Rating report 26 May 2022

EuroRating affirmed 'A-' long-term credit rating to senior secured fixed rate bonds programme of the company Propifi Bonds plc (UK)

Public / Private rating	public
Continued / One off rating	continued (monitored rating)
Category	rating for a bond programme
Bonds issued by	Propifi Bonds plc (United Kingdom)
Type of the rated bonds	series under senior secured fixed rate bonds programme
Type of the credit rating	long-term, international scale
Date of rating verification	26 May 2022
Rating level	A-
Rating outlook	stable

The presented credit rating is a rating for a bond programme and relates to issues of fixed rate secured note series planned to be issued (or issued) by the company Propifi Bonds plc (the "Issuer") under the £5,000,000,000 secured notes programme.

The bonds' denomination is £100,000; the bonds' duration is 5-year; maturity dates depend on the date of issue of individual bond series; bonds' currencies are GBP, USD and EUR; notes have a call option.

The presented credit rating does not relate to the credit risk (or probability of default) of the Issuer. The rating concerns the risk of an ultimate loss of a part or all of the bonds' principal amount and the interest by the bondholders in the event of a default of the Issuer.

Key rating drivers

Positive:

Bonds' protection by solid assets: All bonds issued by Propifi Bonds plc covered by the programme are secured by a first charge over property assets and personal guarantees from borrowers of Propifi Investments Ltd (the "Principal Borrower"). The maximum LTV rate at 70% assures an adequate protection against any adverse changes in property prices. All valuations are current at the time of drawdown.

Valuations are undertaken by professional valuers who are accredited by RICS, and have a professional indemnity insurance, which can be used to cover losses if the value of the property was overestimated. Also all the assets of Propifi Investments Ltd, including cash, will be the collateral of bonds issued by Propifi Bonds plc.

As of 31 March 2022 Propifi Bonds plc has issued over £2.5 million bonds with an interest rate of 8.1% pa. The bonds have first charge security over £3.7 million in property assets, which gives an LTV of 69%.

The bonds are legally protected in the case of Propifi's default or insolvency: The bonds' collateral is held by an independent trustee (Truva Services Limited) on behalf of the bond holders. This ensures that if the Issuer defaulted or went into insolvency it would not affect the security being relied upon by the bond holders as this would be managed by the security trustee.

All bond series issued in the program are secured against all loans made to borrowers: All bond series are to be secured against all loans made to borrowers (with properties securing such loans). This reduces the risk resulting from the improper valuation of individual properties, as well as diversifies the risk between types of commercial real estate properties (offices, retail, industrial, hotels, special purpose, etc.) in case if one industry will have problems (like the tourism industry during the Covid-19 pandemic).

Expected good assets portfolio diversification: Funds from the bonds will be invested by the Principal Borrower in a diversified portfolio of short-term bridging loans on the property market.

Fairly developed real estate market in the UK: The funds are invested in property loans only on the British market, which is large, well developed and organised.

Loans have a maximum term of 12 months: In such a short period of time, a decline in the property value of more than 30% is very unlikely, which significantly reduces the risk of loans.

Propifi Group's experienced management team: The Propifi Group has been established by a team of experienced managers with highly competent crisis management capabilities, which gives investors assurance eg. that their money will not be invested in real estate with an overestimated value. This should significantly reduce the risk of recovering money in the event of a debt collapse. The ownership of company's shares by the management can also influence on running the company in a relatively safe way.

Negative:

The Issuer is still a new company: Propifi Bonds plc is a new company, established in June 2020 as a special purpose company to raise funds for Propifi Investments Ltd.

The Issuer's credit risk depends on financial situation of the Principal Borrower: Bonds subscription funds is entirely loaned to the Principal Borrower which uses them to finance loans to third party borrowers. Due to the fact, that the issuer's assets comprise almost entirely of loans granted to the Principal Borrower, its ability to repay the loans is crucial for the credit risk assessment of the issuer.

