

Rating report

11 September 2020

**EuroRating assigns BBB long-term credit rating
to secured fixed rate bonds of the company
Rainbow Global Operations Ltd
issued via the bond programme of Audacia Capital (Ireland) Ltd**

Public / Private rating	Public
Continued / One off rating	Continued (monitored rating)
Category	Rating for a bond issue
Bonds issued by	Rainbow Global Operations Ltd via the bond programme of Audacia Capital (Ireland) Ltd
Formal bond issuer	Audacia Capital (Ireland) Ltd
Bond Obligor	Rainbow Global Operations Ltd (Ireland)
Type of the rated bonds	secured fixed rate bonds
Bonds maturity date	31 May 2025
Type of the credit rating	Long-term, international scale
Date of rating assignment	11 September 2020
Rating level	BBB
Rating outlook	Stable

The presented credit rating is a rating for a bond series "Rainbow 8% Fixed Income Bond 2020" and relates to the issue of up to £20 million secured fixed rate bonds denominated in GBP with the maturity date 31 May 2025. The bonds are to be issued in tranches over time via the bond programme of an intermediary bond platform Audacia Capital (Ireland) Ltd ("Audacia", the "Issuer") by the company Rainbow Global Operations Ltd ("RGO", "Collateral Obligor"), which is a private limited company incorporated and registered in Ireland.

The presented credit rating does not relate to the credit risk (or probability of default) of the formal issuer – Audacia Capital (Ireland) plc (rated by EuroRating at "BBB+") nor to the credit risk of the Collateral Obligor – Rainbow Global Operations Ltd. The rating concerns the risk of an ultimate loss of a part or all of the secured bonds' principal amount and the interest by the bondholders in the event of a default of the Collateral Obligor.

Key rating drivers

Bonds secured on several assets: The Collateral Obligor is Rainbow Global Operations Ltd. The bonds are secured on a first ranking floating charge to the bond Issuer (Audacia Capital Ireland plc) over the entire assets and undertaking of the Collateral Obligor. The collateral is comprised in: cash or other liquid assets; the assets and undertaking of the RGO's business; pursuant to the pledge from Rainbow Global Sports Consortium Inc, the shares in the Collateral Obligor; and pursuant to the guarantees from the guarantors, the assets and undertaking of Southzone and FC Holdings.

Collateral include a large portfolio of contracts: One of the Collateral Obligor's subsidiaries – Southzone Holdings Ltd currently controls a set of contracts of over 20 football players. The forecasted total income from the contracts (agency and transfer fees) for the next 5 years amounts to over USD 30 million. The contracts also constitute a collateral of the bonds.

Part of a group of companies: Rainbow Global Operations Ltd is owned by the Rainbow World Sports Consortium Inc, which includes seven companies. RGO may count to some extent on a financial support from the Group and the Group has undertaken to pledge by way of further security 100% of the shares in the Collateral Obligor in favour of the Issuer.

Relatively good financial situation the Collateral Obligor: Although RGO is a new company, it was built on the foundations of two existing companies that have already been operating since 2017 and were able to generate substantial revenues and net profits (as well as very high returns on assets and on equity) from the very beginning of their activities. Up to date, the RGO's pro forma consolidated assets were financed in approximately 90% by equity and RGO's subsidiaries had no financial liabilities. After the bond issue over 80% of the consolidated assets will be financed by liabilities (almost entirely long-term). However, in the next years, thanks to the expected generated large profits, the share of equity shall again increase significantly.

Potentially profitable business model: The principal activities of RGO is running and management of football clubs and training of aspiring football professionals. This business model proved to be successful in MFK Vyskov FC in Czech Republic (football club owned by the company's subsidiary Southzone Holdings Ltd), as well as by the second Company's subsidiary – Rainbow FC Holdings Ltd.

Expected further diversification of assets: The proceeds from bond issue is planned to be spent mainly on acquiring new players, as well as on acquisitions of football clubs in France, Spain, Latvia, Lithuania and Poland, which should further diversify the assets of RGO.

Unique competitive position: The Rainbow Group's business model is quite unique and for this reason it does not have many direct competitors. The Group's ambition is to become the largest and most valuable developer and agent of African football players and other related countries in the world.

Experienced management team: Rainbow Group was founded by a business executive with deep experience as a manager and agent in the football industry – Mr. Kingsley Pungong, who is the CEO of the companies included in the Group. The Rainbow Group also has a management team and a board of advisors who closely work with the CEO. This board of advisors have in-depth experience in the world of football permitting them to provide quality management expertise to the Group.

