S.C. Bermas S.A. Suceava

Individual interim financial statements for the six month period ended June 30, 2018

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Statement of comprehensive result
as of *30 June 2018*

RON	*Note*	*31.12.2017*	*30.06.2018*
ASSETS			
Tangible assets	5	13.414.973	12.588.599
Intangible assets	6	88.000	66.592
Financial assets measured at cost	7	83.000	83.000
Other non-current assets		46.530	50.776
Total assets		**13.632.503**	**12.788.967**
Inventories	8	11.897.719	13.276.374
Trade receivables	9	3.100.969	3.111.540
Prepaid expenses	19	156.773	156.839
Cash and cash equivalents	10	33.304	42.017
Other receivables	11	529.633	274.886
Total current assets		**15.718.398**	**16.861.656**
TOTAL ASSETS		**29.350.901**	**29.650.623**
EQUITY			
Share capital	12	15.087.134	15.087.134
Tangible assets revaluation reserves		1.002.585	1.002.585
Own actions	12		(1.436.726)
Reported result		898.257	944.813
Other reserves	12	5.991.861	6.838.758
Total equity		**22.979.837**	**22.436.564**
PAYABLES			
Medium-term credits			
Deferred tax payables	13	185.997	172.842
Total long-term payables		**185.997**	**172.842**
Trade payables	14	1.489.900	1.944.395
Short-term loans from banks	15	1.023.267	1.426.069
Other payables	14	1.000.000	1.500.000
Total current payables		2.671.900	2.170.753
TOTAL PAYABLES		**6.185.067**	**7.041.217**
TOTAL EQUITY AND PAYABLES		**6.371.064**	**7.214.059**
		29.350.901	**29.650.623**

Anisoi Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of comprehensive income

As of 30 June 2018

in RON	Note	30.06.2017	30.06.2018
Turnover	17	12.559.619	14.394.340
Variation in inventory of finished products and production in progress		1.351.065	1.587.432
Other revenues	18	132.160	276.233
Raw materials and consumables		(5.837.733)	(6.594.587)
Personnel expenses	20	(4.287.176)	(5.623.184)
Amortisation and depreciation of assets	5.6	(738.285)	(758.849)
Other third party services	19	(350.848)	(514.318)
Other expenses	19	(1.356.517)	(1.313.887)
Operational profit		**1.472.285**	**1.453.180**
Financial revenues	21	0	
Financial expenses	21	(465.863)	(526.430)
Profit		**1.006.422**	**926.750**
Income tax	22	(197.671)	(124.267)
Profit of the reporting period		**808.751**	**802.483**
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		**808.751**	**802.483**
Earnings per share			
Basic		**0,0375**	**0,0372**
Diluted			

Anisoi Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of changes in equity

As of 30 June 2018

On June 30, 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**

On June 30, 2018

	Share capital	Adjustments in share capital	Own actions	Treasury shares	Reserves from the revaluation of tangible assets	Other reserves
Balance on 1.01.2018	**15.087.134**	**1.002.585**		**6.102.357**	**1.738.802**	**23.930.878**
Total comprehensive income of the period					802.483	802.483
Net income of the period					802.483	802.483
Other elements of comprehensive income						
Acquisition of treasury shares			(1.436.726)			(1.436.726)
Distribution to other reserves				736.401	(229.395)	507.006
Treasury shares acquired						
Change in reserve from the revaluation of tangible assets					51.655	51.655
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					(1.418.732)	(1.418.732)
Shareholders changes directly recorded in equity						
Balance on 30 June 2018	**15.087.134**	**1.002.585**	**(1.436.726)**	**6.838.758**	**944.813**	**22.436.564**

