deferred tax

	Year ended December 31, 2023	Year ended December 31, 2022
Balance as at January 1 deferred tax liabilities	**9,299,504**	**9,386,295**
Deferred tax impact related to revaluation reserves		
Expense / (Revenue) in the period:		
- generated by the revaluation reserves	(1,945.293)	(86,791)
- others	(384,916)	
Total impact – Profit and Loss account	(2,330,209)	**(86,791)**
Total impact from business combination (Note 1)	9,249,498	-
Balance as at December, 31 deferred tax liabilities	**16,218,793**	**9,299,504**

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10. INCOME TAX (continued)

10.2. Details regarding income tax

	Year ended December 31, 2023	Year ended December 31, 2022
Profit before tax	**353,530,164**	**208,602,266**
Income tax calculated at 16%	56,564,826	33,376,363
Tax effects of non- deductible expenses	1,759,616	1,661,147
Tax Effects of income that are exempt from taxation	(585,769)	(542,811)
Tax Effects of other elements	139,352	162,594
Tax credit	(9,819,899)	(4,909,376)
Income tax in respect of the current year	**48,058,127**	**29,747.916**

A tax credit represents a bonification received from the state in accordance with Romanian law OUG 33/2020 and 153/2020.

The temporary difference associated with investments in the Group's subsidiaries, associates and joint venture for which a deferred tax liability has not been recognized in the periods presented aggregates to RON 572,295 (2022: RON 0).

11. SEGMENT INFORMATION

The Group's core business is transportation of goods on the Danube and other complementary services related to the transportation of goods such as handling of goods, loading and unloading, storage.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the type of activities - forwarding, river transport, operations services, and other services (repairs of the transportation fleet, distribution of different goods (timber, oil, lubricants), hydro-construction, bunker services.
Finance costs, finance income, share of profit in associates are not allocated to individual segments as the underlying instruments are managed on a group level.

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11. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

2023	Total	Forwarding	River transport	Port operations	Other	Intersegments
Revenue	1,161,114,220	967,903,098	606,183,490	170,217,226	65,657,363	(648,846,957)
Other operating revenue	22,229,827	20,553,768	13,492,441	351,909	118	(12,168,409)
Merchandise sold	(36,365,945)	-	(151,607)	-	(36,214,338)	-
Raw materials and consumables	(108,027,160)	(529,080)	(91,131,878)	(14,701,481)	(1,664,721)	-
Depreciation and amortization	(86,086,591)	(2,754,510)	(59,610,269)	(21,284,373)	(2,437,439)	-
Packaging costs	(9,826)	-	(6,399)	(3,427)	-	-
Subcontractors' expenses	(329,675,525)	(782,134,223)	(133,260,495)	(35,956,481)	(7,071,928)	628,747,602
Payroll expenses	(214,458,553)	(16,374,545)	(137,645,673)	(46,198,725)	(14,239,610)	-
Electricity, heating, and water	(9,696,818)	(405,548)	(1,931,146)	(5,994,806)	(1,432,825)	67,507
Maintenance and repair expenses	(14,738,408)	(2,264,543)	(20,511,942)	(4,358,478)	(522,365)	12,918,920
Other administrative expenses	(24,240,293)	(4,358,241)	(10,982,933)	(12,459,255)	(2,843,250)	6,403,386
Other gains	12,729,001	753,190	10,417,897	1,383,771	370,846	(196,703)
Other loss	(21,253,228)	(18,095,355)	(9,036,214)	(5,567,813)	(1,516,480)	12,962,634
Total operating result	351,520,701	162,294,011	165,825,272	25,428,067	(1,914,629)	(112,020)
Share of profit of associates	1,574,885					
Finance income	5,237,519					
Finance costs	(4,802,941)					
Profit of the year from continuing operations	353,530,164					
Income tax expenses	(48,058,127)					
Profit of the year	305,472,037					

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11. SEGMENT INFORMATION (continued)

Segment revenue and results

2022	Total	Forwarding	River transport	Port operations	Other	Intersegments
Revenue	934,409,848	731,058,099	472,824,238	108,359,555	64,064,392	(441,896,436)
Other operating revenue	20,191,485	13,437,729	10,779,459	710,286	296,037	(5,032,026)
Merchandise sold	(32,523,946)	-	(770,625)	-	-31,789,575	36,254
Raw materials and consumables	(123,825,466)	(568,413)	(105,819,460)	(11,991,530)	(5,479,074)	33,011
Depreciation and amortization	(72,940,789)	(2,807,994)	(52,816,761)	(15,083,877)	(2,232,157)	-
Packaging costs	(8,402)	-	(3,933)	(1,816)	(2,653)	-
Subcontractors' expenses	(331,178,765)	(619,293,365)	(110,517,841)	(17,037,778)	(9,763,854)	425,434,073
Payroll expenses	(124,214,100)	(13,790,900)	(76,459,808)	(25,808,904)	(8,154,488)	-
Electricity, heating and water	(7,077,180)	(408,754)	(1,461,519)	(3,865,534)	(1,394,214)	52,841
Maintenance and repair expenses	(16,133,453)	(2,192,034)	(17,310,231)	(5,699,524)	(504,784)	9,573,120
Other administrative expenses	(21,911,806)	(4,699,542)	(11,415,055)	(8,480,725)	(3,098,478)	5,781,994
Other gains	7,336,593	3,946,353	1,175,509	696,280	1,744,076	(225,625)
Other loss	(21,727,950)	(10,725,607)	(8,065,916)	(1,970,217)	(4,644,202)	3,677,992
Total operating result	210,396,069	93,955,572	100,138,057	19,826,216	(958,974)	(2,564,802)
Share of profit of associates	1,026,111					
Finance income	1,327,762					
Finance costs	(4,147,675)					
Profit of the year from continuing operations	**208,602,266**					
Income tax expenses	(29,747,916)					
Profit of the year	**178,854,351**					

This is a free translation from the original Romanian version.

11. SEGMENT INFORMATION (continued)

Segment revenue and results (continued).

The Group's analysis of revenue and results from continued operations by reportable segments is presented below:

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

2023	TOTAL	Forwarding	River transport	Port operations	Others	Intersegments
Total	**1,161,114,220**	**967,903,098**	**606,183,491**	**170,217,225**	**65,657,362**	**(648,846,956)**
Agricultural products	580,158,533	540,694,636	349,542,937	120,064,883	-	(430,143,923)
Chemical Products	77,019,660	57,709,124	31,190,731	30,894,782	-	(42,774,977)
Minerals	327,962,195	296,027,835	167,242,836	9,785,418	-	(145,093,894)
Other merchandise	34,558,251	-	34,558,251	-	-	-
Other services	141,415,581	73,471,503	23,648,736	9,472,142	65,657,362	(30,834,162)

2022	TOTAL	Forwarding	River transport	Port operations	Others	Intersegments
Total	**934,409,848**	**731,058,099**	**472,824,238**	**108,359,555**	**64,064,392**	**(441,896,436)**
Agricultural products	333,731,591	292,528,349	192,078,690	71,867,606	-	(222,743,054)
Chemical Products	60,609,309	53,721,483	35,427,218	17,165,714	-	(45,705,106)
Minerals	312,565,167	259,685,324	193,328,301	12,100,061	-	(152,548,519)
Other merchandise	34,901,582	-	34,901,582	-	-	-
Other services	192,602,199	125,122,943	17,088,447	7,226,174	64,064,392	(20,899,757)

Other services for the other segment include mainly sales of goods, shipyards incomes, hydro-construction, bunker services.

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11. SEGMENT INFORMATION (continued)

Segment assets and liabilities

Segment assets	December 31, 2023	December 31, 2022
Forwarding	252,197,313	200,739,362
River transport	637,251,405	555,218,145
Port operations	384,954,534	194,357,207
Others	55,841,676	46,208,022
Total segment assets	**1,330,244,928**	**996,522,736**
Unallocated assets		
Investment in the investee	9,157,058	8,483,345
Total assets	**1,339,401,987**	**1,005,006,081**

Segment liabilities	December 31, 2023	December 31, 2022
Forwarding	33,360,999	54,902,591
River transport	41,477,072	36,455,741
Port operations	39,474,084	9,115,150
Others	9,664,686	8,803,513
Total segment liabilities	**123,976,841**	**109,276,995**

Unallocated liabilities	December 31, 2023	December 31, 2022
Long-term borrowings	74,699,781	40,879,479
Deferred tax liabilities	16,218,793	9,299,504
Lease liabilities	1,492,674	321,638
Short-term borrowings	36,056,374	26,829,020
Other current liabilities	-	-
Other non-current liabilities	-	-
Total liabilities	**252,444,464**	**186,606,636**

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11. SEGMENT INFORMATION (continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates, assets classified as held for sale and deferred tax assets

- all liabilities are allocated to reportable segments other than borrowings, other financial liabilities, leasing liabilities and deferred taxes

Other segment information

Depreciation and amortization	**2023**	**2022**
Forwarding	2,754,510	2,807,994
River transport	59,610,269	52,816,761
Port operations	21,284,373	15,083,877
Others	2,437,439	2,232,157
	86,086,591	**72,940,789**

Additions to non-current assets net of commissioned assets from WIP	**2023**	**2022**
Forwarding	57,545,284	3,781,208
River transport	134,511,706	87,749,184
Port operations	147,074,154	24,091,313
Others	8,149,981	5,201,679
	347,281,125	**120,823,384**

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Ships	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Right of use assets	Total
COST								
Balance as at January 1, 2023	**13,775,004**	**187,753,789**	**178,225,834**	**461,794,156**	**4,276,726**	**54,670,316**	**233,029**	**900,728,856**
Increases	7,021	41,851,449	15,882,330	-	852,854	190,538,806	671,555	249,804,015
Transfer	-	-	62,865,832	111,245,959	-	(174,111,791)	-	-
Subsidiary acquisition (note 1)	-	*59,322,074*	*32,645,756*	-	*173,208*	*5,581,815*	-	*97,722,853*
Disposals	-	117,502	9,711,223	1,378,051	165,556	-	-	11,372,332
Balance as at December 31, 2023	**13,782,025**	**288,809,811**	**279,908,529**	**571,662,065**	**5,137,233**	**76,679,145**	**904,584**	**1,236,883,392**
ACCUMULATED DEPRECIATIONS								
Balance as at January 1, 2023	**185,263**	**60,066,122**	**121,966,476**	**49,283,518**	**2,995,648**	**-**	**4,088**	**234,501,117**
Depreciation	14,380	8,447,674	20,512,824	56,218,994	345,669	-	101,852	85,641,393
Disposals	-	37,006	3,703,043	205,301	106,945	-	-	4,052,295
(Reversal of impairment)/impairment	-	(6,350,249)	3,989,214	-	2,888	-	-	(2,358,147)
Balance as at December 31, 2023	**199,643**	**62,126,541**	**142,765,471**	**105,297,211**	**3,237,260**	**-**	**105,940**	**313,732,068**
NET BOOK VALUE								
As at December 31, 2022	**13,589,741**	**127,687,667**	**56,259,358**	**412,510,638**	**1,281,078**	**54,670,315**	**228,941**	**666,227,739**
As at December 31, 2023	**13,582,382**	**226,683,270**	**137,143,058**	**466,364,854**	**1,899,973**	**76,679,144**	**798,644**	**923,151,327**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment	Ships	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Total
COST							
Balance as of January 1, 2022	**10,382,067**	**188,970,767**	**171,213,715**	**379,762,354**	**4,053,484**	**40,513,001**	**794,895,388**
Increases	1,688,501	-	-	-	-	118,888,320	120,576,821
Transfers	1,817,311	665,503	15,161,838	86,785,311	301,042	(104,731,005)	-
Disposals	112,875	1,882,481	8,149,719	4,753,509	77,800	-	14,976,384
Balance as of December 31, 2022	**13,775,004**	**187,753,789**	**178,225,834**	**461,794,156**	**4,276,726**	**54,670,316**	**900,495,825**
ACCUMULATED DEPRECIATIONS							
Balance as of January 1, 2022	**168,916**	**54,075,494**	**105,996,383**	**-**	**2,790,257**	**-**	**163,031,052**
Depreciation	16,347	6,410,703	16,315,404	49,390,516	258,781	-	72,391,751
Disposals	-	420,075	5,143,779	106,998	51,990	-	5,722,842
Impairment/ (Reversal of impairment)	-	-	4,798,468	-	(1,400)	-	4,797,068
Balance as of December 31, 2022	**185,263**	**60,066,122**	**121,966,476**	**49,283,518**	**2,995,648**	**-**	**234,497,027**
NET BOOK VALUE							
As of December 31, 2021	**10,213,151**	**134,895,273**	**65,217,332**	**379,762,354**	**1,263,226**	**40,513,001**	**631,864,336**
As of December 31, 2022	**13,589,741**	**127,687,667**	**56,259,358**	**412,510,638**	**1,281,078**	**54,670,316**	**665,998,798**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

As of December 31, 2022, impairment adjustments were made, for equipment and installations in the amount of RON 4,798,468.

As at December 31, 2021 the plant and equipment class (ships category) was revalued by an ANEVAR member company, Elf Expert. The method used by the evaluator was the cost approach and market value approach. The impact of the revaluation methods used was an increase of RON 14,987,140 and a decrease of RON 1,037,192. Total accumulated depreciation reversed amounts RON 119,885,770. As at December 31, 2023 and December 31 ,2022, the Company employed a valuation specialist and concluded the net book values of the ships as at these dates are close to the market values as at the same date. Hence, no other revaluation was performed and recorded for ships as at December 31, 2023 and December 31, 2022.

In the case of the impairment identified in the curent year (see note 7) the amount is specific to certain equipments and is not the result of an impairment analysis carried out at the CGU level.
There are no specific impairment indicators that lead to the necessity to perform an impairment general analysis.
For the amount of net book value of fixed assets pledged at December 31, 2023 please see note 22.

13. GOODWILL

COST	Year ended December 31, 2023	Year ended December 31, 2022
Balance at beginning of year	**3,846,603**	**3,846,603**
Combinations occurring during the year	28,472,451	-
Balance at end of year	**32,319,054**	**3,846,603**

The Company defines and manages the operating segments as Cash generating units ('CGU"). There are five cash generating units: forwarding, river transport, port operations, other and the new acquired company Decirom. Goodwill is allocated to the cash generating units as per below.

Goodwill at the level of CGUs

	December 31, 2023	December 31, 2022
Forwarding	2,230,379	2,230,379
River Transport	-	-
Port operation	1,616,224	1,616,224
Other		
Decirom	28,472,451	-
Total	**32,319,054**	**3,846,603**

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13. GOODWILL (continued)

In 2023 the Group acquired the company Decirom SA for which a goodwill in amount of RON 28,472,451 was recognized. The subsidiary is included in port operation segment.

As of December 31, 2023, the Group performed an impairment analysis of the goodwill and concluded that there is no need to book an impairment expense based on management projections of cash flows for next periods.

For Decirom, the impairment exercise was done at Decirom level since the Company is not yet integrated in the operating segment fully and for 2023 is considered as a separate CGU.

The recoverable amount of the Decirom CGU as per the impairment model performed is RON 126,289,165. The recoverable amount has been determined based on value in use calculation using cash-flow projections from the financial budgets approved by senior management covering a five- year period including the projected synergies with the Group.

The estimates for revenues considered in the DCF model are prudent considering a 5%- 9% rate of increase obtainable given the speed of the modernized equipment.The pretax discount rate applied to cash flow projections is 12.5% and cash flows beyond the 5 year period are extrapolated using a 3% growth rate. The analysis did not generate an impairment loss.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions:

The calculation of value in use for Decirom goodwill is most sensitive to turnover increase, EBITDA margins estimates, WACC, growth rate on perpetuity.

The Group has considered that climate- related matters are not key assumptions in the impairment model but the Group has considered all related impact of climate- related matters in building the model.

A decrease of 0.5% on average in the average rate of increase in Turnover considered in the model would still not generate an impairment loss.

EBITDA margin is estimated to increase to 30-33% in the next years using the speed and efficiency of the equipment held to operate increasing volumes for its old clients and TTS Group clients. A decrease of 1% in the average EBITDA considered in the model would still not generate an impairment loss.

WACC used in the model is representative for the industry and risk related to client. A decrease of 0.5% in the assumption would still not generate an impairment loss.

Growth rate on perpetuity of 3% is below inflation expected. A decrease to 2.5% would still not generate an impairment loss.

Similar impairment analysis were performed for all elements of goodwill recorded in line with IAS 36.

14. INVESTMENTS IN ASSOCIATES

Name of investment	Core business	Holding percentage 12/31/2023	Cost of the investment 12/31/2023	Post-acquisition change in the investor's share of net assets of the investee	Carrying amount of the investment 12/31/2023	Cost of the investment 12/31/2022	Post-acquisition change in the investor's share of net assets of the investee	Carrying amount of the investment 12/31/2022
		%	RON	RON	RON	RON	RON	RON
Transterminal-S S.R.L.	Railway transportation of goods	20%	147,339	5,854,238	6,001,577	147,339	5,189,428	5,336,767
Navrom Port Service S.A.	River transportation of goods	49.97%	878,700	2,194,957	3,073,657	878,700	2,190,054	3,068,754
Other investments		-	81,824	-	81,824	77,825	-	77,825
TOTAL VALUE OF THE INVESTMENT IN THE ASSOCIATES					**9,157,058**			**8,483,345**

Investment in associates is accounted using the equity method, putting through profit and loss the share of the result of the associate belonging to the Group. The Group exerts significant influence over the associates.

Current year a dividend in amount of RON 794,152 was cashed in from Transterminal-S.

	Year ended December 31, 2023	Year ended December 31, 2022
Share of profit or loss for the period	**1,463,866,**	**974,867**
Dividends distributed	(794,152)	(148,470)
Other movements	3,999	(301,560)
Total	**673,713**	**524,837**

15. OTHER LONG-TERM ASSETS

	Year ended December 31, 2023	Year ended December 31, 2022
Long term receivables	3,824,248	691,051
Total	**3,824,248**	**691,051**

Included in the line of long-term receivables are mainly guarantees for port operations.

16. INVENTORIES

	Year ended December 31, 2023	Year ended December 31, 2022
Consumables, at lower of cost and net realizable value	24,177,616	27,796,138
Small tools, at lower of cost and net realizable value	881,923	804,641
Merchandise, at lower of cost and net realizable value	8,080,473	8,282,860
Services in progress, at lower of cost and net realizable value	1,525,225	2,855,050
Total	**34,665,237**	**39,738,689**

The line consumables contain mainly fuel used by the ships and cranes in the transportation operations.

The services in progress line are related mainly to the construction in progress of ships.

During 2023, expenses for net realizable value adjustments amounted to RON 342,022 while in 2022 they amounted to RON 1,410,074.

17. TRADE AND OTHER RECEIVABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Trade receivables	80,694,001	100,124,474
Allowance for expected credit losses	(20,772,315)	(19,164,955)
Advances paid to suppliers of services	3,951,191	3,689,229
Total	**63,872,877**	**84,648,748**
Contract assets	**1,683,687**	**11,292,254**

Contract assets relates to revenue earned from ongoing services. As such, the balances of this account vary and depend on the value of ongoing services at the end of the year.

Advances paid to suppliers of services are non- financial assets.

17. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for expected credit losses:

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	19,164,955	**21,313,105**
Write off bad debts	(1,240,527)	(4,241,874)
Recovered/Constituted	2,847,886	2,093,724
Balance at the end of the year	**20,772,315**	**19,164,955**

In determining the recoverability of a trade receivable, the Entity considers any change in the crediting quality of the loan up to the reporting date. The concentration of the recoverability risk of the receivable is limited due to the existence of a big number of non-affiliated clients. Thus, the management considers that no supplementary impairment adjustments are necessary for trade receivables to the ones already recognized in the current financial statements. ECL analysis details of trade receivables, contract assets is presented below:

Total Dec, 2023	Not due	0-30 days	30-90 days	91-180 days	181-365 days	over 365 days
86,328,878	10,992,538	46,758,425	5,386,661	1,718,455	700,484	20,772,315
(20,772,315)						(20,772,315)

Total Dec, 2022	Not due	0-30 days	30-90 days	91-180 days	181-365 days	over 365 days
115,105,956	53,312,447	35,787,581	6,255,663	437,102	148,208	19,164,955
(19,164,955)						(19,164,955)

The average credit period on sales invoices is 45-60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% for all receivables past 180 days past due because historical experience has indicated these receivables are generally not recoverable.

Group management has analysed historical recoverability of trade receivables, other long term assets and contract assets and considers that it is not necessary to book any extra estimated credit losses.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g., when the debtor has been placed under liquidation.
Other current assets include mainly guarantees paid to suppliers kept at amortized cost and will be recovered at the end of the contract. Management expects to fully recover the amounts.

18. OTHER CURRENT ASSETS

	Year ended December 31, 2023	Year ended December 31, 2022
Amounts paid in advance	1,407,889	3,189,457
Sundry debtors	18,603,542	12,115,849
Allowance for sundry debtors	(11,401,996)	(8,183,172)
Taxes receivable from state budget (VAT)	26,708,392	16,921,814
Other current assets	479,566	4,522,117
Total	**35,797,393**	**28,566,065**

Government grants

	Year ended December 31, 2023	Year ended December 31, 2022
At 1 January	14,103,367	-
Booked during the year	-	14,358,820
Cashed in during the year	10,113,066	255,453
At 31 December	3,990,301	14,103,367
Total	**3,990,301**	**14,103,367**

Sundry debtors net of related allowance is related to VAT to be cashed in from other jurisdiction in the normal course of business.

Government grants refer to non-refundable funds related to investments made mainly by TTS (Transport Trade Services) S.A. for modernization of the Port Giurgiu infrastructure. There are no unfulfilled conditions or other contingencies attached to these grants, other than the fact that the Company must not relocate the activity outside the European Union, within 10 years from the moment of receiving the final payment.

19. ISSUED CAPITAL

	Number of shares	Share capital
Balance on 31 December, 2021	**30,000,000**	**31,739,602**
No shares after reduction of the nominal value	-	-
Issue of shares	30,000,000	30,000,000
Balance on 31 December, 2022	**60,000,000**	**61,739,602**
No shares after reduction of the nominal value	-	-
Issue of shares	-	-
Balance on 31 December, 2023	**60,000,000**	**61,739,602**

19. ISSUED CAPITAL (continued)

On April 1, 2022, AGOA TTS approved the increase of the Company's share capital by the amount of RON 30,000,000, from RON 30,000,000 to RON 60,000,000, without subscription and contribution, by incorporating in the share capital the amount of RON 30,000,000 from the benefits recorded as a carried forward result and the counterpart issue of several 30,000,000 shares with a nominal value of RON 1 each, as well as their free distribution to all shareholders, registered in the Shareholders' Register on the date of registration of the share capital increase, with the allotment rate of 1 new share for each share held.

As at 31 December 2023 the Company's shareholding structure is as follows:

Shareholding structure	No. of shares	Share
Mihailescu Alexandru Mircea	15,184,333	25.3072%
Other shareholders – legal persons	26,200,975	43.6683%
Other shareholders – individuals' persons	18,614,692	31.0245%
Total	**60,000,000**	**100 %**

As at 31 December 2022 the Company's shareholding structure is as follows:

Shareholding structure	No. of shares	Share
Mihailescu Alexandru Mircea	15,184,333	25.3072%
Other shareholders –legal persons	25,268,292	42.1138%
Other shareholders – individuals' persons	19,547,375	32.5790%
Total	**60,000,000**	**100%**

The inflated value of the share capital (resulting from hyperinflation in the past) on 31 December 2023 and 31 December 2022 is RON 61,739,602.

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20. RESERVES

	Year ended December 31, 2023	Year ended December 31, 2022
Legal reserves	12,000,000	10,620,132
Revaluation reserves	70,681,772	72,685,797
Stock option plan reserves	2,972,451	-
Other reserves	213,887,153	204,574,914
Translation adjustments	(1,781,520)	(924,299)
Total	**297,759,856**	**286,956,544**

Stock option plan reserves movement

RON	Year ended December 31, 2023	Year ended December 31, 2022
Opening balance	-	-
Expensed during the year	2,972,451	-
Closing balance	**2,972,451**	**-**

The main lines from reserves are related to the profits generated by the Group and from redemption of own shares that were transferred to reserves and can be used according to fiscal regulations (other reserves are available to distribution to shareholders, legal reserves are available only to cover retained losses). Legal reserves in amount of RON 12,000,000 (December 31,2022: RON 10,620,132) are appropriated out of the statutory year-end profit of the parent company, in accordance with Law 31/1990 with subsequent modification, at the rate of 5%, until the total reserve reaches 20% of the historical paid-in share capital, according to the statutory regulations. The legal reserves are non-distributable but can be used to cover losses. Other reserves reflect certain voluntary and legal reserves set up within subsidiary companies. The purpose of these reserves may be updated in the future based on the action of the shareholders.

Other reserves include reserves related to the share based payments in amount of RON 2,972,451.

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees and executives, as part of their remuneration. A share-based payment plan was set up during Q4 2023 by which several share options of TTS Transport Services were granted to some employees of the Group. The share options vest immediately based on 2023 results being payable in 12 months' time and. The Company has recorded the reserve based on the value of the shares at the balance sheet date considering this to be close to the fair value of the option. This stock option plan ("SOP") will be covering the following 2 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. In case of exercising the Options, existing shares will be purchased from the market to be available to be awarded to the employees included in the scheme. During the year 2023, the Company informed the beneficiaries related to the terms and conditions of the stock option plan described above, the grant date have occurred and therefore the Company have accounted for an amount of RON 2,9 million in the capital reserve. The entire cost is supported by the Parent Company, TTS SA. Two further stages of the program for 2024 and 2025 are still to be implemented.

20. RESERVES (continued)

By the Decision of December 21, 2023, the Board of Directors established the following parameters of the SOP Program:

- Allocation in the first stage of implementation of a number of 110,500 rights regarding the acquisition with free title of shares of the Company shares of a total number of 110,500 shares („Options") representing 0.18417% of the Company's share capital to employees and members of the TTS management and its subsidiaries, who made an important contribution to the development of the TTS group, except for the founding shareholders of the Company, and the members of the Board of Directors of TTS.
- The list of eligible persons which includes 54 persons active within the TTS (21 persons), CNFR NAVROM S.A. (21 people), TTS Operator S.R.L. (6 people), TTS Porturi Fluviale S.R.L. (5 people) and CANOPUS Star S.R.L. (1 person). - Allocation criterion: annual qualifications obtained over time
- Maximum number of options granted: 4,000 (v) Minimum number of options allotted: 500 (vi) Deadline for submission of letters of accession: January 15, 2024 (vii) Deadline for submission of membership responses: January 31, 2024 (viii) Option exercise period: February 1 - 15, 2025.

EARNINGS PER SHARE

Basic Earnings per share and Diluted earnings per share are equal as there are no dilution elements to be considered for both years in line with IAS 33 requirements.

	Year ended December 31, 2023	**Year ended December 31, 2022**
Profit for the year attributable to:		
Owners of the Company	283,542,059	164,061,610
No of shares	60,000,000	60,000,000
Earnings per share		
Basic, profit for the year attributable to ordinary equity holders of the parent	4.7257	2.7343
Diluted, profit for the year attributable to ordinary equity holders of the parent	4.7257	2.7343

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21. NON-CONTROLLING INTERESTS

	Year ended December 31, 2023	Year ended December 31, 2022
Balance on 1 January	**116,616,621**	**106,345,018**
Share of profit for the year	21,929,978	14,792,741
Increase/ (Decrease) of the Non-controlling interest	(6,126,290)	(4,521,138)
Balance on 31 December	**132,420,309**	**116,616,621**

In 2023, the Group distributed and paid dividends to non- controlling interests in amount of RON 5,952,907 while in 2022 dividends distributed and paid amounted to RON 4,346,222.

