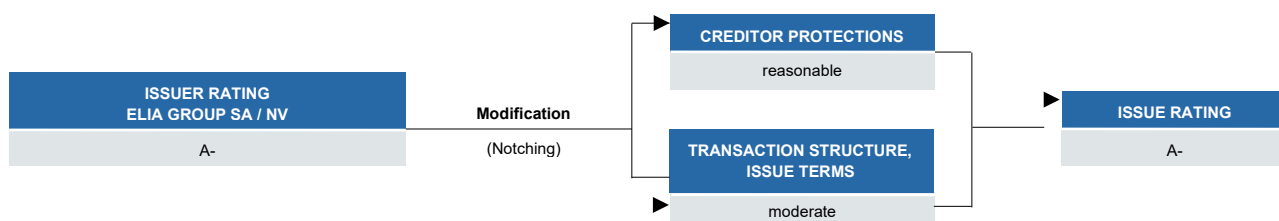


# Issue Rating

Fixed Rate Secured Notes of Solar Chest SA		21 April 2022	A-
		Issue rating	
		Outlook	stable
Industry	Electricity transmission system operation in Belgium and Germany	Total amount issued	€ 275 million
		Coupons rate	2.129 % (notes 15/2020), 2.387 % (notes 15/2021), 2.636 % (notes 15/2022)



ISSUER RATING	A-
<ul style="list-style-type: none"> <li>The issue rating is largely based on Elia Group's issuer rating and the legal and regulatory framework</li> <li>The issuer credit rating of Elia Group (A-) has been affirmed on 21 April 2022</li> </ul>	

CREDITOR PROTECTIONS	reasonable
<ul style="list-style-type: none"> <li>Adequate creditor protection</li> <li>Standard reserve account and termination rights</li> </ul>	

SECURITY STATUS	+/- 0
<ul style="list-style-type: none"> <li>Legally guaranteed repurchase obligation of ETB</li> <li>Public service levies on electricity rates cover purchases of green certificates as well as transaction, operating, interest and liquidation costs of Solar Chest (SPV) charged to ETB.</li> <li>Sufficient funds available (including cost compensations for first two quarters in May) to redeem the last tranche of the amortising notes (€ 102.6 million including interest costs) on 30 June 2022</li> <li>No other debt securities have been issued</li> </ul>	

EXTERNAL INFLUENCE	+/- 0
<ul style="list-style-type: none"> <li>External influence recognized under the issuer credit rating of Elia Group</li> </ul>	

KEY DATA		
ISIN / WKN	BE6279145443 / BE6279148470 / BE6279151508	
Total amount issued	€ 275 million – divided into three issues	Issue date: 30 June 2015. The bond was issued to finance the acquisition of 4,138,462 green certificates at the legally guaranteed minimum price of € 65 (excluding VAT)
Fixed coupon	2.129%, 2.387% and 2.636% p.a.	Annual coupon payments from 30 June 2016
Repayments	€ 75 million on 30 June 2020 (notes 15/20) € 100 million on 30 June 2021 (notes 15/21) € 100 million on 30 June 2022 (notes 15/22)	Repayment on 30 June 2020 Repayment on 30 June 2021 Repayment expected on 30 June 2022
Term to maturity	1-13 months	Until 30 June 2022 at the latest
Collateral		Repurchase guarantee issued by ETB

# Rating Rationale

Scope Hamburg GmbH has upgraded the issue rating of Solar Chest SA for the Fixed Rate Secured Notes with a total issue volume of € 275 million (current balance € 100 million) maturing between 2020 and 30 June 2022 to A- from BBB+. The underlying factors are a combination of the overall unchanged assessment of Elia Group, the adequate liquidity in the light of the full sale of green certificates and the legal and regulatory framework. We expect the repayment of the last tranche of the notes and the related interest costs on 30 June 2022. The rating outlook is stable.

