

21 August 2024 – Neuss, Germany

## Rating Action / Update:

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

Creditreform Rating (CRA) has confirmed the unsolicited, public corporate issuer ratings of Iberdrola S.A, Iberdrola Finanzas S.A.U. and Iberdrola International B.V. - together referred as Iberdrola or the Company - as well as the unsolicited corporate issue rating of long-term local currency senior unsecured notes issued by Iberdrola Finanzas S.A.U. and Iberdrola International B.V. at **BBB+** with **stable** outlook. Additionally, the unsolicited short-term ratings of Iberdrola S.A, Iberdrola Finanzas S.A.U. and Iberdrola International B.V. have been confirmed at **L3** (adequate level of liquidity).

### Current relevant factors for the rating

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

- + Improved gross margin and operating results in 2023 and in the first half of 2024, in the wake of energy price stabilization
- + Commencement of new generation assets in renewables and increase in regulated asset base in network business, positive adjustments to regulatory frameworks in the UK, USA, and Brazil in 2024 support expectation of positive earnings development in the future
- + Comfortable liquidity position, strengthened after the partial divestiture of assets in Mexico, sufficient to fund the announced acquisition of ENW
- + Active liability management strategy and sufficient undrawn credit facilities continue to be key supporting factors for the rating
- + Asset rotation and attracting of co-investors, helping to implement investment plans and maintain overall sound financials
- + Expected stronger market position in the UK, subject to authorization of ENW acquisition
  
- Increased capex and dividend payments, coupled with prolonged environment of high inflation and interest rates, could pressure Iberdrola's financial profile
- Debt levels increased in 2023, but leverage remained overall stable due to increasing operating results

### ESG-criteria:

CRA generally takes ESG factors (environment, social and governance) into account within its rating decisions. In the case of Iberdrola S.A. we have not identified any ESG factors with significant influence.

Iberdrola made substantial progress in reducing its environmental footprint and thereby contributes to the decarbonization of the energy sector. The Group's investment plan 2024 – 2026 foresees investments of EUR 41 billion, of which two third to be spent with smart grids and one third with renewable energy generation. The electricity grids play an important role in the energy transition, facilitating smart, efficient and flexible transmission and distribution of renewable energy and accommodating the electrification of the global economy. Iberdrola has a leading position in the generation of emission-free electricity, with an installed renewable generation capacity of 43,421 MW at the end of June 2024, corresponding to 78% of total net owned capacity. This share of renewables in the Company's energy generation matrix has been increasing

### Analysts

Elena Damijan  
Lead Analyst  
E.Damijan@creditreform-rating.de

Artur Kapica  
Co-Analyst  
A.Kapica@creditreform-rating.de

Neuss, Germany

**ESG factors** are factors related to environment, social issues, and, governance. For more information, please see the section "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.

slowly but steadily because of continued investment programs – in 2019, renewables represented 70% of total. The Group's decarbonization strategy has led to a substantial reduction in its direct emissions compared to 2019 levels, with Iberdrola's emissions globally falling to 77 gCO<sub>2</sub>/KWh at the end of 2023 (110 GcO<sub>2</sub>/KWh in 2019). Iberdrola's goal is to be carbon neutral in scope 1 and 2 by 2030 and reach net zero emission by 2040. Iberdrola is the world's leading group when it comes to green bonds outstanding.

Iberdrola has set clear targets with regard to its environmental footprint, but also with regard to social and governance, being committed to increase the presence of women in key positions to 35% of total by 2030 (compared to 26% currently) and to maintain the 43% share on the Board of Directors. Iberdrola also continues with its salary equality policy and continuously support the best practices in corporate governance.

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+** assigned to Iberdrola S.A. attests a good level of creditworthiness, representing a low to medium default risk. The main positive factors contributing to the rating result are Iberdrola's balanced financial profile as well as its large amount of regulated revenues and long-term contracts (PPA's), which significantly reduces market price and volume risks. Furthermore, the Company's geographically diversified asset base and income generation contribute positively to the current rating result. Regulatory risks, particularly with regard to Iberdrola's Networks business, are to a large extent mitigated by the high number of different regulatory regimes.