	Proportion of ownership interests and voting rights held by non-controlling interest		**Profit (loss) allocated to non-controlling interests for the year**		**Non-controlling interests**	
Name of subsidiary	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
TTS Operator SRL	10%	10 %	645,410	214,878	2,431,910	1,468,029
Canopus Star SRL	49%	49. %	11,806,687	6,754,181	66,513,651	59,676,194
Navrom BAC SRL	7.82%	8.27%	429,905	511,664	3,279,244	4,358,882
Navrom Shipyard SRL	7.82%	7.84%	(139,124)	47,403	2,656,454	1,713,127
CNFR Navrom SA	7.82%	7.83%	9,849,789	6,108,049	49,895,763	40,748,813
Bunker Trade Logistic	7.82%	7.83%	5,120	5,274	49,188	44,153
Agrimol Trade SRL	0.02%	0.02%	(177)	(556)	1,255	(67,578)
Superquatro GrupSRL	7.82%	7.83%	(26,797)	(43,372)	245,307	850,186
TTS gmbh	25 %	25. %	29,762	73,248	248,615	264,597
Plimsoll zrt	49%	49. %	190,023	765,592	4,639,760	4,940,911
Fluvius kft	49%	49. %	(854,621)	356,380	2,343,224	2,619,307
Decirom	0.07%	-%	(5,997)	-	115,936	-
Total			**21,929,978**	**14,792,741**	**132,420,309**	**116,616,621**

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21. NON-CONTROLLING INTERESTS (continued)

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Canopus STAR SRL		Compania de Navigatie Fluviala Navrom SA	
	2023	2022	2023	2022
Non-current assets	106,300,383	93,337,419	555,887,279	469,096,259
Current assets	34,567,319	31,150,050	138,991,454	108,827,696
Non-current liabilities	429,028	118,908	21,823,683	30,943,675
Current liabilities	4,763,779	2,856,194	46,928,550	44,102,137
Equity attributable to equity holders of the parent	69,161,244	61,836,173	576,230,736	462,129,330
Non-controlling interest	66,513,651	59,676,194	49,895,763	40,748,813

	Canopus STAR SRL		Compania de Navigarie Fluviala Navrom SA	
	2023	2022	2023	2022
Revenue	60,262,124	43,017,548	563,910,922	427,847,730
Expenses	(35,877,537)	(29,099,280)	(420,031,597)	(341,980,223)
Profit (loss) for the year	24,162,529	13,918,268	131,993,765	85,867,507
Total comprehensive income attributable to owners of the Company	12,355,842	7,164,087	122,143,976	79,759,458
Total comprehensive income attributable to the non-controlling interests	11,806,687	6,754,181	9,849,789	6,108,049
Dividends paid to non-controlling interests	4,900,000	4,296,222	684,416	-
Net cash inflow (outflow) from operating activities	30,824,449	17,751,242	179,961,934	113,272,887
Net cash inflow (outflow) from investing activities	(22,238,536)	(5,253,419)	(146,056,588)	(91,229,302)
Net cash inflow (outflow) from financing activities	(10,999,224)	(8,767,800)	(24,423,430)	(2,878,060)
Net cash inflow (outflow)	(2,413,311)	3,730,023	9,481,916	19,165,525

22. INTEREST-BEARING LOANS AND BORROWINGS

	Year ended December 31, 2023	Year ended December 31, 2022
Secured borrowings		
Short-term borrowings	15,433,749	14,217,538
Current part of long-term borrowings	20,622,625	12,611,482
Long-term borrowings		
Long-term borrowings	74,699,782	40,879,479
Total short- and long-term borrowings	**110,756,156**	**67,708,499**

Part of loans are secured by mortgage on the real estate property of CNFR Navrom – land located in Galati on Strada Portului nr. 23, lot 2-5, Galati County, mortgage on the receivable of CNFR Navrom, fidejussion issued by Mother Company, against debtor Arcelor Mittal, mortgage on all the receivables, bank accounts, collateral account.

	2023		2022	
	Borrowings	Leases	Borrowings	Leases
Balance on 1 January	**67,708,499**	**321,638**	**68,125,061**	**-**
Proceeds from loans and borrowings	57,447,370		24,387,996	-
Repayment of borrowings	(14,399,713)		(24,804,558)	-
Interest expense	3,795,202		3,114,745	
Interest paid	(3,795,202)		(3,114,745)	
Net change in lease liabilities		(143,044)		88,610
Total changes from financing cash flows	**43,047,657**	(143,044)	**(416,562)**	**88,610**
Other changes				
Liability-related				
New leases		1,314,079	-	233,028
Balance on 31 December	**110,756,156**	**1,492,673**	**67,708,499**	**321,638**

Total net book value of the assets pledged amount to RON 98,885,732 as at December 31, 2023.

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22. INTEREST BEARING LOANS AND BORROWINGS (continued)

Amounts due to credit institutions (continued)

Subsidiary	Bank name	Loan type	Grant date	Due date	Currency	Balance as of December 31, 2022	Balance as of December 31, 2023	Short term December 31, 2023	Long term December 31, 2023	Period	Secured
TTS(Transport Trade Services) S.A.	Citibank Europe plc	Investment	07/07/2023	06/28/2030	EUR	-	53,121,621	8,172,557	44,949,064	84 MONTHS	yes
CNFR Navrom SA	Unicredit Bank S.A.	Investment	4/7/2021	07.04.2026	EUR	10,247,465	7,212,663	3,091,141	4,121,522	58 MONTHS	yes
CNFR Navrom SA	Citibank Europe plc	Investment	3/8/2022	2/25/2027	EUR	8,410,580	6,466,980	1,989,840	4,477,140	60 MONTHS	yes
CNFR Navrom SA	Citibank Europe plc	Investment	5/12/2022	5/10/2027	EUR	22,263,300	17,411,100	4,974,600	12,436,500	60 MONTHS	yes
CNFR Navrom SA	Citibank Europe plc	Investment	12/14/2017	1/31/2024	EUR	148	44	44	-	12 MONTHS	n/a
TTS Porturi Fluviale SRL	Citibank Europe plc	Investment	12/14/2017	5/31/2026	EUR	5,077,591	3,646,790	1,458,715	2,188,075	66 MONTHS	yes
Agrimol Trade SRL	Citibank Europe plc	Investment	6/17/2016	6/16/2024	EUR	6,452,861	6,689,927	6,689,927	-	12 MONTHS	yes
Fluvius kft	Citibank Europe plc	Investment	12/13/2019	10/31/2028	EUR	7,492,025	-	-	-	106 MONTHS	yes
Plimsoll	Citibank Europe plc	Investment	04/25/2023	04/23/2030	EUR	-	6,502,356	678,364	5,823,992	84 MONTHS -	yes
Plimsoll	Citibank Europe plc	Investment	04/21/2023	04/20/2026	EUR	-	960,897	257,409	703,488	36 MONTHS	yes
Fluvius kft	Citibank Europe plc	Operational	12/5/2019	12/5/2022	EUR	1,050,240	-	-	-	12 MONTHS	n/a
Navrom Shipyard srl	Unicredit Bank S.A.	Operational	9/14/2009	1/31/2024	EUR	6,714,289	7,397,264	7,397,264	-	12 MONTHS	yes
Superquatro S.R.L	Unicredit Bank S.A.	Operational	9/2/2021	9/2/2024	RON	-	1,346,512	1,346,512	-	12 MONTHS	yes
TOTAL						**67,708,499**	**110,756,155**	**36,056,374**	**74,699,781**		

Most of the loans disclosed above are based on variable interest rates EURIBOR 3 months/ 6 months + 1.2% to 1.9% margins).

23. TRADE AND OTHER PAYABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Trade payables	34,369,762	42,210,772
Payables regarding invoices to receive	2,529,809	1,907,820
Advance payments from customers	1,118,913	1,152,373
Total	**38,018,484**	**45,270,965**

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the services to the customer).

Total value of contract liabilities disclosed in consolidated statement of the Group amounts RON 8,096,834 (December 31, 2022: RON 8,150,627). These are corresponding to amounts invoiced to clients for transportation services ongoing at year end or which the whole value has been invoiced as at Dec 31, 2023 but the transportation has not been finalized. The value is computed based on the position of the ship at year end. Any variation in balance of the contract liabilities is due to the volume of business at year end.The balance as at December 31, 2022 was recognized in revenues during 2023 as the transportations were finalized in early January 2023.

24. PROVISIONS

	Year ended December 31, 2023	Year ended December 31, 2022
Provisions for risks and charges	5,553,229	3,881,069
Total	5,553,229	3,881,069

As of December 31, 2023, the amount of RON 5,553,229 (2022: RON 3,881,069) represents mainly a provision for unpaid holidays.

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25. OTHER CURRENT LIABILITIES AND NON-CURRENT LIABILITIES

Other current liabilities

	Year ended December 31, 2023 RON	Year ended December 31, 2022 RON
Employees related payables	12,053,104	7,174,836
Social security payable	11,126,074	6,911,076
Tax on salaries payable	1,891,225	1,241,565
Interest payable	92,798	109,905
Other non-commercial liabilities	1,229,660	532,286
Liabilities related to VAT	2,743,801	3,029,685
Short term liabilities	1,477,372	-
Sundry creditors	1,366,611	1,069,454
Total	**31,980,644**	**20,068,806**

In the note above, social security payable, tax on salaries payable and liabilities related to VAT are non-financial liabilities while the rest are financial liabilities.

Other non-current liabilities in amount of RON 6,609,939 nominated in RON and bearing no interest is related to a loan received from ex shareholders of the acquired subsidiary during the year having as due date June 30,2029. (see note 1)

Government Grants

Grants received by the Group are for fixed assets. The most significant are the ones related to the Parent Company, TTS SAfor port Giurgiu investment and the investment made by Navrom Bac for an equipment. The grant was recognized as result of meeting the financing criteria and as result of cashed amount from the state. The liabilities in relation to subsidies for the equipment are released to income during the useful period of the assets acquired as the depreciation expense is recorded.

	Year ended December 31, 2023	Year ended December 31, 2022
At 1 January	20,539,421	6,321,178
Received during the year	-	14,218,243
Released to the statement of profit or loss	(246,857)	-
At 31 December	20,292,564	20,539,421
Total	**20,292,565**	**20,539,421**
Current portion	1,759,903	5,616,808
Non-current portion	18,532,661	14,922,613

26. RELATED PARTY

The transactions between the Parent Company and its subsidiaries, entities affiliated to the Group were eliminated from consolidation. In 2023 and 2022, the Group had significant transactions with affiliated companies.

The nature of the related party relationships for those related parties with whom the Group entered transactions during the period ended 31 December 2023 or had outstanding balances on 31 December 2023 are detailed below.

Compensation of key management personnel

The remuneration of directors and other members of key management during 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Management and Board of directors' benefits	3,728,576	2,785,421
SOP benefits	107,600	-
Total	**3,836,176**	**2,785,421**

The above amounts relate to short-term employees' benefits. The Group does not grant post-employment benefits, other long-term benefits, or termination benefits in the current year.

27. FINANCIAL INSTRUMENTS

a) Capital management

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

The Group is not subject to any externally imposed capital requirements.

The Group monitors the equity based on gearing. Gearings is calculated as long-term and short-term borrowings divided to net worth.Net worth is calculated as "Equity and reserves" as reported in the statement of financial position.

Gearing as of December 31, 2023, and December 31, 2022, was the following:

	Year ended December 31, 2023	Year ended December 31, 2022
Long term borrowings	110,756,156	67,708,499
Less cash and cash equivalents	193,715,040	146,032,810
Net debt	(82,958,884)	(78,324,311)
Total equity and reserves	1,086,957,523	818,399,443
Gearing	**-7.63%**	**-9.57%**

27. FINANCIAL INSTRUMENTS (continued)

b) Foreign currency risk

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

c) Interest rate risk management

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

d) Credit risk management

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

The Group applies the simplified approach to providing the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and estimated credit loss was computed based on the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

e) Liquidity risk management

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

f) Fair value of the financial instruments

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

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

27. FINANCIAL INSTRUMENTS (continued)

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

The carrying amounts of the Group's currencies expressed in monetary assets and liabilities as at the reporting date are the following:

2023	EUR 1 EUR =4.9746RON	USD 1 USD =4.4958RON	HUF 100 HUF =1.2995RON	GBP 1 GBP =5.7225RON	RON 1 RON	December 31, 2023 Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
ASSETS						
Cash and cash equivalents	101,849,408	19,872,198	3,083,063	123	68,910,248	193,715,040
Trade receivables	47,768,768	-	12,579,645	-	3,524,464	63,872,877
Short term deposits	4,974,600	18,462,000	-	-	12,474,401	35,911,001
Other long-term receivables	-	-	-	-	3,824,248	3,824,248
LIABILITIES						
Trade payables	(17,467,940)	(6,108,223)	(8,868,713)	-	(5,573,608)	(38,018,484)
Short- and long-term borrowings	(109,409,645)	-	-	-	(1,346,512)	(110,756,157)
Net balance sheet exposure	**27,715,191**	**32,225,975**	**6,793,996**	**123**	**81,813,241**	**151,859,657**

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27. FINANCIAL INSTRUMENTS (continued)

2022	EUR 1 EUR =4.9474 RON	USD 1 USD =4,6346 RON	HUF 100 HUF =1,2354 RON	GBP 1 GBP =5,5878 RON	RON 1 RON	December 31, 2022 Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
ASSETS						
Cash and cash equivalents	34,995,643	23,841,621	270,850	121	86,924,575	146,032,810
Trade receivables	58,986,779	-	25,661,969	-	-	84,648,748
Other long-term receivables	-	-	-	-	691,051	691,051
LIABILITIES						
Trade payables	(32,946,505)	(6,915,399)	(5,407,806)	(1,255)	-	(45,270,965)
Short- and long-term borrowings	(27,323,428)	(2,703)	-	-	(40,382,368)	(67,708,499)
Net balance sheet exposure	**33,712,489**	**16,923,519**	**20,525,013**	**(1,134)**	**47,233,258**	**118,393,144**

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27. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

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

The exchange rates as at December 31, 2023 and as at December 31, 2022 are:

	December 31, 2023	December 31, 2022
EUR	4.9746	4.9474
USD	4.4958	4.6346
GBP	5.7225	5.5878
100HUF	1.2995	1.2354

	Year ended December 31, 2023	Year ended December 31, 2022
Profit or loss	6,673,528	7,115,989

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

Currency	Year ended December 31, 2023	Year ended December 31, 2022
EUR	2,771,519	3,371,249
USD	3,222,597	1,692,352
HUF	679,400	2,052,501
GBP	12	(113)
Total	**6,673,528**	**7,115,989**

Tables regarding the liquidity risk and interest rate risk

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

The tables have been prepared based on the cash flows not updated of the financial liabilities as at the nearest date when the Group can be required to pay.

27. FINANCIAL INSTRUMENTS (continued)

2023	**Less than 1 year**	**1 – 2 years**	**2 - 5 years**	**Total**	**Booked value**
Not bearing interest					
Trade payables	36,899,571	-	-	36,899,571	36,899,571
Interest bearing instruments					
Long- and short-term borrowings	36,056,374	39,120,290	35,579,492	110,756,156	110,756,156

2022	**Less than 1 year**	**1 – 2 years**	**2 - 5 years**	**Total**	**Booked value**
Not bearing interest					
Trade payables	44,118,592	-	-	44,118,592	44,118,592
Interest bearing instruments					
Long- and short-term borrowings	26,829,020	25,222,964	15,656,515	67,708,499	67,708,499

The above amounts are disclosed at amortized cost and are not impacted by the medium variable interest rate.

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27. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

December 31, 2023	1% increase	1% decrease
Long- and short-term borrowings	(1,107,561)	1,107,561
Short term deposits	359,110	(359,110)
Financial liabilities interest sensitivity	(784,451)	784,451

December 31, 2022	1% increase	1% decrease
Long- and short-term borrowings	(677,084)	677,084
Financial liabilities interest sensitivity	**(677,084)**	**677,084**

28. CASH AND BANK ACCOUNTS

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

	Year ended December 31, 2023	Year ended December 31, 2022
Cash in banks	144,659,055	135,589,801
Petty cash	208,273	262,037
Cash equivalents (short term deposits below 3 months)	48,847,712	10,180,972
Total	**193,715,040**	**146,032,810**

The Group invested in current year RON 35,911,001 in deposits that have a maturity over 6 months, these have been reclassified as short-term deposits.

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29. COMMITMENTS AND CONTINGENCIES

Commitments

As at 31 December 2023, the Group had commitments relating to the completion of 8 barges with supplier SEVER NAV in amount of 4.9 million EUR without VAT to be delivered by the supplier in 2024.

Contingent liabilities

Taxation

Taxation system in Romania is still developing trying to consolidate and harmonize with the European legislation. In this respect, there still are various interpretations of the tax laws. In certain cases, tax authorities may treat certain aspects differently and calculate supplementary taxes and levies and related interests and penalties.

In 2023, the interest value is 0.02% for each day of delay; the delay penalties are 0.01% for each day of delay.

In Romania, the fiscal year stays open for verifications for 5 years. The management estimates that the tax liabilities included in these financial statements are adequate.

On October 27, 2023, Law no. 296/2023 regarding certain fiscal and budgetary measures to ensure the long-term financial sustainability of Romania, aimed as tax reform measures – was published in the Official Gazette. The Law contains both tax changes and other measures that strengthen financial discipline. Regarding the entry into force of the measures, some of them have immediate applicability, i.e. November 1, whilst others will enter into force gradually, according to the entry into force dates, e.g. November 14, 2023, January 1, 2024, July 1, 2024,

Companies with turnover of more than EUR 50m will have to pay a minimum 1 % turnover tax, due if the calculated quarterly/annual corporate tax is below the minimum level or if the quarterly/annual tax result (before recovery of losses from previous years) is a loss. Management analyzed the impact of the above-mentioned and considers it will not have a significant impact on the financial statements.

In accordance with the provisions issued by the Ministry of Public Finance, which regulate the tax regime of items of equity which have not been subject to income tax as at their accounting registration, due to their nature, should the Company change the destination of revaluation reserves (by covering losses or allocation to shareholders), it will incur additional income tax liabilities.

Environmental matters

Environmental regulations are developing in Romania, and the Group has made its assessment of the current obligations resulting from past activity and considers all liabilities related to environmental matters are recorded as at December 31, 2023 or December 31, 2022 for any estimated costs, including legal and consulting fees, site surveys, the design and implementation of recovery plans as regards the environment.

As at reporting date there are no unfulfilled environmental obligations.

29. COMMITMENTS AND CONTINGENCIES (continued)

Contingent liabilities (continued)

Environmental matters (continued)

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of impacts on the group due to both physical and transition risks. Even though the Group believes its business model and services will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant, and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of property plant and equipment and goodwill. The value-in-use may be impacted in several diverse ways by transition risk, such as climate-related legislation.

The Group managed to become, and intend to remain, one of the lowest CO2 polluters among the participants in the transport on the Danube by continuously investing in the modernization and maintenance of the NAVROM fleet. Currently there is no immediate impact on the useful lives of property, plant and equipment or on the impairment of goodwill and PPE. Group keeps track of changing requirements and updates the analysis accordingly.

TTS Group's environmental policy is built on 3 pillars:
- Monitoring energy consumption, CO2 emissions and volumes of generated and recycled waste.
- ISO 14001 external certification of environmental management systems (EMS).
- Investments in high-performance equipment in terms of environmental footprint.

The fleet pushers are equipped with state-of-the-art engines, a fact that is reflected in the very competitive levels, both in terms of the volume of CO2 emissions – decreasing by 26.2% in the period 2012-2022, and in terms of the intensity of CO2 emissions – down by 5.5% in the same period, and the energy consumption of the fleet – down by 28.7%. Since 2012, The Group has been carefully monitoring both the indicators that constitute the environmental footprint of the TTS Group - based on the energy consumption of each business unit, as well as waste management.
ISO 14001 certified EMS systems implemented cover the activity carried out in all locations with significant impact.

Transfer prices

The tax regulations in Romania regarding transfer pricing have been established in Romania starting with the year 2000. The current legal frame defines the concept of „market price" for transactions between related parties as well as the methods to establish transfer prices. As a result, it is possible that the fiscal authorities start detailed verifications of the transfer prices, to ensure that the fiscal result and/or the customs value of the imported goods are not affected by the prices used in transactions with related parties. The Company cannot assess the result of this verification, but the management considers that the Company does not have a significant exposure from this point of view, as there are documentations for the price transfers for the previous period, that will be further updated.

30. AUDIT FEES

The auditor of the Company is Ernst and Young Assurance Services SRL.

The fee for the audit of the Group's consolidated financial statements as of 31 December 2023 prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the audit of the individual financial statements as of 31 December 2023 prepared in accordance with the International Financial Reporting Standards adopted by the European Union Transport Trade Services) SA amounted to EUR 90,000, excluding VAT and other expenses.

The fee for other assurance services performed in 2023 was in the amount of EUR 6,500, excluding VAT.

31. SUBSEQUENT EVENTS

The Board of Directors proposed for approval in the next shareholders meeting dividends in amount of RON 68,400,000.

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024 by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU
CFO

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29. MAR. 2024
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TTS 2023 (c)

Report of the Board of Directors on the consolidated financial statements of TTS (TRANSPORT TRADE SERVICES) SA for 2023

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

based on consolidated financial statements drawn up in accordance with International Financial Reporting Standards as adopted by the European Union

For the financial year
2023

Report date
29.03.2024

Name of the company:
TTS (Transport Trade Services) S.A.

Headquarters:
Str. Vaselor, Nr. 27, Sector 2, București, România

Unique registration code
RO9089452

Registered business number
J40/296/1997

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

SYMBOL	TTS
ISIN:	ROYCRRK66RD8
LEI code:	5493008M458S2MG7GP03

The subscribed and paid-up capital
RON 60.000.000

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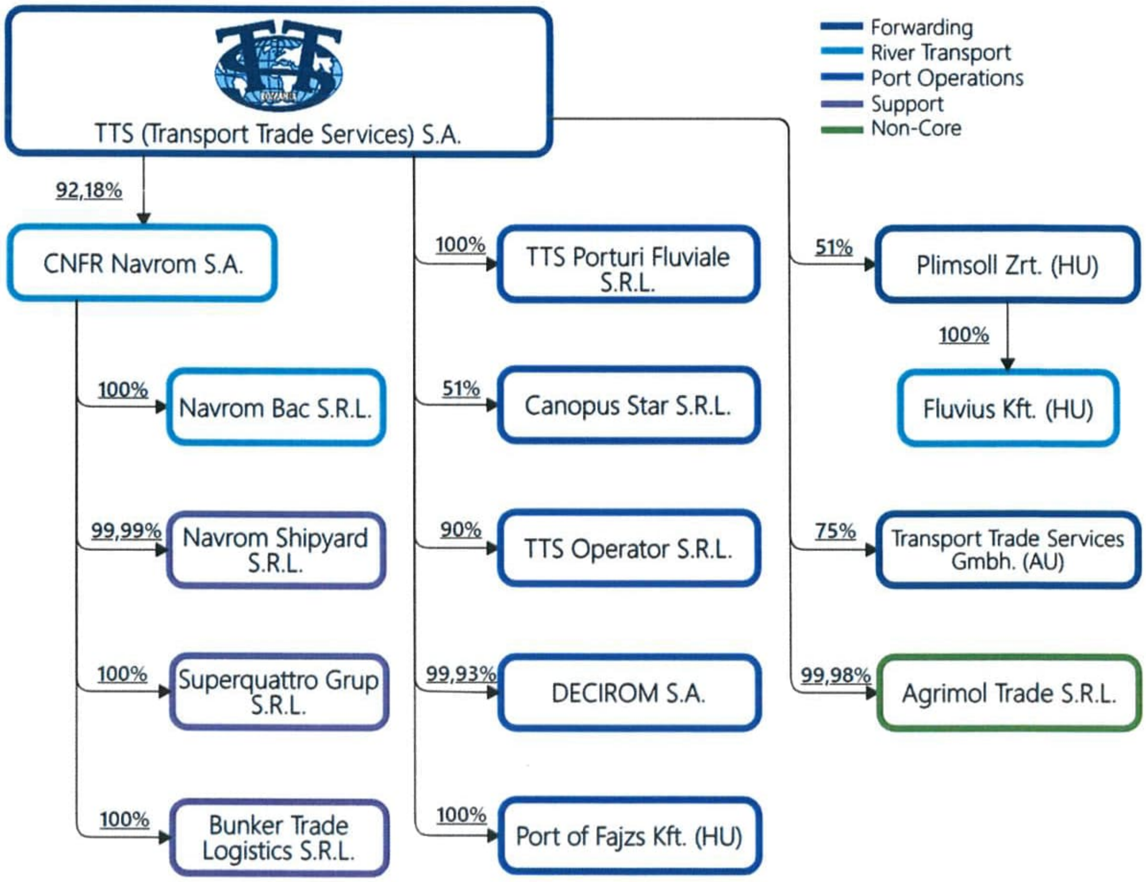
1. Presentation of TTS group

The Transport Trade Services group of companies ("TTS Group" or "Group") is composed of 15 companies, respectively TTS (Transport Trade Services) S.A. ("TTS") and 14 companies in which TTS owns, directly or indirectly, more than 50% of the share capital. Ten companies in the Group operate on the Group's three main business segments – Shipping, River Transport and Port Operations.



The main freight transported and operated in the ports by TTS group are mineral products (raw materials for the steel industry and rolled products), agricultural products (cereals, oilseeds and feed) and chemical products (phosphate rock and finished products of the chemical fertilizer industry).

TTS Group owns a river fleet with a capacity of 800 thousand tons, 8 floating cranes, as well as port terminals in Constanța and in 7 Danube river ports.

The group offers integrated logistics services, namely transport services (river, rail, road), transshipment (between transport units, from warehouses, silos, etc.), storage (warehouses, silos, warehouse-type river units, etc.) and any other services specific to logistics chain management.

