

20 December 2023 – Neuss, Germany

## Rating Action / Update:

### Creditreform Rating has affirmed the unsolicited corporate issuer rating of Eni S.p.A., at **BBB+** / **Stable**

Creditreform Rating (CRA) has affirmed the unsolicited, public corporate issuer rating of Eni S.p.A. and Eni Finance International SA—together referred to as the Group or the Company—as well as the unsolicited corporate issue rating of long-term local currency senior unsecured notes issued by Eni S.p.A. and Eni Finance International SA, at **BBB+** with **stable** outlook. The initial short-term ratings of Eni S.p.A. and Eni Finance International SA have been set to **L3**.

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### Current relevant factors for the rating

The following considerations were of specific relevance for the rating assessment:

- + Outstanding development in 2022 against the backdrop of favorable price scenario and solid development in 2023
- + Strong liquidity underpinned by substantial available credit facilities
- + Decrease in net debt and in leverage ratio
- + Progress in the realization of projects aimed at achieving carbon neutrality by 2050
- + Successful replacement of a substantial share of gas supplies from Russia
- + Strong market position in Italy and Europe, significant scale globally
- + Good geographical diversification, including diversified hydrocarbon resource base
- + Integrated business model with diversified activities along the value chain
- + Clear strategy focused on maintaining solid financials and increasing focus on sustainable business
  
- Subdued economic sentiment resulting from persisting geopolitical tensions and inflation as well as elevated interest rates
- Substantial cash outflows in connection with dividend and tax payments in 2022/2023
- High degree of commodity price volatility in 2022
- Exposure to economic cycles
- Valuation risks, especially regarding oil and gas reserves as well as refineries
- Highly competitive market
- Regulatory risks, challenges of decarbonization
- Above-average country risks
- High investment requirements, also in the course of business transformation
- Substantial dividend payments and cash outflows related to the share buyback program

**ESG factors** are factors related to environment, social issues and, governance. For more information, please see the "Regulatory requirements". CRA generally takes ESG relevant factors into account, when assessing the rating object and discloses them when they have a significant influence on the creditworthiness of the rating object, leading to a change in the rating result or the outlook.

#### ESG-criteria:

CRA generally takes ESG factors (environment, social and governance) into account within its rating decisions. In the case of Eni S.p.A. we have identified ESG factors with significant influence on the following categories, which is described in the sections below.

(E) Environment  (S) Social  (G) Governance

- (E): Current focus on fossil energy sources and production materials
- (E): Risks of impairments on oil and gas assets in the short to mid-term as a result of changes in the market and regulatory environment
- (E): Mid- to long-term risks for the oil and gas industry business model and for financing

Due to societal and political changes with regard to fossil fuels based on European and international environmental and climate protection targets, we see Eni's business model and strategy to be impaired in the medium to long term. Global efforts towards decarbonization lead us to expect significant shifts in the demand for fossil fuels in the medium term, which have a direct material influence on the Company's activities in the form of restrictions, costs for CO<sub>2</sub> certificates and environmental protection measures, recultivation expenses, as well as on its investment behavior in the form of redesigning the product portfolio and investments in technologies with the aim to limit CO<sub>2</sub> emissions. Due to global CO<sub>2</sub> budgets, the risk of stranded assets cannot be ruled out in the future. Current trends in automobile registrations imply likely shifts and a general decline in demand for refined products. In addition, these tendencies have an ever greater influence on the behavior of potential investors, and could make access to capital market resources more difficult in the future.

Nevertheless, we assume that oil and gas will continue to play an important role in the global energy business and industrial production in the long term, albeit with gradually decreasing relevance. Natural gas in particular is considered to be an essential part of the energy mix in the long term, and as a transition technology.

