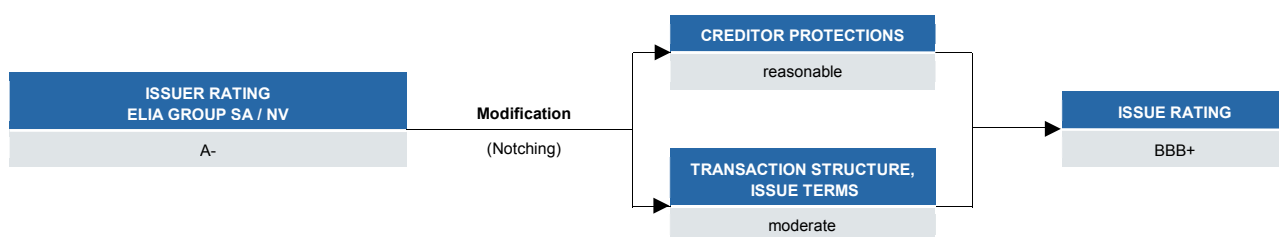


Issue Rating

Fixed Rate Secured Notes of Solar Chest SA		07 May 2021	BBB+
		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"> The issue rating is largely based on Elia Group's and Elia Transmission Belgium's ("ETB") guarantees to repurchase green certificates, that Solar Chest had previously acquired from ETB, Elia Group's issuer rating and the legal and regulatory framework The issuer credit rating of Elia Group (A-) has been confirmed on 07 May 2021 	

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

SECURITY STATUS	- 1
<ul style="list-style-type: none"> Legally guaranteed repurchase obligation of ETB Public service levies on electricity rates cover purchases of green certificates as well as transaction, operating and interest costs charged to ETB No other debt securities have been issued 	

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

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 Outstanding Outstanding
Term to maturity	1-13 months	Until 30 June 2022 at the latest
Collateral		Repurchase guarantee issued by ETB

Rating Rationale

Scope Hamburg GmbH confirms the BBB+ issue rating for the Fixed Rate Secured Notes issued by Solar Chest with a total issue volume of € 275 million (current balance € 200 million) maturing between 2020 and 2022. The issue rating is largely based on Elia Group's and ETB's guarantees to repurchase green certificates, which Solar Chest had initially acquired from ETB (as legal successor of Elia System Operator SA /NV), Elia Group's issuer credit rating and the legal and regulatory framework. 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. In general, we expect a high recovery rate based on the bond terms (offering circular) and the legal and contractual reservation process. Both of the latter require the local transmission system operator (ETB) to repurchase the certificates (by the end of each reservation or on the occasion of an earlier mandatory buy-back event) at the price paid by Solar Chest to buy the green certificates in the first place. In 2019/20 Solar Chest sold 1,153,846 green certificates via an auction market process for a total amount of € 80.9 million, of which € 75.0 million were used to redeem the first set of notes maturing on 30 June 2020. The excess cash amount was distributed to ETB. In 2020/21 Solar Chest sold a further 1,538,462 green certificates for a total amount of € 102.5 million, of which € 100.0 million shall be used to redeem the second set of notes maturing on 30 June 2021 and € 2.5 million were distributed to ETB. As set out in the regulatory mandate, ETB is generally obliged to pay for the related interest costs, transaction fees and administration expenses. In turn ETB is authorized to impose levies on electricity consumers in order to recover these costs, and all other costs associated with the contingent return of unmarketable green certificates 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 € 108.6 million (30 April 2021) and the option to claim advanced payments from ETB (vice versa ETB's obligation) 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. With view to ETB's contingent repurchase obligation we also appreciate that it is contractually linked to the transmission system operator's concession (expiring in 2039). In this context we also note that the noteholders are adequately protected against the event of a change of the transmission system operator, since the repurchase obligation will be passed on to any of ETB's potential legal successors. On a group level we note that within Elia Group the guarantee in favour for ETB is in place, while the 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

The final issue rating of the Notes is based on the issuer credit rating of Elia Group (A-) and an adjustment by one notch to account for the transaction structure and the issue terms (Solar Chest SA Notes - issue rating: BBB+).