***Adequate legal, regulatory and contractual transaction structures***

The Walloon government authorized Solar Chest SA to buy green certificates from ETB in order to stabilize electricity tariffs in the Walloon Region based on the law of 12 April 2001 and the decrees approved on 12 December 2014 and 28 June 2017, which we consider as the key element of the legal framework and the transaction structure. We expect the repayment of the last tranche of the notes based on the bond terms (offering circular) in the light of the full sale of green certificates as well as the legal and contractual reservation and repayment process. In 2019/20 Solar Chest sold 1,153,846 green certificates via an auction market process for a total amount of € 80.9m, of which € 75.0m were used to redeem the first set of notes maturing on 30 June 2020. In 2020/21 Solar Chest sold a further 1,538,462 green certificates for a total amount of € 102.1m, of which € 100.0 million were used to repay the second set of notes maturing on 30 June 2021. In 2021/22 Solar Chest sold the remaining 1,446,154 green certificates for a total amount of € 94.7 million, of which € 94.0 million shall be used to redeem the last tranche of the Notes (€ 102.6 million including interest costs) maturing on 30 June 2022. An additional amount of € 6.0 million is already available within Solar Chest (cash reserve and compensation for initial investments) As set out in the regulatory mandate, ETB is generally obliged to pay for the related interest costs, transaction fees and administration expenses (€ 0.8 million to compensate the costs for the first quarter and down payment amounting to € 0.9 million for the second quarter in May). In turn ETB is authorized to impose levies on electricity consumers in order to recover these costs, and all other costs within justifiable budget overruns and budgets approved by the federal regulator (CREG).

***Adequate creditor protection***

Creditor protection is reasonable in our view, accompanied by extensive oversight rights of the responsible authorities (Walloon Administration, CREG). Furthermore, we believe Solar Chest is subject to a sufficient financial flexibility based on liquid funds of € 101.3 million (20 April 2022) and expected down payments to provide additional funding in the event of budget overruns. Further strengths include an external use-of-funds monitoring through trustees and pledge agreements to noteholders and other secured creditors regarding bank accounts, receivables, certificates and securities. The agreed special termination rights, for example when ETB or Solar Chest default on one of their obligations (cross acceleration), are reasonable and appropriate to us. We note that Solar Chest noteholders are contractually treated *pari passu* with other unsecured creditors of ETB. Other positive support factors worth mentioning include public sector control over Solar Chest by its municipal shareholders.

***Issue rating based on Elia Group's issuer credit rating***

Overall our assessment leads to the equalization of the Solar Chest SA Notes issue rating (A-) with the current underlying issuer credit rating of Elia Group (A-).

## Upgrade / Downgrade Factors

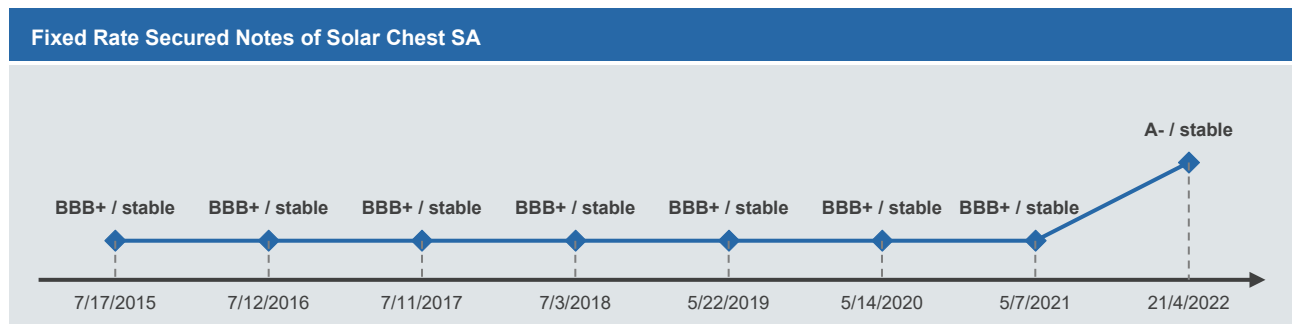
**Factors that could lead to an Upgrade**

- Upgrade of the underlying issuer credit rating of Elia Group

**Factors that could lead to a Downgrade**

- Downgrade of the underlying issuer credit rating of Elia Group
- Significant decrease in the expected recovery rate or inadequate creditor protection

## Rating History



## Appendix 1: Execution

Lead Analyst
<ul style="list-style-type: none"><li>Karl Holger Möller, Lead Analyst</li></ul>
<b>Contact:</b>
Tel.: +49 (0) 40/5247241 70 <a href="mailto:info@scopehamburg.com">info@scopehamburg.com</a>

Rating Committee Chair
<ul style="list-style-type: none"><li>Werner Stäblein</li></ul>