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

Statement of cash flow
As of 30 June 2018

in lei	***30.06.2017***	***30.06.2018***
Cash flow from operating activity:		
Collections from clients	14.972.999	17.264.623
Payments for suppliers	(6.108.058)	(7.126.523)
Payments for employees	(2.132.968)	(2.778.914)
Payments for local budget	(81.983)	(82.619)
Payments for state budget	(2.873.229)	(3.704.034)
Paid excises	(978.030)	(1.107.718)
Paid income tax		
Cash flow from operating activity	**2.798.731**	**2.464.815**
Cash flow from investment activity:		
Payments for the acquisition of shares	-	(1.436.726)
Payments for the acquisition of assets	(691.160)	(772.821)
Collections from sale of tangible assets	3.000	6.937
Collected interests	-	-
Net cash flow from investment activities	**(688.160)**	**(2.202.610)**
Net cash flow from financing activities		
Cashing credits	990.190	-
Paid interests and credit repayments	(1.091.502)	(32.953)
Payment of long term loans instalments		
Paid dividends	(1.011.593)	(1.236.677)
Net treasury of financing activities	**(2.103.095)**	**(279.440)**
Net treasury increase/decrease and treasury equivalents	**7.476**	**(17.235)**
Treasury and treasury equivalents at the beginning of the reporting period	**25.828**	**59.252**
Treasury and treasury equivalents at the end of the reporting period	**33.304**	**42.017**

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

Notes to financial statements

As of 30 June 2018

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, 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 2018, 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 2018. 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 2017	30 June 2018	Variation
Euro (EUR)	4.5539	4.6611	+0.03%
American dollar (USD)	3.9915	4.0033	+2.87%

(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 2018 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 2017, 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 2018 show comparability with the statement of financial position for the period ended on 31 December 2017. Statement of comprehensive income on 30 June 2018 shows comparability with the statement of comprehensive income on 30 June 2017.

(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

New standards, amendments to standards and interpretations have been issued which have not yet entered into force until 30.06.2018 or have not been adopted by the European Union ("EU") and have not been applied in the preparation of these financial statements.

The following sections are presented: List of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Board (IASB) and the European Union in force on 30 June 2018, as well as those not yet in force and the list of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Committee but not yet adopted by the European Union until 30.06.2018.

(*<u>i) Standards and interpretations adopted by the International Accounting Standards Committee and the European Union in force during the current period</u>*

IFRS 9 Financial Instruments - adopted by EU on 22 November 2016 applicable to annual periods beginning on or after 1 January 2018. IFRS 9 includes requirements on financial instruments related to recognition, classification and evaluation, impairment losses, de-recognition and hedge accounting:

• Classification and measurement: IFRS 9 introduces a new approach to the classification of financial assets and comprises three main categories of financial assets: measured at amortized cost, at fair value through other elements of the comprehensive income, at fair value through profit or loss. The classification on IFRS 9 is determined by the cash flow characteristics and the business-based model in which it is held. This unitary principle-based approach eliminates the classification of 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 depreciation model applicable to all financial instruments.

Under IFRS 9, derivatives embedded in contracts where 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.

• Impairment losses: IFRS 9 introduces a new impairment loss model based on the expected losses which will require faster recognition of expected losses from impairment of receivables. The Standard required entities to recognize the expected impairment losses on receivables from the time of initial recognition of financial instruments and to recognize more rapidly the expected impairment losses over their lifetime

• Coverage Accounting IFRS 9 introduces a significantly improved model for hedge accounting which includes additional disclosure requirements for risk management activity. The new model represents a significant revision of the coverage accounting principles that allows alignment of the accounting treatment with the risk management activities

• Own credit risk: IFRS 9 eliminates the volatility in the profit or loss account due to the change in credit risk related to debt at fair value. Changing the accounting requirements for these debts implies that no profit or loss will be recognized in earnings arising from the impairment of an entity's own credit risk.

IFRS 15 Revenue from Contracts with Customers as subsequently amended Effective date of IFRS 15 adopted by U.E. on 22 September 2016, applicable for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a new five-step model that applies to income from a customer's contract (with limited exceptions) regardless of the type of transaction or industry. Also the requirements of the Standard apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not the result of the entity's ordinary activities. An extensive disclosure of information is foreseen including disintegration of total income, information on execution obligations, changes in the contractual balances of asset and liability accounts between periods and key judgments and estimates.

