



SC "BERMAS" SA Suceava

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REPORT **OF THE BOARD OF DIRECTORS** **as of 31.12.2023**

Annual report according to: the Law no. 24/2017 on issuers of financial instruments and market operations and the A.S.F. Regulation no.5 / 2018

Date of the report: 31.12.2023

Name of the trade company: "BERMAS" S.A. Suceava

Company headquarters: Șcheia, str. Humorului, nr.61, jud. Suceava

Phone/fax no.: 0230/526543; 0230/526542

Tax identification number: RO 723636

Registration number with the Office of the Trade Register: J33/37/1991

Regulated market: Bucharest Stock Exchange

Share capital subscribed and paid up: 15.087.134 lei

Main characteristics of the securities issued: Shares issued in dematerialized form conferring equal rights to their holders.

1. ANALYSIS OF THE ACTIVITY OF THE TRADE COMPANY

1.1.a) Description of the basic activity of the trade company

b) SC "BERMAS" S.A. Suceava was established by virtue of the Government Decision no. 1353 / 27.12.1990 from the Beer and Malt Enterprise of Suceava, is registered with the Trade Register under no. J33/37/1991, Tax identification number RO 723636 and is based in Șcheia, str. Humorului nr. 61 judetul Suceava, the main object of activity consists in the production and sale of beer, malt and by-products resulting from their manufacturing process, an activity that will be carried out in the future without significant changes.

c) During the year 2023, no mergers or reorganizations of any kind took place.

d) During 2023, tangible assets representing equipment, fixed assets of the endowment and modernization amounting to 507.403 lei were put into operation.

The completion of the investment objectives was ensured in a percentage of 100% from own sources.

Regarding the investment loan that was committed between 2019 and 2020 in the amount of 2.500.000 lei used for the partial financing of the investments put into operation in 2020, was repaid in full during 2023.

The outflows of fixed assets from the patrimony during the year 2023 were in the amount of 455.430 lei, fully amortized.

e) Description of the main results following the assessment of the activity

1.1.1 Elements of general assessment of the company

From the activity conducted during 2023, the company registered total revenues amounted to 42.256.859 lei, an increase of 1,34% compared to the previous year and expenses related to the realized revenues are amounted to 40.930.255 lei, an increase by 2,35% compared to the corresponding period of the previous year.

The gross profit obtained in 2023 is amounted to 1.326.604 lei, an decrease by 22,2% compared to the previous year.

The net profit for 2023 is amounted to 1.150.178 lei, an decrease by 21,62% compared to the previous year.

The net turnover registered in 2023 is amounted to 34.066.310 lei, a increase by 13,04% compared to the previous year.

The cash in the accounts and other assets as of 31 December 2023 is amounted to 14.062 lei compared to 11.986 lei the previous year.

At the same time, the company has short-term loans for the partial financing of the production activity amounted to 11.589.145 lei compared to 11.945.059 lei the previous year, in decrease by 3%.

Clarification: Short-term loans finance the company's current operational activity, given the seasonal (cyclical) nature of the purchases of raw materials from the current year's harvest (barley, hops) that must ensure the production of malt and beer until the following year respective trimesters I, II and III inclusive.

Astel, the company having its own malt factory, processes the raw materials purchased annually, usually in the IV quarter, the malt produced ensuring the continuity of the beer manufacturing process from the IV quarter of the current year and the I, II and III quarters of the following year.

On December 31, 2023, of the total stocks in the company's patrimony in the amount of 23.583.857 lei, 62% represent the stocks of raw materials, malt and production in progress, in the absolute amount of 14.550.151, these being the object of partial financing from current credits.

1.1.2. Assessment of the technical level of the company

The main products manufactured by SC „BERMAS” S.A. Suceava are:

◆ **BEER** intended for marketing on the domestic market. In terms of varieties of beer, the company bottles and sells beer in 0,5 liters glass and in 50 liter KEG type stainless steel barrels for consumption on draft in the following structure:

- 10,2° Plato „SUCEAVA CLASSIC” beer, bottled in 0,5 liters „MOLD” and NRW customised bottle;
- 10,5 ° Plato „CALIMANI PREMIUM” beer, bottled in 0.5 liters NRW bottles and in KEG type stainless steel barrels;
- 11.5 ° Plato „BERMAS” pilsener beer, bottled in 0,5 liters NRW bottles
- 11° Plato „SOLCA” beer, bottled in 0,5 liters NRW bottles.

◆ **MALT** – made of barley for its own production of beer. There are no demands for selling it to other brewers.

a.) Main marketplaces.

- For the MALT product, due to malt imports and also to the development of new potentials on the Romanian territory, there is no demand for sale and as a result the company has sized its production so as to cover the needs for internal consumption respectively for its own production of beer.

- For the BEER product, the main retail markets are the counties of Moldova, the company being a local brewer with regional sales.

The company has concluded annual beer sales contracts with wholesale and retail traders.

At the same time, the company makes direct distribution with the means of transport from its own fleet in Suceava County.

b.) Over the last 3 years, the share of goods and services in the business revenues and in the total turnover is as follows: Beer - 99% and by-products of the technological flow - 1%.

1.1.3 Assessment of the technical-material supply activity

The supply of basic raw materials - barley, two-row barley and hops - is done from agricultural producers in the country in the third quarter of each year in order to provide the necessary material for the production of beer until the third quarter of the following year. From this point of view the supply is cyclical and dependent on the harvest of each year.

The prices for raw materials depend on several factors: the harvest of that year, the internal and external economic circumstances, the demand on the internal and external markets, etc. and cannot be anticipated, these ones being determined each year on the market based on market demand and supply, the supply sources being selected according to the advantages in terms of quality / price ratio. In this

context the company is freely operating on a competitive market. During 2023 the price of raw materials returned to a normal level compared to the previous year.

Regarding the main materials needed in the technological process of manufacturing and bottling beer (labels, bottles, shuttles, staples, kiselgur) they are purchased from the profile suppliers in the country or from imports. Due to cyclical factors in the economy, prices increased between 30 and 100% in the previous year and were maintained in 2023.

In all cases the company operates on a freely competitive market and there is no significant reliance on a specific supplier or group of suppliers whose loss would have a major impact on the provision of the necessary supplies for the production of beer.

1.1.4. Assessment of the sales activity

a) During 2023, the volume of physical sales made by the company remained at the level of the previous year.

In order to maintain the market segments won and the quantities of beer sold, the company made sustained efforts in terms of promoting beer assortments, adopting pricing policies taking into account the general economic situation, the decline in sales against the background of the erosion of the purchasing power of affected consumers of inflation.

Sales have been declining since 2020, but the worst was in 2022.

The market decline was caused by a combination of factors: the effects of the COVID-19 pandemic, excise tax increases, the war in Ukraine and inflation. Combined, these led to rising prices for raw materials and energy, generating an alarming increase in production costs in 2022, which was maintained in 2023, even though certain cost categories, such as energy, stabilized.

At the sectoral level, in 2022, the volume of beer consumed registered a decrease of around 5.5%, a trend that was maintained at the level of 2023, a discouraging year for producers, the volume of sales registering a decrease of another 7% despite promotions and new product launches.

Moreover, European statistics and trends show that last year was a disastrous one for the beer industry in Germany, the leader of the Union in terms of production, followed by Poland, the Czech Republic, etc. In 2023, there were still pressures both on production costs (raw materials, energy) and on other cost categories, in the packaging area. Beer glass as a type of packaging suffered in the context of dependence on importers from Bulgaria and the Republic of Moldova, with prices registering significant increases.

In these conditions, the BERMAS company had to adapt, managing to maintain the sales volume in 2023 at the level of 2022, but obviously making a lower profit, as it was not possible to immediately transfer the increases in production costs and taxes (such as the untimely increase of the excise tax).

Not all the cost can be transferred into the price of the product because it is influenced by the purchasing power of the consumer, which has obviously eroded, the more expensive living changing priorities in terms of expenses.

In 2023, the company concluded beer sales contracts with a number of 35 distributors and wholesalers, and for 2024 it has contracted the entire quantity of beer for sale.

b) Currently on the Romanian market there are active producers representing groups with international presence in the beer sector as well as domestic producers who have developed large production capacities. From their own estimates these entities hold about 93% of the Romanian beer market, the difference of about 7% is owned by small and medium producers, which also includes BERMAS SA.

The massive concentration of production in the beer industry sector in Romania has produced a major imbalance between the competitive capacity of the two market segments.

In order to face the competition, SC „BERMAS” SA, as an independent beer producer with a below average capacity, must permanently identify the possibilities for efficiency and profitability of the activity while maintaining the market segment gained and their development.

c) The company has no significant dependence on a customer or a group of customers whose loss would have a major impact on revenue.

1.1.5. Assessment of the aspects related to the company's employees

a) SC “BERMAS” S.A. Suceava had in 2023 an average number of 193 employees compared to 191 the previous year, stating that the number and structure of staff correlate with the need imposed

by the volume of production and auxiliary activities: maintenance, repairs, transport and distribution, e.t.c.

The level of training of employees is as follows: 48 with higher education, 42 with secondary education, 102 with vocational training and qualification and 3 unskilled workers.

The management of the company is conducted by a Board of Directors consisting of 3 members who were mandated by the General Meeting of Shareholders on 18 April 2022.

The executive management was delegated to a number of 3 directors namely: the General Manager, the Economic Manager and the Commercial Manager.

b) The relationship between MANAGEMENT - EMPLOYEES is based on fairness, loyalty, good faith, teamwork, decision making after consulting all decision makers, and these relationships are based on the Collective Labor Agreement and Internal Regulations.

Within the company there is a trade union organization affiliated to the Federation of Food Industry Trade Unions.

The rate of union membership of employees is 90%.

The social climate is stable today, which is a premise that it will be good for the future.

1.1.6. Assessment of the environmental impact issues

The company has obtained all the permits and approvals required by the relevant legislation.

There is no major impact on the environment and no litigation related to infringement of environmental protection legislation.

1.1.7. Assessment of the research-development activity

The company has not conducted or allocated a budget for the research - development activity taking into account its object of activity.

1.1.8. Assessment of the risk management activity

The company operates on the freely competitive market, being exposed from this point of view to normal risks. There is no major or significant exposure in terms of prices or liquidity.

The company implements the risk management system, a process covering the identification, analysis, management and monitoring of on-demand risks it is exposed to.

Price risk - there is a permanent monitoring of this risk taking into account the market in which the company operates. In fact, the company applies and will continue to apply sales price formation policies based on the price of the raw material and other cost elements that hold a share of more than 10% of the total production costs.

Credit risk - the company has in progress and will use in the future to resources attracted for the partial financing of raw material inventory and semi-finished products. The cost of resources is negotiated and generally dimensioned in relation to the reference rates on the financial market in such a way as to be sustainable over the contractual terms. Potential variations in interest rates are also taken into account.

Liquidity risk - there is a permanent concern to maintain immediate liquidity at the supra-unit level.

Cash flow risk is monitored daily through weekly and monthly forecasts of receipts and payments. The company applies the commercial credit policy in relation to traditional customers and correlates the collection terms with the payment deadlines (suppliers, budgets, salaries).

1.1.9. Perspective elements related to the activity of the trade company

(a). The company's liquidity could be affected during 2024 by a series of events or factors of uncertainty such as:

- The increase of the leu / Euro exchange rate which will be reflected in the level of all prices for raw materials, main materials of the technological flow e.t.c .;
- An unfavorable market situation that would lead to the inability to compete, given the economic concentrations that have taken place in recent years on the beer market, a situation that has created a major imbalance between the competitive capabilities of the major players in this market (multinationals and producers who have developed large production capacities) and small producers with below average capacities which includes BERMAS SA;
- An unfavorable agricultural year with poor harvests of basic raw materials used in the brewing process, which would lead to higher barley and hops prices;
- The further growth increase of the prices for fuels, energy and natural gas with major

implications in the production costs considering also the duration of the malt and beer production cycle based on the classic technology which supposes in total (malt + beer) about 120 days ;

- Further decline in the purchasing power of the population (consumers);
- The insolvency of some customers of the company - beer distributors as a result of the deterioration of the economic conditions of the business environment which would imply risks when collecting the goods in the insolvency - bankruptcy procedure.

(b). In 2023, capital expenditures amounted to 507.403 lei, with a insignificant impact on the company's liquidity.

In order to achieve the sales program in 2024, important purchases of refrigerated display cases, beer dispensers, couplers, reducers, brewery sets will be made in order to equip the commercial network as well as advertising logistics: umbrellas, tents, banners, personalized light boxes, mugs and other promotional materials that will be offered to customers to promote the sale of beer, including promotions as such in the product, occasional or periodic. At the same time, packaging for bottling and delivery of beer will be purchased as needed. The total value of these acquisitions is estimated at about 2.800.000 lei.

In order to ensure the necessary resources to finance the production and investment activity, the company will have as objective the achievement of the sales program and the corresponding capitalization of the by-products and other goods of the nature of the circulating means accordingly.

(c). Revenues from core business may be significantly affected during 2024 compared to 2023, as a result of general risks of the Romanian business environment.

2. TANGIBLE ASSETS OF THE COMPANY

2.1. Location and description

SC "BERMAS" S.A. Suceava has 30.588 square meters of land in its patrimony as property.

The mentioned surface is divided as follows:

- built area – 14.687 sqm;
- free area – 15.901 sqm.

The occupancy rate of the land is 48%.

The buildings are classified in:

- industrial halls exhibiting a variety from the point of view of constructive variant and the type of construction;
- storage silos;
- warehouses, metal barracks, outdoor platforms;
- administrative buildings.

The production activity of the company is done with direct access to DN 17 and the Suceava West railway station is 1 km far from the factory.

The company comprises four production sectors, auxiliary sectors and functional offices.

Production sectors:

- **MALTING** - compact building formed by silos, the machine department, connecting body, soaking body and germination body in which the malting process is carried on. The sector is equipped with a Wanderhaufen-type barley - two-row barley supply, sorting, soaking and germination plant with stripping and drying equipment.