The following companies are part of the TTS group:

Shipping Segment

TTS (Transport Trade Services) S.A. București
Headquarters: București, România
Registered business no.: J40/296/1997
NACE code: 5229 - Other activities related to transport
Main activity: Cargo shipping

Plimsoll Zrt. Budapesta
Headquarters: Budapesta, Ungaria
Registered business no.: 01-10-049203
NACE code: 5229 - Other activities related to transport
Main activity: Shipment of goods by rail

TTS (Transport Trade Services) GmbH. Viena
Headquarters: 15b Lerchengasse, Langerzersdorf Austria
Registered business no.: 22 274/2769
NACE code: 5229 - Other activities related to transport
Main activity: Cargo shipping

River Transport Segment

CNFR NAVROM S.A. Galați
Headquarters: Galați, România
Registered business no.: J17/44/1991
NACE code: 5040 - Freight transport on inland waterways
Main activity: River transport of dry bulk goods (all categories)

Navrom Bac S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/595/1999
NACE code: 5030 - Passenger transport on inland waterways
Main activity: Transport by ferry

Fluvius Kft. Budapesta
Headquarters: Budapesta, Ungaria
Registered business no.: 01-09-701582
NACE code: 5040 - Freight transport on inland waterways
Main activity: River transport of dry bulk goods (all categories)

Port Operation Segment

Canopus Star S.R.L. Constanța
Headquarters: Constanța, România
Registered business no.: J13/1742/2001
NACE code: 5224 – Goods handling
Main activity: Port operation of dry bulk cargo (agricultural products)

TTS Operator S.R.L. Constanța
Headquarters: Constanța, România
Registered business no.: J13/5008/1994
NACE code: 5224 – Goods handling
Main activity: Port operation of dry bulk cargo (all categories)

DECIROM S.A. Constanța
Sediu social: Constanța, România
Nr. Înregistrare: J13/516/1991
Cod CAEN: 5224 - Goods handling
Activitate principală: Port operation of dry bulk cargo (all categories)

TTS Porturi Fluviale S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/1568/1996
NACE code: 5224 - Goods handling
Main activity: Port operation of dry bulk cargo (agricultural products)

Port of Fajsz Kft. Fajsz
Headquarters: Fajsz, Ungaria
Registered business no.: 03-09-132896
NACE code: 5222 - Service activities related to water transport
Main activity: Port operation of liquid and dry bulk cargoes

Auxiliary activities

Navrom Shipyard S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/507/1999
NACE code: 3315 - Repair and maintenance of ships and boats
Main activity: Ship repair and maintenance (shipyard)

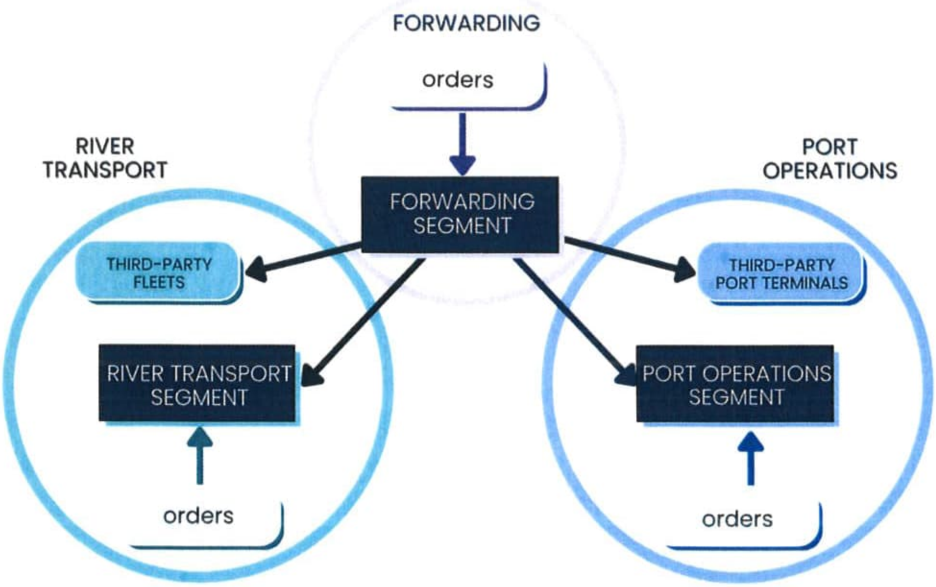
SUPERQUATRO GRUP S.R.L. Galați
Headquarters: Galați, România
Registered business no.: J17/337/2001
NACE code: 4291 - Hydrotechnical constructions
Main activity: Constructions for the maintenance of waterways and sea and river ports, dredging and ship displacements

Bunker Trade Logistics S.R.L.
Headquarters: Constanța, România
Registered business no.: J13/1816/2013
NACE code: 5222 - Service activities related to water transport
Main activity: Services related to the bunkering and fueling services of ships provided by OMV

Others (non-core business)

AGRIMOL TRADE S.R.L. București
Headquarters: București, România
Registered business no.: J40/5512/2010
NACE code: 4619 - Intermediaries in trade with various products
Main activity: Trade in Romanian wooden products, lumber, plywood, barrels, houses.

The business model of TTS involves employing, mainly, its own fleet (Navrom S.A., Fluvius Kft.) and its own port operators (TTS Porturi Fluviale S.R.L., TTS Operator S.R.L., CANOPUS Star S.R.L., Port of Fajsz Kft.), in parallel with the contracting by the Shipping Segment of transport or operation services with third parties.



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At the same time, the companies in the Group active in the river transport and port operation markets, provide services directly to their own customers, in parallel with the execution of the orders received from the shipping companies in the Group.

2. 2023 in short

Results

- The 2023 financial results were higher across the board than the 2022 results, and were mainly generated by the increase in the volume of agricultural goods transported and operated and by the expansion of the Port Operations Segment.

- TTS Group registered a turnover of RON 1.161,1 million (▲+24,3% Δ 2023/2022), a net profit of RON 305,5 milion (▲+70,8% Δ 2023/2022) and EBITDA of RON 437,6 milion (▲+67,2% Δ 2023/2022).

TTS Group (consolidated) – Statement of profit and loss – 2022, 12 months

(RON mil.)	12M 2023	12M 2022	Δ 2023/2022
Turnover	1.161,1	934,4	▲ +24,3%
Operating result	351,5	210,4	▲ +67,1%
Net profit	305,5	178,9	▲ +70,8%
EBITDA	437,6	283,3	▲ +67,2%

- Under these conditions, on 31.12.2023, the total value of the assets of the TTS group reached RON 1,339.4 million (▲+33.3% Δ 2023/2022), which, in the conditions of a low level of debts, respectively RON 252.5 million (▲+35.3% Δ 2023/2022), led to a net assets value of RON 1.087,0 million(▲+32.8% Δ 2023/2022).

TTS Group (consolidated) – Balance – 31.12.2022

(RON mil.)	31.12.2022	31.12.2021	Δ 2023/2022
Total assets	1.339,4	1.005,0	▲ +33,3%
Total liabilities[1], from which	252,5	186,6	▲ +35,3%
Loans	110,8	68,0	▲ +63,6%
Net assets	1.087,0	818,4	▲ +32,8%

[1] Total liabilities include the amount of Subsidies for investments (related to the Giurgiu port modernization project) and the value of Deffered revenues, the difference representing trade and other payables generated by the strong increase in turnover.

Operations

- From an operational point of view, the year 2023 represented a return of freight volumes operated and transported to 2021 levels, at the same time as a reversal of the structure of operations, with port operation activity significantly exceeding in volume river transport.

- The aggregate freight volume increased by 1,30 million tons, reaching at the end of the year 15,52 million tons (▲+9,2% Δ 2023/2022, ▼-0,2% Δ 2023/2021), as a result of the increase by 2,65 million tons in volume of port operations activity (▲+42,3% Δ 2023/2022), which covered the decrease recorded by river transport (▼-17,0% Δ 2023/2022).

Operations[2] – 12 months 2023

(mil. tons)	12 months 2023	12 months 2023	Δ 2023/2022
River transport	6,60	7,94	▼ -17,0%
Port operations	8,93	6,28	▲ +42,3%
Total	15,52	14,22	▲ +9,2%

- This evolution was determined by the significant increase in the group's activity in the Port of Constanța, starting from the 3rd quarter - when the takeover over DECIROM has been concluded, and the volumes operated by DECIROM have been consolidated starting on August 1, and continuing in the 4th quarter, through the operationalization in September of the 2 floating cranes purchased by TTS in June.

Evolution of the flow of goods

- Agricultural product flows in 2023 registered an increase of 3,30 million tons compared to 2022, reaching a volume of 8,44 million tons (▲+62,2% Δ 2023/2022), increases registering both port operation as well as river transport.

Agricultural products - volumes 12M 2023

(mil. tons)	12 months_2023	12 months_2022	Δ 2023/2022
River transport	3,00	2,12	▲ +41,5%
Port operations	5,44	3,02	▲ +80,2%
Total	8,44	5,14	▲ +62,2%

- These increases were determined, on the one hand, by the fact that the flows of Ukrainian agricultural products recorded high levels throughout the entire year 2023, a significantly longer period than in 2022 when the influence of these flows was manifested only in the second semester ,and on the other hand, by the increase in product flows from Romania, Serbia and Hungary recorded in the second semester of 2023 compared to the same period in 2022.

[2] For reasons of internal organization of the group, the external subsidiaries of TTS (Transport Trade Services) GmbH are not included. Vienna, PLIMSOLL Zrt. Budapest, Fluvius Kft. Budapest and Port of Fajsz Kft. Fajsz

- The flow of mineral products had a different evolution, decreasing in 2023 by 1,86 million tons, the volume recorded at the end of the year being 5,13 million tons (▼ -26,6% Δ 2023/2022), the increase of 0,12 million tons (▲+5,8% Δ 2023/2022) for port operations not being able to compensate the decrease of 1,98 million tons (▼-40,8% Δ 2023/2022) registered on river transport.

Minerals – volumes by categories of operations
12 months_2023

(mil. tons)	12 months_2023	12 months_2022	Δ 2023 / 2022
River transport	2,87	4,85	▼ -40,8%
Port operations	2,26	2,14	▲ +5,8%
Total	5,13	6,99	▼ -26,6%

- The basis of this evolution was the lack of demand for mineral transport services for Romanian metallurgical plants, these flows decreasing by 1,84 million tons compared to 2022.

- In contrast, the flows of chemical products remained practically at the level of 2022, the total volume recorded in 2023 being 1,73 million tons (▼-0,1% Δ 2023/2022), the increase of 0,11 million tons for port operations (▲ +10,0% Δ 2023/2022) compensating almost entirely the reduction in transport volume.

Chemical products – volumes by categories of operations
12 luni_2023

(mil, tons)	12 months_2023	12 months_2022	Δ 2023 / 2022
River transport	0,50	0,61	▼ -18,7
Port operations	1,23	1,12	▲ +10,0%
Total	1,73	1,73	▼ -0,1%

Investments

- TTS Group reinvested the entire profit made in 2023, the volume of investments reaching a historical record value, namely RON 381,9 million RON (realization rate 114,6%),.Of the total amount invested, RON 239,2 million (62,6% of the total) were invested in the development of port operations and RON 134,5 million in the fleet (35,2% of the total)

Investments – 12 months_2023

(RON milion)	Realized	Budgeted	Degree of achievement
River transport	134,5	102,3	▲ 131,5%
Port operations	239,2	231,0	▲ 103,6%
Support activities	8,1	0	N/A
Total	381,9	333,3	▲ 114,6%

- The difference of RON 8,1 million was invested by CNFR NAVROM in the shipyards operated by NAVROM Shipyard and in the SUPER QUATRO subsidiary, the total value of NAVROM's investments being RON 142,6 million.

- Investments in port operation were made mainly by TTS (Transport Trade Services), respectively RON 204,4 million (RON 132,8 million in the takeover of DECIROM, RON 57,1 million in the purchase of the two floating cranes and RON 14,0 million in the modernization of Giurgiu port), and CANOPUS STAR, respectively RON 21 million in the project to expand its own operating and storage capacities.

3. 2024 Outlook

Volumes operated by TTS Group

Regarding Ukrainian agricultural products transported and operated by TTS Group, thanks to our business model, which is not based on the spot market, but on long-term large volume contracts, we estimate that the volumes will be close to those of 2023 – subject to the high degree of uncertainty regarding the effects of the war in Ukraine on Ukrainian exports of agricultural products.

Regarding the agricultural products coming from the Danube basin, we estimate that the volumes will not register significant differences compared to the volumes recorded in 2023.

In terms of mineral products, existing contracts cover slightly higher volumes than in 2023.

Agricultural products

The resumption of Ukrainian exports of agricultural products through the Ukrainian Black Sea ports will cause a general decrease in volumes exported through the port of Constanța, putting strong pressure on tariffs, especially on the spot market of transport and operation services. It should be noted, however, that this return does not currently have a permanent character, being affected by the high level of uncertainty caused by the possible developments of the war in Ukraine.

Regarding the grain exports from the Danube basin, they follow the same trends as every year, with a period of blockage at the beginning of the year, which in our estimation will unlock as a result of the pressure of the new harvest - relatively good according to market forecasts, on the capacities to storage still used for the past harvest.

Minerals

In the assessment of TTS, the demand for services for mineral raw materials for the steel mills in the Danube basin could register an increase in relation to the year 2023, but to what extent it is difficult to estimate since it is uncertain whether the two mills that intend to restart production will have continuous activity.

Chemical products

Market signals (reflected including in existing contracts) indicate a relative stability of chemical product flows.

Risk factors

High fuel, raw material and energy prices, caused by still high and rising inflation, will continue to have a negative influence on operating costs, as well as the costs of repairs, maintenance, modernization and development of the asset base.

Although the forecasts do not indicate negative developments in 2024, the activity, both in terms of the volume of cargo transported and operated in the ports, as well as in terms of economic efficiency, may be negatively affected by weather conditions, especially with influence on the water level of the Danube, by the drought that may affect agricultural crops.

TTS Group's activity may also be affected by the regional and global geopolitical situation characterized by a high degree of instability, which may influence the performance of regional economies and the level of demand for services for cargo flows in the markets in which TTS Group is active. TTS is constantl monitoring the relevant markets along the Danube basin in order to find the best solutions to mitigate or counteract the negative impact on TTS Group's activity.

Investments

The financial position of TTS Group at the beginning of 2024 allows us to maintain a high level of investments, both in new capacities or in the modernization of existing capacities at the fleet level, as well as in the modernization and development of port operation capacities.

4. Financials

4.1. Consolidated statement of profit and loss and other comprehensive income

	December 31, 2023	December 31, 2022
Revenue	1.161.114.220	934.409.848
Other operating income	22.229.827	20.191.485
Raw materials and consumables	(108.036.986)	(123.833.868)
Cost of merchandise sold	(36.365.945)	(32.523.946)
Subcontractor's expenses	(329.675.525)	(331.178.765)
Payroll expenses	(214.458.553)	(124.214.100)
Administrative expenses	(48.675.519)	(45.122.439)
Depreciation and amortization	(86.086.591)	(72.940.789)
Other gains	8.399.446	7.336.593
Other losses	(16.923.673)	(21.727.950)
Operating profit	**351.520.701**	**210.396.069**
Share of profit of an associate	1.574.885	1.026.111
Finance income	5.237.519	1.327.762
Finance costs	(4.802.941)	(4.147.675)
Profit before tax	**353.530.164**	**208.602.267**
Income tax expense	(48.058.127)	(29.747.916)
Profit for the year	**305.472.037**	**178.854.351**
Other comprehensive income Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(857.221)	(711.470)
Net other comprehensive loss that will be reclassified to profit or loss in subsequent periods	(857.221)	(711.470)
Other comprehensive income/ loss for the year, net of tax	(857.221)	(711.470)
Total comprehensive income for the year, net of tax	**304.614.816**	**178.142.881**

Profit for the year attributable to:		
Owners of the Company	283.542.059	164.061.610
Non-controlling interests	21.929.978	14.792.741
Total comprehensive income for the year attributable to:		
Owners of the Company	282.684.838	163.350.140
Non-controlling interests	21.929.978	14.792.741
No of shares	60.000.000	60.000.000
Earnings per share	4,7257	2,7343
Diluted, profit for the year attributable to ordinary equity holders of the parent		

In 2023, operating result increased by RON 141.1 million (▲+67.1% Δ 2023/2022) as a result of the increase in revenues by RON 226.7 million (▲+24.3% Δ 2023/2022).

The profit for the year registered an increase of RON 126.6 million (▲+71.0% Δ 2023/2022). The profit attributable shareholders is RON 282.7 million, 73.1% higher than in 2022.

The total increase in profit before taxation was RON 144.9 million (▲+69.5% Δ 2023/2022).

4.2. Consolidated statement of the financial position

ASSETS	**December 31, 2023**	**December 31,2022**
Non-current assets		
Property, plant, and equipment	922.352.683	665.998.798
Goodwill	32.319.054	3.846.603
Intangible assets	1.314.764	1.375.410
Rights of use assets	798.644	228.941
Investments in associates	9.157.058	8.483.345
Other long-term assets	3.824.248	691.051
Total non-current assets	**969.766.451**	**680.624.148**
Current assets		
Inventories	34.665.237	39.738.689
Trade and other receivables	63.872.877	84.648.748
Contract assets	1.683.687	11.292.254
Government subsidies	3.990.301	14.103.367
Other current assets	35.797.393	28.566.065
Short term deposits	35.911.001	-
Cash and cash equivalents	193.715.040	146.032.810
Total current assets	**369.635.536**	**324.381.933**
Total assets	**1.339.401.987**	**1.005.006.081**
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	61.739.602	61.739.602
Reserves	297.759.856	286.956.544
Retained earnings	595.037.756	353.086.676
Equity attributable to equity holders of the parent	**954.537.214**	**701.782.822**
Non-controlling interests	**132.420.309**	**116.616.621**
Total Equity	**1.086.957.523**	**818.399.443**
Non-current liabilities		
Interest-bearing loans	74.699.782	40.879.479
Government Grants	18.532.662	14.922.614
Long term lease liability	1.099.011	263.832
Other long-term liabilities	6.609.939	380.330
Deferred tax liabilities	16.218.793	9.299.504
Total non-current liabilities	**117.160.187**	**65.745.759**

	December 31, 2023	December 31, 2022
Current liabilities		
Trade and other payables	38.018.484	45.270.965
Contract liabilities	8.096.834	8.150.627
Government grants	1.759.903	5.616.808
Lease liabilities	393.663	57.806
Interest bearing loans and borrowings	36.056.374	26.829.020
Provisions for risks and charges	5.553.229	3.881.069
Income tax liability	13.425.146	10.985.777
Other current liabilities	31.980.644	20.068.807
Total current liabilities	**135.284.277**	**120.860.879**
Total liabilities	**252.444.464**	**186.606.638**
Total equity and liabilities	**1.339.401.987**	**1.005.006.081**

Fixed assets

In 2023, the value of fixed assets increased from RON 680,6 million to RON 969,8 million (▲+42,5% Δ 2023/2022 mainly due to the increase in tangible assets from RON 665,9 million to RON 922,4 million (▲+38,5% Δ 2023/2022). The main sources of growth were:

- TTS (Transport Trade Services) investments: the takeover of DECIROM terminal, the purchase of 2 floating cranes and the modernization of the port terminal in Giurgiu
- NAVROM investments: modernization and maintenance of the fleet and purchase of new ships,
- TTS Porturi Fluviale's investments in the ports of Galati and Brăila,
- CANOPUS Star's investment in the grain terminal in Constanța Port.

Current assets

The increase in current assets (▲+45,3 milion RON Δ 2023/2022) primarily due to the increase in the degree of collection of receivables which decreased by RON 30,4 milion (-31,37% Δ 2023/2022) and the increase in the value of cash (and equivalents), by RON 47,7 million (▲+32.7% Δ 2023/2022).

Long-term debt

Long-term liabilities increased by RON 51,4 million (+78,2% Δ 2023/2022) mainly due to the increase in borrowed amounts - in net amount, by RON 33,8 million (+82,7% Δ 2023/2022), as an effect of the partial credit financing of the purchase of DECIROM by TTS (Transport Trade Services). On December 31, 2023, all loans were drawn in full.

The net value of the assets pledged for the group's loans on December 31, 2023 amounts to RON 98.885.732.

The category "Other long-term debts" includes the subsidy of RON 14,4 million, representing the European financing for the modernization of the infrastructure of the port of Giurgiu, a subsidy that will be returned to the income after the completion of the investment, for the lifetime of the assets registered in the counterparty.

Current liabilities

The RON 14,4 million increase in current liabilities recorded on December 31, 2023 compared to the value on December 31, 2022 (+11,9% Δ 2023/2022), is the direct result of the increase in the volume of economic activity.

4.3. Consolidated statement of cash flows

	December 31, 2023	December 31, 2022
Cash flows from operating activities:		
Profit before taxation	**353.530.164**	**208.602.267**
Adjustments for non-cash items:		
Depreciation. amortization. and impairment	86.086.591	72.940.789
Reversal of impairment loss/ Impairment loss of property. plant and equipment	(2.358.147)	4.797.068
Share-based payment	2.972.451	-
Interest expense	3.795.203	3.114.745
Interest income	(5.232.405)	(1.305.102)
(Gain)/ Loss from disposals of property plant and equipment	(625.781)	2.479.336
Decrease in provision for current assets	3.560.848	(3.025.446)
Estimated credit losses	1.607.359	2.148.150
Written off receivables	1.240.527	4.241.874
Net increase / (Decrease) in provision for risks and charges	1.672.160	2.346.505
Share of profit of associates	(1.463.866)	(524.837)
Income from government grants	(246.857)	-
Operating profit before working capital changes	**444.538.247**	**295.815.349**
Changes in operating assets and liabilities:		
Decrease / (Increase) in trade and other receivables	18.427.199	(60.704.687)
Decrease / (increase) in inventories	4.731.430	(10.166.337)
(Decrease) / Increase in trade and other payables	(18.549.145)	18.450.957
Cash generated from operations	**449.147.731**	**243.395.282**
Interests paid	(3.795.203)	(3.114.745)
Income tax paid	(33.477.718)	(15.516.336)
Net cash flow from operations	**411.874.810**	**224.764.201**
Investing activities:		
Purchases of tangible and intangible assets	(249.526.291)	(120.823.384)
Decirom purchase-related payments. net. less cash	(106.980.671)	-
Proceeds from sale of property plant and equipment	7.987.073	4.485.995
Dividends cashed in from investments	790.153	-
Interest received	5.568.261	1.305.103
Government grants cashed in	10.113.066	-
Short term deposits	(35.911.001)	-
Cash flow used in investing activities	**(367.959.410)**	**(115.032.286)**

	December 31. 2023	December 31. 2022
Financing activities:		
Dividends paid	(33.000.000)	(17.850.000)
Proceeds from borrowings	57.447.370	24.387.996
Repayment of borrowings	(14.399.713)	(24.804.558)
Dividends paid to non-controlling interests	(5.952.907)	(4.346.222)
Acquisition of non- controlling interest	(184.876)	(75.725)
Payment/ acquisitions leasing	(143.044)	88.610
Cash flow from/ (used in) financing activities	**13.879.897**	**(22.599.899)**
Net increase in cash and cash equivalents	37.569.161	87.132.016
Cash and cash equivalents at the beginning of the year	**146.032.810**	**58.900.794**
Cash and cash equivalents at the end of the year	**193.715.040**	**146.032.810**

The evolution of cash flows at the group level was dominated in 2023 by the strong increase in cash used in investing activities.

The flows used in investments increased in 2023 by RON 263,9 million (▲ +229,4% Δ 2023/2022), reaching RON 378,9 million – mirroring the RON 256,5 million increase in tangible assets.

The increase in investment flows was counterbalanced by 70,9% of the RON 187,1 million (▲ +83,2% Δ 2023/2022) increase in net cash from operating activities.

4.4. Consolidated statement of changes in equity

	Share capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Translation reserve	Attributable to owners of the parent	Non-controlling interests	Total
Balance as of January 1, 2023	**61.739.602**	**10.620.132**	**204.574.914**	**72.685.797**	**353.086.676**	**(924.299)**	**701.782.822**	**116.616.621**	**818.399.443**
Profit for the year	-	-	-	-	283.542.059	-	283.542.059	21.929.978	305.472.037
Other comprehensive loss	-	-	-	-	-	(857.221)	(857.221)	-	(857.221)
Total comprehensive income		**-**	**-**	**-**	**283.542.059**	**(857.221)**	**282.684.838**	**21.929.978**	**304.614.816**
Transfers between reserves	-	1.379.868	9.312.238		(10.692.106)	-	-	-	-
Revaluation reserve	-	-	-	(2.004.025)	2.004.025	-	-	-	-
Stock option plan	-	-	2.972.451	-	-	-	2.972.451	-	2.972.451
Share capital issued	-	-	-	-	-	-	-	-	
Dividends distributed	-	-	-	-	(33.000.000)	-	(33.000.000)	-	(33.000.000)
Increase in percentage held in subsidiaries	-	-	-	-	97.103	-	97.103	(281.979)	(184.876)
Dividends distributed to non-controlling interest	-	-	-	-	-	-	-	(5.952.907)	(5.952.907)
Non-controlling interest from the acquisition of the new subsidiary	-	-	-	-	-	-	-	108.596	108.596
Balance as of December 31, 2023	**61.739.602**	**12.000.000**	**216.859.604**	**70.681.772**	**595.037.756**	**(1.781.520)**	**954.537.214**	**132.420.309**	**1.086.957.523**

On December 31, 2023, the share capital was RON 60.000.000 divided into 60.000.000 shares with a nominal value of RON 1. The inflated value of the share capital. according to the IFRS restatement. is RON 61.739.602.

All issued shares are fully paid.

During June 2023, TTS distributed dividends worth RON 33.000.000, respectively RON 0,55 per share.

