



## SC "BERMAS" SA Suceava

Str. Humorului nr. 61 Șcheia

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### INTERIM REPORT

According to the Law no. 24/2017 and ASF Regulation no. 5/2018

Date of the report: 30.06.2019

#### 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 1<sup>st</sup>, 2019 - June 30, 2019 according to the production and investment program, the budget of revenue and expenditure approved by resolutions of the general meetings of shareholders (ordinary and extraordinary) on April 16, 2019 in compliance with the law applicable and the provisions of the Articles of Incorporation.

### a) BALANCE SHEET ELEMENTS

#### ▶ ASSETS

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2018</i>	<i>30.06.2019</i>
TOTAL CURRENT ASSETS	29.650.623	30.608.378
Of which:		
• Fixed assets	12.788.967	13.150.928
• Inventory	13.276.374	13.387.259
• Cash and bank accounts	42.017	9.559
• Receivables	3.386.426	3.913.360
• Accrued expenses	156.839	147.272

#### ▶ LIABILITIES

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2018</i>	<i>30.06.2019</i>
TOTAL CURRENT LIABILITIES -- of	29.650.623	30.608.378
which:		
• Equity	22.436.564	22.416.325
• Payables	7.214.059	8.192.053

Analysing the total assets and the total liabilities compared to the same period of the previous year we find an increase by 3,23%.

On main asset groups, the situation is as follows:

► **The tangible assets** on June 30, 2019 have a net value amounted to 13.150.928 lei increased by 2,83% compared to 30.06.2018 when they reached a level of 12.788.967 lei and they represent 42,97% of total assets.

The tangible assets represent 98,67% of the fixed assets group.

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

- Increases of tangible fixed assets as a result of the commissioning of fixed means for equipping the production units and the commercial network;
- Increases of property, plant and equipment as a result of advances paid to realize the investment of the must filtration plant and the boiling plant.

In the first half of 2019 we have commissioned and upgraded fixed assets amounted to 685.707 lei and the advances paid for investments were 1.166.335 lei.

• The increase of total depreciations which for the first half of 2019 was amounted to 783.083 lei.

The decommissioning of certain fixed assets due to wear and tear, their value being amounted to 42.978 lei.

► **Inventories** have a capital value of 13.387.259 lei on 30.06.2019 recording an increase by 0,84% compared to the corresponding period of the previous year when the recorded level was amounted to 13.276.374 lei and a share in total assets of 43,74%.

A share of 40,30% 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, with a share of 45,38%, then the raw materials (barley, hops) and main materials used in technological process with a share of 13,10% and the remaining 1,22% is held by other inventories (finished goods, spare parts etc.).

Inventories without movement or with slow movement have an insignificant share of 0,95% and they have been provisioned for impairment at 100%.

► **Cash and bank accounts** on 30.06.2019 registered a level of 9.559 lei, in decrease compared to the similar period of the previous year when they reached a level of 42.017 lei;

► **Receivables** increased by 15,56% compared to the corresponding period of the previous year respectively from 3.386.426 lei to 3.913.360 lei.

► Referring to the liability elements, on 30.06.2019 **equity** holds a share of 73,24% in current liabilities and total debts hold a share of 26,76%.

Compared to the corresponding period of the previous year, equity registered an decrease by 0,09% and total debts increased by 13,56%.

Given the level of **total debts** on 30.06.2019, in absolute figures respectively 8.192.053 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 1.983.933 lei;
- trade payables amounted to 1.858.845 lei represent payment obligations to suppliers for current production and investment activity, including payables;
- dividends payable to shareholders amounted to 600.433 lei;
- debts related to the second part of salaries for the month of June and payment obligations including payroll taxes with maturity in July 2019 amounted to 831.306 lei paid in full at maturity;
- VAT payable for the month of June 2019 amounted to 644.998 lei, with maturity in July 2019;
- tax on dividends paid in June 2019 with maturity in July 2019 amounted to 16.795 lei;
- excise duty for the month of June with maturity in July 2019 amounted to 377.910 lei;

- deferred tax in the amount of 171.967 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 205.866 lei.

