S.C. Bermas S.A. Suceava

Provisional financial statements for the 6 month period ended on 30 June 2017

Prepared in accordance with the International Financing Reporting Standards adopted by the European Union according to the Order of the Ministry of Finance no. 1286/2012 as subsequently amended

Content

Financial statements

Statement of comprehensive result
as of *30 June 2017*

RON	Note	31.12.2016	30.06.2017
ASSETS			
Tangible assets	5	13.531.824	13.414.973
Intangible assets	6	88.000	88.000
Financial assets measured at cost	7	83.000	83.000
Other non-current assets		31.020	46.530
Total assets		**13.733.844**	**13.632.503**
Inventories	8	12.808.453	11.897.719
Trade receivables	9	1.262.179	3.100.969
Prepaid expenses	19	115.880	156.773
Cash and cash equivalents	10	25.828	33.304
Other receivables	11	410.889	529.633
Total current assets		**14.623.229**	**15.718.398**
TOTAL ASSETS		**28.357.073**	**29.350.901**
EQUITY			
Share capital	12	15.087.134	15.087.134
Tangible assets revaluation reserves		1.002.585	1.002.585
Reported result		1.513.607	898.257
Other reserves	12	5.958.523	5.991.861
Total equity		**23.561.849**	**22.979.837**
PAYABLES			
Medium-term credits			
Deferred tax payables	13	191.564	185.997
Total long-term payables		**191.564**	**185.997**
Trade payables	14	590.870	1.489.900
Short-term loans from banks	15	2.090.563	1.023.267
Other payables	14	500.000	1.000.000
Total current payables		1.422.227	2.671.900
TOTAL PAYABLES		**4.603.660**	**6.185.067**
TOTAL EQUITY AND PAYABLES		**4.795.224**	**6.371.064**
		28.357.073	**29.350.901**

Anisoi Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of comprehensive income

As of 30 June 2017

in RON	Note	30.06.2016	30.06.2017
Turnover	17	11.852.823	12.559.619
Variation in inventory of finished products and production in progress		1.568.639	1.351.065
Other revenues	18	94.966	132.160
Raw materials and consumables		(6.148.563)	(5.837.733)
Personnel expenses	20	(4.270.780)	(4.287.176)
Amortisation and depreciation of assets	5.6	(742.028)	(738.285)
Other third party services	19	(279.604)	(350.848)
Other expenses	19	(802.578)	(1.356.517)
Operational profit		**1.272.875**	**1.472.285**
Financial revenues	21	1	0
Financial expenses	21	(472.957)	(465.863)
Profit		**799.919**	**1.006.422**
Income tax	22	(109.059)	(197.671)
Profit of the reporting period		**690.860**	**808.751**
Other elements of comprehensive income			
Increase/(Decrease) of reserve from the revaluation of tangible assets. net of deferred tax			
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		**690.860**	**808.751**

Anisoi Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of changes in equity

As of 30 June 2017

	Share capital	Adjustments in share capital	Treasury shares	Reserves from the revaluation of tangible assets	Other reserves
Balance on 1.01.2017	**15.087.134**	**1.002.585**	**5.958.523**	**1.513.607**	**23.561.849**
Total comprehensive income of the period				808.751	808.751
Net income of the period				808.751	808.751
Other elements of comprehensive income					
Acquisition of treasury shares					
Distribution to other reserves			33.338	(33.338)	
Treasury shares acquired					
Change in reserve from the revaluation of tangible assets				11.041	11.041
Total other elements of comprehensive income					
Total comprehensive income for the period					
Shareholders changes directly recorded in equity					
Distribution of dividends from the comprehensive income				(1.401.804)	(1.401.804)
Shareholders changes directly recorded in equity					
Balance on 30 June 2017	**15.087.134**	**1.002.585**	**5.991.861**	**898.257**	**22.979.837**

Notes from pages 5 to 33 are integrant part of financial statements.

Statement of cash flow

As of 30 June 2016

in lei

	30.06.2017
Cash flow from operating activity:	
Collections from clients	14.972.999
Payments for suppliers	(6.108.058)
Payments for employees	(2.132.968)
Payments for local budget	(81.983)
Payments for state budget	(2.873.229)
Paid excises	(978.030)
Paid income tax	
Cash flow from operating activity	**2.798.731**
Cash flow from investment activity:	
Payments for the acquisition of shares	
Payments for the acquisition of assets	(691.160)
Collections from sale of tangible assets	3.000
Collected interests	
Net cash flow from investment activities	**(688.160)**
Net cash flow from financing activities	
Paid interests and credit repayments	(1.091.502)
Payment of long term loans instalments	
Paid dividends	(1.011.593)
Net treasury of financing activities	**(2.103.095)**
Net treasury increase/decrease and treasury equivalents	**7.476**
Treasury and treasury equivalents at the beginning of the reporting period	**25.828**
Treasury and treasury equivalents at the end of the reporting period	**53.304**

Notes from pages 5 to 33 are integrant part of financial statements.

Notes to financial statements

As of 30 June 2017

1. Reporting entity

SC Bermas S.A. Suceava (the "Company") is a limited liability company operating in Romania in accordance with the Law 31/1990 on trade companies. which was established as a joint stock company by GD 1353 / 27.12.1990 by transforming the former Beer and Malt Company of Suceava.
The company is based in Suceava. Suceava. str. Humorului no.61. tax identification number RO723636. Registration number with the Trade Register J33/37/1991.
The company has as object of activity the production and marketing of beer. malt and other alcoholic and soft drinks. derivatives and by-products resulted of manufacturing and services rendered to third-parties.
The company shares have been listed on the Bucharest Stock Exchange. category II. with the indicative BRM. since 16 April 1998.
As of 30 June 2017. the company is owned in proportion of 30.87% by the Victoria Bermas Suceava Association. Suceava County. in a proportion of 20.80% of PAS Bermas Suceava Suceava county and by other shareholders in a proportion of 48.33%.
The records on shares and shareholders are held according to the law by SC Depozitarul Central S.A. Bucharest.

2. Preparation bases

(a) Declaration of conformity

Separate financial statements are prepared by the Company in accordance with the Order 881/2012 on the application by companies whose securities are admitted to trading on a regulated market. International Financial Reporting Standards adopted by the European Union. the Order 2844 / 12.12.2016 for the approval of accounting regulations in accordance with international Financial Reporting standards.
The date of transition to International Financial Reporting Standards was January 1. 2012.

(b) Presentation of financial statements

Individual financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the statement of the financial position and a presentation of income and expenditure according their nature in the statement of comprehensive income. considering that these presentation methods provide information that is reliable and more relevant than the ones that would have been presented under other methods allowed by IAS 1**.**

(c) Functional and presentation currency

The Company management considers that the functional currency as defined by IAS 21 "The Effects of exchange rate variation" is Romanian leu (RON). Individual financial statements are presented in RON. rounded to the nearest leu. currency that the Company management chose as presentation currency**.**

(d) Evaluation bases

Individual financial statements have been prepared on the historical cost basis except for lands and buildings which are evaluated at fair value.
The accounting policies set out below have been applied consistently to all periods presented in these financial statements and to the preparation of the statement of financial position as of 30 June 2017. These financial statements have been prepared on a business continuity basis.

(e) Use of estimates and judgements

The preparation of individual financial statements in accordance with the International Financial Reporting Standards requires the management's use of estimates. reasoning and assumptions that affect the application of accounting policies and the reported amounts of assets. liabilities. income and expenses. Reasoning and assumptions associated to these estimates are based on historical experience and on other factors deemed reasonable in the context of estimates. The results of these estimates form the basis for reasoning about the accounting value of assets and liabilities that cannot be obtained from other sources of information. Results may differ from these estimates.

3. Significant accounting policies

The accounting policies have been applied consistently to all periods presented in the financial statements prepared by the Company.

Individual financial statements are prepared based on the assumption that the Company will continue its activity in the foreseeable future. To assess the applicability of this hypothesis. the management reviews the forecasts of future cash flows.