An increased credit risk of the Issuer and of the Principal Borrower: Both Propifi Bonds plc and Propifi Investments Ltd have been equipped with a low equity amount, which after the bond issue will translate on a high financial leverage. However, due to the long term character of the bonds, both the Issuer and the Principal Borrower will have a very strong liquidity position during the first years. In the final year of bonds duration the Principal Borrower will adjust terms of loans to its borrowers, so that it has enough time to close all the deals and also for a disposal of any defaulted properties, to cumulate cash for repayment loans to Propifi Bonds plc and to allow the Issuer to redeem bonds at their maturity date. Therefore, the liquidity position of the Principal Borrower even in the last year of bonds duration should remain safe.

Unstable UK commercial real estate market: The past two years has been very volatile for investors in UK commercial real estate. According to Schroders, a global asset and wealth manager, total returns varied from -2% in 2020 to 17% in 2021.

Stable rating outlook

The stable outlook attributed to the credit 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 issuer and the Principal Borrower increasing revenues and high net results, which would turn into high positive free cashflows;
- building by the Principal Borrower a positive track record in granting loans (with no or very limited losses);
- strengthening of the capital position of the issuer and the Principal Borrower;
- better than currently expected diversification of the loans portfolio.

Negative:

- having by the Principal Borrower a large number of defaulted loans;
- incurring losses on the loans (as result on sale of the collateral below defaulted loans' value);
- generating by the issuer or the Principal Borrower much weaker than currently forecasted income and net profits (in particular – generating losses);
- much slower than currently expected enlargement of the issuer's equity or the Principal Borrower's equity;
- keeping a low diversification of the loans portfolio.

Issuer profile

Company name: Propifi Bonds plc. **Registered office**: 7 Bell Yard, London, WC2A 2JR, United Kingdom. **Company registration number (UK)**: 12648541. **Legal Entity Identifier**: 98450046C4Z35AF35258.

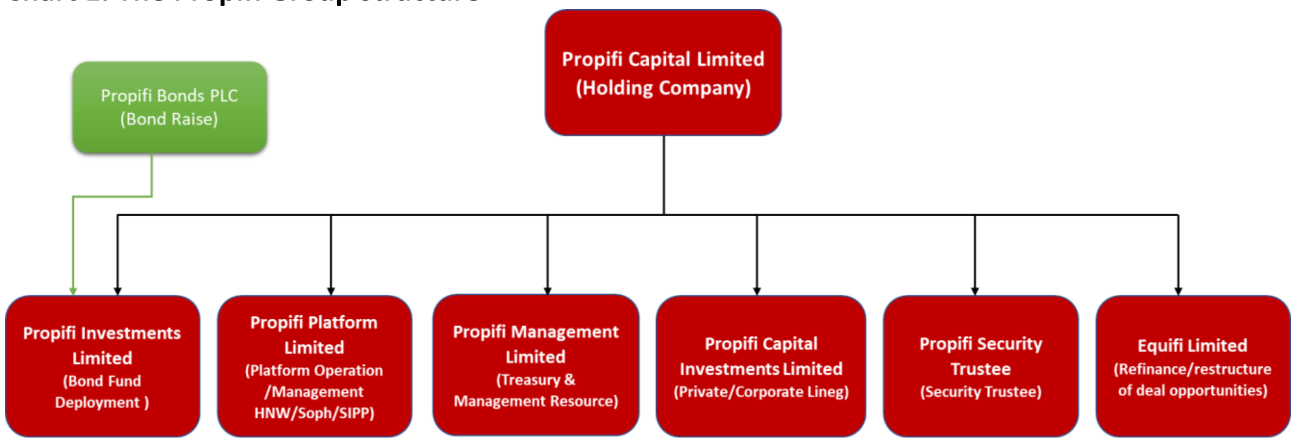
Propifi Bonds plc (the "Issuer") is a special purpose company and was established to raise funds for Propifi Investments Ltd (the "Principal Borrower"). Propifi Investments Ltd was incorporated in England (registered number 12304483) on 8 November 2019 as a private liability company under the Companies Act 2006. The Principal Borrower's registered office is: 5 The Quadrant, Coventry, CV1 2EL. The legislation under which the Principal Borrower operates is the Companies Act 2006.