Rating, Solicitation, Principal Sources of Information
<ul style="list-style-type: none"><li>This credit rating has been issued in accordance with the CRA Regulation.<ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Solicited Rating</li><li><input type="checkbox"/> Unsolicited Rating<ul style="list-style-type: none"><li><input type="checkbox"/> No participation of the rated entity or related third party</li><li><input type="checkbox"/> With participation of the rated entity or related third party<ul style="list-style-type: none"><li><input type="checkbox"/> Access to internal documents</li><li><input type="checkbox"/> Access to management</li></ul></li></ul></li></ul></li><li>Prior to its publication the rating was disclosed to the rated entity. During this period, the rated entity had the opportunity to review the rating and to verify the underlying assumptions. Following this review, the rating was not amended<ul style="list-style-type: none"><li>Principal sources of information:<ul style="list-style-type: none"><li>Statutory annual accounts 2019-2021 of Solar Chest SA respectively 2019-2020 of Ecetia Intercommunale SCRL / CVBA (public law entity) and Ecetia Real Estate SA (public law entity)</li><li>Internal reporting (e.g. business development 2022, financing overview as of 31 March 2022)</li><li>Market and regulatory analyses, legislation, regulatory framework</li><li>Financial model and yearly budget of Solar Chest SA as of 18 February 2022</li><li>Information on strategy and company planning</li><li>Guarantee Elia System Operator SA / NV in favor of Solar Chest SA (24 December 2019)</li><li>Appointment ETB and replacement Elia System Operator SA/NV as TSO (13 January 2020)</li><li>Accession Agreement between Elia System Operator SA / NV, Elia Transmission Belgium SA / NV, Solar Chest SA, and Security Agent, Account Bank and Cash Supervisor effective on 31 December 2019 (24 December 2019)</li><li>Information memorandum of the transaction for the reservation of green certificates (27 January 2015)</li><li>Offering Circular with respect to the private placement of € 275 million, status as of 22 June 2015</li><li>Terms and conditions of the Notes, status as of 25 June 2015</li><li>Agreement for the purchase and reservation of green certificates (CRA) between Elia, Solar Chest SA and Security Agent, status as of 22 June 2015</li><li>Master definitions and common terms agreement between Elia, Solar Chest SA, ECETIA, Security Agent, Bank Degroof SA, U.S. Bank Trustees Limited and BNP Paribas Fortis SA, status as of 22 June 2015</li><li>Corporate services and cash administration agreement between ECETIA, Solar Chest SA, Security Agent and Cash Supervisor status as of 22 June 2015</li><li>Security agency agreement between Solar Chest SA, Elia, Security Agent, Corporate Services Provider, Cash Administrator, Account Bank and Cash Supervisor, status as of 22 June 2015</li><li>Management agreement between ECETIA, Ecetia Real Estate SA, Solar Chest SA and Security Agent, status as of 22 June 2015</li><li>Account bank agreement between Solar Chest SA, Cash Administrator, Cash Supervisor, Security Agent und Account Bank, status as of May 2021</li><li>Bank accounts pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited</li><li>Receivables pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited, status as of 22 June 2015</li><li>Green certificates pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited, status as of 22 June 2015</li><li>Securities account pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited and BNP Paribas Fortis SA, status as of 22 June 2015</li></ul></li></ul></li></ul>

- Cash Supervisor Agreement between Bank Degroof SA, ECETIA, Solar Chest SA, Security Agent as of 22 June 2015
- Interviews with the management

#### Rating methodologies and definitions

- [Scope Hamburg GmbH Issue Rating Methodology as of December 2014](#)
- [Basic Principles for Assigning Credit Ratings and Other Services as of October 2021](#)
- [Guidance Regarding the Consideration of ESG Factors in Scope Hamburg Credit Ratings as of March 2020](#)
- [Guidance Regarding the Consideration of Governmental Support in Scope Hamburg Credit Ratings as of January 2021](#)