In line with overall social and political climate protection efforts, Eni's strategy is aimed at the fundamental target of complete climate neutrality (scope 1, 2 and 3) by 2050. To achieve this target, Eni has worked out a range of concrete measures, which include the following:

- Reduction of hydrocarbon production with increase of the gas share to 60% by 2030 and more than 90% by 2050;
- Conversion of traditional refining through use of recycled waste materials and bio-products;
- Enhancement of efficiency and digitization;
- Expansion of renewable capacity to 15 GW in 2030 and 60 GW in 2050, and increase in the number of retail customers to 15 million by 2030;
- Use of new technologies for CO<sub>2</sub> capture and storage, and production of electricity and hydrogen from gas;
- Development of charging infrastructure for electric mobility;
- Forest conservation projects to offset the unavoidable CO<sub>2</sub> emissions.

Eni has adjusted its emission reduction targets to -35% by 2030 and -80% by 2040 in net absolute GHG emissions (scope 1+2+3).

These measures require significant investment with a corresponding impact on the Company's financial metrics. For the period 2022-2025, Eni plans total spending of 9.7 billion EUR for decarbonization, circular economy and renewables. The share of investments dedicated to new energy solutions and services is projected to grow to up to 30% in 2025.

Due to the specific goals and active measures to improve sustainability, we currently see the effects of ESG factors as limited. However, our overall analysis of the assessment area had a negative impact on the rating.

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](#).

## Rating result

The current unsolicited corporate issuer rating of **BBB+** attests Eni S.p.A. with a highly satisfactory level of creditworthiness, representing a low to medium default risk.

The rating reflects the Company's strong market position with a large scale of operations and well-diversified upstream and downstream businesses, its strong business model with integrated operations, and technological leadership. Against the backdrop of the extraordinary, favorable commodity price scenario, development in the 2022 financial year shows a surge in Eni's earnings and cash flows, as well as an improvement in the results of our financial figure analysis, despite the high degree of commodity price volatility and uncertainty related to natural gas supplies during the year. The Company's earnings have normalized at a solid level in the current financial year, following the overall stabilization of the energy market and prices. However, risks from exogenous factors remain high in view of the tense geopolitical situation worldwide. In addition, the Company's dependency on global economic cycles, volatile oil and gas prices over which it has no influence, volatile refinery margins, as well as its increasing investment needs in order to reduce its carbon footprint, have a dampening effect on Eni's rating.

We have based the rating on our assessment that the Group is dependent on the Italian government as its main shareholder, and moderately dependent on the country's overall economic situation. The rating of Eni is constrained by the unsolicited sovereign rating of the Italian Republic (CRA: **BBB- / stable** as of 20 January 2023). We have provided the Group with a corporate rating two notches above the sovereign rating of the Italian Republic. In our rating, the current focus on fossil fuels in connection with the associated material effects on the Company's activities is taken into account with one notch as a negative factor.

## Outlook

The one-year outlook for the unsolicited corporate issuer rating of Eni S.p.A. is **stable**. Our assessment is based on the assumption of a largely stable global demand for oil and gas together with oil and gas products, as well as the overall positive price scenario. Taking into consideration Eni's improved financials, especially its solid liquidity position and relatively low level of indebtedness, we assume that the Company will be able to maintain the rating in the short term.

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

**Best-case scenario: BBB+**

In our best-case scenario for one year, we assume a rating of BBB+. Despite the stabilization of the Group's financials, we do not expect a rating upgrade within a horizon of one year. This is based on elevated risks of a wider economic downturn resulting from the current tense geopolitical situation, inflationary environment and increased interest rates. In addition, our rating is restrained by the sovereign rating of Italy, which cannot be exceeded by more than three notches and which is currently at **BBB-** with a **stable** outlook.

**Worst-case scenario: BBB**

In the worst-case scenario for one year, we assume a rating of BBB. In this scenario, we assume that the economic environment will worsen, resulting in a sustained deterioration of the Company's earnings or a disproportionate increase in debt compared to earnings. In addition, the deterioration of the sovereign rating of Italy could have a negative impact on Eni's rating.

## Business development and outlook

The 2022 financial year was characterized by an extraordinary surge in energy prices against the backdrop of the overall economic rebound and unexpectedly high demand for hydrocarbons after the COVID-19 pandemic on the one hand, and following the energy crisis, especially in Europe, caused by supply tensions over natural gas after the Russia's invasion of Ukraine, on the other. The average Brent price amounted to USD 101/barrel (an increase of over 40%, 2021: USD 71/barrel), and the average spot gas price on the Italian PSV<sup>1</sup> was estimated at EUR 1,294/kcm (2021: EUR 487/kcm), with a high degree of volatility during the year, in particular with regard to natural gas prices.

