



## 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: 30.06.2020

#### 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>, 2020 - June 30, 2020 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 9, 2020 in compliance with the law applicable and the provisions of the Articles of Incorporation.

#### a) **BALANCE SHEET ELEMENTS**

##### ▶ **ASSETS**

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2019</i>	<i>30.06.2020</i>
TOTAL CURRENT ASSETS	30.608.378	34.636.522
Of which:		
• Fixed assets	13.150.928	15.404.030
• Inventory	13.387.259	16.030.276
• Cash and bank accounts	9.559	13.618
• Receivables	3.913.360	3.041.192
• Accrued expenses	147.272	147.406

##### ▶ **LIABILITIES**

	- lei-	
<i>SPECIFICATION</i>	<i>30.06.2019</i>	<i>30.06.2020</i>
TOTAL CURRENT LIABILITIES -- of	30.608.378	34.636.522
which:		
• Equity	22.416.325	21.400.212
• Payables	8.192.053	13.236.310

Analysing the total assets and the total liabilities compared to the same period of the previous year we find an increase by 13,16%.

On main asset groups, the situation is as follows:

► **The tangible assets** on June 30, 2020 have a net value amounted to 15.404.030 lei increased by 17,13% compared to 30.06.2019 when they reached a level of 13.150.928 lei and they represent 44,47% of total assets.

The tangible assets represent 99,31% 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 2020 we have commissioned and upgraded fixed assets amounted to 4.988.577 lei and the advances paid for investments were 96.486 lei.

• The increase of total depreciations which for the first half of 2020 was amounted to 788.095 lei.

The decommissioning of certain fixed assets due to wear and tear, their value being amounted to 232.510 lei.

► **Inventories** have a capital value of 16.030.276 lei on 30.06.2020 recording an increase by 19,74% compared to the corresponding period of the previous year when the recorded level was amounted to 13.387.259 lei and a share in total assets of 46,28%.

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 45,75%, then the raw materials (barley, hops) and main materials used in technological process with a share of 12,74% and the remaining 1,21% is held by other inventories (finished goods, spare parts etc.).

Inventories without movement or with slow movement have an insignificant share of 0,94% and they have been provisioned for impairment at 100%.

► **Cash and bank accounts** on 30.06.2020 registered a level of 13.618 lei, in increase compared to the similar period of the previous year when they reached a level of 9.559 lei;

► **Receivables** decreased by 22,29% compared to the corresponding period of the previous year respectively from 3.913.360 lei to 3.041.192 lei.

► Referring to the liability elements, on 30.06.2020 **equity** holds a share of 61,79% in current liabilities and total debts hold a share of 38,21%.

Compared to the corresponding period of the previous year, equity registered an decrease by 4,43% and total debts increased by 61,58%.

Given the level of **total debts** on 30.06.2020, in absolute figures respectively 11.736.310 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 3.458.154 lei;
- trade payables amounted to 1.546.571 lei represent payment obligations to suppliers for current production and investment activity, including payables;
- dividends payable to shareholders amounted to 2.276.045 lei;
- debts related to the second part of salaries for the month of June and payment obligations including payroll taxes with maturity in July 2020 amounted to 842.110 lei paid in full at maturity;
- VAT payable for the month of June 2020 amounted to 610.903 lei, with maturity in July 2020;
- excise duty for the month of June with maturity in July 2020 amounted to 343.444 lei;

- Medium-term loans amounting to 2,387,500 lei, of which 820,960 lei with a maturity of less than one year.
- deferred tax in the amount of 165.655 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 105.928 lei.

► **The equity** on 30.06.2020 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, 2020 are worth 5,766,816 lei, increasing compared to the beginning of the year by 2.12%, as a result of the distribution of the net profit for year 2019;
- The result for the financial year January 1, 2020-- June 30, 2020 is a loss amounted to 619.266 lei;

The synthetic shareholder structure on 30.06.2020, 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>30.06.2019</i>	<i>30.06.2019</i>
► TOTAL REVENUES -- of which:	16.867.791	12.882.536
• Turnover (net sales)	15.138.939	11.382.734
► TOTAL EXPENSES -- of which cost and expense elements with a share over 20% of net sales	16.136.278	13.502.966
• Expenses for raw material, consumables and energy	44,96%	38,46%
• Expenses for the employees including the insurance and social security	42,66%	44,70%
• Expenses for the depreciation of tangible assets, external services and others	12,38%	16,84%
► GROSS PROFIT	731.513	(620.430)
► NET PROFIT	633.385	
► NET LOSS		619.266

**The levels of indicators presented in the profit and loss statement for the period January 1, 2020 - June 30, 2020 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 998.176 lei.**

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

c) **CASH FLOW** -- At the beginning of the period from 01 January 2020, the existing cash was amounted to 29.559 lei, the collections during the period 1 January-30 June 2020 were amounted to 15.128.425 lei and the cash balance at the end of the period was amounted to 13.618 lei.

