Creditreform SME Issuer Rating

Metalcorp Group S.A.

Creditreform Rating

Rating object	Rating information	
Metalcorp Group S.A.	SME Issuer Rating: **B+ / stable**	Type: Update, Solicited
	Issues: **n.r.**	Other: **n.r.**

Creditreform ID:	9370354103
Incorporation:	24 April 2003, 1 November 2018 as Société Anonyme
Based in:	Luxembourg
(Main) industry:	Metal trading and manufacturing
Management:	Pascale Younès (Chairwoman of the Board)

Rating objects:
Long-term Corporate Issuer Rating: Metalcorp Group S.A.

Rating date:	24 March 2021
Monitoring Until:	Withdrawal of the rating
Rating methodology:	CRA "Corporate Ratings" CRA "Rating criteria and definitions"
Rating history:	www.creditreform-rating.de

Table of Contents

Abstract

Company

Luxembourg-based Metalcorp Group S.A. (MCG), together with its subsidiaries and investments, is engaged in the trade of metals, from their own as well as from third party production. The Group has a diversified business model and owns 21 operating sites on five continents, trading in ores, metals, and metal products, manufacturing steel pipes and rolling ingots from secondary aluminium, recycling copper, and developing as well as exploiting mineral resources. According to the management's preliminary non-audited financial statements for the business year 2020, the Group generated sales revenues of EUR 407.3 million (2018: EUR 541.0 million), EBITDA of EUR 32.0 million (2018: EUR 36 million), EBIT of 31.0 million (2018: EUR 33.7 million) and EBT of EUR 9.3 million (2018: EUR 14.0 million). With an almost unchanging level op capitalization and a slight decrease in indebtedness, sales revenues experienced a significant COVID-19-related fall. The quality of earnings remained satisfactory considering the challenging market environment. However, the Group fell significantly short of its original forecasts.

Rating Result

The rating of B+ attests the Metalcorp Group a sufficient level of creditworthiness and a medium to high risk of default. The rating trend, which was already indicated with a negative outlook during our last rating update, has been completed herewith. During the 2020, business year the Group continued its conservative business model, which has contributed to the relative stability of EBIT. Nevertheless, the preliminary figures for the prior financial year show a deterioration of the result of the financial ratio analysis and important rating key drivers, among them a net total debt / EBITDA adj. for which a value of bigger than 10 is expected. The Group was not able to reduce its holding in SBG (Société des Bauxites de Guinée S.A.) - which has been announced now for several years – nor to realize the associated potential cash inflows, which would have had a positive effect on the rating. Additionally, MCG again increased its capital market liabilities by EUR 20 million to EUR 210 million, in order to finance expansion opportunities. This, in combination with the shortened remaining time to maturity, refinancing risks, the investment strategy of the Group which is difficult to assess from a rating standpoint, the risks relating to the COVID-19 pandemic, and the accompanying economic downturn has

led to a downgrade to B+. Our assessment of the parent company Monaco Resources Group (MRG) did not have a positive influence on the rating.

Outlook

The one-year outlook for the rating is stable. For this outlook, we are assuming a certain economic recovery in 2021, which should also be reflected in the business growth of the MCG Group. We assume, however, that the Group's rate of recovery will be lower than the ambitious forecast indicated by MCG. This is based on a high level of uncertainty with regard to the economic environment, the influence of COVID-19, as well as the debt-financed investment activities. The stable outlook also incorporates our expectation that MCG will eliminate the refinancing risk, resulting from a concentration of maturities from financial liabilities (bonds) in 2022, before the end of 2021.

We note an increasing influence of our assessment of the parent company MRG on the rating of MCG, which could affect the rating of MCG in the future.

Reference:

The relevant rating factors (key drivers) mentioned in this section are predominantly based on internal analyses, evaluations of the rating process, the derived valuations of the analysts participating in the rating and, if applicable, other rating committee members. The fundamental external sources used, are specified in the section "Regulatory requirements" and "Rules on the presentation of credit ratings and rating outlooks".

