

Consolidated statement of comprehensive income of "Sirma Group Holding" JSC

for the period ended December 31, 2016

	Notes	31.12.2016 '000 lv.	31.12.2015 '000 lv.
Sales revenue	3	40 436	31 764
Income from revaluation and sale of NCA	3	717	1 838
Income from financing	3	179	184
Other incomes	3	255	191
Total revenue		41 587	33 977
Material costs	4.1	(4 821)	(3 167)
Costs for external services	4.2	(8 609)	(6 910)
Staff costs	4.3	(19 101)	(16 369)
Depreciation and impairment of non-financial assets	4.5	(8 239)	(6 816)
Cost of goods sold and other current assets	3	(9 766)	(7 475)
Changes in inventories of finished goods and work in progress		102	499
Capitalized own expenses	4.6	14 542	10 099
Other expenses	4.4	(1 248)	(990)
Total expenditure		(37 140)	(31 129)
Profit / (Loss) from operating activities		4 447	2 848
Financial expenses	5.2	(579)	(693)
Financial income	5.1	322	419
Financial income / expenses net		(257)	(274)
Profit / (Loss) before taxes		4 190	2 574
Income tax expense / Revenue from income taxes		(514)	(359)
Profit / (Loss) for the year from continuing operations	10	3 676	2 215
including profit of non-controlling interest		1 372	786
including loss of non-controlling interest		(54)	(197)
including profit per equity holders of the company - mother		2 358	1 626
Total income per share	10	0,0627	0,0373
Other comprehensive income	6	4 790	3 786
Total comprehensive income		8 509	6 001
Basic earnings per share	10	0,1433	0,1011

Prepared by:

Nikolay Yatzino

CEO:

Tsvetan Alexiev

Date: 15.02.2016

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for the period ended December 31, 2016

Assets	Notes	31.12.2016 '000 lv.	31.12.2015 '000 lv.
Non-current assets			
Intangible assets	7.1.2	47 565	36 800
Goodwill	7.1.2.1	19 540	19 540
Property, plant and equipment	7.1.1	3 409	3 594
Investments in subsidiaries	7.1.4	7	40
Investments in associates	7.1.4	295	276
Deferred tax assets	7.1.5	215	200
Expenditure on acquisition fixed assets	7.1.3	18 436	14 988
Total Non-current assets		89 467	75 438
Current assets			
Inventories	7.2.1	761	892
Trade receivables	7.2.3	6 510	7 144
Receivables from related parties	7.2.2	2 314	1 633
Tax claims	7.2.4	380	128
Other receivables	7.2.4	713	565
Prepaid expenses	7.2.4	135	104
Cash and cash equivalents	7.2.5	6 075	11 176
Treasury shares		302	-
Total Current assets		17 190	21 642
Assets and disposal groups classified as held for sale	7.1.6	11 843	15 188
Total assets		118 500	112 268

Consolidated statement of financial position of "Sirma Group Holding" JSC

for the period ended December 31, 2016 (continued)

Equity and liabilities	Notes	31.12.2016 '000 lv.	31.12.2015 '000 lv.
Equity			
Main / Share Capital	8.1	59 361	59 361
Share premium		1 985	1 985
Reserves	8.2	1 427	1 233
Reserves restated reports	8.2	4 790	3 865
Retained earnings / (Accumulated loss) from previous years	8.3	8 698	6 364
Current financial result	8.3	3 676	2 215
including profit non- controlling interest	8.3	1 372	786
including non-controlling interest loss	8.3	(54)	(197)
including profit per equity holders of the company - mother	8.3	2 358	1 626
Non-controlling interest	8.4	23 650	23 080
Total equity		103 587	98 103
Liabilities			
Non-current liabilities			
Provisions		197	151
Long-term loans	9.1.1	437	510
Finance lease liabilities	9.1.1	285	278
Obligations participations		-	8
Financing		295	89
Deferred tax liabilities	9.1.2	1 122	1 131
Total Non-current liabilities		2 336	2 167
Current liabilities			
Provisions	9.2.8	711	698
Pension obligations to the staff	9.2.6	1 732	1 043
Short-term loans	9.2.1	3 072	1 588
Finance lease liabilities	9.2.1	41	66
Trade and other payables	9.2.2	3 502	5 247
Short-term obligations affiliates	9.2.4	117	16
Tax obligations	9.2.5	818	538
Duties on advances	9.2.3	1 520	1 892
Deferred income and financing		316	635
Obligations participations		232	-
Other liabilities	9.2.7	516	275
Total Current liabilities		12 577	11 998
Total liabilities		14 913	14 165
Total equity and liabilities		118 500	112 268

