

Rating Object:

Bearer Bonds "AEPD III Notes" with the ISIN: DE000A2SA9L9 issued by ALPHA European Private Debt S.A. (company), acting for and on behalf of its compartment 6 (issuer)

Rating:

A-

Rating Outlook / Addition:

Outlook stable

Rating Information:

Initial Issue Date	15/06/2020
Jurisdiction Rating Object	German law
Exchange	Open Market Frankfurt Stock Exchange
Legal Form	S.A. – Société Anonyme
Issue Volumen	Up to 700 Mio. EUR
Seniority	Non-subordinated
Collateralisation	Non-collateralized
Credit Enhancement	Intended
Legal Maturity	15/06/2030
Coupon	Initially up to 4,0% p.a.
Coupon Period	Semi-annually
Coupon Type	Variable
Lead Analyst	Lars Köhler / L.Koehler@creditreform-rating.de / +49 (2131) 109 5138
Co-Analyst	Jan Löckenhoff / J.Loeckenhoff@creditreform-rating.de / +49 (2131) 109 5170 Yannick Sagert / Y.Sagert@creditreform-rating.de / +49 (2131) 109 2083

Rating Rationale:

The structural risks are unchanged compared with the previous year. There is currently no substantial credit enhancement in the form of overcollateralization from early repayments or amortizations. In view of possible delayed negative effects from the Covid-19 pandemic and the current high level of uncertainty regarding the direct and indirect economic impact of the war in Ukraine, CRA continues to classify the operational risk as elevated. The asset manager has the know-how and resources to successfully implement the investment strategy. Risks regarding a successful realization of the fund of funds strategy basically result from the dependency and the limited access to the target fund manager. The development of the portfolio to date and the investments in target funds have proceeded according to plan and within the framework of the specified investment criteria, so that no increase in credit and portfolio risks compared with the last rating action can be identified. A final assessment of the portfolio is not possible due to the still large blind pool portion. Risks in connection with the blind pool mainly result from an allocation to future credit investments whose parameters (especially cash yield) might be below the expected assumptions. The results of the quantitative analysis are only marginally below the previous year's level in some scenarios, so that Creditreform Rating confirms the rating of A- / stable.

Primary Key Rating Factors:

- (+) Expected broad diversification of underlying assets across different sectors and geographies
- (+) Predominantly senior collateral at portfolio loan level
- (+) Credit enhancement gradually built up over the term through partial amortization of the notes
- (+) Changeover of waterfall upon occurrence of a shortfall event leads to further build-up of credit enhancements
- (+) Largely stable performance of loan portfolio invested prior to COVID-19 and defaults below CRA's assumed loss rate
- (+/-) The quantitative results of CRA's analyses show little to no room for negative deviation from the assumptions made by CRA. However, only 12% of the committed capital has been paid in target funds (as of 12/31/2021)

- (-) Credit quality of portfolio companies are expected to be below investment grade, usually comparable to B category
- (-) Possibility of delayed negative effects of the Covid-19 pandemic and of direct and indirect economic consequences of the war in Ukraine

Ratings Sensitivities:

In the best case scenario, an improvement of +15% in the average cash yield of the underlying loans of the blind pool assets (ceteris paribus) was assumed. The result in the best case is A+.

In the worst case scenario, a -15% deterioration in the average cash yield of the underlying loans of the blind pool assets and a +15% deterioration in the average loss given default of the underlying loans (ceteris paribus) were assumed. The worst-case result is BBB-.

ESG-Criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the present case, ESG criteria had no comprehensive impact to the rating.

ESG factors with material impact were not identified.

Latest Rating Date / Disclosure to Rated Entity / Maximum Validity:

12/08/2022 / 12/08/2022 / 15/06/2030

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

Initial Rating Date:

08/06/2020 / A- / Outlook stable

Status of Solicitation:

The rating is a solicited rating. The degree of participation was as follows:

With Rated Entity or Related Third Party Participation: Yes

With Access to Internal Documents: Yes

With Access to Management: Yes

Notes:

This document is a CRA Press Release. The CRA Press Release outlines significant rating-relevant changes compared to CRA's most recent rating action. It immediately follows that the assigned rating must not be limited to the motivators mentioned in the CRA Press Release. Instead, a comprehensive acknowledgement of all explanations provided in previous reports, other forms of documentation, rating updates and, in particular, the CRA initial rating report is indispensable. At this point, CRA refers the reader to these forms of documentation, rating updates and reports.

Regulatory Requirements and Legal Disclosures :

Creditreform Rating AG was mandated on 20/12/2019 by Alpha Associates AG to conduct a rating for the registered notes under German law, issued by ALPHA European Private Debt S.A., Compartment 6. This is a public rating which is regulatory applicable according to EU Regulation 1060/2009 (CRA-Regulation).

The rating was conducted on the basis of Creditreform Rating's "Issue Ratings" and "Technical Documentation - Portfolio Loss Distribution" in conjunction with Creditreform's basic document "Rating Criteria and Definitions".

Important sources of information in the context of the rating were, in addition to the submitted documents, a virtual due diligence meeting on 19/07/2022. The submitted documents and information provided by Alpha Associates AG or rather the Issuer were sufficient to meet the requirements of Creditreform Rating AG's rating methodology.

A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

On the subject of ESG (environment, social and governance), Creditreform Rating AG has published the basic document "The Impact of ESG Factors on Credit Ratings", which is available on the homepage under the following link:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

This rating was carried out by analysts Lars Koehler (Lead), Jan Loeckenhoff and Yannick Sagert, all located in Neuss/Germany. The function of Person Approving Credit Ratings (PAC) was performed by Sascha Pomorin.

Closing of the transaction occurred on 15/06/2020. The rating is based on the portfolio information and transaction documentation as of 08/08/2022, as provided by Alpha Associates AG or the Issuer.

The issuer or all relevant parties have examined the rating report prior to publication and were provided with at least one full working day to appeal the rating committee decision and provide additional information. The rating decision was not amended following this examination.

Ancillary services were not provided.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Conflicts of Interest

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 approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA 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, CRA has used following substantially material sources:

1. Transaction structure and participants
2. Transaction documents
3. Issuance documents

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard 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.

This rating was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

The "Basic Data" information card or the press release published on Creditreform Rating's website 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" card or in the press release published on Creditreform Rating's website as a "rating action"; first 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 „Basic data“ information card Creditreform`s basic document "Rating Criteria and Definitions".

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings 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`s default rates are available in the credit rating methodologies disclosed on the website. Further information can also be found on the CRA website in the document "Rating Criteria and Definitions".

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.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report's overall assessment. Excerpts may only be used with the express consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

Contact

Creditreform Rating AG

Europadamm 2-6
D - 41460 Neuss

Phone +49 (0) 2131 / 109-626
Fax +49 (0) 2131 / 109-627
E-Mail info@creditreform-rating.de
Internet www.creditreform-rating.de

Chief Executive Officer:
Dr. Michael Munsch
Chairman of the Supervisory Board:
Michael Bruns

HRB 10522, Amtsgericht Neuss