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4.5. The main efficiency ratios of TTS group in 2023

		Year ended 31.dec 2022	Year ended 31.dec 2021
1.	**Liquidity ratios**		
	a) Current liquidity ratio	2.7	2.7
	Current assets	369.635.536	324.381.933
	Current liabilities	135.284.277	120.860.879
	a) Quick ratio/ acid test	2.5	2.4
	Current assets - Inventories	334.970.299	284.643.244
	Current liabilities	135.284.277	120.860.879
2.	**I Risk ratios**		
	a.1) Leverage ratio (%)	10.3%	8.3%
	Borrowed capital	112.250.830	68.030.137
	Equity	1.085.957.523	818.399.443
	sau		
	a.2) Leverage ratio (%)	9.4%	7.7%
	Borrowed capital	112.250.830	68.030.137
	(Borrowed capital+Equity)	1.199.208.353	886.429.580
	b) Interest coverage indicator	94.4	68.0
	Profit before interest payment and income tax	358.333.105	211.717.012
	Interest expense	3.795.203	3.114.745
3.	**Activity ratios**		
	a) Trade receivables Turnover ratio (days)	25.4	28.1
	Average trade receivables balance	80.748.783	71.851.847
	Turnover	934.409.848	934.409.848
	b) Trade payables Turnover ratio (days)	34.8	25.9
	Average trade payables balance	49.768.455	37.586.041
	Purchases of goods and services	522.196.093	530.009.410
	c) Non-current assets Turnover ratio	1.2	1.4
	Turnover	1.161.114.220	934.409.848
	Non-current assets	969.766.451	680.624.118
	d) Total assets Turnover ratio	0,9	0.9
	Turnover	1.1161.114.220	934.409.848
	Total assets	1.339.401.987	680.624.118
4.	**Profitability ratios**		
	a) Return on equity	29.9%	23.9%
	Profit before interest payment and income tax	358,333,105	211.717.012
	Equity	1.199.208.353	886.429.580

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5. Operations

5.1. Aggregate volumes

Freight – 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	8,43	5,14	▲ 64,23%
Minerals	5,13	6,99	▼ -26,56%
Chemical products	1,73	1,73	▼ -0,12%
Others	0,22	0,36	▼ -37,95%
Total	15,52	14,22	▲ 9,17%

River transport– 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	3,0	2,12	▲ 41,50%
Minerals	2,87	4,85	▼ -40,84%
Chemical products	0,5	0,61	▼ -18,72%
Others	0,22	0,36	▼ -37,95%
Total	6,58	7,94	▼ -17,04%

Port operations– 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	5,44	3,02	▲ 80,18%
Minerals	2,26	2,14	▲ 5,79%
Chemical products	1,23	1,12	▲ 9,98%
Total	8,93	6,28	▲ 42,28%

Structure of river transport contracts – 12 months 2023

(cargo volume – mln. tons)	12M 2023	12M 2022	Δ 2023/2022
Contracts concluded by the Shipping Segment[3] with third parties	0,15	0,38	▼ -61,94%
Direct contracts of the River Transport Segment[4]	0,95	2,32	▼ -59,11%
Contracts concluded by the Shipping Segment with the River Transport Segment (intra-group)	5,49	5,24	▲ 4,81%

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[3] The Shipping segment does not include the external subsidiaries with TTS (Transport Trade Services) GmbH activity. Vienna and PLIMSOLL Zrt. Budapest

[4] Due to reasons of internal organization of the group, the River Transport Segment does not include the Fluvius Kft. Budapest subsidiary

Structure of port operations contracts – 12 months 2023 (cargo volume – mln. tons)	12M 2023	12M 2022	Δ 2023/2022
Contracts concluded by the Shipping Segment with third parties	2,09	1,46	▲ 43,04%
Direct contracts of the Port Operations Segment[5]	1,75	1,97	▼ -11,25%
Contracts concluded by the Shipping Segment with the Port Operations Segment (intra-group)	5,1	2,85	▲ 78,52%

5.2. Shipping Segment

Shipping Segment – Goods transported by river – 12 months 2023 (mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	2,98	2,08	▲ 43,08%
Minerals	2,17	2,94	▼ -26,10%
Chemical products	0,49	0,60	▼ -18,91%
Total	5,64	5,62	▲ 0,30%

Shipping Segment – Goods operated in ports – 12 months 2022 (mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	4,34	1,78	▲ 114,29%
Minerals	1,91	1,62	▲ 18,00%
Chemical products	0,93	0,92	▲ 1,52%
Total	7,18	4,32	▲ 66,52%

5.3. River Transport Segment

River Transport Segment - Volumes - 12 months 2022 (mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	2,98	1,94	▲ 53,58%
Minerals	2,74	4,65	▼ -40,96%
Chemical products	0,49	0,61	▼ -19,50%
Others	0,26	0,36	▼ -26,59%
Total	6,48	7,56	▼ -14,24%

River Transport Segment – Goods route completed – 12 months 2022 (bln. tons * km)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	1,148	0,827	▲ 89,69%
Minerals	1,632	2,029	▼ -10,43%
Chemical products	0,287	0,399	▼ -6,57%
Total	3,071	3,256	▲ 29,05%

[5] For reasons of internal organization of the group, the Port Operations Segment does not include the subsidiary Port of Fajsz Kft. Fajsz

5.4. Port Operations Segment

Port Operations Segment – Volumes – 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	5,29	2,98	▲ 76,70%
Minerals	0,38	0,72	▼ -47,41%
Chemical products	1,19	1,12	▲ 5,70%
Total	6,85	4,82	▲ 41,82%

5.5. Financial information on segmentation

We present below the analysis of the Group's revenues and results from continuous operations on reportable segments:

2023	Total	Forwarding	River transport	Port operations	Other	Intersegments
Revenue	1.161.114.220	967.903.098	606.183.490	170.217.226	65.657.363	(648.846.957)
Other operating revenue	22.229.827	20.553.768	13.492.441	351.909	118	(12.168.409)
Merchandise sold	(36.365.945)	-	(151.607)	-	(36.214.338)	-
Raw materials and consumables	(108.027.160)	(529.080)	(91.131.878)	(14.701.481)	(1.664.721)	-
Depreciation and amortization	(86.086.591)	(2.754.510)	(59.610.269)	(21.284.373)	(2.437.439)	-
Packaging costs	(9.826)	-	(6.399)	(3.427)	-	-
Subcontractors' expenses	(329.675.525)	(782.134.223)	(133.260.495)	(35.956.481)	(7.071.928)	628.747.602
Payroll expenses	(214.458.553)	(16.374.545)	(137.645.673)	(46.198.725)	(14.239.610)	-
Electricity. heating. and water	(9.696.818)	(405.548)	(1.931.146)	(5.994.806)	(1.432.825)	67.507
Maintenance and repair expenses	(14.738.408)	(2.264.543)	(20.511.942)	(4.358.478)	(522.365)	12.918.920
Other administrative expenses	(24.240.293)	(4.358.241)	(10.982.933)	(12.459.255)	(2.843.250)	6.403.386
Other gains	12.729.001	753.190	10.417.897	1.383.771	370.846	(196.703)
Other loss	(21.253.228)	(18.095.355)	(9.036.214)	(5.567.813)	(1.516.480)	12.962.634
Total operating result	351.520.701	162.294.011	165.825.272	25.428.067	(1.914.629)	(112.020)
Share of profit of associates	1.574.885					
Finance income	5.237.519					
Finance cost	(4.802.941)					
Profit of the year from continuing operations	353.530.164					
Income tax expenses	(48.058.127)					
Profit of the year	305.472.037					

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2022	Total	Forwarding	River transport	Port operations	Other	Intersegments
Revenue	934.409.848	731.058.099	472.824.238	108.359.555	64.064.392	(441.896.436)
Other operating revenue	20.191.485	13.437.729	10.779.459	710.286	296.037	(5.032.026)
Merchandise sold	(32.523.946)	-	(770.625)	-	-31.789.575	36.254
Raw materials and consumables	(123.825.466)	(568.413)	(105.819.460)	(11.991.530)	(5.479.074)	33.011
Depreciation and amortization	(72.940.789)	(2.807.994)	(52.816.761)	(15.083.877)	(2.232.157)	-
Packaging costs	(8.402)	-	(3.933)	(1.816)	(2.653)	-
Subcontractors' expenses	(331.178.765)	(619.293.365)	(110.517.841)	(17.037.778)	(9.763.854)	425.434.073
Payroll expenses	(124.214.100)	(13.790.900)	(76.459.808)	(25.808.904)	(8.154.488)	-
Electricity. heating and water	(7.077.180)	(408.754)	(1.461.519)	(3.865.534)	(1.394.214)	52.841
Maintenance and repair expenses	(16.133.453)	(2.192.034)	(17.310.231)	(5.699.524)	(504.784)	9.573.120
Other administrative expenses	(21.911.806)	(4.699.542)	(11.415.055)	(8.480.725)	(3.098.478)	5.781.994
Other gains	7.336.593	3.946.353	1.175.509	696.280	1.744.076	(225.625)
Other loss	(21.727.950)	(10.725.607)	(8.065.916)	(1.970.217)	(4.644.202)	3.677.992
Total operating result	210.396.069	93.955.572	100.138.057	19.826.216	(958.974)	(2.564.802)
Share of profit of associates	1.026.111					
Finance income	1.327.762					
Finance cost	(4.147.675)					
Profit of the year from continuing operations	**208.602.266**					
Income tax expenses	(29.747.916)					
Profit of the year	**178.854.351**					

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We present below the analysis of the turnover on the main categories of goods and services provided.

2023	TOTAL	Forwarding	River transport	Port operations	Others	Intersegments
Total	**1.161.114.220**	**967.903.098**	**606.183.491**	**170.217.225**	**65.657.362**	**(648.846.956)**
Agricultural products	580.158.533	540.694.636	349.542.937	120.064.883	-	(430.143.923)
Chemical Products	77.019.660	57.709.124	31.190.731	30.894.782	-	(42.774.977)
Minerals	327.962.195	296.027.835	167.242.836	9.785.418	-	(145.093.894)
Other merchandise	34.558.251	-	34.558.251	-	-	-
Other services	141.415.581	73.471.503	23.648.736	9.472.142	65.657.362	(30.834.162)

2022	TOTAL	Forwarding	River transport	Port operations	Others	Intersegments
Total	**934.409.848**	**731.058.099**	**472.824.238**	**108.359.555**	**64.064.392**	**(441.896.436)**
Agricultural products	333.731.591	292.528.349	192.078.690	71.867.606	-	(222.743.054)
Chemical Products	60.609.309	53.721.483	35.427.218	17.165.714	-	(45.705.106)
Minerals	312.565.167	259.685.324	193.328.301	12.100.061	-	(152.548.519)
Other merchandise	34.901.582	-	34.901.582	-	-	-
Other services	192.602.199	125.122.943	17.088.447	7.226.174	64.064.392	(20.899.757)

Other services for the Other segment mainly include trade revenue, shipyard revenues, hydrotechnical works.

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6. Investments

6.1. Investments in the River Transport Segment

Agregated investments – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Active acquisitions and ship conversions	65,9	35,9	▲ 183,4%
Ship repairs, recertifications and upgrades	68,6	66,4	▲ 103,4%
Total	134,5	102,3	▲ 131,5%

Asset acquisitions and ship conversions – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Barge purchases	56,5	32,7	▲ 172,8%
Barge conversions and modifications	6,3	3,2	▲ 193,2%
Purchases of other assets	3,2	0	N/A
Total	65,9	35,9	▲ 183,4%

Ships recertification, maintenance and upgrading – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Barge recertifications	53,5	52,5	▲ 102,0%
Major repairs and re-certifications of liners	4,3	4,8	▼ 91,2%
Propelled vessel recertifications	1,0	0,6	▲ 171,1%
Capital repairs of technical and auxiliary vessels	2,0	1,8	▲ 110,2%
Ship upgrades	2,1	2,0	▲ 108,7%
Other equipment	5,5	3,5	▲ 157,7%
Maintenance	1,4	0,3	▼ 19,1%
Total	68,6	66,4	▲ 103,4%

6.2. Investments in the Port Operations Segment

Aggregate Investments – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Direct investment in operating capabilities	106,4	97,6	▲ 109,1%
DECIROM takeover	132,8	133,5	▲ 99,5%
Total	239,4	231,0	▲ 103,6%

Investments in capacity – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Purchase of floating cranes	57,1	54,8	▲ 104,2%
Canopus - Extension of terminal capacity	21,0	15,7	▲ 133,5%
Port Giurgiu – EU co-financed modernization	13,0	14,6	▼ 89,5%
Port Giurgiu – outside of the EU co-financed modernization	0,9	0	N/A
New equipment	11,0	6,7	▲ 164,3%
Equipment maintenance	0,8	5,7	▼ 13,5%
Other	2,6	0	N/A
Total	106,4	97,6	▲ 109,1%

DECIROM takeover – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Acquisition of 99,9% of Decirom's share capital	107,8	108,6	▼ 99,3%
Share capital increase after acquisition	25,0	24,9	▲ 100,3%
Total	132,8	133,5	▼ 99,5%

7. Human resources

The average number of employees and other assimilated persons for the financial year 2023 was 1,597 persons (1,411 as of December 31, 2022), and the effective number at 31.12.2023 was 1,710 persons (1,517 as of December 31, 2021).

The Group's personnel policy regarding the professional training of the staff was well supported in terms of internal training, and the trainings were carried out in accordance with the approved plan for 2023.

During 2023, the TTS Group invested in training and certification courses the amount of 404,706 lei (212,525 lei in 2022).

	December 31, 2023	December 31, 2022
Salaries and allowances expenses	190.923.065	110.410.016
Insurance contribution for work	4.850.181	2.980.677
Other expenses regarding insurance and social protection	6.131.095	3.908.620
Meal tickets	5.853.185	4.129.366
Stock option plan benefits	2.864.851	-
	210.622.377	**121.428.679**
Board Members executive and non-executive	3.728.576	2.785.421
Stock option plan benefits	107.600	
Total	**214.458.553**	**124.214.100**

8. Environment

The companies belonging to TTS Group comply with the provisions and regulations of the Romanian law on health, safety, safety and environmental protection, being necessary in this regard to obtain, maintain and renew various authorizations.

Some of the companies belonging to TTS Group hold environmental permits, in which certain conditions and obligations are imposed in relation to the object of activity and the facilities of each company. The environmental permits, the validity of which extends over a period of 5 years from the date of issue, with an annual visa, were issued by the competent territorial agencies for environmental protection as a result of fulfilling the conditions on environmental protection. In the process of evaluating the granting of these authorizations, the companies went through a rigorous process that consisted in transmitting bulky documentation including lists of ships, vehicles and equipment, technical reports for environmental monitoring, contracts for the rental of the port infrastructure, contracts concluded with authorized economic operators for the collection, treatment, disposal / recovery of waste, water management authorizations, plans to prevent and combat accidental pollution and sketches, site plans and layout plans.

At the level of TTS Group there is a well-developed strategy for environmental protection, through which the operations carried out are regularly monitored and evaluated. This strategy led to the ISO 9001: 2018, ISO 14001: 2015 and ISO 45001: 2018 certification of the facilities belonging to TTS Operator, TTS Porturi Fluviale, Navrom Shipyard, Bunker Trade Logistics, Cernavoda Shipyard, Agrimol and CNFR Navrom. These certifications are relevant for the port's areas of activity, the storage of goods, treatment, grain storage, rail freight transport, inland waterway transport, metal structure, naval and non-naval structures, and shipbuilding and shipbuilding.

TTS Group has implemented various plans to combat and intervene in case of accidental pollution and has installed pollution control equipment. TTS Group ensures the implementation and regular updating of the programs for the prevention and reduction of the quantities of waste generated from its own activities. TTS Group also regularly reviews the plans for combating and intervening in the event of accidental pollution. TTS Group also temporarily stores wastewater and bilge water in the tanks of its vessels or in metal retention vats. Other measures that TTS Group has taken consist of the installation of special receptacles for the collection of specific waste, as well as concrete platforms, cleaner absorbent products and anti-polluting dams.

At the same time, some of the companies belonging to TTS Group have the obligation to submit to the competent authority for environmental protection, periodically, reports on the results of the monitoring of environmental factors, carried out by a subcontracted accredited laboratory. Such reports cover the analysis of domestic waste water, the analysis of the level of noise, emissions into the air, the record of the management of the waste produced or the evidence of freshly consumed oil and waste oils. This ensures effective monitoring aimed at preventing environmental pollution.

Each company member of TTS Group has concluded with authorized economic operators contracts for the supply of drinking water, for the discharge of domestic wastewater, for the collection, treatment and neutralization of waste and for the collection, recovery and /or disposal of waste oils.

Since 2014, TTS group has constantly monitored the environmental impact of the activities of the main companies in TTS Group according to World Bank standards, as a result of the partnership with the IFC. The results of this monitoring are included in the annual EHS reports (the last published report being the one for 2021) covering the following topics relevant to TTS business sustainability:

- Adopted ISO certified management systems
- Health and safety at Work
- Energy consumption
- CO2 emissions
- Residue and waste management

In carrying out the monitoring and EHS Reports, TTS is assisted by TQ Consultanță și Recrutare S.R.L Galați (https://tqconsult.ro/), a company accredited ISO 14065/2013 by RENAR for the verification of greenhouse gas emission reports and ton-kilometer data according to Implementing Regulation (EU) 2018/2067.

Starting from 2022, TTS publishes annual sustainability reports built on the basis of the GRI ("Global Reporting Initiative") reporting standards.

9. Risk management system

Currency risk

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

Management of interest rate risk

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

Credit risk management

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

Liquidity risk management

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

Fair value of financial instruments

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

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

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

10. Corporate governance in TTS group

10.1. Principles and governance structure of TTS group

The governance structure and rules under which TTS exercises control over the group companies are as follows:

- The companies in the group have the legal form of joint-stock company (S.A, Zrt.) or limited liability company (S.R.L., Kft., GmbH.)
- Each company has its own governing bodies, Board of Directors or Sole Administrator, depending on the provisions of the articles of incorporation, responsible for the proper functioning of the company.
- TTS exercises its control and appoints the persons in the management of the subsidiaries by voting in the general meetings of the shareholders/associates of the companies, or by decision of the sole associate, as the case may be.
- Companies have commercial autonomy, serving their own customer base in addition to orders placed within the group
- Voting mandates and representation of TTS in the general meetings of the shareholders/associates of the subsidiaries are approved by the Board of Directors of TTS, based on the informative materials made available to the shareholders/associates by each subsidiary
- At the request of the subsidiaries, in the case of situations that may affect TTS group as a whole, the Board of Directors discusses these situations and makes guidance and recommendation decisions that are communicated to the subsidiary that made the request
- Intra-group transactions, both those between TTS and a subsidiary and those between subsidiaries, are subject to reporting obligations based on art. 108 of Law no. 24/2017 on issuers of financial instruments and market operations, reports being made with a rhythm dictated by reaching or exceeding the TTS reporting threshold
- The activity of reporting transactions between related parties is the subject of two reports drawn up by the statutory auditor of TTS

10.2. Intra-group transactions in 2023 (related party transactions)

In 2023, 45 reports were published on intra-group transactions with a total value of RON 669.216.447,28, covering transactions from 29.12.2022 to 13.12.2023, drawn up based on art. 108 of Law no. 24/2017 on issuers of financial instruments and market operations:

Parties in transaction	Number of reports	Period covered	Total amount
TTS and NAVROM	34	29.12.2022 - 13.12.2023	523,137,583.88
TTS and TTS Operator	5	21.09.2022 - 07.11.2023	59,544,109.28
TTS and Canopus Star	2	22.12.2022 - 05.10.2023	21,848,624.24
NAVROM and NAVROM SHIPYARD	3	18.10.2022 - 01.11.2023	49,531,829.33
NAVROM and NAVROM PORT SERVICE	1	12.12.2022 – 13.09.2023	15,154,300.55

The reports published in 2023 were the subject of two independent limited assurance reports on the information included in the reports on transactions with related parties, prepared by Deloitte Audit S.R.L., reports published on 28.07.2023 and 29.01.2024, in accordance with the legal provisions.

11. The non-financial statement regarding the year 2023

TTS prepares and publishes an annual sustainability report that covers the environmental, social and governance aspects of TTS group's activity with the application of GRI (Global Reporting Initiative) reporting standards. According to the Company's 2024 Financial Calendar, the Sustainability Report on the activity of TTS group in 2023 will be published on July 01, 2024.

All the information required for the non-financial statement, as provided for in points 44 and 48^2 of the Accounting Regulations in accordance with the International Financial Reporting Standards of 12.12.2016 approved by Order no. 2844/2016, at art. 7 and 8 of OMFP no. 3456/2018, as well as in art. 2 of OMFP no. 1938/2016 and OMFP no. 1239/2021, will be included in the Sustainability Report on the activity of TTS group in 2023.

* * *

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

- approval of the consolidated financial statements (statement of financial position, statement of comprehensive income, statement of change in equity, statement of cash flows, explanatory notes) as of December 31, 2023,

- approval of the distribution of profit and the discharge of administrators for the financial year of 2023.

President of the Board of Directors

Alexandru – Mircea MIHĂILESCU

EY
Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
Signed for identification
Semnat pentru identificare

TTS (Transport Trade Services) SA

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TTS (Transport Trade Service) SA

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of TTS (Transport Trade Service) SA (the Company) with official head office in Str. Vaselor nr. 27, Bucuresti, 021253, Romania, identified by sole fiscal registration number 9089452, which comprise the statement of financial position as at December 31, 2023, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The English version of the audit report represents a translation of the original audit report issued in Romanian language.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the separate financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Key audit matter	Audit approach on the key audit matter
Revenue from transportation services As disclosed in note 4 and note 11, the Company has multiple sources of revenue, including revenue from transportation of goods on interior riverways and revenue from handling of goods, loading and unloading, storage, revenue from sales of finished products. Revenue is recognized when control over products and services have been passed to the customer. The revenues from contracts with customers recorded by the Company during 2023 amounted to 925,140,865 RON of which 925,140,865 RON recognized over time. The Company recognizes revenue from transportation and logistics services over time based on the measurement of progress toward satisfaction of performance obligation, which the management determines using the output method. The output method involves management’s application of significant professional judgments to determine the progress toward satisfaction of performance obligation.	Our procedures included among others: 1. We performed a detailed understanding of the revenue processes and related flows, identifying the controls designed and implemented within the respective processes that we considered relevant and significant for our audit. 2. We performed operating effectiveness procedures for the manual internal relevant controls implemented by the Group/ Company for revenue recorded for transportation services to evaluate the occurrence and measurement of the transactions recorded. 3. We obtained and reconciled the operational revenues database with the trial balance for the year ended December 31, 2023. 4. We performed detailed analytical procedures regarding the recorded revenues, analyzed monthly fluctuations 5. We analyzed revenue recognition accounting policies selected and applied by the Company considering the requirements of IFRS 15 6. We sent and obtained confirmations for transactions recorded during the year and closing balance as at year end for a sample of clients and reconciled the amounts confirmed by customers with the revenues amounts recorded by the Company/ Group. 7. We analyzed the correlation between revenues, accounts receivable and cash transactions using data analytics procedures, and performed test of cash collections by vouching with supporting bank statements for a sample of transactions.

To properly recognize the value of the ongoing services at year end, the Company performs a cut off adjustment based on the position of the ship as indicated by the specific instruments onboard. Taking into account the fact that revenues from contracts with customers recognized over time represent a significant amount of the whole activity of the company and the fact that revenue recognition of such services and allocation between periods is based on estimates and data related to the position of the ships at year end, we have considered revenue from contracts with customers recognized over time as a key audit matter.	8. We tested the accuracy, completeness and occurrence of the year end adjustment related to the split of revenues from transportation services between accounting periods 9. We performed tests of details by inspecting relevant supporting evidence on a sample basis for the revenues recorded during the year; we also performed detailed testing for a selection of sales transactions recorded close to year end and after the end of the financial year, by checking the invoices and related transportation documents to confirm that the revenues were recognized in the correct accounting period. We also corroborated the results of these procedure with the testing of the year end adjustment described above. 10. We further assessed the adequacy of Group's disclosures about revenue recognition and presentations required by IFRS.

Other matters

The Financial Statements of the Company for the year ended December 31, 2022 were audited by another auditor who issued an unmodified audit report dated March 27, 2023.

Other information

The other information comprises the Administrators' Report as well as the Remuneration Report but does not include the separate financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Separate Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Administrators' Report and Remuneration Report, we have read these reports and report that:

a) in the Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying separate financial statements as at December 31, 2023;

b) the Administrators' Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, Annex 1 articles 15 – 19;
c) based on our knowledge and understanding concerning the entity and its environment gained during our audit of the separate financial statements as at December 31, 2023, we have not identified information included in the Administrators' Report that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 19 June 2023 to audit the financial statements for the financial year end December 31, 2023. Total uninterrupted engagement period has been of one year, covering the financial period ended December 31, 2023.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.
In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the separate financial statements, included in the annual separate report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the separate financial statements presented in XHTML format of ABC (the Company) for the year ended 31 December 2023, with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation).

These procedures refer to testing the format and whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements and expressing an opinion on the compliance of the electronic format of the separate financial statements of the Company for the year ended 31 December 2023 with the requirements of the ESEF Regulation. In accordance with these requirements, the electronic format of the separate financial statements, included in the annual report should be presented in XHTML format.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the separate financial statements in XHTML format and for ensuring consistency between the electronic format of the separate financial statements (XHTML) and the audited separate financial statements.

The responsibility of the Management also includes the design, implementation, and maintenance of such internal control as determined is necessary to enable the preparation of the separate financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of separate financial statements, including the application of the ESEF Regulation.

Auditor’s Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the separate financial statements of the Company is prepared, in all material respects, in accordance ESEF regulation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of separate the financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic reporting format (XHTML) of the separate financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the financial statements of the Company, including the preparation of the separate financial statements of the Company in XHTML format
- tested the validity of the applied XHTML format
- checked whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements

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

Opinion on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, our opinion is that the electronic format of the separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: Negoescu Ioana-Monica
Registrul Public Electronic: AF3614

Monica Negoescu

Name of the Auditor/ Partner: Negoescu Ioana Monica
Registered in the electronic Public Register under No. AF3614

Bucharest, Romania
29 March 2024

TTS (Transport Trade Services) SA
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in "RON", unless specified otherwise)

	Note	Year ended, December 31, 2023	Year ended, December 31, 2022
Revenue	4	904,501,085	656,041,221
Other operating income	4	20,639,780	13,534,128
Raw materials and consumables		(517,490)	(538,532)
Cost of merchandise sold		-	-
Subcontractor's expenses		(724,423,030)	(551,200,674)
Payroll expenses	6	(13,266,143)	(10,224,199)
Administrative expenses	5	(6,367,832)	(6,881,290)
Depreciation and amortization		(4,206,503)	(4,374,687)
Other gains	7	2,700	3,566,127
Other losses	7	(18,738,586)	(12,596,968)
Operating profit		**157,623,982**	**87,325,126**
Dividends income	8	14,411,098	5,365,006
Impairment of investments in subsidiaries and other expenses	8	(1,713,350)	(1,284,949)
Finance income	9	3,555,665	1,073,747
Finance costs	9	(1,467,335)	(76,283)
Profit before tax		**172,410,060**	**92,402,647**
Income tax expense	10	(21,055,226)	(11,212,788)
Profit for the year attributable		**151,354,834**	**81,189,859**
Total comprehensive income for the year, net of tax		**151,354,834**	**81,189,859**
No of shares		60,000,000	60,000,000
Earnings per share basic and diluted	18	2.52	1.35

These separate financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

EY
Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
Signed for identification
Semnat pentru identificare

	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	11	105,410,919	38,512,703
Intangible assets		39,753	93,017
Rights of use assets	11	798,645	228,941
Investments in subsidiaries and associates	12	260,533,158	127,016,199
Deferred tax assets	10	18,080	-
Other long-term assets	13	170,106	131,880
Total non-current assets		**366,970,661**	**165,982,740**
Current assets			
Inventories	14	538,196	533,028
Trade and other receivables	15	41,084,523	48,191,216
Contract assets		488,827	11,082,600
Loans granted to affiliates	15	1,395,705	1,381,404
Government grants	16	3,814,190	14,103,367
Other current assets	16	24,793,037	19,149,404
Short term deposits	25	23,436,600	-
Cash and cash equivalents	25	88,021,479	78,625,225
Total current assets		**183,572,557**	**173,066,244**
Total assets		**550,543,218**	**339,048,984**
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	17	61,739,602	61,739,602
Reserves	18	35,791,171	30,666,647
Retained earnings		271,547,029	155,344,268
Total Equity		**369,077,802**	**247,750,517**
Non-current liabilities			
Interest-bearing loans and borrowings	20	44,949,064	-
Government Grants	23	13,303,585	14,358,820
Long term lease liabilities	20	643,219	185,546
Other long-term liabilities	-	261,857	261,422
Deferred tax liabilities	10	-	99,290
Total non-current liabilities		**59,157,725**	**14,905,078**

EY
Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
Signed for identification
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This is a free translation from the original Romanian version.
Notes attached are an integrant part of the separate financial statements.

	Note	December 31, 2023	December 31, 2022
Current liabilities			
Trade and other payables	**21**	91,624,158	64,169,683
Contract liabilities	**21**	6,955,975	2,566,195
Government grants	**23**	1,082,682	-
Lease liabilities	**20**	178,423	45,110
Interest bearing loans and borrowings	**20**	8,172,557	-
Provisions for risks and charges	**22**	1,090,116	947,980
Income tax liability	**10**	11,697,411	7,509,954
Other current liabilities	**23**	1,506,369	1,154,467
Total current liabilities		**122,307,691**	**76,393,389**
Total liabilities		**181,465,416**	**91,298,467**
Total equity and liabilities		**550,543,218**	**339,048,984**

These separate financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

EY
Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
Signed for identification
Semnat pentru identificare

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

(all amounts are expressed in "RON", unless specified otherwise)

	Note	Share capital	Share based payments reserve	Share premium	Legal reserves	Other reserves	Retained earnings	Total
Balance as of January 1, 2023		**61,739,602**	**-**	**-**	**10,620,132**	**20,046,515**	**155,344,268**	**247,750,517**
Profit for the year		-	-	-	-	-	151,354,834	151,354,834
Total comprehensive income		-	-	-	-	-	*151,354,834*	*151,354,834*
Set-up of legal reserve		-	-	-	1,379,868	-	(1,379,868)	-
Set-up of other reserves		-	-	-	-	772,206	(772,206)	-
Dividends distributed		-	-	-	-	-	(33,000,000)	(33,000,000)
Stock option plan	18	-	2,972,450	-	-	-	-	2,972,450
Balance as of December 31, 2023		**61,739,602**	**2,972,450**	**-**	**12,000,000**	**20,818,721**	**271,547,029**	**369,077,802**

As of December 31, 2023, the share capital was RON 60,000,000 divided into 60,000,000 shares with a nominal value of RON 1. All issued shares are paid in full. During April 2023, dividends were distributed for 33,000,000 lei, respectively 0.55 lei per share.