Strong regulatory regime of the bonds: In addition to the various partners the entire process of bond issuance is overseen and monitored under the regulatory regime of the Central Bank of Ireland, which has an excellent reputation as a regulator with robust and efficient regulation, which facilitates market and product developments while protecting investor interests.

Short history of operations of the Collateral Obligor: Rainbow Global Operations Ltd is a newly established company which was incorporated on 11 March 2020. Thus, the company has got yet a little track record (and it refers mostly to its subsidiaries).

Collateral Obligor's dependency of revenues on large contracts: Rainbow Global Operations Ltd, through its subsidiaries, generates most revenues from fees and commissions for players transfers. Thus, the revenues (and financial results) in individual years may depend on finalisation of new transactions and may vary significantly from year to year.

Covid-19 pandemic influence risk: The impact of the Covid-19 crisis on football players' market values can affect the Company's business. Many football clubs have lowered players' remunerations due to financial problems caused by suspended season, closed stadiums and lack of transmission payments from television networks. Preliminary estimates show a decrease of player's market value due to the crisis by 25%. That however can allow the Company to acquire new players and clubs at bargain prices.

Stable rating outlook

The stable outlook assigned to the rating means, that according to current estimates of the EuroRating credit rating agency the rating should most probably remain unchanged in the horizon of the next 12 months.

Factors that could lead to a rating change

Positive:

- successful development of the operating activity and generating by the Collateral Obligor increasing revenues and positive net results, which would turn into stable and positive free cashflows;
- further enhancement of the capital position of the Collateral Obligor;
- a significant increase of cash reserves, which would improve the Collateral Obligor's liquidity position and would decrease its reliance on the Rainbow Group;
- an increase of the value (and/or an increase of the diversification) of assets constituting the collateral of the bonds.

Negative:

- generating by the Collateral Obligor low consolidated revenues and profits (much below forecasts), or in particular incurring losses;
- keeping a low share of equity in the Collateral Obligor's consolidated balance sheet total;
- weakening of the liquidity position of the Collateral Obligor;
- long-term negative impact of Covid-19 pandemic on the Collateral Obligor's business;
- loss of important key players and/or contracts
- a decrease of the value (and/or a decrease of the diversification) of assets constituting the collateral of the bonds.

The formal bond issuer

A formal (direct) issuer of the rated bonds described in this report is the company Audacia Capital (Ireland) plc, which is a platform for issuance of debt securities. The purpose of the company is to issue tradeable and liquid corporate bonds for SMEs and in so doing, allow these companies to raise funds to be used to further their own commercial or industrial activity, via their own dedicated listed bond series but with the Company assuming the governance burden of being a listed company and the incumbent cost burden of that.

The activities of Audacia Capital (Ireland) plc are comprised solely in the issuance and operation of a limited recourse debt securities programme. The claims of the bondholders against the company in respect of the bonds of any particular series are limited only to the collateral held by the company (i.e. the rights arising under loans granted to the Bond Obligor), together with cash retained or otherwise held in segregated account for the bond series and the redemption proceeds or other distributions in relation to the bonds of the relevant series.

Following the distribution of such collateral and any proceeds of sales of such collateral, the bondholders of the series have no further rights against Audacia Capital (Ireland) plc (or any of its assets), to recover any sums due but unpaid to it, and all claims and all rights to claim of the bondholders of the relevant series against the company in respect of each such sum unpaid are automatically extinguished.

That means, that Audacia Capital (Ireland) plc (as a bond platform and at the same time a formal issuer of the bonds) is not liable for any obligations arising out of the issuance of the bonds issued via it by the Bond Obligor (i.e. Rainbow Global Operations Ltd).

Direct bond issuer registration data

Company name: Audacia Capital (Ireland) plc. **Registered office:** 31-32 Leeson Street, Dublin 2, Ireland; The Company also maintains a satellite sales office in London for the UK based Directors at 22A St James's Square, London SW1Y 4JH, United Kingdom; **Company registration number (Ireland):** 622442; **Tax Reference Number:** IE3577429 RH; **Legal Entity Identifier:** 635400EBZOZHDCUCLR12.

The Collateral Obligor

The Collateral Obligor of the rated bonds described in this report is the company Rainbow Global Operations Ltd. The Collateral Obligor is fully liable for the timely payments of the interest and for the redemption of the bonds at their maturity date. In case of a default of the Collateral Obligor the amounts to be recovered by the bondholders can come only from the assets of the Collateral Obligor.

