



SC "BERMAS" SA Suceava

Str. Humorului nr. 61 Șcheia

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INTERIM REPORT

According to the CNVM Regulation no. 1/2006

Date of the report: 30.06.2017

The Trade Company "BERMAS" SA Suceava

Headquarters: Șcheia locality, Str. Humorului, Nr.61, Suceava county

Phone/fax no.: 0230/526545; 0230/526542

Tax identification number: RO 723636

Number with the Trade Register: J33/37/1991

Share capital subscribed and paid up: 15.087.134

Regulated market where the securities issued are traded: Bucharest Stock Exchange

1. ECONOMICAL AND FINANCIAL SITUATION

1.1. S.C."BERMAS" S.A. Suceava has conducted its economic activity during the period January 1st, 2017 - June 30, 2017 according to the production and investment program, the budget of revenue and expenditure approved by resolutions of the general meetings of shareholders (ordinary and extraordinary) on April 27, 2017 in compliance with the law applicable and the provisions of the Articles of Incorporation.

a) **BALANCE SHEET ELEMENTS**

▶ **ASSETS**

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2016</i>	<i>30.06.2017</i>
TOTAL CURRENT ASSETS	29.514.535	29.350.501
Of which:		
• Fixed assets	14.369.323	13.632.503
• Inventory	11.126.590	11.897.719
• Cash and bank accounts	53.930	33.304
• Receivables	3.799.387	3.630.602
• Accrued expenses	165.305	156.773

▶ **LIABILITIES**

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2016</i>	<i>30.06.2017</i>
TOTAL CURRENT LIABILITIES -- of	29.514.535	29.350.501
which:		
• Equity	22.671.177	22.979.837
• Payables	6.843.358	6.371.064

Analysing the total assets and the total liabilities compared to the same period of the previous year we find that they decreased by 0,56%.

On main asset groups, the situation is as follows:

► **The tangible assets** on June 30, 2017 have a net value amounted to 13.632.503 lei decreased by 5,13% compared to 30.06.2016 when they reached a level of 14.369.323 lei and they represent 46,45% of total assets.

The tangible assets represent 98,40 % of the fixed assets group.

The operations related to the movement of tangible assets and depreciations consist of:

- Increases of tangible assets as a result of commissioning of fixed assets for the equipment of the production department and of the sales network.

In the first half of 2017 we have commissioned and upgraded fixed assets amounted to 624.002 lei.

- The increase of total depreciations which for the first half of 2017 was amounted to 738.585 lei.

The decommissioning of certain fixed assets due to wear and tear, their value being amounted to 84.674 lei.

► **Inventories** have a capital value of 11.897.719 lei on 30.06.2017 recording an increase by 6,93% compared to the corresponding period of the previous year when the recorded level was amounted to 11.126.590 lei and a share in total assets of 40,54%.

A share of 43,38% in the total inventory is held by semi-fabricated products such as beer malt and beer respectively as production in progress (in primary and secondary fermentation), followed by packaging for beer bottling and delivery, including recent acquisitions of KEG barrels, with a share of 39,90%, then the raw materials (barley, hops) and main materials used in technological process with a share of 4,73% and the remaining 12% is held by other inventories (finished goods, spare parts etc.).

Inventories without movement or with slow movement have an insignificant share of 0,65% and they have been provisioned for impairment at 100%.

► **Cash and bank accounts** on 30.06.2017 registered a level of 33.304 lei, in decrease compared to the similar period of the previous year when they reached a level of 53.930 lei;

► **Receivables** decreased by 4,44% compared to the corresponding period of the previous year respectively from 3.799.387 lei to 3.630.602 lei.

► Referring to the liability elements, on 30.06.2017 **equity** holds a share of 78,29% in current liabilities and total debts hold a share of 21,71%.

Compared to the corresponding period of the previous year, equity registered an increase by 1,36% and total debts decreased by 6,90%.