In 2023, following the overall stabilization of the energy prices, Iberdrola was able to substantially improve its gross margin and operating results, despite persistently subdued economic sentiment, especially in Europe, accompanied by high inflation and interest rates. In order to retain its leadership position in the energy transition, Iberdrola will invest EUR 41 billion in the period between 2024 and 2026 to finance the continuance of its energy transition. According to its updated investment strategy, the Group plans to focus its investments on its Networks business and to expand the scale of its activities in countries with stable framework conditions, thus contributing to enhanced reliability, in particular with regard to forecasting earnings. This strategy should contribute to reducing the Company's overall exposure to adverse weather conditions and fluctuations on the energy markets. In order to maintain its solid financial structure, the Company has elaborated an assets rotation plan, and aims to attract co-investors for its renewable projects. In line with the announced rotation plan, Iberdrola has partially divested its assets in Mexico. We expect consistent growth in the Company's earnings following the planned commencement of new generation assets and increase in the regulated asset base in its Networks business, which supports our rating assessment. Nevertheless, the Group's ambitious investment plan is currently a constraining factor to the rating as the increased cash-outflows, including dividend payments, could adversely affect the Company's financial strengths, putting pressure on its liquidity position.

## Outlook

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.

The one-year outlook for the rating is **stable**. This reflects our view that, although uncertainties related to global economic prospects and geopolitical risks remain, the Company will be able to retain its overall solid key financials. Our assessment is based on the continuous ramping up of renewable projects as well as a continuously growing regulated asset base in the course of the development of distribution and transmission networks. In most of its relevant regions, Iberdrola benefits from adjusted framework conditions in its Network business. We view the implementation of the asset rotation plan as positive, which contributes to maintaining a sound financial position in the future, and in particular to funding the announced major acquisition in the UK.

### Best-case scenario: BBB+

In our best-case scenario for one year, we assume a rating of BBB+. We believe an upgrade within the period of one year to be unlikely due to Iberdrola's ambitious investment program, which puts a certain amount of pressure on the Company's credit metrics, as the Group's investments in combination with its dividend policy continue to exceed its cash flow generation. Additionally, continued subdued global economic performance and geopolitical risks, resulting in an environment of persistently high interest rates and inflation, is a potential negative factor for the rating.

### Worst-case scenario: BBB

In our worst-case scenario for one year, we assume a rating of BBB. This could be the case if the Company's operating cash flow decreases, resulting in high negative retained cash flow after investments, ultimately leading to an increase in borrowings and in the deterioration of the Group's credit metrics. Moreover, increased risk with regard to a global recession, or a further escalation of conflicts around the world, may severely impact operating activities and delay the Company's EBITDA growth target. In addition, negative pressure could also arise if there is a significant deterioration in the Company's liquidity position.

## Business development and outlook

Despite volatile global macroeconomic and industry-specific conditions and persistent geopolitical tensions, Iberdrola has demonstrated a strong operating performance over recent years, with growing earnings and consistently solid results in our key financial analysis. In our view, key factors for this development are the Company's geographical and business diversification, as well as its strategic focus on products and businesses which are in line with the global trend of ubiquitous electrification, and international efforts to build a decarbonized economy including power infrastructure, electricity production from renewable sources, and the development of modern power storage capacities.

Table 1: Financials of Company Iberdrola S.A. | Source: Annual Financial Information Iberdrola, S.A. and subsidiaries 2023

Iberdrola S.A. Selected key figures of the financial statement analysis Basis: Consolidated financial statements as of 31.12. (IAS)	CRA standardized figures <sup>1</sup>	
	2022	2023
Revenue (EUR million)	53,949	49,335
EBITDA (EUR million)	12,571	13,655
EBIT (EUR million)	7,894	8,957
EAT (EUR million)	5,060	5,394
EAT after transfer (EUR million)	4,339	4,803
Total assets (EUR million)	145,184	143,835
Equity ratio (%)	42.40	43.53
Capital lock-up period (days)	40.10	37.82
Short-term capital lock-up (%)	39.15	42.71
Net total debt / EBITDA adj. (factor)	5.98	5.42
Ratio of interest expenses to total debt (%)	3.08	3.96
Return on Investment (%)	4.73	5.27