Registration data

Company name: Rainbow Global Operations Ltd. **Registered office:** 1st Floor, 9 Exchange Place, IFSC, Dublin 1, D01 X8H2, Ireland. **Company registration number:** 668270. **Tax Reference Number:** 3687556OH.

Business activity

Rainbow Global Operations Ltd was incorporated on 11 March 2020. It is an Irish private company limited by shares, incorporated under Part 2 of the Companies Act of 2014. RGO does not run its own operating activities and it is a holding company for a group of companies. The Company currently fully owns two subsidiaries: Rainbow FC Holdings Ltd and Southzone Holdings Ltd (both registered in Anguilla, British West Indies) and plans to acquire football clubs in France, Spain, Latvia, Lithuania and Poland.

Business model

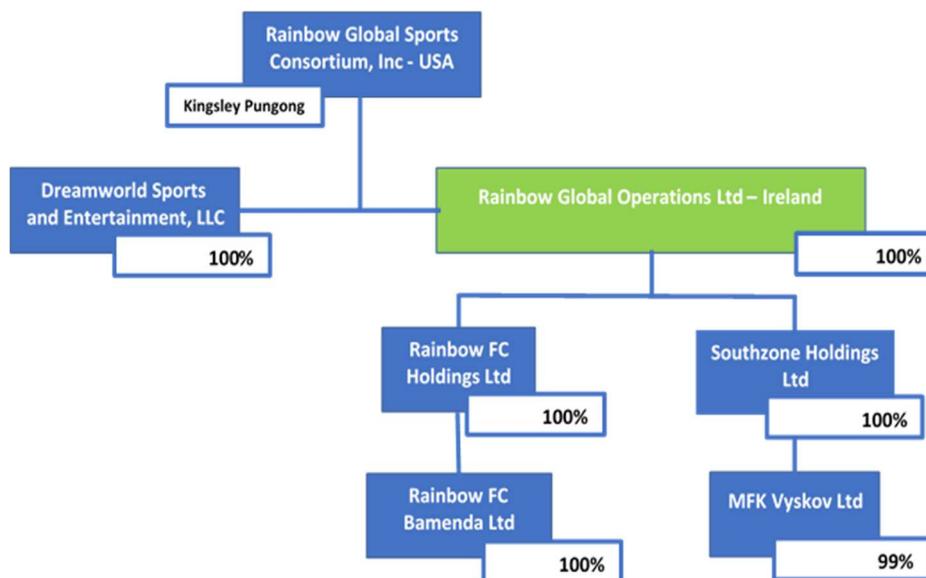
RGO is a part of the Rainbow Group (controlled by the US-based company Rainbow Global Sports Consortium Inc), which is a leading sports enterprise, operating since 2009, focused exclusively on football and with a footprint that spans almost all continents.

The RGO’s business model is finding young top, but yet mostly undiscovered, football players in African countries, developing their skills in one of the clubs within the Group, promoting them and transferring to external football clubs around the world, when their market value reaches high levels.

Shareholder structure

Rainbow Global Operations Ltd is a 100% subsidiary of Rainbow Global Sports Consortium Inc (USA) (Rainbow Group), owned by Mr. Kingsley Pungong. Rainbow FC Holdings Ltd and Southzone Holdings Ltd are subsidiaries of Rainbow Global Operations Ltd.

Chart 1. Rainbow Group scheme



Source: Rainbow Group

Rainbow Global Operations Ltd is a part of Rainbow Global Sports Consortium Inc – USA (Rainbow Group), which was co-founded by Kingsley Pungong, a Cameroonian entrepreneur, who is the current CEO and major shareholder in all companies within the Rainbow Group: Rainbow Sports Investment Ltd (Cameroon), Dreamworld Sports and Entertainment LLC, Rainbow Global Operations Ltd, Rainbow Football Club Holdings Ltd (Anguilla), Rainbow Football Club Bamenda Ltd (Cameroon), Southzone Holdings Ltd (Anguilla) and MFK Vyškov Ltd (Czech Republic).

Mr. Kingsley Pungong owns over 50% in all these entities, thus exercises control over all the above mentioned companies.

Rainbow Group was founded to address the need for quality technical training and fair representation of aspiring football players. In the coming years the company intends to become the largest and most valuable developer and agent of football players in Africa and in other related countries in the world.

