

Rating object	Rating information	
Aeroporti di Roma S.p.A. Creditreform ID: 400980961 Incorporation: 1997 Based in: Rome (Main) Industry: Management of airports CEO: Ugo de Carolis Rating objects: Long-term Corporate Issuer Rating: Aeroporti di Roma S.p.A. Long-term Local Currency (LT LC) Senior Unsecured Issues	SME / Corporate Issuer Rating:	Type:
	BBB / WATCH NEW	Initial rating unsolicited
	LT Senior Unsecured Issues, LC:	Other:
	BBB / WATCH NEW	n.r.
	Rating date: 26 September 2019	
	Monitoring until: withdrawal of the rating	
	Initial rating: www.creditreform-rating.de	
	Rating methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" CRA "Rating Criteria and Definitions"	
	Rating history: www.creditreform-rating.de	

Summary

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Company

Aeroporti di Roma S.p.A. – hereinafter also referred to as AdR, or the Group – is an Italian public company, established in 1997. The Group operates and manages the commercial airport system in Rome through the two airports Fiumicino and Ciampino on the basis of a concession, which is provided to them by the ENAC (Italian Civil Aviation Authority). The concession is valid until 2044.

During the business year of 2018 the two airports processed approximately 48.8 million passengers and 218 thousand tons of cargo and generated revenues of EUR 1,031 million (2017: EUR 993 million), EBITDA adj. of EUR 522 million (2017: EUR 502 million), EBIT of EUR 418 million (2017: 410 million) and an EAT of EUR 246 million (2017: 245 million).

Rating result

The current rating attests Aeroporti di Roma S.p.A. a highly satisfactory level of creditworthiness, which represents a low-to-medium default risk.

Factors that applied to the stand-alone rating of AdR were the Group's strong financial profile, which is characterized by its high profitability and internal financing power giving the Group the ability to deleverage rapidly. Additionally, the Group's high degree of regulated revenues governed by tariffs, which are based on the costs of infrastructure, the forecasted amount of passengers and the executed capital expenditure mitigate the risk of cost overruns. Factors that have a negative or constraining effect on the rating are the lack of diversification, the high dividend payouts, its exposure to the general development of the airline industry and the regulatory risks, especially with regard to the political development (co2 policy) on a country and European level.

Due to the group connection to the Atlantia group (BBB / WATCH NEW) the rating of AdR is constrained by the rating of Atlantia. Atlantia is currently subject to increased regulatory and legal risks due to an investigation that is put into place by the government to determine the cause of the collapse of the Polcevera bridge. Any rating change of the Atlantia group might have an impact on the rating of Aeroporti di Roma.

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Outlook

The Group's rating supplement is WATCH NEW. The rating supplement is transferred by the Atlantia group. We expect a stable operative development of AdR with continuing strong EBITDA and cash flow generation. This is based on our expectation that the airline industry will continue to develop positively.

Relevant rating factors

Table 1: Financials of Aeroporti di Roma (Group) | Source: Aeroporti di Roma S.p.A. annual report 2018, standardized by CRA

Aeroporti di Roma S.p.A. Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS, Group)	CRA standardized figures ¹	
	2017	2018
Sales (million EUR)	993	1,031
EBITDA (million EUR)	502	522
EBIT (million EUR)	410	418
EAT (million EUR)	245	246
EAT after transfer (million EUR)	245	246
Total assets (million EUR)	3,195	3,215
Equity ratio (%)	34.12%	34.66%
Capital lock-up period (days)	65.11	57.18
Short-term capital lock-up (%)	19.05	20.61
Net total debt / EBITDA adj. (factor)	3.79	3.41
Ratio of interest expenses to total debt (%)	2.96	2.75
Return on Investment (%)	9.60	9.38

Excerpts from the financial key figures Analysis 2018

- + Increased sales
- + Equity ratio
- + Net debt/EBTDA adj.

- high dividend distributions
- decreased profitability

General rating factors

- + Strong financial profile
- + Strong cash flow generation and profitability
- + High degree of regulated revenues
- + Very high entry barriers due to concessions
- + Good access to financial markets
- Fully dependent on the concession to operate the airports
- High exposure to the general airline industry
- No flexibility regarding tariffs
- Group connection to Atlantia S.p.A. constrains the rating of AdR

Please note:

General rating factors summarize the key issues that – according to the analysts as per the date of the rating – have a significant or long-term impact on the rating, positive (+) as well as negative (-).