(a) Transactions in foreign currency

Transactions in foreign currency are recorded in RON at the official exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are converted into the functional currency at the exchange rate of the day.
Gains or losses resulting from the settlement thereof and from the conversion of assets and liabilities denominated in foreign currencies using the exchange rate at the end of the financial year are recognized in the statement of comprehensive income.
Currency exchange rates of main foreign currencies were:

Currency	31 December 2016	30 June 2017	Variation
Euro (EUR)	4.5411	4.5539	+0.28%
American dollar (USD)	4.3033	3.9915	-7.25%

(b) Financial instruments

Non-derivate financial instruments

The Company initially recognizes financial assets (loans. receivables and deposits) the date on which they were initiated. All other financial assets are initially recognized on the trade date when the Company becomes part of the contractual terms of the instrument.
The Company initially recognizes non-derivative financial liabilities on the trade date when the Company becomes part of the contractual terms of the instrument. They are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition. these financial liabilities are measured at amortized cost using the effective interest method.
The Company derecognises a financial asset when the contractual rights on cash flow from the asset expire or when rights to collect the contractual cash flows of the financial asset are transferred in a transaction in which risks and benefits of proprietary right on the financial asset are significantly transferred. Any interest in the transferred financial assets that is created or retained by the Company is separately recognized as asset or liability.
The Company derecognises a financial liability when its contractual obligations are fulfilled or cancelled or expire.
Financial assets and liabilities are offset and in the statement of financial position the net value is presented only when the Company has the legal right to offset the amounts and intends either to settle them on a net basis. or to realize the asset and to settle the liability at the same time.
The Company has the following non-derivative financial assets: receivables. cash and cash equivalents and financial assets available for sale.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition. receivables are measured at amortized cost using the effective interest method less impairment losses value. Receivables comprise trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise: cash balances and current accounts.

Financial assets available for sale

Financial assets available for sale are non-derivative financial assets that are designated as available for sale. Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs.

Subsequently to their initial recognition. they are measured according to the provisions of IFRS 13.

Share capital

(i) Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity at their net value by tax effects.

(ii) Share capital buy-back and re-issue (treasury shares)

When share capital recognized as part of equity is bought-back. the value of the consideration paid. including directly attributable costs and other costs. net of tax effects. is recognized as a deduction from equity. Bought-back shares are classified as treasury shares and presented as a reserve on own shares. When treasury shares are subsequently sold or reissued. the amount received is recognized as an increase in equity and the surplus or deficit on the transaction is presented as share premium.

(c) Tangible assets

(i) Recognition and evaluation

Tangible assets are initially recognized by the Company as assets at cost. The cost of an item of tangible asset comprises the purchase price. including non-recoverable taxes. after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for its use for the purposes intended by the management. such as personnel expenses arising directly from the construction or acquisition of the asset. cost for site preparation. initial cost for delivery and handling. installation and assembly costs. professional fees.

The cost of an item of tangible asset built by the entity includes:

- cost of materials and direct personnel expenses;
- other costs directly attributable to bringing the asset to the condition required for the current use;
- when the Company is required to move the asset and restore the site. the estimated costs of dismantling and moving the items and of restoring the site in which they have been capitalized;
- capitalized borrowing costs.

The value of tangible and intangible assets of the Company as of 30 June 2016 is detailed in Notes 5 and 6.

Tangible assets are classified by the Company in the following classes of assets of the same kind and with similar uses:

- lands;
- constructions;
- equipment. technical equipment and machinery;
- vehicles;
- other tangible assets.

Land and buildings are highlighted at revaluated value. this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses.

Equipment. technical equipment and machinery and vehicles are highlighted using the deemed cost. this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted. if necessary. so that to reflect differences in the nature. location or conditions of that asset.

Revaluations are conducted by specialized reviewers. ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. Expenditure on repairs and maintenance is recognized in the statement of comprehensive income when incurred.

(iii) Depreciation

The tangible assets items are depreciated from the date they are available for use or are in working condition and for assets built by the entity. from the date the asset is completed and ready for use.

Generally depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Constructions	40 years
Equipment	2-12 years
Vehicles	4-8 years
Furniture and other tangible assets	4-12 years

Land is not depreciated.
In case of technological equipment. machinery and working equipment. computers and peripherals. the Company applied the method of accelerated depreciation by a depreciation percentage of up to 50% of the input value.
Depreciation is generally recognized in profit or loss. unless the amount is included in the accounting value of another asset.
Depreciation methods. estimated useful lifetimes and residual values are reviewed by the company management at each reporting date and adjusted if appropriate.

(iv) Sale /scrapping of tangible assets

Tangible assets that are scrapped or sold are eliminated from the balance sheet with their corresponding accumulated depreciation. Any profit or loss resulting from such operations is included in current profit or loss.

(d) Intangible assets

(i) Recognition and evaluation

Intangible assets acquired by the Company and having a determined useful lifetime are evaluated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. All other expenditure. including expenditure on trade fund and internally generated brands are recognized in profit or loss when incurred.

(iii) Depreciation of intangible assets

Depreciation is calculated on the cost of the asset less its residual value.
Depreciation is recognized in profit or loss using the straight-line method for the estimated useful life of intangible assets other than trade fund. from the date they are available for use. The estimated useful lives for the current period and for comparative periods are as follows:

- software 4 years.

Depreciation methods. useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(e) Inventories

Inventories are evaluated at the lower value between cost and net realizable value.
The cost of inventories is based on the first-in first-out method (FIFO) for materials and on the weighted average cost method (WAC) for raw materials. semi-finished and finished products. and includes expenditure incurred for the purchase. production or processing of inventories and other costs incurred in bringing the inventories to the current form and location.
For Inventories produced by the Company and for those with production in progress. costs include appropriate share of administrative expenses of production based on normal operating capacity.
Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Determining the fair values

Certain accounting policies of the Company and presentation conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or presentation of information based on the methods described below.

Fair value measurement (effective for annual financial statements covering periods starting on or after 1 January 2013). IFRS 13 sets a single framework for all fair value measurements when fair value is required or permitted by the International Financial Reporting Standards. IFRS 13 describes how fair value should be measured in accordance with the International Financial Reporting Standards when it is required or permitted by the International Financial Reporting Standards. The standard does not introduce additional requirements for the evaluation of assets and liabilities at fair value but it does not eliminate exceptions to fair value measurement existing in the current standard. The existing standard has some additional information that allow users of financial statements to evaluate the methods used for fair value measurements and the assessment effect on profit or loss or on other comprehensive income for fair value measurements using significant unobservable elements. As stated in the financial statements of 2012. IFRS 13 had no significant impact on the financial statements as the methods and assumptions used to measure the fair value of assets are in accordance with IFRS 13. Tangible assets recognized as assets are initially measured at cost by the Company. The cost of an item of tangible assets comprises the purchase price. including non-recoverable taxes. after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for the intended use by the management. such as: personnel expenses arising directly from the construction or acquisition of the asset. cost for site preparation. initial costs for delivery and handling. installation and assembly costs. professional fees. The cost of an item of tangible assets built by the entity includes:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the asset to the condition for use;
- when the Company is required to move the asset and restore the related space. the estimated costs of dismantling and removing the items and restoring the space in which they have been capitalized;
- capitalized borrowing costs.

SC BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position of the entity's financial statements prepared in accordance with International Financial Reporting Standards. SC BERMAS SA presented each item in the statement of opening financial position in accordance with International Financial Reporting Standards: aggregate value of those fair values and aggregate adjustment of the reported accounting values in accordance with the previous accounting principles.

Land and buildings are highlighted at revaluated amount. this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses. Equipment. technical equipment and machinery and vehicles are highlighted using the deemed cost. this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted. if necessary. so that to reflect differences in the nature. location or conditions of that asset.