Company strategy and purpose of bond issue

The purpose of the bond issue is to raise further funds for the Rainbow Group to acquire elite footballing talent from within Africa and a portfolio of developmental clubs globally into which to place that talent. As well as growth by acquisition, the proceeds of the series will enable the Rainbow Group to nurture its portfolio for longer than previously, thereby allowing its value to grow substantially before realising cash under the profit sharing arrangements with the players. The Collateral Obligor is also building a substantial bank of image rights from the player portfolio to be developed, for separate income streams and furtherance of the group's objectives.

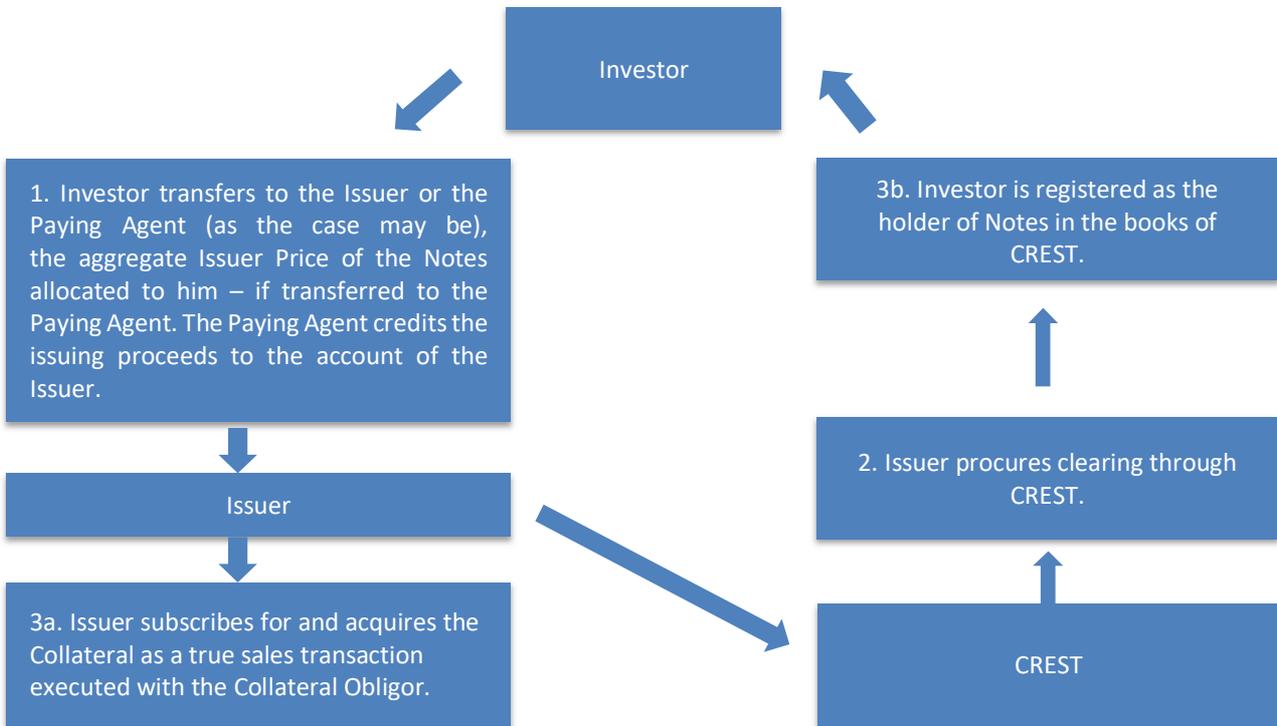
Table 1. Rainbow Global Operations Ltd – uses of capital from issue of bonds

Uses of capital	USD thousand
player acquisitions - category A	5,000
player acquisitions - category B	3,400
club acquisition - Latvia	750
club acquisition - France	500
club acquisition - Spain	350
one year of club operating expenses	2,450
one year of corporate operating expenses	1,500
one year of PEIA payments	500
working capital	550