According to Decision from December 21, 2023, the Board of Directors established the first parameters of the SOP Program first stage comprising purchase of 110,500 free title shares of the Company ("Options"). The options share capital was granted to workers, management personnel, and subsidiaries who significantly aided in the growth of the TTS group.

These separate financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

EY
Ernst & Young Assurance Services S.R.L.
2 9. MAR. 2024
Signed for identification
Semnat pentru identificare

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in "RON", unless specified otherwise)

	Note	Share capital	Share premium	Legal reserves	Other reserves	Retained earnings	Total
Balance as of January 1, 2022		**31,739,602**	**-**	**6,000,000**	**3,823,575**	**142,847,481**	**184,410,659**
Profit for the year		-	-	-	-	81,189,859	81,189,859
Total comprehensive income		-		-	-	*81,189,859*	*81,189,859*
Transfers between reserves		-	-	-	1,507,566	(1,507,566)	-
Set-up of legal reserve		-	-	4,620,132	-	(4,620,132)	-
Set-up of other reserves		-	-	-	14,715,374	(14,715,374)	-
Dividends distributed		-	-	-	-	(17,850,000)	(17,850,000)
Share capital issued		30,000,000	-	-	-	(30,000,000)	-
Balance as of December 31, 2022		**61,739,602**	**-**	**10,620,132**	**20,046,515**	**155,344,268**	**247,750,517**

According to the AGM dated April 1, 2022, the increase of the share capital by the amount of 30,000,000 lei was approved by the partial incorporation of the undistributed profit from previous years (reported result), with the issue of new shares in return and their free distribution to shareholders at a rate, allocation of 1 newly issued share for each share held.

During April 2022, dividends, were distributed for 17,850,000 lei, respectively 0.29 lei per share.

These consolidated financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

Ernst & Young Assurance Services S.R.L.
29. MAR. 2024
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This is a free translation from the original Romanian version.
Notes attached are an integrant part of the separate financial statements.

	Notes	Year ended, December 31, 2023	Year ended, December 31, 2022
Cash flows			
Profit before taxation		**172,410,060**	**92,402,647**
Adjustments for non-cash items:			
Amortization of intangible assets		53,264	62,452
Depreciation of property, plant, and equipment		4,153,239	4,312,234
Impairment of property, plant, and equipment		-	953,880
Impairment of investments in subsidiaries	8	1,537,852	1,450,385
Expected credit losses for trade/ sundry receivables	7	2,151,958	(417,060)
Expenses/(Income) related to provisions for risks and charges		142,136	319,339
Net loss on the disposal of property, plant, and equipment		159,860	1,370,564
Adjustments for FX losses/(gains)		1,173,866	88,287
Share based payment		773,375	-
Dividend income		(14,411,098)	(5,365,006)
Interest expenses		1,306,014	-
interest income		(3,555,665)	(1,073,747)
Operating profit before working capital changes		**165,894,861**	**94,103,975**
Changes in operating assets and liabilities:			
Decrease/ (Increase) in receivables		19,837,323	(33,746,746)
Decrease /(Increase) in prepaid expenses		586,164	(1,044,262)
(Increase) / Decrease in inventories		(5,167)	72,859
Increase in liabilities		750,322	18,175,399
Increase / (Decrease) in contract liabilities		4,389,780	(199,507)
Cash generated from operations		**191,453,283**	**77,361,718**
Interests paid		(1,306,014)	-
Interest received		3,555,665	1,073,747
Income tax paid	10	-	-
Net cash flow generated from operations		**193,702,934**	**78,435,465**
Investing activities:			
Purchases of property, plant, and equipment		(72,820,996)	(9,652,960)
Purchases of intangible assets		-	(34,836)
Acquisition of shares in subsidiary	12	(132,893,963)	282,802
Government grants cashed in	16	10,289,177	255,453
Proceeds from sale of property, plant, and equipment		22,984	91,842
Dividends received	8	14,411,098	5,365,006
Placement of short-term deposits	25	(23,436,600)	-
Cash flow used in investing activities		**(204,428,300)**	**(3,692,693)**

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	Notes	Year ended, December 31, 2023	Year ended, December 31, 2022
Financing activities:			
Proceeds from borrowings	**20**	57,193,359	-
Repayment of borrowings	**20**	(4,071,739)	-
Dividends paid		(33,000,000)	(17,850,000)
Cash flow generated by/ (used in) financing activities		**20,121,620**	**(17,850,000)**
Net increase in cash and cash equivalents		9,396,254	56,892,770
Cash and cash equivalents at the beginning of the year		**78,625,225**	**21,732,455**
Cash and cash equivalents at the end of the year		**88,021,479**	**78,625,225**

These separate financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

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1. GENERAL INFORMATION

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

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

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

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

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A. Changes in accounting policy and disclosures.

The standards/amendments that are effective and have been endorsed by the European Union New

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Company as of 1 January 2023:

- **IFRS 17 insurance contracts,**
- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments),**
- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments),**
- **IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)**

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Company's accounting policies.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments),**

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements

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2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

B. Standards issued but not yet effective and not early adopted

B.1) The standards/amendments that are not yet effective, but they have been endorsed by the European Union

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Company.
- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Company.

B.2) The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Company.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Company.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Management has assessed the impact and concluded it will not have a material impact on the financial statements of the Company.

3. MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU.

3.2 Basis of preparation

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The preparation of separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The preparation of financial statements also requires management to exercise its judgements in applying the accounting policies. The areas involving a higher degree of judgment or complexity as well as area where assumptions and estimates are significant to the separate financial statements are discussed in Note 3.18.

These separate financial statements were issued in addition to the consolidated financial statements of the Company. The consolidated financial statements were authorized for issue by the Board of Directors on March 29,2024.

The separate financial statements have been prepared at historic cost, except for certain assets that are stated at fair value as described in the accounting policies. The historic cost is generally based on the fair value of the provision supplied in exchange for the assets.
In contrast to the separate financial statements as of 31 December 2022, the Company has re-assessed presentation of prior period data on the Statement of financial position and Statement of Profit or Loss to increase the level of relevance. Where applicable, the Company has reclassified the comparative information for consistency purposes.

The Company presented 'contract assets' and 'contract liabilities' in the statement of financial position using the terminology from IFRS 15. IFRS 15.109 allows an entity to use alternative descriptions. Management decided to disclose sufficient information so that users of the financial statements can clearly distinguish between unconditional rights to receive consideration (receivables) and conditional upon service finalization rights to receive consideration.

Moreover, for a better presentation Management decided to separately disclose government grants, other operating revenue and also separate disclosure for other gains and other losses caption. We have marked with numbers the main re-assessed presentations that we explain here:
(1) represents reclassification of contract assets to be presented separately from Trade and other receivables
(2) represents reclassification of Government grants to be presented separately in the Statement of financial position
(3) income tax payable balance to be presented separately on the face of the Statement of financial position from other current liabilities.
(4) other gains and other losses presented separately at gross values not to be netted off on the face of the Statement of Profit or Loss

Please see below the reclassification made at the level of each line item in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position for the year ended December 31, 2022.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Statement of Financial Position as at December 31, 2023

New presentation description	Reported description	December 31, 2023	Reassessed presentation December 31, 2022	Reported December 31, 2022	Difference 2022	Note
ASSETS	*ASSETS*					
Non-current assets	Non-current assets					
Property, plant and equipment	Tangible assets	105,410,919	38,512,703	**38,512,703**	0	
Intangible assets	Intangible assets	39,753	93,017	**93,017**	0	
Right to use assets (ROU)	Right of use of leased assets	798,645	228,941	**228,941**	0	
Financial assets	**Financial assets**	260,533,158	127,016,199	**127,016,199**	0	
Deffered tax asset		18,080	0	0	0	
Other long-term assets		170,106	131,880	131,880	0	
Total non-current assets		**366,970,661**	**165,982,740**	**165,982,740**	**0**	
Current assets	Current assets					
Inventories	Inventories	538,196	533,028	533,028	0	
Trade and other receivables	Trade receivables	41,084,523	48,191,216	59,273,816	(11,082,600)	1
Contract assets		488,827	11,082,600		11,082,600	
Loans to affiliates		1,395,705	1,381,404	1,381,404	0	
Government grants		3,814,190	14,103,367		14,103,367	2
Other current assets	Other receivables	24,793,037	19,149,404	31,609,539	(12,460,135)	2
Short term deposits		23,436,600	0		0	
Cash and bank balances	Petty cash and bank accounts	88,021,479	78,625,225	78,625,225	0	
	Prepaid expenses	0	0	1,643,232	(1,643,232)	2
Total current assets		***183,572,557***	***173,066,244***	***173,066,244***	0	
Total assets		***550,543,218***	***339,048,984***	**339,048,984**	0	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	Capital	61,739,602	61,739,602	61,739,602	0	
Reserves	Reserves	35,791,171	30,666,647	30,666,647	0	
Retained earnings	Retained earnings	271,547,029	155,344,268	155,344,268	0	
Total equity		**369,077,802**	**247,750,517**	**247,750,517**	0	

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Statement of Financial Position as at December 31, 2023 (continued)

New presentation description	Reported description	December 31, 2023	Reassessed presentation December 31, 2022	Reported December 31, 2022	Difference 2022	Note
Non-current liabilities						
Borrowings long term		44,949,064	0			
Government grants long term	Subsidies for investments, amounts more than one year	13,303,585	14,358,820	14,358,820	0	
Leasing long term		643,219	185,546	0	185,546	
Other non-current liabilities	Other payables, including tax and social security amounts more than one year	261,857	261,422	446,969	(185,547)	
Deferred tax liabilities		0	99,290	0	99,290	
Total non-current liabilities		**59,157,725**	**14,905,078**	**14,805,789**	**99,289**	
Current liabilities						
Trade and other payables	Trade payable	91,624,158	64,169,683	64,169,683	0	
Contract liabilities	Deferred income	6,955,975	2,566,195	2,566,195	0	
Government Grants liability	Subsidies for investments, amounts within one year	1,082,682	0	0	0	
Leasing short term		178,423	45,110		45,110	
Borrowings short term		8,172,557	0		0	
Income tax payable		11,697,411	7,509,954		7,509,954	3
Provision		1,090,116	947,980	947,980	0	
Other current liabilities	Other payables, including tax and social security	1,506,369	1,154,467	8,808,820	(7,654,353)	3
Total current liabilities		**122,307,691**	**76,393,389**	**76,492,678**	**(99,289)**	
Total liabilities		**181,465,416**	**91,298,467**	**91,298,467**	**0**	
Total equity and liabilities		**550,543,218**	**339,048,984**	**339,048,984**	**0**	

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Statement of Profit or Loss for the year ended December 31, 2023

New presentation description	Reported presentation description	December 31, 2023	Reassessed Presentation December 31, 2022	Reported December 31, 2022	Difference, 2022	Note
Revenue	Net turnover	904,501,085	656,041,221	656,041,221	0	
Other operating revenues	Other operating income	20,639,780	13,534,128	13,696,632	(162,504)	
Raw materials and consumables	Expenses with raw materials and consumable	(517,490)	(538,532)	(538,532)	0	
Depreciation	Value adjustments on the tangible and intangible assets	(4,206,503)	(4,374,687)	(4,374,687)	0	
Payroll expenses	Personnel expenses	(13,266,143)	(10,224,199)	(10,224,199)	0	
Subcontractors' expenses		(724,423,030)	(551,200,674)	(551,200,674)	0	
Other expenses		(6,367,832)	(6,881,290)	(6,881,290)	0	
	Other operating expenses - Other expenses			(9,181,342)	9,181,342	4
Other gain		2,700	3,566,127		3,566,127	4
Other losses		(18,738,585)	(12,596,968)		(12,596,968)	4
Operational result		**157,623,982**	**87,325,126**	**87,337,129**	**(12,003)**	
Investment Income		0	0	3,992,734	(3,992,734)	
Dividends income		14,411,098	5,365,006	0	5,365,006	
Impairment of investments in subsidiaries and other expenses		(1,713,350)	(1,284,949)	0	(1,284,949)	
Finance income		3,555,665	1,073,747	1,073,747	0	
Finance cost		(1,467,335)	(76,283)	(963)	(75,320)	
Profit for the year from continuing operations		**172,410,060**	**92,402,647**	**92,402,647**	**12,003**	
Income tax expenses		(21,055,226)	(11,212,788)	(11,212,788)	0	
				0	0	
Total comprehensive income for the year		151,354,834	81,189,859	81,189,859	0	

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

The main accounting policies are presented below.

Going concern

The going concern principle. The Company operates according to the going concern principle. This principle assumes that the entity will continue its activity normally, without entering liquidation or significantly reducing its activity.

Presentation currency

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

The exchange rates as of December 31, 2023, and as of December 31, 2022, are:

	December 31, 2023	December 31, 2022
EUR	4.9746	4.9474
USD	4.4958	4.6346

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

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

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash

All other assets are classified as non-current.

A liability is current when:

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

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

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 Basis of preparation (continued)

Fair value measurement

The Company measures and recognizes at fair value ships (presented within ships category).
Also, fair values of financial instruments measured at amortized cost are estimated for disclosure purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's policies by verifying the major inputs applied in the latest valuation and assessing the changes from the previous valuation.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.3 Non-current assets held for sale

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.4 Revenue from contracts with customers

Revenue for all businesses is recognized when the performance obligation has been satisfied, which happens upon transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services.

Company implemented the following 5 (five) steps of analysis in revenue recognition:

1) Identify contract with a customer.
2) Identify the performance obligations in the contract. Performance obligations are promises in a contract to deliver goods or services that are distinct to customers.
3) Determine the transaction price, net of discounts, returns, sales incentives and value added tax, which an entity is entitled to obtain as compensation for the delivery of goods or services promised in the contract
4) Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct goods or services promised in the contract. When this cannot be observed directly, the relative stand-alone selling price is estimated based on expected cost-plus margin.
5) Recognize revenue when performance obligation has been fulfilled by delivering the promised goods or services to the customer (when the customer has control over the goods or services).

The Company recognizes revenue from the following major sources:

1) from logistic services
2) from sales of goods

Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenues from logistics services are recognized over time as the customer benefits from the entity's performance as the services are rendered.

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

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.4 Revenue from contracts with customers (continued)

The revenue is measured according to the contractual considerations. 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 a yearly basis but usually same over a longer period. Tariffs for transport are more stable for minerals and part of chemicals, i.e. contracts valid one year (or more), spot contracts are calculated according to the basic rule. Tariffs for grains are agreed for main volumes, basis on one-year long contract, level of tariffs being higher during season (July – December) and lower for off-season (January-June); spot contracts follow the basic rule.
Contract considerations for transport performance obligations are adjusted with BAF (bunker adjustment fee) and LWS (low water surcharge).

The company has the following revenue streams:

3.4.1. Revenue from logistic services

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

Revenue from logistic services is recognized as the transport is confirmed by the beneficiary based on the following:

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

The Company has generally concluded that it is the principal in its revenue arrangements because it typically assumes responsibility for the services to the final customer, negotiates price and assumes risk of non-payment.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of penalties give rise to variable consideration.

Some customer contracts for transportation services include penalties clauses to be invoiced to client for costs incurred when client does not bring the goods at the established place for transportation timely and there are costs incurred by TTS Company for waiting. These revenues are recognized when such delays occur, and the penalties are invoiced to the client.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.4 Revenue from contracts with customers (continued)

Contract assets

A contract asset is initially recognized for revenue earned from rendered services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

Contract liabilities

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., executes the transportation service for the customer).

3.5 Retirement benefit costs

In the normal course of business, the Company makes payments to the Romanian State on behalf of its employees, for work insurance expenses. The cost of these payments is charged to the income statement in the same period as the related salary cost.
All employees of the Company are members of the Romanian State pension plan.

The Company does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions. In addition, the Company is not obliged to provide further benefits to its employees.

Share-based payments

Employees (senior executives and key personnel) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).
Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in payroll expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).
If the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, the entity shall presume that services rendered by the counterparty as consideration for the equity instruments have been received. In this case, on grant date, the entity shall recognize the services received in full, with a corresponding increase in equity.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in payroll. For transactions measured by reference to the fair value of the equity instruments granted, the Company measures the fair value of equity instruments granted at the measurement date, based on market prices if available, considering the terms and conditions upon which those equity instruments were granted.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company's policy is to establish tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such tax provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been identified.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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.

A. 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 separate statement of profit and loss, as it excludes the elements of income and expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current income tax liability is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

B. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts 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 (2023 and 2022: 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.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.6 Taxation (continued)

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.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.8 Government Grants

Receivables are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.
Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets (including property, plant, and equipment) are recognized as deferred income in the separate statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.9 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 separate statement of financial statements at their cost less accumulated depreciation and accumulated impairment losses.
Tangible assets in progress that will be used in production or in administration are stated at cost less any impairment. Costs include professional fees and, in case of qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such assets are classified under such categories of tangible assets when completed or ready for use for the purpose they were intended. The depreciation of such assets, on the same basis as other owned assets, commences when the assets are ready for use as intended by the management.

Land is not depreciated.

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.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.9 Property, plant, and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when tit is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 Company's profit or loss.

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

	Years
Buildings	3 – 60
Plant and equipment	2 – 30
Fixtures and furniture	2 – 16
Ships	8 - 20

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:

	Years
Software	1 – 5

3.10 Impairment of tangible and intangible assets

Intangible assets with an indefinite useful life and the intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash, inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.10 Impairment of tangible and intangible assets (continued)

Where there can be identified a consistent allocation basis, the Company's corporate assets are also allocated to individual cash generating units or to the smallest Company of cash generating units for which a consistent allocation basis can be identified.

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

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

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

3.11 Investments in subsidiaries and associates

The Company's investments in its subsidiaries, associates are carried at cost less impairment.

Subsidiaries are the entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but which does not comprise control or joint control over those policies.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.11 Investments in subsidiaries and associates (continued)

Impairment of investments in subsidiaries and joint ventures

At each reporting date the Company evaluates whether indicators of impairment of the carrying amount of investments in subsidiaries and associates exist. If any such indication exists, the recoverable amount of the asset is estimated and compared to it carrying amount. If the carrying amount exceeds the recoverable amount, impairment is recorded. The recoverable amount is the greater of fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate (adjusted WACC) that Management of the Company believes reflects the current market assessment of the time value of money and the risks specific to the assets, The change in the estimated recoverable amount may result in an additional impairment or a reversal of the impairment and thus an impairment reversal being recognised in future periods.

Dividends from subsidiaries and associated entities In accordance with IAS 27, dividends from a subsidiary or an associated entity are recognized in an entity's separate financial statements when the entity's right to receive the dividend is established. The dividend is recognized in the profit or loss account.

3.12 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.

3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or implicit) as a result of a past event, and it is probable that an outflow of resources incorporating economic benefits will be required to 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 (if the effect of the time value of money is material).

When expected that some of or all the economic benefits required to settle a provision be recovered from third parties, then the receivable is recognized as asset if it is almost certain that the repayment will be collected, and the value of the receivable can be reliably assessed.

Taxation provisions

The Company records current tax provision relating to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Romanian Tax Authorities. Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered by the Company. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the outcome may differ significantly. There is no such open issue with the tax authorities for the Company as of December 31, 2023, for which a provision would be needed.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.13 Provisions (continued)

Onerous contracts

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

Warranties

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

3.14 Use of estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Critical accounting judgements

The following are the critical judgements that the management has used in applying the Company's accounting policies and which have a significant impact on the carrying values recognized in the financial statements.

i) ***Allowances for inventories***

At the end of each reporting period, the Company revises the sufficiency of allowances for slow moving inventories as in Note 16.

ii) ***Useful life of tangible and intangible assets***

The Company revises the estimated useful life of tangible and intangible assets at the end of each annual reporting period. The useful lives are presented in Note 3.12 tangible and intangible accounting policies.

iii) ***Deferred tax.***

The carrying amount as at December 31, 2023 and December 31, 2022 is presented in Note 10.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. Financial assets resulting from the main operations of the company are presented as Trade receivables while receivables from secondary operations like sale of ships (PPE) are presented as sundry debtors.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments (continued)

(i) Amortized cost and effective interest method (continued)

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognized in profit or loss and is included in the Net of finance cost/ income line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, lease receivables, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime expected credit losses (ECL) for trade and other receivables, long term receivables, short term deposits and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments (continued)

(i) Amortized cost and effective interest method (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company has established a provision based on its historical aging analyses, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Company's core operations.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost.
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- an actual or expected significant deterioration in the operating results of the debtor.
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) the financial instrument has a low risk of default.
(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments (continued)

(ii) Significant increase in credit risk (continued)

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guaranteed contracts, the date that the Company becomes a party to the irrevocable commitment is the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increase in credit risk before the amount becomes past due.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Leases

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

Group as a lessee

i) Right-of-use assets

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments (continued)

(ii) Significant increase in credit risk (continued)

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3 Impairment of non-financial assets.

ii) Lease liabilities

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

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

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

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

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

The Company as lessor

The Company enters into lease agreements as a lessor with respect to some of its equipment.

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

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

3.15 Application of IFRS 9 Financial Instruments (continued)

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

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

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

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

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

Contingent assets and liabilities

A contingent liability is:

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

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

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

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is an analysis of the Company's revenue for the year from continuing operations:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from rendering of services	900,328,035	651,881,475
Revenue from other activities	4,173,050	4,159,746
Other operating revenues	20,639,780	13,534,128
Total	**925,140,865**	**669,575,349**
Revenue from contracts with customers	**925,140,865**	**669,575,349**

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

	Year ended December 31, 2023	Year ended December 31, 2022
Sales to the domestic market (Romania)	199,180,537	227,268,798
Sales to foreign markets	705,320,548	428,772,424
Total	**904,501,085**	**656,041,221**

The following table classifies the proceeds from the sale of services in 2023 according to the timing of revenue recognition:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue recognized over time	925,140,865	669,575,349
	-	-
Total	**925,140,865**	**669,575,349**

5. ADMINISTRATIVE EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022
Electricity expenses	348,265	357,878
Repairs	2,256,451	2,133,355
Rent expenses	355,657	1,885,997
Insurance expenses	827,320	829,772
Training	22,210	19,111
Legal Expenses	801,900	545,256
Advertising and marketing expenses	1,199,613	769,922
Transportation services	14,787	12,386
Travel expense	268,397	83,393
Communication expenses	119,865	117,337
Other taxes, charges, and similar expenses	153,367	126,883
Total	**6,367,832**	**6,881,290**

6. PAYROLL EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and allowances expenses	8,001,882	6,871,167
Insurance contribution for work	264,793	217,553
Other expenses regarding insurance and social protection	211,697	125,318
Meal tickets	285,820	224,740
Stock option plan benefits	665,775	-
	9,429,967	**7,438,778**
Board Members executive and non-executive	3,728,576	2,785,421
Stock option plan benefits	107,600	-
Total	**13,266,143**	**10,224,199**

Details about SOP (stock option plan) benefits can be found in Company accounting policy on share-based payments and the disclosures for the related recorded equity element.

7. OTHER GAINS AND LOSSES

	Year ended December 31, 2023	Year ended December 31, 2022
Other income	2,700	70,662
Reversal of allowance for expected credit loss	-	3,495,465
Total other gains	**2,700**	**3,566,127**

	Year ended December 31, 2023	Year ended December 31, 2022
Net foreign exchange loss	(1,173,866)	(88,286)
Allowance for estimated credit loss	(2,151,958)	(3,078,405)
Impairment for specific property plant and equipment items	-	(953,880)
Net income / (expenses) from provisions for risks and charges	(142,136)	(319,339)
Other expenses	(15,110,766)	(6,786,494)
Net gain or loss related to fixed assets disposed	(159,860)	(1,370,564)
Total other losses	**(18,738,586)**	**(12,596,968)**

The item Other expenses includes economic penalties from suppliers (2023 RON 12,958,725; 2022: 6,062,930) sponsorship expenses, donations granted and service re-invoicing.

8. INVESTMENT INCOME

	Year ended December 31, 2023	Year ended December 31, 2022
Dividends received from subsidiaries	13,616,945	4,921,578
Dividends received from associates	794,153	148,470
Dividends received from other investment	-	294,958
Dividends income	14,411,098	5,365,006
Other expense	(175,498)	-
Impairment of investments in subsidiaries	(1,537,852)	(1,284,949)
Income from financial investments	**12,697,748**	**4,080,057**

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9. FINANCE INCOME

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	3,555,665	1,073,747
Total	**3,555,665**	**1,073,747**

FINANCE COSTS

	Year ended December 31, 2023	Year ended December 31, 2022
Bank fees and commissions	(161,321)	(76,283)
Interests on borrowings	(1,306,014)	-
Total	**(1,467,335)**	**(76,283)**

10. INCOME TAX

The tax rate applied for the reconciliation above for the years 2023 and 2022 is 16% in Romania.

	Temporary differences 2023	Deferred tax amount 2023	Temporary differences 2022	Deferred tax amount 2022
Property plant and equipment	(1,142,326)	(182,772)	(1,664,635)	(266,342)
Trade receivables	1,255,325	200,852	1,044,075	167,052
Deferred Tax assets / (liabilities)	**-**	**18,080**	**-**	**(99,290)**

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax expense (note 10.2)	**21,172,586**	**10,985,871**
(Expenses) / Income with deferred tax recognized in the current year (note 10.1)	(117,370)	226,917
Total	**21,055,226**	**11,212,788**

During the year the Company compensated amount from current income tax with 16,985,139 amounts from VAT liability following compensations decisions issued by State Authorities.

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10. INCOME TAX (continued)

10.1. Details regarding deferred tax

	Year ended December 31, 2023	Year ended December 31, 2022
Balance as at January 1 deferred tax liabilities	**99,290**	**(127,627)**
Expense / (Revenue) in the period:		
- generated by the property, plant, and equipment	(83,569)	(136,345)
- others	(33,800)	363,262
Total impact – Profit and Loss account	**(117,370)**	**226,917**
Total impact through comprehensive income	**-**	**-**
Balance as at December, 31 deferred tax liabilities	**(18,080)**	**99,290**

10.2. Details regarding income tax

	Year ended December 31, 2023	Year ended December 31, 2022
Profit before tax	**172,410,060**	**92,402,647**
Income tax calculated at 16%	27,585,610	14,784,424
Tax effects of non- deductible expenses	1,701,555	1,286,768
Tax Effects of income that are exempt from taxation	(2,339,525)	(1,353,244)
Tax Effects of other elements	(2,156,074)	(1,976,142)
Tax credit	(3,736,340)	(1,529,017)
Income tax in respect of the current year	**21,055,226**	**11,212,788**

A tax credit represents a bonification received from the state in accordance with Romanian law OUG 33/2020 and 153/2020.

During the year 2023 the Company compensated amount from current income tax with RON 16,985,129 (2022: RON 4.440.856) amount from VAT liability following compensations decisions issued by State Authorities.

As of December 31, 2023, the Company has income tax payable in amount of 11,697,411 RON and an amount of 7,509,954 RON as at December 31, 2022.

