

Materials of O Ordinary General Meeting of Shareholders on 7/8 April 2023

Point 4 – of the agenda of the O.G.M.S.

**Proposal for the distribution
of the net profit of the financial year 2022**

The Board of Directors of SC "BERMAS" SA proposes the distribution of the net profit for the financial year 2022 amounted to 1.467.509 lei as follows:

	Lei
Net profit 2022	1.467.509
Dividends	1.465.607
Other reserves	1.902

The gross dividend per share which is to be given for one share held on the registration date, is fixed at **0,068 lei / share**.

The payment date of dividends on 17.08.2023, in compliance with the 6 month term since the date of the Ordinary General Meeting of Shareholders, to the shareholders registered in the consolidated register of shareholders on the registration date, ie. 27.07.2023 (ex-date of July 26, 2023).

Until 27.07.2023, SC "BERMAS" SA will provide shareholders with the ways of distributing dividends.

Point 6. – on the agenda of the Ordinary General Meeting of Shareholders

Presentation and advisory vote on the remuneration report for the financial year 2022

In accordance with the provisions of Article 105 of Law No. 24/2017 on issuers of financial instruments and market operations, as subsequently amended and supplemented by Law No. 158/2020 on amending, supplementing and repealing certain acts and laying down implementing measures for Regulation (EU) 2017/2. 402 of the European Parliament and of the Council of 12 December 2017 establishing a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1. 060/2009 and (EU) No. 648/2012, the ORDINARY GENERAL MEETING OF SHAREHOLDERS on 16 April 2021 approved by Resolution adopted and published in the Official Gazette of Romania Part A IV-A No 1997/19.05.2021 the REMUNERATION POLICY of the company's managers (directors and managers).

The remuneration of the directors was fixed and approved by the Ordinary General Meeting of Shareholders of BERMAS SA in accordance with the provisions of Law 31/1990 and the Articles of Incorporation.

The net levels of the indemnities of the Board of Directors were as follows:

<i>Period during 2022 / Resolution of the OGMS</i>	<i>Position in the Board of Directors</i>	<i>Net monthly amount</i>
01.01.2022 – 01.05.2022 Resolution of the OGMS/ 16.04.2021	- Chairman - Vice-chairman - Member of the Board of Directors	8.200 lei 4.000 lei 3.500 lei
01.05.2022 – 31.12.2022 Resolution of the OGMS / 18.04.2022	- Chairman - Vice-chairman - Member of the Board of Directors	9.500 lei 7.000 lei 4.500 lei

The Company's Directors did not receive variable remuneration or other benefits except for liability insurance in accordance with the Company's Remuneration Policy approved by the Ordinary General Meeting of Shareholders on 16 April 2021.

The remuneration of the executive managers was determined by the Board of Directors on the basis of the mandates given by the Ordinary General Meeting of Shareholders accordingly:

➤ For the period 01.05.2022 - 01.05.2022 the fixed monthly remunerations of the executive managers established by the Resolution of the Board of Directors no. 1651/16.04.2021 were as follows: General Manager – 32.200 lei, Financial manager – 20.500 lei and Commercial Manager – 14.300 lei.

➤ For the period 01.01.2022 - 31.12.2022 the fixed monthly remunerations of the executive managers established by the Decision of the Board of Directors no. 1601/18.04.2022 were as follows: General Manager – 35.300 lei, Financial Manager – 22.400 lei and Commercial Manager – 15.800 lei

Executive managers did not receive variable remuneration, as no performance criteria were established, their benefits being strictly linked to the performance of their duties and representation in the interests of the company, in accordance with the company's remuneration policy.

They benefited from liability insurance paid by the company.

BERMAS Company belongs to the SME category, administered in a unitary system, with a number of about 194 employees, all salary dept. being agreed through the Collective Labour Agreement concluded with the company's Free Trade Union, with a unionisation rate of 85%.

Thus, when setting the fixed remuneration for the executive managers, the Board of Directors took into account their proportionality according to the specific responsibilities of the managerial functions in relation to the remuneration of all the staff employed by the company and the forms of remuneration applicable differentiated according to the nature of the activity (i.e.: direct agreement remuneration based on working time and personnel; individual agreement remuneration based on internal rules and direct remuneration).

In this context, the Board of Directors in its meeting of 18.04.2022 took into account the average net earnings per factory of the employees in 2021 which was 3.213 lei net/salariat.

The average net earnings in 2022 were 3685 lei/ employee (+14,69%).

The pay grade for executive management should be between a minimum of 1 and a maximum of 13 average net salaries/company.

The remuneration policy approved by the OGMS/ 16.04.2021 has not been amended and the procedures for implementation have been followed.

Point 7 – of the agenda of the O.G.M.S.

INCOME AND EXPENDITURE BUDGET FOR THE YEAR 2023

For 2023, the company has set the income volume, their structure on chapters and subchapters, the expenditures volume on destinations and respectively on economic structure by their nature and also the results to be achieved from the performed activity during the year.