Relevant rating factors

Table 1: Financial ratios I Source: Metalcorp Group S.A. Annual Report 2018 and preliminary figures for 2020; standardized by CRA

Metalcorp Group S.A. Selected key figures of the financial statement analysis. Based on the Group's consolidated financial statement as per 31 December (IFRS)	CRA standardized figures[1]	
	2019	2020 (e)
Sales (EUR million)	541.0	407.3
EBITDA (EUR million)	35.9	32.2
EBIT (EUR million)	34.0	31.0
EAT (EUR million)	9.6	6.8
EAT after transfer (EUR million)	9.7	-
Total assets (EUR million)	483.2	496.2
Equity ratio (%)	24.74	27.43
Capital lock-up period (days)	27.74	36.85
Short-term capital lock-up (%)	16.68	27.40
Net total debt / EBITDA adj. (factor)	8.65	10.33
Ratio of interest expenses to debt (mod.) (%)	5.86	6.04
Return on investment (%)	6.11	5.74

Excerpts from the financial key figures analysis 2020 (e):
+ Liquidity
+ Slightly improved equity ratio
+ Comparably stable EBITDA and EBIT
+ Still sufficient earnings quality

- Fall in sales revenue
-Deterioration in the maturity profile of indebtedness
-Asset coverage Ratio
-Cash flow ratios and internal financing power
-Total debt /EBTIDA adj.
-Ratio of interest expenses to total debt
-Short term capital lock up
-Capital lock up period

[1] Since the 2020 annual financial statements are based on preliminary figures, the key figures shown may still change on the basis of audited financial statements.

CRA converts financial statements – for the purposes of its analyses – into a standardized form. Equity, for example, is calculated by subtracting deferred tax assets (all or some), recognized goodwill and internally generated intangible assets, and by adding deferred tax liabilities. Net total debt reflects all liabilities from the annual statement. This is why the figures and ratios in our standardized accounts may differ from those originally disclosed by the companies themselves.

Note:

Underlying Rating Factors summarize the key issues that – in the view of the analysts as of the date of the rating – have a significant or long-term impact on the rating, either positive (+) or negative (-).

General rating factors

+ Consistently positive results
+ Proven history of sufficient adjusted profitability
+ Partly risk-averse, well-diversified business model and international footprint
+ Well-diversified customer base and suppliers, without specific cluster risks

– Corporate governance risks
– The business is sensitive to changes in the economic cycle.
– High-risk M&A strategy of investing in distressed assets/corporates
– Country risks, industry-specific risks, and valuation risks in the mining business

Current rating factors are the key factors that, in addition to the underlying rating factors, have an impact on the current rating.

Current rating factors 2020

+ Sufficient earnings according to preliminary figures for 2020.
+ Mining operations in Guinea have commenced
+ Proven capital market access

– COVID-19-related effects on the development of business and key figures, as well as framework conditions and economic risks; increasing number of infections
– A continuance of high pandemic-related and economic risks, as well as other uncertainties
– Significant business slump in individual business areas in 2020 illustrates a certain susceptibility to economic cycles and crises
– Expectation of lower rebound prospects in 2021/2022 than assumed by MCG
– Investment needs in Guinea higher than expected in 2020
– The developments for the acquisition of a British coking plant remain uncertain
– Increase in debt with remaining terms shortened again compared to the previous year
– An increase in higher-risk business, and less transparent investment, M&A, and financing behavior
– Country risks and investment requirements related to SBG remaining in the Group

Prospective Rating Factors are factors and possible events that – in the view of the analysts as per the date of the rating – would most likely have a stabilizing or positive effect (+) and a weakening or negative effect (-) on future ratings, if they occurred. This is not a full list of possible future events with potential relevance for future ratings. Circumstances can arise that are not included in the list of prospective factors whose effects are impossible to assess at the time of the rating, either because these effects are uncertain or because the underlying events are deemed unlikely to occur.

