

MIRA INFORM REPORT

Report No. :	530829
Report Date :	24.09.2018

IDENTIFICATION DETAILS

Name :	VIOFAR LTD
Registered Office :	Ethn. Antistaseos & 76A Trifylias, Acharnes, 13671
Country :	Greece
Financials (as on) :	December 2016
Date of Incorporation :	23.12.1993
Com. Reg. No.:	84213102000
Legal Form :	Limited liability company
Line of Business :	The subject is engaged in the production of medicines
No. of Employees :	45

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limit :	Euro 16,000
Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Greece	C1	C1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

GREECE - ECONOMIC OVERVIEW

Greece has a capitalist economy with a public sector accounting for about 40% of GDP and with per capita GDP about two-thirds that of the leading euro-zone economies. Tourism provides 18% of GDP. Immigrants make up nearly one-fifth of the work force, mainly in agricultural and unskilled jobs. Greece is a major beneficiary of EU aid, equal to about 3.3% of annual GDP.

The Greek economy averaged growth of about 4% per year between 2003 and 2007, but the economy went into recession in 2009 as a result of the world financial crisis, tightening credit conditions, and Athens' failure to address a growing budget deficit. By 2013, the economy had contracted 26%, compared with the pre-crisis level of 2007. Greece met the EU's Growth and Stability Pact budget deficit criterion of no more than 3% of GDP in 2007-08, but violated it in 2009, when the deficit reached 15% of GDP. Deteriorating public finances, inaccurate and misreported statistics, and consistent underperformance on reforms prompted major credit rating agencies to downgrade Greece's international debt rating in late 2009 and led the country into a financial crisis. Under intense pressure from the EU and international market participants, the government accepted a bailout program that called on Athens to cut government spending, decrease tax evasion, overhaul the civil-service, health-care, and pension systems, and reform the labor and product markets. Austerity measures reduced the deficit to 1.3% in 2017. Successive Greek governments, however, failed to push through many of the most unpopular reforms in the face of widespread political opposition, including from the country's powerful labor unions and the general public.

In April 2010, a leading credit agency assigned Greek debt its lowest possible credit rating, and in May 2010, the IMF and euro-zone governments provided Greece emergency short- and medium-term loans worth \$147 billion so that the country could make debt repayments to creditors. Greece, however, struggled to meet the targets set by the EU and the IMF, especially after Eurostat - the EU's statistical office - revised upward Greece's deficit and debt numbers for 2009 and 2010. European leaders and the IMF agreed in October 2011 to provide Athens a second bailout package of \$169 billion. The second deal called for holders of Greek government bonds to write down a significant portion of their holdings to try to alleviate Greece's government debt burden. However, Greek banks, saddled with a significant portion of sovereign debt, were adversely affected by the write down and \$60 billion of the second bailout package was set aside to ensure the banking system was adequately capitalized.

In 2014, the Greek economy began to turn the corner on the recession. Greece achieved three significant milestones: balancing the budget - not including debt repayments; issuing government debt in financial markets for the first time since 2010; and generating 0.7% GDP growth — the first economic expansion since 2007.

Despite the nascent recovery, widespread discontent with austerity measures helped propel the far-left Coalition of the Radical Left (SYRIZA) party into government in national legislative elections in January 2015. Between January and July 2015, frustrations grew between the SYRIZA-led government and Greece's EU and IMF creditors over the implementation of bailout measures and disbursement of funds. The Greek government began running up significant arrears to suppliers, while Greek banks relied on emergency lending, and Greece's future in the euro zone was called into question. To stave off a collapse of the banking system, Greece imposed capital controls in June 2015, then became the first developed nation to miss a loan payment to the IMF, rattling international financial markets. Unable to reach an agreement with creditors, Prime Minister Alexis TSIPRAS held a nationwide referendum on 5 July on whether to accept the terms of Greece's bailout, campaigning for the ultimately successful "no" vote. The TSIPRAS government subsequently agreed, however, to a new \$96 billion bailout in order to avert Greece's exit from the monetary bloc. On 20 August 2015, Greece signed its third bailout, allowing it to cover significant debt payments to its EU and IMF creditors and to ensure the banking sector retained access to emergency liquidity. The TSIPRAS government — which retook office on 20 September 2015 after calling new elections in late August — successfully secured disbursement of two delayed tranches of bailout funds. Despite the economic turmoil, Greek GDP did not contract as sharply as feared, boosted in part by a strong tourist season.



