SC BERMAS SA

Materials of E.G.M.S. from 12/14 February 2022

POINT 3 on the agenda of the Extraordinary General Meeting of Shareholders on 12/14 February 2022

Approval of the ceilings on short-term loans for the partial financing of the production activity up to 13,000,000 lei

For 2021, the General Meeting of Shareholders of 15 April 2021 approved a maximum ceiling on short-term loans of 10,000,000 lei for the partial financing of the production activity, i.e. payment to suppliers of raw materials, consumables in the technological flow, technological utilities, i.e. heat, electricity, water etc.

In addition to loans, the company also has other commitments to banks consisting of contracts concluded for the issue of bank letters of guarantee in favour of third parties such as those issued by Raiffeisen Bank in favour of the Ministry of Public Finance for the guarantee of the tax warehouse according to the legislation in force for the guarantee of payment of excise duty on beer.

At this date the company has contracted two short-term credit lines, one with Raiffeisen Bank amounted to 4,000,000 lei and one with BRD SOCIETE GENERALE amounted to 6,000,000 lei.

For the year 2022, forecasts for the price levels of raw materials, auxiliary materials needed in the technological flow, etc., are alarming in the context of the increase in energy prices.

Thus, after the current assessment of the costs of heat and electricity based on the contracts for the supply of natural gas and electricity concluded with suppliers, the additional cost for the year 2022 is amounted to about 4,6 million lei, of which only for the first quarter of 2022 the company BERMAS will pay an extra 1,1 million lei, so during the cold period of the year when sales are at their lowest.

At the same time, all main suppliers for: caps, labels, bottles, shuttles, main technological flow materials, etc. have notified price increases of 15 - 30%, with estimated additional costs of about 1,2 million lei.

There is a lack of predictability in terms of business environment, uncertainty of the market in which the company operates, future evolution of demand, interest rates, purchasing power of the population, etc.

From the point of view of ensuring the carrying out of the beer production program for 2022, the company has the necessary raw material resources purchased from the previous year’s harvest, of course, and stocks of malt for beer brewed in its own production section in the fourth quarter of 2021.

Furthermore, from the 2022 harvest, the necessary raw materials (barley, hops) will be purchased to ensure the necessary beer production for the fourth quarter of 2022 and the first, second and third quarters of 2023, at prices that are estimated to be about 20% higher, i.e. about 1 million lei more.

At the same time, one of the company’s concerns is the training and retention of employees because the recruitment of qualified personnel, specialized in the specific field of activity of the beer industry is a real problem, in which context a reasonable level of attractiveness in terms of salary must be maintained.

Taking into account the inflation that has swallowed about 30% of the salary increases granted during 2021, if the periodic economic-financial statements concluded during 2022 will allow, the company’s management together with the company’s trade union will negotiate and determine a possible percentage increase in basic salaries for all employees, (which on average number 196 - 200).

In view of the actual situation presented, we propose for approval of the Extraordinary General Meeting of Shareholders:

a) Maximum ceiling on short-term loans for the period 2022 - 2023, in the total amount of 13,000,000 lei.
b) Pledging and mortgaging of movable and immovable assets of the patrimony in favour of financing banks both to guarantee loans contracted in 2022 and 2023 and to obtain guarantees such as bank letters of guarantee at the request of the company in favour of third parties (public institutions, suppliers);

c) Mandate of the Board of Directors to establish by resolution the financing banks, negotiate the loan conditions, as well as the identification of the assets of the patrimony mortgaged to guarantee these loans and sign the mortgage and pledge contracts for the short-term loans to be committed in the year 2022 and 2023.