Due to the favorable commodity price scenario, in 2022 Eni S.p.A. achieved a further surge in sales from operations of 73% (2021: 74%) to EUR 132,512 million (2021: EUR 76,575 million), in operating profit with EUR 17,510 million (2021: EUR 12,341 million) and in annual result with EUR 13,961 million (2021: EUR 5,840 million). The Company benefited from the solid performance of the Exploration & Production (E&P) segment due to the higher realization of equity production, optimizations in the Segment of Global Gas and LNG Portfolio, as well as better availability and improved refinery margins in the Refining & Marketing and Chemicals Segment. The at-equity accounted participations also saw a strongly positive development, contributing to the rise in annual result.

Table 1: Financials of Eni S.p.A: Eni S.p.A. Annual report 2022, standardized by CRA

Eni S.p.A. Selected key figures of the financial statement analysis Basis: Consolidated financial statements as of 31.12. (IAS)	CRA standardized figures <sup>2</sup>	
	2021	2022
Sales (million EUR)	76,575	132,512
EBITDA (million EUR)	20,438	26.692
EBIT (million EUR)	13,253	19,297
EAT (million EUR)	5,840	13,961
EAT after transfer (million EUR)	5,821	13,887
Total assets (million EUR)	134,322	146,235
Equity ratio (%)	34.27	37.26
Capital lock-up period (days)	80.05	53.79
Short-term capital lock-up (%)	33.23	20.79
Net total debt / EBITDA adj. (factor)	3.58	2.76
Ratio of interest expenses to total debt (%)	1.27	1.27
Return on Investment (%)	5.07	10.31

The adjusted operating profit amounted to EUR 20,386 million (2021: EUR 9,664 million) and the adjusted net profit attributable to Eni's shareholders was EUR 13,301 million (2020: EUR 4,330 million).

<sup>1</sup> PSV stands for Virtual Exchange Point

<sup>2</sup> For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, when calculating the analytical equity ratio, deferred tax assets, goodwill (entirely or partly), and internally-generated intangible assets are subtracted from the original equity, whilst deferred tax liabilities are added. Net total debt takes all balance sheet liabilities into account. Therefore, the key financial figures shown often deviate from the original values of the company.

million). The main adjustment components in operating profit were related to environmental charges (EUR 2,056 million; 2021: EUR 271 million), and to impairment losses (EUR 1,140 million; 2021: EUR 167 million). Net profit saw a positive impact from the divestment of the Angolan assets (EUR 2,542 million) and the IPO of Vår Energi (EUR 448 million). The 2022 net year result includes windfall taxes of EUR 2.2 million, levied on energy companies in Italy and Germany.

Table 2: Business development of Eni S.p.A. | Source: Annual Report 2022

In EUR million	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plentitude & Power	Corporate & Other activities	Group
<b>2022</b>						
Sales from operations (third parties)	12,896	41.230	58.470	19,726	190	132,512
Reported operating Profit	15,908	3,730	460	(825)	(1,901)	17,510
Adjusted operating profit	16,411	2,063	1,929	615	(622)	20,386
Adjusted net profit	10,776	982	1,914	397	(709)	13,301
<b>2021</b>						
Sales from operations (third parties)	8,846	16,973	40,051	10,517	188	76,575
Reported operating Profit	10,066	899	45	2,355	(816)	12,341
Adjusted operating profit	9,293	580	152	476	(593)	9,644
Adjusted net profit	5,543	169	62	327	(1,576)	4,330

The adjusted operating profit amounted to EUR 20,386 million (2021: EUR 9,664 million) and the adjusted net profit attributable to Eni's shareholders was EUR 13,301 million (2020: EUR 4,330 million). The main adjustment components in operating profit were related to environmental charges (EUR 2,056 million; 2021: EUR 271 million), and to impairment losses (EUR 1,140 million; 2021: EUR 167 million). Net profit saw a positive impact from the divestment of the Angolan assets (EUR 2,542 million) and the IPO of Vår Energi (EUR 448 million). The 2022 net year result includes windfall taxes of EUR 2.2 million levied on energy companies in Italy and Germany.