Prospective rating factors

+ Lower risk of economic downturn
+ return to pre-crisis business levels; increase in earnings from production (especially aluminum)
+ Evidence for the profitability of the Guinea mining business and the UK coke plant
+ Realization of any hidden reserves (in terms of cash generation and overall result) from the SBG shareholding
+ Noticeable improvement of the financial ratio analysis; decrease in indebtedness

– Impact of economic risks and (geo-)political conflicts
– Deterioration of the financial ratios
– Growing exposure to materializing of project-, financial- or operational Risks in Guinea and the U.K.
– Value adjustments on assets or M&A activities
– Liquidity problems (shortfall of funds) for example due to business-immanent cash collateral
– Further pandemic waves and insufficient economic recovery, customer / supplier failure

– Failure to eliminate increasing financing risks with regard to the bonds

Business development and outlook

Metalcorp Group S.A. already reported a significant decline in sales revenues in 2019, albeit with stable earnings compared to the prior business year. For the past fiscal year 2020, which was characterized by the COVID-19 pandemic and the countermeasures implemented by governments around the world, the preliminary figures show a significant decline in sales revenue of -25.3% to EUR 407.3 million (2018: EUR 618.7 million; 2019: EUR 541.0 million). The previous year's figure of EUR 541.0 million and the original sales budget of around EUR 600 million were thus clearly undercut.

Sales revenue in the Ferrous segment, which fell by -43.7% to EUR 128.6 million, as well as sales in the non-ferrous metals segment, dropping by -10.9% to EUR 278.7 million, were both affected, together with a simultaneously noticeable decline in the respective gross profit margins. Overall, the lower market prices, a significant sales decline in the automotive industry, and reduced demand for aluminum were key components of this development. Additionally, production at BAGR Berliner Aluminiumwerk GmbH was temporarily shut down during the first lockdown phase in March / April 2020. The commodities zinc and copper were comparatively stable. The Tennant Metals Group - in non-ferrous metals - was able to increase gross profit compared to the previous year and thus mitigate the negative effects of the decline in gross margin.

Taking into account the significant drop in sales, the decline in earnings was comparatively moderate. Despite this, the first result of the key financial figure analysis based on the preliminary 2020 values suggests a deterioration that affects the rating.

Table 2 2: Business development of Metalcorp Group S.A. I Source: Annual report 2019, Interim report 2020 and preliminary figures (e) for the business year 2020 as well as budget 2021; own representation

Metalcorp Group S.A.				
In million. EUR	2019	H1 2020	2020 (e)	Budget 2021
Umsatz	541,0	228,7	407,3	601,6
EBITDA	35,9	15,8	32,2	46,4
EBIT	34,0	14,7	31,0	40,0
EBT	14,1	4,7	9,3	20,0
EAT	9,6	4,1	6,8	--

With regard to the financial key figures analysis, the Group was only able to reduce its analytical indebtedness slightly, and to slightly increase its equity ratio due to the positive annual result. Nevertheless, the increased fixed asset intensity and capital lock-up ratios, the declining coverage ratio of the fixed assets for the fourth year in a row, as well as deteriorated liquidity ratios and a net total debt / EBITDA adj. - which is expected to exceed a value of >10 - indicate a deterioration of the financial key figures overall. Whether there will be a turnaround in ROI, which has gradually fallen over the past few years, remains to be seen. The fact that MCG managed to generate a satisfactory result despite the challenging market environment in 2020 has a positive and thus stabilizing effect on the rating.

The uncertainties regarding the further course of the pandemic and the accompanying economic development continue to have a negative effect on the rating. In connection with out-

standing bond liabilities, which were again increased by EUR 20 million to a total of outstanding bonds of EUR 210 million in March 2020, increased MCGs economic and financial risks, as all of these bond liabilities are due in the next year and have to be refinanced. According to information received from the management, the last bond issuance serves the purpose of financing expansion possibilities in the Company's existing business, backed up by orders.