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Consolidated Cash Flow Statement of "Sirma Group Holding" JSC

for the period ended December 31, 2016

	Notes	31.12.2016 '000 lv.	31.12.2015 '000 lv.
Operation activity			
Cash receipts from customers		43 611	34 369
Payments to suppliers		(23 195)	(13 748)
Payments to employees and social security institutions		(14 050)	(11 994)
Cash flows related to interest, dividends and similar		(123)	-
Payments for income tax		(101)	(15)
Paid and refunded income tax		(374)	(284)
Payments in the distribution of profits		(17)	-
Other receipts / (payments), net		(1 658)	(1 134)
Net cash flow from operating activities	12	4 093	7 194
Investment activity			
Payments for acquisition of property, plant and equipment		(1 601)	(2 018)
Proceeds from sale of property, plant and equipment		2	621
Payments for acquisition of subsidiaries		15	-
Sale of intangible assets		(9 290)	(6 251)
Loans, deposits		(151)	-
Payments on loans		233	-
Loans payables		-	(120)
Cash flows related to deposits for investments		525	2
Interest payments on loans		(25)	(16)
Other		10	(109)
Net cash flow from investing activities	12	(10 282)	(7 891)

Consolidated Cash Flow Statement of "Sirma Group Holding" JSC

for the period ended December 31, 2016 (continued)

	Notes	31.12.2016 '000 lv.	31.12.2015 '000 lv.
Financing activity			
Received or provided loans		1 684	528
Loans payables		(369)	(2 892)
Cash flows from issuance and reacquisition of securities		(57)	11 424
Proceeds from interest, dividends and similar		(33)	(125)
Payments under finance leases		(96)	(64)
Interest payments		(51)	-
Cash flows from positive and negative foreign exchange differences		3	7
Cash flows from additional contributions and returning them to the owners		34	-
Other		(27)	(8)
Net cash flow from financing activities	12	1 088	8 870
Net change in cash and cash equivalents	12	(5 101)	8 173
Cash and cash equivalents at beginning of year	12	11 176	3 003
Cash and cash equivalents at end of year	12	6 075	11 176
Cash and cash equivalents at the end of the year without these in a disposal group	12	6 075	11 176

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Consolidated statement of changes in equity of "Sirma Group Holding" JSC

for the period ended December 31, 2016

All amounts are in '000 lv.	Main / Share capital	Unpaid capital	Reserves	Retained earnings/ (Accumulated loss)	Current financial result	Non-controlling interests	Total equity
Balance at January 1, 2016	59 361	-	7 083	6 364	2 215	23 080	98 103
Correction IAS 8	-	-	-	-	-	-	-
Balance at 1 January 2016 - IAS 8	59 361	-	7 083	6 364	2 215	23 080	98 103
Recalculated balance to January 1, 2016	59 361	-	7 083	6 364	2 215	23 080	98 103
<i>Distribution of profit:</i>							
<i>dividends</i>	-	-	-	(407)	-	-	(407)
<i>reserves</i>	-	-	423	(423)	-	479	479
<i>others</i>	-	-	(229)	-	-	229	-
Retained earnings	-	-	-	2 215	(2 215)	(25)	(25)
Correction restated reports	-	-	925	-	-	-	925
Profit / (Loss) for the year	-	-	-	-	3 676	-	3 676
Changes at the expense of owners	-	-	-	949	-	(113)	836
Balance at December 31, 2016	59 361	-	8 202	8 698	3 676	23 650	103 587

All amounts are in '000 lv.	Main / Share capital	Unpaid capital	Reserves	Retained earnings/ (Accumulated loss)	Current financial result	Non-controlling interests	Total equity
Balance at January 1, 2015 - certified report 2014	49 837	(25)	2 222	2 197	9 778	18 320	82 329
Correction IAS 8	-	-	-	(35)	(136)	-	(171)
Balance at 1 January 2015 - IAS 8	49 837	-	2 222	2 162	9 642	18 320	82 158
Adjusted balance at January 1, 2015	-	25	-	9 642	-	891	10 558
Recalculated balance to January 1, 2015	49 837	-	2 222	11 804	-	19 211	83 074
<i>Distribution of profit:</i>							
<i>dividends</i>	-	-	-	(526)	-	-	(526)
<i>reserves</i>	-	-	(794)	(736)	-	381	(1 149)
<i>other</i>	-	-	1 985	(4 178)	-	1303	(890)
Retained earnings	-	-	-	-	-	2 185	2 185
Correction restated reports	-	-	3 865	-	-	-	3 865
Acquisition of the company and changes in shareholding	9 524	-	-	-	-	-	9 524
Profit / (Loss) for the year	-	-	-	-	2 215	-	2 215
Changes at the expense of owners	-	-	(195)	-	-	-	(195)
Balance at December 31, 2015	59 361	-	7 083	6 364	2 215	23 080	98 103

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