Business activity

Propifi Bonds plc issues notes (bonds) in series and uses the proceeds of the bonds, less certain costs and expenses, to advance a loan to Propifi Investments Ltd. Next the Principal Borrower uses the proceeds to advance loans to borrowers meeting eligibility criteria, pursuant to the terms of a loan agreement and acquire financial collateral including, without limitation, debt securities, in each case meeting eligibility criteria.

Both companies belong to Propifi Holdings Limited (now Propifi Capital Limited – the "Group") and have been created to support the activities of the Group. The principal activity of the Group is to raise funds via bond issue and lend bridging funds to borrowers to solve the shortage of credit availability for developers and provides access to high return growth opportunities for property investors. The Propifi Group is operating as intermediary between investors and borrowers, doing a due diligence of the properties and assessing the credit risk of the borrowers.

Chart 1. The Propifi Group structure



Source: Propifi Bonds plc

Management Board of the Issuer

The Board of Directors of Propifi Capital Ltd and of its all subsidiaries (including the Issuer – Propifi Bonds plc) consist of the following persons:

- **Craig Sheppard** – is an experienced and qualified commercial banker having spent 18 years at Lloyds Bank in a variety of senior management roles specialising in lending, change, process and project management. Craig Sheppard has run his own consultancy and property businesses for 10 years, building businesses through deal structuring, management teams, and project finance.
- **Euan McAlpine** – spent much of his career at Alfred McAlpine Group in construction, house building and building materials. Since then he has worked with start-ups and turnarounds in the finance and house building sectors. He has also been on the Boards of PLCs, AIM companies and other SMEs.
- **Rodney Black** – is co-founder and MD of Catalyst Securities which began offering bridging finance in 2003 and made and redeemed over £200m of bridging loans. Previously he worked in Corporate Finance.
- **Craig Higgins** – is a veteran of a number of finance, property and marketing projects including major developments in Ireland, Spain, the UK, Austria, and the US. He has over three decades of experience at the Board and Director level for global financial consultancies.

A servicer agreement was signed between Propifi Bonds plc as the Issuer, Propifi Management Limited as servicer and Truva Trustees Limited as trustee.

The issuer appoints the servicer to perform various duties with respect to the borrower loans in accordance with the terms and conditions of the servicer agreement. Such duties including, but not limited to, review borrower loans for compliance with applicable eligibility criteria, arrange the entry into or purchase of the borrower loans by the Issuer, prior to any issue date collect from potential purchasers of notes the fees in respect of the costs necessarily incurred by the Issuer, make indicative pricing on an appropriate and perform such other activities as shall be agreed from time to time.

Company history

Propifi Bonds plc was incorporated in England on 5th of June 2020 as a public limited company under the Companies Act 2006. The authorised share capital of the Issuer is 50,000 ordinary shares of £1 each. Each ordinary share is partly paid up at 0.25p. The entire issued share capital of the Issuer is owned by Truva Share Trustee Limited on trust for charitable purposes. The Issuer is a special purpose company and was established to raise funds for Propifi Holdings Limited (now Propifi Capital Limited). Propifi Bonds plc has established a secured medium term note programme for the issuance of notes.

Propifi Bonds plc is in 100% owned by Propifi Holdings Limited (now Propifi Capital Limited), which was founded early 2018 by an experienced entrepreneur Craig Higgins, Scott Sullivan and Giles Vickers-Jones operating in the private jet hire/brokerage market with access to high net worth individuals. They teamed up with an operational team with many years of experience in lending, property development, banking and company growth and management, namely Euan McAlpine, Rodney Black and Craig Sheppard (the Executive Team).