Revaluations are conducted by specialized reviewers. ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

In order to improve consistency and comparability in fair value measurements and the information presented. IFRS 13 establishes a fair value hierarchy that inputs used in fair value measurement techniques are classified in three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has access to at the reporting date;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability concerned. either directly or indirectly;
- Level 3 - inputs that are not based on observable market data.

Leven 1 input

- quoted prices in active markets for identical items best reflecting the fair value;
- if there is a level 1 price. an entity must use this price to the fair value measurement. Exceptions include:
  - ✓ The entity may. in certain cases. an alternative methodology for pricing not based exclusively on quoted prices available but rather on the relationship between securities and other reference titles listed (for instance. the determination of fair value based on a pricing matrix);
  - ✓ In certain circumstances. the quoted price in an active market may differ from the fair value at the measurement date (for instance. when significant events occur after the market closes. but before the valuation date).

Level 2 input

- Level 2 input includes:
  - ✓ quoted prices in active markets for similar assets or liabilities;
  - ✓ quoted prices in markets that are not active for identical or similar assets or liabilities;
  - ✓ observable inputs other than quoted prices for the asset or liability (such as interest rates and yield curves. volatilities. prepayments. rates of default);
  - ✓ input data mainly resulted in conjunction with observable market data by correlation or other means;
- an adjustment of Level 2 inputs not based on observable data and is significant for the whole valuation leads to a Level 3 assessment.

Level 3 input

- the objective of fair value does not change when fair value is measured on the basis of unobservable inputs;
- unobservable inputs should reflect assumptions used by market participants in pricing the asset or liability. including assumptions about risk;
- an entity should determine unobservable inputs using the best available information. which may include the entity's own data.

As stated in the financial statements of 2016. certain accounting policies of the Company and disclosure conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or disclosure of information based on the methods described below. When applicable. additional information on the assumptions used in determining fair values is presented in the notes specific to that asset or liability.

Short-term receivables. which have no stated interest rate. are measured at initial invoice amount if the effect of updating is insignificant. Fair value is determined at initial recognition and. for presentation purposes. at each reporting date.

When applicable. further information on the assumptions made in determining fair values is presented in the notes specific to the asset or the liability.

(i) Tangible assets

The fair value of lands and buildings is based on the market method using quoted market prices for similar items when available.

(ii) Intangible assets

The fair value of intangible assets is based on updated cash flows that are expected to incur as a result of the use and finally the sale of these assets.

(iii) Inventories

The fair value of inventories is determined based on estimated selling price that could be obtained in the ordinary course of business less the estimated costs of completion and sale. and a reasonable profit margin based on the effort required to complete and sell inventories.

(iv) Trade receivables and other receivables

The fair value of trade receivables and other receivables is estimated as the current value of future cash flows. updated at the market interest rate at the reporting date.
Short-term receivables. which have no stated interest rate. are measured at initial invoice amount if the effect of updating is insignificant. Fair value is determined at initial recognition and. for presentation purposes. at each annual reporting date

(f) Impairment of non-financial assets

The accounting value of the Company's non-financial assets that are not financial in nature. other than deferred tax assets. is reviewed at each reporting date in order to identify the existence of impairment indications. If such indication exists. the recoverable value of those assets is estimated.
An impairment loss is recognized when the accounting value of the asset or its cash-generating unit exceeds the recoverable value of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and independently from other assets and groups of assets has the ability to generate cash flows. Impairment losses are recognized in the statement of comprehensive income.

The recoverable value of an asset or cash-generating unit is the maximum between its value in use and its fair value less costs to sell the asset or units. To determine the value in use. the expected future cash flows are updated using a pre-tax discount rate that reflects the current market conditions and the risks specific to the asset.
Impairment losses recognized in prior periods are assessed at each reporting date to determine whether they have decreased or no longer exists. An impairment loss is reviewed in case of any change in the estimates used to determine the recoverable value. An impairment loss is reviewed only if the asset's accounting value does not exceed the accounting value that would have been determined. net of depreciation and amortization. if no impairment loss had been recognized.

(g) Dividends to be distributed

Dividends are treated as a distribution of profit in the period in which they were declared and approved by the General Meeting of Shareholders. Dividends declared before the reporting date. are recorded as liabilities at the reporting date.
Dividends distributed to shareholders. proposed or declared after the reporting period and other similar distributions from the profit determined under IFRS and included in the annual financial statements should not be recognized as liability at the end of the reporting period.

(h) Revaluation reserves

Revaluations are performed with sufficient regularity so that the accounting value does not be materially different from that which would be determined using fair value at the balance sheet date. In this regard. the Company conducted revaluation of lands and buildings by independent auditors on 31 December 2012.
The difference between the value resulting from revaluation and the net accounting value of tangible assets is shown in the revaluation reserve as a distinct sub-item in "Equity".
If the revaluation result is an increase over the net accounting value. then it is treated as follows: as an increase in revaluation reserve presented in equity. if there was a decrease previously recognized as an expense for that asset or as income to compensate the previously recognized decrease in the asset.
If the revaluation result is a decrease over the net accounting value. it is treated as an expense when the entire amount of depreciation when in the revaluation reserve there is no record on an amount related to that asset (revaluation surplus) or as a decrease in revaluation reserve with the minimum between that value and the amount of decrease and the eventual uncovered difference is recorded as an expense.
The revaluation surplus included in the revaluation reserve is transferred to the comprehensive income when the surplus represents a realised gain. The gain is considered realized while the amortisation of the asset for which the revaluation reserve was established. respectively at its deregistration if it was not fully amortized. No part of the revaluation reserve may be distributed. directly or indirectly. unless the revaluated asset was valued. in which case the revaluation surplus is actually a realized gain.
Since 1 May 2009. as a result of changes in tax legislation. revaluation reserves recorded after 1 January 2004 are taxable on fixed asset amortization. Accordingly. the Company recorded a deferred tax liability related to revaluation which is reflected in the value of the asset.

(i) Legal reserves

Legal reserves are constituted at a proportion of 5% of gross statutory profit at the end of the financial year until the total legal reserves reach 20% of the nominal (statutory) share capital paid-up in accordance with the law. These reserves are tax deductible and are not distributable than at the liquidation of the Company.

(j) Related parties

Parties are considered related if one party has the ability to control. directly or indirectly. or significantly influence the other party either through ownership or under contractual rights. family relationship or otherwise. as defined in IAS 24 "Related Party Disclosures".

(k) Employee Benefits

(i) Short-term benefits

Short-term employee benefits include salaries. bonuses and social security contributions. Obligations with short-term benefits to employees are not updated and are recognized in the statement of comprehensive income as the related service is provided.

(ii) Defined contribution plans

The Company makes payments on behalf of their employees at the Romanian State pension scheme. health fund and unemployment fund in the normal course of business.
All members and employees of the Company are also legally obliged to contribute (through social contributions) to the Romanian State pension scheme (a defined State contribution scheme). All related contributions are recognized in profit or loss for the period when incurred. The Company has no further obligations.
The Company is not engaged in any independent pension scheme and consequently. has no other obligations in this regard. The Company is not engaged in any other postretirement benefit system. The Company has no obligation to provide further services to current or former employees.

(l) Revenues

(i) Sale of goods

Revenue from sale of goods during the current activities are measured at the fair value of the consideration received or receivable. less returns. trade discounts and volume rebates.
Revenue is recognized when consistent evidence exists. usually in the form of an executed sales contract and the risks and benefits arising from ownership are significantly transferred to the buyer. the recovery of the consideration is probable. the costs and possible returns of goods can be estimated in a credible manner. the entity not involved in the management of sold goods. and the amount of revenue can be reliably measured. If it is likely that certain discounts or rebates to be granted and their value can be reliably measured. then they are recognized as a reduction of revenue as the sales are recognized.

(ii) Rendering of services

Revenue from rendering of services is recorded in the accounts as they are rendered. Rendering of services includes execution of works and any other operations that cannot be treated as supplies of goods.
The stage of work completion is determined based on the work progress reports accompanying invoices. acceptance reports or other documents attesting the completion and acceptance of rendered services.