In the **Exploration & Production** segment, the daily hydrocarbon production edged down by 4.3% to 1,610 kboe/day (2021: 1,682 kboe/day). The improved operating performance, with an increase in adjusted operating profit by 77%, was in particular due to the better price scenario, but also to cost discipline.

The **Global Gas & LNG Portfolio** segment recorded lower sales of natural gas (by 14.1% to 60.52 bcm) and LNG (by 13.8% to 9.4 bcm). The adjusted operating profit increased by more than three times, despite the challenging environment and uncertainty in supply against the backdrop of the extraordinarily high price level. Eni was able to replace Russian supplies with equity gas and gas from other countries of the Company's operations.

The **Refining & Marketing and Chemicals** segment posted an improved adjusted operating profit against the backdrop of significantly higher refining margins in the Refining and Marketing

sub-segment. However, the chemical business saw a negative operating result due to weaker demand and rising expenses.

In the **Plenitude & Power** segment, the adjusted operating profit of Plenitude was down 5% compared to 2021, and the power segment more than doubled its operating profit due to a favorable price scenario. The segment's total adjusted operating profit includes a positive adjustment for special items of EUR 1,440 million.

Net cash provided by operating activities in the 2022 financial year improved by 36%, amounting to EUR 17,460 million (2021: EUR 12,861 million). After the cash outflow for investing activities in particular, increased capital expenditure (EUR 8,056 million; 2021: EUR 5,234 million) and purchase of businesses and subsidiaries (EUR 3,311 million; 2021: EUR 2,738 million), free cash flow stood at EUR 9,656 million, an increase of 73% (2021: EUR 5,582 million).

Against the backdrop of positive performance during the year and the significant net year result, as well as positive foreign currency translation effects, the Company's adjusted equity increased by 18.4% to EUR 54,487 million (2021: EUR 46,028 million). The increase was offset by the dividend payments (EUR 3,082 million) and payments for the share buyback program (EUR 2,400 million). Despite the increase in total assets, the adjusted equity ratio improved to 37.26% (2021: 34.27%). As of 31 December 2022, total finance debt amounted to EUR 26,917 million (2021: EUR 27,794 million), consisting of EUR 7,543 million short-term and EUR 19,374 million long-term debt. Net financial borrowings dropped by 21.8% to EUR 7,026 million (2021: EUR 8,987 million). Net financial borrowings including lease liabilities were at EUR 11,977 million, 16.3% lower than in 2021 (EUR 14,324 million). The reported leverage (the ratio of borrowings to total equity) improved to 0.13 (2021: 0.20) as of 31 December 2022, as did the CRA's net total debt to EBITDA adj. (2.76 vs. 3.58). The Company's liquidity position was very solid, with EUR 10,155 million cash and cash equivalents and EUR 8,251 million other short-term financial assets. In addition, liquidity was underpinned by EUR 8,298 million undrawn committed borrowing facilities.

In the first nine months of the 2023 financial year, the energy prices largely stabilized, with the average Brent estimated at USD 82.14/barrel (9M 2022: USD 105.35/barrel) and the average spot gas price at Italian PSV at EUR 452/kcm (9M 2022: EUR 1,389/kcm). In line with the overall stabilized price environment and the lack of extraordinary positive commodity price effects, Eni saw generally positive development with normalized earnings in the first nine months of 2023. The hydrocarbon production edged up by 2% to 1,637 kboe/day (9M 2022: 1,608 kbor/day). Sales from operations decreased due to the drop in energy prices by 32% to EUR 69,095 million, operating profit and net profit have normalized at EUR 7,401 million and EUR 4,598 million, respectively.