Amendments to IFRS 2 Share-based Payment - Classification and measurement of share-based transactions (effective for annual periods beginning on or after 1 January 2018). The amendments provide accounting requirements for the conditions required to vest and the effects of the terms and conditions revocable rights in the valuation of share-based payments settled in cash, of share-based payment transactions with the net settlement feature of the source-tax liabilities, as well as for changes to the terms and conditions applicable to a share-based payment that changes the transaction classification from a cash settlement transaction into an equity-settled settlement transaction.

Amendments to IFRS 4 Insurance Contracts, application with IFRS 9 Financial Instruments (applicable for annual periods beginning on or after 1 January 2018 when IFRS 9 Financial Instruments is first applied). The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from the application of IFRS 9 and an overlapping approach that would allow entities that issue contracts in the scope of IFRS 4 to reclassify, from the income statement in other items of the result *Amendments to IAS 40 Investment property* - transfer of investment property (effective for annual periods beginning on or after 1 January 2018), the adoption is expected in the second half of 2017

Amendments to IAS 40 Investment Property - Transfer of Investment Property (applicable for annual periods beginning on or after 1 January 2018) The amendments provide that a change in use occurs when the property meets or no longer meets the definition of investment property and there is evidence of change in use. A simple change of management's intention to use a building does not provide evidence of a change in use.

The IASB issued the *Annual Improvements to IFRS (Cycle 2014-2016)* resulting from the annual IFRS Improvement Project (IFRS 1 and IAS 28) with the primary objective of eliminating inconsistencies and clarifying certain formulations. Amendments to IFRS 1 and IAS 28 are applicable for annual periods beginning on or after 1 January 2018.

- IFRS 1 First-time Adoption of International Financial Reporting Standards: This improvement eliminates short-term exceptions to the information to be provided on instrument.

- IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the choice to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a joint venture or another qualifying entity is available for each investment in an associate or in a joint venture for each individual investment on initial recognition.

IFRIC Interpretation 22 Foreign currency transactions and prepayments (applicable for annual periods beginning on or after 1 January 2018). The interpretation clarifies how transactions are recorded including the receipt or payment of foreign currency advances. The interpretation covers foreign currency transactions for which the entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of an advance amount before the entity recognizes the asset, expense or revenue. The interpretation provides that in order to determine the exchange rate the transaction date is the date of initial recognition of the non-monetary asset or the deferred income debt. If there are several payments or receipts made in advance then the entity must retain a transaction date for each payment or collection of the amount in advance.

<u>*Standards and Interpretations issued by the International Accounting Standards Committee and adopted by the European Union. but not yet applicable*</u>

At the time of reporting these financial statements the following standards, revisions and interpretations were issued by the IASB and adopted by the EU but they were not yet in force:

• ***IFRS 16 Leases*** applicable for annual periods beginning on or after 1 January 2019. IFRS 16 lays down the principles for recognition, evaluation, presenting and providing information about the two parties' leases on a contract. The new standard provides that tenants recognize most of the lease in the financial statements. Lessors will have a single accounting model for all contracts, with some exceptions. Lessor's accounting remains insignificant unchanged.

• ***IFRS 9 Advances in Advance Payments with Negative Compensation***. The amendment enters into force for annual periods beginning on or after January 1, 2019 The change permits financial assets with prepayment characteristics that allow or require a party to a contract either to pay or be reasonably compensated for early termination of the contract (so that from the asset holder's perspective there may be negative compensation) be measured at amortized cost or at fair value through other items of comprehensive income.

• ***Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: sale or contribution of assets between an investor and its associate or joint venture***. The amendments relate to a breakthrough identified between the requirements of IFRS 10 and IAS 28 in relation to the sale of and the asset's contribution between an investor and its associate or joint venture. The main consequence of the changes is that a total gain or a loss is recognized when the transaction involves an enterprise (whether or not it is a subsidiary). A partial gain or loss is recognized when a transaction involves assets that are not an enterprise even if they are in the form of a subsidiary.