In 2023, against the backdrop of overall energy price stabilization in Europe as compared to the exceptional operating environment in 2022, when there were massive disruptions in energy supply after the outbreak of the war in Ukraine, revenues dropped by 8.5% to EUR 49,335 million. Nevertheless, the Company showed solid growth in operating results. Against the backdrop of the overall higher production resulting from commissioning of new generation capacities and lower purchase prices, the Group's gross margin improved substantially by 15.4% to EUR 23.302 million (2022: EUR 20.199 million), primarily driven by the Electricity Production and Customers segments. CRA's analytical EBITDA amounted to EUR 13,655 million (2022: EUR 12,571 million), +8.6%. Reported EBITDA grew by 9.0% to EUR 14,417 million, and reported EBIT was up by 12.4% at EUR 8,973 million. Along with market environment effects, this development came in the wake of the implementation of the efficiency measures introduced in some regions, as well as specific favourable one-off effects as compared to 2022. On the other hand, the Group saw headwind effects connected to restrained demand in most of its geographical regions due to overall economic cooling, with the exception of Brazil, with a resulting decline in distributed energy. In the net owned production mix there was a shift towards an increase in the production of energy from renewable sources (in particular solar and hydro), while nuclear and gas combined power production slowed. Reported net financial income decreased to EUR -2,187 million (2022: EUR -1,838 million) due to a higher average debt balance during the year and a rise in the cost of debt. Despite the higher interest and income tax burden, net profit totalled EUR 4,803 million—an increase of 10.7%— in line with the Company's targeted double-digit net income growth.

In the first half of the 2024 financial year, Iberdrola was again able to deliver strong operational performance. EBITDA grew by 27.2% to EUR 9,614 million, EBIT was up by 39.7%, reaching EUR 6,859 million, and net profit increased by 64.0% to EUR 4,134 million. These figures include the

<sup>1</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.

positive effects from the divestiture of more than a half of the Group's Mexican assets, as announced in 2023. Iberdrola sold 13 generation plants with gas combined cycle for roughly USD 6,200 million. The transaction was concluded in February 2024, resulting in a non-recurring contribution to EBITDA of EUR 1.72 billion and to net profit with EUR 1.17 billion. The Company is to retain the residual assets in Mexico, which includes its activities with private customers and a portfolio of 6,000 MW in renewable projects, still to be developed. Adjusted for this transaction, EBITDA increased by 4.4%, and net profit by 17.6%. While the overall economic sentiment in the most of Iberdrola's markets remained subdued, marked by substantial inflation and interest rates, the Company was able to increase its own renewables capacity by 5.3% to 43,421 MW and saw positive industry-specific effects, in particular positive tariff adjustments for networks in the UK, USA and Brazil. Based on the commencement of production capacity in renewables and storage during the year, on the tariff adjustments and the growth of regulated asset base, the Company announced a double-digit growth in net profit for 2024.

Table 2: Business development of Iberdrola S.A. | Source: Interim results H1 2024, reported information

Iberdrola S.A.				
In million EUR	H1 2023	H1 2024	Δ	Δ %
Net revenue	26,263	22,637	-3,626	-13.8
Gross margin	12,124	12,489	+365	+3.0%
EBITDA	7,561	9,614	+2,053	+27.2%
EBIT	4,911	6,859	+1,948.2	+39.7%
Net profit	2,521	4,134	+1,613	+64.0%