(m) Financial revenues and expenses

Financial revenues comprise interest income on invested funds and other financial revenues. Interest income is recognized in profit or loss on an accrual basis using the effective interest method.
Financial expenses comprise interest expense related to loans and other financial expenses. Starting on 01.01.2014 the financial discounts are recorded as financial expenses.
All borrowing costs that are not directly attributable to the acquisition. construction or production of assets with long production cycle are recognized in profit or loss using the effective interest method.
Gains and losses on exchange differences related to financial assets and liabilities are reported on a net basis or as financial income or financial expense depending on the currency fluctuations: net gain or net loss.

(n) Income tax

Income tax for the financial year comprises current tax and deferred tax.
Income tax is recognized in the statement of comprehensive income or in other comprehensive income if the tax is related to capital items.

(i) Current tax

Current tax is the payable tax on the profit realized in the current period. determined using tax rates applicable at the reporting date. and any adjustment for previous periods.

(ii) Deferred tax

Deferred tax is determined by the Company using the balance sheet method for temporary differences arising between the tax basis for the assets and liabilities and their accounting value used for reporting individual financial statements.
Deferred tax is calculated using tax rates expected to apply to the resumption of temporary differences in accordance with the applicable laws at the reporting date.

Deferred tax receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables and if they are related to the tax collected by the same tax authority on the same entity subject to taxation or for different tax authorities seeking to settle receivables and current tax liabilities using a net basis or related assets and liabilities will be simultaneously realized.
Deferred tax receivables are recognized by the Company only to the extent that it is probable the realisation of future profits that could be used to cover the tax loss. Deferred tax receivables are reviewed at the end of each financial year and are reduced to the extent that the related tax benefit is unlikely to be realized. Additional taxes that arise from the distribution of dividends are recognized at the same date as the obligation to pay dividends.

(iii) Tax exposures

For the determination of current and deferred tax. the Company takes into account the impact of uncertain tax positions and the possibility of additional taxes and interest. This assessment is based on estimates and assumptions and involves a series of reasoning about future events. New information may become available. thereby making the Company amend its reasoning in terms of estimation accuracy of existing tax liabilities; such changes in tax liabilities affect the tax expense in the period in which such determination is performed.

(o) Earnings per share

The Company presents basic earnings per share and diluted earnings per ordinary shares. Basic earnings per share are determined by dividing the profit or loss attributable to ordinary shareholders of the Company to the weighted average number of ordinary shares for the period under review. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects generated by potential ordinary shares.

(p) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is removed.
A contingent asset is not recognized in the financial statements. it is disclosed when an inflow of economic benefits is probable.

(q) Subsequent events

The financial statements reflect events after the end of the year. events that provide additional information about the Company's position at the reporting date or those that indicate a possible violation of the activity continuity principle (events that determine adjustments). Events after the end of the year that do not represent events determining adjustments are disclosed in the notes when considered significant.

(r) Comparative figures

The Statement of financial position for the period ended on 30 June 2017 show comparability with the statement of financial position for the period ended on 31 December 2016. Statement of comprehensive income on 30 June 2017 shows comparability with the statement of comprehensive income on 30 June 2016.

(s) Reporting on segments

A segment is a distinct component of the company providing certain products or services (operating segment) or providing products or services within a particular geographical environment (geographical segment). which is subject to risks and benefits different from those of other segments.

(ş) New standards and interpretations

There are new standards. amendments to standards and interpretations that are not applicable up to 31.12.2016 or which have not been adopted by the European Union ("EU"). and that have not been applied in the preparation of these financial statements. None of these standards affects the Company's financial statements.
In the following sections are presented: the list of new standards. amendments and interpretations of standards adopted by the International Accounting Standards Board (IASB) and the European Union entered into force on 30 June 2017 and the list of new standards. amendments and interpretations of standards adopted by the International Accounting Standards Committee but still not adopted by the European Union up to 31.12.2016.

(i) <u>Standards and interpretations adopted by the International Accounting Standards Committee and by the European Union applicable for the current period</u>

(a) *Amendamente la IFRS 10 „Situaţii financiare consolidate". IFRS 12 "Prezentarea intereselor deţinute în alte entităţi şi IAS 28 "Investiţii în entitaţile asociate şi în asocierile în participaţie"*- clarifică tratamentul tratamentul vânzării sau aportului de active între investitor şi entitatea asociată /asocierea în participaţie în vigoare pentru perioadele anuale începând cu sau după 1 ianuarie 2016.

(b) *Amendments to IFRS 11 "Joint ventures" Accounting for the acquisition of interests in joint ventures* – improvement of the method of accounting interests in jointly controlled entities. effective for annual periods beginning on or after January 1. 2016.

(c) • *Amendments to IAS 1 "Presentation of Financial Statements*" – improvement of the presentation method effective for annual periods beginning on or after January 1. 2016.

(d) *Amendments to IAS 16 "Tangible assets" and IAS 38 "Intangible Assets*" - clarification on acceptable methods of depreciation adopted by the EU on November 23. 2015 effective for annual periods beginning on or after January 1. 2016.

(e) Amendments to IAS 16 "Property. plant and equipment" and IAS 41 "Agriculture" - Agriculture: Fruit trees adopted by U.E. On 23 November 2015 in force for annual periods beginning on or after 1 January 2016.

(f) *Amendments to IAS 19 "Employee Benefits"*) - defined benefit plans: employee contributions) adopted by EU on December 17. 2014 effective for annual periods beginning on or after February 1. 2015.

(g) *Amendments to IAS 27 "Separate Financial Statements"* - the equity method in the separate financial statements adopted by U.E. on December 18. 2015 effective for annual periods beginning on or after January 1. 2016.

(h) *Amendments to various standards "Improvements to IFRSs 2010-2012 Cycle*" resulting from the annual improvement project of IFRS regarding international financial reporting standards 2. 3.8 and 13 and International Accounting Standards 16. 24 and 38 with the main aim to remove inconsistencies and clarify certain formulations adopted by the EU on December 17. 2014 effective for annual periods beginning on or after January 1. 2016.

(i) *Amendments to various standards "Improvements of IFRS 2012-2014 Cycle*" resulting from the annual improvement project of IFRS (IFRS 5. IFRS 7. IAS 19 and IAS 34) with the main aim to remove inconsistencies and clarify certain formulations – adopted by the EU on September 15. 2015 applicable for annual periods beginning on or after January 1. 2016.

(ii) <u>Standards and interpretations adopted by the International Accounting standards Committee but not adopted by the European Union yet</u>

At the reporting date of these financial statements. the following standards. revisions and interpretations were issued by IASB and adopted by the EU but not yet effective:
• IFRS 9 Financial Instruments - adopted by the EU on November 22. 2016 effective for annual periods beginning on or after January 1. 2018
• IFRS 15 Revenue from contracts with customers with subsequent amendments to IFRS 15 The effective date of IFRS 15 adopted by the EU on September 22. 2016 effective for annual periods beginning on or after January 1. 2018
IFRS 9 includes requirements for financial instruments relating to recognition. classification and measurement. impairment losses. de-recognition and hedge accounting:
• Classification and evaluation: IFRS 9 introduces a new approach to the classification of financial assets and comprises three main categories of financial assets: measured at depreciated cost. at fair value through other comprehensive income. at fair value through profit and loss account. IFRS 9 classification is determined by the characteristics of cash flows and by the business-based model in which it is held on. This unified approach mainly eliminates the classification categories for financial assets in IAS 39: held to maturity. loans and advances and financial assets available for sale. The new model will also determine the existence of a single model of depreciation applicable to all financial instruments.
According to IFRS 9. embedded derivatives in contracts. in which the host instrument is a financial instrument for the purpose of this standard. are not separated. but the entire hybrid instrument is considered for classification.
Loss of impairment: IFRS 9 introduces a new model on impairment losses. based on expected losses that will require faster recognition of losses expected from impaired debts. The standard requires an entity to record

impairment losses to assets expected from initial recognition of financial instruments and also to recognize impairment losses much sooner the expected impairment losses throughout their life
• Hedge accounting IFRS 9 introduces a significantly improved model on hedge accounting. which includes additional disclosure requirements regarding risk management activity. The new model represents a significant revision of the principles of hedge accounting that allows aligning the accounting treatment to the risk management activities
• Own credit risk: IFRS 9 eliminates the volatility in income or loss account caused by changing the credit risk of liabilities at fair value. Changing the accounting requirements of such liabilities assumes that earnings generated by the deterioration of an entity's own credit risk will no longer be recognized through profit or loss.