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

¹ For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, the analytical equity ratio, deferred tax assets, goodwill (entirely or partly), and the 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.

Prospective rating factors are factors and possible events that – according to 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.

Current rating factors

- + Positive development of the airline industry
- + Increasing number of passengers at AdR
- + Decrease in net debt
- Negative tariff development at Fiumicino airport
- Uncertainty with regard to Alitalia
- High dividend payouts

Prospective rating factors

- + Improved operating performance
- + Better financial key ratios and/or internal financing power
- decrease in financial key ratios and/or internal financing power
- Decreased operating performance
- Negative regulatory changes (i.e. with regard to co2 emissions)

Best-case scenario

In our best-case scenario for one year, we assume a rating of BBB. The rating of AdR is constrained by the rating of its parent company Atlantia S.p.A., which is unlikely to receive an upgrade in the short to middle term due to the increased leverage following the Abertis acquisition and due to the increased regulatory and legal risk following the collapse of the Polcevera bridge.

Worst-case scenario

In our worst-case scenario for one year, we assume a rating of BBB-. This might be the case if the Group would weaken its financial profile, for example due to a decrease in revenues due to a decline in traffic or due to increase of debt. Another reason could be a deterioration of the financial figures of Atlantia. Any consequences that follow from the investigation in the Polcevera event might result in a larger downgrade than assumed in this scenario.

Business development and outlook

During the business year of 2018 the AdR group generated revenues of EUR 1,031 million (2017: EUR 993 million), an EBITDA adj. of EUR 522 million (2017: EUR 502 million), and an EAT of EUR 246 million (2017: 245 million). The immediate revenues from airport management amounted to EUR 922 million (2017: EUR 875 million) and have been realized by aeronautical activities and non-aeronautical activities. The aeronautical activities amounted to EUR 667 million (2017: EUR 634 million), of which EUR 510.2 million directly derived from airport fees (landing, takeoff and parking fees, passenger boarding fees and cargo revenues), EUR 109 million from security services, centralized infrastructures EUR 20 million and EUR 28 million from other aeronautical revenues. The non-aeronautical activities generated EUR 254.5 million of which EUR 139 million are generated through sub-concessions retail outlets, EUR 64 million from real estate management, EUR 28 million from the management of car parks, EUR 13 million from advertising and EUR 11 million from non-aeronautical other revenues.

Best-case scenario: BBB

Worst case scenario: BBB-

Please note:

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

Aeronautical revenues as well as non-aeronautical revenues mainly improved due to the amount of passengers in 2018, which increased to 48.8 million (2017: 46.86 million). The amount of cargo increased to 217.89 thousand tons (2017: 196.94 thousand tons). The growth in passengers was mainly attributable to the Fiumicino airport, which grew to approximately 43 million passengers. At the Ciampino airport, the passenger number declined by 0.8% mainly due to a decrease in commercial movements and seats offered on board by carriers.

During the business year 2018 AdR invested EUR 182 million in capital expenditure (2017: EUR 207 million). The largest expenditures were on the east terminal system (EUR 44 million), works on the runways and aprons (EUR 12 million) and the urbanization of the west area/aprons (EUR 16 million). According to the tariff update, relating to the annual tariff review, the tariffs may vary compared to the tariffs of 2018 by -1.4% at Fiumicino airport and +2.2% at Ciampino airport.

During the first half of 2019 the Group generated total revenues of EUR 529.12 million (H1 2018: EUR 491.07 million) of which EUR 444.90 million revenues from airport management. AdR moved 23.44 million passengers (H1 2018: 22.98 million) and 96.859 tons of cargo (H1 2018: 103,526 tons). The Group invested EUR 114 million during the first half of 2019, of which the largest share (EUR 81.9 million) was targeted to the expansion of airport capacity.

The biggest airline carrier Alitalia, which is responsible for approximately 40% of all commercial traffic, is in financial difficulty. The Italian state will, through Ferrovie dello Stato Italiane, which is the Italian state owned holding company that manages and operates the Italian Railway network, participate themselves to Alitalia, together with Delta Airlines and will become the parties that will have legal control over the company. The Atlantia Group is considered to become the third investor. The deadline (if maintained) to rescue Alitalia is 15 October. Recently, Atlantia has expressed doubt about the effectiveness of the rescue plan carried out by Ferrovie dello Stato and Delta Airlines.