• ***IAS 28 Long-term interests in associates and joint ventures***. Changes refer to whether valuation, and in particular long-term impairment requirements in associates and joint ventures that in substance are part of the net investment in that associate should be governed by IFRS 9, IAS 28 or a combination of these two standards. Changes clarify that an entity that applies IFRS 9 before applying IAS 28 to those long-term interests that are not subject to the equity method in application of IFRS 9, it does not take account of adjustments in the carrying amount of long-term interests that are generated by the application of IAS 28.

• ***IFRIC Interpretation 23 Uncertainty about applicable tax treatment***. The interpretation becomes effective for annual periods beginning on or after 1 January 2019. The interpretation deals with income tax accounting when tax treatment implies a degree of uncertainty that affects the application of IAS 12. The interpretation provides guidance with regard to analysing certain tax treatments individually or together, tax audits, the appropriate method that reflects the uncertainty and accounting of the change in events and circumstances.

(ii) Standards and interpretations issued by the IASB but not yet adopted by the EU.

At the moment, The International Accounting Standards adopted by the European Union do not differ significantly from the standards adopted by the International Accounting Standards Committee. The IASB issued IFRS Annual Improvements - Cycle 2015-2017, which represents a collection of amendments to IFRS, amendments that enter into force on or after January 1, 2019. These changes to standards, amendments to existing standards and interpretations have not yet been approved by the EU for use on the date of approval of the financial statements:

• ***IFRS 3 Business Combinations and IFRS 11 Commitments***. The amendments to IFRS 3 clarify that when an entity acquires control over an enterprise that is a joint venture it shall reassess the interests previously held in that undertaking. The amendments to IFRS 11 clarify that when an entity acquires joint control over an enterprise that is a joint venture the entity does not reassess the interests previously held in that enterprise.

• ***IAS 12 Income Tax***. Changes clarify that the effects on income tax on payments of financial instruments classified as equity have to be recognized in the manner in which transactions or past events that generated distributable profit were recognized.

• ***IAS 23 Borrowing Costs***. The amendments clarify paragraph 14 of the standard according to which when a qualifying asset is available for its intended use or sale, and some of the specific loans related to the qualifying asset remain outstanding at that time that loan must be included in the funds that an entity leases in general.

• ***IAS 19 Amendmen, reduction or settlement of the employee benefit plan (changes***).

The amendments require entities to use updated actuarial assumptions to determine the cost of current services and net interest for the remainder of the reporting period after changes, reductions or settlement of the plan have occurred. Changes clarify also how to account for the change, reduction or settlement of a plan affects the application of the asset ceiling requirements. These changes have not yet been approved by the EU.

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	*30.06.2018*
Sold production. of which:	**14.394.340**
- sales of beer	14.164.096
- sales of semi-fabricated products	880
- sales of residual products	222.376
- services	6.988
Total	**14.394.340**

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 30.06.2018 is amounted to 14.394.340 lei and it represents in a proportion of 98.40% the beer. the difference of 1.60% 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 2017	**1.774.100**	**7.232.440**	**16.932.154**	**216.432**		**26.155.126**
Input			644.293	6.116	13.527	**663.936**
Transfers by commissioning			13.527			**13.527**
Revaluation decrease						
Outputs			174.518		13.527	**188.045**
Balance on 30 June 2018	**1.774.100**	**7.232.440**	**17.415.456**	**222.548**	**0**	**26.644.544**
Accumulated amortisation						
Balance on 31 December 2017		**(5.605.862)**	**(7.759.178)**	**(115.305)**		**(13.480.345)**
Expense		(116.427)	(623.627)	(10.064)		**(750.118)**
Revaluation decreases						-
Output amortisation			(174.518)		-	**(174.518)**
Balance on 30 June 2018	**-**	**(5.722.289)**	**(8.208.287)**	**(125.369)**	**-**	**(14.055.945)**
Net accounting value						
Balance on 31 December 2017	**1.774.100**	**1.626.578**	**9.172.976**	**101.127**		**12.674.781**
Balance on 30 June 2018	**1.774.100**	**1.510.151**	**9.207.169**	**97.179**		**12.588.599**

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 2018 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 2017 and 2018.