Business model

The business model of Propifi Holdings Limited relates to the arranging of loans for property development and bridge finance. The principal activity of the Group is to raise funds via bond issue and lend bridging funds to borrowers to solve the shortage of credit availability for developers and provides access to high return growth opportunities for property investors.

Propifi Bonds plc issues notes under the programme in series, and each series may comprise one or more tranches of notes. The interest rate of the initial series was 8.1%, but the terms and conditions applicable to next particular tranches of notes can differ.

The lending by Propifi is always secured with a legal charge and loan amounts do not exceed 70% of the market value, which means that in the event of a loan becoming non-performing there should be enough equity to allow loan funds to be recouped during a sale. Moreover, the borrower grants security for the loan, to be held by an associated company in its capacity as Security Trustee.

The Group wants to fill the gap the banks have left in the market, the shortage of credit availability, because some banks have withdrawn from the property sector and it takes them more time to make credit decisions. On the other hand, there is availability of investment properties at good values in the current market and property investors need bridging funding to leverage profitable opportunities, but banks lend on the purchase price, not valuation, which means that properties purchased at discount are excluded from banks' funding.

The Propifi Bonds plc generates income from interest on loans and admin payments received from Propifi Investments Ltd. Propifi Investments Ltd earns across a combination of loan and exit fees as well as interest charges. With relatively low fixed costs Propifi Group should be able to generate a positive operating cash flow and net results within the coming years.

The Issuer and the Principal Borrower security structure

The Issuer security structure

Under a deed of charge dated 26 June 2020 between the Issuer and Truva Trustees Limited (the "Trustee"), the obligations of the Issuer under a series of notes are secured in favour of the Trustee (for the benefit of the noteholders and certain other secured creditors of the Issuer in respect of such series) by fixed and floating first priority security over the Issuer's rights in respect of the secured assets and the transaction documents to the extent that they relate to such series and, where applicable, over any segregated bank accounts opened by the Issuer in respect of such series.