Net operating cash flow dropped by 15% to EUR 10,944 million and included EUR 1,682 million dividends, distributed from investments, mainly Azule Energy and Vår Energi. The organic capex was 23% higher than in first nine months of 2022 (EUR 6.7 billion), due to the ramp-up of natural gas and LNG projects to boost energy security, as well as the Baleine project in Côte d'Ivoire. After the investment and acquisition activities (EUR 1,870 million), the free cash flow was recorded at EUR 3,086 million (9M 2022: EUR 7,438 million).

Currently, with a view to positive effects for Eni's financials during the 2022 financial year resulting from the distinctly favorable price scenario, as well as normalized earnings and a solid financing structure in 2023, and combined with expected overall favorable hydrocarbons price environment, we have not identified any considerable short- or medium-term financial risks for the Company.

Table 3: The development of business of Eni S.p.A. | Source: Eni's results for the third quarter 2022, reported data

Eni S.p.A.				
In million EUR	9M 2022	9M 2023	Δ	Δ %
Sales from operations	100,987	69,095	(31,892)	(32)
Operating profit	17,933	7,401	(10,532)	(59)
Adjusted operating profit	16,804	11,036	(5,768)	(34)
Net profit attributed to Eni's shareholders	13,260	4,598	(8,662)	(65)
Adjusted net profit attributed to Eni's shareholders	10,808	6,660	(4,220)	(39)

The Company's strategy is elaborated in line with its primary goal of becoming completely emission-free (scope 1, 2 and 3) by 2050, according to the statements of the Paris agreement. It is based on a step-by-step transformation of the business model through the expansion and diversification of the Group's retail business and of renewables, as well as investing in, developing, and increasing the business share of new technologies, such as CO<sub>2</sub> capture, production of bio-fuels, use of energy from the ocean, production of hydrogen, and innovative recycling technologies. Eni has been refocusing its exploration and production activities on gas, and its production share in total output is to be increased to 60% by 2030. Additionally, the enhanced development of partnerships and equity-accounted projects in the E&P-segment will facilitate financing optimization. The Company says it will focus on maintaining strong operating cash flows by means of further cost control and spending selectivity, including a minimum profitability threshold, which would facilitate the business transformation while simultaneously maintaining solid financials.

Despite the Company's currently stable financials, it is vulnerable to risks and uncertainty arising from the persistently heightened geopolitical tensions, with highly volatile global macroeconomic conditions, exchange rate fluctuations and rising interest rates. The inflationary environment and increased interest rates entail the risk of a persistent recession in the countries where Eni operates. The resulting drop in demand for energy and prices for Eni's products could adversely affect its operating activities and financials. Significant increases in net debt, or deterioration of the Company's cash generating capacity, could have a negative impact on the rating assessment. Risks could arise in connection with financial covenants and following a possible downgrade of the sovereign rating of the Italian Republic. In light of the generally uncertain economic conditions, we consider the Company's strong liquidity position as well as relatively low borrowings coupled with unused committed credit facilities, as positive and stabilizing factors for the rating.

## Further ratings

In addition to the rating of Eni S.p.A. the following Issuer and its issues (see below), has been rated.

- Eni Finance International SA

Due to the corporate, strategic, liability, financial, economic and performance-related interdependencies of Eni Finance International SA (100% of Eni Finance International SA share capital is owned directly and indirectly by Eni S.p.A., the entity has been consolidated into the group annual accounts) we derive the unsolicited issuer ratings of Eni Finance International SA from the unsolicited issuer rating of Eni S.p.A. and set it equal to its rating of **BBB+ / stable**.

Based on the long-term issuer rating and taking into account our liquidity analysis, the short-term rating of the Eni S.p.A. and the above-mentioned subsidiary was set at **L3** (standard mapping), which corresponds to adequate liquidity assessment for one year.

The rating objects of the issue ratings are exclusively long-term senior unsecured issues, denominated in euro, issued by Eni S.p.A. and Eni Finance International SA, which are included in the list of ECB-eligible marketable assets.

Eni S.p.A. is guarantor in respect of the issues that have been issued by Eni Finance International SA under the EMTN Programme, with the last basis prospectus dated 5 October 2023.