The income and expenditure budget is based on a production and sales program approved by the Board of Directors for the year 2023.

To achieve the production program the resources of main raw materials such as malt and hops are provided until the end of 2023.

The malt production program in the fourth quarter of 2023 will be achieved by providing the basic raw materials of the harvest of 2023, and the malt manufacturing process will begin in the third decade of October 2023 and it will be completed in the first decade of December 2023.

From the new harvest is necessary to purchase 2.100 tons of barley of which 1.600 tons of barley for malting, quantity to be purchased and paid in the months of July to September 2023 and about 10 tons of pellets with at least 5% alpha acids, thus ensuring the continuity of the production

process and the material basis for the production of beer in quarters I, II and III of 2024.

The main materials necessary for the production of consumables in the manufacturing process of production, fermentation - maturation, filtering, bottling and delivering beer are rhythmically supplied under contracts concluded with the suppliers according to the production volume for the period, permanently ensuring safety stocks for normal production process.

Referring to the coverage of the beer sales program with contracts we mention that we have already contracted the entire beer quantity for 2023, having signed contracts with 30 resellers and wholesalers.

The necessary conditions for selling beer in the commercial network by proper equipment of customers (during the commercial relationships):

- KEG type Stainless steel barrels for selling beer on mug;
- dispensers for cooling and distributing keg bottled beer;
- "BERMAS" 1/24 and 1/20 customised crates, 0.5l MOLD and NRW bottles;
- transport vehicles for distribution according to our possibilities and specialized personnel for the hygiene of facilities, control of the network and marketing;
- promotional materials and advertising logistics.

During the year, given the current competitive environment on the beer market, in order to maintain market segments, the company will provide supplementary equipment if necessary and following the customers' demands.

In the general activity of our company we have also considered auxiliary activities to maintain the normal operation of equipment, plants, the protection and maintenance of buildings and space inside the premises, by performing ordinary maintenance and repairs, current and capital overhaul servicing of the production facilities.

The summary of income and expenditure budget detailed for income in chapters according to their nature and for expenditure in the economic structure by the type of activity is attached in its annexes.

The basic indicators of economic activity for 2023 have the following estimated levels:

- **Total income: 46.843.251 lei, of which:**
 - Operating income: **46.843.231 lei**
- **Total expenditure: : 45.095.22 lei, of which:**
 - Operating expenses: 43.743.321 lei
 - Financial expenditure: 1.351.900 lei
- **Net turnover: 40.034.231 lei**
- **Gross profit: 1.748.030 lei**
- **Net profit: 1.468.345 lei.**

Compared to the results of the previous year, preliminary indicators for 2023 have the following developments:

- Production and sales volume was set over the result of the previous year by 10%;
- Total revenue: increase by about 12%
- Net turnover: increase by about 32%
- the net profit is estimated: - at the level achieved in 2022.

For the elaboration and substantiation of income and expenditure budget we have made assessments of the production potential both in terms of technical performance, of existing facilities and manpower and also projected estimates for work in progress, of some economic, financial and contractual factors.

We have considered the following elements:

- the stocks of basic raw materials (malt, barley, hops) existing at the beginning of the year at purchase or production price, as appropriate;
- significant increase in prices for basic raw materials (barley, hops) from the harvest of 2023 and a EURO course of 5,0 lei;
- keeping the natural gas price capped until December 31, 2023;
- maintaining the current price for drinking water and sewer until December 31, 2023;
- maintaining the current electricity price, respectively capping the price at 840 lei/MWh until the end of the year;

- the increase in total labor costs, considering the need to increase the salaries of all employees during 2023 by at least 15%, motivated by the fact that the average net/employed salary currently represents about 80% of the average salary in the economy, the last increase collective being operated from 01.05.2021:

- appropriate sizing of the cost for repairs, maintenance, spare parts and other similar charges;

- optimization of the specific consumption of raw materials, materials and technological utilities;

- an estimated exchange rate of the national currency against the EURO of maximum 5,0 lei / € for the evaluation of acquisitions for production activities;

- the increase delivery prices for the beer assortments manufactured on conditioned by the achievement of the sales volume established for 2023.

The achievement of forecast indicators for 2023 is conditioned by:

- The performance of the production and sales;

- maintaining the current level of unitary excise duty/grade Plato/hl valid on 01.01.2023 ;

- Purchase of new raw materials from the new harvest at competitive prices;

- Maintenance of the employment costs within the limits prescribed in the income and expenditure budget correlated with the possibility of increasing the forecast delivery prices according to the market conjuncture;

- The stability and predictability of the overall economic performance that is favorable to the business environment.

Considering the factors that could affect the achievement of indicators in this income and expenditure budget during the year in case of major influences, we will proceed to rectify it periodically, once with the financial-accounting reports for that period.