Payments made during the period January 1-June 30, 2020 were amounted to 15.144.166 lei of which payments for current production activity amounted to 12.571.477 lei, payments for investment activities amounted to 2.368.212 lei and payments for financing activities amounted to 204.477 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 **12.883.700 lei** with total expenses amounted to **13.502.966 lei**, the result being a loss amounted to **619.266 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 **13.002.073 lei**, revenues amounted to **12.882.536 lei** and a loss amounted to **119.537 lei**.

► **THE FINANCIAL ACTIVITY** generated financial expenses amounted to **500.893 lei**, with no financial income.

As a result there has been a loss amounted to **500.893 lei**.

By nature, financial expenses have the following structure:

- interest expense paid on short-term loans: **85.592 lei**
- other financial expenses amounted to **415.301 lei** representing: 32.259 lei - fees for granting and managing loans under contracts with banks as well as for the operations on current accounts, 381.756 lei - financial discounts and 1.286 lei - exchange differences on currency payments.

The net turnover in the period January 1, 2020 - June 30, 2020 is amounted to **11.382.734 lei**.

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

- net turnover in comparable figures decreased by 24,81%;
- total income decreased by 23,63%;
- total expenses decreased by 16,32%;
- loss recorded in the first half of 2020 is 619.266 lei.

► 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 1.459.546 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:**

$$\text{General liquidity 1}^{\text{st}} \text{ half 2019} = \frac{\text{Current\_assets}}{\text{Shor-term\_debts}} = \frac{17.310.178}{6.520.086} = 2,65$$

$$\text{General liquidity 1}^{\text{st}} \text{ half 2020} = \frac{\text{Current\_assets}}{\text{Short-term\_debts}} = \frac{19.085.085}{10.004.115} = 1,91$$

#### **2. Reduced liquidity:**

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

$$\text{Reduced liquidity 1}^{\text{st}} \text{ half 2020} = \frac{\text{Current\_assets} - \text{Inventory}}{\text{Short-term\_debts}} = 0,31$$

### 3. Immediate liquidity:

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2019} = \frac{\text{Liquidities}}{\text{short-term\_debts}} = 0,002$$

$$\text{Immediate liquidity 1}^{\text{st}} \text{ half 2020} = \frac{\text{Liquidities}}{\text{Short-termdebts}} = 0,001$$

**2.2.** The capital expenditures related to the first semester of 2020 are in the amount of 4,988,577 lei, representing acquisitions of fixed assets and modernizations, advances for major investments in technological equipment part of the investment program approved by the General Meeting of Shareholders, objectives achieved and put into operation, financed 50% from own sources and 50% from medium-term loans. As a result, the impact on the company's financial situation is significant .

**2.3.** With regard to events, transactions or economic changes affecting income from core business, in addition to the economic concentrations of recent years which have created monopoly positions for multifunctionals in the beer market leading to a clear polarization in terms of capacity production and financial capacity, having as effect distortions from a competitive view, the impact of the COVID-19 epidemic on the entire activity of the company is added.

The measures taken by the authorities to prevent the spread of the new coronavirus have had the effect of reducing production, sales and turnover by 25%, without any certainty that in the remaining period until the end of the year it will recover more than 5%.

Thus, during the analyzed period, the company made efforts to maintain jobs and pay salaries to all employees from its own sources without receiving state aid, given the decrease in production volume and partial capitalization of stocks of raw materials from the previous year for manufacturing beer. The volume of brewed beer has been reduced due to the suspension of the serving and consumption of food and alcoholic and non-alcoholic beverages in restaurants, hotels, cafes and other public places in indoor and outdoor spaces.

Even if some measures have been relaxed since June, the loss of sales in the ho-re-ca system can no longer be recovered and not even maintained in the second half of this year at the level of the corresponding period of the previous year.

At the same time, the company made its own assessment in terms of economic activity, taking measures to ensure the resources of raw materials (barley from the new harvest and hops), malt manufacturing at the level necessary for beer production in the fourth quarter of 2020 and the quarters I, II, III in 2021; maintaining jobs (paying salaries and other salary rights to all employees) and of course fulfilling the obligations assumed by commercial contracts, loans, financing, services, e.t.c.

It all depends on the evolution of the epidemic, the measures that will be taken by the authorities, the purchasing power of the population and the structural reorientation of consumption given the exceptional situation created by the COVID-19 epidemic.

As a local factory with regional sales, SC „BERMAS” SA feels the effects of these distortions, to which is added the lack of economic measures to stimulate 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 31.12. 2019 - 30.06.2020 there were no changes in the rights of holders of security of issued by the company.

**4. Significant transactions:** - In the first half of 2020 there were no major transactions concluded by the issuer with persons acting in concert or involving these persons.

**5. Signatures**

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

*ECONOMIC MANAGER,  
ec. Tebrean Iridenta*