Source: Rainbow Global Operations Ltd

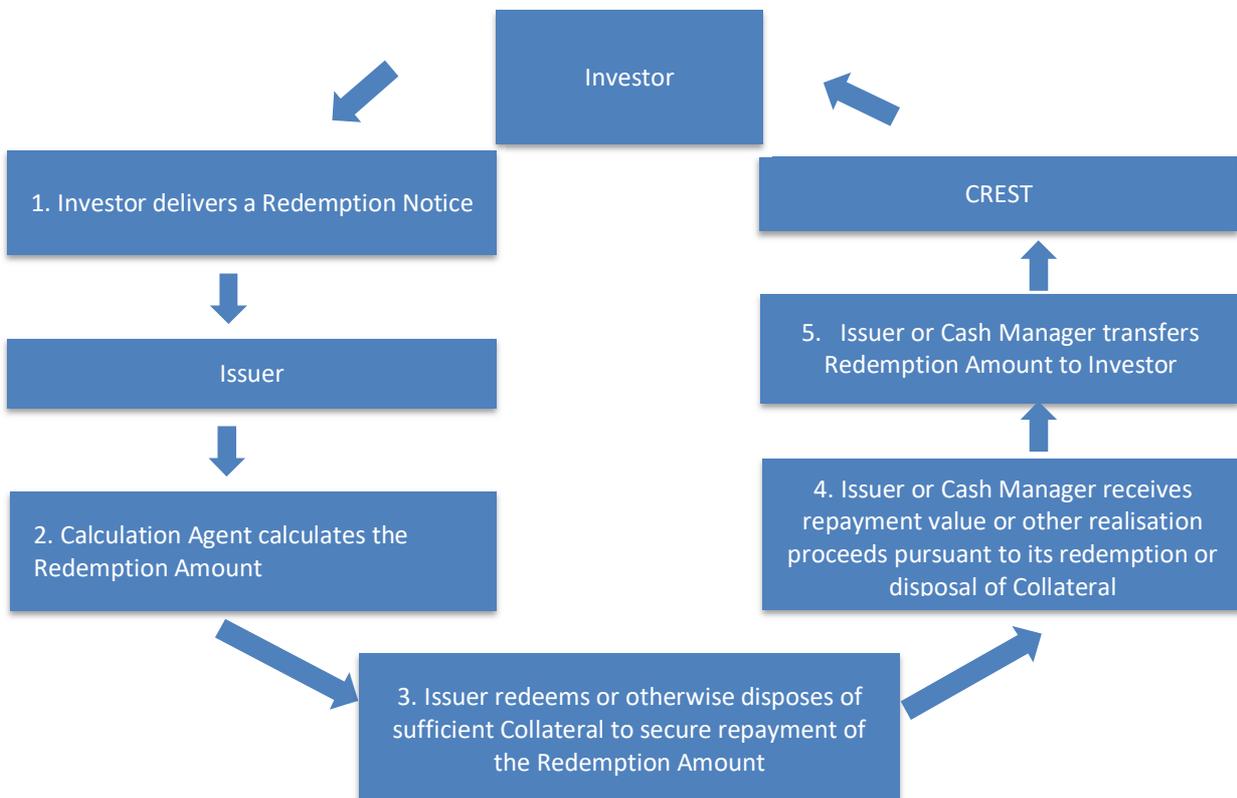
Information on the bonds

Chart 2. Audacia Capital (Ireland) plc – cash flow model – issuance of bonds



Source: Audacia Capital (Ireland) plc

Chart 2. Audacia Capital (Ireland) plc – cash flow model – redemption of notes by investors



Source: Audacia Capital (Ireland) plc

Structure of the bond issue

The formal (direct) issuer of the bonds is Audacia Capital (Ireland) plc, acting as a platform for issuing bonds. After a successful issue of the bonds, the Bond Obligor (Rainbow Global Operations Ltd) issues its Securitisation Bonds, which are purchased by Audacia Capital (Ireland) plc for the proceeds from the bond issue, less than 8% cash reserve held by the bond platform for liquidity purposes.

Amount and status of the bonds

- The aggregate nominal amount of the bonds is up to £20,000,000, or as otherwise announced by the formal bond issuer – Audacia Capital (Ireland) plc.
- The bonds are to be issued in three tranches. The aggregate nominal amount of notes to be issued will depend on the amount of the notes for which offers to subscribe are received and will be specified by announcements to be published on the website of Euronext Dublin during the offer period.
- Issue date of the notes: 15 July 2020 or such other date as will be specified in an announcement to be published on the website of Euronext Dublin.
- Minimum denomination of the bond is £10,000. Minimum trading amount within the offering period is €100,000, but on the secondary market notes are freely transferable, tradeable and can be offered without any minimum.
- The bonds, when issued, will rank ahead of all other secured and unsecured debt obligations of the Bond Obligor, apart from those preferred by law.
- The legal jurisdiction of the collateral will be provided by England & Wales (governing law of the Securitization Bonds and the guarantee from the Guarantors), as well as Ireland (governing law of the debenture over the assets and undertaking of the Collateral Obligor and the pledge over the shares in the Collateral Obligor).
- Issue price of the notes is 100% of the nominal value of GBP 1 per security.
- The bonds' interest rate is fixed at 8.0 per cent p.a. On each payment date, interest is payable on an available funds basis calculated in accordance with the priorities of payments.
- Payment dates: within 15 business days of each of 31 March, 30 June, 30 September, 31 December in each year of the notes until maturity date, and then on the maturity date or the date of prior redemption (if applicable) of notes within this series.
- Redemption valuation day: 31 May 2025 unless redeemed earlier in accordance with the terms of the series, in which case the redemption valuation day shall be the last business day before the proposed redemption.