- **BOILING** - compact building in which is conducted the process of obtaining wort by brewing whose main operations are: grinding, moulding and saccharification, wort filtration, boiling of wort with hops, clearing and cooling of wort.

- **FERMENTATION** - compact building included in the boiling body. In this sector beer fermentation takes place in tanks and followed by finished beer filtration inside a Steincker filtration plant.

- **BEER BOTTLING IN BOTTLES AND KEGS** - compact building in which beer is bottled in 0.5l bottles on a KRONES bottling line (nominal capacity 25.000 bottles / hour) and in kegs by means of three fully automated bottling and pasteurizing modules purchased from Germany with a capacity of 180 KEGS / h.

- **AUXILIARY SECTORS:**

- thermal plant;

- mechanical workshop;
 - electric workshop - amc;
 - cooling- air plant;
 - maintenance (masonry - carpentry).
- FUNCTIONAL OFFICES - within the administrative building - separate building.

2.2. The wear of buildings is a normal one as a result of their operation, mentioning that there have been performed maintenance works, interior and exterior protection, increase of the thermal comfort and adaptation to the requirements of the production process, but they still need maintenance and repair works in the buildings where technological and auxiliary processes take place, respectively the restoration of roof isolations as a result of their exposure to weather over the year, modernisation and maintenance of the interior spaces.

2.3. There are no problems related to ownership of tangible assets of the company.

3. MARKET SECURITIES ISSUED BY THE COMPANY

3.1. The shares of SC „BERMAS” S.A. are registered, listed and traded on the Bucharest Stock Exchange, with the symbol BRM. The activity of keeping the register is performed by SC „DEPOZITARUL CENTRAL” SA Bucharest under the agreement signed in this respect.

The share capital subscribed and paid up is amounted to 15.087.134,30 lei, divided in 21.553.049 registered shares of 0,70 lei each.

One share held entitles the shareholder to one vote in the general meeting.

There are no set restrictions on the transfer of securities, such as limitations on holding securities or the need to obtain the approval of the entity or of other holders of securities of the company.

There are no shareholders with special control rights, all shares conferring the same rights to shareholders.

The shareholding structure as of 31.12.2023 according to the consolidated Register transmitted by SC „DEPOZITARUL CENTRAL” SA is as follows:

<i>Nr. crt.</i>	<i>Name</i>	<i>Number of shares</i>	<i>Percentage</i>
1.	„VICTORIA BERMAS” association	6.653.009	30,8681%
2.	„PAS BERMAS” association	4.483.269	20,8011%
3.	Other physical or legal entities	10.416.771	48,3308%
	TOTAL	21.553.049	100%

3.2. Over the last 4 years the dividends due to shareholders amounted to: 6.315.693 lei.

The dividends unclaimed by shareholders, cumulated over the last 4 years are amounted to 644.045 lei, the payment level being of 90%.

With regard to the dividend policy, the company distributed from its net profit each year about 90% in dividends and the rest to other destinations according to the resolutions of the general meetings of shareholders.

Considering the economic situation of the company and the potential liquidities necessary for the repayment of the committed loans, in 2024 dividends can be granted to the shareholders following the resolution of the General Meeting of Shareholders.

3.3. The company has not issued bonds or other receivables.

3.4. The company has no subsidiaries, operating its activity only at its headquarters, according to the Articles of Incorporation.

4. MANAGEMENT OF THE TRADE COMPANY

4.1.a) SC „BERMAS” S.A. Suceava is managed by a Board of Directors consisting of 3 (three) members, as follows:

- ANISOI ELENA, a 42-year experience professional economist, acting as of chairman of the Board of Directors - executive member;
- SAUCIUC AUREL, economist by profession with 45 years of experience – vice-president of the CA, non-executive member;
- DRĂGAN SABIN-ADRIAN, a 42-year experience professional engine - independent non-

executive member.

b) There have been and are not any agreements, understandings or family connections between the directors and other persons involved in their appointment as directors.

c) Possessions of shares in their own name according to the Register of Shareholders are insignificant.

d) The company has no affiliates.

4.2. The Board of Directors, according to the Articles of Incorporation, delegated the executive management of the company to a number of 3 managers, namely:

1. Anisoi Elena - General Manager;
2. Țebrean Iridenta - Economic Manager;
3. Sângeap Cristina - Commercial Manager.

There are no agreements, understandings or family connections with other persons in the appointment of managers.

4.3. The members of the Board of Directors and the executive management have not been involved in any litigation or administrative proceedings over the last 5 years.

Please note that during the year 2023 from the last General Meeting of Shareholdres, there were no situations of resignation / dismissal among the members of the Board of Directors and the company has no subsidiaries or affiliates.

5. THE FINANCIAL-ACCOUNTING STATEMENT

Analysis:

a) Balance sheet elements:

a.1. ASSET elements

<i>SPECIFICATION</i>	<i>YEAR 2021</i>	<i>YEAR 2022</i>	<i>YEAR 2023</i>
TOTAL ASSETS	33.833.590	39.520.300	38.943.258
of which assets repressing more than 10% of the total:			
• Tangible assets	13.960.179	12.901.600	11.907.916
• Inventories	17.835.520	23.242.467	23.583.857

a.2. LIABILITIES

<i>SPECIFICATIONS</i>	<i>YEAR 2021</i>	<i>YEAR 2022</i>	<i>YEAR 2023</i>
TOTAL LIABILITIES	33.833.590	39.520.300	38.943.258
of which liabilities representing more than 10 of the total:			
• equity	24.022.966	23.504.381	23.707.860
• liabilities	9.810.624	16.015.919	15.235.398

b) Profit and loss account:

<i>SPECIFICATION</i>	<i>YEAR 2021</i>	<i>YEAR 2022</i>	<i>YEAR 2023</i>
b.1. TOTAL REVENUES -- of which:	35.594.862	41.696.084	42.256.859
• net turnover	28.716.050	30.137.703	34.066.310
b.2. TOTAL EXPENDITURE -- of which cost elements and expenditure with a significant weight in net sales	33.641.019	39.990.953	40.930.255
• Raw materials and other materials	29,60%	31,28%	27,65%
• Energy and water	9,57%	12,55%	11,56%
• Employees	42,29%	39,95%	41,91%
b.3. GROSS PROFIT	1.953.843	1.705.131	1.326.604
b.4. NET PROFIT	1.669.686	1.467.509	1.150.178

c) Cash Flow – year 2023

Name of the element	Financial year	
	A	Previous
Treasury cash flows from operating activities		
Collections from customers	38.707.337	44.388.549
Receipts of operating subsidies	815.449	1.452.737
Payments for suppliers	(21.173.459)	(19.795.404)
Payments for employees	(8.026.548)	(8.434.196)
Payments for the local budget	(77.986)	(76.563)
Payments for the state budget	(10.754.804)	(11.701.063)

Paid excises	(2.345.747)	(2.541.806)
Paid tax on profit	(70.588)	(286.200)
Net treasury cash flow from operating activities	(2.926.346)	3.006.054
Treasury cash flows from investment activities		
Payments for the purchase of shares	(10)	
Payments for the purchase of assets	(754.234)	(880.235)
Collections from the sale of tangible assets	714	11.897
Collected interests		
Collected dividends	8.250	5.231
Net treasury cash flows from the investment activities	(745.280)	(863.107)
Net treasury cash flow from financing activities:		
Collections from long term loans	0	0
Credit collections	6.328.107	0
Paid interests and credit repayments	(320.874)	(615.615)
Payment of long term credit instalments	(895.161)	(223.790)
Paid dividends	(1.438.207)	(1.301.466)
Net treasury cash flow from financing activities	3.673.865	(2.140.871)
Net treasury cash flow increase and treasury equivalents	2.239	2.076
Treasury cash flow and treasury equivalents at the beginning of the financial year	9.747	11.986
Treasury cash flow and treasury equivalents at the end of the financial year	11.986	14.062

The financial statements of the company have been prepared in accordance with: the Accounting Law no. 82/1991, as subsequently republished, the Order of the Minister of Public Finance no. 881/2012 on the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards, the International Financial Reporting Standards (IFRS), the Financial Reporting Standards (IFRIC) and the Standing Committee on Interpretations (SIC) adopted by the European Union and Order no. 2844 / 12.12.2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards.

7. CORPORATE GOVERNANCE

SC BERMAS SA is managed on the basis of a unitary system, in accordance with the provisions of the articles of incorporation and of Law no. 31/1990 as subsequently republished, amended and supplemented.

The corporate governance structures of SC BERMAS SA are represented by the Board of Directors and the executive management.

SC BERMAS SA is managed by a Board of Directors consisting of 3 members, individuals elected by the Ordinary General Meeting of Shareholders. One of the directors may be independent and most of the directors are non-executive directors. The term of office is 4 years.

The obligations and responsibilities of the directors are regulated by the mandate contract and in accordance with the provisions of Law 31/1990 as subsequently amended and supplemented, by the Law 24/2017 as subsequently amended and supplemented, by the applicable A.S.F. regulations and by the provisions of the articles of incorporation.

The Board of Directors of SC BERMAS SA meets at least once every three months. The Board of Directors approves the delegations of competencies and / or the right of representation to other directors or employees of the company, setting their limits.

In the meetings of the Board of Directors the following aspects are analyzed based on the materials presented:

- In the production field: the completion of the production program by quarters and total year, the maintenance and repair programs, the need for raw materials -barley and hop- for each year and instructions for taking them, analysis and specific consumption rules for beer and malt production, labor and labor standards for basic and auxiliary activity

- In the commercial field of activity: completion of the quarterly and preliminary sales program, situation of uncollected invoices, situation of the clients's equipment with packaging and logistics, contractual clauses and facilities of a commercial and financial nature, promotions

- In the economic-financial field of activity: achieving indicators from the revenue and

expenditure budget, quarterly reports, half-yearly report, annual report, situation of the general inventory of the patrimony, etc.

- In the investments field: completion of the investment programs established by the EGMS for the current year, ensuring the financing sources, negotiating the credit conditions with the financing banks, etc.

The Board of Directors delegated the management of the company to a number of 3 individual executive managers, appointing one of them as general manager. The General Manager is also the Chairman of the Board of Directors. The managers are responsible for taking all measures related to the management of the company, within the limits of the object of activity and in compliance with the exclusive competencies reserved by law or by the articles of incorporation, the Board of Directors and the General Meeting of Shareholders.

The General Meeting of Shareholders of SC BERMAS SA meets at least once a year, no later than 4 months from the end of the financial year and has the main attributions established by the articles of incorporation of the company. The General Meeting of Shareholders is convened by the Board of Directors whenever necessary or at the request of the shareholders representing at least 5% of the share capital. During the year 2023, the Ordinary General Meeting of Shareholders met only once and the Extraordinary General Meeting met 2 (two) times.

Following the launch in September 2015 of the new Corporate Governance Code of Bucharest Stock Exchange, SC BERMAS SA analyzed the degree of compliance of the company with the provisions of the new Code, being in the process of implementing certain chapters of provisions. The company's shareholders were informed through the annex to the Report of the Board of Directors dated 31.12.2023 regarding the stage of compliance with the provisions of the new Corporate Governance Code of Bucharest Stock Exchange.

The necessary conditions were ensured to inform the shareholders regarding the financial results as well as on all relevant aspects of the company's activity through the company's website and through the secretariat of the Board of Directors.

8. INFORMATION RELATED TO THE INTERNAL CONTROL

Within SC BERMAS SA, the internal control targets the internal control and internal audit activities.

In the field of internal control, the aim was:

- The compliance with the regulations specific to the company's activity
- The compliance with the internal norms and the decisions of the management bodies.

The internal accounting and financial control of the company took into account the insurance of an accounting management and the financial monitoring of the activity in order to meet the defined objectives.

In terms of accounting rules, the company has developed:

- the accounting policies manual;
- procedures for applying this manual;
- the manual of inventory procedures;
- knowledge of the evolution of the accounting and fiscal legislation;
- adaptation of computer programs to the specifics of the activity;
- compliance with accounting rules;
- insurance of the accuracy and completeness of accounting records;
- compliance with the qualitative characteristics of the information contained in the financial statements so as to satisfy the needs of users.

Internal audit

The internal audit is ensured by a contract for the provision of services by a company independent of the management of SC BERMAS SA, subordinated to the Board of Directors of SC BERMAS SA. The audit activity is carried out based on the audit program established in accordance with the company's objectives. The audit program for 2023 was approved by the Board of Directors of SC BERMAS SA on 16.02.2023.

The internal auditor evaluates through a systematic and methodical approach the processes of risk management, control and governance of the company and makes proposals to increase their

effectiveness. The internal auditor informs the general manager and the directors of the significant aspects found in connection with risk management, control and governance.

Financial audit

The financial statements of SC BERMAS SA are examined by the financial auditor elected by the Ordinary General Meeting of Shareholders, in accordance with the law, the results of the annual report being presented for information to the Ordinary General Meeting of Shareholders. The financial auditor of SC BERMAS SA is the company **TED EXPERT SRL**, based in Suceava, the street Mihai Viteazu, no. 20, bl, 20, Sc. B, Ap. 10, Telephone / Fax no.: 0330/804188, registered with the Office of the Trade Register of Suceava under no. J33 / 599/1999, tax identification number RO 16041988, registered with ASPAAS in the Electronic Public Register (RPE) under number FA1293, represented by ec. Marcan Dionisie, active financial auditor, registered with ASPAAS in the Electronic Public Register (RPE) under number AF27515.