Looking ahead, Iberdrola has published its target to invest EUR 41.0 billion in the period 2024-2026, of which EUR 5.0 billion is to be invested by strategic partners. The plan is focused on the development of grids (two thirds of net investments), predominantly in markets with stable framework conditions (85% of investments are to be allocated to A-rated countries), and in efficient renewable technologies, including an increase in storage capacity. By 2026, Iberdrola strives to achieve EBITDA of EUR 16.5-17.0 billion, with the Networks and Renewables segments contributing 50% each to this result, and approximately 70% of EBITDA not linked to wholesale electricity market prices. Net profit is expected to increase to EUR 5.6-5.8 billion. In order to retain its sound financial structure, Iberdrola has set an asset rotation target of EUR 12.2 billion for the period of 2024-2026. The transaction in Mexico was implemented in line with this target. In accordance with its target to attract co-investors, Iberdrola has already formed a range of strategic alliances for the development of renewable projects. On 2 August 2024, the Company announced the acquisition of an 88% stake in Electricity North West (ENW) for an equity value of EUR 2.5 billion, after which, subject to common authorization process, Iberdrola's regulated asset base in the UK, including Scottish Power<sup>2</sup>, is set to grow to EUR 14.0 billion. Currently, the regulated asset base in the USA is the biggest in Iberdrola's portfolio with EUR 13.3 billion.

Against the backdrop of the sector's energy transition, Iberdrola remains reliant on external financing in the forthcoming years in order to fund the expansion of its investments during a period of volatile market conditions. Gross investments in 2023 amounted to EUR 11,382 million, an increase of 6% compared to 2022. In the first half of 2024, gross investments intensified and

<sup>2</sup> Scottish Power has been part of Iberdrola Group since 2007

were at EUR 5,276 million, up 16% against the first half of 2023. As of 31 December 2023, gross financial debt increased by 3.8% to EUR 51,980 million (2022: EUR 50,082 million), with net financial debt 8.4% above the level of the previous year (EUR 47,914 million, 2022: EUR 44,185 million). As of 30 June 2024, after the cash inflow following the conclusion of the Mexico transaction, which resulted in relatively high cash assets of EUR 5,393 million (31 December 2023: EUR 3,019 million), net financial debt decreased to EUR 45,235 million, a decline of 5.6% as compared to the end of 2023. Gross financial debt remained stable, at EUR 51,868 million as of 30 June 2024, with 77.7% of outstanding debt having fixed interest rates. A substantial share of the liquidity released after the divestiture of assets in Mexico is expected to be allocated to the recently announced purchase of the Group's major stake in ENW. So far, the constant increase in debt has, in our view, been largely commensurate with the Company's strengthened internal financing capacity in the course of a ramp-up in generation capacities and its increasing regulated asset base in the Networks segment (see EBITDA development). This is particularly evident in the development of CRA's net total debt / EBITDA adj., which improved slightly to 5.42x in 2023 (2022: 5.98x). In 2023, net cash flows from operating activities increased by 16.2% to EUR 12,130 million (2022: EUR 10,443 million). Iberdrola's liquidity position has been underpinned by EUR 17,162 million undrawn credit facilities as of 31 December 2023, (EUR 16,313 million as of 30 June 2024) the majority of them having a maturity beyond 2026. The Company's management is committed to maintaining solid levels of alternative performance measures (adjusted leverage, funds from operation / net debt) in order to maintain a solid credit rating and to have access to favourable financing conditions, despite its extensive capex and substantial dividend payments. These factors are supportive for maintaining our rating assessment and the outlook.

### Further ratings

In addition to the rating of Iberdrola S.A., the following Issuers and their issues (see below), have been rated:

- Iberdrola Finanzas S.A.U.
- Iberdrola International B.V.

Due to the corporate, strategic, liability, financial, economic and performance-related interdependencies of the aforementioned subsidiaries (both of which are 100% direct subsidiaries of Iberdrola S.A. and have been consolidated into the group annual accounts), we derive the unsolicited issuer ratings of these subsidiaries from the unsolicited issuer rating of Iberdrola S.A. and set them 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 Iberdrola S.A., Iberdrola Finanzas S.A.U., and Iberdrola International B.V. has been set at **L3** (standard mapping), which corresponds to an adequate level of liquidity for one year.

The rating objects of the issue ratings are exclusively long-term senior unsecured issues, denominated in euro, issued by Iberdrola S.A. and the above-mentioned subsidiaries, which are included in the list of ECB-eligible marketable assets.