(iii) *Standards and interpretations issued by IASB but not yet adopted by EU*

Currently. standards of the International Accounting Standards adopted by the European Union do not differ significantly from the standards adopted by the International Accounting Standards Board. except for the following standards. amendments and interpretations to existing standards that have not yet been approved by the EU for use on approval of financial statements:
• *IFRS 14 Regulatory deferral accounts* – the standard is effective for annual periods beginning on or after 1 January 2016. The European Commission has decided not to pursue the adoption of this interim standard. but to wait the issue of the final standard.
• *IFRS 16 Leasing* effective for annual periods beginning on or after January 1. 2019
• *Amendments to IFRS Share-based Payment* - classification and measurement of share-based transactions (effective for annual periods beginning on or after January 1. 2018). its adoption is expected in the second half of 2017
• *Amendments to IFRS 4 Insurance Contracts* - Application of IFRS 9 Financial Instruments IFRS 4 Insurance contracts (effective for annual periods beginning on or after January 1. 2018 when IFRS 9 Financial Instruments is applied first) its adoption is expected in 2017
• *Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures* - Selling of or contribution with assets between an investor and associates or joint ventures of this one and subsequent amendments (effective date was postponed indefinitely until the research project on the equity method is completed)
• *Amendments to IFRS 15 Revenue from contracts with customers* - Clarification to IFRS 15 Revenue from contracts with customers (effective for annual periods beginning on or after January 1. 2018). its adoption is expected in the second quarter of 2017
• *Amendments to IAS 7 Statement of Cash Flows* - Initiative disclosure requirements (effective for annual periods beginning on or after January 1. 2017)
• *Amendments to IAS 12 Income taxes* - deferred tax asset recognition of unrealized loss (effective for annual periods beginning on or after January 1. 2017)
• *Amendments to IAS 40 Investment Property* - Investment property transfer (effective for annual periods beginning on or after January 1. 2018). its adoption is expected in the second half of 2017
• *Amendments to various standards Improvements to IFRSs (2014-2016 cycle*) resulting in the annual project of improvement of IFRS (IFRS 1. IFRS 12 and IAS 28) with the main aim to remove inconsistencies and clarify certain formulations (Amendments to IFRS 12 are applicable for annual periods beginning on or after January 1. 2017 and amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1. 2018). its adoption is expected in the second half of 2017
• *IFRIC 22 Transactions in foreign currency and contributions* (effective for annual periods beginning on or after January 1. 2018). its adoption is expected in the second half of 2017.

4. Reporting on segments

In terms of business segments. the company has not identified distinct components in terms of associated risks and benefits.

The factors used to identify reportable segments: segments have been identified as discrete components of the company that provides products or services (business segment) and that are subject to risks and benefits that are different from those of other segments. Reporting on segments is done in a manner consistent with the internal reporting to the main operational decision maker. The main operational decision maker responsible for allocating resources and assessing the performance of the operating segments has been identified is the Board of Directors that makes strategic decisions.

Sales on products	*30.06.2017*
Sold production. of which:	**12.559.619**
- sales of beer	12.352.363
- sales of semi-fabricated products	
- sales of residual products	197.970
- services	9.286
Total	12.559.619

SC BERMAS SA does not report separately the information by business segment as revenues from the main sector of activity "production and marketing of beer" represents over 98% of total revenues.

The net turnover on 30.06.2017 is amounted to 12.559.619 lei and it represents in a proportion of 98.35% the beer. the difference of 1.65% being represented by the by-products and services.

5. Tangible assets

in lei	Lands	Buildings	Technical equipment and machinery	Other equipment. machinery and furniture	Fixed assets in progress	Total
Cost						
Balance on 31 December 2016	**1.774.100**	**7.232.440**	**16.396.723**	**201.924**		**25.605.187**
Input			418.455		205.547	**624.002**
Transfers by commissioning			205.547			**205.547**
Revaluation decrease						
Outputs			84.674		205.547	**290.221**
Balance on 30 June 2017	**1.774.100**	**7.232.440**	**16.936.051**	**201.924**	**0**	**26.144.515**
Accumulated amortisation						
Balance on 31 December 2016		**(5.348.474)**	**(6.622.340)**	**(102.549)**		**(12.073.363)**
Expense		(128.959)	(598.016)	(13.878)		**(740.853)**
Revaluation decreases						-
Output amortisation			(84.674)		-	**(84.674)**
Balance on 30 June 2017	**-**	**(5.477.433)**	**(7.135.682)**	**(116.427)**	**-**	**(12.729.542)**
Net accounting value						
Balance on 31 December 2016	**1.774.100**	**1.883.966**	**9.774.383**	**99.375**		**13.531.824**
Balance on 30 June 2017	**1.774.100**	**1.755.007**	**9.800.369**	**85.497**		**13.414.973**

Some of the tangible assets of the Company are mortgaged or pledged to secure borrowings from banks.

BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position. the first entity's financial statements prepared in accordance with International Financial Reporting Standards. SC BERMAS SA presented for each element in the situation of opening the financial position in accordance with International Financial Reporting Standard: the aggregate amount of those fair values and aggregate adjustment to the accounting amounts reported under previous accounting principles. We present below the input data used in the evaluations:

Cost	Lands	Buildings	Technical equipment and machinery
Balance on 1 January 2011	751.661	6.644.923	28.590.425
Revaluation for 2010	777.739	196.942	(16.436.299)
Revaluation for 2010			511.474
Input			506.845
Outputs			(1.682)
Balance on 31 December 2011	**1.529.400**	**6.841.865**	**13.170.763**
Accumulated amortisation			
Balance on 1 January 2011		(3.593.456)	(16.436.298)
Revaluation for 2010		(102.009)	16.436.298
Depreciation for the period		(262.440)	(1.199.054)
Output depreciation			210
Balance on 31 December 2011		**(3.957.905)**	**(1.198.844)**
Net accounting value			
Balance on 1 January 2011	751.661	3.051.467	12.154.127
Balance on 31 December 2011	1.529.400	2.883.960	11.971.919

Cost	Lands	Buildings	Technical equipment and machinery
Balance on 31 December 2011	1.529.400	6.841.865	13.170.763
Revaluation	244.700	74.279	
Input			265.574
Output			
Balance on 31 December 2012	1.774.100	6.916.144	13.436.337
Cumulated depreciation			
Balance on 31 December 2011		(3.957.905)	(1.198.844)
Expense		(273.045)	(1.217.485)
Increase from revaluation		(42.798)	
Balance on 31 December 2012		(4.273.748)	(2.416.329)
Net accounting value			
Balance on 31 December 2011	1.529.400	2.883.960	11.971.919
Balance on 31 December 2012	1.774.100	2.642.396	11.020.008

In accordance with IAS 36. both intangible and tangible assets are periodically reviewed to identify whether there are indications of impairment at the balance sheet date.

If the net accounting value of an asset exceeds its recoverable amount. an impairment loss is recognized in order to reduce the net accounting value of the asset at the recoverable value. If the reasons for the recognition of an impairment loss disappear in the next period. the net accounting value of the asset is increased up to the net accounting value that would have been determined no impairment loss would be not recognized.

SC BERMAS SA has not recorded impairment losses. depreciation and amortization expenses presented in the statement of comprehensive income with amortization in the first half of 2017 recognized in profit or loss account being allocated systematically over the useful life of the assets. Depreciation methods. useful life durations and estimated residual values are reviewed by the entity's management at each reporting date and adjusted if appropriate. Regarding the fair value hierarchy. input data for the valuation techniques used to determine fair value measurements are Level 2 for both 2016 and 2017.