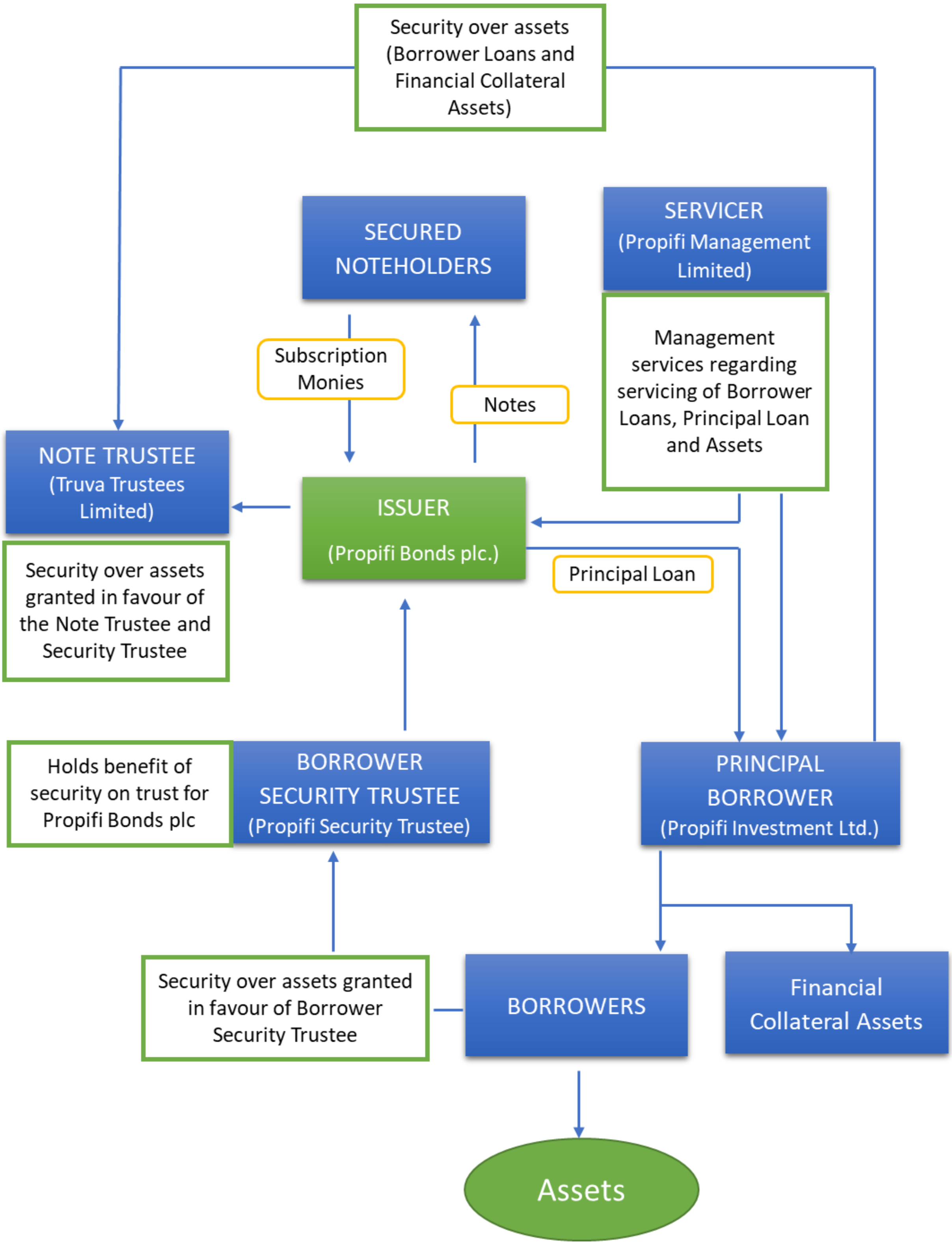
In respect of any series, by granting the Issuer security to the Trustee for the benefit of the Issuer secured creditors, the rights of the noteholders and the other Issuer secured creditors to the Issuer security in respect of such series rank first in priority to other creditors (including any affiliates of the Issuer) in the event of a default or an insolvency or insolvency related event of the Issuer. The rights of the noteholders and the other Issuer secured creditors are not affected by the insolvency or an insolvency related event of any other entity affiliated to the Issuer.

The Principal Borrower security structure

Under a deed of charge entered into between the Principal Borrower and the Trustee (the "Deed of Charge"), the obligations of the Principal Borrower in respect of the principal loan are secured in favour of the Trustee by fixed and floating charges over the property, undertaking and assets of the Principal Borrower.

The Principal Borrower Deed of Charge contains customary representations and warranties from the Principal Borrower to the Trustee, including, without limitation, representations and warranties as to the ownership by the Principal Borrower of its assets, that such assets are free from other security, that there are no adverse claims against such assets, that the Principal Borrower has complied with all relevant laws in respect of those assets and that the security being granted under the Borrower Deed of Charge is enforceable.