9. SIGNATURES

- *Chairman of the Board of Directors and General Manager
ec. Anisoï Elena*
- *Economic manager*
- *ec. Ţebrean Iridenta*

**Statement of compliance of SC BERMAS SA with the new
Corporate Governance Code of the Bucharest Stock Exchange as of 31.12.2023**

	Provisions to comply with	Compliance Yes / No / Partial	Explanations
SECTION A - Responsibilities			
A.1.	All companies should have an internal regulation of the Board which includes the terms of reference / responsibilities of the Board and the key management positions of the company and which applies, inter alia, the General Principles of Section A.	Yes	
A.2.	The provisions for managing conflicts of interest should be included in the Board regulation. In any event, the Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by default, unless such failure would prevent the formation of quorum) and from voting for the adoption of a decision on the matter giving rise to this conflict of interest.	Yes	
A.3.	The Board of Directors or Supervisory Board should be composed of at least five members.	No	The current organizational structure and management of SC BERMAS SA contained in the Articles of Incorporation sets out a number of three members for the Board of Directors. The change of number of members will be approved by the General Meeting of Shareholders and amendment of the articles of incorporation.
A.4.	The majority of the Board members must have no executive position. At least one member of the Board of Directors or the Supervisory Board must be independent in case of the companies included in the Standard category. Each independent member of the Board or of the Supervisory Board, as appropriate, should submit a statement at the time of his nomination for election or re-election, and when there is any change in his/her status, indicating the elements based on which it is considered that he/she is independent in terms of character and judgment.	Yes	Of the three current members of the Board of Directors, one is executive and two non-executive. Of the two non-executive members, one is independent.
A.4.1	- is not General manager / Executive manager of the company or of a company controlled by it and has not held such a position during the last five (5) years;		
A4.2	- is not employee of the company or of a company controlled by it and has not held such a position during the last five (5) years;		
A4.3	- does not receive and did not receive additional remuneration or other benefits from the company or companies controlled by it, besides those appertaining to the position of non-executive director;		
A4.4	- is not or was an employee or has or had during the previous year a contractual relationship with a significant shareholder of the company, a shareholder who controls more than 10% of the voting rights, or with a company controlled by this one;		
A4.5	- has not had in the previous year a business or professional report with the company or a company controlled by this one, either directly or as a customer, partner, shareholder, member of the Board / Director, General Manager / executive manager or employee of a company that, by its substantial character, can affect the objectivity of this relationship;		
A4.6	- is not and has not been in the last three years internal or external auditor, or partner or associate employee of the current external financial auditor or of the internal auditor of the company or of a company controlled by this one;		

A4.7	- is not general manager/ executive manager of another company where another general manager / executive manager of the company is non-executive director;	Yes	
A4.8	- has not been non-executive director of the company for more than twelve years;		
A4.9	- has no family ties to a person in the cases referred to in points A.4.1. and A.4.4.		
A.5.	Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit companies and institutions, should be disclosed to the shareholders and potential investors before and during his/her mandate.	Yes	
A.6.	Any member of the Council should provide to the Board information on any relation to a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation also applies to any report that may affect the member's position on issues decided by the Board.	Yes	
A.7.	The company must appoint a secretary of the Board responsible for supporting the activity of the Board.	Yes	
A.8.	The Corporate Governance Statement should inform whether there has been conducted an assessment of the Board under the leadership of its President or of the Nomination Committee and, if so, should summarize the key measures and changes resulting from it. The company must have a policy / guidelines on the assessment of the Board including the purpose, criteria and frequency of the assessment process.	No	To be implemented
A.9.	The Corporate Governance Statement should include information on the number of meetings of Board and Committees during the last year, the participation of directors (in person and in absentia) and a report of the Board and committees on their activities.	Yes	The Board of Directors meets regularly at least once every three months and whenever deemed necessary for the effective operation of the company.
A.10.	The Corporate Governance Statement should include information on the exact number of independent members of the Board of Directors or Supervisory Board	Yes	
A.11.	The Board of the companies in the Premium Category should establish a nomination committee composed of non-executive members, that shall lead the nominations procedure for new members of the Board and make recommendations to the Board. The majority of the members of the Nomination Committee should be independent.	NU	According to the regulations of the BSE, SC BERMAS SA is classified in the Standard Category on its market segment.

SECTION B - The risk management system and the internal audit

B.1	The Board should establish an audit committee in which at least one member must be non-executive independent director. The majority of the members, including the president, must have shown to have appropriate skills for the positions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate accounting or auditing experience. For the companies in the Premium Category, the audit committee should be composed of at least three members and the majority of the audit committee members should be independent.	No	The Company has contracted an internal audit agreement with a specialized company - independent third party.
B.2.	The president of the audit committee should be non-executive independent member.	No	Not applicable
B.3.	Among its responsibilities, the audit committee shall conduct an annual assessment of the internal audit system.	No	The Annual Audit Report contains references to the company's internal control system.
B.4.	The assessment should consider the effectiveness and extent of the internal audit position, the adequacy of the risk management and internal audit reports submitted by the audit committee of the Board, the timeliness and effectiveness of the executive management in solving deficiencies or weaknesses identified during the internal audit and the presentation of relevant reports to the Board.	No	The internal audit assessment is made in the annual report of the directors.
B.5.	The Audit Committee should assess the conflicts of interest in connection with transactions of the company and its subsidiaries with related parties.	No	Not applicable

B.6.	The Audit Committee should assess the effectiveness of the internal audit and risk management system.	No	Not applicable
B.7.	The Audit Committee should monitor the application of legal standards and of internal audit standards generally accepted. The Audit Committee should receive and assess the reports of internal audit team.	No	Not applicable
B.8.	Whenever the Code provides reports or analyses initiated by the Audit Committee, they should be followed by periodic reports (at least annually) or adhoc and subsequently submitted to the Council.	No	Not applicable
B.9.	None of the shareholders may be given preferential treatment over other shareholders in relation to transactions and agreements made by the company with shareholders and their affiliates.	Yes	
B.10.	The Board should adopt a policy to ensure that any transaction of the company with any of the companies it has close connections whose value is equal to or greater than 5% of the net assets of the company (according to the latest financial report) is approved by the Board following a mandatory audit committee review of the Board and properly disclosed to shareholders and potential investors and to the extent that such transactions fall within the category of events subject to reporting requirements.	No	Not applicable
B.11.	Internal audits should be conducted by a separate structural division (internal audit department) of the company or by hiring an independent third party entity.	Yes	Internal auditor – independent third party.
B.12.	In order to ensure the fulfilment of the main tasks of the internal audit department, this one should report in functional terms to the Board through the audit committee. For administrative purposes and under the management’s obligations to monitor and reduce risks, this one should report directly to the General Manager.	No	Not applicable
SECTION C - Fair compensation and motivation			
C.1.	The company shall publish on its website the remuneration policy and shall include a statement in the annual report on the implementation of the remuneration policy during the annual period covered by the analysis. The remuneration policy shall be formulated so as to allow the shareholders to understand the principles and arguments based on which the remuneration of Board members and the General Manager and also of the Executive Board is established in two tier system. It should describe the way of conducting the process and of making decisions regarding remuneration, detailing the components of the remuneration of the executive management (such as salary, annual bonus, long-term incentives related to the value of shares, benefits in kind, pension and others) and describing the purpose, principles and assumptions underlying each component (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should specify the length of the agreement signed with the Executive manager and of the period of notice stipulated in the agreement, and any compensation for unjust dismissal. (...). Any significant change occurred in the remuneration policy shall be timely published on the website of the company.	Yes	The remuneration policy of the company's directors (administrators, directors) was approved by the OGMS on April 7, 2023
SECTION D - Adding value through the relations with investors			
D.1.	The company should provide an Investor Relations service - indicating the public the person / persons responsible or the organising company. In addition to the information required by the law, the company should include on its website a section dedicated to investor relations in Romanian and English, with all relevant information of interest for investors, including:	Partial	To be implemented
D.1.1.	The main corporate regulations: association, procedures for the general meetings of shareholders;	Partial	
D.1.2.	Professional CVs of the management members of the company, other professional commitments of Board members, including executive positions and non-executive in the board of directors of non-profit companies or institutions;	No	Not applicable
D.1.3.	Current reports and periodic reports (quarterly, semi-annual and annual) - at least those mentioned in paragraph D.8 - including current reports with detailed information on non-compliance with this Code;	Yes	

D.1.4.	Information on the general meetings of shareholders: agenda and information documents; procedure for electing board members; arguments supporting nominations for election in the Board, together with their professional CVs; the shareholders' questions regarding the items on the agenda and the responses from the company, including the decisions taken;	Yes	
D.1.5.	Information on corporate events such as payment of dividends and other distribution to shareholders, or other events that lead to the acquisition or limitation of a shareholder's rights, including deadlines and principles for such operations. This information shall be published within a period to allow investors to make investment decisions;	Yes	
D.1.6.	Name and contact details of a person who can provide, upon request, relevant information;	Yes	Elena Anisoi - 0230526542
D.1.7.	Presentations of the company (i.e. presentations for investors, presentations on quarterly results etc.), financial statements (quarterly, semi-annual, annual), audit reports and annual reports.	Yes	
D.2.	The company should have an annual dividend distribution policy or other benefits to shareholders, as proposed by the General manager or the Executive Board and adopted by the Council, as a set of guidelines that the company intends to follow on the distribution of net profits. The principles of the annual distribution policy to shareholders should be published on the website of the company.	Yes	Partial
D.3.	The company will adopt a policy regarding forecasts, whether they are made public or not. Forecasts refer to quantified findings of certain studies aimed at determining the overall impact of a number of factors relating to a future period (the so-called hypotheses): by its nature, this projection has a high level of uncertainty; its actual results may differ significantly from forecasts initially presented. The policy regarding forecasts will determine the frequency, the period covered and the content of forecasts. If published, forecasts can only be included in the annual, semi-annual or quarterly reports. The policy regarding forecasts will be published on the website of the company.	No	To be implemented
D.4.	The rules of the general meetings of shareholders should not limit the participation of shareholders in general meetings and the exercise of their rights. Changes to the rules will enter into force at the earliest, starting the next meeting of shareholders.	Yes	
D.5.	External auditors should attend the general meeting of shareholders when their reports are discussed at these meetings.	Yes	
D.6.	The Board should present during the annual general meeting of shareholders a brief assessment of the internal audit and risk management systems and opinions on issues subject to the decision of general meeting.	Yes	
D.7.	Any specialist, consultant, expert or financial analyst may participate to the meeting of shareholders based on a prior invitation from the Board. Accredited journalists may also participate to the general meeting of shareholders, unless the President of the Board decides otherwise.	Yes	
D.8.	Quarterly and semi-annual financial reports should include information both in Romanian and in English on the key factors that influence changes in the level of sales, operational profit, net profit and other relevant financial indicators both from one quarter to another, and from one year to another.	Yes	
D.9.	A company should hold at least two meetings / teleconferences with analysts and investors every year. The information presented on these occasions will be published in the section Investor Relations on the website of the company at the date of meetings / teleconferences.	No	To be implemented
D.10.	If a company maintains various forms of artistic and cultural expression, sporting, educational or scientific activities and it considers their impact on the innovative nature and competitiveness of the company are part of its mission and its development strategy, it should publish the policy on its activity in this area.	No	Not applicable



SC "BERMAS" SA Suceava

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Financial statements as of 31 December 2023

Prepared in accordance with the International Financial Reporting Standards adopted by the European Union according the Order of the Ministry of Finances no. 2844/2016 as subsequently amended

<i>RON</i>	<i>Note</i>	31.12.2022	31.12.2023
ACTIVE			
Tangible assets	5	12.802.080	11.823.906
Intangible assets	6	0	0
Financial assets measured at cost	7	84.010	84.010
Other non-current assets		15.510	0
Total assets		12.901.600	11.907.916
Inventories	8	23.242.467	23.583.857
Trade receivables	9	1.416.192	2.212.409
Prepaid expenses	19	66.066	72.750
Cash and cash equivalents	10	11.986	14.062
Other receivables	11	1.881.989	1.152.264
Total current assets		26.618.700	27.035.342
TOTAL ASSETS		39.520.300	38.943.258
EQUITY			
Share capital	12	15.087.134	15.087.134
Tangible assets revaluation reserves		1.002.585	1.002.585
Reported result	12	1.441.489	1.123.186
Other reserves	12	5.973.173	6.494.955
Total equity		23.504.381	23.707.860
PAYABLES			
Medium-term credits		223.790	
Deferred tax payables	13	202.872	207.795
Total long-term payables		426.662	207.795
Trade payables	14	1.216.618	1.065.748
Short-term loans from banks	15	11.721.269	11.589.145
Provisions		368.648	368.648
Other payables	14	2.282.722	2.004.062
Total current payables		15.589.257	15.027.603
TOTAL PAYABLES		16.015.919	15.235.398
TOTAL EQUITY AND PAYABLES		39.520.300	38.943.258

Financial statements have been approved by the Board of Directors on 07.03.2024.

