REPORT
OF THE BOARD OF DIRECTORS
as of 31.12.2021

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: 31.12.2021
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.

I. 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 județul 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 2021, no mergers or reorganizations of any kind took place.
d) During 2021, tangible assets representing equipment, fixed assets of the endowment and modernization amounting to 1.108.108 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, it was reimbursed in proportion of 55%, the balance registered on December 31, 2021 being in the amount of 1,118,952 lei, with the final repayment term - April 2023.

The outflows of fixed assets from the patrimony during the year 2021 were in the amount of 292,806 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 2021, the company registered total revenues amounted to 35,594,862 lei, an increase of 6,52% compared to the previous year and expenses related to the realized revenues are amounted to 33,641,019 lei, an increase by 6,10% compared to the corresponding period
of the previous year.

The gross profit obtained in 2021 is amounted to 1,953,843 lei, an increase by 14.31% compared to the previous year.

The net profit for 2021 is amounted to 1,710,500 lei, an increase by 2.88% compared to the previous year.

The net turnover registered in 2021 is amounted to 28,716,050 lei, a decrease by 0.92% compared to the previous year.

The cash in the accounts and other assets as of 31 December 2021 is amounted to 9,147 lei compared to 17,700 lei the previous year.

At the same time, the company has short-term loans for the partial financing of the production activity amounted to 5,453,163 lei compared to 4,972,128 lei the previous year, an increase by 9.67%.

Note: Short-term loans partially finance the raw material inventory purchased from the current harvest each year to ensure beer production in the fourth quarter and the first, second and third quarters of the following year.

On 31 December 2021, the value of raw materials (barley, malt, hops) and beer production in production workflow is amounted to 9,659,552 lei compared to 8,209,525 lei the previous year, an increase by 17.66%.

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 annual need for raw materials is about 2,800 tons of barley and 20 tons of hop expressed in 5% alpha-acid content.

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.

Regarding the main materials required in the production of beer and bottling process (labels, bottles, crates, caps, kiselgur) these are purchased from suppliers in the country or abroad.

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 2021, the volume of physical sales decreased by 4,4% compared to the previous year.

The decrease in sales volume is the result of the impact of the COVID - 19 epidemic on the activity of the company whose main object of activity is the production and sale of beer with a share of 99% in turnover.

Thus, the set of measures taken by the authorities to prevent the spread of the new coronavirus also included the suspension of activities of serving and consuming foods and alcoholic and non-alcoholic beverages in restaurants, hotels, cafes and other public places, indoors and outdoors.

Taking into account that the share of KEG (draft) draft beer sales for consumption has a share of 20% of total sales, due to the total or partial closure in various periods of indoor and outdoor serving spaces, the volumes of draft sales decreased by 31,91% to which decreases of about 10% of bottled beer sales are added.

The decrease in sales volume affected the company’s liquidity at the same time as the slowdown in the recovery of raw material stocks by not realizing the production program, the company’s activity having a seasonal cyclical character in the sense that it supplies full raw materials of each year to ensure the production of beer the following year, stocks partially financed from short-term loans.

In the future, the company will be constantly concerned with appropriate measures to increase sales volume and ensure the financial resources needed to finance the entire business.

From a conjunctural point of view, the Romanian beer industry presents the features of an oligopoly type 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, succeeding, through sustained investment efforts in refurbishment and modernization of production sections, to streamline the activity carried out, to be present on the market with assortments of superior quality beer, ensuring a stable, consolidated market share.

In 2021, the company had concluded contracts for the sale of beer with a number of 35 distributors and wholesalers and for 2022 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 2021 an average number of 189 employees compared to 196 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: 42 with higher education, 37 with secondary education, 108 with vocational training and qualification and 2 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 22 March 2018.

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 95%.

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 2021 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;

- The impact of the existence and spread of the coronavirus pandemic during 2022;
- 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 2021, capital expenditures amounted to 1,108,108 lei, with a significant impact on the company's liquidity.

In order to achieve the sales program in 2022, 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 3.160.000 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 2022 compared to 2021, 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 31.12.2021 according to the consolidated Register transmitted by SC „DEPOZITARUL CENTRAL” SA is as follows:

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

3.2. Over the last 5 years the dividends due to shareholders amounted to: 7.562.809 lei.

The dividends unclaimed by shareholders, cumulated over the last 5 years are amounted to 772.500 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 2022 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 40-year experience professional economist, acting as of chairman of the Board of Directors - executive member;
- DRĂGAN SABIN-ADRIAN, a 40-year experience professional engineer - independent non-executive member;
- VESCAN MARIA-AURORA, a 21-year experience economist - 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. a) 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 2021 from the last General Meeting of Shareholders, 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:

<table>
<thead>
<tr>
<th>ASSET elements</th>
<th>YEAR 2019</th>
<th>YEAR 2020</th>
<th>YEAR 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ASSETS</td>
<td>33.598.814</td>
<td>33.227.043</td>
<td>33.833.590</td>
</tr>
<tr>
<td>of which assets repressing more than 10% of the total:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>15.039.150</td>
<td>14.794.098</td>
<td>13.960.179</td>
</tr>
<tr>
<td>Inventories</td>
<td>17.031.981</td>
<td>16.495.658</td>
<td>17.835.520</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>YEAR 2019</th>
<th>YEAR 2020</th>
<th>YEAR 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL LIABILITIES</td>
<td>33.598.814</td>
<td>33.227.043</td>
<td>33.833.590</td>
</tr>
<tr>
<td>of which liabilities representing more than 10% of the total:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equity</td>
<td>23.743.237</td>
<td>23.750.831</td>
<td>24.022.966</td>
</tr>
</tbody>
</table>

b) Profit and loss account:

<table>
<thead>
<tr>
<th>SPECIFICATION</th>
<th>YEAR 2019</th>
<th>YEAR 2020</th>
<th>YEAR 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>b.1. TOTAL REVENUES   -- of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net turnover</td>
<td>32.755.319</td>
<td>28.982.485</td>
<td>28.716.050</td>
</tr>
<tr>
<td>b.2. TOTAL EXPENDITURE -- of which cost elements and expenditure with a significant weight in net sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials and other materials</td>
<td>31,79%</td>
<td>29,46%</td>
<td>29,60%</td>
</tr>
<tr>
<td>Energy and water</td>
<td>11,17%</td>
<td>9,78%</td>
<td>9,57%</td>
</tr>
<tr>
<td>Employees</td>
<td>38,61%</td>
<td>39,68%</td>
<td>42,29%</td>
</tr>
<tr>
<td>b.3. GROSS PROFIT</td>
<td>2.292.333</td>
<td>1.709.172</td>
<td>1.953.843</td>
</tr>
<tr>
<td>b.4. NET PROFIT</td>
<td>1.958.209</td>
<td>1.662.575</td>
<td>1.669.686</td>
</tr>
</tbody>
</table>
c) Cash Flow – year 2021

<table>
<thead>
<tr>
<th>Name of the element</th>
<th>Financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous</td>
</tr>
<tr>
<td>Treasury cash flows from operating activities</td>
<td></td>
</tr>
<tr>
<td>Collections from customers</td>
<td>37,727,670</td>
</tr>
<tr>
<td>Payments for suppliers</td>
<td>(14,291,445)</td>
</tr>
<tr>
<td>Payments for employees</td>
<td>(6,377,004)</td>
</tr>
<tr>
<td>Payments for the local budget</td>
<td>(78,365)</td>
</tr>
<tr>
<td>Payments for the state budget</td>
<td>(11,424,969)</td>
</tr>
<tr>
<td>Paid excises</td>
<td>(2,500,904)</td>
</tr>
<tr>
<td>Paid tax on profit</td>
<td>(320,824)</td>
</tr>
<tr>
<td>Net treasury cash flow from operating activities</td>
<td>2,734,159</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Treasury cash flows from investment activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for the purchase of shares</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Payments for the purchase of assets</td>
<td>(2,881,280)</td>
</tr>
<tr>
<td>Collections from the sale of tangible assets</td>
<td>9,520</td>
</tr>
<tr>
<td>Collected interests</td>
<td>35</td>
</tr>
<tr>
<td>Collected dividends</td>
<td>9,183</td>
</tr>
<tr>
<td>Net treasury cash flows from the investment activities</td>
<td>(2,872,760)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net treasury cash flow from financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections from long term loans</td>
<td>1,337,084</td>
</tr>
<tr>
<td>Credit collections</td>
<td>942,139</td>
</tr>
<tr>
<td>Paid interests and credit repayments</td>
<td>(145,783)</td>
</tr>
<tr>
<td>Payment of long term credit instalments</td>
<td>(485,887)</td>
</tr>
<tr>
<td>Paid dividends</td>
<td>(1,520,611)</td>
</tr>
<tr>
<td>Net treasury cash flow from financing activities</td>
<td>126,942</td>
</tr>
<tr>
<td>Net treasury cash flow increase and treasury equivalents</td>
<td>(11,659)</td>
</tr>
<tr>
<td>Treasury cash flow and treasury equivalents at the beginning of the financial year</td>
<td>29,359</td>
</tr>
<tr>
<td>Treasury cash flow and treasury equivalents at the end of the financial year</td>
<td>17,700</td>
</tr>
</tbody>
</table>

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.

6. 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 2021, the General Meeting of Shareholders met only once.

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 31.12.2020 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.

7. 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 2021 was approved by the Board of Directors of SC BERMAS SA on 18.02.2021.

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 CODEXPERT OFFICE »S.R.L., based in Suceava, Strada Mihai Eminescu no. 10, Tr. A, Sc. B, Ap. 9, Telephone / Fax no.: 0230 531949, 0744503537, registered with the Office of the Trade Register of Suceava under no. J33 / 599/1999, tax identification number RO 12454426, registered with ASPAAS in the Electronic Public Register (RPE) under number FA126, represented by ec. CODĂU STELIAN, active financial auditor, registered with ASPAAS in the Electronic Public Register (RPE) under number AF798.

8. SIGNATURES

- Chairman of the Board of Directors and General Manager
  ec. Anisoı Elena

- Economic manager

- ec. Țebrean Iridenta