The accounting value of asset classes. if the assets were submitted on the basis of cost is as follows:

in lei	Lands	Buildings	Technical equipment and machinery	Other equipment. machinery and furniture	Fixed assets in progress	Total
Cost						
Balance on 31 December 2016	**1.774.100**	**7.232.440**	**31.846.750**	**299.961**		**41.153.251**
Input			418.455		205.547	**624.002**
Transfers by commissioning			205.547			**205.547**
Decrease from revaluation						-
Output			95.715		205.547	**301.262**
Balance on 30 June 2017	**1.774.100**	**7.232.440**	**32.375.037**	**299.961**	**0**	**41.681.538**
Cumulated depreciation						
Balance on 31 December 2016		**(5.348.474)**	**(22.244.361)**	**(200.208)**		**(27.793.043)**
Expense		(128.959)	(568.991)	(13.518)		**(711.468)**
Decrease from revaluation						-
Output depreciation			(95.715)		-	**(95.715)**
Balance on 30 June 2017	**-**	**(5.477.433)**	**(22.717.637)**	**(213.726)**	**-**	**(28.408.796)**
Net accounting value						
Balance on 31 December 2016	**1.774.100**	**1.883.966**	**9.602.389**	**99.753**		**13.360.208**
Balance on 30 June 2017	**1.774.100**	**1.755.007**	**9.657.400**	**86.235**	**0**	**13.272.742**

6. Intangible assets

Cost	Other intangible assets	Total
Balance on 31 December 2016	**206.752**	**206.752**
Inputs		
Transfers		
Balance on 30 June 2017	**206.752**	**206.752**
Accumulated depreciation		
Balance on 31 December 2016	**(118.752)**	**(118.752)**
Expense		
Transfers		
Balance on 30 June 2017	**(118.752)**	**(118.752)**
Net accounting value		
Balance on 31 December 2016	**88.000**	**88.000**
Balance on 30 June 2017	**88.000**	**88..000**

7. Financial assets available for sale

	31 December 2016	30 June 2017
To “Victoria” Social-cultural foundation of Suceava	83.000	83.000
Total	**83.000**	**83.000**

SC BERMAS SA holds financial assets available for sale. resulting from the establishment of a 19.88% share to the patrimony of the "Victoria" Social-Cultural Foundation which was established in 2002 and registered in the Register of non-profit Associations and Foundations. these financial assets being evaluated at historical cost. These financial assets were reclassified in 2015 as financial assets measured at cost due to the fact that. since the duration of the Foundation is indefinite and its scope defined as "partnerships with public authorities. NGOs and other institutions in order to conduct social. scientific and humanitarian activities of local and regional interest" has present and perspective. the board of directors has not expressed its intention of closing the foundation. the foundation being recognized as of public utility. The financial statements submitted show that it is operating. not being in liquidation procedure. the capital contribution being the one established at its foundation.

8. Inventory

	31 December 2016	30 June 2017
Production in progress	6.062.240	5.161.673
Raw materials and consumables	6.590.802	6.647.822
Finished products and goods	155.411	88.224
Total	**12.808.453**	**11.897.719**

Assets such as inventories are valued at their accounting value. less adjustments for impairment. Impairment adjustments recognized as expense at the end of the reporting year represent the value of inventory without movement at the level of 2016 If the accounting value of inventories is higher than the book value. the value of inventories is decreased up to the net achievable value. by setting up adjustments for impairment. The value of adjustments for inventories without movement on 30.06.2017 is amounted to 76.793.78 lei.

9. Trade receivables

	31 December 2016	30 June 2017
Clients	815.516	2.011.859
Suppliers – debtors for the purchase of inventory goods	699.721	1.341.868
Advance payments for intangible assets	-	-
Adjustments for the depreciation of receivables	(253.058)	(252.758)
TOTAL	**1.262.179**	**3.100.969**

10. Cash and cash equivalents

	31 December 2016	30 June 2017
Cash in the cash register	11.770	13.388
Current bank accounts	11.058	17.016
Cash advances	-	-
Other values	3.000	2.900
Total	**25.828**	**33.304**

11. Other receivables

	31 December 2016	30 June 2017
Diverse debtors	974.638	1.106.312
Other receivables related to personnel	222	19.334
Adjustments for depreciation different debtors	(717.420)	(717.420)
Total	**257.440**	**408.226**

The evaluation for impairment of receivables is conducted individually and is based on the management's best estimate of the present value of cash flows expected to be received. Quarterly and at the end of the first semester of 2017 we have made the analysis of uncertain clients and various borrowers we are in dispute with.

12. Share capital

Company's shareholder structure

Balance on 30 June 2017	Number of shares	Suma (RON)	(%)
Other shareholders	10.416.771	7.291.739.70	48.33%
Victoria Bermas Association	6.653.009	4.657.106.30	30.87%
PAS Bermas	4.483.269	3.138.288.30	20.80%
Total	**21.553.049**	**15.087.134**	**100%**

Information on the objectives. policies and processes for managing the share capital according to IAS 1.134 complying with the information included in IAS 1.135 qualitative information about its objectives. policies and processes for managing its share capital. including the description of share capital it manages. the way in which objectives are met. quantitative data regarding the share capital and changes from one period to another.

The **share capital** of the company on 30.06.2017 is amounted to 15.087.134.30 lei fully subscribed and paid up. divided in 21.553.049 registered shares of 0.70 lei each. The company's shares are ordinary. nominative. dematerialized. registered into account. their records being kept by the Depozitarul Central SA Bucharest. Shares have equal value and grant equal rights for each share.

The structure of shareholders holding over 10% of the share capital is as follows:

Balance on 30 June 2017	Number of shares	Amount (RON)	(%)
Victoria Bermas Association	6.653.009	4.657.106.30	30.87%
PAS Bermas	4.483.269	3.138.288.30	20.80%
SC Vivat Construct SRL	2.845.862	1.992.103.40	13.20%

The legal reserves of the Company on 30.06.2017 are amounted to 2.633.911 lei following the creation of the legal reserve (5% of the accounting profit under the Law 571/2003 and subsequent amendments and supplements and the Law 31/1900 as subsequently amended and supplemented.

Other reserves

SC BERMAS SA records on 30.06.2016 in the account 1068 Other reserves the amount of 3.357.949,98 with the following structure :

Reserves for restatement according to IFRS	554.644,00
Reserves for development	732.209,03
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.183.023,22
Other reserves the Law 55/1995. Decree 834/1991	56.294,29
TOTAL	3.357.949,98

SC BERMAS SA records on 31.12.2016 in the account 1068 Other reserves the amount of 3.324.612,24 with the following structure :

Reserves for restatement according to IFRS	554.644,00
Reserves for development	698.871,29
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.183.023,22
Other reserves the Law 55/1995. Decree 834/1991	56.294,29
TOTAL	3.324.612,24

13. Accounts payable for deferred profit tax

Accounts payable for the deferred tax as of 30 June 2017 are detailed below:

30 June 2017	Assets	Liabilities	Net
Tangible assets	1.330.075	-	1.330.075
Inventory	(76.794)	-	(76.794)
Trade receivables	(51.190)	-	(51.190)
Other receivables	(39.608)	-	(39.608)
Total	**1.162.483**		**1.162.483**
Net temporary differences – rate 16%			1.162.483

Accounts payable for deferred tax 185.997

14. Trade payables

Description	31 December 2016	30 June 2017
Trade payables	590.870	1.489.900
TOTAL	**590.870**	**1.489.900**

Other payables

Description	31 December 2016	30 June 2017
Diverse creditors and other payables	687.890	1.063.801
Payables to the local budget	521.934	1.372.598
Payables to employees	174.075	235.501
Payables to the state budget	(115.121)	(9.769)
TOTAL	**1.268.778**	**2.662.131**

The provisions on 30.06.2017 amounting to RON 1.000.000 are constituted for possible additional obligations to the environment fund.