Description of the bond collateral

- The Collateral Obligor has undertaken to grant a first ranking floating charge to the Issuer over its entire assets and undertaking. The charge will be first-ranking upon its grant, subject to registration with the Registrar of Companies in Ireland.
- The Collateral during the term of the Securitization Bonds is comprised in: cash or other liquid assets; the Securitization Bonds; the assets and undertaking of the Rainbow Global Operations Ltd business; pursuant to the pledge from Rainbow Global Sports Consortium Inc, the shares in the Collateral Obligor; and pursuant to the guarantees from the guarantors, the assets and undertaking of Southzone and FC Holdings (which guarantees only obligations and financial liabilities of Rainbow Global Operations Ltd – they will be not offered up as security for the bondholders, they secure the Issuer – Audacia only).
- Rainbow Global Sports Consortium Inc owns 100% of the shares in the Collateral Obligor.
- The loans will be secured on Rainbow Group assets. The Rainbow Group has already received more than USD 1 million in equity investment and has an active portfolio of 23 African players among its active portfolio contracted with Southzone, for which the forecasted contracted income for the Rainbow Group based on current earnings and player valuation over the next 5 years exceeds USD 31 million (see: table 2 – players currently under contract). The forecast takes the form of the income already received from a historic portfolio of players by FC Holdings, as booked and audited during and prior to 2018. The Collateral Obligor has confirmed that the forecasts are prepared in a manner consistent with the International Financial Reporting Standards upon which the Rainbow Group's accounts are audited. The player portfolio of the Rainbow Group is competing in North America, Europe, Asia and Africa, with further plans to expand the network to Latin America.
- In addition to active player contracts portfolio, as collateral for the bonds, the Rainbow Group will use portfolio of contractual receivables against football players sold by the Group-owned clubs.
- Rainbow World Sports Consortium Inc, as sole shareholder of the Collateral Obligor, has also as stated above, undertaken to pledge by way of further security 100% of the shares in the Collateral Obligor in favour of the Issuer.
- Southzone and FC Holdings are also each independently acting as guarantor of the Collateral Obligor's liabilities to the Issuer under the programme on an all monies first demand continuing basis.
- Securitization Bonds are subscribed by the Issuer subject to a retention policy of 8% of the subscription proceeds remaining with the Issuer in cash and liquid assets in order to provide a minimum level of liquidity for the series.

Protections of bondholders in the event of the Collateral Obligor's bankruptcy

Audacia Capital (Ireland) plc is the bond Issuer, and it is for Audacia to settle its creditors (bondholders are not Rainbow creditors, they are creditors of Audacia and Audacia is Rainbow Global Operations Ltd's only creditor as regards the bonds).

In the situation when RGO fails to fulfil its obligations towards bondholders Audacia consults with the noteholder trustee. If the noteholder trustee agrees, Audacia will issue its written intention to call the default on RGO and will make a written demand to Southzone and FC Holdings for the balance (and also RGO). The Rainbow Group will realize cash and liquid assets and will pay RGO, which will pay Audacia, to prevent a default within the cure periods provided in the contracts.

If everything goes according to plan, no default will be called, and everything will be carried on as before (although there may need to be a provision in the accounts or other steps to prevent re-occurrence). If the Rainbow Group will not be able to raise sufficient funds to meet its obligation, Audacia will crystallise the security, and will appoint an administrator over the companies within the security net, and the Rainbow Group will bring an action for summary judgment and later enforcement against the Rainbow Group. Meanwhile, Rainbow sells such assets as necessary to raise the funds, or the legal processes resolve the matter.

In the worst instance, i.e. in case of a default of the Bond Obligor (RGO), Audacia will settle its debts from Rainbow Group's assets, as well as the 8% reserves and any operating account balance. The collateral includes cash, assets and undertaking of RGO. Additionally, obligations of RGO resulting from Securitisation Bonds issue are guaranteed by the assets of FC Holdings and Southzone.

