INDEPENDENT AUDITOR’S REPORT

For the shareholders of, BERMAS S.A.

Report on the audit of financial statements

Opinion

We have audited the attached Separate Financial Statements of BERMAS S.A. (the "Company"), based in Şcheia locality, str. Humorului nr. 61, Suceava county, identified by the tax identification number 723636, which includes the Statement of financial position as at 31 December 2020, the Statement of comprehensive income, the Statement of changes in equity, the cash flow statement for the year then ended on that date and the notes to the financial statements, including a summary of the material accounting policies.

The Separate financial statements as at 31 December 2021 are identified as follows:

- Equity: 24.022.966 lei
- Overall result for the period – net profit: 1.669.686 lei

In our opinion, the accompanying Separate financial statements provide a true and fair image of the Company's financial position as at 31 December 2021 and of its financial performance and cash flows for the year then ended on that date in accordance with OMFP no. 2844/2016 for the approval of the Accounting Regulations in line with the International Accounting Standards (IFRS), as subsequently amended.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA"), the EU Regulation No. 537 of the European Parliament and the European Council ("the Regulation") and the Law No. 162/2017 (the "Law"). Our responsibilities under these standards are described in detail in the section Auditor’s Responsibilities in auditing the 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 (IESBA Code), according to the ethical requirements relevant for the audit of financial statements in Romania, including the Regulations and the Law, and we have fulfilled all other ethical responsibilities according to these requirements and according to 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 aspects

Key audit aspects are those aspects that, based on our professional reasoning, had the greatest importance in conducting the audit of the separate financial statements of the current financial year. These aspects have been addressed in the context of our audit of the separate financial statements in their entirety and in forming an opinion on them and we do not issue a separate opinion on these key aspects.

Recognition of revenue

Revenues realized and recorded by the Company as at 31 December 2021 amount to a total of RON 35.637.867.

The activities by which BERMAS S.A. earns revenue it is: produces and sells beer, malt and by-products from their manufacturing process.

We identified revenue recognition as a key issue as they are the major source of economic benefits during the audited accounting period and have directly influenced the achievement of the Company’s goal and most of the specific objectives and expectations.
The income recognition policy is presented in note 3 "Significant accounting policies"

The statement of income in comparable figures is presented in the statement of comprehensive income and in explanatory notes.

**How the audit addressed the key issue**

Our audit procedures for addressing the risk of material misstatement in relation to revenue recognition included: performing procedures to test that revenue is properly classified and valued and has been processed in a timely manner; evaluating the processes and controls regarding the existence and accuracy of the recorded revenues, testing the effectiveness of the Company's internal controls to prevent and detect significant misstatement in terms of revenue recognition; sample analysis of customer contracts in order to assess contractual terms in order to identify potential risks of material misstatement; detailed tests on the application and recognition of trade return and discount policies, respectively; ensuring that accounting policies for sales / revenue comply with accounting standards and applicable law;

**Classification, valuation and recovery of trade receivables**

Trade receivables are presented in Note 9 in strict accordance with the trial balance as at 31.12.2021, comprising the following categories: customers, uncertain or disputed customers and advances paid with a total gross value of 855,417 lei and a net value of 834,403 lei.

The value of 21,014 lei is recorded in the Uncertain Customers account, for which adjustments for impairment have been made, highlighted in the analytics of the Adjustments for impairment of receivables account.

The recognition policy is set out in Note 3 "Significant accounting policies".

**How the audit addressed the key issue**

To perform the audit of our receivables, our procedures included, among others: detailed analysis of the processes and controls regarding the reflection of the reality of the registered receivables; carrying out procedures to test the recording of receivables in the correct period, their classification, valuation and adjustment according to the approved accounting policies and the consistency of the application of these policies; testing the balances of trade receivables by sending confirmation letters.

**Key audit aspects**

**Existence and valuation of stocks**

In accordance with those presented in note 8 “Stocks”, the total stocks are in the net value of 17,835,520 lei and represent a significant percentage (53%) of the total assets of the company. They are dimensioned in such a way as to ensure the continuity of the production process, which leads to a constant income by marketing the products.

