

Appendix B - Summary of the Internal Rating System Criteria

The credit risk of the client Company, considered in terms of capacity to promptly fulfill the financial obligations arising from energy saving contracts, is one of the main risks that Arpinge must assess and, where necessary, mitigate, as part of its investments.

The internal rating system is designed to classify the creditworthiness of the Client within a specific project. The outcome of the carried out analysis sets the framework – legal and economic (i.e. target IRR and investment tenor) – for Arpinge to invest in the project, and can lead to a request for possible additional guarantees.

The parameters taken into account by Arpinge are about quality and quantity and take into account a plurality of aspects, including:

- Historical trends and market perspective of the sector where the client Company operates, in terms of supply and demand;
- The client Company's positioning in the market arena and its historically proven ability to positively react to possible market downturns;
- Strategic and technological upgrade of the manufacturing plant involved in the Energy Efficiency Program, for which the client Company is required to show its industrial competitiveness in its portfolio and in the competitive market arena;
- Average Total Return Index and solid financial position (ROS, ROI, ROE, D / E, DSCR, etc.) from an historical perspective;
- Net financial position, its articulation between sources in the short and medium term, undrawn credit lines, other financial commitments;
- Statistics on the timing of payment.

CRIBIS credit rating of the client Company's annual credit standing is particularly relevant. It must not be below a critical threshold equal to the payment of at least 1.5 times the established annual fee.