The Group is partially exposed to the general development of the airline industry. According to research published by IATA, the industry is forecasted to grow further in terms of passengers during 2019.

Structural risk

Aeroporti di Roma S.p.A. is an Italian joint stock company headquartered in Rome, Italy. AdR manages the airport system around Rome. The Group holds a concession, granted to them by Italian Civil Aviation Authority (ENAC), which governs the relationship between AdR and ENAC. The concession governs the right to manage and operate the two commercial Roman airports Fiumicino and Ciampino.

The regulatory framework that is determined is valid until expiry of the concession on 30 June, 2044. The regulatory framework mainly regulates the rights and obligations in all circumstances between AdR and ENAC, the identification of airport efficiency and service quality objectives subject to economic regulation, updating of the criteria to determine the tariffs and the central role of the investment plan.

Atlantia S.p.A. (Rating CRA: BBB / NEW WATCH) holds over 99% of the share capital and has legal control over the Group. The remaining shareholders are the Rome Metropolitan council (0.251%), the Municipality of Fiumicino (0.10%) and other shareholders (0.27%).

The six group subsidiaries AdR Assistance, AdR Tel S.p.A., AdR Security S.r.l., AdR Mobility S.r.l., Airport Cleaning S.r.l., AdR Sviluppo S.r.l. carry out supporting activities for the Group, such as PRM (persons with reduced mobility) services, creating and managing the computerized telecommunication systems at the airports, security services, managing the car parks around the airports, cleaning services and real estate management and development on the airport premises.

The Group's structural risk profile is low to intermediate. The Group's residual life of its concession is still approximately 25 years, which gives the right to manage and operate the commercial airport system in Rome, as long as there are no violations, which could result in revocation of the concession or any other large fines. It should be noted that Atlantia, the Group that has legal control over AdR, is facing increased political pressure due to an investigation that is put into place after the collapse of the Polcevera bridge. What the consequences will be is difficult to assess, but a revocation of the concession remains a possibility. Due to the Group connection with Atlantia, the consequences that result out of this investigation might also have an influence on the rating of AdR.

Business risk

The Group operates and manages two Roman airports under concession. The business is exposed to the general development of the Roman/Italian economic cycle. However, because a significant part of the passengers are international tourists, we believe that AdR only has limited exposure to the Italian/Roman economic cycle. The airports have some degree of systemic relevance for the country, since they process almost all of the air traffic around the Italian capital.

The Group derives its revenues from two segments: aeronautical revenues and non-aeronautical revenues. The Aeronautical activities mainly include regulated revenues such as passenger fees, security services, the management of centralized infrastructure and other revenues (check-in desks, helping customers with reduces mobility etc.). The non-aeronautical activities include sub-concessions and utilities (properties and utilities, shops, car parks), advertising and construction services. During the business year 2018 the Group approximately generated 64% out of aeronautical revenues and approximately 36% out of non-aeronautical revenues. Even though the revenue streams are diversified, they both have a high correlation with the amount of passengers that travel through the Roman commercial airports every year and are therefore both exposed to the general development of the airport.

The aeronautical revenue streams of the Group are determined by the tariffs set in the planning agreement. Because the group operates under a dual till model, only the aeronautical activities are used to determine the tariffs. The risk of deficits in their cost structure is mitigated by the fact that the tariffs are reviewed annually and correlate with the costs of infrastructure and services, the executed capital expenditure and take into account the changes in the amount of estimated traffic, and the quality objectives in line with international airline industry. This means that if the cost structure of the Group changes, the tariffs usually change accordingly to accommodate that change.

Large deviations from estimated traffic are also reviewed in the tariffs. If the real traffic deviates within five percent of the forecasted traffic, the Group will have to cope with that change in revenue themselves. Any shortfall of traffic beyond that five percent can be reflected in the permitted costs for the tariff calculation in the next sub-period. Any increase of traffic beyond five

percent, fifty percent of those revenues have to be invested in future investments, and will not have any impact on future tariff calculations.

