

**EuroRating changed the status of the credit rating
assigned to senior secured fixed rate bonds programme
of the company Propifi Bonds plc
from public to private**

RATING ACTION

Warsaw, June 25, 2024 – The EuroRating credit rating agency changed the status of the credit rating (at the 'A-' level with a stable outlook) assigned to senior secured fixed rate bonds programme of the company Propifi Bonds plc (United Kingdom) from a public rating to a private rating (not subject to publication).

RATING ACTION RATIONALE

Due to the constantly increasing regulatory requirements and related rising costs in recent years, disproportionate to the scale of operations of small credit rating agencies, and the simultaneous lack of demand for public credit ratings among corporate bond issuers in Poland, EuroRating submitted a request to ESMA to withdraw the company's registration as a credit rating agency authorized to issue public credit ratings in the EU.

At the company's request, ESMA issued a decision to withdraw the formal registration of EuroRating in the EU. This decision entered into force on June 18, 2024.

Due to the above, EuroRating changed the status of the solicited credit rating assigned to assigned to senior secured fixed rate bonds programme of the company Propifi Bonds plc from a public rating to a private rating.

Pursuant to Article 24 point 4 of the EP Regulation No. 1060/2009, public credit ratings previously assigned by EuroRating may continue to be used for regulatory purposes after ESMA issues a decision to withdraw the agency's registration in the EU for the period of:

- ten working days from the date of publication of ESMA's decision, if there are credit ratings of the same financial instrument or entity issued by other credit rating agencies registered in the EU; or
- three months from the date of publication of ESMA's decision, if there are no credit ratings of the same financial instrument or entity issued by other credit rating agencies registered in the EU.

This means that the previous public credit rating (at the 'A-' level with a stable outlook) assigned by EuroRating to the bonds programme of the company Propifi Bonds plc will be able to continue to be used for regulatory purposes by financial institutions or any other entities in the EU for the next three months, i.e. until September 17, 2024.

REGULATORY DISCLOSURES

Information on the EuroRating credit rating agency

EuroRating is a fully independent international credit rating agency operating since 2007, specializing in assessing the credit risk of companies and financial institutions. EuroRating offers private credit ratings for companies and investors worldwide.

Until June 18, 2024 EuroRating Sp. z o.o. was formally registered by the European Securities and Markets Authority (ESMA) as a credit rating agency authorized to issue public credit ratings throughout the European Union (in accordance with the Regulation of the European Parliament and of the Council No. 1060/2009 on credit rating agencies) and was under supervision of ESMA.

Methodology

The presented credit rating for is a rating for the bond issue programme, i.e. it takes into account both: a general credit risk of the bond Issuer (Propifi Bonds plc) and of the Principal Borrower (Propifi Investments Ltd), as well as any bond collateral and/or guarantees, as an additional protection for the bondholders.

The methodology used in this rating was "Credit rating methodology for corporations", published in June 2023 and available at: <https://www.eurorating.com/en/ratings/methodology/credit-risk-assessment-methodology>

The rating scale of the EuroRating credit rating agency as well as detailed rating definitions are published at: <https://www.eurorating.com/en/ratings/rating-scale>

Historical default statistics for entities assessed by EuroRating are published in the report on rating statistics, available at: <https://www.eurorating.com/en/ratings/statistics>

EuroRating's definition of default as well as definitions of rating notations can be found in the agency's website at: <https://www.eurorating.com/en/ratings/methodology/definition-of-default>

Credit ratings assigned by the EuroRating credit rating agency are not solely estimates of the probability of default of a rated entity, but represent a total estimated assessment of a risk of loss (i.e. the ultimate loss of part or all of the receivables along with any interest) by the creditors of the rated entity in the event of its default. Ratings assigned by EuroRating therefore express a combination of the estimated probability of default of the rated entity and the estimated level of loss of receivables by its creditors in the event of an actual default (Loss Given Default).

Private status of the credit rating / terms of use

Private credit ratings cannot be presented publicly (including, for example, on a website, in publicly distributed information materials, etc.) and may only be provided to a small group of third parties (this may be a total of no more than 149 recipients). Such ratings may be transferred by the rated entities to third parties only directly, provided that these entities may not provide information about the assigned rating (or rating notes or reports) to any other entities. Although private ratings cannot be used by financial institutions for regulatory purposes, they can still be used by any interested entity for operational purposes (i.e. as confirmation of the financial credibility of the rated guarantee fund).

The terms of use for credit ratings issued by EuroRating are published on the agency's website at: <https://www.eurorating.com/en/ratings/about-credit-ratings/terms-of-use>

Solicitation and key sources of information

The presented credit rating is solicited by the bond Issuer – Propifi Bonds plc. The bond Issuer and/or its agents have participated in the rating process by providing the agency documents, information and explanations concerning the economic and financial situation of the bond Issuer, the Principal Borrower, as well as on the assessed bond issue programme.

The main sources of information used in the rating process were financial statements and forecasts of the rated company (Propifi Bonds plc) and of the Principal Borrower (Propifi Investments Ltd), the bond memorandum ("Listing particulars") and other data, information and explanations provided by the rated company and/or its agents. It should be noted, that the rated entity is still a new company and the assigned credit rating was based on a limited historical data and on the forecasts for the future, which by their very nature are uncertain.

DISCLAIMER

EuroRating considers the scope and quality of available information on the rated entity as sufficient to issue a credit rating. EuroRating takes all necessary measures to ensure that obtained information used in the rating process is of proper quality and is derived from sources deemed by the agency as reliable. Nevertheless, EuroRating does not have a possibility to verify or to confirm in each case the correctness and authenticity of obtained information used in the rating process and/or presented in this report. The forecasts presented in the rating report have been prepared by the rated entity (not by EuroRating).

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