The temporary difference associated with investments in the Company's subsidiaries, associates, and joint venture for which a deferred tax liability has not been recognized in the periods presented aggregates to 572,295 RON (2022:0).

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11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Right of use assets	Total
COST							
Balance as at January 1, 2023	**6,122,776**	**24,307,733**	**70,232,440**	**1,212,023**	**7,019,763**	**233,029**	**109,127,764**
Increases	7,021	18,285,279	57,958,553	30,946	16,414,564	671,555	93,367,919
Of which Transfer from PP&E in progress	*7,021*	*18,141,579*	*1,946,989*	*8,954*	*(20,104,543)*	-	-
Disposals	-	(109,235)	(150,239)	(22,056)	(21,670,311)	-	(21,951,842)
Balance as at December 31, 2023	**6,129,797**	**42,483,777**	**128,040,755**	**1,220,913**	**1,764,015**	**904,584**	**180,543,841**
ACCUMULATED DEPRECIATIONS							
Balance as at January 1, 2023	**-**	**6,842,517**	**61,451,722**	**1,133,913**	**953,880**	**4,088**	**70,386,120**
Depreciation and amortization	-	1,022,224	3,008,111	21,053	-	101,852	4,153,239
Disposals	-	(32,787)	(150,239)	(22,056)	-	-	(205,082)
Impairment	-	-	-	-	-	-	-
Balance as at December 31, 2023	**-**	**7,831,954**	**64,309,594**	**1,132,910**	**953,880**	**105,940**	**74,334,277**
NET BOOK VALUE							
As at December 31, 2022	**6,122,776**	**17,465,216**	**8,780,719**	**78,110**	**6,065,883**	**228,941**	**38,741,644**
As at December 31, 2023	**6,129,797**	**34,651,823**	**63,731,161**	**88,002**	**810,135**	**798,644**	**106,209,564**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Total
COST						
Balance as of January 1, 2022	**2.914.068**	**26.088.748**	**69.909.303**	**1.192.441**	**1.641.572**	**101.746.131**
Increases	3.208.708	101.465	933.864	26.643	5.391.630	9.662.310
Of which Transfers from PP&E in progress	-	-	*13.439*	-	*(13.439)*	-
Disposals	-	(1.882.481)	(610.727)	(7.061)	-	(2.513.707)
Transfers	-	-	-	-	*(13,439)*	*(13,439)*
Balance as of December 31, 2022	**6.122.776**	**24.307.733**	**70.232.440**	**1.212.023**	**7.019.763**	**108.894.734**
ACCUMULATED DEPRECIATIONS						
Balance as of January 1, 2022	**-**	**6.145.244**	**58.885.139**	**1.123.398**	**-**	**66.153.780**
Depreciation and amortization	-	1.117.348	3.177.310	17.576	-	4.312.234
Impairment	-	-	-	-	953.880	953.880
Disposal	-	(420.075)	(610.727)	(7.061)	-	(1.037.862)
Balance as of December 31, 2022	**-**	**6.842.517**	**61.451.722**	**1.133.913**	**953.880**	**70.382.032**
NET BOOK VALUE						
As of December 31, 2021	**2.914.068**	**19.943.504**	**11.024.164**	**69.043**	**1.641.572**	**35.592.351**
As of December 31, 2022	**6.122.776**	**17.465.216**	**8.780.718**	**78.110**	**6.065.883**	**38.512.703**

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

In the case of the impairment recorded in 2022 the amount is specific to equipment and is not the result of an impairment analysis carried out at the CGU level. In 2022, an amount of 953,880 RON representing the total tangible assets in progress projects that were abandoned and will not be finalized.

There are no specific impairment indicators as of December 3, 2023, that indicate the necessity to perform an impairment general analysis.

For net book value of fixed assets pledged on December 31, 2023, please see note 20.

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

Name of investment	Type	Set-up year	Core business	Place of operations	Ownership/ voting rights percentage 31.12.2023	Ownership/ Voting rights percentage 31.12.2022	Carrying amount of the investment 31.12.2023	Carrying amount of the investment 31.12.2022
CNFR Navrom SA	subsidiary	1991	Freight transport by inland waterways	Galati, Romania	92.18398%	92.16913%	41,248,095	39,869,445
Canopus Star SRL	subsidiary	2001	Loading and unloading of merchandise, storage, and port operation	Constanta, Romania	51.00%	51.00%	45,822,648	45,755,398
DECIROM SA	subsidiary	1991	Loading and unloading of merchandise, storage, and port operation	Constanta, Romania	99,93%	-	132,815,362	-
TTS Porturi Fluviale SRL	subsidiary	1996	Loading and unloading of merchandise, and port operation	Galati, Romania	100.00%	100.00%	25,616,494	25,206,269
TTS Operator SRL	subsidiary	1994	Loading and unloading of merchandise, and port operation	Constanta, Romania	90.00%	90.00%	2,089,532	1,706,207
Port of Fajsz (EZUSTBARKA KFT)	subsidiary	2004	Water transportation related activities	Fajsz, Hungary	100.00%	100.00%	1,125,390	1,293,580
Agrimol Trade SRL	subsidiary	2010	Wood wholesale transport	Bucharest, Romania	99.98%	99.98%	5,305,870	5,305,870
Plimsoll ZRT	subsidiary	2016	Freight transport by railway and river	Budapest, Hungary	51.00%	51.00%	6,245,952	7,615,614
TTS (Transport Trade Services) Gmbh	subsidiary	2014	complementary activities related to river transport	Viena, Austria	75.00%	75.00%	116,477	116,477
Transterminal-S.R.L	associate	2006	Freight transport by railway	Chisinau, Republic of Moldova	20.00%	20.00%	147,339	147,339
Management NFR S.A.	Investment	2003	Consulting for business	Bucharest, Romania	20.00%	20.00%	-	-
GIF Leasing IFN	investment	2004	Financial leases	Bucharest, Romania	7.70%	7.70%	-	-
							260,533,158	**127,016,199**

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12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

The percentage of ownership presented in the table above for each subsidiary represent also the voting rights held by TTS SA in each company.
In July 2023, the Company finalised the acquisition of 99.9% of the share capital of Decirom SA (RON 107,840,362), and on December 15, 2023, proceeded to increase the share capital (RON 24,975,000)
The increase in CNFR Navrom SA, (RON 1,338,275), Canopus Star SRL (RON 67,250), TTS Porturi Fluviale SRL (RON 410,225) and TTS Operator SRL (RON 383,325) is related to TTS SOP plan. (see note 18)
On December 31, 2023, the Company evaluated investments in subsidiaries and associated entities at cost and recorded an impairment loss in the amount of RON 1,537,852 RON (2022, December 31: RON 1,450,386), which was recorded in the profit and loss account and corresponds to the amount by which the accounting value exceeds the recoverable amount.

The roll forward of the carrying amounts of the investment in subsidiaries and associates is presented below:

Carrying amounts Dec 31, 2022	**127,016,199**
Increase in value due to	
Acquisition and share capital increase Decirom	132,815,362
Increase in percentage held CNFR Navrom	40,374
Impairment booked for investments	(1,537,852)
Stock option plan	2,199,075
Carrying amounts Dec 31 ,2023	**260,533,158**

	Increase		Decrease	
Increases in subsidiaries	**31-Dec-23**	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Decirom SA	132,815,362	-	-	-
CNFR Navrom SA	1,378,649	71,135	-	-
Canopus Star SRL	67,250			
TTS Porturi Fluviale SRL	410,225			
TTS Operator SRL	383,325	-	-	-
Total	**135,054,811**	**71,135**	**-**	**-**

From which, increases due to Stock Option Plan:

	31-Dec-23
CNFR Navrom SA	1,338,275
Canopus Star SRL	67,250
TTS Porturi Fluviale SRL	410,225
TTS Operator SRL	383,325
Total	**2,199,075**

13. OTHER LONG-TERM ASSETS

	Year ended December 31, 2023	Year ended December 31, 2022
Commercial guarantees	170,106	131,880
Total	**170,106**	**131,880**

Included in the line of other long-term assets are mainly guarantees for port operations. These are kept at amortized cost.

14. INVENTORIES

	Year ended December 31, 2023	Year ended December 31, 2022
Consumables, at lower of cost and net realizable value	504,102	257,320
Small inventory, at lower of cost and net realizable value	31,931	44,460
Advance paid	2,163	231,248
Total	**538,196**	**533,028**

15. TRADE AND OTHER RECEIVABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Trade receivables	42,286,850	48,866,427
Advances paid to suppliers of services	21,107	21,108
Allowance for expected credit losses	(1,223,434)	(696,319)
Total	**41,084,523**	**48,191,216**
Contract assets	**488,827**	**11,082,600**

Contract assets relates to revenue earned from ongoing services. As such, the balances of this account vary and depend on the value of ongoing services at the end of the year.

15. TRADE AND OTHER RECEIVABLES (continued)

Allowance for **expected credit losses:**

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**675,212**	**1,252,464**
Write off bad debts	(907)	(101,277)
Recovered/Constituted	549,129	(475,975)
Balance at the end of the year	**1,223,434**	**675,212**

In determining the recoverability of a trade receivable, the Company considers any change in the crediting quality of the loan up to the reporting date. The concentration of the recoverability risk of the receivable is limited due to the existence of a big number of non-affiliated clients. Thus, the management considers that no supplementary expected credit losses are necessary for trade receivables to the ones already recognized in the current financial statements.
Loans granted to affiliates in amount of 1,395,705 RON (2023) and 1,381,404 RON (2022) were given to Port of Fajsz subsidiary renewable annually with and interest rate similar with bank interest for Company overdraft.

16. OTHER CURRENT ASSETS

	Year ended December 31, 2023	Year ended December 31, 2022
Taxes receivable from state budget (mainly VAT)	23,735,624	16,162,745
Prepayments	1,057,068	1,643,232
Sundry debtors	5,505,220	5,721,385
Expected credit losses for sundry debtors	(5,504,875)	(4,807,397)
Other current assets	379,449	429,439
Expected credit losses for other current assets	(379,449)	-
Total	**24,793,037**	**19,149,404**

Government grants

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**14,103,367**	**-**
Received during the year	27,447	14,358,820
Cashed in during the year	(10,316,624)	(255,453)
Balance at the end of the year	**3,814,190**	**14,103,367**

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16. OTHER CURRENT ASSETS (continued)

Government grants

	Year ended December 31, 2023	Year ended December 31, 2022
At 1 January	14,103,367	-
Booked during the year	-	14,358,820
Cashed in during the year	10.289.177	255,453
At 31 December	3,814,190	14,103,367
Total	**3,814,190**	**14,103,367**

Sundry debtors represent amounts paid for goods and services based on commercial contracts, but not honoured at the terms provided in the contract. For the above bad debt amount, the Company makes every effort to recover these amounts.
Government grants refer to non-refundable funds related to investments made mainly by TTS (Transport Trade Services) S.A. for modernization of the Port Giurgiu infrastructure. There are no unfulfilled conditions or other contingencies attached to these grants, other than the fact that the Company must not relocate the activity outside the European Union, within 10 years from the moment of receiving the final payment.

Expected credit losses details of trade receivables, contract assets and other current assets is presented below:

Total Dec, 2023	Not due	0-30 days	30-90 days	91-180 days	181-365 days	over 365 days
66,233,384	56,414,610	5,769,857	2,505,733	92,120	347,999	1,103,065
(1,223,434)	-	-	-	-	(120,369)	(1,103,065)

Total Dec, 2022	Not due	0-30 days	30-90 days	91-180 days	181-365 days	over 365 days
59,970,134	41,793,937	13,164,429	3,264,692	390,963	659,794	696,319
(696,319)	-	-	-	-	-	(696,319)

The average credit period on sales invoices is 30-45 days. No interest is charged on outstanding trade receivables.

The Company always measures the expected credit losses for trade receivables at amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognized a loss allowance of 100% for all receivables past 180 days past due because historical experience has indicated these receivables are generally not recoverable.

The Company management has analysed historical recoverability of trade receivables and contract assets and considers that it is not necessary to book any extra estimated credit losses.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g., when the debtor has been placed under liquidation.
Other current assets include mainly guarantees paid to suppliers kept at amortized cost and will be recovered at the end of the contract. Management expects to fully recover the amounts.

17. ISSUED CAPITAL

	Number of shares	Share capital
Balance on 31 December, 2021	**30,000,000**	**31,739,602**
No shares after reduction of the nominal value	-	-
Issue of shares	30,000,000	30,000,000
Balance on 31 December, 2022	**60,000,000**	**61,739,602**
No shares after reduction of the nominal value	-	-
Issue of shares	-	-
Balance on 31 December, 2023	**60,000,000**	**61,739,602**

On April 1, 2022, AGOA TTS approved the increase of the Company's share capital by the amount of 30,000,000 lei, from 30,000,000 lei to 60,000,000 lei, without subscription and contribution, by incorporating in the share capital the amount of 30,000,000 lei from the benefits recorded as a carried forward result and the counterpart issue of several 30,000,000 shares with a nominal value of 1 lei each, as well as their free distribution to all shareholders, registered in the Shareholders' Register on the date of registration of the share capital increase, with the allotment rate of 1 new share for each share held.

As of 2023, December 31 the Company's shareholding structure is as follows:

Shareholding structure	No. of shares	Share
Mihailescu Alexandru Mircea	15,184,333	25.3072%
Other shareholders – legal persons	26,200,975	43.6683%
Other shareholders – individuals' persons	18,614,692	31.0245%
Total	**60,000,000**	**100 %**

As of 2022, December 31 the Company's shareholding structure is as follows:

Shareholding structure	No. of shares	Share
Mihailescu Alexandru Mircea	15,184,333	25.3072%
Other shareholders –legal persons	25,268,292	42.1138%
Other shareholders – individuals' persons	19,547,375	32.5790%
Total	**60,000,000**	**100%**

The inflated value of the share capital (resulting from hyperinflation in the past) on 2023, December 31 and 2022, December 31 is RON 61,739,602.

18. RESERVES

	Year ended December 31, 2023	Year ended December 31, 2022
Share based payments reserves	2,972,450	-
Legal reserves	12,000,000	10,620,132
Other reserves	20,818,721	20,046,515
Revaluation reserve	-	-
Total	**35,791,171**	**30,666,647**

The main lines from reserves are related to the profits generated by the Company and from redemption of own shares that were transferred to reserves and can be used according to fiscal regulations (other reserves are available to distribution to shareholders, legal reserves are available only to cover retained losses).
Legal reserves in amount of RON 12,000,000 (December 31,2022: 10,620,132) are constituted in accordance with Law 31/1990 with subsequent modification, at the rate of 5%, until the total reserve reaches 20% of the historical paid-in share capital, according to the statutory regulations. The legal reserves are non-distributable but can be used to cover losses.
Other reserves reflect certain voluntary and legal reserves set up within subsidiary companies. The purpose of these reserves may be updated in the future based on the action of the shareholders.

Share based payments reserves

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees and executives, as part of their remuneration. A share-based payment plan was set up during Q4 2023 by which several share options of TTS (Transport Services) SA were granted to key employees of the Group. The share options vest immediately based on 2023 results being payable in 12 months' time and. The Company has recorded the reserve based on the value of the shares at the balance sheet date considering this to be close to the fair value of the option. This stock option plan ("SOP") will be covering the following 2 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. In case of exercising the Options, existing shares will be purchased from the market to be available to be awarded to the employees included in the scheme. During the year 2023, the Company and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Company have accounted for an amount of RON 2.9 million in the stock option plan reserves which represents the number of options granted at the fair value at grant date. The fair value was determined based on the market value of the shares at grant date. There were no other stock option plans in place prior to this one. The entire related payments will be supported by the mother Company without reimbursement from the subsidiaries. At the reporting date there are still left in place two more steps for the year 2024 and 2025.

18. RESERVES (continued)

By the Decision of December 21, 2023, the Board of Directors established the following parameters of the SOP Program: - Allocation in the first stage of implementation of a number of 110,500 rights regarding the acquisition with free title of shares of the Company shares of a total number of 110,500 shares („Options") representing 0.18417% of the Company's share capital to employees and members of the TTS management and its subsidiaries, who made an important contribution to the development of the TTS group, except for the founding shareholders of the Company, and the members of the Board of Directors of TTS.

- The list of eligible persons which includes 54 persons active within the TTS (21 persons), CNFR NAVROM S.A. (21 people), TTS Operator S.R.L. (6 people), TTS Porturi Fluviale S.R.L. (5 people) and CANOPUS Star S.R.L. (1 person). -
- Maximum number of options granted: 4,000 (v) Minimum number of options allotted: 500 (vi) Deadline for submission of letters of accession: January 15, 2024 (vii) Deadline for submission of membership responses: January 31, 2024 (viii) Option exercise period: February 1 - 15, 2025
- Empowering the General Manager of the Company to carry out all measures to implement the SOP Program in its first year.
- The amounts are recorded as expenses for the part related to TTS employees in correspondence with reserves (773,375 RON) while the rest of the value meaning 2,199,075 RON were recorded as increase in Investments in the companies where the respective employees are working in correspondence to reserves. This treatment is in line with IFRS 2 as TTS SA is investing in its subsidiaries by offering options in TTS to the employees of the subsidiaries.

EARNINGS PER SHARE

- **Basic Earnings per share and Diluted earnings per share are equal as there are no dilution elements to be considered for both years in line with IAS 33 requirements.**

	Year ended December 31, 2023	Year ended December 31, 2022
Profit for the year attributable to:		
Owners of the Company	151,354,834	81,189,859
No of shares	60,000,000	60,000,000
Earnings per share		
Basic, profit for the year attributable to ordinary equity holders of the parent	2,52	1.35
Diluted, profit for the year attributable to ordinary equity holders of the parent	2.52	1.35

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19. RELATED PARTY TRANSACTIONS

Balances and transactions with the related parties are the following:

	Amounts receivable from related parties		Amounts payable to related parties	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
CNFR Navrom SA	777,932	3,166	70,052,465	42,363,922
TTS Operator SRL	-	410,550	7,234,501	3,191,279
Canopus Star SRL	-	-	9,827,945	6,800,237
Decirom SA	-	-	117,831	-
TTS Porturi Fluviale SRL	379,449	379,449	377,110	362,562
Plimsoll ZRT	190,984	95,968	-	-
TTS (Transport Trade Services) gmbh	782,608	-	154,163	59,369
Port of Fajsz kft	918,576	913,449	-	-
Total	**3,049,550**	**1,802,582**	**87,764,014**	**52,777,369**

Loans granted

Port of Faisz	1,395,705	1,381,404
Total	**1,395,705**	**1,381,404**

	Sales of goods and services		Acquisitions of goods and services	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
CNFR Navrom SA	127,748	384,859	541,498,010	380,885,440
TTS Operator SRL	4,170,000	4,140,000	58,530,326	26,488,880
Canopus Star SRL	-	-	32,192,584	20,038,981
Decirom SA	-	-	2,534,698	-
TTS Porturi Fluviale SRL	-	-	3,138,098	4,163,075
Agrimol Trade SRL	68,753	-	-	-
Fluvius KFT	-	-	-	-
Plimsoll ZRT	3,467,364	2,962,256	-	-
TTS (Transport Trade Services) gmbh	2,887,202	5,303,890	237,432	180,483
Total	**10,721,067**	**12,791,005**	**638,131,147**	**431,756,859**

Compensation of key management personnel

The remuneration of directors and other members of key management during 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Management and Board of directors' benefits	3,728,576	2,785,421
SOP benefits	107,600	-
Total	**3,836,176**	**2,785,421**

The above amounts relate to short-term employees' benefits. The Company does not grant post-employment benefits, other long-term benefits, or termination benefits in the current year.

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20. INTEREST-BEARING LOANS AND BORROWINGS

	Year ended December 31, 2023	Year ended December 31, 2022
Secured borrowings		
Short-term borrowings	-	-
Current part of long-term borrowings	8,172,557	-
Long-term borrowings		
Long-term borrowings	44,949,064	-
Total short- and long-term borrowings	**53,121,621**	**-**

In 2023, July 7, The Company contracted a loan in amount of EUR 11.5 million from Citibank to finance the acquisition of 99.9% of the share capital of Decirom SA. The outstanding amount as of December 31, 2023, is EUR 10,678,571 (equivalent of RON 53,121,621).

	2023		2022	
	Borrowings	**Leases**	**Borrowings**	**Leases**
Balance on 1 January	**-**	**230,655**	**-**	**-**
Proceeds from loans and borrowings	57,193,360	-	-	-
Repayment of borrowings	(4,071,739)	-	-	-
Interest expense	1,306,014			
Interest paid	(1,306,014)			
Net variation of lease liabilities		(85,590)	-	(3,677)
Total changes from financing cash flows	**53,121,621**	**(85,590)**	**-**	**(3,677)**
Other changes				
Liability-related				
New leases	-	676,577	-	234,333
Balance on 31 December	**53,121,621**	**821,642**	**-**	**230,656**

Total net book value of the assets pledged amount **RON 8,192,318.**

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20. INTEREST BEARING LOANS AND BORROWINGS (continued)

Amounts due to credit institutions (continued)

Bank name	Loan type	Grant date	Due date	Balance as of December 31, 2022	Balance as of December 31, 2023	Short term December 31, 2023	Long term December 31, 2023	Period	Secured
Citibank Europe plc	Investment	07/07/2023	06/28/2030	-	53,121,621	8,172,557	44,949,064	84 MONTHS	yes
TOTAL				**-**	**53,121,621**	**8,172,557**	**44,949,064**		

The loan disclosed above is based on variable interest rates. The loan from Citi Bank was granted in EUR and bears an interest according to the contractual conditions.

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21. TRADE AND OTHER PAYABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Trade payables	90,404,811	62,185,189
Accrued expenses	1,219,347	1,984,494
Total	**91,624,158**	**64,169,683**
Contract liabilities	6,955,975	2,566,195

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the services to the customer).

22. PROVISIONS

	Year ended December 31, 2023	Year ended December 31, 2022
Provisions for risks and charges	1,090,116	947,980
Total	**1,090,116**	**947,980**

As of December 31, 2023, the amount of RON 1,090,116 (2022: RON 947,980) represents mainly a provision for unpaid holidays.

23. OTHER CURRENT LIABILITIES AND NON-CURRENT LIABILITIES

Other current liabilities

	Year ended December 31, 2023 *RON*	Year ended December 31, 2022 *RON*
Employees related payables	487,305	294,235
Social security payable	889,565	757,623
Tax on salaries payable	126,805	102,586
Other non-commercial liabilities	2,377	23
Sundry creditors	316	-
Total	**1,506,368**	**1,154,467**

Employees related payables are financial liabilities while social security payable and Tax on salaries are non-financial liabilities.

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23. OTHER CURRENT LIABILITIES AND NON-CURRENT LIABILITIES (continued)

Government Grants

Grants received by the Company are for fixed assets. The most significant is the one for port Giurgiu investment. The grant was recognized as result of meeting the financing criteria and as result of cashed amount from the state. The liabilities in relation to subsidies for the equipment are released to income (presented as other income in PL caption Other Gains and Losses) during the useful period of the assets acquired as the depreciation expense is recorded.

	Year ended December 31, 2023	**Year ended December 31, 2022**
At 31 December	14,386,267	14,358,820
Total	**14,386,267**	**14,358,820**
Current portion	1,082,682	-
Non-current portion	**13,303,585**	14,358,820

24. FINANCIAL INSTRUMENTS

a) Capital management

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

The Company is not subject to any externally imposed capital requirements.

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

Gearing as of December 31, 2023, was the following:

	Year ended December 31, 2023
Long term borrowings	53,121,621
Less cash and cash equivalents	88,021,479
Net debt	(34,899,858)
Total equity and reserves	369,077,802
Gearing	**-9.46%**

On December 31, 2022, The Company did not have long-term loans.

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24. FINANCIAL INSTRUMENTS (continued)

b) Foreign currency risk

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

c) Interest rate risk management

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

d) Credit risk management

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

The Company applies the simplified approach to providing the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and estimated credit loss was computed based on the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

e) Liquidity risk management

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

f) Fair value of the financial instruments

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

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

24. FINANCIAL INSTRUMENTS (continued)

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

The carrying amounts of the Company's currencies expressed in monetary assets and liabilities as at the reporting date are the following:

2023	EUR 1 EUR =4.9746RON *RON*	USD 1 USD =4.4958RON *RON*	CHF 1 CHF =5.3666RON *RON*	GBP 1 GBP =5.7225RON *RON*	RON 1 RON *RON*	31-Dec-23 Total *RON*
ASSETS						
Cash and cash equivalents	58,855,222	14,446,288	2,002	123	14,717,844	88,021,479
Trade receivables	17,592,218	10,825,479	-	-	12,178,000	40,595,697
Short term deposits	9,949,200	13,487,400	-	-	-	23,436,600
Other long-term receivables	-	-	-	-	170,106	170,106
LIABILITIES						
Trade payables	(63,163,615)	(4,493,533)	-	(1,403)	(23,965,607)	(91,624,158)
Leasing	(821,642)	-	-	-	-	(821,642)
Short- and long-term borrowings	(53,121,621)	-	-	-	-	(53,121,621)
Net balance sheet exposure	**(30,710,238)**	**34,265,634**	**2,002**	**(1,279)**	**3,100,343**	**6,656,462**

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24. FINANCIAL INSTRUMENTS (continued)

2022	EUR	USD	CHF	GBP	RON	31-Dec-22
	1 EUR =4.9474 RON	1 USD =4.6346 RON	1 CHF =5.0289 RON	1 GBP =5.5878 RON	1 RON	Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
ASSETS						
Cash and cash equivalents	11,750,770	19,730,347	3,744	121	47,140,243	78,625,225
Trade receivables	16,971,643	18,314,640	-	-	1.822.333	37,108,616
Short term deposits	-	-	-	-	-	-
Other long-term receivables	-	-	-	-	131,880	131,880
LIABILITIES						
Trade payables	(45,114,620)	(5,822,606)	-	(1,255)	(13,231,202)	(64,169,683)
Lease liabilities	(230,656)	-	-	-	-	(230,656)
Short- and long-term loans and borrowings	-	-	-	-	-	-
Net balance sheet exposure	**(16,622,863)**	**32,222,381**	**3,744**	**(1,135)**	**35,863,254**	**51,465,382**

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24. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

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

The exchange rates as of December 31, 2023, and as at December 31, 2022 are:

	December 31, 2023	December 31, 2022
EUR	4.9746	4.9474
USD	4.4958	4.6346
CHF	5.3666	5.0289
GBP	5.7225	5.5878

	Year ended December 31, 2023	Year ended December 31, 2022
Profit or loss	355,612	1,560,213

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

Currency	Year ended December 31, 2023	Year ended December 31, 2022
EUR	(3,071,024)	(1,662,286)
USD	3,426,563	3,222,238
CHF	200	374
GBP	(128)	(113)
Total	**355,612**	**1,560,213**

Tables regarding the liquidity risk and interest rate risk

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

The tables have been prepared based on the cash flows not updated of the financial liabilities as at the nearest date when the Company can be required to pay.

24. FINANCIAL INSTRUMENTS (continued)

2023	Less than 1 year	1 – 2 years	2 - 5 years	Total
Not bearing interest instruments				
Trade payables	91,624,158	-	-	91,624,158
Interest bearing instruments				
Long- and short-term loans and borrowings	8,172,557	16,345,114	28,603,950	53,121,621
Long- and short-term leaseliabilities	179,164	386,059	256,419	821,642

2022	Less than 1 year	1 – 2 years	2 - 5 years	Total
Not bearing interest instruments				
Trade payables	64,169,682	-	-	64,169,682
Interest bearing instruments				
Long- and short-term loans and borrowings	-	-	-	-
Long- and short-term lease liabilities	45,109	149,291	36,256	230,656

The above amounts are disclosed at amortized cost and are not impacted by the medium variable interest rate.