Upgrade / Downgrade Factors

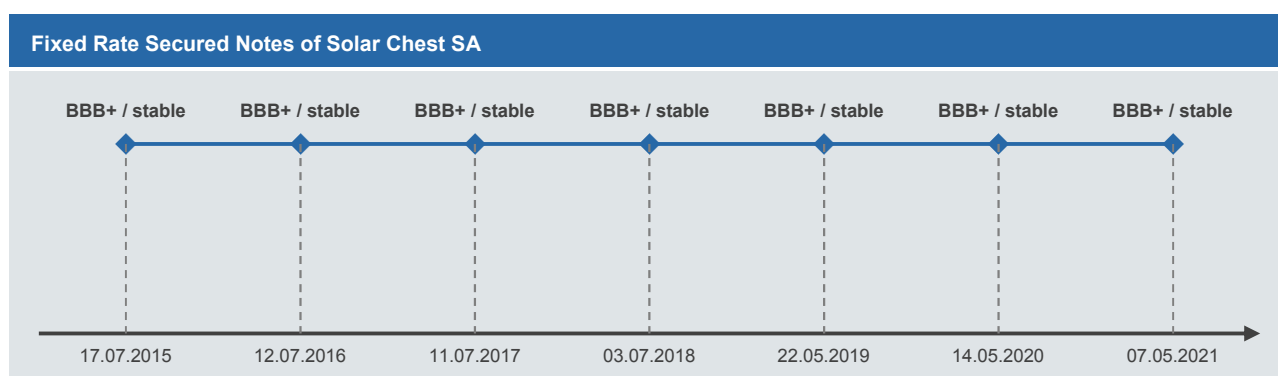
Factors that could lead to an Upgrade

- Upgrade of the underlying issuer credit rating of Elia Group
- Additional capital injections and newly issued guarantees of the provincial and municipal shareholders'

Factors that could lead to a Downgrade

- Downgrade of the underlying issuer credit rating of Elia Group
- Sustainable adverse changes to the legal framework
- Significant decrease in the expected recovery rate or inadequate creditor protection

Rating History



Appendix 1: Execution

Analysts
<ul style="list-style-type: none"> ▪ Karl Holger Möller, senior analyst and project manager ▪ Matthias Peetz, senior analyst
Contact: Tel.: +49 (0) 40/60 77 81 200 info@scopehamburg.com

Rating committee
<ul style="list-style-type: none"> ▪ Dörte Mählmann, director ▪ Kai Gerdes, director

Rating, Solicitation, Principal Sources of Information
<ul style="list-style-type: none"> ▪ This credit rating has been issued in accordance with the CRA Regulation. <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Solicited Rating <input type="checkbox"/> Unsolicited Rating <ul style="list-style-type: none"> <input type="checkbox"/> No participation of the rated entity or related third party <input type="checkbox"/> With participation of the rated entity or related third party <ul style="list-style-type: none"> <input type="checkbox"/> Access to internal documents <input type="checkbox"/> Access to management ▪ 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"> - Principal sources of information: <ul style="list-style-type: none"> - Statutory annual accounts 2018-2020 of Solar Chest SA, Ecetia Intercommunale SCRL / CVBA (ECETIA; public law entity) and Ecetia Real Estate SA (public law entity) - Internal reporting (e.g. business development 2020, financing overview, etc.) - Market and regulatory analyses, legislation, regulatory framework - Financial model and yearly budget of Solar Chest SA as of 02 September 2020 - Information on strategy and company planning - Guarantee Elia System Operator SA / NV in favor of Solar Chest SA (24 December 2019) - Appointment ETB and replacement Elia System Operator SA/NV as TSO (13 January 2020) - 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) - Information memorandum of the transaction for the reservation of green certificates (27 January 2015) - Offering Circular with respect to the private placement of € 275 million, status as of 22 June 2015 - Terms and conditions of the Notes, status as of 25 June 2015 - Agreement for the purchase and reservation of green certificates (CRA) between Elia, Solar Chest SA and Security Agent, status as of 22 June 2015 - 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 - Corporate services and cash administration agreement between ECETIA, Solar Chest SA, Security Agent and Cash Supervisor status as of 22 June 2015 - 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 - Management agreement between ECETIA, Ecetia Real Estate SA, Solar Chest SA and Security Agent, status as of 22 June 2015 - Account bank agreement between Solar Chest SA, Cash Administrator, Cash Supervisor, Security Agent und Account Bank, status as of 22 June 2015 - Bank accounts pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited, status as of 22 June 2015 - Receivables pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited, status as of 22 June 2015 - Green certificates pledge agreement between Solar Chest SA and U.S. Bank Trustees Limited, status as of 22 June 2015

- 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
- 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 July 2020](#)
- [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](#)