Additional risk factors relating to the bonds

General

There can be no guarantee that the Collateral Obligor or the Rainbow Group as a whole will achieve its stated trading objectives. The value of the Collateral Obligor's assets may go down as well as up in the ordinary course of the business, given its market exposures as a whole. The Issuer may therefore realise less than its original investment in the event that the Collateral Obligor and the Rainbow Group as a whole have insufficient assets, and therefore the noteholders will receive less than the principal value of the notes.

Risks related to the operations of the company

RGO is exposed to any economic downturn which could affect all types of businesses, it is subject to changes in inflation and interest rates, and the economic factors affecting its business and over which it has no control. For example the COVID-19 crisis impact on global economy could affect

the Company's football transfer market as a whole, or the sports or media or football agency sector as a whole, which may affect cash-flow or the net assets of any Rainbow Group member, any of which may cause increased cost or delay or cause the overall business to fail (in extreme circumstances).

Seasonal business risk

RGO, through its current subsidiaries Rainbow FC Holdings and Southzone Holdings, trades only twice a year: during the summer transfer window going from May until August and the entire month of January. As a result, the core business is very seasonal and depends on success in short period of time. That may affect the liquidity position of the company.

Covid-19 pandemic risk

The impact of the Covid-19 crisis on football players' market values could affect the company's business. Various researches showed, that the players' value is not immune to pandemic. Many football clubs have decreased players' remunerations due to financial problems caused by suspended season, closed stadiums and lack of transmission payments from television networks.

According to a KPMG Football Benchmark estimate, in the case of a cancellation of the football season – the revenue losses in the big five leagues could exceed 4 billion EUR. On the other hand, a restart and completion of the season in the following months behind closed doors would lead to aggregate revenue losses of around one-third to one-fifth of the total loss estimated for a full cancellation of the season.

The coronavirus disruption will certainly have an impact on players' market value. Football clubs are facing an unprecedented crisis, which is making a dent in their financial performance. Without live football, they are facing missed earnings, some of them already having liquidity problems, which means that they might struggle to pay their debts and could have fewer funds to invest in player trading. In some cases, if the market values of players fall below the carrying value stated on the balance sheet, significant losses will have to be accounted for, putting further stress on the clubs' accounts. Consequently, financial constraints are likely to lead to a decrease, both in the volume of transactions and in the transfer fees, and to an increase in the number of swap and loan deals.

Covid-19 pandemic may also be an opportunity for emerging players, that would not otherwise have existed as clubs with reduced revenues, will search for the best value from the cash that they are holding to invest in players. Clubs that have never before considered signing an African player may well be available for new business from the Rainbow Group.

Risk of damage to the assets

Rainbow Group's most valuable assets are the players, which company controls through its clubs. The value of these assets is difficult to estimate, and these are off balance sheet assets. However, the value of the players depends on their health and condition. Players can get injured, get sick or give up sports careers.

Reliance on key personnel

RGO is to a certain extent dependent on the contribution of certain key employees. If any of those employees were no longer involved with the company operation this could have a negative impact upon the Company's business.

Table 2 – Players currently under contract

Players currently under contract *	Players current / projected revenue (\$'000)					TOTAL (\$'000)
	2020	2021	2022	2023	2024	
Player # 1		250			500	750
Player # 2		350	550	200	500	1,600
Player # 3		350			375	725
Player # 4	1,000	1,000	1,000	1,000	1,000	5,000
Player # 5		350			500	850
Player # 6	28	862		1,300		2,190
Player # 7		325			375	700
Player # 8		350	200	200		750
Player # 9		290		350	400	1,040
Player # 10			500	500		1,000
Player # 11			75	100	150	325
Player # 12	28	862		1,500	0	2,390
Player # 13		350			875	1,225
Player # 14	200		500	500		1,200
Player # 15		350		300	400	1,050
Player # 16	350		1,000	1,000	1,000	3,350
Player # 17	220			1,125		1,345
Player # 18		350			750	1,100
Player # 19		375	375	500		1,250
Player # 20	10			250	250	510
Player # 21		30			300	330
Player # 22	50	50	50	350	350	850
Player # 23		350		500	750	1,600
Total income	1,887	6,843	4,250	9,675	8,475	31,130