MCG continues to hold a majority stake in Société des Bauxites de Guinée S.A. (SBG). Trial mining was delayed to December 2020, which contributed to the budget shortfall. In this respect, contrary to the original forecasts by MCG, no sales and earnings contributions from mining operations have yet been recorded for 2020. According to the cash flow model available to us, with the targeted mining of 2 megatons of bauxite ore, a significant contribution to sales and earnings can be expected for the 2021 financial year. We consider this to be possible, considering production has commenced. However, due to the considerable time that has already gone into the development of this business, we are waiting for measureable data. Even if plans for 2021 and 2022 do not provide for any investments in this business area, we do not rule out further funding from MCG for the SBG during this period.

The investments of approx. EUR 36-37 million made in 2020 essentially amounted to roughly EUR 30 million for SBG and EUR 6 to 7 million for the expansion of the aluminum business in the Company's German production facilities.

For the construction of the aluminum production facilities between mine and loading port, which is shown as extremely profitable in the planning, considerable investments totaling roughly USD 1,000 million in the years 2023 and 2024 would still be expected. The financing is to take place at the level of SBG, whereby external partners would have to be included in order to limit the Group's leverage. It is not yet clear who this partner will be. The updated cash flow planning of SBG suggests complete financing through equity, which however does not need to be the equity on the level of the potential joint venture partner or MCG. In the medium term, MCG is planning to reduce its stake in SBG to 30% in connection with the potential to realize hidden reserves. We do not have a valuation report on mine operation. The uncertainties associated with SBG in the form of classic project finance contribute to the rating level. Depending on the further course of operations and investments, we cannot rule out positive or negative effects on the rating of MCG in the future, although experience has shown that further delays in the Guinea project cannot be ruled out. Due to the once again higher capitalization of the business, the associated country risks in the rating of MCG remain elevated from a rating point of view. This is especially so since the mining operation in Guinea (mineral rights) - despite a significant reclassification of the relevant fixed assets as current assets on the basis of IAS 8 as of June 30, 2020 - continued to be accounted for at approx. EUR 120 million as of 30 June 2020, just under ¼, corresponding to the original balance sheet total.

The Joint-Venture TCC Coke Ltd., which is intended for the production of raw material (coke), was still planned during our last rating update. At present, the further development of this investment is unclear. We did not take the highly profitable forecasts for the investment into account in the rating as they were presented at last year's management meeting, as we did not consider them sufficiently feasible and realistic. The SPV, which was established together with its long-term business partner Portnex International UK, will continue to operate a coking plant in Great Britain. For further details and background information, please refer to the same report section in the rating report on the rating of 02.28.2020.

As can be seen from Table 2, MCG expects to be able to resume its originally profitable growth in the 2021 financial year. In particular, the earnings forecast is again significantly above the values originally targeted for 2020. A main reason for this is that SBG also makes a targeted contribution to the group earnings. We are also assuming a positive business development for MCG for the current financial year, assuming better and more stable market conditions, but we consider the plans to be ambitious and feasible only in a very favorable market environment.

The nominal outstanding volume for the bonds of EUR 210 million in total is due at the beginning of June 2022 with EUR 70 million, and at the beginning of October 2022 with EUR 140 million. We assume that the Group will have to refinance this in full, or for at least a large part. This goes accompanied with maintaining the Group's current capital market access, which is likely to depend on profitable growth in 2021. In this way, the size and diversification strategy currently being pursued aims to bring about scaling effects for both operational business and capital market access. With regard to our rating, we expect MCG to bring about a reliable clarification on this financing issue by the end of 2021.

The Group's liquidity situation, which was still very comfortable at the end of 2019, returned to a normal level at the end of 2020. The financial resources more than halved, to EUR 21.4 million, but remained more or less stable until the end of the year. Of this, approx. EUR 3.0 million is restricted cash, which is used to secure the trade financing facilities of up to EUR 106.4 million in total, of which EUR 71.9 million was utilized as of December 31, 2020. In addition, there were other short-term credit lines of around EUR 16.0 million, of which EUR 15.0 million had been drawn. We do not expect a detrimental liquidity shortage in the short term, despite the fact that the Group's liquidity situation is slightly tense, with a utilization of around 70% of credit lines. This could, especially with an unfavorable business development in 2021, develop in a risk that could affect the rating. According to MCG, a termination of credit exposure is currently not foreseeable.