Inventories are measured at fair value less cost adjustments between cost and net realizable value.

Stocks are valued according to their nature: production in progress, raw materials and consumables, finished products and goods.

The inventory recognition and valuation policy is set out in Note 3 “Significant accounting policies”.

**How the audit addressed the key issue**

Our audit procedures included: ensuring that accounting policies for the recognition and measurement of inventories comply with accounting standards and applicable law; testing the existence of stocks mainly, but not limited to, by participating in the year-end inventory, including reconciling the auditor's factual findings with those of the company's representatives; This is a significant issue, given the importance of the correctness of the inventory in expressing an audit opinion on the reality of the financial information reflected in the financial statements; detailed tests to validate the assessment of the cost of acquisition / production of inventories in relation to the requirements of IAS 2 “Inventories”; sample analysis of contracts with suppliers in order to assess contractual terms in order to identify potential risks of material misstatement; testing the treatment of slow-moving and obsolete stocks. Assessing the
adequacy of the adjustments made; examining significant changes in stock values and levels compared to the previous period.

Other information – Directors’ report

Directors are responsible for preparing and presenting other information. That other information includes the Directors’ Report but does not include the financial statements and the auditor's report thereon.

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

With regard to the audit of the financial statements for the year ended on 31 December 2020, it is our responsibility to read that information and, in this context, to assess whether that other information is materially inconsistent with the financial statements or with the knowledge we have obtained during the audit, or if they appear to be materially distorted.

As far as the Directors' report is concerned, we have read and reported that it was prepared in all material aspects in accordance with the requirements of Chapter 3 of O.M.F.P no. 2844/2016 for the approval of the Accounting Regulations in line with International Financial Reporting Standards.

Based solely on the activities carried out during the audit of the financial statements, in my opinion:

a) The information presented in the Directors' Report for the financial year for which the financial statements were prepared is consistent, in all material aspects, with the financial statements as at 31 December 2020;

b) The Director’s report was prepared, in all material aspects, according to O.M.F.P no. 2844/2016, Chapter 3, point 15-19.

In addition, based on our knowledge and understanding of the Company and its environment acquired in the course of our audit of the financial statements for the year ended on 31 December 2020, we are required to report whether we have identified material misstatements in the Directors’ report. We have nothing to report on this issue.

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

The management of the company is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and with the OMFP no. 2844/2016 of 12 December 2016 for the approval of the Accounting Regulations in line with the International Financial Reporting Standards and for such internal control as management considers necessary to allow the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the management is responsible for assessing the Company's ability to continue its operation, showing, where appropriate, aspects referring to the business continuity and using the accounts based on the business continuity, unless the management either intends to liquidate the company or to stop its operations, or has no other realistic alternative besides thereof.

The persons in charge with the governance are responsible for the surveillance of the financial reporting process of the Company.

Auditor's responsibilities in auditing separate financial statements

Our objectives are to obtain reasonable assurance on whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as issuing an auditor's report which includes our opinion. Reasonable assurance represents a high level of assurance, but there is no guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if any.

As part of an audit in accordance with ISAs, we express a professional judgment and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, either due to fraud or error, we design and execute audit procedures in response to such risks and obtain sufficient and 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 collusion, forgery, deliberate omissions, false statements and avoidance of internal control.

- We understand internal control relevant to the audit, in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and of related disclosures made by the management.
- We draw a conclusion on the appropriateness of the use by management of accounts based on the business continuity principles and we determine, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may cast material doubt on the ability of the company to continue its business. If we conclude that a material uncertainty exists, we should draw the attention in the auditor's report on the corresponding disclosures in financial statement or, if these disclosures are inadequate, to change our opinion. Our conclusions are based on the audit evidence obtained until the date of the auditor's report. However, future events or conditions may determine the Company not to carry on its business based on the continuity principle.
- We assess the presentation, structure and general content of the separate financial statements, including disclosure of information, and whether the individual financial statements reflect basic transactions and events in a fair manner.

We communicate to those responsible for governance, among other things, the planned scope and timing of the audit and the main audit findings, including any material deficiencies in internal control that we identified during the audit.