**Statement of comprehensive income
for the year ended on 31.12. 2023**

in RON	<i>Note</i>	31.12.2022	31.12.2023
Turnover	17	30.137.703	34.066.310
Variation in inventory of finished products and production in progress	18	8.340.175	5.859.919
Other revenues	18	3.256.223	3.046.673
Raw materials and consumables	20	(17.530.775)	(16.394.304)
Personnel expenses	20	(15.976.737)	(17.154.148)
Amortization and depreciation of assets	5.6	(1.724.391)	(2.288.323)
Other third party services		(1,128,434)	(1,066,026)
Other expenses	19	(2.417.226)	(3.209.920)
Operational profit / Operational loss		2.956.538	2.860.181
Financial revenues		8.250	5.405
Financial expenses	21	(1.259.657)	(1.538.982)
Profit / Loss		1.705.131	1.326.604
Profit tax expense / Deferred tax income	22	(237.622)	(176.426)
Profit /Loss over the reporting period		1.467.509	1.150.178
Other elements of comprehensive income			
Increase/(Decrease) of reserve from the revaluation of tangible assets. net of deferred tax			
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		1.467.509	1.150.178
Earnings per share			
Basic	16	0,068	0,053
Diluted			

**Statement of changes in equity
for the year ended on 31.12.2022**

	Share capital	Adjustments in share capital	Reserves from the revaluation of tangible assets	Other reserves	Reported result	Total equity
Balance on 1.01.2022	15.087.134		1.002.585	5.920.132	2.013.115	24.022.966
Total comprehensive income of the period						
Net income of the period					1.467.509	1.467.509
Other elements of comprehensive income						
Distribution to other reserves				53.041	(53.041)	
Change in reserve from the revaluation of tangible assets						
Changes in reserve from the distribution of treasury shares						
Hedging of financial loss reported to adjustments in share capital						
Change in reported income from the use of fair value as deemed cost					(369.449)	(369.449)
Total other elements of comprehensive income						
Total comprehensive income for the period						
Shareholders changes directly recorded in equity						
Distribution of dividends from the comprehensive income					(1.616.645)	(1.616.645)
Shareholders changes directly recorded in equity						
Balance on 31.12.2022	15.087.134		1.002.585	5.973.173	1.441.489	23.504.381

for the year ended on 31.12.2023

	Share capital	Adjustments in share capital	Reserves from the revaluation of tangible assets	Other reserves	Reported result	Total equity
Balance on 1.01.2023	15.087.134		1.002.585	5.973.173	1.441.489	23.504.381
Total comprehensive income of the period						
Net income of the period					1.150.178	1.150.178
Other elements of comprehensive income						
Distribution to other reserves						
Hedging of financial loss reported to adjustments in share capital				521.782	(1.479)	520.303
Change in reported income from the use of fair value as deemed cost						
Total other elements of comprehensive income					(972)	(972)
Total comprehensive income for the period						
Shareholders changes directly recorded in equity						
Distribution of dividends from the comprehensive income						
Shareholders changes directly recorded in equity					(1.466.030)	(1.466.030)
Balance on 31.12.2023	15.087.134		1.002.585	6.494.955	1.123.186	23.707.860

Statement of cash flow
for the year ended on 31.12.2023

în lei	31.12.2022	31.12.2023
<i>Cash flow from operating activity:</i>		
Collections from clients	38.707.337	44.388.549
Receipts from operating subsidies	815.449	1.452.737
Payments for suppliers	(21.173.459)	(19.795.404)
Payments for employees	(8.026.548)	(8.434.196)
Payments for local budget	(77.986)	(76.563)
Payments for state budget	(10.754.804)	(11.701.063)
Paid excises	(2.345.747)	(2.541.806)
Paid income tax	(70.588)	(286.200)
Cash flow from operating activity	(2.926.346)	3.006.054
Cash flow from investment activity:		
Payments for the acquisition of shares	(10)	
Payments for the acquisition of assets	(754.234)	(880.235)
Collections from sale of tangible assets		
Collected interests	714	11.897
Dividends received	8,250	5,231
Net cash flow from investment activities	(745.280)	(863.107)
Net cash flow from financing activities		
Proceeds from the share issue		
Receipts from long-term loans	0	0
Receipts from loans	6.328.107	0
Paid interests and credit repayments	(320.874)	(615.615)
Payment of long term loans instalments	(895.161)	(223.790)
Paid dividends	(1.438.207)	(1.301.466)
Net treasury of financing activities	3.673.865	(2.140.871)
Net treasury increase/decrease and treasury equivalents	2.239	2.076
Treasury and treasury equivalents at the beginning of the reporting period	9.747	11.986
Treasury and treasury equivalents at the end of the reporting period	11.986	14.062

Notes to financial statements for the year ended on 31.12.2023

1. Reporting entity

SC Bermas S.A. Suceava (the "Company") is a limited liability company operating in Romania in accordance with the Law 31/1990 on trade companies, which was established as a joint stock company by GD 1353 / 27.12.1990 by transforming the former Beer and Malt Company of Suceava. The company is based in Suceava, str. Humorului no.61, tax identification number RO723636, registration number with the Trade Register J33/37/1991.

The company has as object of activity the production and marketing of beer, malt and other alcoholic and soft drinks, derivatives and by-products resulted of manufacturing and services rendered to third-parties.

The company shares have been listed on the Bucharest Stock Exchange, category II, with the indicative BRM since 16 April 1998.

As of 31 December 2023, the company is owned in proportion of 30.87% by the Victoria Bermas Suceava Association, Suceava County, in a proportion of 20.80% of PAS Bermas Suceava Suceava county and by other shareholders in a proportion of 48.33%. The records on shares and shareholders are held according to the law by SC Depozitarul Central S.A. Bucharest.

2. Preparation bases

(a) Declaration of conformity

Separate financial statements are prepared by the Company in accordance with the Order 881/2012 on the application by companies whose securities are admitted to trading on a regulated market. International Financial Reporting Standards adopted by the European Union, the Order 2844 / 12.12.2016 for the approval of accounting regulations in accordance with international Financial Reporting standards.

The date of transition to International Financial Reporting Standards was January 1, 2012.

(b) Presentation of financial statements

Individual financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the statement of the financial position and a presentation of income and expenditure according their nature in the statement of comprehensive income, considering that these presentation methods provide information that is reliable and more relevant than the ones that would have been presented under other methods allowed by IAS 1.

(c) Functional and presentation currency

The Company management considers that the functional currency as defined by IAS 21 "The Effects of exchange rate variation" is Romanian leu (RON). Individual financial statements are presented in RON, rounded to the nearest leu, currency that the Company management chose as presentation currency.

(d) Evaluation bases

Individual financial statements have been prepared on the historical cost basis except for lands and buildings which are evaluated at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and to the preparation of the statement of financial position as of 31 December 2023. These financial statements have been prepared on a business continuity basis.

(e) Use of estimates and judgements

The preparation of individual financial statements in accordance with the International Financial Reporting Standards requires the management's use of estimates, reasoning and assumptions that affect

the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Reasoning and assumptions associated to these estimates are based on historical experience and on other factors deemed reasonable in the context of estimates. The results of these estimates form the basis for reasoning about the accounting value of assets and liabilities that cannot be obtained from other sources of information. Results may differ from these estimates.

3. Significant accounting policies

The accounting policies have been applied consistently to all periods presented in the financial statements prepared by the Company.

Individual financial statements are prepared based on the assumption that the Company will continue its activity in the foreseeable future. To assess the applicability of this hypothesis, the management reviews the forecasts of future cash flows.

(a) Transactions in foreign currency

Transactions in foreign currency are recorded in RON at the official exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are converted into the functional currency at the exchange rate of the day.

Gains or losses resulting from the settlement thereof and from the conversion of assets and liabilities denominated in foreign currencies using the exchange rate at the end of the financial year are recognized in the statement of comprehensive income.

Currency exchange rates of main foreign currencies were:

Currency	31 December 2022	31 December 2023	Variation
Euro (EUR)	4,9474	4,9746	+0,55%
American dollar (USD)	4,6346	4,4958	-2,99%

(b) Financial instruments

Non-derivate financial instruments

The Company initially recognizes financial assets (loans, receivables and deposits) the date on which they were initiated. All other financial assets are initially recognized on the trade date when the Company becomes part of the contractual terms of the instrument.

The Company initially recognizes non-derivative financial liabilities on the trade date when the Company becomes part of the contractual terms of the instrument. They are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognises a financial asset when the contractual rights on cash flow from the asset expire or when rights to collect the contractual cash flows of the financial asset are transferred in a transaction in which risks and benefits of proprietary right on the financial asset are significantly transferred. Any interest in the transferred financial assets that is created or retained by the Company is separately recognized as asset or liability.

The Company derecognises a financial liability when its contractual obligations are fulfilled or cancelled or expire.

Financial assets and liabilities are offset and in the statement of financial position the net value is presented only when the Company has the legal right to offset the amounts and intends either to settle them on a net basis, or to realize the asset and to settle the liability at the same time.

The Company has the following non-derivative financial assets: receivables, cash and cash equivalents and financial assets available for sale.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition, receivables are measured at amortized cost using the effective interest method less impairment losses value. Receivables comprise trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise: cash balances and current accounts.

Share capital

(i) Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity at their net value by tax effects.

(ii) Share capital buy-back and re-issue (treasury shares)

When share capital recognized as part of equity is bought-back, the value of the consideration paid, including directly attributable costs and other costs, net of tax effects, is recognized as a deduction from equity. Bought-back shares are classified as treasury shares and presented as a reserve on own shares. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity and the surplus or deficit on the transaction is presented as share premium.

(c) Tangible assets

(i) Recognition and evaluation

Tangible assets are initially recognized by the Company as assets at cost. The cost of an item of tangible asset comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for its use for the purposes intended by the management, such as personnel expenses arising directly from the construction or acquisition of the asset, cost for site preparation, initial cost for delivery and handling, installation and assembly costs, professional fees.

The cost of an item of tangible asset built by the entity includes:

- cost of materials and direct personnel expenses;
- other costs directly attributable to bringing the asset to the condition required for the current use;
- when the Company is required to move the asset and restore the site. the estimated costs of dismantling and moving the items and of restoring the site in which they have been capitalized;
- capitalized borrowing costs.

The value of tangible and intangible assets of the Company as of 31 December 2022 is detailed in Notes 5 and 6.

Tangible assets are classified by the Company in the following classes of assets of the same kind and with similar uses:

- lands;
- constructions;
- equipment, technical equipment and machinery;
- vehicles;
- other tangible assets.

Land and buildings are highlighted at revaluated value, this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses.

Equipment, technical equipment and machinery and vehicles are highlighted using the deemed cost, this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted, if necessary, so that to reflect differences in the nature, location or conditions of that asset.

Revaluations are conducted by specialized reviewers. ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. Expenditure on repairs and maintenance is

recognized in the statement of comprehensive income when incurred.

(iii) Depreciation

The tangible assets items are depreciated from the date they are available for use or are in working condition and for assets built by the entity, from the date the asset is completed and ready for use.

Generally depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Constructions	40 years
Equipment	2-12 years
Vehicles	4-8 years
Furniture and other tangible assets	4-12 years

Land is not depreciated.

In case of technological equipment, machinery and working equipment, computers and peripherals, the Company applied the method of accelerated depreciation by a depreciation percentage of up to 50% of the input value.

Depreciation is generally recognized in profit or loss, unless the amount is included in the accounting value of another asset.

Depreciation methods, estimated useful lifetimes and residual values are reviewed by the company management at each reporting date and adjusted if appropriate.

(iv) Sale /scrapping of tangible assets

Tangible assets that are scrapped or sold are eliminated from the balance sheet with their corresponding accumulated depreciation. Any profit or loss resulting from such operations is included in current profit or loss.

(d) Intangible assets

(i) Recognition and evaluation

Intangible assets acquired by the Company and having a determined useful lifetime are evaluated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. All other expenditure, including expenditure on trade fund and internally generated brands are recognized in profit or loss when incurred.

(iii) Depreciation of intangible assets

Depreciation is calculated on the cost of the asset less its residual value.

Depreciation is recognized in profit or loss using the straight-line method for the estimated useful life of intangible assets other than trade fund, from the date they are available for use. The estimated useful lives for the current period and for comparative periods are as follows:

- software 4 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(e) Inventories

Inventories are evaluated at the lower value between cost and net realizable value.

The cost of inventories is based on the first-in first-out method (FIFO) for materials and on the weighted average cost method (WAC) for raw materials, semi-finished and finished products and includes expenditure incurred for the purchase, production or processing of inventories and other costs incurred in bringing the inventories to the current form and location.

For Inventories produced by the Company and for those with production in progress, costs include appropriate share of administrative expenses of production based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Determining the fair values

Certain accounting policies of the Company and presentation conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or presentation of information based on the methods described below.

Fair value measurement (effective for annual financial statements covering periods starting on or after 1 January 2013), IFRS 13 sets a single framework for all fair value measurements when fair value is required or permitted by the International Financial Reporting Standards. IFRS 13 describes how fair value should be measured in accordance with the International Financial Reporting Standards when it is required or permitted by the International Financial Reporting Standards. The standard does not introduce additional requirements for the evaluation of assets and liabilities at fair value but it does not eliminate exceptions to fair value measurement existing in the current standard. The existing standard has some additional information that allow users of financial statements to evaluate the methods used for fair value measurements and the assessment effect on profit or loss or on other comprehensive income for fair value measurements using significant unobservable elements. As stated in the financial statements of 2012, IFRS 13 had no significant impact on the financial statements as the methods and assumptions used to measure the fair value of assets are in accordance with IFRS 13. Tangible assets recognized as assets are initially measured at cost by the Company. The cost of an item of tangible assets comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for the intended use by the management, such as: personnel expenses arising directly from the construction or acquisition of the asset, cost for site preparation, initial costs for delivery and handling, installation and assembly costs, professional fees. The cost of an item of tangible assets built by the entity includes:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the asset to the condition for use;
- when the Company is required to move the asset and restore the related space, the estimated costs of dismantling and removing the items and restoring the space in which they have been capitalized;
- capitalized borrowing costs.

SC BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position of the entity's financial statements prepared in accordance with International Financial Reporting Standards. SC BERMAS SA presented each item in the statement of opening financial position in accordance with International Financial Reporting Standards: aggregate value of those fair values and aggregate adjustment of the reported accounting values in accordance with the previous accounting principles.

Land and buildings are highlighted at revaluated amount, this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses. Equipment, technical equipment and machinery and vehicles are highlighted using the deemed cost, this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted, if necessary, so that to reflect differences in the nature, location or conditions of that asset.

Revaluations are conducted by specialized reviewers, ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

In order to improve consistency and comparability in fair value measurements and the information presented. IFRS 13 establishes a fair value hierarchy that inputs used in fair value measurement techniques are classified in three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has access to at the reporting date;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability concerned. either directly or indirectly;
- Level 3 - inputs that are not based on observable market data.