Given the level of **total debts** on 30.06.2017, in absolute figures respectively 5.371.064 lei, we state that the whole amount represents term liabilities, the company having not recorded any outstanding debts or loans unpaid at maturity.

The structural debt situation is as follows:

- current short-term loans (under 1 year), amounted to 1.023.267 lei;
- trade payables amounted to 1.489.900 lei represent payment obligations to suppliers for current production and investment activity, including payables;
- dividends payable to shareholders amounted to 1.038.282 lei;
- debts related to the second part of salaries for the month of June and payment obligations including payroll taxes with maturity in July 2017 amounted to 555.637 lei paid in full at maturity;
- VAT payable for the month of June 2017 amounted to 528.996 lei, with maturity in July 2017;
- tax on dividends paid in June 2017 with maturity in July 2017 amounted to 13.618 lei;
- excise duty for the month of June with maturity in July 2017 amounted to 380.196 lei;
- current income tax 90,764 lei paid at maturity and deferred tax in the amount of 185,997 lei;

- other liabilities, diverse creditors and guarantees collected for patrimony goods under temporary use of clients amounted to 64.407 lei.

► **The equity** on 30.06.2017 has the following structure:

- The share capital subscribed and paid up is amounted to 15.087.134 lei composed of 21.553.049 shares with a nominal value of 0,7 lei each, unchanged compared to the beginning of the year;
- total reserves on June 30, 2017 are amounted to 5.991.861 lei, increased by 0,56% compared due to the allocation of profit for 2016;
- the result for the financial year January 1, 2017 -- June 30, 2017 is a net profit amounted to 808.571lei;

The synthetic shareholder structure on 30.06.2017, according to the excerpt from the Register of Shareholders transmitted to the registry service of SC "DEPOZITARUL CENTRAL" SA Bucharest is:

1. The Employees' Association "Victoria" Bermas holding 6.653.009 shares, representing a total of 30,87% of the share capital;
2. PAS Bermas Association holding 4.483.269 shares, representing a total of 20,80% of the share capital;
3. Other shareholders individuals and legal entities holding 10.167.771 shares representing 48,33% of the share capital.

b) PROFIT AND LOSS ACCOUNT

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2016</i>	<i>30.06.2017</i>
► TOTAL REVENUES -- of which:	13.515.933	14.042.844
• Turnover (net sales)	11.852.823	12.559.619
► TOTAL EXPENSES -- of which cost and expense elements with a share over 20% of net sales	12.716.014	13.036.422
• Expenses for raw material, consumables and energy	48,35%	44,78%
• Expenses for the employees including the insurance and social security	33,58%	32,89%
• Expenses for the depreciation of tangible assets, external services and others	15,13%	14,93%
► GROSS PROFIT	799.919	1.006.422
► NET PROFIT	690.860	808.751
► NET LOSS		

The levels of indicators presented in the profit and loss statement for the period January 1, 2017 - June 30, 2017 are comparable to the corresponding period of the previous year in terms of total revenues, expenses and net turnover excluding excise duties which for the reporting period are amounted to 1.272.371 lei.

Net sales of 98% are represented by the BEER product.

c) **CASH FLOW** -- At the beginning of the period from 01 January 2017, the existing cash was amounted to 25.828 lei, the collections during the period 1 January-30 June 2017 were amounted to 14.975.999 lei and the cash balance at the end of the period was amounted to 33.304 lei.

Payments made during the period January 1-June 30, 2017 were amounted to 14.968.523 lei of which payments for current production activity amounted to 12.174.268 lei, payments for investment activities amounted to 691.160 lei and payments for financing activities amounted to 2.103.095 lei.

2. ANALYSIS OF THE ACTIVITY CONDUCTED BY SC „BERMAS” SA

Following the activity conducted during this period, the company achieved total revenue amounted to **14.042.844 lei** with total expenses amounted to **13.036.422 lei**, the result being a gross profit amounted to **1.006.422 lei**.