The popularity of airports is based on the carriers that operate there, because they determine the destinations that airports can offer. ALITALIA is by far the biggest carrier with 16.9 million passengers per year, followed by Ryanair with 8.3 million passengers. A bankruptcy of a large carrier might result in a temporary passenger reduction in traffic, which could adversely affect the results of the Group. The business profile of the airport is partially dependent on the general development of the airline industry.

The business risk of the Group is low to intermediate. Almost all air traffic around the city of Rome goes through the two commercial airports of Fiumicino and Ciampino, which clearly indicates some degree of systemic relevance. Additionally, the cash flows of the Group are stable and for a large degree covered by regulated revenues, which mitigates the risk of cost overruns.

Financial risks

For analytical purposes, CRA adjusted the original values in the financial statements in the context of its financial ratio analysis. Contrary to our normal practice, we deducted the goodwill shown on the balance sheet from equity only by 50%, suggesting a certain recoverability of goodwill. The following descriptions and indicators are based primarily on these adjustments.

The financing structure of the Group exists out of a solid equity ratio of 34.66% (2017: 34.12%) and had per 30.06.2019 a total financing debt including derivatives of EUR 1,551 million (2018: 1,502 million). The Group has a well distributed maturity profile, with only EUR 41 million maturing in 2019, EUR 954 million between one and five years and EUR 556 million after more than five years.

Due to the Group's strong internal financing power it has the ability to deleverage rapidly with a net total debt /EBITDA adj. of 3.41 (2017: 3.79). Additionally, the Group is highly profitable with a net profit margin of 23.88% (2017: 24.68%) and a return on investment (ROI) of 9.38% (2017: 9.60%).

The Group's high dividend distributions dampen the Group's liquidity and hamper the increase in equity. During the business year of 2018 the Group distributed EUR 249 million (2017: EUR 256 million).

The Group is capital intensive with a fixed intensity ratio of 77.50%. The high capital intensity is largely influenced by the concession which is held by the Group and requires ongoing capital investments. AdR is generally able to finance its capital expenditure from its operational cash flow. During the business year of 2018 the Group had an operating cash flow of EUR 453 million (2017: EUR 284 million) during which it invested an amount of EUR 182 million (2017: EUR 207 million).

The Group's liquidity position is solid. As per 30.06.2019 the Group had cash and cash equivalents of EUR 258.4 million and disposed over undrawn credit facilities of approximately EUR 600 million. As of 31.12.2018 the Group had a current and quick ratio of 157.15% and 155.27% respectively, indicating that the Group will have no trouble to cover their short term financial obligations.

The financial risk profile of AdR is relatively low. The Group has a high capital intensity and has a need for ongoing capital investment. However, the Group is able to finance its ongoing investments from its operational cash flow and has strong financial power, allowing them to deleverage quickly. The Group's strong financial position is partially offset by the generous dividend policy AdR maintains.

Issue rating

Issue ratings details

The rating objects of this issue rating are exclusively the long-term senior unsecured issues, denominated in euro, issued by Aeroporti di Roma S.p.A. (issuer) which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB.

The issues have been issued under the current EMTN-programme, with its latest prospectus dating from 27 June 2019. This EMTN programme amounts to EUR 1.500 million. The notes and coupons under the EMTN programme constitute direct, unconditional, unsubordinated and unsecured obligations. Additionally, the notes benefit from a negative pledge provision and a cross default mechanism. A change of control mechanism does not exist in the terms and conditions.

Corporate issue rating result

We have provided the debt securities issued by Aeroporti di Roma S.p.A. with a rating of BBB / WATCH NEW. The rating is based on the corporate issuer rating of Aeroporti di Roma S.p.A. Other types of debt instruments or issues denominated in other currencies have not been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform rating AG.

Overview

Table 2: Overview of CRA Ratings | Source: CRA

Rating objects	Details	
	Date	Rating
Aeroporti di Roma S.p.A. (Issuer)	26 September 2019	BBB / WATCH NEW
Long-term Local Currency (LT LC) Senior Unsecured Issues	26 September 2019	BBB / WATCH NEW
Other	--	n.r.