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24. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

December 31, 2023	**1% increase**	**1% decrease**
Long- and short-term loans and borrowings	(531,216)	531,216
Short-term deposits	234,360	(243,360)
Financial liabilities interest sensitivity	**(296,856)**	**296,856**

December 31, 2022	**1% increase**	**1% decrease**
Long- and short-term loans and borrowings	-	-
Financial liabilities interest sensitivity	**-**	**-**

25. CASH AND BANK ACCOUNTS

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

	Year ended December 31, 2023	**Year ended December 31, 2022**
Cash in banks	87,028,473	77,852,545
Petty cash	1,006	4,680
Cash equivalents	992,000	768,000
Total	**88,021,479**	**78,625,225**

The Company invested in current year RON 23,436,600 in deposits that have a maturity over 6 months, these have been reclassified as short-term deposits.

26. COMMITMENTS AND CONTINGENCIES

Commitments

The Company is a guarantor in the credit contracts concluded by its subsidiaries with UniCredit Bank S.A. and Citibank, respectively for the companies CNFR Navrom S.A., TTS Porturi Fluviale S.R.L., Agrimol Trade S.R.L., Navrom Shipyard S.R.L. and Plimsoll Zrt.

As of 2023, December 31 the outstanding amounts from the credit contracts are as follows:

Subsidiary	Bank name	Bank Debt
CNFR Navrom SA	CitiBank	23,878,124
CNFR Navrom SA	UniCredit Bank SA	7,212,663
TTS Porturi Fluviale SRL	CitiBank	3,646,790
Plimsoll Zrt	CitiBank	7,463,253
Navrom Shipyard SRL	UniCredit Bank SA	7,397,264
Agrimol Trade SRL	CitiBank	6,689,927
TOTAL		**56,288,021**

Contingent liabilities

Taxation

Taxation system in Romania is still developing trying to consolidate and harmonize with the European legislation. In this respect, there still are various interpretations of the tax laws. In certain cases, tax authorities may treat certain aspects differently and calculate supplementary taxes and levies and related interests and penalties.

In 2023, the interest value is 0.02% for each day of delay; the delay penalties are 0.01% for each day of delay.

In Romania, the fiscal year stays open for verifications for 5 years. The management estimates that the tax liabilities included in these financial statements are adequate.

Environmental matters

Environmental regulations are developing in Romania, and the Company has made its assessment of the current obligations resulting from past activity and considers all liabilities related to environmental matters are recorded as at December 31, 2023 or December 31, 2022 for any estimated costs, including legal and consulting fees, site surveys, the design and implementation of recovery plans as regards the environment.

As at reporting date there are no unfulfilled environmental obligations.

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of impacts on the group due to both physical and transition risks. Even though the Company believes its business model and services will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements.

26. COMMITMENTS AND CONTINGENCIES (continued)

Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant, and equipment. When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of property plant and equipment and goodwill. The value-in-use may be impacted in several diverse ways by transition risk, such as climate-related legislation.

The Company managed to become, and intend to remain, one of the lowest CO2 polluters among the participants in the transport on the Danube by continuously investing in the modernization and maintenance of the NAVROM fleet. Currently there is no immediate impact on the useful lives of property, plant and equipment or on the impairment of PPE. Group keeps track of changing requirements and updates the analysis accordingly.

TTS Group's environmental policy is built on 3 pillars:
- Monitoring energy consumption, CO2 emissions and volumes of generated and recycled waste.
- ISO 14001 external certification of environmental management systems (EMS).
- Investments in high-performance equipment in terms of environmental footprint.

The fleet pushers are equipped with state-of-the-art engines, a fact that is reflected in the very competitive levels, both in terms of the volume of CO2 emissions – decreasing by 26.2% in the period 2012-2022, and in terms of the intensity of CO2 emissions – down by 5.5% in the same period, and the energy consumption of the fleet – down by 28.7%. Since 2012, The Company has been carefully monitoring both the indicators that constitute the environmental footprint of TTS - based on the energy consumption of each business unit, as well as waste management.
ISO 14001 certified EMS systems implemented cover the activity carried out in all locations with significant impact.

Transfer prices

The tax regulations in Romania regarding transfer pricing have been established in Romania starting with the year 2000. The current legal frame defines the concept of „market price" for transactions between related parties as well as the methods to establish transfer prices. As a result, it is possible that the fiscal authorities start detailed verifications of the transfer prices, to ensure that the fiscal result and/or the customs value of the imported goods are not affected by the prices used in transactions with related parties. The Company cannot assess the result of this verification, but the management considers that the Company does not have a significant exposure from this point of view, as there are documentations for the price transfers for the previous period, that will be further updated.

27. AUDIT FEES

The auditor of the Company is Ernst and Young Assurance Services SRL.

The fee for the audit of the Company's separate financial statements as of 31 December 2023 prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the audit of the consolidated financial statements as of 31 December 2023 prepared in accordance with the International Financial Reporting Standards adopted by the European Union Transport Trade Services) SA amounted to EUR 90,000, excluding VAT and other expenses.

The fee for other assurance services performed in 2023 was in the amount of EUR 6,500, excluding VAT.

28. SUBSEQUENT EVENTS

The Board of Directors proposed for approval in the next shareholders meeting dividends in amount of RON 68,400,000.

These separate financial statements have been approved by the Board of Directors, and authorized to be issued on March 29, 2024, by:

ȘTEFĂNUȚ PETRU
CEO

NICOLETA FLORESCU,
CFO

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TTS 2023 (i)

The report of the Board of Directors on the individual financial statements of TTS (TRANSPORT TRADE SERVICES) S.A. related to the year 2023

The annual report according to Annex 15, ASF Regulation no. 5/2018

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

For the financial year
2023

Report date
29.03.2024

Name of the company:
TTS (Transport Trade Services) S.A.

Registered office:
Str. Vaselor, Nr. 27, Sector 2, București, România

Unique registration code
RO9089452

Registration number in the Trade Register
J40/296/1997

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

SYMBOL	TTS
ISIN:	ROYCRRK66RD8
LEI code	5493008M458S2MG7GP03

Subscribed and paid-up share capital
RON 60.000.000

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

1.1. Organizational form

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

The company was admitted to trading on the regulated market administered by the Bucharest Stock Exchange in June 2021 – the first day of trading was June 14, 2021.

On 31.12.2023, the subscribed and paid-up capital was RON 60,000,000, divided into 60,000,000 registered, ordinary, indivisible, freely transferable shares, issued in dematerialized form and recorded in the account with a nominal value of RON 1. The shares are of equal value and give owners equal rights under the law.

1.2. The main object of activity

NACE code 5229 – Other activities related to transport

1.3. The organization and activity of the Company

The main activity of the Company is represented by the shipment of dry bulk goods on the Danube, namely agricultural products, mineral raw materials and raw materials and chemical products.

TTS offers integrated logistics services consisting of river transport services, port operation services and any other services specific to logistics chain management.

Transport and port operation services are subcontracted by TTS to its subsidiaries or to third parties.

Considering the specificity of the three types of goods operated, the Company is operationally organized in three departments:

1. Minerals – logistics operations for raw materials and finished products of metallurgical industries as well as for equipments.

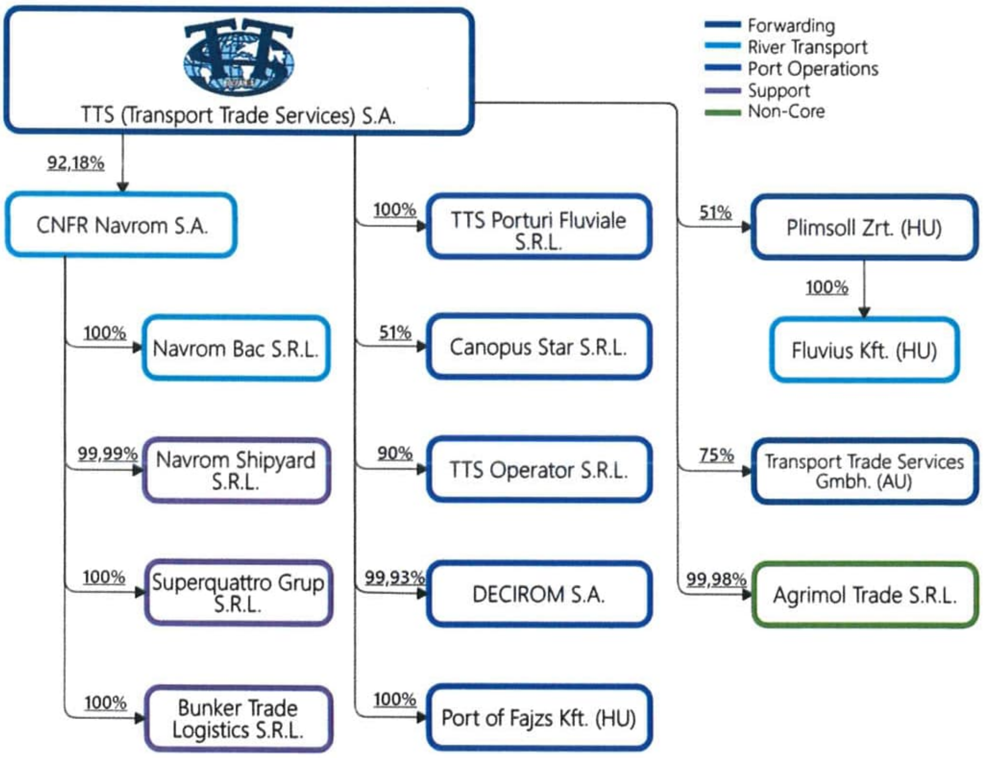
2. Agri – logistics operations for agricultural goods, mainly cereals and oilseeds.

3. Chemicals – logistics operations for fertilizers and raw materials for fertilizer production.

1.4. TTS subsidiaries and holdings in other companies

The company holds majority stakes in a number of 9 companies:

Name	Main activity	Headquarters	31.12.2023	01.01.2023
CNFR Navrom S.A.	Freight transport on inland waterways	Galati	92.18%	92.17%
Canopus Star S.R.L.	Loading, unloading of goods, storage, port operation	Constanta	51.00%	51.00%
DECIROM S.A.	Loading, unloading of goods, port operation	Constanta	99.93%	0%
TTS Porturi Fluviale S.R.L.	Loading, unloading of goods, port operation	Galati	100%	100%
TTS Operator S.R.L.	Loading, unloading of goods, port operation	Constanta	90.00%	90.00%
Port of Fajsz Kft.	Services auxiliary to water transport	Fajsz (Hungary)	100%	100%
Agrimol Trade SRL	Wholesale of wood material	Bucharest	99.98%	99.98%
Plimsoll Zrt.	Shipment of goods in rail and river transport	Budapest	51.00%	51.00%
TTS (Transport Trade Services) Gmbh	Activities associated with river transport	Vienna	75.00%	75.00%



The companies in which TTS indirectly holds a majority interest are as follows:

Name	Main activity	Headquarters	31.12.2023	01.01.2023
	Through CNFR Navrom S.A			
Navrom Bac S.R.L.	River transport of persons	Galați	99,53%	99,53%
Navrom Shipyard S.R.L.	Repair and maintenance of ships and boats	Galați	99,99%	99,99%
Superquatro Group S.R.L.	Hydrotechnical works	Galați	100%	100%
Bunker Trade Logistics S.R.L.	Complementary transport services	Constanța	100%	100%
	Through Plimsoll zrt			
Fluvius Kft	River freight transport	Budapesta	100%	100%

Other holdings held by TTS:

Name	Main activity	Headquarters	Ownership percentage	
			31.12.2023	01.01.2023
Navrom Port Service S.R.L. (through CNFR NAVROM S.A.)	River freight transport	Galați	49,98%	49,98%
Transterminal-S.R.L.	Freight forwarding by rail	Chișinău	20,00%	20,00%

Companies under liquidation

Name	Main activity	Headquarters	Ownership percentage	
			31.12.2023	01.01.2023
Management NFR S.A.	Business consulting	București	20,00%	20,00%
GIF Leasing IFN	Financial leasing activity	București	7,70%	7,70%

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2. 2023 in short

Results

- The financial results in the year 2023 were increasing across the board in relation to the results recorded in 2022 and were mainly generated by the increase in the volume of agricultural goods shipped, and the increase in the volume of freight operated in ports shipped by TTS.

- TTS registered a turnover of RON 904,5 million (▲+37,9% Δ 2023/2022), a net profit of RON 151,4 million (▲+86,4% Δ 2023/ 2022) and EBITDA of RON 161,8 million (▲+76,5% Δ 2023/2022).

TTS – Profit and Loss – 12M 2023

(ron mln.)	12 months 2023	12 months 2022	Δ 2023/2022
Net turnover	904,5	656,0	▲ +37,9%
Operating result	157,6	87,3	▲ +80,5%
Net profit	151,4	81,2	▲ +86,4%
EBITDA	161,8	91,7	▲ +76,5%

- Under these conditions, the net assets of TTS reached RON 369,1 million (▲+49,0% Δ 2023/2022), for a total asset value of RON 550,5 million (▲+62,4% Δ 2023 /2022) and a debt level of RON 181,5 million (▲+98,8% Δ 2023/2022).

TTS – Balance sheet – 2023, December 31st

(ron mln.)	31.12.2023	31.12.2022	Δ 2023/2022
Total assets	550,5	339,1	▲ +62,4%
Total debt, out of which	181,5	91,3	▲ +98,8%
Loans	53,9	-	N/A
Net assets	369,1	247,8	▲ +49,0%

- The amount of debt on 31.12.2023 includes trade debts worth RON 91,6 million (+42,8% Δ 2023/2022, in line with the evolution of the turnover) and the balance of RON 53,9 million of the credit contracted to finance the acquisition of DECIROM S.A. The difference consists mainly of governmental subsidies (related to the Giurgiu port modernization project) and revenues recorded in advance.

Operations

- From an operational point of view, in 2023 the volume of shipping services for cargo operated in ports has significantly exceeded shipping services for cargo transported by river.
- The aggregate volume of cargo shipped by TTS registered an increase of 2,88 million tons compared to 2022, reaching at the end of the year 12,82 million tons (▲+29,1% Δ 2023/2022),

because of the increase by 2,86 million tons (▲+66,5% Δ 2023/2022) of the volume of goods operated in ports shipped by TTS.

Operations – 12 months 2023

(mil. tons)	12 months 2023	12 months 2022	Δ 2023/2022
River transport	5,64	5,62	▲ 0,3%
Port operations	7,18	4,32	▲ 66,5%
Total	12,82	9,94	▲ 29,1%

- This evolution was in line with the evolution of freight flows transported and operated by TTS Group.

The evolution of freight volumes

- The volume of agricultural products shipped in 2023 registered an increase of 3,46 million tons compared to 2022, reaching a volume of 8,44 million tons (▲+89,7% Δ 2023/2022), mainly due to increases in freight shipped and operated in ports which reached 4,34 million tons (▲+144,3% Δ 2023/2022), but also – to a lesser extent, due to freight transported by river which reached 2,98 million tons (▲+43,1% Δ 2023/2022).

Agricultural products shipped – 12 months_2023

(mil. tons)	12 months_2023	12 months_2022	Δ 2023/2022
River transport	2,98	2,08	▲ +43,1%
Port operations	4,34	1,78	▲ +144,3%
Total	7,32	3,86	▲ +89,7%

- The volumes of minerals and chemical products shipped by TTS in 2023 had a different evolution.
- The volume of mineral products shipped in 2023 registered a decrease of 0,48 million tons compared to 2022, down to 4,08 million tons (▼-10,4% Δ 2023/2022), the increase of 0,31 million tons (▲+18,0% Δ 2023/2022) of the volumes operated in ports compensating only in part the reduction by 0,77 million tons (▼-26,1% Δ 2023/2022) of the volumes transported on the river.

Minerals shipped – 12 months_2023

(mil. tons)	12 months_2023	12 months_2022	Δ 2023/2022
River transport	2,17	2,94	▼ -26,1%
Port operations	1,91	1,62	▲ +18,0%
Total	4,08	4,56	▼ -10,4%

- The volume of chemical products shipped decreased in 2023 by 0,10 million tons compared to 2022, the volume recorded at the end of the year being 1,42 million tons (▼-6,6% Δ 2023/2022), the reduction by 0,11 million tons (▼-18,9% Δ 2023/2022) of the volumes transported on the river being not compensated by the increase of 0,01 million tons (▲+1,5% Δ 2023/2022) of volumes operated in ports.

Chemical products shipped – 12 months_2023

(mil. tons)	12 months_2023	12 months_2022	Δ 2023/2022
River transport	0,49	0,60	▼ -18,9%
Port operations	0,93	0,92	▲ +1,5%
Total	1,42	1,52	▼ -6,6%

Investments

- TTS has reinvested the entire profit made in 2023, the volume of investments reaching a historical record value, namely RON 205,0 million (realized rate 89,8%), Of the total amount invested, RON 204,4 million (99,8% of the total) was invested in developing the port operations of TTS Group.

Aggregate investments – 12 months_2023

(ron mil.)	Realized	Budgeted	Degree of achievement
Investments Port Operations	204,4	202,8	▲ 100,8%
Other investments	0,6	23,7	▼ 2,0%
Total	205,0	226,5	▼ 89,8%

3. Prospects on TTS activity in 2024

Volumes shipped by TTS

Regarding the Ukrainian agricultural products contracted by TTS, due to our business model, which is not based on the spot market, but on longer-term/high-volume contracts, we estimate that the volumes will be close to those of 2023 - subject to the high degree of uncertainty regarding the effects of the war in Ukraine on Ukrainian exports of agricultural products.

Regarding the agricultural products coming from the Danube basin, we estimate that the volumes will not register significant differences compared to the volumes recorded in 2023.

In terms of mineral products, existing contracts cover slightly higher volumes than in 2023.

TTS continues to carry out the traditional contracts for port operation and transport of raw materials for fertilizers and finished products, and additionally, development and diversification projects are being analyzed and carried out, for the exploitation of Decirom's operation and storage capacities.

In parallel, our efforts will be directed towards lower volume cargo flows on various relationships, which will ensure an increase in fleet efficiency through full/full navigation, made possible by the use of DECIROM's logistics capabilities.

Agricultural products

The resumption of Ukrainian exports of agricultural products through the Ukrainian ports on the Black Sea will cause a general decrease in volumes exported through the port of Constanța, putting strong pressure on tariffs, especially on the spot market, both for transport and port operation services. It should be noted, however, that this evolution does not currently have a permanent character, being affected by the high level of uncertainty caused by the possible developments of the war in Ukraine.

Grain exports from the Danube basin follow the usual yearly trends, with a period of blockage at the beginning of the year, which, in our estimation, will unlock because of the pressure of the new harvest - relatively good according to market forecasts, on the storage capacities used still for the past harvest.

Minerals

In the assessment of TTS, the demand for river transport services and port operation for mineral raw materials for the iron and steel plants in the Danube basin could register an increase in 2024, but it is difficult to estimate to what extent as it is uncertain whether the two plants that they intend to restart production will have continuous activity.

Chemical products

Market signals (reflected also in existing contracts) indicate a relative stability of chemical product flows.

Risk factors

High prices of fuel, raw materials, and energy, caused by (still) high and (possibly) rising inflation rates, will continue to have a negative influence on operating costs, as well as on the costs of repairs, maintenance, modernization and development of the asset base.

Although the forecasts do not indicate negative developments in 2024, the activity, both in terms of the volume of cargo transported and operated in the ports, as well as in terms of economic efficiency, may be negatively affected by weather conditions, especially with influence on the water level of the Danube, by the drought that may affect agricultural crops.

TTS Group's activity may also be affected by the regional and global geopolitical situation characterized by a high degree of instability, which may influence the performance of regional economies and the level of demand for services for cargo flows in the markets in which TTS Group is active. TTS, is constantly analyzing all the developments in the relevant markets along the Danube basin in order to find the best solutions to mitigate or counteract the negative impact on the TTS Group's activity.

4. Financials

4.1. Income Statement

In 2023, compared to 2022, the value of the operating result increased by RON 70,3 million (▲+80,5% Δ 2023/2022) as a result of the increase in revenues by RON 248,5 million (▲+37,9% Δ 2023/2022).

The gross profit registered an increase of RON 80,0 million (▲+86,6% Δ 2023/2022), and the profit attributable to the TTS' shareholders is RON 151,4 million, 86,4% higher than in 2022.

Expenses with subcontractors increased by RON 173,2 million (+31,4% Δ 2023/2022), a result of the increase in the activity level of TTS.

	December 31, 2023	December 31, 2022
Revenue	904.501.085	656.041.221
Other operating income	20.639.780	13.534.128
Raw materials and consumables	(517.490)	(538.532)
Cost of merchandise sold	-	-
Subcontractor's expenses	(724.423.030)	(551.200.674)
Payroll expenses	(13.266.143)	(10.224.199)
Administrative expenses	(6.367.832)	(6.881.290)
Depreciation and amortization	(4.206.503)	(4.374.687)
Other gains	2.700	3.566.127
Other losses	(18.738.586)	(12.596.968)
Operating profit	**157.623.982**	**87.325.126**
Dividends income	14.411.098	5.365.006
Impairment of investments in subsidiaries and other expenses	(1.713.350)	(1.284.949)
Finance income	3.555.665	1.073.747
Finance costs	(1.467.335)	(76.283)
Profit before tax	**172.410.060**	**92.402.647**
Income tax expense	(21.055.226)	(11.212.788)
Profit for the year attributable	**151.354.834**	**81.189.859**
Total comprehensive income for the year, net of tax	**151.354.834**	**81.189.859**
No of shares	60.000.000	60.000.000
Earnings per share basic and diluted	2,52	1,35

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4.2. Statement of financial position

	December 31, 2023	December 31, 2022
ASSETS		
Non-current assets		
Property, plant, and equipment	105.410.919	38.512.703
Intangible assets	39.753	93.017
Rights of use assets	798.645	228.941
Investments in subsidiaries and associates	260.533.158	127.016.199
Deferred tax assets	18.080	-
Other long-term assets	170.106	131.880
Total non-current assets	**366.970.661**	**165.982.740**
Current assets		
Inventories	538.196	533.028
Trade and other receivables	41.084.523	48.191.216
Contract assets	488.827	11.082.600
Loans granted to affiliates	1.395.705	1.381.404
Government grants	3.814.190	14.103.367
Other current assets	24.793.037	19.149.404
Short term deposits	23.436.600	-
Cash and cash equivalents	88.021.479	78.625.225
Total current assets	**183.572.557**	**173.066.244**
Total assets	**550.543.218**	**339.048.984**
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	61.739.602	61.739.602
Reserves	35.791.171	30.666.647
Retained earnings	271.547.029	155.344.268
Total Equity	**369.077.802**	**247.750.517**
Non-current liabilities		
Interest-bearing loans and borrowings	44.949.064	-
Government Grants	13.303.585	14.358.820
Long term lease liabilities	643.219	185.546
Other long-term liabilities	261.857	261.422
Deferred tax liabilities	-	99.290
Total non-current liabilities	**59.157.725**	**14.905.078**

	December 31, 2023	December 31, 2022
Current liabilities		
Trade and other payables	91.624.158	64.169.683
Contract liabilities	6.955.975	2.566.195
Government grants	1.082.682	-
Lease liabilities	178.423	45.110
Interest bearing loans and borrowings	8.172.557	-
Provisions for risks and charges	1.090.116	947.980
Income tax liability	11.697.411	7.509.954
Other current liabilities	1.506.369	1.154.467
Total current liabilities	**122.307.691**	**76.393.389**
Total liabilities	**181.465.416**	**91.298.467**
Total equity and liabilities	**550.543.218**	**339.048.984**

Fixed assets

In 2023, the value of fixed assets increased from RON 166,0 million to RON 367,0 million (▲+121,1% Δ 2023/2022), mainly due to the increase in tangible assets from RON 38,5 million to RON 105,4 million (▲+173,7% Δ 2023/2022) and the increase in financial assets from RON 127,0 million to RON 260,5 million (▲+105,1% Δ 2023/2022).

The main sources of growth were:

- taking over the DECIROM terminal,
- purchase of 2 floating cranes
- modernization of the port terminal in Giurgiu

Current assets

The value of current assets increased by RON 10,5 million (+6,1 % Δ 2023/2022), At the same time, highly liquid assets - cash, cash equivalents and short-term deposits, increased by RON 32,8 million (+41,8% Δ 2023/2022) due to the increase in the degree of collection of receivables that decreased by 17,7 million (-29,9% Δ 2023/2022).

Long-term debt

Long-term liabilities increased by RON 44,3 million (+296,9% Δ 2023/2022), mainly due to the bank financing of the DECIROM acquisition by TTS (Transport Trade Services). On December 31, 2023, all loans were drawn in full.

Current liabilities

The RON 45,9 million increase in current liabilities (+60,1% Δ 2023/2022) is the direct result of the increase in the volume of economic activity.

4.3. Statement of cash flows

	December 31, 2023	December 31, 2022
Cash flows		
Profit before taxation	**172.410.060**	**92.402.647**
Adjustments for non-cash items:		
Amortization of intangible assets	53.264	62.452
Depreciation of property, plant, and equipment	4.153.239	4.312.234
Impairment of property, plant, and equipment	-	953.880
Impairment of investments in subsidiaries	1.537.852	1.450.385
Expected credit losses for trade/ sundry receivables	2.151.958	(417.060)
Expenses/(Income) related to provisions for risks and charges	142.136	319.339
Net loss on the disposal of property, plant, and equipment	159.860	1.370.564
Adjustments for FX losses/(gains)	1.173.866	88.287
Share based payment	773.375	-
Dividend income	(14.411.098)	(5.365.006)
Interest expenses	1.306.014	-
interest income	(3.555.665)	(1.073.747)
Operating profit before working capital changes	**165.894.861**	**94.103.975**
Changes in operating assets and liabilities:		
Decrease/ (Increase) in receivables	19.837.323	(33.746.746)
Decrease /(Increase) in prepaid expenses	586.164	(1.044.262)
(Increase) / Decrease in inventories	(5.167)	72.859
Increase in liabilities	750.322	18.175.399
Increase / (Decrease) in contract liabilities	4.389.780	(199.507)
Cash generated from operations	**191.453.283**	**77.361.718**
Interests paid	(1.306.014)	-
Interest received	3.555.665	1.073.747
Income tax paid	-	-
Net cash flow generated from operations	**193.702.934**	**78.435.465**
Investing activities:		
Purchases of property, plant, and equipment	(72.820.996)	(9.652.960)
Purchases of intangible assets	-	(34.836)
Acquisition of shares in subsidiary	(132.893.963)	282.802
Government grants cashed in	10.289.177	255.453
Proceeds from sale of property, plant, and equipment	22.984	91.842
Dividends received	14.411.098	5.365.006
Placement of short-term deposits	(23.436.600)	-
Cash flow used in investing activities	**(204.428.300)**	**(3.692.693)**
Financing activities:		
Proceeds from borrowings	57.193.359	-
Repayment of borrowings	(4.071.739)	-
Dividends paid	(33.000.000)	(17.850.000)
Cash flow generated by/ (used in) financing activities	**20.121.620**	**(17.850.000)**
Net increase in cash and cash equivalents	9.396.254	56.892.770
Cash and cash equivalents at the beginning of the year	**78.625.225**	**21.732.455**
Cash and cash equivalents at the end of the year	**88.021.479**	**78.625.225**

The evolution of cash flows was dominated in 2023 by the (unprecedented in the Company's history) increase of cash used in investment activities which reached **RON 204,4 million (compared** to RON 3,7 milion in 2022), and which was financed in proportion of 94,7% through internal resources, namely out of the net cash from operations which amounted to RON 193,7 million (▲+147,0% Δ 2023/2022)

4.4. Statement of changes in equity

	Share capital	Share based payments reserve	Share premium	Legal reserves	Other reserves	Retained earnings	Total
Balance as of January 1, 2023	**61,739,602**	**-**	**-**	**10,620,132**	**20,046,515**	**155,344,268**	**247,750,517**
Profit for the year	-	-	-	-	-	151,354,834	151,354,834
Total comprehensive income	-	-	-	-	-	*151,354,834*	*151,354,834*
Set-up of legal reserve	-	-	-	1,379,868	-	(1,379,868)	-
Set-up of other reserves	-	-	-	-	772,206	(772,206)	-
Dividends distributed	-	-	-	-	-	(33,000,000)	(33,000,000)
Stock option plan	-	2,972,450	-	-	-	-	2,972,450
Balance as of December 31, 2023	**61,739,602**	**2,972,450**	**-**	**12,000,000**	**20,818,721**	**271,547,029**	**369,077,802**

The Company's equity increased from RON 247,8 million to RON 369,1 million (▲+147,0% Δ 2023/2022).