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In 2017, Greece saw improvements in GDP and unemployment. Unfinished economic reforms, a massive non-performing loan problem, and ongoing uncertainty regarding the political direction of the country hold the economy back. Some estimates put Greece's black market at 20- to 25% of GDP, as more people have stopped reporting their income to avoid paying taxes that, in some cases, have risen to 70% of an individual's gross income.

Source : CIA

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BASIC DETAILS

Registered Name	VIOFAR LTD		
English Name	VIOFAR LTD		
Trade Name	VIOFAR LTD		
Registered Address	Ethn. Antistaseos & 76ATrifylias, Acharnes, 13671 , Greece		
Activities	Manufacture of pharmaceutical preparations		
Company Status	Registered and operational		
Company Reg. No	84213102000		
Company Reg. Date	23/12/1993		
Start Date	23/12/1993		
Tax Reg. No	095686605		
Telephone	+30 2102468725 / 2102468185	Fax	+30 2102461937
E-mail	info@viofar.gr	Website	www.viofar.gr

CREDIT RATING ANALYSIS

Suggested 16,000 €
Maximum Credit

PAYMENT BEHAVIOUR

Payment habits	Slow but Correct	Please note that no payment information is available for the subject company.
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FINANCIAL SUMMARY

Basic Financial Figures	2016 (EUR)	2015 (EUR)
Revenue	3,310,437	3,881,521
Gross Profit	586,640	1,374,530
Operating Profit	-179,994	111,169
Profit Before Tax	-273,785	20,713
Net Profit	-273,785	8,635
Working Capital	-2,380,649	-1,619,985
Total Equity - Net Worth	2,897,260	3,171,045
Accounts Receivable	22,836	22,836
Days Sales Outstanding	153.926091932878	130.671079713339
Trend	EVEN	EVEN
Key Ratios	2016	2015
Gross Profit margin on sales	17.72	35.41
Current Ratio	0.55	0.68

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Solvency Ratio	-0.05	0
Debtor Days	153.93	130.67
Creditor Days	570.15	581.92
Probability of Default	Safe zones	Safe zones

LEGAL STATUS

Legal Type Limited liability company

Capital Authorized Capital € 3,212,400

CORPORATE STRUCTURE

Directors

Name	Position	ID	Occupation	Age	Nationality	Other Rel	Appointment date
Mrs Efthymiopoulou, Kali Eli.	Director	-	Administrator	-	Greece	No	-
Mrs Efthymiopoulou, Margarita Eli.	Director	-	Administrator	-	Greece	No	-

SHAREHOLDERS

Name	ID/Reg. No	Nationality	Number of Shares	Percentage of Shares	Other Rel
Mrs Efthymiopoulou, Margarita Eli.	(Reg. No.)	Greece		50	
Mrs Efthymiopoulou,	(Reg. No.)	Greece		50	

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NEGATIVE INCIDENTS

According to our records against the subject no negatives have been registered.

FINANCIAL INFORMATION

Currency	Euro - €		
Group	No		
Consolidated Accounts			
Type	Trading & Manufacturing		
Corporate financial statement	December 2016		December 2015
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Non current Assets			
Property, Plant & Equipment	€ 4,896,251		€ 4,409,362
Intangible assets	€ 358,822		€ 358,832
Receivables	€ 22,836		€ 22,836
Total Non current Assets	€ 5,277,909		€ 4,791,030
Current Assets			
Inventories	€ 1,159,322		€ 898,308
Receivables	€ 1,396,062		€ 1,389,596
Other Assets	€ 923		€ 923
Cash at bank and in hand	€ 333,145		€ 1,090,601
Total current Assets	€ 2,889,452		€ 3,379,428
Total Assets	€ 8,167,361		€ 8,170,458
EQUITY AND LIABILITIES			
Equity			
Share capital	€ 2,252,400		€ 2,252,400
Other reserves	€ 889,034		€ 889,034
Retained Earnings	€ -244,174		€ 29,611
Total Equity	€ 2,897,260		€ 3,171,045
Trade and other payables	€ 4,254,705		€ 3,996,903
Interest-Bearing Borrowings	€ 943,443		€ 991,343
Accrued Liabilities	€ 3,027		€ 2,637
Current tax liabilities	€ 68,926		€ 8,530
Total current liabilities	€ 5,270,101		€ 4,999,413
Total Liabilities	€ 5,270,101		€ 4,999,413
Total Equity and liabilities	€ 8,167,361		€ 8,170,458
STATEMENT OF COMPREHENSIVE INCOME			
Revenue	€ 3,310,437		€ 3,881,521
Cost of Sales	€ -2,723,797		€ -2,506,991
Gross Profit	€ 586,640		€ 1,374,530
Other income			€ 470
Other expenses	€ -766,634		€ -1,263,831

