

“Global Consulting” EOOD

Denitsa Nikolaeva, lead financial analyst
d.nikolaeva@bcra-bg.com
Vesela Velichkova, financial analyst
v.velichkova@bcra-bg.com

| | Initial rating 09.2004 | Update 05.2005 | Update 09.2006 | Update 08.2007 | Update 10.2008 |
|----------------------|---|---|---|---|--|
| CREDIT RATING | BB+ Stable B | BBB Stable A-3 | BBB Negative A-3 | BBB Stable A-3 | BBB+ Stable A-2 |
| Long-term rating : | | | | | |
| Outlook : | | | | | |
| Short-term rating : | | | | | |

| | Update 05.2009 | Update 18.10.2010 | Update 31.10.2011 | Update 06.11.2012 | Update 23.10.2013 |
|----------------------|--|--|--|--|--|
| CREDIT RATING | BBB+ Stable A-2 | BBB+ Stable A-2 | A- Stable A-1 | A- Stable A-1 | A- Stable A-1 |
| Long-term rating : | | | | | |
| Outlook : | | | | | |
| Short-term rating : | | | | | |

BCRA - Credit Rating Agency (BCRA) is the third qualified rating agency in EU, registered under Regulation 1060/2009 of the European Parliament and of the European Council. The credit ratings, assigned by BCRA, are recognized in the whole EU and are entirely equal with the other ratings, recognized by European Securities and Markets Authority (ESMA), without any territorial or other restrictions. The rating scale of BCRA coincides with the scale of Standard & Poor's.

BCRA retains the long-term credit rating A- (outlook: stable) and short-term rating A-1 to Global Consulting EOOD. The officially adopted by BCRA methodology for assignment of corporate credit rating is used (http://www.bcra-bg.com/files/file_103.pdf).

To elaborate the credit report and assign the credit rating, the information, provided by the rated company, NSI, BCRA's database, consultants and other sources of public information is used.

The basic macroeconomic factors, which determine the functional environment in which the companies operate in Bulgaria for the period 06.2011 – 06.2012, are: a low increase of GDP in 2012 and a slight drop for the first term of 2013, a decrease of inflation and a slight growth of unemployment, a gradual increase of direct foreign investments until 2012 but a decline during the first term of 2013 on a yearly basis. The companies continue to follow the cost reduction strategies, as one of the affected items is the investments in IT. Despite that by data of the experts in the field, the turnovers related to the software products increased in 2012, but the

hardware market is still under the negative impact of the crisis.

During the period under review no changes occurred in the participations of the rated company or of the solely owner in other companies.

The main business activity of Global Consulting did not undergo any changes during the analyzed period and continue to be related to the sales of software and hardware solutions and services after delivery – installation, introduction, training, guarantee and out-of-guarantee maintenance, professional consultations in the field of IT. The company continues to develop its business partnership with the world famous suppliers EMC, Informatica, Sybase, Unisys, Sterci SA, Omikron. The company sell goods and services in Bulgaria, also in other countries which are EU members, as well as in third countries.

In 2012 the turnovers of clients decreased considerably compared to the previous year as the number of the clients reduced. In the first term of 2013 the turnovers with clients registered a considerable growth but their concentration also increased. The relations established with a larger part of the clients are long lasting. As of the time of credit rating assignment, some concentration was registered with receivables from clients.

The company maintains long-term relations with its main suppliers. The turnovers with them move in a similar manner as these with clients. In 2012 there a shrinkage was reported, and a growth for the first term of 2013. The company continues to maintain a good diversification of the suppliers. The liabilities to suppliers are extremely low in the whole analyzed period.

During the period under review the company has invested in creation of three own products which have the aim to improve the internal organization and to increase the quality of the services offered. They came into operation at the beginning of 2013.

After the reported growth in 2011, in 2012 the sales income of the analyzed company registered a decrease on an yearly basis in the amount of 37.2%. As of the first term of the current year the incomes of the company registered a positive trend, mainly in line of the incomes from services. The expenses for operating activity follow a similar trend with this of the incomes and registered a decline of 59.3% on an yearly basis in 2012. The decrease is on all expense items but part of the expenses for salaries are included directly in the value of the produced fixed intangible assets during the period. Due to this similar tendency in incomes and expenses, the operating and net results retained the same. As a result, the profitability reported a considerable growth in 2012. Global Consulting continues to maintain a high liquidity and extremely low leverage.

In case the company develops in a similar manner with the forecast, and at the lack of long-term borrowings, BCRA foresees that the company shall continue to realize a positive net financial result throughout the whole forecast period and shall be characterized with a very fair creditworthiness in a short-term and middle-term aspect.

Main Financial Indicators:

| Indicator (thous. leva) | 6.2013 | 2012 | 2011 |
|--------------------------------|---------------|-------------|-------------|
| Assets | 8 705 | 8 883 | 7 983 |
| Sales Income | 2 590 | 3 115 | 4 959 |
| Net Financial Result | 1 179 | 2 018 | 1 795 |
| Net profitability | 45.52% | 64.78% | 36.20% |
| Current Liquidity | 21.62 | 21.66 | 7.17 |
| Swift Liquidity | 13.89 | 19.38 | 6.10 |
| Leverage | 0.07 | 0.04 | 0.14 |
| Net Cash Flow | -2 009 | 104 | 2 064 |