Despite the satisfactory business development this year and the potential scaling and diversification effects, we consider MCG's risk profile for the future to be higher than during the previous years, even if the projects in Guinea and the UK open up long-term business opportunities. In order for this assessment to be improved, the Group would need considerably better market conditions, evidence of a profitable course of business in 2021 with a significant contribution from SBG, stable development of its liquidity position, and clarification regarding the refinancing issues related to the outstanding bonds. Expansion of the business of the parent company Monaco Resources Group could also have a positive effect on the rating of MCG in the medium term. If this is the case, the business development of the parent company will be favorable. We are currently seeing an increasing influence of our assessment of MRG on the MGC rating. After a negative annual result for 2019, we expect the parent company to report negative results for the 2020 financial year as well.

Standardized Financial Ratios

Table 3: Standardized financial ratios | Source: Annual financial statements of Metalcorp Group S.A., standardized by CRA

Asset Structure	2017	2018	2019	2020
Fixed asset intensity (%)	35.02	43.25	45.78	54.12
Asset turnover	--	1.52	1.22	0.83
Asset coverage ratio (%)	82.11	70.96	54.20	50.68
Liquid funds to total assets (%)	13.58	6.61	10.99	5.54
Capital Structure				
Equity ratio (%)	28.76	30.69	24.74	27.43
Short-term-debt ratio (%)	43.07	29.84	29.60	30.78
Long-term-debt ratio (%)	0.00	0.00	0.07	0.00
Capital lock-up period (in days)	26.70	28.94	27.74	36.85
Trade-accounts-payable ratio (%)	10.57	12.10	8.51	8.29
Short-term capital lock-up (%)	21.68	10.86	16.68	27.40
Gearing	2.01	2.04	2.60	2.44
Leverage	--	3.37	3.64	3.83
Financial Stability				
Cash flow margin (%)	--	1.82	2.18	1.86
Cash flow ROI (%)	--	2.78	2.45	1.53
Total debt / EBITDA adj.	8.23	8.26	10.12	11.18
Net total debt / EBITDA adj.	6.66	7.47	8.65	10.33
ROCE (%)	12.14	10.59	9.29	7.65
Total debt repayment period	--	14.75	-155.36	22.64
Profitability				
Gross profit margin (%)	100.00	100.00	100.00	100.00
EBIT interest coverage	1.42	1.40	1.60	1.43
EBITDA interest coverage	1.47	1.47	1.69	1.48
Cost income ratio (%)	94.29	94.80	93.72	92.39
Ratio of interest expenses to total debt (%)	8.26	8.23	5.86	6.04
Return on investment (%)	7.47	7.15	6.11	5.74
Return on equity (%)	--	7.94	7.81	5.28
Net profit margin (%)	2.21	1.55	1.76	1.66
Operating margin (%)	5.78	5.23	6.29	7.61
Liquidity				
Cash ratio (%)	28.11	17.20	32.90	14.04
Quick ratio (%)	130.39	158.90	155.54	125.91
Current ratio (%)	150.86	190.19	183.20	149.05

Appendix

Attached information is optional, with the exception of regulatory information. Various representations of the group structure, financing or assets (e.g. real estate) are to be presented here.

Rating history

The rating history is available under https://www.creditreform-rating.de/de/ratings/published-ratings/

Table 4: Corporate issuer Rating of Metalcorp Group S.A.

Event	Rating date	Publication date	Monitoring period	Result
Update	24.03.2021	www.creditreform-rating.de	Until withdrawal of the rating	B+ / stable
Initial Rating	08.05.2013	08.05.2013	16.04.2014	BB

Regulatory requirements

The rating[2] was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

The present rating is, in the regulatory sense, a solicited rating, that is public. Creditreform Rating AG was mandated on 20.01.2021 by Metalcorp Group S.A. to conduct a SME issuer rating and monitoring of the company.