Chart 2. Structure of the bond programme

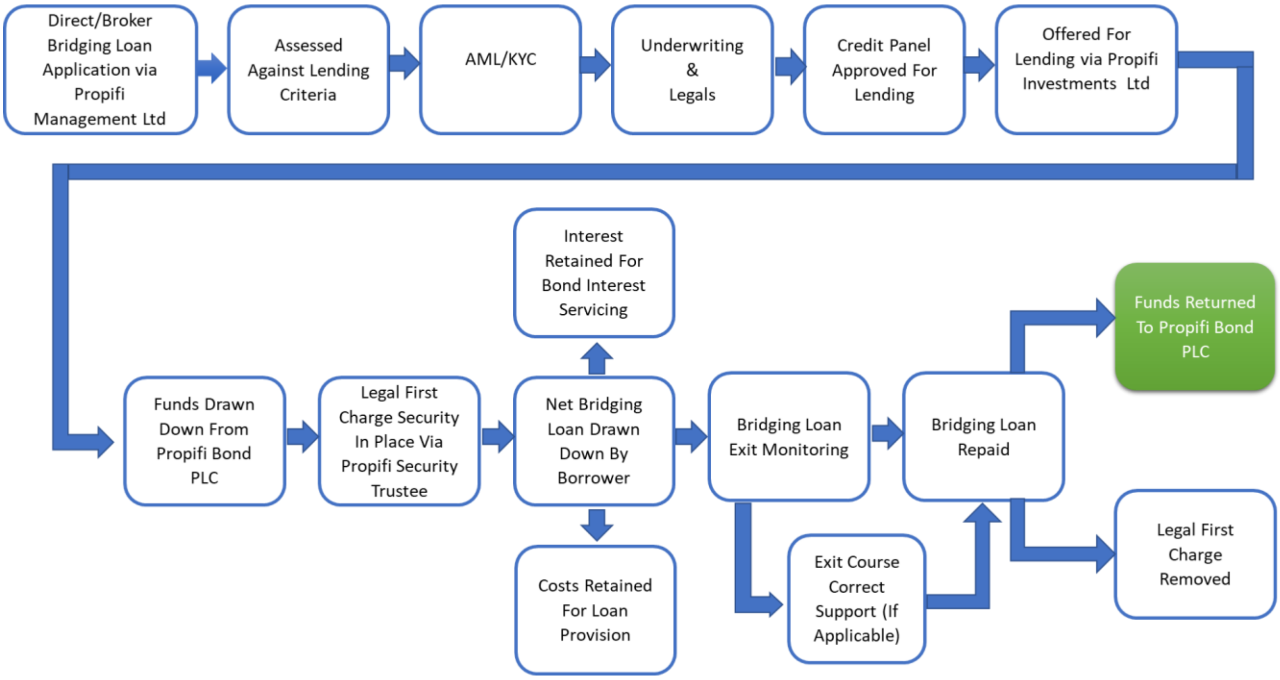


Source: Propifi Bonds plc

Lending and cashflow process

As a result of the Directors' prior commercial experience, the Propifi Group has well developed and defined business processes. These are represented in the graphic below:

Chart 3. Lending and cashflow process



Source: Propifi Bonds plc

The Principal Borrower conducts a full underwriting process before a potential borrower loan is approved. The approval is signed off by the Chairman, CEO and COO. As part of this process, the proposed borrower loan is assigned a risk category, which informs the rate to be charged to the borrower.

The loans have first charge security in place over property/land and personal guarantees from borrowers to a minimum of 70% loan to value ratio. The security is held by an independent Truva Trustees Limited (the "Trustee"). Truva Trustees Limited is a private limited company incorporated under the laws of England and Wales with registered number 12641510 and with registered office at 85 Great Portland Street, First Floor, London, W1W 7LT. Truva Trustees ensures that if Propifi defaulted or went into insolvency it would not affect the security being relied upon by the bond holders, as this would be managed by the security trustee. Also all the assets of Propifi Investments Ltd, including cash, are the collateral of bonds issued by Propifi Bonds plc.

The Principal Borrower focuses on the development market segment, with a particular focus on social housing developments. This is an area of particular experience and knowledge for the directors and management team, and has already seen a strong flow of opportunities, many of which remain available for funding.

The funds obtained from the bond issue is directly used for loans. In no case they are used to cover the day-to-day operations of the company or otherwise. Any proceeds of the series notes which are, at any time, not lent to the borrowers are kept in a UK bank account. Propifi Investments Ltd does not plan to pay out dividends during the lifetime of the bonds.