We also provide to those responsible for governance a statement that we have complied with ethical requirements relevant in terms of independence and that we have communicated all relationships and other matters which we reasonably might assume that affect our independence and where appropriate, the corresponding protective measures.

Among the aspects communicated to those in charged with the governance we determine which ones are the most important for the audit of financial statements of the current period and therefore which ones represent key audit aspects. We describe these aspects in the auditor's report, unless laws or regulations prohibit public disclosure of the aspect or of the case in which, in extremely rare circumstances, we believe that should not be communicated in our report since they are reasonably envisaged that the public interest overcomes the negative consequences of this communication.

**Report on other legal and regulation provisions**

We were appointed by the General Meeting of Shareholders on 09.04.2021 to audit the financial statements of BERMAS SA for the financial year ended December 31, 2021. The uninterrupted duration of our commitment is 2 years, covering the financial years 2020 and 2021.

**Consistency with the additional report to the Audit Committee**

Our audit opinion on the individual financial statements expressed in this report is consistent with the supplementary report to the Company's Audit Committee, which we issued on the same date as this report.

We confirm that we have not provided the Company with the prohibited non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014.


We performed a reasonable assurance on the compliance of the financial statements prepared by BERMAS SA included in digital file 315700T3L9P48X94FV68 (“digital files”) with Commission Delegated Regulation (EU) 2018/815.

**The responsibility of the management of BERMAS SA for the digital files prepared in accordance with ESEF**
The Company's management is responsible for compiling digital files in accordance with the ESEF. This responsibility includes:

• designing, implementing and maintaining internal control relevant to the implementation of the ESEF
• selection and application of appropriate markings
• ensuring consistency between digital files and financial statements that will be published in accordance with O.M.F.P no. 2844/2016 with subsequent amendments.

Those responsible for governance are responsible for overseeing the preparation of digital files in accordance with the ESEF.

Auditor's responsibility for auditing Digital Files

We are responsible for expressing a conclusion as to the extent to which the financial statements included in the annual financial report are in accordance with the ESEF, in all material respects, based on the evidence obtained. Our reasonable assurance assignment was performed in accordance with International Standard on Assurance Assignments 3000 (revised), Assurance Assignments other than audits or reviews of historical financial information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance mission in accordance with ISAE 3000 requires procedures to be performed to obtain evidence of ESEF compliance. The nature, timing and extent of the procedures selected depend on the auditor's reasoning, including the assessment of the risk of material misstatement of the ESEF provisions, whether due to fraud or error. A reasonable assurance includes:

• gaining an understanding of the process of preparing digital files in accordance with the ESEF, including relevant internal controls;
• reconciliation of the digital files that include the marked data, with the audited financial statements of the Company that will be published in accordance with O.M.F.P no. 2844/2016 with subsequent amendments;
• assessing whether all financial statements that are included in the digital file are prepared in a valid XHTML format;
• assessing whether all markings, including voluntary markings, comply with ESEF requirements.

We consider that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.

In our opinion, the financial statements for the financial year ended 31 December 2021 included in the digital file 315700T3L9P48X94FV68 are, in all material respects, in accordance with the ESEF Regulation.

We do not express an audit opinion, a review conclusion, or any other assurance on financial statements in this section. Our audit opinion on the Company's financial statements for the financial year ended December 31, 2021 is included in the Report on the Annual Financial Statements section above.

Other aspects

This independent auditor's report is addressed exclusively to the Company's shareholders as a whole. Our audit was performed in order to be able to report to the Company's shareholders those aspects that we must report in an audit report, and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders as a whole for our audit, for the report on the individual financial statements and for the report on compliance or for the opinion formed.

On behalf of
S.C. CODEXPERT OFFICE S.R.L. Suceava
Str. Mihai Eminescu nr. 10, Tr. A, sc.B, ap.9, Phone/Fax no.: 0230 531949, e-mail: codexpert@sonic.ro
The audit firm registered in the Electronic Public Register with no. FA126.

Signatory's name: Codau Stelian
Financial auditor registered in the Electronic Public Register with no. AF798