Leven 1 input

- quoted prices in active markets for identical items best reflecting the fair value;

• if there is a level 1 price, an entity must use this price to the fair value measurement. Exceptions include:

- ✓ The entity may, in certain cases, use an alternative methodology for pricing not based exclusively on quoted prices available but rather on the relationship between securities and other reference titles listed (for instance, the determination of fair value based on a pricing matrix);
- ✓ In certain circumstances, the quoted price in an active market may differ from the fair value at the measurement date (for instance, when significant events occur after the market closes, but before the valuation date).

Level 2 input

- Level 2 input includes:
 - ✓ quoted prices in active markets for similar assets or liabilities;
 - ✓ quoted prices in markets that are not active for identical or similar assets or liabilities;
 - ✓ observable inputs other than quoted prices for the asset or liability (such as interest rates and yield curves, volatilities, prepayments, rates of default);
 - ✓ input data mainly resulted in conjunction with observable market data by correlation or other means;
- an adjustment of Level 2 inputs not based on observable data and is significant for the whole valuation leads to a Level 3 assessment.

Level 3 input

- the objective of fair value does not change when fair value is measured on the basis of unobservable inputs;
- unobservable inputs should reflect assumptions used by market participants in pricing the asset or liability, including assumptions about risk;
- an entity should determine unobservable inputs using the best available information, which may include the entity's own data.

As stated in the financial statements of 2020, certain accounting policies of the Company and disclosure conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or disclosure of information based on the methods described below. When applicable, additional information on the assumptions used in determining fair values is presented in the notes specific to that asset or liability.

Short-term receivables, which have no stated interest rate, are measured at initial invoice amount if the effect of updating is insignificant. Fair value is determined at initial recognition and for presentation purposes, at each reporting date.

When applicable, further information on the assumptions made in determining fair values is presented in the notes specific to the asset or the liability.

(i) Tangible assets

The fair value of lands and buildings is based on the market method using quoted market prices for similar items when available.

(ii) Intangible assets

The fair value of intangible assets is based on updated cash flows that are expected to incur as a result of the use and finally the sale of these assets.

(iii) Inventories

The fair value of inventories is determined based on estimated selling price that could be obtained in the ordinary course of business less the estimated costs of completion and sale and a reasonable profit margin based on the effort required to complete and sell inventories.

(iv) Trade receivables and other receivables

The fair value of trade receivables and other receivables is estimated as the current value of future cash flows, updated at the market interest rate at the reporting date.

Short-term receivables, which have no stated interest rate, are measured at initial invoice amount

if the effect of updating is insignificant. Fair value is determined at initial recognition and, for presentation purposes, at each annual reporting date.

(f) Impairment of non-financial assets

The accounting value of the Company's non-financial assets that are not financial in nature, other than deferred tax assets, is reviewed at each reporting date in order to identify the existence of impairment indications. If such indication exists, the recoverable value of those assets is estimated.

An impairment loss is recognized when the accounting value of the asset or its cash-generating unit exceeds the recoverable value of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and independently from other assets and groups of assets has the ability to generate cash flows. Impairment losses are recognized in the statement of comprehensive income.

The recoverable value of an asset or cash-generating unit is the maximum between its value in use and its fair value less costs to sell the asset or units. To determine the value in use, the expected future cash flows are updated using a pre-tax discount rate that reflects the current market conditions and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether they have decreased or no longer exists. An impairment loss is reviewed in case of any change in the estimates used to determine the recoverable value. An impairment loss is reviewed only if the asset's accounting value does not exceed the accounting value that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(g) Dividends to be distributed

Dividends are treated as a distribution of profit in the period in which they were declared and approved by the General Meeting of Shareholders. Dividends declared before the reporting date, are recorded as liabilities at the reporting date.

Dividends distributed to shareholders, proposed or declared after the reporting period and other similar distributions from the profit determined under IFRS and included in the annual financial statements should not be recognized as liability at the end of the reporting period.

(h) Revaluation reserves

Revaluations are performed with sufficient regularity so that the accounting value does not be materially different from that which would be determined using fair value at the balance sheet date. In this regard, the Company conducted revaluation of lands and buildings by independent auditors on 31 December 2012.

The difference between the value resulting from revaluation and the net accounting value of tangible assets is shown in the revaluation reserve as a distinct sub-item in "Equity".

If the revaluation result is an increase over the net accounting value, then it is treated as follows: as an increase in revaluation reserve presented in equity, if there was a decrease previously recognized as an expense for that asset or as income to compensate the previously recognized decrease in the asset.

If the revaluation result is a decrease over the net accounting value, it is treated as an expense when the entire amount of depreciation when in the revaluation reserve there is no record on an amount related to that asset (revaluation surplus) or as a decrease in revaluation reserve with the minimum between that value and the amount of decrease and the eventual uncovered difference is recorded as an expense.

The revaluation surplus included in the revaluation reserve is transferred to the comprehensive income when the surplus represents a realised gain. The gain is considered realized while the amortisation of the asset for which the revaluation reserve was established, respectively at its deregistration if it was not fully amortized. No part of the revaluation reserve may be distributed, directly or indirectly, unless the revaluated asset was valued, in which case the revaluation surplus is actually a realized gain.

Since 1 May 2009, as a result of changes in tax legislation, revaluation reserves recorded after 1 January 2004 are taxable on fixed asset amortization. Accordingly, the Company recorded a deferred tax liability related to revaluation which is reflected in the value of the asset.

(i) Legal reserves

Legal reserves are constituted at a proportion of 5% of gross statutory profit at the end of the financial year until the total legal reserves reach 20% of the nominal (statutory) share capital paid-up in accordance with the law. These reserves are tax deductible and are not distributable than at the liquidation of the Company.

(j) Related parties

Parties are considered related if one party has the ability to control, directly or indirectly, or significantly influence the other party either through ownership or under contractual rights, family relationship or otherwise, as defined in IAS 24 "Related Party Disclosures".

(k) Employee Benefits

(i) Short-term benefits

Short-term employee benefits include salaries, bonuses and social security contributions. Obligations with short-term benefits to employees are not updated and are recognized in the statement of comprehensive income as the related service is provided.

(ii) Defined contribution plans

The Company makes payments on behalf of their employees at the Romanian State pension scheme, health fund and unemployment fund in the normal course of business.

All members and employees of the Company are also legally obliged to contribute (through social contributions) to the Romanian State pension scheme (a defined State contribution scheme). All related contributions are recognized in profit or loss for the period when incurred. The Company has no further obligations.

The Company is not engaged in any independent pension scheme and consequently, has no other obligations in this regard. The Company is not engaged in any other postretirement benefit system. The Company has no obligation to provide further services to current or former employees.

(l) Revenues

(i) Sale of goods

Revenue from sale of goods during the current activities are measured at the fair value of the consideration received or receivable, less returns, trade discounts and volume rebates.

Revenue is recognized when consistent evidence exists, usually in the form of an executed sales contract and the risks and benefits arising from ownership are significantly transferred to the buyer, the recovery of the consideration is probable, the costs and possible returns of goods can be estimated in a credible manner, the entity not involved in the management of sold goods and the amount of revenue can be reliably measured. If it is likely that certain discounts or rebates to be granted and their value can be reliably measured, then they are recognized as a reduction of revenue as the sales are recognized.

(ii) Rendering of services

Revenue from rendering of services is recorded in the accounts as they are rendered. Rendering of services includes execution of works and any other operations that cannot be treated as supplies of goods.

The stage of work completion is determined based on the work progress reports accompanying invoices, acceptance reports or other documents attesting the completion and acceptance of rendered services.

(m) Financial revenues and expenses

Financial revenues comprise interest income on invested funds and other financial revenues. Interest income is recognized in profit or loss on an accrual basis using the effective interest method. Financial expenses comprise interest expense related to loans and other financial expenses. Starting on 01.01.2014 the financial discounts are recorded as financial expenses.

All borrowing costs that are not directly attributable to the acquisition, construction or production of assets with long production cycle are recognized in profit or loss using the effective interest method.

Gains and losses on exchange differences related to financial assets and liabilities are reported on a net basis or as financial income or financial expense depending on the currency fluctuations: net gain or net loss.

(n) Income tax

Income tax for the financial year comprises current tax and deferred tax.

Income tax is recognized in the statement of comprehensive income or in other comprehensive income if the tax is related to capital items.

(i) Current tax

Current tax is the payable tax on the profit realized in the current period, determined using tax rates applicable at the reporting date and any adjustment for previous periods.

(ii) Deferred tax

Deferred tax is determined by the Company using the balance sheet method for temporary differences arising between the tax basis for the assets and liabilities and their accounting value used for reporting individual financial statements.

Deferred tax is calculated using tax rates expected to apply to the resumption of temporary differences in accordance with the applicable laws at the reporting date.

Deferred tax receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables and if they are related to the tax collected by the same tax authority on the same entity subject to taxation or for different tax authorities seeking to settle receivables and current tax liabilities using a net basis or related assets and liabilities will be simultaneously realized.

Deferred tax receivables are recognized by the Company only to the extent that it is probable the realisation of future profits that could be used to cover the tax loss. Deferred tax receivables are reviewed at the end of each financial year and are reduced to the extent that the related tax benefit is unlikely to be realized. Additional taxes that arise from the distribution of dividends are recognized at the same date as the obligation to pay dividends.

(iii) Tax exposures

For the determination of current and deferred tax, the Company takes into account the impact of uncertain tax positions and the possibility of additional taxes and interest. This assessment is based on estimates and assumptions and involves a series of reasoning about future events. New information may become available, thereby making the Company amend its reasoning in terms of estimation accuracy of existing tax liabilities; such changes in tax liabilities affect the tax expense in the period in which such determination is performed.

(o) Earnings per share

The Company presents basic earnings per share and diluted earnings per ordinary shares. Basic earnings per share are determined by dividing the profit or loss attributable to ordinary shareholders of the Company to the weighted average number of ordinary shares for the period under review. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects generated by potential ordinary shares.

(p) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is removed.

A contingent asset is not recognized in the financial statements. It is disclosed when an inflow of economic benefits is probable.

(q) Subsequent events

The financial statements reflect events after the end of the year, events that provide additional information about the Company's position at the reporting date or those that indicate a possible violation of the activity continuity principle (events that determine adjustments). Events after the end of the year that do not represent events determining adjustments are disclosed in the notes when considered significant.

(r) Comparative figures

The Statement of financial position for the period ended on 31 December 2023 show

comparability with the statement of financial position for the period ended on 31 December 2022. Statement of comprehensive income on 31 December 2023 shows comparability with the statement of comprehensive income on 31 December 2022.

(s) Reporting on segments

A segment is a distinct component of the company providing certain products or services (operating segment) or providing products or services within a particular geographical environment (geographical segment), which is subject to risks and benefits different from those of other segments.

(s) New Standards and Interpretations.

New standards, amendments to standards and interpretations have been issued which have not yet entered into force until 31.12.2023 or have not been adopted by the European Union ("EU") and have not been applied in the preparation of these financial statements.

The following sections are presented: List of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Board (IASB) and the European Union in force on 31 December 2023, as well as those not yet in force and the list of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Committee but not yet adopted by the European Union until 31.12.2023.

(i) Standards and interpretations adopted by the International Accounting Standards Committee and the European Union in force during the current period

Additions to IAS 12 -- Deferred tax related to assets and liabilities arising from a single transaction. In May 2021, the IASB through these amendments clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability recognized simultaneously. An additional criterion is introduced for the exemption from initial recognition under IAS 12.15 whereby the exemption does not apply to the initial recognition of an asset or liability that, at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

IFRS 17 -- Insurance Contracts introduces an internationally consistent approach to accounting for insurance contracts. In December 2021, the IASB amended IFRS 17 to add a transition option to address possible accounting mismatches between financial assets and insurance contractual liabilities in the comparative information presented upon initial application of IFRS 17 and IFRS 9, thereby improving the usefulness of the comparative information for users of financial statements. The standard is effective for annual periods beginning on or after January 1, 2023.

Additions to IAS 1 -- Presentation of financial statements - Presentation of accounting policies -- In February 2021, the IASB issued amendments to IAS 1, which change the presentation requirements regarding accounting policies from "significant accounting policies" to "material accounting policy information". The amendments provide guidance on when accounting policy information may be considered material. As IFRS Statements of Practice are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Statement of Practice 2.

Amendments to IAS 8 Accounting policies, changes in accounting estimates, errors - In February 2021, the IASB issued amendments to IAS 8, which added to the definition of accounting estimates in IAS 8. The amendments also clarified that the effects of a change in an inputs or a valuation technique are changes in accounting estimates, unless they result from the correction of prior period errors.

(ii) Standards and interpretations issued by the Committee for International Accounting Standards and which were adopted by the European Union but are not in force on 31.12.2022

Additions to IAS 1 -- Presentation of financial statements - classification of debts as current or long-term debts. In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current, providing a more general approach based on existing contractual relationships at reporting. The effective application has been postponed to annual reporting periods starting from 01.01.2024 and affects only the presentation of liabilities in the statement of financial position, not the amount or timing of the recognition of any asset, income or expense or the information that entities present about these items.

Additions to IFRS 16 Leasing contracts: The lease liability in a sale and leaseback contract. The amendments are intended to improve the requirements that a seller-lessee uses in measuring lease liabilities arising from a sale and leaseback transaction under IFRS 16.

Additions to IAS 7 Statement of Cash Flows and IFRS 7 Presentation of Financial Instruments –

Supplier Financing Agreements - complements the already existing requirements and requires an entity to disclose the terms and conditions of supplier financing agreements.

Additions to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures: the sale or contribution of assets between an investor and the associate or joint venture - the main consequence of the changes is that a gain or loss is recognized when a transaction involves a business.

Additions to IAS 21: Lack of interchangeability – specifies how an entity should assess whether a currency is interchangeable and how it should determine a spot exchange rate when the currency is not the possibility of exchange.