Description of the loans portfolio

- the maximum loan to value (LTV) – not exceed 70% loan to value ratio, based on open market valuation of the property (all valuations will be current at the time of drawdown; valuations will be undertaken by professional valuers who are accredited by RICS);
- the maximum gross loan exposure – £5 million per entity at any one time;
- the maximum loan period – 12 months (average 6 months);
- the total number of borrowers between 70 and 80 with an average loan of approximately £700,000 (a portfolio of approximately £60 million annually);
- loans will be only for land and property (sports stadium, working farms, equestrian centres, petrol stations, greenfield sites or offshore wind farms will not be accepted).

Key attributes of bridge loans

The number of providers in the UK market ensures that there is product differentiation available to the discerning user of a bridging facility. Nevertheless, typically there will remain some constant, defining features as follows:

1. single bullet repayment at maturity;
2. interest either rolled up and paid at maturity or deducted from the initial advance;
3. fast offer and execution of facilities by providers;
4. facility term typically 3-12 months;
5. significant penalties for stretching beyond the stated facility term;
6. simple and non-subjective underwriting criteria;
7. loan to value ("LTV") of 70% or less.

For valuation most lenders will employ the services of an RICS qualified professional valuation agent for the valuation of property assets. Some of the larger and more established providers will have in-house functionality to perform this service, although this is relatively rare as lenders will generally feel more comfortable having the ability to rely on a third party's professional indemnity insurance cover. The majority of lenders will focus in on 70% LTV as being their maximum level of advance, although competition and innovation in the market is driving some higher LTV figures.

As of 31 March 2022 Propifi Bonds plc has issued over £2.5 million bonds (in British pounds, US dollars and euros) with an interest rate of 8.1% pa. The bonds have first charge security over £3.7 million in property assets, which gives an LTV of 69%.

Information on the bonds programme

Propifi Bonds plc issues notes under the programme in series. Each series may comprise one or more tranches of notes, the terms and conditions applicable to any particular tranche of notes can differ. Bonds' currencies are GBP, USD and EUR.

The bonds' denomination initial nominal amount of each initial bond is £100,000, and the maximum total nominal amount of the initial bonds is £5 billion. The bonds are offered to high net worth individuals and sophisticated investors.

The initial series of notes was £10 million. The aggregate amount of notes issued will be dependent on the amount of the borrower loans that the issuer can make.

The bonds raised are used to fund bridging loans in the commercial UK property market. Lending is underwritten by the experienced and FCA authorised Propifi Group panel. All loans have first charge security in place over UK property/land to a maximum of 70% loan to value ratio.

The proceeds of each series are used to fund multiple borrower loans. Each borrower loan is secured on a specific property. Hence, each series is secured on multiple borrower properties. The notes are limited recourse obligations and are only secured on the borrower loans and underlying security. All the borrower loans (with properties securing such loans) constitute one joint portfolio which secures the bondholders of all bond series. All loans have a first charge and debenture secured against the property and Propifi can legally call up its security within 48 hours. All loans to corporate entities also come with the additional security of a debenture encompassing all that companies assets and the personal guarantees of all the directors.

Also all the assets of Propifi Investments Ltd, including cash, are the collateral of bonds issued by Propifi Bonds plc.

Additional risk factors relating to the bonds

Nature of the Issuer

Propifi Bonds plc has a short operating and financial history. The issuer has no material assets other than the loans granted to the Principal Borrower. The issuer will does not engage in any business activity other than entering into the transaction documents, the issuance of the notes, the acquisition and disposition of and investment and reinvestment in secured assets and cash or cash equivalents, certain activities conducted in connection with the payment of amounts in respect of the notes and the management of the Issuer security, and other activities incidental or related to the foregoing. Income derived from the secured assets are the issuer's principal source of cash.

Dependence on external financing

Propifi Bonds plc (as well as Propifi Ivestments Ltd) are highly dependent on external financing and a potential low interest in the planned bond issue can significantly reduce access to financing. Apart of that, the planned high usage of external financing (especially at the beginning) translates to a high financial leverage and therefore means a higher credit risk.