* The names of the players have been hidden due to personal data protection

Source: Rainbow Global Operations Ltd – investor presentation, April 2020

Rating scale applied by the EuroRating credit rating agency

Rating	Risk description
AAA	Negligible credit risk. Highest level of financial credibility. Rating assigned exclusively where an entity has extremely strong capacity to meet financial commitments.
AA+ AA AA-	Very low credit risk. Very high level of financial credibility. Very strong capacity to meet financial commitments. Low susceptibility to adverse economic conditions.
A+ A A-	Low credit risk. High financial credibility and capacity to meet financial commitments. Average resistance to long-term unfavourable economic financial conditions.
BBB+ BBB BBB-	Moderate credit risk. Good financial credibility and adequate capacity to meet financial commitments in the long term. Increased susceptibility to long-term adverse economic conditions.
BB+ BB BB-	Increased credit risk. Relatively lower financial credibility. Adequate capacity to meet financial commitments under average or favourable economic conditions. High or medium level of debt recovery in the event of default.
B+ B B-	High credit risk. Capability of meeting financial commitments largely conditioned on favourable external conditions. Medium or low level of debt recovery in case of a default.
CCC CC C	Very high credit risk. Very low capability to meet financial commitments even under favourable economic conditions. Low or very low level of debt recovery in case of a default.
D	Extremely high credit risk. Complete lack of capability to meet financial commitments. Without additional external support the level of debt recovery is very low or close to zero.

Full details on the rating scale applied by the EuroRating credit rating agency are published on the agency's website at: <http://www.eurorating.com/en/ratings/rating-scale>

Regulatory affairs

EuroRating Sp. z o.o. (with its registered office in Warsaw, Poland) is formally registered by the European Securities and Markets Authority (ESMA) as a credit rating agency authorized to issue 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 is under direct supervision of ESMA (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). EuroRating holds the ECAI (External Credit Assessment Institution) status in the European Union, pursuant to the Regulation of the European Parliament and of the Council No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR Directive). The public credit ratings (including unsolicited ratings) assigned by EuroRating are valid throughout the European Union and can be used for regulatory purposes under EU legislation by all financial institutions or any other entities and are entirely equal to credit ratings issued by other credit rating agencies registered by ESMA, without territorial or any other limitations.

Methodology

The presented credit rating for is a rating for the bond issue, i.e. it takes into account both: a general credit risk of the Bond Obligor (Rainbow Global Operations Ltd), as well as any bond collateral and/or guarantees, as an additional protection for the bondholders. The presented credit rating for the bond issue does not refer to the credit risk of the direct bond issuer – Audacia Capital (Ireland) Ltd, as it (acting only as a bond issuance platform) is not liable for the financial obligations arising from the bonds.

The methodology used for this rating is available on the EuroRating's website at:

<https://www.eurorating.com/en/ratings/methodology/credit-risk-assessment-methodology>

The rating definitions and the rating scale used by EuroRating are published on the agency's website at:

<https://www.eurorating.com/en/ratings/rating-scale>

Historical default rates of the EuroRating credit rating agency can be viewed in the rating performance report at: <http://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: <http://www.eurorating.com/en/ratings/methodology/definition-of-default>

The presented credit rating is a public rating. The date of the first publication of the rating, the current rating level and the full rating history are published free of charge on the EuroRating credit rating agency website in the section "Credit ratings", in the appropriate tab on the rated security/entity. EuroRating is not responsible for information on the current rating provided by the rated entity or any third party.

Prior to the issuance of the rating or outlook action, both the bond Issuer and the Bond Obligor were given the opportunity to review the rating and/or outlook and the principal grounds on which the credit rating and/or outlook is based. Following that review, the rating was not amended before being issued.

Solicitation, key sources and quality of information

The presented credit rating was solicited by the Bond Obligor – Rainbow Global Operations Ltd. EuroRating received remuneration for the assigning and subsequent monitoring of the rating. The Bond Obligor, as well as the bond Issuer – Audacia Capital (Ireland) plc, and/or their agents have participated in the rating process

by providing the agency documents, information and explanations concerning the economic and financial situation of the Bond Obligor, as well as on the assessed bond issue.

The main sources of information used in the rating process were financial statements and forecasts of the Bond Obligor, the bond memorandum ("Base listing particulars") and the "Pricing supplement" for notes due 31 May 2025, and other data, information and explanations provided by the the Bond Obligor and the bond Issuer.

Disclaimer

EuroRating considers the scope and quality of available information on the rated entity as sufficient to issue a reliable 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.

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