

*September 23, 2023*

*To  
Finkredyt Ltd Prague  
Czech Republic*

**Subject:** Rating Certification related to the financial statements for the years 2020-2021 and 2022 provided by an external and independent professional according to Basel 2000 regulations

*Dear Sirs,*

Referring to the professional mandate entrusted to me, I have proceeded with the analysis of the annual financial statements for the years 2020 – 2021 – 2022 of Finkredyt Ltd, which were subject to limited review.

Initially, it should be noted that from the analysis conducted, the final external rating of Finkredyt Ltd is as follows:

**“A”**

The analysis of the economic, equity, and financial situation for the year 2020 shows a substantial economic balance compared to past exercises, demonstrating careful management characteristic of the company.

The profitability of revenue from services has changed from -3% to +1.5%.

The structural margin is positive, and the company's assets are financed 90.26% by equity.

The company essentially has no debts, and in particular, the absence of financial debts is noted.

Overall, the capital structure is solid, and the liquidity availability index is positive and has improved compared to the previous year.

Below are the results of the analysis conducted.

List of main balance sheet ratios and economic and equity margins

The ratios are divided by category and refer to the three years of the analyzed balance sheets.

The tables show the reference value for each of the ratios and to facilitate reading and judgment, values outside these parameters appear in red.

		31/12/2020	31/12/2021	31/12/2022	Reference Parameters
<b>PROFITABILITY RATIOS</b>					
(Return on Equity)	Rn/PN	-0,84%	-15,40%	-19,88%	Trend
(Return on Investment)	EBIT/TI	5,71%	-7,45%	-12,94%	Trend
(Return on Debt)	Of/Ct	47,51%	18,51%	37,42%	Trend
Leverage	Ti/PN	1,02	1,03	1,02	< 2
Non-operational management impact	Rn/EBIT	-150,90%	190,44%	150,24%	Trend
(Return on Sales)	EBIT/Rv	1,58%	-1,76%	-5,00%	Trend

		31/12/2020	31/12/2021	31/12/2022	Reference Parameters
<b>CAPITAL RATIOS</b>					
Rigidity of employment	I/TI	1,59%	1,49%	1,79%	< 70%
Elasticity of employment	Ac/Ti	97,39%	99,43%	97,13%	> 30%
Short-term debt incidence	Db/Tp	0,74%	2,06%	0,75%	
Financial autonomy	Pn/Tp	98,26%	98,94%	98,25%	> 55%
Incidence of permanent	(Pn+Dml)/Tp	98,26%	98,94%	98,25%	> 60%
Financial dependence	Ct/Tp	0,69%	2,08%	0,69%	< 50%

		31/12/2020	31/12/2021	31/12/2022	Reference Parameters
<b>FINANCIAL RATIOS</b>					
<b>Capital solidity indices</b>					
Self-coverage of Fixed Assets	Pn/I	60,69	61,25	53,96	> 0,33
Coverage of Fixed Assets	(Pn+Dml)/I	59,67	61,44	53,01	> 1

		31/12/2020	31/12/2021	31/12/2022	Reference Parameters
<b>Liquidity Indices</b>					
Liquidity Ratio	Ac/Pb	132,45	46,91	130,22	> 1

		31/12/2020	31/12/2021	31/12/2022	Reference Parameters
<b>Turnover Indices</b>					
Fixed Assets Turnover	Rv/I	220,29	281,89	145,88	Trend
Current Assets Turnover	Rv/Ac	3,58	4,53	2,83	Trend
Capital Employed Turnover	Rv/Ti	3,66	4,78	2,85	Trend

## Altman Z-Score

The Altman Z-Score, developed by the economist whose name it bears, is a composite indicator of a company's financial situation. The index is calculated based on five other financial ratios.

The following report presents an assessment of the company's financial equilibrium and the likelihood of future default.