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

in lei ***Cost***	**Lands**	**Buildings**	**Technical equipment and machinery**	**Other equipment. machinery and furniture**	**Fixed assets in progress**	**Total**
Balance on 31 December 2017	**1.774.100**	**7.232.440**	**32.369.973**	**314.467**		**41.690.980**
Input			644.293	6.116	13.527	**663.936**
Transfers by commissioning			13.527			**13.527**
Decrease from revaluation						**-**
Output			226.173		13.527	**239.700**
Balance on 30 June 2018	**1.774.100**	**7.232.440**	**32.801.620**	**320.583**	**0**	**42.128.743**
Cumulated depreciation						
Balance on 31 December 2017		**(5.605.861)**	**(23.314.531)**	**(212.244)**		**(29.132.636)**
Expense		(116.428)	(615.459)	(9.703)		**(741.590)**
Decrease from revaluation						-

Output depreciation			(226.173)		-	**(226.173)**
Balance on 30 June 2018	**-**	**(5.722.289)**	**(23.703.817)**	**(221.947)**	**-**	**(29.648.053)**
Net accounting value						
Balance on 31 December 2017	**1.774.100**	**1.626.579**	**9.055.442**	**102.223**		**12.558.344**
Balance on 30 June 2018	**1.774.100**	**1.510.151**	**9.097.803**	**98.636**	**0**	**12.480.690**

6. Intangible assets

Cost	**Other intangible assets**	**Total**
Balance on 31 December 2017	**206.752**	**206.752**
Inputs	588	588
Transfers		
Balance on 30 June 2018	**207.340**	**207.340**
Accumulated depreciation		
Balance on 31 December 2017	**(129.750)**	**(129.750)**
Expense	(10.998)	(10.998)
Transfers		
Balance on 30 June 2018	**(140.748)**	**(140.748)**
Net accounting value		
Balance on 31 December 2017	**77.002**	**77.002**
Balance on 30 June 2018	**66.592**	**66.592**

7. Financial assets available for sale

	31 December 2017	**30 June 2018**
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 2017	**30 June 2018**
Production in progress	6.091.293	5.285.311
Raw materials and consumables	7.630.347	7.850.335
Finished products and goods	214.113	140.728
Total	**13.935.753**	**13.276.374**

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 2017 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 30.06.2018 is amounted to 134.939.95 lei.

9. Trade receivables

	31 December 2017	30 June 2018
Clients	780.706	2.282.631
Suppliers – debtors for the purchase of inventory goods	457.821	1.070.991
Advance payments for intangible assets	-	-
Adjustments for the depreciation of receivables	(244.083)	(242.082)
TOTAL	**994.444**	**3.111.540**

10. Cash and cash equivalents

	31 December 2017	30 June 2018
Cash in the cash register	19.127	3.002
Current bank accounts	34.425	35.715
Cash advances	-	-
Other values	5.700	3.300
Total	**59.252**	**42.017**

11. Other receivables

	31 December 2017	30 June 2018
Diverse debtors	1.062.482	889.724
Other receivables related to personnel	184	77.805
Adjustments for depreciation different debtors	(709.184)	(779.232)
Total	**353.482**	**188.297**

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 2018 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 2018	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 30.06.2018 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 2018	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 30.06.2018 are amounted to 2.744.407 lei following the creation of the legal reserve (5% of the accounting profit under the Law 227/2015 and subsequent amendments and supplements and the Law 31/1900 as subsequently amended and supplemented.

Other reserves

SC BERMAS SA records on 30.06.2018 in the account 1068 Other reserves the amount of 4.094.351,28 with the following structure :

Reserves for restatement according to IFRS	554.644,00
Reserves for development	961.604,33
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.690.029,22
Other reserves the Law 55/1995. Decree 834/1991	56.294,29
TOTAL	4.094.351,28

SC BERMAS SA records on 31.12.2017 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

Own actions

Until 30.06.2018 a number of 1.293.183 shares were redeemed in the amount of 1.436.726 lei, which will be allocated according to the legal provisions and the mandate given by A.G.E.A. of 22.03.2018.