We have provided the long-term local currency senior unsecured notes issued by Eni S.p.A. and Eni Finance International SA with an unsolicited rating of **BBB+ / stable**. The ratings are based on the respective corporate issuer ratings.

Long-term local currency senior unsecured notes issued by Eni S.p.A. and the above-mentioned subsidiary, which have similar conditions to the current EMTN Programme, denominated in euro and included in the list of ECB-eligible marketable assets, generally receive the same ratings as the current LT LC senior unsecured notes issued under the EMTN Programme. Notes issued in any currency other than euro, or other types of debt instruments, have not yet been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Table 4: Overview of CRA Ratings | Source: CRA

Rating Category	Details	
	Date of rating committee	Rating
Eni S.p.A.	20.12.2023	<b>BBB+ / stable / L3</b>
Eni Finance International SA	20.12.2023	<b>BBB+ / stable / L3</b>
Long-term Local Currency (LC) Senior Unsecured Issues issued by Eni S.p.A.	20.12.2023	<b>BBB+ / stable</b>
Long-term Local Currency (LC) Senior Unsecured Issues issued by Eni Finance International SA	20.12.2023	<b>BBB+ / stable</b>
Other	--	<b>n.r.</b>

## Appendix

### Rating history

The rating history is available under the following [link](#).

Table 5: Corporate Issuer Rating of Eni S.p.A.

Event	Rating created	Publication date	Result
Initial rating	26.04.2019	03.05.2019	BBB+ / stable

Table 6: Corporate Issuer Rating of Eni Finance International SA

Event	Rating created	Publication date	Result
Initial rating	26.04.2019	03.05.2019	BBB+ / stable

Table 7: LT LC Senior Unsecured Issues of Eni S.p.A.

Event	Rating created	Publication date	Result
Initial rating	26.04.2019	03.05.2019	BBB+ / stable

Table 8: LT LC Senior Unsecured Issues of Eni Finance International SA

Event	Rating created	Publication date	Result
Initial rating	26.04.2019	03.05.2019	BBB+ / stable

Table 9: Short-term issuer ratings of Eni S.p.A. and Eni Finance International SA

Event	Rating created	Publication date	Result
Initial rating	20.12.2023	<a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>	L3

### Regulatory requirements

The rating<sup>3</sup> was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

The present rating is, in the regulatory sense, an unsolicited rating that is public. The analysis was carried out on a voluntary basis by Creditreform Rating AG, which was not commissioned by the Issuer or any other third party to prepare the present rating.

The rating is based on the analysis of published information and on internal evaluation methods for the assessment of companies and issues. The rating object was informed of the intention of creating or updating an unsolicited rating before the rating was determined.

<sup>3</sup> 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.

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

With Rated Entity or Related Third Party Participation	No
With access to Internal Documents	No
With Access to Management	No

A management meeting did not take place within the framework of the rating process.

The documents 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
<a href="#">Corporate Ratings</a>	2.4	July 2022
<a href="#">Corporate Short-Term Ratings</a>	1.0	June 2023
<a href="#">Government-related Companies</a>	1.1	May 2023
<a href="#">Non-financial Corporate Issue Ratings</a>	1.0	October 2016
<a href="#">Rating Criteria and Definitions</a>	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
Elena Damijan	Lead-analyst	E.Damijan@creditreform-rating.de
Natallia Berthold	Analyst	N.Berthold@creditreform-rating.de

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

Name	Function	Mail-Address
Philipp Beckmann	PAC	P.Beckmann@creditreform-rating.de

On 20 December 2023, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the Company on 20 December 2023. 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 allowed 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 for 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.

Creditreform Rating AG ensures that the provision of ancillary services does not present conflicts of interest with its credit rating activities and discloses in the final rating reports any ancillary services provided for the rated entity or any related third party. The following ancillary services were provided for the rating entity or for third parties associated with the rated entity:

No ancillary services in the regulatory sense were carried out for this rating object.

For the complete list of provided rating and credit service ancillaries please refer to the Creditreform Rating AG's [website](#).

### 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:

#### Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

#### Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating
2. Documents on issues / instruments

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.

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