Table 3: Overview of 2018 Euro Medium Note Programme | Source: EMTN prospectus of 27.07.2019

Overview 2018 EMTN Programme			
Volume	EUR 1,500,000,000	Maturity	Depending on the respective bond
Issuer	Aeroporti di Roma S.p.A.	Coupon	Depending on the respective bond
Arrangers	BNP Paribas Mediobanca – Banca di Credito Finanziario S.p.A. The Royal Bank of Scotland plc UniCredit Bank AG	Currency	Depending on the respective bond
Credit enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured Notes that will be issued by Aeroporti di Roma S.p.A. and that have similar conditions to the current EMTN programme, denominated in euro and included in the list of ECB-eligible marketable assets will, until further notice, receive the same ratings as the current LT LC senior unsecured Notes issued under the EMTN programme. Notes issued under the programme 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. For the time being, other emission classes or programmes and issues that do not denominate in euro will not be assessed. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Financial ratio analysis

Table 4: Financial key ratios | Source: Aeroporti di Roma S.p.A. consolidated annual report 2018, structured by CRA

Asset Structure	2016	2017	2018
Fixed asset intensity (%)	82.84	77.63	77.50
Asset turnover	0.41	0.33	0.32
Asset coverage ratio (%)	60.55	82.82	73.51
Liquid funds to total assets (%)	2.56	9.45	10.21
Capital Structure			
Equity ratio (%)	36.66	34.12	34.66
Short-term-debt ratio (%)	22.12	14.53	14.32
Long-term-debt ratio (%)	13.50	30.18	22.32
Capital lock-up period (in days)	88.59	65.11	57.18
Trade-accounts-payable ratio (%)	9.65	5.54	5.02
Short-term capital lock-up (%)	17.34	19.05	20.61
Gearing	1.66	1.65	1.59
Leverage	2.70	2.83	2.91
Financial Stability			
Cash flow margin (%)	16.22	30.80	34.04
Cash flow ROI (%)	6.45	9.57	10.92
Total debt / EBITDA adj.	4.05	4.42	4.04
Net total debt / EBITDA adj.	3.89	3.79	3.41
ROCE (%)	19.78	17.84	19.38
Total debt repayment period	4.62	10.34	5.41
Profitability			
Gross profit margin (%)	51.04	67.21	70.13
EBIT interest coverage	4.79	6.58	7.25
EBITDA interest coverage	5.63	8.05	9.05
Ratio of personnel costs to total costs (%)	13.75	16.74	16.29
Ratio of material costs to total costs (%)	48.96	32.79	29.87
Cost income ratio (%)	66.13	60.77	60.13
Ratio of interest expenses to total debt (%)	4.95	2.96	2.75
Return on investment (%)	10.68	9.60	9.38
Return on equity (%)	21.05	22.75	22.34
Net profit margin (%)	19.05	24.68	23.88
Operating margin (%)	37.80	41.35	40.55
Liquidity			
Cash ratio (%)	11.55	65.04	71.30
Quick ratio (%)	75.10	150.35	155.27
Current ratio (%)	77.59	153.92	157.15

Appendix

Rating history

The rating history is available under:

<https://www.creditreform-rating.de/de/ratings/published-ratings/>

Table 5: Corporate issuer Rating of Aeroporti di Roma S.p.A.

Event	Rating date	Publication date	Monitoring period	Result
Initial rating	26 September 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB / WATCH NEW

Table 6: LT LC Senior Unsecured issues issued by Aeroporti di Roma S.p.A.

Event	Rating date	Publication date	Monitoring period	Result
Initial rating	26 September 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB / WATCH NEW

Regulatory requirements

The present rating² is an unsolicited rating. Creditreform Rating AG was not commissioned by the Issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The rating was conducted based on Creditreform Rating AG's "Corporate Ratings" methodology, the "Non-Financial Corporate Issue Rating" methodology, as well as on the "Rating Criteria and Definitions".

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies. A complete description of Creditreform Rating AG's rating methodologies and Creditreform Rating AG's basic document "Rating Criteria and Definitions" is published on the following internet page:

www.creditreform-rating.de/en/regulatory-requirements/

This rating was carried out by analysts Rudger van Mook (r.vanmook@creditreform-rating.de) and Elena Damijan (e.damijan@creditreform-rating.de), both located in Neuss, Germany. A management meeting did not take place.

On 26 September 2019, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 30 September 2019. 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.

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.

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.

Please note:

This report exists in an English version only.

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:

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: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

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.

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