4. Reporting on segments

In terms of business segments, the company has not identified distinct components in terms of associated risks and benefits.

The factors used to identify reportable segments: segments have been identified as discrete components of the company that provides products or services (business segment) and that are subject to risks and benefits that are different from those of other segments. Reporting on segments is done in a manner consistent with the internal reporting to the main operational decision maker. The main operational decision maker responsible for allocating resources and assessing the performance of the operating segments has been identified is the Board of Directors that makes strategic decisions.

<i>Sales on products</i>	<i>Financial year 2023</i>
Sold production. of which:	34.066.310
- sales of beer	33.690.950
-sales of semi-fabricated products	369.808
- sales of residual products	5.552
- services	34.066.310
Total	34.066.310

The net turnover on 31.12.2023 is amounted to 34.066.310 lei and it represents in a proportion of 98.90% the beer. the difference of 1.10% being represented by the by-products and services. SC BERMAS SA does not report separately the information by activity segments, since the revenues obtained from the main activity sector "beer production and sale" represent almost 99% of the total revenues.

5. Tangible assets

	Lands	Buildings	Technical equipment and machinery	Other equipment. machinery and furniture	Fixed assets in progress	Total
<i>Cost (in lei)</i>						
Balance on 31 December 2022	1.774.100	7.232.440	23.611.664	402.664	0	33.020.868
Input			250.134	24.962	443.150	718.246
Transfers by commissioning			232.307			232.307
Revaluation decrease						-
Outputs			432.256	23.174	232.307	687.737
Balance on 31 December 2023	1.774.100	7.232.440	23.661.849	404.452	210.843	33.283.684
<i>Accumulated amortisation</i>						
Balance on 31 December 2022		(6.625.946)	(13.367.309)	(225.533)		(20.218.788)
Expense		(127.616)	(1.522.716)	(46.088)		(1.696.420)
Revaluation decreases						-
Output amortisation			(432.256)	(23.174)		(455.430)
Balance on 31 December 2023		(6.753.562)	(14.457.769)	(248.447)	-	(21.459.778)
<i>Net accounting value</i>						
Balance on 31 December 2022	1.774.100	606.494	10.244.355	177.131	0	12.802.080
Balance on 31 December 2023	1.774.100	478.878	9.204.080	156.005	210.843	11.823.906

SC BERMAS SA does not report separately the information by business segment as revenues from the main sector of activity "production and marketing of beer" represents over 99% of total revenues.

Some of the tangible assets of the Company are mortgaged or pledged to secure borrowings from banks.

BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position, the first entity's financial statements prepared in accordance with International Financial Reporting Standards. SC BERMAS SA presented for each element in the situation of opening the financial position in accordance with International Financial Reporting Standard: the aggregate amount of those fair values and aggregate adjustment to the accounting amounts reported under previous accounting principles. We present below the input data used in the evaluations:

Cost	Lands	Buildings	Technical equipment and machinery
Balance on 1 January 2011	751.661	6.644.923	28.590.425
Revaluation for 2010	777.739	196.942	(16.436.299)
Revaluation for 2010			511.474
Input			506.845
Outputs			(1.682)
Balance on 31 December 2011	1.529.400	6.841.865	13.170.763
<i>Accumulated amortisation</i>			
Balance on 1 January 2011		(3.593.456)	(16.436.298)
Revaluation for 2010		(102.009)	16.436.298
Depreciation for the period		(262.440)	(1.199.054)
Output depreciation			210
Balance on 31 December 2011		(3.957.905)	(1.198.844)
<i>Net accounting value</i>			
Balance on 1 January 2011	751.661	3.051.467	12.154.127
Balance on 31 December 2011	1.529.400	2.883.960	11.971.919

Cost	Lands	Buildings	Technical equipment and machinery
Balance on 31 December 2011	1.529.400	6.841.865	13.170.763
Revaluation	244.700	74.279	
Input			265.574
Output			
Balance on 31 December 2012	1.774.100	6.916.144	13.436.337
<i>Cumulated depreciation</i>			
Balance on 31 December 2011		(3.957.905)	(1.198.844)
Expense		(273.045)	(1.217.485)
Increase from revaluation		(42.798)	
Balance on 31 December 2012		(4.273.748)	(2.416.329)
<i>Net accounting value</i>			
Balance on 31 December 2011	1.529.400	2.883.960	11.971.919
Balance on 31 December 2012	1.774.100	2.642.396	11.020.008

In accordance with IAS 36, both intangible and tangible assets are periodically reviewed to identify whether there are indications of impairment at the balance sheet date.

If the net accounting value of an asset exceeds its recoverable amount, an impairment loss is recognized in order to reduce the net accounting value of the asset at the recoverable value. If the reasons for the recognition of an impairment loss disappear in the next period, the net accounting value of the asset is increased up to the net accounting value that would have been determined no impairment loss would be not recognized.

SC BERMAS SA has not recorded impairment losses, depreciation and amortization expenses

presented in the statement of comprehensive income with amortization in year 2023 recognized in profit or loss account being allocated systematically over the useful life of the assets. Depreciation methods, useful life durations and estimated residual values are reviewed by the entity's management at each reporting date and adjusted if appropriate. Regarding the fair value hierarchy, input data for the valuation techniques used to determine fair value measurements are Level 2 for both 2022 and 2023.

The accounting value of asset classes, if the assets were submitted on the basis of cost is as follows:

<i>in lei</i>	Lands	Buildings	Technical equipment and machinery	Other equipment, machinery and furniture	Fixed assets in progress	Total
<i>Cost</i>						
Balance on 31 December 2022	1.774.100	7.232.440	38.669.109	500.699	0	48.176.348
Input			250.134	24.962	443.150	718.246
Transfers by commissioning			232.307			232.307
Decrease from revaluation						-
Output			547.459	26.767	232.307	806.533
Balance on 31 December 2023	1.774.100	7.232.440	38.604.091	498.894	210.843	48.320.368
<i>Cumulated depreciation</i>						
Balance on 31 December 2022		(6.625.946)	(28.674.168)	(321.013)		(35.621.127)
Expense		(127.616)	(1.524.122)	(46.836)		(1.698.574)
Decrease from revaluation						-
Output depreciation			(547.459)	(26.767)	-	(574.226)
Balance on 31 December 2023	-	(6.753.562)	(29.650.831)	(341.082)	-	(36.745.475)
<i>Net accounting value</i>						
Balance on 31 December 2022	1.774.100	606.494	9.994.941	179.686	0	12.555.221
Balance on 31 December 2023	1.774.100	478.878	8.953.260	157.812	210.843	11.574.893

6. Intangible assets

<i>Cost</i>	Other intangible assets	Total
Balance on 31 December 2022	208.182	208.182
Inputs		
Transfers		
Balance on 31 December 2023	208.182	208.182
<i>Accumulated depreciation</i>		
Balance on 31 December 2022	(208.182)	(208.182)
Expense		
Transfers		
Balance on 31 December 2023	(208.182)	(208.182)
<i>Net accounting value</i>		
Balance on 31 December 2022	0	0
Balance on 31 Decembrie 2023	0	0

7. Financial assets available for sale

	31 December 2022	31 December 2023
To "Victoria" Social-cultural foundation of Suceava	83.000	83.000
Environment Business Consulting SRL	1.010	1.010
Total	84.010	84.010

SC BERMAS SA holds financial assets available for sale, resulting from the establishment of a 19,88% share to the patrimony of the "Victoria" Social-Cultural Foundation which was established in 2002 and registered in the Register of non-profit Associations and Foundations, these financial

assets being evaluated at historical cost. These financial assets were reclassified in 2015 as financial assets measured at cost due to the fact that, since the duration of the Foundation is indefinite and its scope defined as "partnerships with public authorities, NGOs and other institutions in order to conduct social, scientific and humanitarian activities of local and regional interest" has present and perspective, the board of directors has not expressed its intention of closing the foundation, the foundation being recognized as of public utility. The financial statements submitted show that it is operating, not being in liquidation procedure, the capital contribution being the one established at its foundation.

Through the contract Assignment Agreement no. 1 of 18.02.2020, SC BERMAS SA received the property right for 100 registered shares in a total value of 1,000 lei held in CLEAN RECYCLE SA, and through the Assignment Contract of 24.03.2022 he also received ownership rights over another share worth 10 lei.

8. Inventory

	<u>31 December 2022</u>	<u>31 December 2023</u>
Production in progress	12.118.458	13.153.886
Raw materials and consumables	10.746.646	10.297.859
Finished products and goods	377.363	132.112
Total	<u>23.242.467</u>	<u>23.583.857</u>

Assets such as inventories are valued at their accounting value, less adjustments for impairment. Impairment adjustments recognized as expense at the end of the reporting year represent the value of inventory without movement at the level of 2022. If the accounting value of inventories is higher than the book value, the value of inventories is decreased up to the net achievable value. by setting up adjustments for impairment. The value of adjustments for inventories without movement on 31.12.2023 is amounted to 143.850,56 lei.

9. Trade receivables

	<u>31 December 2022</u>	<u>31 December 2023</u>
Clients	898.810	1.043.519
Suppliers – debtors for the purchase of inventory goods	532.552	1.168.890
Advance payments for intangible assets	5.844	0
Adjustments for the depreciation of receivables	(21.014)	0
TOTAL	<u>1.416.192</u>	<u>2.212.409</u>

10. Cash and cash equivalents

	<u>31 December 2022</u>	<u>31 December 2023</u>
Cash in the cash register	6.230	8.724
Current bank accounts	5.756	5.338
Cash advances	-	-
Other values	-	-
Total	<u>11.986</u>	<u>14.062</u>

11. Other receivables

	<u>31 December 2022</u>	<u>31 December 2023</u>
Diverse debtors	1.482.555	828.621
Other receivables related to personnel		
Adjustments for depreciation different debtors	(728.773)	0
Total	<u>753.782</u>	<u>828.621</u>

The valuation for impairment of receivables is performed individually and is based on management's best estimate of the present value of the cash flows expected to be received. Quarterly and at the end of the financial year 2023, following the analysis of the uncertain customers and the various debtors with whom we are in dispute, it was not considered necessary to make any adjustments.

12. Share capital

Company's shareholder structure

Balance on 31 december 2023	Number of shares	Suma (RON)	(%)
Other shareholders	10.416.771	7.291.739.70	48.33%
Victoria Bermas Association	6.653.009	4.657.106.30	30.87%
PAS Bermas	4.483.269	3.138.288.30	20.80%
Total	21.553.049	15.087.134	100%

Information on the objectives, policies and processes for managing the share capital according to IAS 1.134 complying with the information included in IAS 1.135 qualitative information about its objectives, policies and processes for managing its share capital, including the description of share capital it manages, the way in which objectives are met, quantitative data regarding the share capital and changes from one period to another.

The **share capital** of the company on 31.12.2023 is amounted to 15.087.134,30 lei fully subscribed and paid up. divided in 21.553.049 registered shares of 0,70 lei each. The company's shares are ordinary, nominative, dematerialized, registered into account, their records being kept by the Depozitarul Central SA Bucharest. Shares have equal value and grant equal rights for each share.

The structure of shareholders holding over 10% of the share capital is as follows:

Balance on 31 December 2023	Number of shares	Amount (RON)	(%)
Victoria Bermas Association	6.653.009	4.657.106.30	30.87%
PAS Bermas	4.483.269	3.138.288.30	20.80%
SC Vivat Construct SRL	2.931.765	2.052.235.50	13.60%

The legal reserves of the company as of 31.12.2023 are in the amount of 3.017.427,16 lei as a result of the establishment of the legal reserve (within the limit of 5% of the accounting profit and up to 20% of the share capital according to Law 227/2015 with subsequent amendments and completions and of Law 31/1900 with subsequent amendments and completions).

Other reserves

SC BERMAS SA records on 31.12.2023 in the account 1068 Other reserves the amount of 3.477.527,35 with the following structure:

Reserves for restatement according to IFRS	554.644,00
Reserves for development	299.599,38
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.735.210,24
Other reserves the Law 55/1995. Decree 834/1991	56.294,29
TOTAL	3.477.527,35

SC BERMAS SA records on 31.12.2022 in the account 1068 Other reserves the amount of 2.955.745,72 with the following structure:

Reserves for restatement according to IFRS	554.644,00
Reserves for development	298.120,75
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.214.907,24
Other reserves the Law 55/1995. Decree 834/1991	56.294,29
TOTAL	2.955.745,72

13. Accounts payable for deferred profit tax

Accounts payable for the deferred tax as of 31 December 2023 are detailed below:

31 December 2023	Assets	Liabilities	Net
Tangible assets	(143.851)		(143.851)
Inventory			

Trade receivables		
Other receivables	1.298.717	1.298.717
Total	1.298.717	1.298.717

Net temporary differences – rate 16% **1.298.717**

Accounts payable for deferred tax = 207.795 lei.

14. Trade payables

Description	31 December 2022	31 December 2023
Trade payables	1.216.618	1.065.748
TOTAL	1.216.618	1.065.748

Other payables

Description	31 December 2022	31 December 2023
Diverse creditors and other payables	1.211.700	852.115
Payables to the local budget	697.059	686.621
Payables to employees	373.963	465.326
Payables to the state budget	(1.128.207)	(323.643)
TOTAL	1.154.515	1.680.419

Provisions on 31.12.2023 in the amount of 368,648 lei are established for the gift vouchers granted to the employees of SC BERMAS SA, established by the fiscal inspection report issued by the Suceava County Administration of Public Finances and the Taxation Decision no. F-SV_90 of 30.03.2021, contested within the legal term.