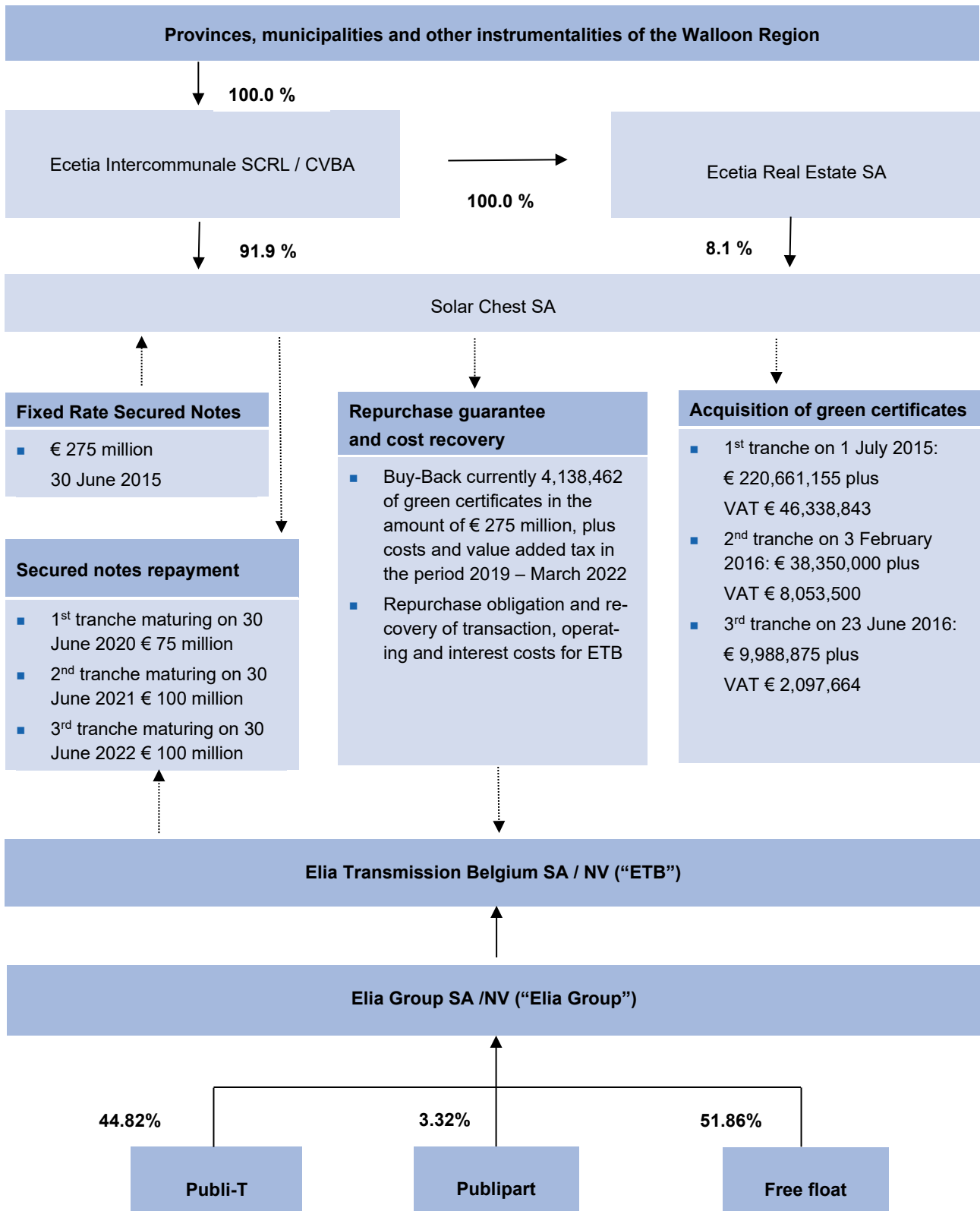
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## Appendix 2: Transaction structure



## Appendix 3: Rating categories \*

Category	Explanation
<b>AAA</b>	In the opinion of Scope Hamburg, AAA rated entities demonstrate an excellent credit quality and the lowest default risk.
<b>AA</b>	In the opinion of Scope Hamburg, AA rated entities demonstrate a very high credit quality with a very low default risk.
<b>A</b>	In the opinion of Scope Hamburg, A rated entities demonstrate a high credit quality with a low default risk.
<b>BBB</b>	In the opinion of Scope Hamburg, BBB rated entities demonstrate a medium credit quality with a moderate default risk.
<b>BB</b>	In the opinion of Scope Hamburg, BB rated entities demonstrate a medium-low credit quality with a slightly increased default risk.
<b>B</b>	In the opinion of Scope Hamburg, B rated entities demonstrate a low credit quality with an increased default risk.
<b>CCC</b>	In the opinion of Scope Hamburg, CCC rated entities demonstrate a very low credit quality with a high default risk.
<b>CC</b>	In the opinion of Scope Hamburg, CC rated entities demonstrate a very low credit quality, an event of default is very likely.
<b>C</b>	In the opinion of Scope Hamburg, C rated entities demonstrate a very low credit quality, an event of default is imminent.
<b>D / SD</b>	D rated entities have defaulted, as defined by the rating agency. The rated entity is assigned an SD rating (Selective Default) if it has only defaulted on certain debt obligations.
<b>PLUS (+) MINUS (-)</b>	Rating categories from AA to CCC are modified by a PLUS (+) or MINUS (-), where required, in order to show their relative position within the rating category.

\* For more explanations and definitions please refer to:

[Basic Principles for Assigning Credit Ratings and Other Services as of October 2021](#)

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