Risk of property prices drop

Whether borrowing for buy to let purposes or for a property development, as bridging finance, property mostly secures the loan. In the situation when borrower is not able to repay obligation, loan moves into default, and company can sell the property held as security. There are two crucial things here: how easy the property can be sold and what value it will be sold at. If property prices were to drop, the capital realised from the sale of the property price may be lower than expected. Lending significantly under the value of the property (LTV) should provide sufficient coverage, providing the asset was correctly valued at the outset and the market does not drastically drop in value.

Risk of damage to the property

The property is a tangible asset, there is the risk that something may happen to it affecting its value. These risks include natural disasters, fire, robbery or vandalism. If the loan is only secured by a property, the borrower may not have incentive to pay off the debt and the value of the property will not be enough to cover the debt.

Liquidity risk

If the borrower is not able to pay back credit, the lender must sell property on the market. The property usually is not liquid, and that means it cannot be converted into money quickly. The lender will have to find buyer on his own or will have to ask any broker to find buyer. This mean additional costs and may take time.

Credit risk

The ability of the Issuer to meet its payment obligations under the notes can be adversely affected by defaults in the underlying secured assets. The Issuer is inherently exposed to risks arising from changes in credit quality and the recoverability of secured assets. Increased numbers of defaults by borrowers or other obligors of secured assets may reduce the recoverability and value of the Issuer's assets.

If the secured assets do not generate sufficient funds for the Issuer to pay the notes in full on a maturity date for a series of notes, then the Issuer will not be obliged to pay the shortfall between the amount expected to be paid on the maturity date and the amount that can be repaid from the secured assets, and any claims in respect of such shortfall will be extinguished, so that noteholders may lose all or part of their investment.

To mitigate this risk the Principal Borower gives only loans with a maximum term of 12 months whilst its bond facility matures in 5 years. Propifi management will have the responsibility of monitoring the loans in its final year of the bond. This ensures that redemptions will take place on time or the company will have enough time to sell the property to meet the obligations on redeeming the loan.

Bondholders have no direct recourse to secured assets

No proprietary or other direct interest in the Issuer's rights under or in respect of any secured assets or any related partial financial guarantee in respect of the secured assets backing that series exists for the benefit of the noteholders. Subject to the terms of the trust deed, no noteholder has any entitlement to enforce any of the provisions of the corresponding secured assets or has direct recourse to the corresponding obligor of such secured assets except through action by the Trustee under the trust deed and the Issuer deed of charge.

The notes are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the notes are not protected by the Financial Services Compensation Scheme (the "FSCS") or any other government savings or deposit protection scheme. As a result, the FSCS will not pay compensation to an investor in the notes upon the failure of the Issuer. If the Issuer goes out of business or becomes insolvent, noteholders may lose all or part of their investment in the notes.

No regulation of the Issuer by any regulatory authority

The Issuer is not licensed or authorised under any current securities, commodities, insurance or banking laws of any jurisdiction and has not applied (and does not expect to apply) for any such licences or authorisations.

Risk of legal changes

The conditions of the notes are based on English law in effect as at the date of issue of the relevant notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant notes. Potential adverse legal changes may reduce the number of borrowers, increase competition on the market, negatively affect margins and may affect the repayment of interest from the bonds. It can also mean a significant difficulty in gaining market share for Propifi.

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 suport 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: www.eurorating.com/en/ratings/rating-scale

Regulatory affairs

EuroRating Sp. z o.o. is 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 is under direct supervision of ESMA. 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 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 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 presented credit rating does not relate to the credit risk (or probability of default) of the bond Issuer. 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 bond Issuer.

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

Public character of the assigned rating

The presented credit rating for the bond programme of Propifi Bonds plc 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.

Solicitation, key sources and quality of information

The presented credit rating was solicited by the bond Issuer – Propifi Bonds plc. EuroRating received remuneration for the assigning and subsequent monitoring of the rating. 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.

Prior to the presented rating action the rated entity was given the opportunity to review the rating and/or outlook, as well as the rating report, 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.

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Disclaimer

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