POINT 4 on the agenda of the Extraordinary General Meeting of Shareholders of 12/14 February 2022

INVESTMENT PROGRAMME for the period 2022 – 2023

For the period 2022 - 2023, the Board of Directors has established and proposes for the approval of the Extraordinary General Meeting of Shareholders an investment programme for a total amount of 800,000 EURO, with the following structure:

<table>
<thead>
<tr>
<th>No.</th>
<th>Specification - investment objective</th>
<th>Estimated value (in EURO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Switching to medium voltage electricity consumer level</td>
<td>300,000</td>
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<tr>
<td>2.</td>
<td>Adaptation of the Thermal Power plants to optimise natural gas consumption</td>
<td>150,000</td>
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<tr>
<td>3.</td>
<td>Installation of soft starters for heavy duty motors (blowers, fans, compressors), rebuilding of electrical installations, power factor compensation batteries in PT.114</td>
<td>50,000</td>
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<td>4.</td>
<td>Freight and land transport means</td>
<td>100,000</td>
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<td>5.</td>
<td>Water treatment plant - Bottling section</td>
<td>20,000</td>
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<td>6.</td>
<td>Building waterproofing works</td>
<td>45,000</td>
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<td>7.</td>
<td>Heat exchanger for hot water preparation - Boiling section</td>
<td>25,000</td>
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<tr>
<td>8.</td>
<td>Cartoning packing machine for bottles</td>
<td>30,000</td>
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<tr>
<td>9.</td>
<td>Laboratory equipment - CTC (apparatus for determining density, specific weights, liquid concentrations, DMA 35 2, microscope, etc.)</td>
<td>10,000</td>
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<td>10.</td>
<td>Automation of the wort boiler - Boiling Section</td>
<td>9,000</td>
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<tr>
<td>11.</td>
<td>Other fixed means for equipping production sections (siloh pulley), various pumps (absorbent, CO₂ pressure, water)</td>
<td>15,000</td>
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<td>12.</td>
<td>Expansion of protected area - Empty Packages Warehouse, floor resurfacing, Full Bottle Warehouse, etc.</td>
<td>30,000</td>
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<td>13.</td>
<td>I.T. facilities</td>
<td>10,000</td>
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<tr>
<td>14.</td>
<td>Pallet wrapping machine</td>
<td>6,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>800,000</td>
</tr>
</tbody>
</table>

The investments planned for the years 2022 - 2023 will be carried out in order of priority, depending on their importance, their effects on the optimisation of production costs and technological flows with a view to the smooth running of the activity and, of course, taking into account the real possibilities of financing from own sources.
Approval of the conclusion of legal acts concerning the granting of temporary and free use to the company’s customers of specific equipment and accessories for the sale of beer (property of BERMAS)

In order to carry out its activity, the company has concluded with its customers, in addition to beer delivery contracts and temporary use contracts for the duration of the commercial relations, loan contracts for KEG stainless steel barrels, dispensers, BERMAS 1/24 and 1/20 customised shuttles, NRW and MOLD bottles, refrigerated display cases, carbon dioxide tubes, means of transport and other goods for the exclusive sale of beer produced by BERMAS.

The situation of the goods granted to customers on the basis of temporary use contracts as at 31.12.2021 during the commercial relations with them is as follows:

- beer dispensers: 1,204 pcs.
- refrigerated display cases: 678 pcs.
- 50-litre KEG stainless steel barrels: 5,305 pcs.
- BERMAS 1/24 shuttles: 116,669 pcs.
- BERMAS 1/20 shuttles: 35,222 pcs.
- MOLD 0.5 l bottles: 2,857,594 pcs.
- NRW bottles 0.5 l: 579,126 pcs.
- canopies: 22 pcs.
- 1 DACIA LOGAN van for distribution and advertising logistics.

The replacement value of these goods is about 8.5 million lei, which is considered an average level given the volume of sales in the cold season, and the level of equipment will increase in the warm season.

Transport means will also be purchased for distribution in the commercial network.

The purpose of the facilities has been and will continue to be to maintain the market for the beer produced by the company.

Therefore, the Board of Directors proposes to the Extraordinary General Meeting of Shareholders to approve the loan contracts concluded on the basis of which the company has granted and is granting temporary use to the company’s customers of goods of the nature specified, which are the property of BERMAS for the purpose of carrying out the company’s activity.

Chairman of the Board of Directors
Ec. Anisoi Elena