The rating is based on the analysis of quantitative and qualitative factors as well as the assessment of industry-relevant factors. The quantitative analysis refers to the consolidated financial statements for the years 2014 to 2019 and the preliminary unaudited figures for 2021.

The rating object participated in the creation of the rating as follows:

Solicited Corporate Issuer / Issue Rating	
With rated entity or related third party participation	Yes
With access to internal documents	Yes
With access to management	Yes

A management meeting did take place within the context of the rating process via Microsoft teams at 18.02.2021

The rating was conducted based on the following information. OR: In addition to the documents from the previous years and the monitoring during the year, Test AG provided the following information as part of the update/rating.

[2] In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

List of documents
Accounting and controlling
▪ Annual report 2019 Metalcorp Group S.A. (Group)
▪ Annual report 2019 Monaco Resources Group SAM (Group)
▪ Interim report 2020 Metalcorp Group S.A. (Group)
▪ Interim report 2020 Monaco Resources Group SAM (Group)
▪ Preliminary unaudited figures 2020 Metalcorp Group S.A. (Group)
▪ Finance- and investment plan 2021 Metalcorp Group S.A. (Group)
▪ Business plan 2021 – 2023 Metalcorp Group S.A. (Group)
Finance
▪ Updated Cash-Flow Model SBG
▪ Compliane certificate Covenants
▪ Updated overview of credit lines
▪ Updated liquidity overview
Additional documents
▪ ESG Policy Monaco Resources Group SAM
▪ Overview geographical diversification of revenue
▪ Overview of biggest clients and suppliers

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies.

The rating was conducted based on the following rating methodologies and the basic document.

Rating methodology	Version number	Date
Corporate Ratings	2.3	29.05.2019
Rating Criteria and Definitions	1.3	January 2018

The documents contain a description of the rating categories and a definition of default.

The rating was carried out by the following analysts:

Name	Function	Mail-Address
Christian Konieczny	Lead analyst	C.Konieczny@creditreform-rating.de
Rudger van Mook	Analyst	R.vanMook@creditreform-rating.de

The rating was approved by the following person (person approving credit ratings, PAC):

Name	Function	Mail-Address
Philip Michaelis	PAC	P.michaelis@creditreform-rating.de

On 24 March 2021, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 24 March 2021. There has not been a subsequent change to the rating.

The rating will be monitored until Creditreform Rating AG withdraws the rating. The rating can be adjusted as part of the monitoring, if crucial assessment parameters change.

In 2011, Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on this registration, Creditreform Rating AG is

al-lowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

ESG-factors

You can find out whether ESG factors were relevant to the rating in the upper section of this rating report "Relevant rating factors".

A general valid description of Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found here.

Conflict of interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, Creditreform Rating AG will disclose all ancillary services in the credit rating report.

Rules on the presentation of credit ratings and rating outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our ”Rating Committee Policy”, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, Creditreform Rating AG has used following substantially material sources:

SME issuer rating:

1. Annual report

2. Website

3. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the Creditreform Rating AG website. Furthermore, Creditreform Rating AG considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The Basic Data Information Card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating

AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the Basic Data Information Card as a “rating action”; initial release is indicated as “initial rating”, other updates are indicated as an “update”, “upgrade” or “downgrade”, “not rated”, “confirmed”, “selective default” or “default”.

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within the Basic Data Information Card.

In accordance with Article 11 (2) EU-Regulation (EC) No 1060/2009, a registered or certified credit rating agency shall make available, in a central repository established by ESMA, information on its historical performance data including the rating transition frequency and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website.

An explanatory statement of the meaning of Creditreform Rating AG’s default rates are available in the credit rating methodologies disclosed on the website.

Disclaimer

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct, which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

Creditreform Rating AG

Contact information

Creditreform Rating AG

Europadamm 2-6
D-41460 Neuss

Phone: +49 (0) 2131 / 109-626
Telefax: +49 (0) 2131 / 109-627

E-Mail: info@creditreform-rating.de
Web: www.creditreform-rating.de

CEO: Dr. Michael Munsch
Chairman of the Board: Dr. Hartmut Bechtold

HR Neuss B 10522