15. Short-term bank credits

Description	31 December 2022	31 December 2023
Short-term bank credits	11.721.269	11.589.145
TOTAL	11.721.269	11.589.145
Bank	31 December 2022	31 December 2023
Raiffeisen Bank Suceava	1.934.858	2.478.575
Raiffeisen Bank Suceava Program RURAL INVEST	5.000.000	4.500.000
BRD Suceava	4.786.411	4.610.570
BRD SUCEAVA Program AGRO IMM INVEST	11.721.269	11.589.145
TOTAL	5.393.163	11.721.269

On 31 December 2023, short-term payables to banks refer to the following:

- secured overdraft with Raiffeisen amounted to 3.000.000 lei. The remaining balance on 31.12.2023 is amounted to 2.478.575 lei. The interest charged on the daily debtor balance of the current account is a fluctuating interest at ROBOR annual rate 1M + 1.10%. calculated on the actual number of days of the reference month compared to the year of 360 days. The reference rate will be daily updated;
- revolving credit line from Raiffeisen Bank, granted under the RURAL INVEST program for the purpose of financing current activity (supplier payments, salaries, current debts to the state budget) in the amount of 5.000.000 lei with a non-refundable component of a maximum of 10% from the amount of the financing and with a subsidized interest for a period of 2 years, the risk and administration fees being borne by the Romanian state in the form of a grant. Since this state aid was transferred directly to the bank and did not go through the company's bank accounts, it was not recorded in the company's accounting records on income and expense accounts. On 31.12.2023 SC BERMAS SA used 4.500.000 lei from the line, the non-refundable component being collected.
- revolving credit line from BRD Groupe Societe Generale Suceava, granted within the Support Program for small and medium-sized enterprises and small enterprises with medium market capitalization IMM INVEST ROMANIA, within the AGRO IMM INVEST sub-program with the objective of granting facilities guarantee in a transparent and non-discriminatory way for the

loans granted, in the amount of 5.000.000 lei for the financing of working capital and current activity, with a non-refundable component of 10% of the financing value and with a subsidized interest from the state budget in proportion of 100% for a period of 8 months from the first use, the commissions being covered by the Ministry of Finance through an aid in the form of a grant for the entire duration of the contract. After the interest subsidy period, the interest paid is 1,4% plus 3-month ROBOR. Since this state aid was transferred directly to the bank and did not go through the company's bank accounts, it was not recorded in the company's accounting records on income and expense accounts. The amount used on 31.12.2023 was 4.786.411 lei.

Bank overdrafts are secured by:

- mortgage on tangible assets with a net accounting value of 1.573.491 lei on 31 December 2023;
- priority pledge and mortgage on current accounts;
- mortgage on the availabilities from the accounts opened at BRD Suceava and Raiffeisen;
- FNGCMM guarantee of 4.000.000 lei
- FGCR guarantee of 4.500.000 lei.

Guarantees:

Pledges + mortgages on equipment with Raiffeisen Bank – 31.12.2023

Nr. Crt	Name of the fixed asset or equipment	Value
1	GROUND SUFACE - 3,851 sq m	223.358,00
2	GERMINATION MAIN BODY stage I+I	151.510,00
3	MAIN SOFTENING BODY (EXTENSION)	177.360,00
4	MAIN DRYING BODY	317.520,00
5	MAIN BODY HOUSE MACHINE CORP	263.090,00
6	SILAGE GERMINATION BODY 19 CELLS	272.500,00
7	MAIN LINKAGE BODY	82.100,00
8	TECHNOLOGICAL EQUIPMENT MALT SECTION	86.052,68
	TOTAL	1.573.490,68

Referring to the assertion that overdrafts are secured by a first-ranking pledge on current accounts we mention that on 31.12.2023, the value of the pledge on the available current accounts is amounted to 0 lei, banks automatically proceeding to the transfer of available funds in the overdraft account.

16. Earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares:

	31 December 2022	31 December 2023
Profit attributable to ordinary shareholders	1.467.509	1.150.178
Weighted average number of ordinary shares	21.553.049	21.553.049
Basic earnings per share	0,068	0,053

The Board of Directors of SC "BERMAS" has proposed the distribution of net profit for the financial year ended in 1 mounted to 1.150.178 lei as follows:

Net profit 2023 = 1.150.178 lei

Dividends = 1.150.178 lei

The gross dividend per share that would to be granted for one share held on the registration date is 0,053 lei / share which would represent a rate of 100% of the net profit for the financial year ended in 2023.

17. Revenue from turnover

	31.12.2022	31.12.2023
Revenue from the sale of finished products	29.820.347	33.690.950

Revenues from the sale of semi-fabricated products	9.152	
Revenues from the sale of residual products	302.990	369.808
Revenue from services rendered	5.214	5.552
Total	30.137.703	34.066.310

18. Other revenue

	31.12.2022	31.12.2023
Income from operating subsidies	1.547.773	500.000
Income from provisions	46.267	721.448
Other operating revenue	1.662.183	1.825.225
Total	3.256.223	3.046.673

19.a). Other expenses

	31.12.2022	31.12.2023
Entertainment. advertising and publicity	262.049	656.987
Operating Expenses on Provisions	-	-
Operation expenses for adjustments of current assets impairment	28.960	22.528
Other taxes. duties and payments	255.001	342.519
Insurance premiums	208.788	224.881
Compensations. fines and penalties	60.337	45.745
Travel expenses	101.344	117.123
Postage and telecommunications	53.564	57.700
Commissions and fees	17.073	20.489
Rental and royalty expenses	2.360	2.241
Bad debts written off	-	578.180
Net loss from the sale of tangible assets	-	-
Other operating expenses	1.427.750	1.141.527
Total	2.417.226	3.209.920

b). Prepaid expenses

PREPAID EXPENSES ON 31.12.2022

<i>NAME OF THE ACCOUNT</i>	<i>BALANCE DEBIT</i>
Insurance premiums	38.061,44
Postage and telecommunications	4.643,08
Other taxes. duties and payments	19.882,31
Other financial expenses	3.421,37
Beer loss December	57,39
	66.065,59

PREPAID EXPENSES 31.12.2023

<i>NAME OF THE ACCOUNT</i>	<i>BALANCE DEBIT</i>
Insurance premiums	35.515,99
Postage and telecommunications	4.995,13
Other taxes. duties and payments	16.967,05
Other financial expenses	15.243,25
Beer loss December	28,64
	72.750,06

20. Personnel expenses

	2022	2023
Salaries	14.481.848	15.324.411
Social security and welfare contributions	541.199	556.367

Meal vouchers	953.690	1.273.370
Total	15.976.737	17.154.148

On 31 December 2023 the average number of employees of the company was 193.

21. Financial revenues and expenses

	2022	2023
Financial revenues	8.250	5.231
Net gain from exchange differences		
Interest revenues		
Other financial revenues	8.250	5.231

	2022	2023
Financial expenses	320.874	483.491
Interest expenses		
Net loss from exchange differences	1.668	2.634
Other financial expenses	937.115	1.052.683
Total	1.259.657	1.538.808

22. Income tax expense

	31.12.2022	31.12.2023
Current income tax expense	236.838	171.503
	236.838	171.503

Deferred income tax

Deferred income tax expenses	784	4.923
Deferred income tax revenues	-	-
	784	4.923

Total	237.622	176.426
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	31.12.2022	31.12.2023
Profit before tax	1.704.347	1.321.681
Tax acc. to the statutory tax rate of 16%	272.696	211.469
Effect on the income tax of:		
Legal reserve		
Non-deductible expenses	38.116	47.226
Non-taxable revenues	(8.723)	(23.760)
Sponsoring within legal limits	(60.418)	(46.987)
Bonus applied cf GEO 30/2020	(4.833)	(16.445)
Registration and review of temporary differences	784	4.923
Income tax	237.622	176.426

23. Related parties

The persons who are part of the Board of Directors and the Executive Committee represent related parties.

31.12.2023 - List of members of the Board of Directors

Anisoï Elena	President of the B.D.
Sauciuc Aurel	Vice-president
Dragan Sabin Adrian	Member

List of the persons in the Executive Committee

Anisoï Elena	General Manager
Tebrean Iridenta	Economic Manager
Sîngeap Cristina	Commercial Manager

31.12.2022 - List of members of the Board of Directors

Anisoï Elena	President of the B.D.
Sauciuc Aurel	Vicepresedinte
Dragan Sabin Adrian	Membru

List of the persons in the Executive Committee

Anisoï Elena	General Manager
Tebrean Iridenta	Economic Manager
Sîngeap Cristina	Commercial Manager

	31.12 2022	31.12. 2023
Remuneration of the Board of Directors	394.552	430.788
Salaries paid to management personnel	1.691.464	1.750.807

24. Commitments

The Company had no capital commitments on 31 December 2023.

25. Contingent assets and liabilities

The Company had no contingent assets or liabilities on 31 December 2023.

26. Subsequent events

There were no events subsequent the balance sheet date.

27. Financial risk management

Overview

The company operates on a free competitive market, being exposed to normal risks from that point of view. No major or significant exposure in terms of prices and liquidity.

The company is implementing the risk management system, covering the identification, analysis, management and monitoring of risk it is exposed to.

Price risk requires constant monitoring of it, given the market share the company operates on. In fact, the company applies and will apply in the future training policies of the selling price based on the price of raw material and other cost elements which have a share of over 10% of total production costs.

The Company is exposed to the following risks due to the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

These notes present information about the Company's exposure to each of the above risks, the company's objectives, policies and processes for risk assessing and managing and procedures used for managing capital. In these financial statements there is also other quantitative information.

The Company's risk management policies are defined to ensure the risks identification and analysis the Company is dealing with, to set appropriate limits and controls, to monitor risks and to comply with the set limits. Risk policies and management systems are regularly reviewed to reflect changes in market conditions and the Company's activities.

a) Credit risk

Credit risk is the risk that the Company could incur a financial loss as a result of failure to meet contractual obligations by a customer or counterparty to a financial instrument and this risk mainly results from trade receivables of the Company.

The accounting value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk was:

(i) *Exposure to credit risk*

Accounting value	31.12. 2022	31.12. 2023
Trade receivables and other current assets	2.169.974	3.041.030
Cash and bank deposits	11.986	14.062
TOTAL	2.181.960	3.055.092

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer.

The management has established a credit policy under which each new customer is individually analysed in terms of creditworthiness before offering the Company's standard conditions for payment and delivery.

The Company establishes an adjustment for impairment that represents its estimate of losses on trade receivables. The adjustments for impairment of receivables mainly relate to specific components corresponding to the significant individual exposures incurred and identified.

(ii) *Depreciation*

Analysis of the number of days of delay for trade receivables and other receivables:

<i>in lei</i>	31.12. 2023	
	Gross value	Depreciation
Not outstanding and outstanding between 0 and 30 days	654.187	
Outstanding between 31 and 60 days	332.272	
Outstanding between 61 and 120 days	472.803	
Outstanding between 121 and 180 days	18.684	
Outstanding between 181 and 360 days	75.622	
Over 360 days	380.595	
Total	1.934.163	

b). Liquidity risk

Liquidity risk is the risk that the Company could have difficulty in meeting obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or putting the Company's reputation at risk.

Overall the Company makes sure that it has sufficient cash to cover operating expenses. The following table shows the residual contractual maturities of financial liabilities at the end of the reporting period, including estimated interest payments:

31 December 2023	Accounting value	Contractual cash flows	Less than 2 months	2 - 12 months	Over 12 months
Trade payables	1.065.748	1.065.748	1.065.748		
Medium-term credits					
Bank short-term loans	11.589.145	11.589.145		11.589.145	
Other payables	2.004.062	2.004.062	2.004.062		
Total	14.658.955	14.658.955	3.069.810	11.589.145	

c). Market risk

Market risk is the risk that the change in market prices, such as foreign exchange rate, interest rate and price of equity instruments, affects the Company's income or the value of financial

instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize return on investment.

d). Interest rate risk

(i) Profile of the risk exposure

At the reporting date, the profile of interest rate exposure corresponding to the interest-bearing financial instruments held by the Company was:

Instruments with variable rate	<u>31 December 2022</u>	<u>31 December 2023</u>
Medium-term credits	223.790	
Bank short-term loans	11.721.269	11.589.145
Total	11.945.059	11.589.145

(ii) Sensitivity analysis of fair value for instruments with fixed interest rate

The Company has not classified financial assets or liabilities with fixed interest rates at fair value through profit or loss or available for sale. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income.

(iii) Sensitivity analysis of cash flow for instruments with variable interest rate

An increase in interest rates by 1% at the reporting date would have resulted in a increase in loss by 116.552 lei as of 31 December 2023 (31 December 2022: 92.286 lei). This analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

A depreciation of interest rates by 100 basis points on 31 December 2023 would have led to the same effect, but to the contrary, the amounts presented above, considering that all other variables remain constant.

e). Currency risk

The Company is exposed to currency risk due to acquisitions and liabilities that are denominated in a currency other than the functional one, respectively in euro.

Company's exposure to currency risk is shown below:

31 December 2023	RON	EUR	USD	Other currency
Financial assets				
Trade receivables and other current assets	3.041.030	-		
Cash and bank deposits	13.565	497	-	-
	3.054.595	497	-	-
Financial payables				
Trade payables	1.065.748			
Short-term loans	11.589.145	-	-	-
Other payables	2.004.062	-	-	-
	14.658.955	-	-	-

Sensitivity analysis

An appreciation by 10 percentage points of the RON currency on 31 December 2023 compared to euro would have resulted in a increase of profit by 17.985 lei.

f) Taxation risk

Starting on 1 January 2007, following the accession of Romania to the European Union, the Company had to apply EU tax regulations and implement the changes brought by the EU law. The way in which the Company has implemented these changes remains open to tax audit for five years.

The interpretation of the text and the practical implementation procedures of the new EU tax

regulations in force may vary, and there is a risk that certain transactions, for example, could be viewed differently by the tax authorities compared to their treatment by the Company.

In addition, the Romanian Government has an important number of agencies authorized to audit companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax aspects, but also other regulatory and legal aspects of interest to these agencies. It is possible that the Company is subject to tax audits as new tax regulations are issued.

g) Business environment

During 2023, the volume of physical sales made by the company remained at the level of the previous year.