Iberdrola S.A. is the guarantor with respect to all rated issues that have been issued by the above listed entities. The notes issued by Iberdrola Finanzas S.A.U. have been issued under the Euro Medium Term Program (EMTN), with the latest basis prospectus of 30.05.2024, and with the total nominal value of bonds issued not exceeding EUR 30,000 million. Iberdrola International B.V. is no longer an issuer under the terms of the latest base prospectus of the EMTN-

programme for future bond issues; the last base prospectus that included Iberdrola International B.V. as an issuer was that of 1 August 2018. However, the Company continues to hold several outstanding bonds rated by CRA. We have provided the long-term local currency senior unsecured notes issued by Iberdrola Finanzas S.A.U. and Iberdrola International B.V. with an unsolicited issue rating of **BBB+ / stable**. The ratings are based on the respective corporate issuer ratings.

Long-term local currency senior unsecured notes issued by Iberdrola S.A. and the above-mentioned subsidiaries, which have similar conditions to the current EMTN programme, are 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.

The notes, which had been issued by Iberdrola Finance Ireland DAC under the Global Medium Term Note Program (GMTN) with the last prospectus of 29 July 2015, have been repaid on the due date in 2024. Iberdrola Finance Ireland DAC does not hold any notes rated by CRA. For this reason, Creditreform Rating AG has withdrawn the unsolicited corporate issuer and issue ratings of Iberdrola Finance Ireland DAC until further notice and has set them at **(n.r.)** each. The short-term rating of Iberdrola Finance Ireland DAC also has been withdrawn.

For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Table 3: Overview of CRA Ratings | Source: CRA

Rating Category	Details	
	Date of rating committee	Rating
Iberdrola S.A.	21.08.2024	<b>BBB+ / stable / L3</b>
Iberdrola Finanzas S.A.U.	21.08.2024	<b>BBB+ / stable / L3</b>
Iberdrola Finance International B.V.	21.08.2024	<b>BBB+ / stable / L3</b>
Long-term Local Currency (LC) Senior Unsecured Notes issued by Iberdrola Finanzas S.A.U.	21.08.2024	<b>BBB+ / stable</b>
Long-term Local Currency (LC) Senior Unsecured Notes issued by Iberdrola Finance International B.V.	21.08.2024	<b>BBB+ / stable</b>
Iberdrola Finance Ireland DAC	21.08.2024	<b>n.r.</b>
Long-term Local Currency (LC) Senior Unsecured Notes issued by Iberdrola Finance Ireland DAC	21.08.2024	<b>n.r.</b>
Other	--	<b>n.r.</b>

## Appendix

### Rating history

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

Table 4: Corporate Issuer Rating of Iberdrola S.A.

Event	Rating created	Publication date	Result
Initial rating	03.05.2019	16.05.2019	BBB+ / stable

Table 5: Corporate Issuer Rating of Iberdrola Finanzas S.A.U.

Event	Rating created	Publication date	Result
Initial rating	03.05.2019	16.05.2019	BBB+ / stable

Table 6: Corporate Issuer Rating of Iberdrola Finance International B.V.

Event	Rating created	Publication date	Result
Initial rating	03.05.2019	16.05.2019	BBB+ / stable

Table 7: LT LC Senior Unsecured Issues issued by Iberdrola Finanzas S.A.U.

Event	Rating created	Publication date	Result
Initial rating	03.05.2019	16.05.2019	BBB+ / stable

Table 8: LT LC Senior Unsecured Issues issued by Iberdrola Finance International B.V.

Event	Rating created	Publication date	Result
Initial rating	03.05.2019	16.05.2019	BBB+ / stable

Table 9: Short-term issuer ratings of Iberdrola S.A., Iberdrola Finanzas S.A.U., Iberdrola Finance International B.V.

Event	Rating created	Publication date	Result
Initial rating	21.11.2023	28.11.2023	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.

<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 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.

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="#">Non-financial Corporate Issue Ratings</a>	2.0	March 2024
<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
Artur Kapica	Analyst	A.Kapica@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 21 August 2024, the analysts presented the rating to the rating committee and the rating was determined. The rating result was communicated to the company on 22 August 2024. 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 guarantees that the provision of ancillary services does not cause a conflicts of interest with its rating activities and discloses in the final rating reports which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

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.

### 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.

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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](mailto:info@creditreform-rating.de)  
Web: [www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch  
Chairman of the Board: Michael Bruns

HR Neuss B 10522