13. Accounts payable for deferred profit tax

Accounts payable for the deferred tax as of 30 June 2018 are detailed below:

30 June 2018	Assets	Liabilities	Net
Tangible assets	1.301.498	-	1.301.498
Inventory	(134.940)	-	(134.940)
Trade receivables	(46.690)	-	(46.690)
Other receivables	(39.608)	-	(39.608)
Total	**1.080.260**		**1.080.260**
Net temporary differences – rate 16%			1.080.260

Accounts payable for deferred tax **172.842 lei.**

14. Trade payables

Description	31 December 2017	30 June 2018
Trade payables	745.205	1.944.395
TOTAL	**745.205**	**1.944.395**

Other payables

Description	31 December 2017	30 June 2018
Diverse creditors and other payables	806.674	469.148
Payables to the local budget	687.381	1.375.931
Payables to employees	212.816	325.674
Payables to the state budget	(156.618)	(86.589)
TOTAL	**1.550.253**	**2.084.164**

The provisions on 30.06.2018 amounting to RON 1.500.000 are constituted for possible additional obligations to the environment fund.

15. Short-term bank credits

Description	31 December 2017	30 June 2018
Short-term bank credits	435.880	1.426.069
TOTAL	**435.880**	**1.426.069**

Bank	31 December 2017	30 June 2018
Raiffeisen Bank Suceava	297.315	747.305
BRD Suceava	138.565	678.764
TOTAL	**435.880**	**1.426.069**

On 30 June 2018, short-term payables to banks refer to the following:

- secured overdraft with BRD Suceava amounted to 3.500.000 lei. The remaining balance on 30.06.2018 is amounted to 678.764 lei. The interest charged is a fluctuating interest at ROBOR annual rate 3M + 1.50%. 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 30.06.2018 is amounted to 747.305 lei. The interest charged on the daily debtor balance of the current account is a fluctuating interest at ROBOR annual rate 1M + 1.20%. 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 2018;
- 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 2.733.598 lei on 30.06.2018.

Referring to the assertion that overdrafts are secured by a first-ranking pledge on current accounts we mention that on 30.06.2018, 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

The rezults per share as at 30.06.2018 is 0,0372 lei / share compared to 0,0375 lei / share in the same period of the previous year.

Notes to financial statements

As of 30 June 2018

17. Revenue from turnover

	30.06.2017	30.06.2018
Revenue from the sale of finished products	12.352.363	14.164.096
Revenues from the sale of semi-fabricated products		880
Revenues from the sale of residual products	197.970	222.376
Revenue from services rendered	9.286	6.988
Total	**12.559.619**	**14.394.340**

18. Other revenue

	30.06.2017	30.06.2018
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	127.060	276.233
Total	**132.160**	**276.233**

19.a). Other expenses

	30.06.2017	30.06.2018
Entertainment. advertising and publicity	476.080	533.167
Operating Expenses on Provisions	500.000	-
Operation expenses for adjustments of current assets impairment	-300	68.046
Other taxes. duties and payments	113.508	208.806
Insurance premiums	65.882	61.791
Compensations. fines and penalties	11.733	11.382
Travel expenses	31.628	31.345
Postage and telecommunications	27.583	22.581
Commissions and fees	13.860	27.514
Rental and royalty expenses	739	1.467
Bad debts written off	-	-
Net loss from the sale of tangible assets	-	-
Other operating expenses	466.352	862.106
Total	**1.707.065**	**1.828.205**

b). Prepaid expenses

PREPAID EXPENSES ON 31.12.2017

EXPENSE	*NAME OF THE ACCOUNT*	*BALANCE DEBIT*
613	Insurance premiums	56.070.51
626	Postage and telecommunications	3.084.98
628	Services rendered by third parties	1.239.52
635	Other taxes. duties and payments	15.806.53
668	Other financial expenses	31.242.08
345	Beer loss December	164.58
		107.608.20

Notes to financial statements

As of 30 June 2018

PREPAID EXPENSES 30.06.2018

EXPENSE	*NAME OF THE ACCOUNT*	*BALANCE DEBIT*
613	Insurance premiums	67.412.38
626	Postage and telecommunications	1.639.86
635	Other taxes. duties and payments	68.848.01
668	Other financial expenses	18.211.65
345	Beer loss June	231.06
		495.82
		156.838.78

20. Personnel expenses

	30.06.2017	30.06.2018
Salaries	3.185.332	5.061.770
Social security and welfare contributions	879.854	284.895
Meal vouchers	221.990	276.519
Total	**4.287.176**	**5.623.184**

On 30 June 2018 the average number of employees of the company was 195.