The decrease in sales volume was mainly due to the decrease in beer consumption compared to the previous year due to inflation, the increase in price partly including the increase in energy, gas, raw materials, fuel prices from producers to outlets, although SC BERMAS SA failed to raise prices too much to keep their customers. In this sense, the increase in the prices of the beer assortments delivered registered a level of only 11% compared to the previous year. In this sense, 2023 will also be a difficult year because although beer is historically a resilient consumer product category, rising prices coupled with generally high inflation could have a negative impact on beer consumption.

For the production of beer from 2023, the company has secured the stocks of malt, hops, so the impact of the increase in the prices of these basic raw materials will not be significant.

In the future, the company will permanently concern itself with suitable measures to increase the volume of sales and ensure the financial sources necessary to finance the entire activity.

From a conjunctural point of view, the Romanian beer industry presents the features of an oligopoly industry with high barriers to market entry and vertical differentiation, the general characteristic of the beer production sector being represented by the excess capacity which creates the premises of a pressure on the price level.

SC „BERMAS” SA is the only local factory in the beer industry that has continued its activity on the old technical and technological structure, since its establishment in 1974, managing to, through sustained investment efforts in refurbishment and modernization of production streamline the activity, to be present on the market with superior quality beer assortments, ensuring a stable, consolidated market share.

In 2023, the company had concluded beer sales contracts with a number of 35 distributors and wholesalers and by 2024 it has contracted the entire quantity of beer for sale.

Currently on the Romanian market are active producers representing groups with an international presence in the beer sector as well as domestic producers who have developed large production capacities. According to their own estimates, these entities own about 93% of the beer market in Romania, the difference of about 7% is owned by the small and medium producers of which BERMAS SA is a part.

The massive concentration of production in the beer industry sector in Romania has produced a major imbalance between the competitive capacity of the two market segments.

In order to face the competition, SC „BERMAS” SA, as an independent beer producer with a below average capacity, must permanently identify the possibilities for efficiency and profitability of the activity at the same time as maintaining the gained market segment and their development.

The Company's management believes that the Company's liquidity could be affected during 2024 by a series of events or uncertainty factors such as:

- ♣ The increase of the RON / Euro exchange rate during the year which will be reflected in the level of all prices for raw materials, main materials, etc .;
- ♣ An unfavorable market situation that would lead to an inability to compete, given the economic concentrations that have taken place in recent years on the beer market, a situation that has created a major imbalance between the competitive capabilities of the major players in this market (multinationals and producers who have developed large production capacities) and small producers with below average capacities of which BERMAS SA is a part;
- ♣ An unfavorable agricultural year with poor harvests of basic raw materials used in the brewing process, which would lead to higher barley and hops prices;
- ♣ Possible further increase in prices for fuels, energy and natural gas with major implications for production costs given the length of the production cycle of malt and beer based on traditional technology which involves a total (malt + beer) about 120 days ;

♣ The insolvency of some customers of the company - beer distributors as a result of the deterioration of the economic conditions of the business environment which would involve risks when collecting the goods in the insolvency - bankruptcy procedure.

Management considers that it is taking all necessary measures to support the sustainability and growth of the company's business, in the current conditions by:

- constant monitoring of liquidity;
- making short-term forecasts on net liquidity;
- monitoring cash inflows and outflows (daily), assessing the effects on debtors.

h) Capital adequacy

SC BERMAS SA has a policy of maintaining equity for the development of the company and the reach of the intended objectives. The main objective of the company is to continue its activity in terms of profitability for its shareholders. Over the past two years, the net asset value of the SC BERMAS SA has exceeded 1.5 times the level of the share capital. The management of SC BERMAS SA intends, in the next financial year to maintain at least the same level.

The equity of SC BERMAS SA consists of share capital, created reserves, current profit and reported result. On 31.12.2023 the equity of SC BERMAS SA is amounted to 23.707.860 lei compared to 23.504.381 lei on 31.12.2022. SC BERMAS SA is not subject to statutory capital adequacy requirements.



SC "BERMAS" SA Suceava

Str. Humorului nr. 61 Șcheia

Tax identification number: RO 723636

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Fax: 0230/526542; 526543

E-mail: bermasv@yahoo.com; office@bermas.ro



DECLARATION

In accordance with the provisions of art. 30 of the Accounting law no.82-1991 as republished, SC BERMAS SA takes full responsibility for the elaboration of the annual financial statements as of 31.12.2023 and hereby confirms that:

a) The accounting policies used for the elaboration of the annual financial statements are compliant with the applicable accounting regulations;

b) The financial statements elaborated as of 31.12.2023 reflect a true image of the financial position, of the financial performance and of other information related to the conducted activity.

c) The legal entity conducts its activity in terms of continuity.

*General manager,
ec. Anisoai Elena*

Independent auditor's report

**For the shareholders of
BERMAS S.A.**

Report on the audit of financial statements

Opinion

- 1 We have audited the accompanying individual financial statements of the company **BERMAS S.A.** ("**the Company**"), with registered office in loc. Șcheia, str. Humorului, nr. 61, jud. Suceava, identified by the tax identification number 723636, comprising the Balance Sheet as at 31 December 2023, the Profit and Loss Account, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, as well as a summary of significant accounting policies and explanatory notes.
- 2 The individual financial statements as at 31 December 2023 are identified as follows:
 - Net assets/Total equity: 23.707.860 lei
 - Net profit/loss for the financial year: 1.150.178 lei
- 3 In our opinion, the accompanying individual financial statements give a true and fair view of the financial position of the Company as of 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Order of the M.F.P. No. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards (IFRS), as subsequently amended ("Order 2844/2016").

Basis for our opinion

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

Key audit matters

- 5 Key audit matters are those matters that, based on our professional judgement, were of most significance to the audit of the current period financial statements. These matters have been addressed in the context of the audit of the financial statements as a whole and in forming our opinion on them and we do not provide a separate opinion on these key matters.

<i>Key audit matters</i>	<i>Way of addressing in our audit mission</i>
<i>Rebates and discounts related to sales</i> The company markets the products obtained on the local and regional market, in most cases contracts are concluded with distribution companies, wholesalers and retailers. In order to stimulate sales, these agreements may contain provisions regarding the granting of discounts,	Our procedures focused on the process followed by the company for establishing the amounts to be invoiced regarding the granting of discounts and rebates, including the periodic review of the initial estimates, correlated with the supporting documents provided. Our audit procedures regarding discounts and rebates recorded and remaining to be invoiced

<p>which ultimately influence their net value.</p> <p>We focused on this audit area because the calculation of rebates and discounts is complex, establishing the amounts to be invoiced involves a continuous review and adjustment process, based on the latest available information known to the management.</p>	<p>included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> □ A detailed understanding of the revenue processes, accounting policies and methodologies applied by the company for revenue recognition, including, discounts and returns; □ I analyzed the adequacy of the process adopted by the company for determining the values and accounting for discounts and other deductions from sales and I understood what are the key elements of the calculation from the point of view of the products, the portfolio, the sales channel; □ We obtained calculations of the discounts for the main categories of discounts, we reconciled the obtained audit samples to check if they are complete with the operational sales database used in the calculation of the discounts and with the accounting records; I also evaluated the reasonableness of the key assumptions compared to the sales activity, the agreements with the clients and tested, on a sample basis, the data entered for the calculation, by comparison, with several sources.
<p>Considering the total value of these discounts granted during the financial year 2023 (13,331,628 lei), we considered that these rebates, discounts granted represent a key audit aspect.</p>	<ul style="list-style-type: none"> □ I selected a sample of trade receivables at the end of the year, including the discounts and rebates offered during the year, reconciled them with the amounts recorded by the Company and obtained supporting documents or explanations for any significant unreconciled differences; □ We verified the subsequent settlement of the discounts and rebates committed at the end of the exercise during the period of events subsequent to the balance sheet date; □ We did an analysis of the historical accuracy of the assumptions used and the revisions made by the management to establish the amounts of
<p>The information presented by the Company regarding rebates and discounts is included in note 3 to the financial statements.</p>	<ul style="list-style-type: none"> invoiced by correlation with the rebates and discounts actually granted vs. the amounts recorded in the previous year. □ We also assessed the adequacy of the information presented regarding discounts within the financial statements of the Company.

Other information – Directors’ report

6 Directors are responsible for the preparation and presentation of other information. That other information comprises the Directors’ Report, but does not comprise the financial statements and the auditor’s report thereon or the non-financial statement, which is presented in a separate report.

Our opinion on the financial statements does not cover this other information and unless explicitly stated in our report, we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2023, our

responsibility is to read that other information and, in so doing, to assess whether that other information is materially inconsistent with the financial statements, or with the knowledge we obtained during our audit, or whether it appears to be materially misstated.

In respect of the Directors' Report, we have read and report whether it has been prepared, in all material respects, in accordance with Chapter 3 of Order 2844/2016.

Based solely on the work required to be performed during the audit of the financial statements, in our opinion:

- (a) The information set out in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with the financial statements;
- b) The Directors' Report has been prepared, in all material respects, in accordance with Chapter 3, paragraphs 15-19 of Order 2844/2016.

In addition, based on our knowledge and understanding of the Company and its environment acquired during the audit of the financial statements for the financial year ended 31 December 2023, we are required to report whether we have identified any material misstatements in the Directors' Report. We have nothing to report on this matter.

Responsibilities of management and persons in charge of the governance for the financial statements

7 The Company's management is responsible for the preparation of financial statements that give a true and fair view in accordance with Order 2844/2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

9 Those in charge of the governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities in an audit of financial statements

10 Our objectives are to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement, if any. Misrepresentations may be caused either by fraud or error and are considered material if they could reasonably be expected to affect, individually or in the aggregate, the economic decisions of users made on the basis of these financial statements.

11 As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve secret understandings, misrepresentation, intentional omissions, misstatements and circumvention of internal control.
- We understand internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of going concern accounting and

determine, based on audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubt about 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 the auditor's report to the related disclosures in the financial statements or, if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.

- We evaluate the presentation, structure and content of the financial statements, including disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

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

13 We also provide those in charge of the governance with a statement of our compliance with ethical requirements relating to independence and disclose to them all relationships and other matters that could reasonably be considered to affect our independence and, where appropriate, related safeguards.

14 Of the matters we have communicated to those in charge of the governance, we identify those matters that were of most significance in the audit of the current period financial statements and are therefore key audit matters. We describe these matters in our audit report, unless legislation or regulation precludes public disclosure of the matter or, in extremely rare circumstances, we believe that a matter should not be disclosed in our report because the benefits to the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

Report on other legal and regulatory provisions

15 We were appointed by the General Meeting of Shareholders on 18.04.2022 to audit the financial statements of BERMAS S.A. Suceava for the financial years 2022 - 2023. The total uninterrupted duration of our engagement is two years, covering the financial years ending 31 December 2022 and 31 December 2023.

We confirm that:

- Our audit opinion is in accordance with the supplementary report presented to the Audit Committee of the Company, which we issued on the same date as this report. Also, in conducting our audit, we have maintained our independence from the audited entity.
- We have not provided prohibited **non-audit services** for the Company, as referred to in Article 5(1) of EU Regulation 537/2014.

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

We have carried out a reasonable assurance engagement on compliance with Commission Delegated Regulation (EU) 2018/815 applicable to the individual financial statements included in the annual financial report of the BERMAS S.A. („the Company”) as presented in the digital files that include the unique LEI code 315700T3L9P48X94FV68 („Digital files”).

(I) The responsibility of management and those in charge of the governance for Digital Files prepared in accordance with ESEF

Management is responsible for the preparation of Digital Files in accordance with ESEF. This responsibility includes:

- designing, implementing and maintaining internal controls relevant to the implementation of ESEF;
- selecting and applying appropriate markings

- ensuring compliance between the Digital Files and the individual financial statements to be filed in accordance with the Order of the Minister of Public Finance No. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union as amended.

The persons in charge of the governance are responsible for overseeing the preparation of the Digital Files in accordance with ESEF.

(II) Auditor's responsibility for the audit of the Digital Files

We are responsible for expressing an opinion on the extent to which the financial statements included in the annual financial report comply with the requirements of the ESEF, in all material respects, based on evidence obtained. Our reasonable assurance engagement was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence of compliance with the ESEF. The nature, timing and extent of the procedures selected depend on the auditor's judgment, including the assessment of the risk of significant deviations from ESEF requirements, whether caused by fraud or error. A reasonable assurance engagement involves:

- obtaining an understanding of the Company's process for preparing Digital Files in accordance with ESEF, including relevant internal controls;
- reconciling the Digital Files with the Company's audited individual financial statements to be filed in accordance with the Order of the Minister of Public Finance No. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards as adopted by the European Union as amended;
- assessment whether the financial statements included in the annual report have been prepared in a valid XHTML format.

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

In our opinion, the financial statements for the year ended 31 December 2023 included in the annual financial report in the Digital Files comply, in all material respects, with the requirements of the ESEF.

We do not express an audit opinion, a review conclusion or any other assurance conclusion on the financial statements in this section. Our audit opinion on the Company's financial statements for the year ended 31 December 2023 is included in the "*Report on Audit of Separate Financial Statements*" section above.

This independent auditor's report is addressed solely to the shareholders of the Company as a whole. Our audit was conducted for the purpose of reporting to the Company's shareholders those matters that we are required to report in an audit report, and for no other purpose. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders, as a whole, for our audit, our report on the individual financial statements and our report on compliance or the opinion formed.

Suceava, 11 March 2024

On behalf of: TED EXPERT S.R.L.

Municipiul Suceava, judetul Suceava
Str. Mihai Viteazul, nr. 20, bl. 20, sc. B, ap. 10
Registered with the Electronic Public Register ASPAAS under no. FA1293 / 2016

Name of the signatory: Dionisie Marcan

Financial audit
Registered with the Electronic Public Register ASPAAS under no. AF2715 / 2009