► **The equity** on 30.06.2019 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;
- The total reserves as of June 30, 2019 are worth 5,532,367 lei, decreasing compared to the beginning of the year by 20%, as a result of the allocation of the repurchased shares respectively of the implementation of the loyalty program of the personnel of the company according to the Decision A.G.E.A. of April 27, 2017 respectively the Decision of the Board of Directors no 1 of January 28, 2019.;
- The result for the financial year January 1, 2019-- June 30, 2019 is a net profit amounted to 633.385 lei;

The synthetic shareholder structure on 30.06.2019, 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.

#### **b) PROFIT AND LOSS ACCOUNT**

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2018</i>	<i>30.06.2019</i>
► TOTAL REVENUES -- of which:	16.258.005	16.867.791
• Turnover (net sales)	14.394.340	15.138.939
► TOTAL EXPENSES -- of which cost and expense elements with a share over 20% of net sales	15.331.255	16.136.278
• Expenses for raw material, consumables and energy	45,81%	44,96%
• Expenses for the employees including the insurance and social security	39,07%	42,66%
• Expenses for the depreciation of tangible assets, external services and others	15,12%	12,38%
► GROSS PROFIT	926.750	731.513
► NET PROFIT	802.483	633.385
► NET LOSS		

**The levels of indicators presented in the profit and loss statement for the period January 1, 2019 - June 30, 2019 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 1.334.089 lei.**

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

**c) CASH FLOW** -- At the beginning of the period from 01 January 2019, the existing cash was amounted to 11.859 lei, the collections during the period 1 January-30 June 2019 were amounted to 17.926.297 lei and the cash balance at the end of the period was amounted to 9.559 lei.

Payments made during the period January 1-June 30, 2019 were amounted to 17.928.597 lei of which payments for current production activity amounted to 14.359.314 lei, payments for investment activities amounted to 2.200.408 lei and payments for financing activities amounted to 1.368.875 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 **16.867.791 lei** with total expenses amounted to **16.136.278 lei**, the result being a gross profit amounted to **731.513 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 **15.548.214 lei**, revenues amounted to **16.867.791 lei** and a gross profit amounted to **1.319.577 lei**.

► **THE FINANCIAL ACTIVITY** generated financial expenses amounted to **588.064 lei**, with no financial income.

As a result there has been a loss amounted to **588.064 lei**.

By nature, financial expenses have the following structure:

- interest expense paid on short-term loans: **56.696 lei**
- other financial expenses amounted to **531.368 lei** representing: 38.375 lei - fees for granting and managing loans under contracts with banks as well as for the operations on current accounts, 492.289 lei - financial discounts and 704 lei - exchange differences on currency payments.

The net turnover in the period January 1, 2019 - June 30, 2019 is amounted to **15.138.939 lei**.

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

- net turnover in comparable figures increased by 5,17%;
- total income increased by 3,75%;
- total expenses increased by 5,25%;
- profit recorded in the first half of 2019 is 633.385 lei decreased by 21% compared to the corresponding period of the previous year.

► 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 1.174.464 lei and represents: barrels, crates, bottles, beer dispensers, refrigeration showcases, umbrellas, personalized glasses and mugs, CO<sub>2</sub> tubes, covered terraces facilities, various other advertising materials, radio and TV advertising etc.

### **2.1. The company's liquidity**

#### **1. General liquidity:**

$$\text{General liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Current \_ assets}}{\text{Shor - term \_ debts}} = \frac{16.704.817}{5.541.217} = 3,00$$

$$\text{General liquidity 1}^{\text{st}} \text{ half 2019} = \frac{\text{Current \_ assets}}{\text{Short - term \_ debts}} = \frac{17.310.178}{6.520.086} = 2,65$$

2. Reduced liquidity:

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Current\_assets} - \text{Inventory}}{\text{Short\_term\_debts}} = 0,62$$

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2019} = \frac{\text{Current\_assets} - \text{Inventory}}{\text{Short-term\_debts}} = 0,60$$

3. Immediate liquidity:

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2018} = \frac{\text{Liquidities}}{\text{short-term\_debts}} = 0,008$$

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2019} = \frac{\text{Liquidities}}{\text{Short-termdebts}} = 0,002$$

2.2. Capital expenditures related to the first half of 2019 amount to 2.200.048 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. 2018 - 30.06.2019 there were no changes in the rights of holders of security of issued by the company.

4. **Significant transactions:** - In the first half of 2019 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. Anisoi Elena*

*ECONOMIC MANAGER,  
ec. Ţebrean Iridenta*