	Year	Year	Year
	31/12/2019	31/12/2018	31/12/2017
<b>INDICE Z-SCORE</b>	151,25	58,49	147,38
	<i>Good level of financial equilibrium</i>	<i>Good level of financial equilibrium</i>	<i>Good level of financial equilibrium</i>

The individual indicators that contribute to the Altman Z-Score are as follows:

		Year	Year	Year
		31/12/2020	31/12/2021	31/12/2022
<b>Legend of indices:</b>				
A	FINANCIAL			
	A = (current assets – current liabilities) / total assets	0,97	0,95	0,96
B	SELF-FINANCING			
	B = retained earnings / total assets	-0,04	-0,18	-0,19
C	PROFITABILIT			
	C = operating profit / total assets	0,07	-0,06	-0,21
D	SOLVENC			
	D = market value of equity / total debt	133,99	46,88	131,45
E	CAPITAL			
	E = sales / total assets	3,47	4,48	2,66

## Creditworthiness

For the analysis of creditworthiness, the main parameters used by credit institutions have been utilized to formulate an evaluation of the primary four indices with a maximum “scoring” of 3 points for each parameter culminating in three conclusive judgment levels: “A”, “B”, and “C”.

	Year	Year	Year
	31/12/2020	31/12/2021	31/12/2022
QUANTITATIVE RATING SCORE (MAX 12)	10,00	10,00	11,00
LEVEL (A-B-C)	A	A	A

## Summary of Analysis

The Fast Dashboard, or "business dashboard," provides an immediate overview of the business situation and is exclusively made up of speedometer-style graphs, traffic light color indicators, and trend indicators summarizing economic balance, financial balance, cash flow, and growth trends.

Indicators	Value at of period	Score at end of period	Score for	Judgement	Trend
	31/12/2020	31/12/2021	31/12/2022		
<b>ECONOMIC BALANCE</b>					
Profitability of core Management (Gross Operating Margin/Sales Revenue x 100)	1,61%	-1,76%	2	The profit margin of core management is POSITIVE.	2,99%
ROE (Return On Equity) (Net Income/Equity)	-0,89%	-16,29%	0	The return on equity is NEGATIVE.	14,99%
ROI (Return On Invested Capital) (Operating Income/Total Assets x 100)	5,99%	-8,29%	2	The return on invested capital is POSITIVE.	14,01%
Net Financial Position/Gross Operating Margin	17,55	-12,59	0	The company does NOT have a GOOD ability to repay the financing received.	29,88
		Total score (max 8)	4		

FINANCIAL BALANCE					
Net Working Capital (Current Assets - Short-term Liabilities)	> 0	719,788	729,455	2	The company is capable of meeting short-term obligations using its available liquidity and incoming receivables.
Capitalization Ratio (Equity / Total Liabilities x 100)	> = 25%	99,25%	97,93%	2	The company is well-capitalized, meaning a significant portion of investments are financed with equity.
Debt Ratio (External Capital / Equity)	< = 4	0,01	0,02	2	The indebtedness supports only a part of the business investments. Acceptable.
Bank Debt	Less than 1/3 of Revenue	-	€ -	2	The company does not have any bank debt.
Total score (max 8)				8	
Score %				100%	

GROWTH TREND					
Change in Revenue	> 0	-24,14%	Score (max 2)	0	Revenue has decreased
Change in Total Assets	> 0	-2,24%	Score (max 2)	0	Total Assets have decreased.
Change in Equity	> 0	-0,93%	Score (max 2)	0	Equity has decreased.
Total score (max 6)				0	
Score %				0%	

OVERALL SCORE CALCULATION	
Economic Balance Score (max 8)	4
Financial Balance Score (max 8)	8
Cash flow Score (max 6)	4
Growth Trend Score(max 6)	0
Overall Score (max 28)	16
Overall Score %	57%

Finkredyt Ltd has implemented all forms of protection and preservation of the company's assets, share capital, and reserve funds in a prudent manner through careful evaluation of each exposure to third parties. The company is currently creditworthy in all its aspects.