According to the structure and activities, the revenue, expenses and results achieved are as follows:

► **THE OPERATING ACTIVITY** was conducted with expenditures amounted to **12.570.559 lei**, revenues amounted to **14.042.844 lei** and a gross profit amounted to **1.472.285 lei**.

► **THE FINANCIAL ACTIVITY** generated financial expenses amounted to **465.863 lei**, with no financial income.

As a result there has been a loss amounted to **465.863 lei**.

By nature, financial expenses have the following structure:

- interest expense paid on short-term loans: **24.207 lei**
- other financial expenses amounted to **441.656 lei** representing: 35.793 lei - fees for granting and managing loans under contracts with banks as well as for the operations on current accounts, 404.298 lei - financial discounts and 1.565 lei - exchange differences on currency payments.

The net turnover in the period January 1, 2017 - June 30, 2017 is amounted to **12.559.619 lei**.

Compared to the corresponding period of the previous year, basic indicators of economic activity recorded the following evolutions:

- net turnover in comparable figures increased by 5,96%;
- total income increased by 3,90%;
- total expenses increased by 2,52%;
- profit recorded in the first half of 2017 amounted to 808.751 lei that compared to the corresponding period of the previous year increased by 17%.

► In terms of the strategy adopted, taking into account the market requirements in order to maintain the activity at the quality standards required in the future, we have made significant expenditures for marketing and promotion of the varieties of beer, which have had a significant impact on the financial situation of the company.

The total amount of purchases of this nature is 1.687.704 lei and represents: KEG barrels, crates, bottles, beer dispensers, refrigeration showcases, umbrellas, personalized glasses and mugs, CO2 tubes, covered terraces facilities, various other advertising materials, radio and TV advertising etc.

2.1. The company's liquidity

1. General liquidity:

$$\text{General liquidity 1}^{\text{st}} \text{ half 2016} = \frac{\text{Current_assets}}{\text{Short-term_debts}} = \frac{15.396.872}{8.314.856} = 2,25$$

$$\text{General liquidity 1}^{\text{st}} \text{ half 2017} = \frac{\text{Current_assets}}{\text{Short-term_debts}} = \frac{14.979.907}{6.650.468} = 3,00$$

2. Reduced liquidity:

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2016} = \frac{\text{Current_assets} - \text{Inventory}}{\text{Short_term_debts}} = 0,60$$

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2017} = \frac{\text{Current_assets} - \text{Inventory}}{\text{Short-term_debts}} = 0,71$$

3. Immediate liquidity:

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2016} = \frac{\text{Liquidities}}{\text{short-term_debts}} = 0,008$$

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2017} = \frac{\text{Liquidities}}{\text{Short-termdebts}} = 0,006$$

2.2. Capital expenditures related to the first half of 2017 amount to 610.590 lei, accounting for purchases of fixed assets and upgrades without significant impact on the financial situation of the company.

2.3. Regarding the events, transactions or economic changes affecting income from basic activities, in recent years there have been important mergers that created monopoly positions for multinational companies, simultaneously with the entry into the market of new producers with large capacities, leading to a great obvious polarization in terms of production and financial capacities which have led to some distortions in terms of competition on the domestic beer market.

As a local manufacturer with regional sales, SC "BERMAS" feels the effects of these distortions, in addition to the lack of economic measures to boost the business environment.

3. Changes affecting the share capital and management of the trade company

3.1. The company was not unable to meet its financial obligations.

3.2. During the period 30.06. 2016 - 30.06.2017 there were no changes in the rights of holders of security of issued by the company.

4. Significant transactions: - In the first half of 2017 there were no major transactions concluded by the issuer with persons acting in concert or involving these persons.

5. Signatures

*President of the Board of Directors
and GENERAL MANAGER of the company
ec. Anisoï Elena*

*ECONOMIC MANAGER,
ec. Tebrean Iridenta*