On December 31, 2023, the share capital was RON 60.000.000 divided into 60.000.000 shares with a nominal value of RON 1. All issued shares are fully paid.

The inflated value of the share capital according to IAS 29 because of the restatement of the financial statements according to OMFP 2844/2016 amounts to RON 61.739.602.

During June 2023, dividends were distributed in the amount of RON 33.000.000, respectively RON 0,55 per share. The last three dividend distributions were as follows:

- RON 15.300.000 (RON 0,51/share) for FY 2019.
- RON 16.200.000 (RON 0,54/share) for FY 2020
- RON 17.850.000 (RON 0,2975/share) for FY 2021.
- RON 33.000.000 (RON 0,55/share) for FY 2022.

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4.5. The main efficiency indicators of TTS in 2023

		Year ended 31.dec 2023	Year ended 31.dec 2022
1.	**Liquidity ratios**		
	a) Current liquidity ratio	1,5	2,3
	Current assets	183.572.557	173.066.244
	Current liabilities	122.307.691	76.393.389
2.	**Risk ratios**		
	a) Debt ratio indicator	14,62%	-
	Borrowed capital	53.943.263	-
	Own capital	369.077.802	247.750.517
	b) Interest coverage indicator	133,1	-
	Profit before interest and income tax	173.716.075	92.402.647
	Interest expense	1.306.015	-
3.	**Activity ratios**		
	a) Turnover of payables - customers (days)	17,7	24,3
	Average customer balance	43.786.268	43.599.723
	Turnover	904.501.085	656.041.221
	b) Turnover of receivables - supplier (days)	43,9	32,5
	Average supplier balance	89.729.902	50.813.773
	Purchases of goods and services	746.215.310	570.099.580
	c) Turnover of fixed assets	2,5	4,0
	Turnover	904.501.085	656.041.221
	Fixed assets	366.970.661	165.982.740
	d) Turnover of total assets	1,6	1,9
	Turnover	904.501.085	656.041.221
	Total assets	550.543.218	339.048.984
4.	**Profitability ratios**		
	a) Return on equity	47,1%	37,3%
	Profit before payment of interest and corporate tax	173,716,075	92.402.647
	Equity	369.077.802	247.750.517

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5. Operations

The physical indicators achieved by TTS in 2023 are as follows:

Aggregate freight volumes – 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	7,32	3,86	↑ 89,69%
Minerals	4,08	4,55	↓ -10,43%
Chemical products	1,42	1,52	↓ -6,57%
Total	12,82	9,93	↑ 29,05%

Freight shipped by TTS, transported by river – 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	2,98	2,08	↑ 43,08%
Minerals	2,17	2,94	↓ -26,10%
Chemical products	0,49	0,60	↓ -18,91%
Total	5,64	5,62	↑ 0,30%

Goods shipped by TTS, operated in ports – 12 months 2023

(mln. tons)	12 months 2023	12 months 2022	Δ 2023/2022
Agricultural products	4,34	1,78	↑ 144,29%
Minerals	1,91	1,62	↑ 18,00%
Chemical products	0,93	0,92	↑ 1,52%
Total	7,18	4,31	↑ 66,52%

Structure of river transport contracts – 12 months 2023

(cargo volume - million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Contracts concluded with third parties	0,15	0,38	↓ -61,94%
Intra-group contracts	5,49	5,24	↑ 4,81%

Structure of port operations contracts – 12 months 2023

(cargo volume - million tons)	12 months 2023	12 months 2022	Δ 2023/2022
Contracts concluded with third parties	2,09	1,46	↑ 43,04%
Intra-group contracts	5,10	2,85	↑ 78,52%

6. Investments

Aggregate investments – 12 months_2023

(RON mil.)	Realized	Budgeted	Degree of achievement
Direct investment in assets	72,1	93,0	▼ 77,6%
DECIROM takeover	132,8	133,5	▼ 99,5%
Total	205,0	226,5	▼ 90,5%

Direct investment in assets – 12 months_2023

(RON mil,)	Realized	Budgeted	Degree of achievement
Purchase of floating cranes	57,1	54,8	▲ 104,2%
Giurgiu port - modernization co-financed by the EU	13,0	14,6	▼ 89,5%
Giurgiu port – outside the EU financed project	0,9	0	N/A
New equipment	1,0	2,5	▼ 40,2%
Other	0,1	21,2	▼ 0,5%
Total	72,1	93,0	▼ 77,6%

DECIROM takeover – 12 months_2023

(RON mil,)	Realized	Budgetec	Degree of achievement
Acquisition of 99,9% of Decirom's share capital	107,8	108,6	▼ 99,3%
Share capital increase after acquisition	25,0	24,9	▲ 100,3%
Total	132,8	133,5	▼ 99,5%

7. Human resources

The average number of employees and other assimilated persons in the financial year 2023 was 47 persons (46 as of December 31, 2022), and the effective number on December 31, 2023 was 49 persons (47 as at December 31, 2022).

Out of the total number of staff as of December 31, 2023, 27 people are male and 18 females, 39 have higher education, the remaining 10 have secondary education.

Between January and December 2023, 2 employees terminated their employment relations with the company and 4 people were employed.

The Company's personnel policy regarding the professional training of the staff was well supported in terms of internal training, and the trainings were carried out in accordance with the approved plan for 2023.

In 2023, 21 employees attended several training and certification courses, with a total cost of 59.503 lei supported by TTS.

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

No credits were granted to directors and administrators. The company concluded a professional liability insurance contract for its directors and administrators on 31.12.2023.

The company has signed a private health insurance contract for its employees within the limit provided by the fiscal code.

In 2023, personnel expenses were as follows:

	December 31, 2023	December 31, 2022
Salaries and allowances expenses	8,001,882	6,871,167
Insurance contribution for work	264,793	217,553
Other expenses regarding insurance and social protection	211,697	125,318
Meal tickets	285,820	224,740
Stock option plan benefits	665,775	-
	9,429,967	**7,438,778**
Board Members executive and non-executive	3,728,576	2,785,421
Stock option plan benefits	107,600	-
Total	**13,266,143**	**10,224,199**

8. Risk management system and internal control

Risk management and internal control were carried out in 2022 directly by the specialized department within the Company and by the BoD.

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

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

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

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

Currency risk

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

Managing interest rate risk

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

Credit risk management

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

Liquidity risk management

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

Fair value of financial instruments

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

- the fair value of financial assets and liabilities with standard terms and conditions and traded on liquid asset markets is determined by reference to quoted market prices;

- the fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted price models, based on the analysis of expected cash flows, using prices from observable current market transactions;
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, using the yield curve applicable to the duration of non-option derivatives and option valuation models for option-based derivatives.

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

9. Proposal of the Board of Directors on the distribution of the net profit achieved in 2022

The net distributable profit for 2023 is in the amount of RON 151,354,834, of which RON 14,441,098 represents profit from the dividends received in 2023 from the subsidiaries from their profit, which was achieved in 2022.

Therefore, CNFR NAVROM S.A. Galati paid a dividend in amount of RON 8,065,584, Canopus Star S.R.L. Constanta paid a dividend in amount of RON 5,100,000, PLIMSOLL ZRT paid a dividend in the amount of RON 451,360.3, and Transterminal-S.R.L. Chisinau paid two dividends of RON 794,152.50.

The proposal of the Board of Directors of TTS (Transport Trade Services) S.A. submitted for approval to the Ordinary General Meeting of Shareholders, regarding the distribution of the net profit achieved in 2023 is as follows:

RON 20.818.721 – recorded as "Other reserves" (recognition of SOP costs).
RON 1.379.868 – legal reserves.
RON 772.206 - the reserve related to the reinvested profit.
RON 68.400.000 – distributed as dividends.

The balance of RON 59.984.039 will be reorded as undistributed profits.

10. TTS' corporate governance system

10.1. Internal regulatory framework of the Company

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

- Regulation of the Management Board.
  Was approved by Decision of the BoD no. 1/03.08.2021 and ammended by Decision no. 2/27.01.2023.
  The constitutive provisions and operating rules of the advisory committees are included in the BoD Regulation, it is no longer necessary to adopt separate regulations for each committee.

- GSM Regulation
  It was approved by Decision of the BoD no. 1/30.09.2021
  The regulation mainly contains provisions on how shareholders can exercise their legal rights as well as organizational provisions regarding the conduct of the GSM.
  The GSM rules are published on TTS' website.

- Internal audit regulations
  Was approved by Decision of the BoD no. 4/14.03.2022

- Remuneration policy
  Was approved by OGSM Decision no. 1/26.08.2021
  The remuneration policy is published on TTS' website.

- Dividend policy
  Was approved by BoD decision no. 1/30.09.2021
  The dividend policy is published on TTS' website.

- Forecast policy
  Was approved by BoD decision no. 1/29.10.2021
  The forecast policy is published on the TTS website.

- Inside information policy
  Was approved by BoD decision no. 1/12.11.2021

10.2. Company administration and management

In 2023, TTS was managed by a Board consisting of five members, of which one member is executive and three members are independent. The composition of the Board was approved by OGSM Decision no. 1/26/08/2021.

The Board is headed by the President appointed by the BoD Decision no. 1/30/08/2021.

The Board of Directors was assisted by two advisory committees: the Remuneration and Nomination Committee consisting of three non-executive members including two independent members and the Audit Committee consisting of three non-executive members including two independent members led by an independent non-executive member.

The constitution, organization and functioning of the Committees is regulated by "CHAPTER VI. ADVISORY COMMITTEES. CONSTITUTION, ORGANIZATION AND FUNCTIONING OF ADVISORY COMMITTEES" from the CA Regulation.

The composition of the Board of Directors in 2023 was as follows:

Name and Surname	BoD status	Period in office
Alexandru-Mircea MIHĂILESCU	Non-executive member (Board Chairman from 30.08.2021, Chairman of the Remuneration and Nomination Committee, member of the Audit Committee, both from 09.30.2021)	1 Jan 2023 – 31 Dec 2023
Ion STANCIU	Executive member	1 Jan 2023 – 31 Dec 2023
Elena BUTNARIU	Independent member (Chairman of the Audit Committee and member of the Remuneration and Nomination Committee)	1 Jan 2023 – 31 Dec 2023
Ana-Barbara BOBIRCĂ	Independent member (member of the Audit Committee)	1 Jan 2023 – 31 Dec 2023
Dorin-Alexandru BADEA	Independent member (member of the Remuneration and Nomination Committee)	1 Jan 2023 – 31 Dec 2023

The Board of Directors was assisted in its activity by a Secretary of the Board of Directors.

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

The executive management is ensured by the General Director of the Company, the Deputy General Director and the Financial Director.

The management of TTS is delegated by the Board of Directors through the provisions of the Company's Articles of incorporation.

The composition of the executive management of TTS during 2023 was as follows:

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Name and Surname	Status in the executive management	Dates regarding the mandate contracts
Petru ȘTEFĂNUȚ	General Director	Concluded on 26.05.2014, extended successively in 2016, 2018 and 2022, expires on 31.05.2026
Ion STANCIU	Deputy General Director, Operational Director (from 15.06.2021)	Concluded on 26.05.2014, successively extended in 2016 and 2020, expires on 03.06.2024
Nicoleta FLORESCU	Financial Director	Concluded on 10.03.2021, expires on 10.03.2025

10.3. Holdings of TTS shares of the Company's board and management on 31.12.2023

Name and Surname	Position	No. of shares	Participation in the capital
Alexandru-Mircea MIHĂILESCU	BoD President	15,184,333	25.307%
Ion STANCIU	Executive BoD member / Deputy General Director	4,287,400	7.146%
Petru ȘTEFĂNUȚ	General Director	939,500	1.566%
Dorin-Alexandru BADEA	Independent board member	31,000	0.052%
Nicoleta FLORESCU	Financial Director	2,010	0.003%
Elena BUTNARIU	Independent board member	0	0%
Ana-Barbara BOBIRCĂ	Independent board member	0	0%

10.4. Transactions with TTS shares of the Company's board and management in 2023

In 2023, the following transactions for the purchase of TTS shares by members of the TTS board and management were recorded:

Name	Position	Transaction date	Quantity	Average price [RON/share]
Petru Ștefănuț	General Manager	28.07.2023	14,400	17.25

11. The non-financial statement regarding the year 2023

TTS prepares and publishes an annual sustainability report that covers the environmental, social and governance aspects of TTS group's activity with the application of GRI (Global Reporting Initiative) reporting standards. According to the Company's 2024 Financial Calendar, the Sustainability Report on the activity of TTS group in 2023 will be published on July 01, 2024.

All the information required for the non-financial statement, as provided for in point 44 of the Accounting Regulations in accordance with the International Financial Reporting Standards of 12.12.2016 approved by Order no. 2844/2016, as well as those provided for in point 48^2 of the same normative act, will be included in the Sustainability Report on the activity of TTS group in 2023.

* * *

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

- approval of the separate financial statements (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, explanatory notes) drawn up at 31 December 2023,

- approval of the profit distribution and discharge of the administrators for the financial year 2023.

President of the Board of Directors

Alexandru – Mircea MIHĂILESCU

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TTS (Transport Trade Services) S.A.

TTS –2023

REMUNERATION REPORT
January 1 – December 31 2023

TTS (Transport Trade Services) S.A.

BVB: TTS

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1. Introduction

The Board of Directors of the Company has drawn up, in accordance with the Remuneration Policy of the Company's managers approved by OGSM decision no. 1 from 08/26/2021, this Annual Report ("Remuneration Report"), which includes the remuneration and other advantages granted to the Company's managers during of the financial year ending on December 31, 2023.

The remuneration report approved by the Board of Directors will be subject to the advisory vote of the ordinary general meeting of the Company's shareholders, will be published on the Company's website and will remain available to the public for 10 years after publication, in accordance with the applicable legal provisions.

The remuneration report provides an overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, to managers individually, in accordance with the Remuneration Policy:

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

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

TTS shares were admitted to trading on the main market of the BVB in the Premium category in June 2021.

On 31.12.2023, the subscribed and paid-up capital was 60,000,000 lei, divided into 60,000,000 registered, ordinary, indivisible, freely transferable shares, issued in dematerialized form and recorded in the account with a nominal value of 1 lei. Shares are of equal value and give owners equal rights under the law.

The main object of activity falls under NACE Code 5229 – Other activities related to transport

The basic activity of the Company is represented by the shipment of dry bulk goods on the Danube, namely agricultural products, mineral raw materials and raw materials and chemical products.

TTS offers integrated logistics services consisting of river transport services, port operation services and any other services specific to logistics chain management.

Transport and port operation services are subcontracted by TTS to its subsidiaries or to third parties.

Considering the specificity of the three types of goods operated, the Company is operationally organized in three departments:

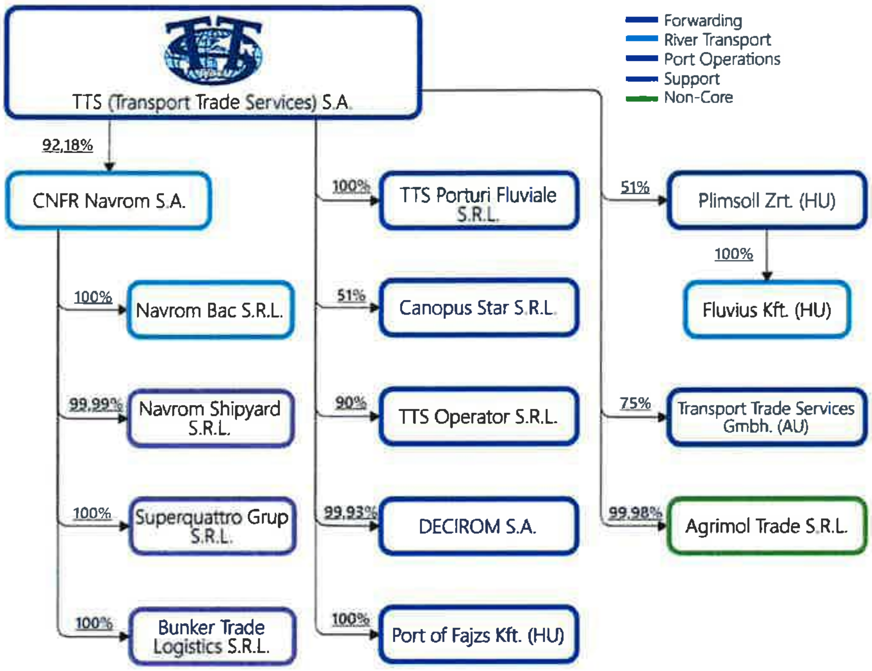
1. Minerals – logistics operations for raw materials and finished products of metallurgical industries as well as for equipments.

2. Agri – logistics operations for agricultural goods, mainly cereals and oilseeds.

3. Chemicals – logistics operations for fertilizers and raw materials for fertilizer production

1.2. TTS Group

The Transport Trade Services group of companies ("TTS Group" or "Group") is composed of 14 companies, respectively TTS (Transport Trade Services) S.A. ("TTS") and 14 companies in which TTS owns, directly or indirectly, more than 50% of the share capital. Ten companies in the Group operate on the three main business segments of the Group:

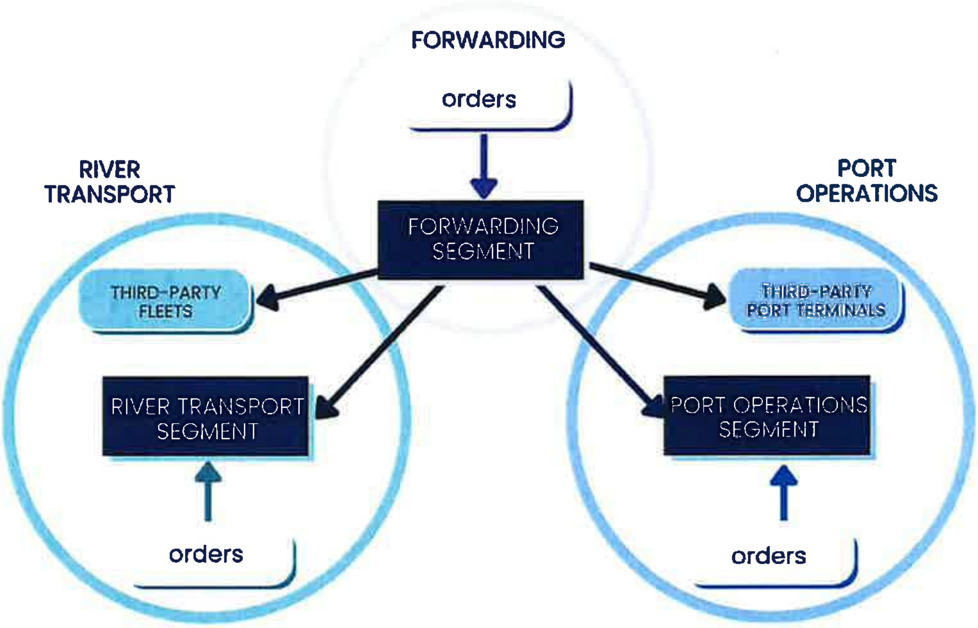


The main commodities transported and operated in the ports by TTS group are mineral products (raw materials for the steel industry and rolled products), agricultural products (cereals, oilseeds and feed) and chemical products (phosphate rock and finished products of the chemical fertilizer industry).

TTS Group owns a river fleet with a capacity of 800 thousand tons, 10 floating cranes, as well as 3 port terminals in Constanța and in 7 Danube river ports.

The group offers integrated logistics services, namely transport services (river, rail, road), transshipment (between transport units, from warehouses, silos, etc.), storage (warehouses, silos, warehouse-type river units, etc.) and any other services specific to logistics chain management.

The business model of TTS involves employing - mainly, its own fleet (CNFR Navrom S.A., Fluvius Kft.) and its own port operators (TTS Porturi Fluviale S.R.L., TTS Operator S.R.L., CANOPUS Star S.R.L., DECIROM S.A., Port of Fajsz Kft.), in parallel with the contracting by the Shipping Segment of transport or operation services with third parties.



At the same time, the companies in the Group active in the river transport and port operation markets, provide services directly to their own customers, in parallel with the execution of orders received from the shipping companies in the Group.

1.3. TTS Board of Directors

In accordance with the provisions of the Company's Articles of Incorporation, as of August 26, 2021, the Board of Directors of TTS is composed of five members, of which three members are independent and one member is an executive member. The current composition of the Board of Directors was established by Decision no. 1 from 08/26/2021 of the Ordinary General Meeting of Shareholders ("OGSM")

By Decision no. 1 from 08/30/2021 of the Board of Directors, Mr. Alexandru-Mircea MIHĂILESCU was appointed as President of the Board of Directors.

By Decision no. 1 from 09/30/2021 of the Board of Directors, two advisory committees were established, namely the Remuneration and Nomination Committee, made up of three non-executive members of the Board of Directors, of which two are independent members and the Audit Committee made up of three non-executive members of the Board of administration, of which two independent members, committee headed by an independent non-executive member.

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The composition of the Board of Directors during 2022 was as follows:

Name and surname	BOD statute
Alexandru-Mircea MIHĂILESCU	Chairman, Non-executive Member, Chairman of the Remuneration and Nomination Committee, member of the Audit Committee
Ion STANCIU	Executive member
Elena BUTNARIU	Independent member, Chairman of the Audit Committee, member of the Remuneration and Nomination Committee
Ana-Barbara BOBIRCĂ	Independent member, member of the Audit Committee
Dorin-Alexandru BADEA	Independent member, member of the Remuneration and Nomination Committee,,

Mr. Ion STANCIU is a member of the Board of Directors of CANOPUS STAR S.A. Constanța, a company in which TTS owns 51% of the share capital, the position being unpaid.

1.4. TTS Executive Management

Name and surname	Status in the executive management	Data about mandate contracts
Petru ȘTEFĂNUȚ	General Director	Expires on 31.05.2026
Ion STANCIU	Deputy General Director, Operational Director (from 15.06.2021)	Expires on 03.06.2024
Nicoleta FLORESCU	Financial Director	Expires on 10.03.2025

1.5. Internal regulations

The functioning of the Board of Directors and the executive management is regulated by the provisions of the Constitutive Act and by those of the CA Regulation, approved by Decision no. 1 from 03/08/2021. The operation of the three advisory committees are also regulated by the CA Regulation.

Remuneration and benefits granted to the members of the Board of Directors - established by the O-GSM by Decision no. 1 from 08/26/2021, and the remuneration of the members of the executive management are regulated by Remuneration Policy.

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2. Remuneration of the members of the Board of Directors

2.1. Remuneration of non-executive members of the Board of Directors in 2023

[RON – gross amount]

Name and Surname	Fixed remuneration	Variable remuneration
Alexandru-Mircea MIHĂILESCU	352,750	N/A
Elena BUTNARIU	352,750	N/A
Ana-Barbara BOBIRCĂ	352,750	N/A
Dorin-Alexandru BADEA	352,750	N/A

2.2. Benefits granted to members of the Board of Directors in 2023

Name and Surname	Professional liability insurance	Medical insurance	Car
Alexandru-Mircea MIHĂILESCU	YES	YES	YES
Ion STANCIU	YES	YES	NO
Elena BUTNARIU	YES	YES	NO
Ana-Barbara BOBIRCĂ	YES	YES	NO
Dorin-Alexandru BADEA	YES	YES	NO

3. Remuneration of the executive management in 2023

[RON – gross amount]

Name and Surname	Fixed Remuneration	Variable Remuneration	Period
Petru ȘTEFĂNUȚ	643,860	0	12 months
Ion STANCIU	884,683	0	12 months
Nicoleta FLORESCU	473,302	0	12 months

Mr. Ion STANCIU's remuneration includes the fixed remuneration as a member of the Board of Directors.

By Decision no. 6 of 01/27/2023 of the Board of Directors, the members of the executive management were awarded the sum of RON 105,000 (individual, gross amount).

Mrs. Nicoleta FLORESCU received in 2023 a number of 4,000 options for acquiring a number of 4,000 TTS shares, within the SOP program run by the Company. The accounting value of these options calculated at the market price of TTS shares is 107,600 lei.

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If the options will be exercised during 2023, the market value of the acquired shares will be included in the remuneration report for 2023, as part of Ms. Nicoleta FLORESCU's remuneration.

4. Evolution of remuneration over time

[RON]

		2022	2023
Alexandru-Mircea MIHĂILESCU	BOD member	330,000	352,750
Elena BUTNARIU	BOD member	330,000	352,750
Ana-Barbara BOBIRCĂ	BOD member	330,000	352,750
Dorin-Alexandru BADEA	BOD member	330,000	352,750
Ion STANCIU	BOD member Deputy General Director	537,462	989,683
Petru ȘTEFĂNUȚ	General Director	540,942	748,860
Nicoleta FLORESCU	Financial Director	387,017	578,302

Indicators[1]	2022	2023
Total remuneration [RON]	2,785,421	3,727,845
TTS revenue [RON]	669,575,349	925,143,565
Total Remuneration / Revenue TTS	0.42%	0.40%
TTS expenses [RON]	573,219,382	767,519,583
Total TTS Remuneration / Expenses	0.49%	0.49%

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[1]. The value of "Operating expenses" corresponding to the year 2022 used in this report for **presentation and information purposes only,** is the value reported and published in the individual financial statements of TTS for the year ended December 31, 2022. This value does not correspond to the value presented **for comparability** in The individual financial statements of TTS for the year ended 31 December 2023, as a result of the reclassifications carried out on the basis of IFRS requirements. **Details on how these reclassifications operated as well as their effects** are presented in section "3.2. Basis of preparation" from the Individual Financial Statements of TTS for the year ended December 31, 2023.

5. Events occurring after the end of the reporting period

By Decision no. 4 of 01/31/2024, the Board of Directors of the Company decided to reward the members of the executive management of the Company with the amount of 105,000 lei (individual, gross amount) for the special results obtained in 2023, the amounts to be paid after the approval of the annual financial statements for the year financial 2023 by the O-GSM convened on 04/30/2024.

The award will be included in the 2024 Remuneration Report.

President of the Board of Directors
Alexandru – Mircea MIHĂILESCU

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