

***INCOME AND EXPENDITURE BUDGET  
FOR THE YEAR 2018***

For 2018, 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 2018.

To achieve the production program the resources of main raw materials such as malt and hops are provided until the end of 2018.

The malt production program in the fourth quarter of 2018 will be achieved by providing the basic raw materials of the harvest of 2018, and the malt manufacturing process will begin in the third decade of September 2018 and it will be completed in the first decade of December 2018.

From the new harvest is necessary to purchase 3.800 tons of barley of which 3.100 tons of barley for malting, quantity to be purchased and paid in the months of July to September 2018 and about 27 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 2019.

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 2018, having signed contracts with 45 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 2018 have the following estimated levels:

- **Total income: 35.772.391 lei, of which:**
  - Operating income: 35.772.391 lei
- **Total expenditure: 33.695.063 lei, of which:**
  - Operating expenses: 32.678.063 lei
  - Financial expenditure: 1.017.000 lei
- **Net turnover: 30.694.011 lei**
- **Gross profit: 2.077.328 lei**
- **Net profit: 1.744.956 lei.**

Compared to the results of the previous year, preliminary indicators for 2018 have the following developments:

- Production and sales volume was set over the result of the previous year by 5%;
- Total revenue: increase by about 9,5%
- Net turnover: increase by about 9,8%
- Gross and net profit levels are expected to be at the level of 2017.

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;
- maintaining prices for basic raw materials (barley, hops) from the harvest of 2018 at the level of 2017 and those imported for hops;
- maintaining the price of natural gas at the level of December 2017;
- moderate increase in the price of drinking water and sewerage starting the third quarter of 2018;
- maintaining the price of electricity negotiated from February 1, 2018;
- increase in total costs with manpower if the economic and financial situation allows it, being considered a possible increase in the third quarter of 2018;
- 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 4.7 lei / € for the evaluation of acquisitions for production activities;
- a gradual increase in the delivery price for types of beer made by about 4 - 5%.

The achievement of forecast indicators for 2018 is conditioned by:

- The performance of the production and sales;
- Maintenance of the unitary excise unit / degree Plato / hl at the current level;
- 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 2018

Code 01

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Indicators	Ro w no.	Done in previous year	Provisions  of the current year. Total of which:	Quarter			
				I	II	III	IV
<i>1</i>	2	3	4	5	6	7	8
<b>I. TOTAL REVENUES, (rd.02 +rd 09)</b> Of which:	<b>01</b>	<b>32,670,563</b>	<b>35,772,391</b>	<b>4,980,986</b>	<b>11,196,250</b>	<b>12,587,625</b>	<b>7,007,530</b>
<b>1. Operating revenue, (rd.06+07+08)</b> <b>of which:</b>	<b>02</b>	<b>32,670,542</b>	<b>35,772,391</b>	<b>4,980,986</b>	<b>11,196,250</b>	<b>12,587,625</b>	<b>7,007,530</b>
a) Revenues from the sales of finished products (beer)	03	27,633,904	30,342,811	3,612,316	10,471,265	12,031,697	4,227,533
b) Revenues from the sale of by-products	04	314,738	334,400	90,530	110,665	80,428	52,777
c) Revenues from services	05	16,327	16,800	2,900	6,500	4,900	2,500
<b>d) Net turnover (a+b+c)</b>	<b>06</b>	<b>27,964,969</b>	<b>30,694,011</b>	<b>3,705,746</b>	<b>10,588,430</b>	<b>12,117,025</b>	<b>4,282,810</b>
e) Revenues from stored production	07	3,980,183	4,023,000	1,200,000	350,000	125,000	2,348,000
f) Other operating revenues	08	725,390	1,055,380	75,240	257,820	345,600	376,720
2. Financial revenues	9	<b>21</b>	<b>0</b>				
<b>II. TOTAL EXPENDITURE, (rd. 11+rd.25)</b> Of which:	<b>10</b>	<b>30,478,318</b>	<b>33,695,063</b>	<b>6,429,874</b>	<b>8,768,044</b>	<b>9,625,900</b>	<b>8,871,246</b>
<b>1. Operating expenditure,</b> (rd.16+rd.17+rd.18+rd.19+rd.20+rd.24) of which:	<b>11</b>	<b>29,472,035</b>	<b>32,678,063</b>	<b>6,291,874</b>	<b>8,440,044</b>	<b>9,195,900</b>	<b>8,750,246</b>
a) Raw materials	12	6,546,617	7,216,717	1,603,926	1,929,663	1,571,822	2,111,306
b) Main materials + packaging	13	1,755,356	2,253,486	291,523	763,746	876,131	322,087
c) Fuel, spare parts, packaging and other material expenditure	14	1,694,646	1,730,200	356,500	466,500	563,797	343,403

d) Energy and water	15	3,280,789	3,675,760	689,925	869,435	932,350	1,184,050
Total material expenditure (a+b+c+d)	16	<b>13,277,408</b>	<b>14,876,163</b>	<b>2,941,874</b>	<b>4,029,344</b>	<b>3,944,100</b>	<b>3,960,846</b>
e) Third party works and services	17	2,288,693	2,311,100	305,200	692,400	691,500	622,000
f) Taxes and duties	18	279,563	320,000	60,000	86,600	86,600	86,800
g) Operation expenditure for depreciation and provisions	19	1,576,321	1,550,000	387,500	387,500	387,500	387,500
h) Employment charges -TOTAL din care:	20	<b>10,246,988</b>	<b>12,629,300</b>	<b>2,518,800</b>	<b>2,966,200</b>	<b>3,800,200</b>	<b>3,344,100</b>
i) Salaries expense	21	7,685,366	9,541,000	1,938,700	2,202,300	2,945,800	2,454,200
j) Social security and insurance costs	22	2,086,396	2,526,800	469,600	638,200	684,500	734,500
k) Meal vouchers costs	23	475,226	561,500	110,500	125,700	169,900	155,400
l) Other operating expenditure	24	<b>1,803,062</b>	<b>991,500</b>	<b>78,500</b>	<b>278,000</b>	<b>286,000</b>	<b>349,000</b>
<b>2. Financial expenditure -TOTAL</b> Of which:	<b>25</b>	<b>1,006,283</b>	<b>1,017,000</b>	<b>138,000</b>	<b>328,000</b>	<b>430,000</b>	<b>121,000</b>
-Interests	26	25,678	49,000	14,000	15,000	10,000	10,000
-Other financial expenditure	27	980,605	968,000	124,000	313,000	420,000	111,000
III. Gross result - PROFIT	28	<b>2,192,245</b>	<b>2,077,328</b>		<b>2,428,206</b>	<b>2,961,724</b>	
-LOSS	29			<b>1,448,888</b>			<b>1,863,715</b>
IV. Tax on profit	30	<b>433,622</b>	<b>332,372</b>		<b>155,691</b>	<b>176,681</b>	
V. NET PROFIT –accumulated	31	<b>1,758,623</b>	<b>1,744,956</b>				

*President of the Board of Directors - ec. Aniso Elena*