15. Short-term bank credits

Description	31 December 2016	30 June 2017
Short-term bank credits	2.090.563	1.023.267
TOTAL	**2.090.563**	**1.023.267**

Bank	31 December 2016	30 June 2017
Raiffeisen Bank Suceava	1.333.442	483.657
BRD Suceava	757.121	539.610
TOTAL	**2.090.563**	**1.023.267**

On 30 June 2017. short-term payables to banks refer to the following:

- secured overdraft with BRD Suceava amounted to 3.500.000 lei. The remaining balance on 30.06.2017 is amounted to 539.610 lei. The interest charged is a fluctuating interest at ROBOR annual rate 3M + 1.70%. which is calculated on the credit balance from the date of provision and until full repayment thereof;
- secured overdraft with Raiffeisen amounted to 4.000.000 lei. The remaining balance on 30.06.2017 is amounted to 483.657 lei. The interest charged on the daily debtor balance of the current account is a fluctuating interest at ROBOR annual rate 1M + 1.40%. calculated on the actual number of days of the reference month compared to the year of 360 days. The reference rate will be daily updated;

Bank overdrafts are secured by:

- mortgage on tangible assets with a net accounting value of 2.513.549 lei on 30 June 2017;
- pledge on inventories of raw material - malt;
- first-ranking pledge and mortgage on current accounts;

- mortgage on liquid assets in the accounts opened with BRD and Raiffeisen Suceava.

Overdrafts with B.RD. are secured by stocks of malt in the malt department and at the boiling section having an accounting value of 2.842.580 lei on 30.06.2017.

Referring to the assertion that overdrafts are secured by a first-ranking pledge on current accounts we mention that on 30.06.2017. the value of the pledge on the available current accounts is amounted to 0 lei. banks automatically proceeding to the transfer of available funds in the overdraft account.

16. Earnings per share

17. Revenue from turnover

	30.06.2016	30.06.2017
Revenue from the sale of finished products	11.630.749	12.352.363
Revenues from the sale of semi-fabricated products	1.000	
Revenues from the sale of residual products	208.634	197.970
Revenue from services rendered	12.440	9.286
Total	**11.852.823**	**12.559.619**

18. Other revenue

	30.06.2016	30.06.2017
Revenue from production of tangible and intangible assets		2.100
Revenues from donations		3.000
Operating revenue for impairment adjustments for current assets		
Other operating revenue	94.966	127.060
Total	**94.966**	**132.160**

19.a). Other expenses

	30.06.2016	30.06.2017
Entertainment. advertising and publicity	437.816	476.080
Operating Expenses on Provisions		500.000
Operation expenses for adjustments of current assets impairment	-500	-300
Other taxes. duties and payments	77.923	113.508
Insurance premiums	66.907	65.882
Compensations. fines and penalties	25.062	11.733
Travel expenses	32.036	31.628
Postage and telecommunications	28.270	27.583
Commissions and fees	11.835	13.860
Rental and royalty expenses	524	739
Bad debts written off	-	-
Net loss from the sale of tangible assets	-	-
Other operating expenses	401.809	466.352
Total	**1.081.682**	**1.707.065**

b). Prepaid expenses

	PREPAID EXPENSES ON 31.12.2016	
EXPENSE	*NAME OF THE ACCOUNT*	*BALANCE DEBIT*
613	Insurance premiums	67.672,91
626	Postage and telecommunications	2.425,56
628	Services rendered by third parties	2.257,53
635	Other taxes. duties and payments	15.405,25
668	Other financial expenses	27.834,07
345	Beer loss December	285,17
		115.880,49

PREPAID EXPENSES 30.06.2017

EXPENSE	*NAME OF THE ACCOUNT*	*BALANCE DEBIT*
613	Insurance premiums	66.997,58
626	Postage and telecommunications	1.150,25
635	Other taxes. duties and payments	65.410,18
668	Other financial expenses	20.214,57
345	Beer loss June	3.000,03
		156.772,61

20. Personnel expenses

	30.06.2016	**30.06.2017**
Salaries	3.227.738	3.185.332
Social security and welfare contributions	851.138	879.854
Meal vouchers	191.904	221.990
Total	**4.270.780**	**4.287.176**

On 30 June 2017 the average number of employees of the company was 194.

21. Financial revenues and expenses

	30.06.2016	**30.06.2017**
Financial revenues	**1**	
Net gain from exchange differences		
Interest revenues	1	
Other financial revenues		

	30.06.2016	**30.06.2017**
Financial expenses		
Interest expenses	49.611	24.207
Net loss from exchange differences	2.244	1.565
Other financial expenses	421.102	440.091
Total	**472.957**	**465.863**

22. Income tax expense

	30.06.2016	30.06.2017
Current income tax expense	112.726	203.238
	112.726	**203.238**
Deferred income tax		
Deferred income tax expenses	-	-
Deferred income tax revenues	3.667	5.567
	3.667	**5.567**
Total	**109.059**	**197.671**

	30.06.2015	30.06.2016
Profit before tax	803.586	1.011.989
Tax acc. to the statutory tax rate of 16% (2016: 16%)	128.574	161.918
Effect on the income tax of:		
Legal reserve	(6.429)	(8.096)
Non-deductible expenses	18.762	100.226
Non-taxable revenues		
Sponsoring within legal limits	(28.181)	(50.810)
Registration and review of temporary differences	(3.667)	(5.567)
Income tax	**109.059**	**197.671**

23. Related parties

The persons who are part of the Board of Directors and the Executive Committee represent related parties.

30.06.2016
List of members of the Board of Directors

Anisoi Elena	President of the B.D.
Dragan Sabin Adrian	Vice-president
Vescan Maria Aurora	Member

List of the persons in the Executive Committee

Anisoi Elena	General Manager
Croitor Octavian	Technical Manager
Tebrean Iridenta	Economic Manager
Sîngeap Cristina	Commercial Manager

24. Commitments

The Company had no capital commitments on 30 June 2017.

25. Contingent assets and liabilities

The Company had no contingent assets or liabilities on 30 June 2017.

26. Subsequent events

There were no events subsequent the balance sheet date.

27. Financial risk management

Overview

The Company is exposed to the following risks due to the use of financial instruments:

• credit risk;
• liquidity risk;
• market risk.

These notes present information about the Company's exposure to each of the above risks. the company's objectives. policies and processes for risk assessing and managing and procedures used for managing capital. In these financial statements there is also other quantitative information.

The Company's risk management policies are defined to ensure the risks identification and analysis the Company is dealing with. to set appropriate limits and controls. to monitor risks and to comply with the set limits. Risk policies and management systems are regularly reviewed to reflect changes in market conditions and the Company's activities.

a) Credit risk

Credit risk is the risk that the Company could incur a financial loss as a result of failure to meet contractual obligations by a customer or counterparty to a financial instrument. and this risk mainly results from trade receivables of the Company.

The accounting value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk was:

(i) Exposure to credit risk

Accounting value	**30.06. 2016**	**30.06. 2017**
Trade receivables and other current assets	3.133.266	3.118.237
Cash and bank deposits	53.930	33.304
TOTAL	**3.187.196**	**3.151.541**

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer.

The management has established a credit policy under which each new customer is individually analysed in terms of creditworthiness before offering the Company's standard conditions for payment and delivery.

The Company establishes an adjustment for impairment that represents its estimate of losses on trade receivables. The adjustments for impairment of receivables mainly relate to specific components corresponding to the significant individual exposures incurred and identified.