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Operating Loss/Profit	€ -179,994	€ 111,169
Finance costs	€ -93,791	€ -90,456
Net finance costs	€ -93,791	€ -90,456
Profit before tax	€ -273,785	€ 20,713
Tax		€ -12,078
Net profit/loss for the year*	€ -273,785	€ 8,635
Other comprehensive income		
Total comprehensive income for the year	€ -273,785	€ 8,635
CASH FLOW STATEMENT		
Profit before tax	€ -273,785	€ 20,713
Adjustments for:		
Cash flows (used in)/ from operations	€ -273,785	€ 20,713
Net Cash flows (used in)/ from operating activities	€ -273,785	€ 20,713
Net (decrease)/increase in cash and cash equivalents	€ -273,785	€ 20,713
Cash and cash equivalents:		
At end of the year	€ -273,785	€ 20,713

Key Ratios	December 2016	December 2015
Profitability Ratios		
Gross Profit margin on sales	0.18	0.35
Return on assets (ROA)	-0.03	0
Return on Equity	-9.45	0.27
Operating Income margin	-5.44	2.86
Liquidity Ratios		
Current Ratio	0.55	0.68
Quick Ratio	0.33	0.5
Turnover Ratios		
Sales to Net Working Capital Ratio	-1.39	-2.4
Total assets turnover (times)	0.41	0.48
Debtor Days	153.93	130.67
Creditor Days	570.15	581.92
Leverage Ratios		
Debt to Equity	1.82	1.58
Interest Coverage Ratio	3.92	0.77

ADDITIONAL COMMENTS ON FINANCIAL STATEMENT

No information available

ADDITIONAL INFORMATION

Conclusion

Please note that the subject company is not an SA company therefore the subject doesn't have registration number, the Registration Number mentioned above is the GEMI Number (General Commercial Registry) of the company, which is a newly established service concerning the registration of commercial enterprises regardless of their legal form.

G.E.MI.: 84213102000

COMPANY'S HISTORY

Company was established in 1993 having a legal seat at Achanres and is engaged in production of medicines. On 28/2/2007 (Gov. Gaz. No. 01455/2007) a change of subject's head office was published. It is noted that the above report is according to published data and other information available in our files. Company hasn't published balance sheet for the fiscal year 2017.

Please note that the information provided in this report was obtained from official and publicly available sources.

INDUSTRY DEVELOPMENTS

INDUSTRY HIGHLIGHTS:

The sector consists of more than 100 multinationals and Greek companies, operating in production or/and imports of pharmaceutical and para pharmaceutical products.

The domestic market is dominated by multinational pharmaceutical companies through subsidiaries; hence, it is heavily influenced by international trends (mergers, acquisitions, expenditures in R&D, patent expiration of original medicines etc.). The vast majority of these companies are involved only in the trade of medicines that they import from their parent groups and not in production activity.

Most of the 38 Greek companies focus on the production of generics or original pharmaceuticals on behalf of foreign firms or rarely for their own exploitation.

According to the Price Bulletin issued in June 2017, around 400 companies that hold licenses for pharmaceuticals operate in the market, circulating around 8,500 medicines in total.

Economic recession had a negative impact on the activity and fiscal figures of the country, causing the decline of GDP. These adverse conditions led to the implementation of the fiscal consolidation program, which included the reduction of public pharmaceutical expenditure, so that the deficits of pension funds would be reduced.