INCOME AND EXPENDITURE BUDGET FOR 2023

- lei-

Indicators	Row no.	Done in previous year	Provisions of the current year. Total of which:	Quarter			
				I	II	III	IV
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
I. TOTAL REVENUES, (rd.02 +rd 09)							
Of which:	01	41,696,084	46,843,251	6,639,800	14,450,057	16,872,836	8,880,559
1. Operating revenue, (rd.06+07+08) of which:	02	41,687,834	46,834,231	6,639,800	14,450,057	16,872,816	8,871,559
a) Revenues from the sales of finished products (beer)	03	29,820,347	39,575,381	5,131,590	13,454,642	15,972,378	5,016,771
b) Revenues from the sale of by-products	04	312,142	447,850	56,210	192,415	147,438	51,788
c) Revenues from services	05	5,214	11,000	2,000	3,000	3,000	3,000
d) Net turnover (a+b+c)	06	30,137,703	40,034,231	5,189,800	13,650,057	16,122,816	5,071,559
e) Revenues from stored production	07	8,340,175	5,600,000	1,300,000	600,000	500,000	3,200,000
f) Other operating revenues	08	3,209,956	1,200,000	150,000	200,000	250,000	600,000
2. Financial revenues	09	8,250	9,020			20	9000
II. TOTAL EXPENDITURE, (rd. 11+rd.25)							
Of which:	10	39,990,953	45,095,221	8,337,273	12,326,087	12,826,692	11,605,169
1. Operating expenditure, (rd.16+rd.17+rd.18+rd.19+rd.20+rd.24) of which:	11	38,731,296	43,743,321	8,089,673	11,917,387	12,355,892	11,380,369
a) Raw materials	12	8,751,738	9,530,075	1,180,337	2,922,980	2,786,611	2,640,148
b) Main materials + packaging	13	2,042,339	2,867,108	441,818	929,467	1,108,971	386,852
c) Fuel, spare parts, packaging and other material expenditure	14	1,716,931	1,875,250	357,200	621,000	588,250	308,800

d) Energy and water	15	5,019,768	5,294,688	835,518	1,453,840	1,329,860	1,675,470
Total material expenditure (a+b+c+d)	16	17,530,776	19,567,121	2,814,873	5,927,287	5,813,692	5,011,269
e) Third party works and services	17	1,779,799	2,176,300	283,800	530,300	893,600	468,600
f) Taxes and duties	18	255,001	260,000	65,000	65,000	65,000	65,000
g) Operation expenditure for depreciation and provisions	19	1,678,123	1,745,500	420,000	425,000	430,000	470,500
h) Employment charges –TOTAL din care:	20	15,976,737	18,635,900	4,334,500	4,704,800	4,774,600	4,822,000
Salaries expense	21	14,481,849	16,779,200	3,890,800	4,194,800	4,346,800	4,346,800
Social security and insurance costs	22	219,209	256,300	66,300	94,000	8,400	87,600
Meal vouchers costs	23	953,690	1,226,400	290,700	322,500	322,500	290,700
Insured contribution expenses. work 2.25%	24	321,989	374,000	86,700	93,500	96,900	96,900
i) Other operating expenditure	25	1,510,860	1,358,500	171,500	265,000	379,000	543,000
2. Financial expenditure -TOTAL Of which:	26	1,259,657	1,351,900	247,600	408,700	470,800	224,800
-Interests	27	320,874	370,800	95,700	92,700	90,800	91,600
-Other financial expenditure	28	938,783	981,100	151,900	316,000	380,000	133,200
III. Gross result - PROFIT	29	1,705,131	1,748,030		2,123,970	4,046,144	
-LOSS	30			1,697,473			2,724,611
IV. Tax on profit	31	237,622	279,685		68,240	211,445	
V. Net profit - cumulative	32	1,467,509	1,468,345				

Point 8 – of the agenda of the O.G.M.S.

Approval of the capitalization of dividends not collected by shareholders for more than 3 consecutive years by registering under "Equity" - "Other reserves"

Dividends not collected by shareholders for the years 2015, 2016, 2017, 2018 are in the total amount of 522.167 lei.

The Board of Directors proposes their capitalization by registering under "Equity - Other reserves".

Point 9 – of the agenda of the O.G.M.S.

Establishment and approval of the general limits for the pay of the members of the Board of Directors and mandate of the Board of Directors through its chairman as representative to establish the pay granted to the executive directors as well as the fee of the financial auditor

For the period April 2022 – April 2023, the members of the Board of Administration had a monthly allowance differentiated as follows:

	<u>Net amount</u>
- CA President	9.500 lei
- Vice President CA	7.000 lei;
- CA member	4.500 lei.

For the period May 2023 - April 2024, the monthly allowances of the Board of Directors remain unchanged.

At the same time, the mandate of the Board of Directors to establish the remuneration of the executive directors and the financial auditor's fee is subject to the approval of the General Meeting of Shareholders.

*President of the Board of Directors
ec. Anisoii Elena*