(ii) Depreciation

Analysis of the number of days of delay for trade receivables and other receivables:

		30.06. 2017
in lei	**Gross value**	**Depreciation**
Not outstanding and outstanding between 0 and 30 days	1.319.725	
Outstanding between 31 and 60 days	593.308	
Outstanding between 61 and 120 days	79.447	
Outstanding between 121 and 180 days	8.979	
Outstanding between 181 and 360 days	44.373	
Over 360 days	1.087.434	(991.543)
Total	**3.133.266**	**(991.543)**

b). Liquidity risk

Liquidity risk is the risk that the Company could have difficulty in meeting obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. The Company's approach to managing liquidity is to ensure. as far as possible. that it will always have sufficient liquidity to meet its liabilities when due. both under normal and stressed conditions. without incurring unacceptable losses or putting the Company's reputation at risk.
Overall the Company makes sure that it has sufficient cash to cover operating expenses. The following table shows the residual contractual maturities of financial liabilities at the end of the reporting period. including estimated interest payments:

30 June 2017	**Accounting value**	**Contractual cash flows**	**Less than 2 months**	**2 - 12 months**	**Over 12 months**
Trade payables	1.489.900	1.489.900	1.489.900		
Medium-term credits					
Bank short-term loans	1.023.267	1.023.267		1.023.267	
Other payables	2.671.900	2.671.900	2.671.900		
Total	**5.185.067**	**5.185.067**	**4.161.800**	**1.23.267**	

c). Market risk

Market risk is the risk that the change in market prices. such as foreign exchange rate. interest rate and price of equity instruments. affects the Company's income or the value of financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize return on investment.

d). Interest rate risk

(i) Profile of the risk exposure

At the reporting date. the profile of interest rate exposure corresponding to the interest-bearing financial instruments held by the Company was:

Instruments with variable rate	**30 June 2016**	**30 June 2017**
Medium-term credits		
Bank short-term loans	3.227.468	1.023.267
Total	**3.227.468**	**1.023.267**

(ii) Sensitivity analysis of fair value for instruments with fixed interest rate

The Company has not classified financial assets or liabilities with fixed interest rates at fair value through profit or loss or available for sale. Therefore. a change in interest rates at the reporting date would not affect the statement of comprehensive income.

(iii) Sensitivity analysis of cash flow for instruments with variable interest rate

An increase in interest rates by 1% at the reporting date would have resulted in a decrease in profit by 7.785 lei as of 30 June 2017 (30 June 2016: 19.992 lei). This analysis assumes that all other variables. in particular foreign exchange rates. remain constant.

A depreciation of interest rates by 100 basis points on 30 June 2017 would have led to the same effect. but to the contrary. the amounts presented above. considering that all other variables remain constant.

e). Currency risk

The Company is exposed to currency risk due to acquisitions and liabilities that are denominated in a currency other than the functional one. respectively in euro.

Company's exposure to currency risk is shown below:

30 June 2017	RON	EUR	USD	Other currency
Financial assets				
Trade receivables and other current assets	3.509.195		-	-
Cash and bank deposits	32.637	667	-	-
	3.541.832	**667**	**-**	**-**
Financial payables				
Trade payables	1.489.900	-	-	-
Short-term loans	1.023.267	-	-	-
Other payables	2.671.900	-	-	-
	5.185.067	**-**	**-**	**-**

Sensitivity analysis

An appreciation by 10 percentage points of the RON currency on 30 June 2017 compared to euro would have resulted in a decrease of profit by 67 lei.

e) Taxation risk

Starting on 1 January 2007. following the accession of Romania to the European Union. the Company had to apply EU tax regulations and implement the changes brought by the EU law. The way in which the Company has implemented these changes remains open to tax audit for five years.

The interpretation of the text and the practical implementation procedures of the new EU tax regulations in force may vary. and there is a risk that certain transactions. for example. could be viewed differently by the tax authorities compared to their treatment by the Company.

In addition. the Romanian Government has an important number of agencies authorized to audit companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax aspects. but also other regulatory and legal aspects of interest to these agencies. It is possible that the Company is subject to tax audits as new tax regulations are issued.

f) Business environment

The economic crisis has negatively affected the beer industry over the recent years too. After a period of sustained growth. total beer volumes sold declined during the period 2009 to 2011. 2008 recorded a maximum value of consumption on the Romanian market of around 20.6 million hl / year. In 2012 beer consumption was about 18 million hl. with an average consumption of 78 litres / year for the Romanian customer compared to 90 litres in 2008. In 2013 and 2014 consumption recorded slight decreases and the year 2015 was the year in which consumption has stabilized. It is not expected demand to grow at the pace recorded in previous years. the growth forecasted being low. of about 2-5% due to the stimulation of sales by advertising and promotional campaigns. Beer industry presents oligopolistic features with high barriers at the entry to the market and vertical differentiation. general characteristic of beer production sector being represented by excessive capacity which creates the premises of potential pressure to prices. On average the beer production capacities on the Romanian beer market is 70%.

SC BERMAS SA is the only factory in the brewing industry that has continued on the old structure managed by technical and technological structure. by the modernization of production workshops and the modernization of the performed activity trying to consolidate its market share.

Then, in 2017, beer consumption will follow a slightly upward trend. It is estimated that this trend will also increase beer sales of SC BERMAS SA estimated at a plus of 7%. concidering:

• Stable commercial relationships with customers;
• High-quality beer assortments at affordable medium-term sustainable prices
• A commercial strategy to promote adequate and prudent products at the same time in terms of budgets for this purpose, aiming to reach a reasonable level of profitability;
• Appropriate management of resource management appropriately;
• Higher level of technical endowment of technological processes that ensure indisputable quality for breweries and food safety

For the year 2017, SC BERMAS SA has contracted the entire quantity of beer scheduled for sale according to the production schedule.

At present, there are a number of four large producers representing groups with international presence in the beer sector and a number of two domestic producers that have developed large production capacities (ROMAQUA - market share 0 - 10% and EUROPEAN FOOD - market share 0-10%.
Together, large producers and two local producers that have developed large-scale production capacities hold 95% of the market. The difference of 5% is held by: SC ALBRAU PROD SA, SC MARTENS SA, SC BERMAS SA (which accumulates 4.5%) and small producers (which accumulate about 0.5%)
The massive concentration of the beer industry in Romania produced a major imbalance between the competitive capacity of the two segments of the market.
To compete. SC "BERMAS" SA, as an independent beer producer with an average capacity, must permanently identify the possibilities for efficiency and profitability of the activity while maintaining the market segment gained and their development.
The Company's management believes that the Company's liquidity could be affected in 2017 by a series of events or uncertainty factors such as:
• unfavourable market circumstances that would lead to the inability to cope with competition. the existence on the market of vertical agreements and concentrated practiced. most of the agreements containing vertical restrictions. namely certain clauses restricting competition. such as: exclusive distribution. non-competition clause. exclusive acquisition. restrictions in terms of sale price;
• increase in fuel and energy prices with major implications in production costs taking into account the manufacturing cycle of malt and beer based on conventional technology that involves 120 days (malt + beer)
• unfavourable agricultural year with a poor harvest in the basic materials used in the brewing process. which would lead to higher prices for barley and hops;
• deliberate or accidental entry into insolvency of the Company's customers - beer distributors as a result of limiting their access to credit in order to support their activity which would increase commercial risks to the collection of goods.
• decrease in the purchasing power of the population affected by unemployment
The management believes that it takes all necessary measures to support the sustainability and growth of the Company's business under current conditions by:
• constantly monitoring its liquidity;
• short-term forecasting of net liquidity;
• monitoring incoming and outgoing flows of cash (daily). assessment of effects on borrowers.

g) Capital adequacy

SC BERMAS SA has a policy of maintaining equity for the development of the company and the reach of the intended objectives. The main objective of the company is to continue its activity in terms of profitability for its shareholders. Over the past two years. the net asset value of the SC BERMAS SA has exceeded 1.5 times the level of the share capital. The management of SC BERMAS SA intends. in the next financial year to maintain at least the same level.

The equity of SC BERMAS SA consists of share capital. created reserves. current profit and reported result. On 30.06.2017 the equity of SC BERMAS SA is amounted to 22.979.837 lei compared to 23.561.849 lei on 31.12.2016. SC BERMAS SA is not subject to statutory capital adequacy requirements.