Therefore, in recent years measures such as change of pricing method, increase of rebates and clawback to insurance funds, increase of citizens participation etc. are implemented. Hence, net public expenditure was further reduced at ?1.945 billion in 2016, recording a cumulative decline of 62% (or ?3.2 billion) in the last 7 years.

Hence, after 2009 -when medicines sales had reached the highest level- a continuous decrease until 2015 is observed. On the contrary, in 2016 total market value increased by 3.9% at 5.82 billion, due to the more expensive medicines that became available by hospitals and EOPYY pharmacies. However, the cumulative decline of the last 7 years reached 29%.

Also, total volume sales increased by 9% to 547.2 million packages.

Regarding market segments, sales to wholesalers and pharmacies decreased by 1.7% to 4.05 billion, representing 70% of the total. On the contrary, sales volume increased by 6.8% to 453.1 million packages.

In the segment of hospitals and EOPYY pharmacies an intense increase of 19.2% to 1.77 billion occurred (30% of the market), while a higher increase was recorded in volume terms: +20.7% to about 94 million packages.

The debts of public hospitals and EOPYY caused by deficits of pension funds and slow repayment rates constitute a major disadvantage for the industry. Indicatively, debts to SFEE members were 911 million at the end of 2016. However, a decline occurred last year due to the financing of EOPYY and NHS hospitals and clearing of debts with the high clawback paid by the companies.

The charges of companies each year culminate, as they paid 304 million in rebate and 452 million in clawback in 2016, contributing 28% to pharmaceutical expenditure, a percentage showing intense increase over the last years.

Also, the repricing process causes distortions, leading to far greater reductions in the prices of old, inexpensive medicines compared to expensive new drugs. The largest reduction is evident in generics which are produced by domestic enterprises mainly (67% during 2009-2016).

The above-mentioned measures (lower pricing, mandatory rebates and clawback) reduced significantly the real selling prices of medicines and therefore the turnover of most companies of the sector; this trend, combined with public debts, makes their survival difficult.

Financial bench marking analysis:

Short term bank debt decrease as percentage of total assets, at 11.55% , (12.13% in 2015) . As a percentage of turnover it is -but increased compared to 2015- levels, at 28.50% .

Total liabilities increase as percentage of total assets, at 64.53% , (61.19% in 2015) , whereas the median ratio for the sector is estimated at 64.73% . Debt to equity ratio (leverage) is estimated at low - but increased compared to 2015- levels, at 1.82 to 1, whereas the median ratio for the sector is estimated at 1.66 to 1. Interest coverage is limited since the company is loss-making -1.92 times, whereas the median ratio for the sector is estimated at 8.62 times.

Total current assets decrease as percentage of total assets, at 35.38% , (41.36% in 2015) , whereas the median ratio for the sector is estimated at 87.25% . In the same time, current liabilities are relatively high as a portion of total assets (64.53%) driving the quick ratio to a very low level of 0.55 - and lower compared to 2015- , whereas the median ratio for the sector is estimated at 1.40 . Inventory as percentage of total assets are 40.12% , (26.58% in 2015) , whereas the median ratio for the sector is estimated at 6.60% . In addition, acid test ratio is rather low at 0.33 -and lower compared to 2015- , whereas the median ratio for the sector is estimated at 0.99 .

Total assets turnover drops to 0.41 times (0.48 in 2015), which compared to the sector (1.01 times) is very low.

Gross profit margin drops to 17.72% , (from 35.41% in 2015) , which is very low compared to the median ratio in the sector (37.36%) . EBITDA margin is negative -5.44% - while the value was positive in 2015 (6.41%)- , whereas the median ratio in the sector is 5.19% . Return on equity (RoE) is negative -9.45% -while the value was positive in 2015 (0.65%)- , whereas the median ratio in the sector is 16.40% .

COUNTRY DEVELOPMENTS

Below information is taken from World Bank Report of 2015

Ease of Doing Business rank (1-189) 67

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Overall Distance to frontier (DTF)	
Score (0-100)	
GNI per Capita (US\$)	18,960
Getting Credit(rank)	
Protecting minority investors (rank)	
Trading across borders (rank)	
Population	10,746,740
Resolving insolvency (0-100)	57

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.85
UK Pound	1	INR 95.15
Euro	1	INR 84.68
Euro	1	INR 85.53

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	KET

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)