

## 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 2022, 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 2022 are identified as follows:
  - Net assets/Total equity: 23.504.381 lei
  - Net profit/loss for the financial year: 1.467.509 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 2022 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.

1. Litigations	
<i>Key audit matters</i>	<i>Way of addressing in our audit mission</i>
<p>During the running of its activity, BERMAS SA Suceava is exposed to potential losses as a result of commercial litigation, administrative proceedings or court decisions.</p> <p>As disclosed in Notes 11 and 14 to the Separate Financial Statements and in the Statement of Litigation, the Company is involved in litigation before the courts with authorities and business partners, including:</p> <ul style="list-style-type: none"> <li>• ANAF – exposure of 368.648 lei - additional amounts established as budgetary obligations for gift vouchers granted to employees</li> <li>• Various commercial partners (customers) with an exposure of 724.010 lei - representing the value of products delivered and not collected.</li> </ul> <p>Due to the fact that the final outcome of these disputes is uncertain (in the case of amounts to be recovered from customers - most are in reorganization/bankruptcy proceedings), and that management's conclusions are based on best estimate at the reporting date, on legal assistance, including on the interpretation of laws and regulations, and due to the amounts involved, we considered the effects of litigation to be a key audit matter.</p>	<p>Our audit procedures included, but were not limited to, among others:</p> <ol style="list-style-type: none"> <li>Obtaining a statement of litigation in which the Company is involved;</li> <li>Identifying the causes that led to the litigations;</li> <li>Analysis of the measures taken by the Company to reduce its exposure to them;</li> <li>Assessing the credibility of the estimation process applied by management through retrospective analysis of prior period judgments against actual results;</li> <li>Assessing the accuracy and completeness of the Company's disclosures in the notes to the individual financial statements against the requirements of the relevant reporting standards;</li> <li>Assessing the adjustments recorded by the Company.</li> </ol>

2. Completeness of supplier balances	
<i>Key audit aspects</i>	<i>Way of addressing in the audit mission</i>
<p>Supplier balances (for current and investment activity) have a net book value of 1.216.618 lei as at 31 December 2022 according to the</p>	<p>Our audit procedures included, among others:</p> <ol style="list-style-type: none"> <li>Obtaining and reconciling the supplier balances to the balance sheet as at 31.12.2022;</li> </ol>

<p>Company's Financial Statements, representing a significant proportion of the balance sheet total, which is why we considered testing the completeness of supplier balances as a key audit matter.</p>	<p>b) Analysis of changes in total balances and supplier balances;  c) Performing balance confirmations for a sample of suppliers;  d) Perform cut-off tests at the beginning of 2023 and end of 2022.</p>
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### ***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 2022, 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 2022, 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 2022 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 2022 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, 8 March 2023

**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