21. Financial revenues and expenses

	30.06.2017	30.06.2018
Financial revenues	**1**	-
Net gain from exchange differences		
Interest revenues	1	-
Other financial revenues		

	30.06.2017	30.06.2018
Financial expenses		
Interest expenses	24.207	
Net loss from exchange differences	1.565	
Other financial expenses	440.091	
Total	**465.863**	

22. Income tax expense

	30.06.2016	30.06.2017
Current income tax expense	203.238	125.306
	203.238	**125.306**
Deferred income tax		
Deferred income tax expenses	-	-
Deferred income tax revenues	5.567	1.039
	5.567	**1.039**
Total	**197.671**	**124.267**
	30.06.2017	**30.06.2018**
Profit before tax	1.011.989	927.789

Tax acc. to the statutory tax rate of 16% (2016: 16%)	161.918	148.446
Effect on the income tax of:		
Legal reserve	(8.096)	(7.422)
Non-deductible expenses	100.226	15.608
Non-taxable revenues		
Sponsoring within legal limits	(50.810)	(31.326)
Registration and review of temporary differences	(5.567)	(1.039)
Income tax	**197.671**	**124.267**

23. Related parties

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

30.06.2018

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 2018.

25. Contingent assets and liabilities

The Company had no contingent assets or liabilities on 30 June 2018.

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. 2017**	**30.06. 2018**
Trade receivables and other current assets	3.118.237	3.189.557
Cash and bank deposits	33.304	42.017
TOTAL	**3.151.541**	**3.231.574**

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. 2018
in lei	**Gross value**	**Depreciation**
Not outstanding and outstanding between 0 and 30 days	2.091.647	
Outstanding between 31 and 60 days	4.755	
Outstanding between 61 and 120 days	131	
Outstanding between 121 and 180 days	-	
Outstanding between 181 and 360 days	52.420	
Over 360 days	1.040.604	(1.021.313)
Total	**3.189.557**	**(1.021.313)**

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 2018	**Accounting value**	**Contractual cash flows**	**Less than 2 months**	**2 - 12 months**	**Over 12 months**
Trade payables	1.944.395	1.944.395	1.944.395		
Medium-term credits					
Bank short-term loans	1.426.069	1.426.069		1.426.069	
Other payables	2.170.753	2.170.753	2.170.753		
Total	**5.541.217**	**5.541.217**	**4.115.148**	**1.426.069**	

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 2017	30 June 2018
Medium-term credits		
Bank short-term loans	1.023.267	1.426.069
Total	**1.023.267**	**1.426.069**

(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 9.310 lei as of 30 June 2018 (30 June 2017: 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 2018 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 2018	RON	EUR	USD	Other currency
Financial assets				
Trade receivables and other current assets	3.299.838		-	-
Cash and bank deposits	41.243	774	-	-
	3.541.832	**774**	**-**	**-**
Financial payables				
Trade payables	1.944.395	-	-	-
Short-term loans	1.426.069	-	-	-
Other payables	2.170.753	-	-	-
	5.541.217	**-**	**-**	**-**

Sensitivity analysis

An appreciation by 10 percentage points of the RON currency on 30 June 2018 compared to euro would have resulted in a decrease of profit by 22.399 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 2018, 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 5%. 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 2018, 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 2018 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 30.06.2018 the equity of SC BERMAS SA is amounted to 22.436.564 lei compared to 23.930.878 lei on 31.12.2017. SC BERMAS SA is not subject to statutory capital adequacy requirements.