



SC "BERMAS" SA Suceava

Str. Humorului nr. 61 Șcheia

Tax identification number: RO 723636

Phone no.: 0230/526543; 526544

Fax: 0230/526542; 526543

E-mail: bermasv@yahoo.com;office@bermas.ro



INTERIM REPORT

According to the Law no. 24/2017 and CNVM Regulation no. 1/2006

Date of the report: 30.06.2018

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, 2018 - June 30, 2018 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 March 22, 2018 in compliance with the law applicable and the provisions of the Articles of Incorporation.

a) BALANCE SHEET ELEMENTS

► ASSETS

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2017</i>	<i>30.06.2018</i>
TOTAL CURRENT ASSETS	29.350.501	29.650.623
Of which:		
• Fixed assets	13.632.503	12.788.967
• Inventory	11.897.719	13.276.374
• Cash and bank accounts	33.304	42.017
• Receivables	3.630.602	3.386.426
• Accrued expenses	156.773	156.839

► LIABILITIES

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2017</i>	<i>30.06.2018</i>
TOTAL CURRENT LIABILITIES -- of	29.350.501	29.650.623
which:		
• Equity	22.979.837	22.436.564
• Payables	6.371.064	7.214.059

Analysing the total assets and the total liabilities compared to the same period of the previous year we find an increase by 1,02%.

On main asset groups, the situation is as follows:

► **The tangible assets** on June 30, 2018 have a net value amounted to 12.788.967 lei decreased by 9,38% compared to 30.06.2017 when they reached a level of 13.632.503 lei and they represent 43,13% 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 2018 we have commissioned and upgraded fixed assets amounted to 663.938 lei.

- The increase of total depreciations which for the first half of 2018 was amounted to 758.849 lei.

The decommissioning of certain fixed assets due to wear and tear, their value being amounted to 174.518 lei.

► **Inventories** have a capital value of 13.276.374 lei on 30.06.2018 recording an increase by 11,59% compared to the corresponding period of the previous year when the recorded level was amounted to 11.897.719 lei and a share in total assets of 44,78%.

A share of 39,81% 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 44,02%, then the raw materials (barley, hops) and main materials used in technological process with a share of 7,27% and the remaining 8,9% is held by other inventories (finished goods, spare parts etc.).

Inventories without movement or with slow movement have an insignificant share of 1,02% and they have been provisioned for impairment at 100%.

► **Cash and bank accounts** on 30.06.2018 registered a level of 42.017 lei, in increase compared to the similar period of the previous year when they reached a level of 33.304 lei;

► **Receivables** decreased by 6,73% compared to the corresponding period of the previous year respectively from 3.630.602 lei to 3.386.426 lei.

► Referring to the liability elements, on 30.06.2018 **equity** holds a share of 75,67% in current liabilities and total debts hold a share of 24,33%.

Compared to the corresponding period of the previous year, equity registered an decrease by 2,36% and total debts increased by 13,66%.

Given the level of **total debts** on 30.06.2018, in absolute figures respectively 7.214.059 lei, we state that 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 1.426.069 lei;
- trade payables amounted to 1.944.395 lei represent payment obligations to suppliers for current production and investment activity, including payables;
- dividends payable to shareholders amounted to 450.725 lei;
- debts related to the second part of salaries for the month of June and payment obligations including payroll taxes with maturity in July 2018 amounted to 748.342 lei paid in full at maturity;
- VAT payable for the month of June 2018 amounted to 508.359 lei, with maturity in July 2018;
- tax on dividends paid in June 2018 with maturity in July 2018 amounted to 12.724 lei;
- excise duty for the month of June with maturity in July 2018 amounted to 381.603 lei;
- Deferred tax in the amount of 172,842 lei;

- other liabilities, diverse creditors and guarantees collected for patrimony goods in temporary use to clients, contribution to the environmental fund are in the amount of 69.000 lei.

► **The equity** on 30.06.2018 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, 2018 are amounted to 6.838.758 lei, increased by 12% by 2017;
- the result for the financial year January 1, 2018 -- June 30, 2018 is a net profit amounted to 802.483 lei;

The synthetic shareholder structure on 30.06.2018, 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 natural and legal persons holding 10,416,771 shares representing 48.33% of the share capital, out of which 1,293,183 repurchased own shares, which will be allocated according to the legal provisions and the mandate given by the EGMS on March 22, 2018.

b) PROFIT AND LOSS ACCOUNT

- lei-		
<i>SPECIFICATION</i>	<i>30.06.2017</i>	<i>30.06.2018</i>
► TOTAL REVENUES -- of which:	14.042.844	16.258.005
• Turnover (net sales)	12.559.619	14.394.340
► TOTAL EXPENSES -- of which cost and expense elements with a share over 20% of net sales	13.036.422	15.331.255
• Expenses for raw material, consumables and energy	44,78%	45,81%
• Expenses for the employees including the insurance and social security	32,89%	39,07%
• Expenses for the depreciation of tangible assets, external services and others	14,93%	15,12%
► GROSS PROFIT	1.006.422	926.750
► NET PROFIT	808.751	802.483
► NET LOSS		

The levels of indicators presented in the profit and loss statement for the period January 1, 2018 - June 30, 2018 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 1.389.053 lei.

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

c) **CASH FLOW** -- At the beginning of the period from 01 January 2018, the existing cash was amounted to 59.252 lei, the collections during the period 1 January-30 June 2018 were amounted to 18.261.750 lei and the cash balance at the end of the period was amounted to 42.017 lei.

Payments made during the period January 1-June 30, 2018 were amounted to 18.278.523 lei of which payments for current production activity amounted to 14.799.808 lei, payments for investment activities amounted to 2.209.547 lei and payments for financing activities amounted to 1.269.630 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 **16.258.005 lei** with total expenses amounted to **13.036.422 lei**, the result being a gross profit amounted to **926.750 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 **14.804.825 lei**, revenues amounted to **16.258.005 lei** and a gross profit amounted to **1.453.180 lei**.

► **THE FINANCIAL ACTIVITY** generated financial expenses amounted to **526.430 lei**, with no financial income.

As a result there has been a loss amounted to **526.430 lei**.

By nature, financial expenses have the following structure:

- interest expense paid on short-term loans: **32.953 lei**
- other financial expenses amounted to **493.477 lei** representing: 37.475 lei - fees for granting and managing loans under contracts with banks as well as for the operations on current accounts, 453.825 lei - financial discounts and 2.176 lei - exchange differences on currency payments.

The net turnover in the period January 1, 2018 - June 30, 2018 is amounted to **14.394.340 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 14,60%;
- total income increased by 15,77%;
- total expenses increased by 17,61%;
- profit recorded in the first half of 2018 is 802.483 lei constant compared to the corresponding period of the previous year increased.

► 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 1.941.943 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:

$$\text{General liquidity 1}^{\text{st}} \text{ half 2017} = \frac{\text{Current_assets}}{\text{Short-term_debts}} = \frac{15.561.625}{5.185.067} = 3,00$$

$$\text{General liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Current_assets}}{\text{Short-term_debts}} = \frac{16.704.817}{5.541.217} = 3,01$$

2. Reduced liquidity:

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

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Current_assets} - \text{Inventory}}{\text{Short-term_debts}} = 0,62$$

3. Immediate liquidity:

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

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Liquidities}}{\text{Short-termdebts}} = 0,008$$

2.2. Capital expenditures related to the first half of 2018 amount to 778.821 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. 2017 - 30.06.2018 there were no changes in the rights of holders of security of issued by the company.

4. Significant transactions: - In the first half of 2018 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. Țebrean Iridenta*