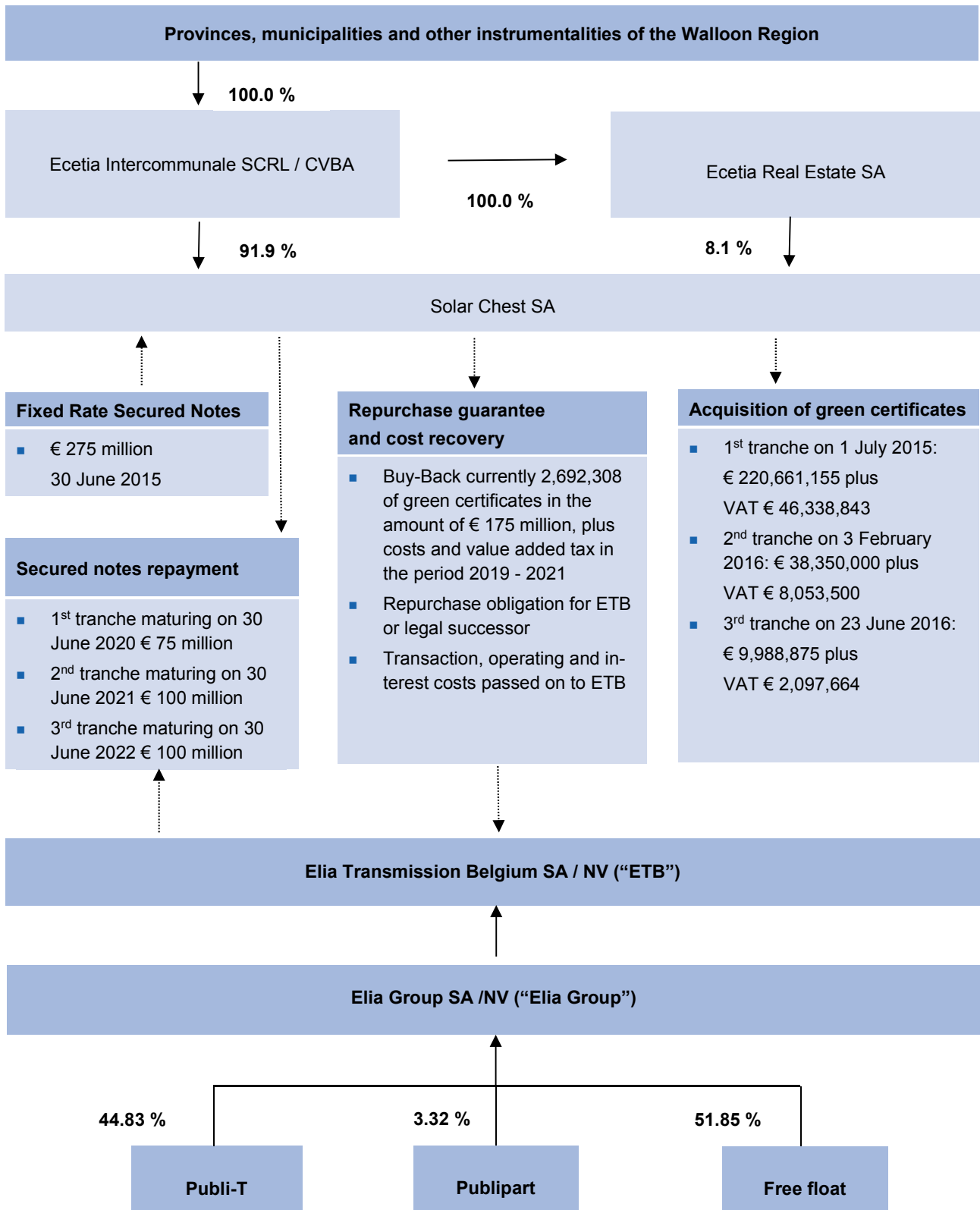
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Appendix 2: Transaction structure



Appendix 3: Rating categories*

Category	Explanation
AAA	In the opinion of Scope Hamburg, AAA rated entities demonstrate an excellent credit quality and the lowest default risk.
AA	In the opinion of Scope Hamburg, AA rated entities demonstrate a very high credit quality with a very low default risk.
A	In the opinion of Scope Hamburg, A rated entities demonstrate a high credit quality with a low default risk.
BBB	In the opinion of Scope Hamburg, BBB rated entities demonstrate a medium credit quality with a moderate default risk.
BB	In the opinion of Scope Hamburg, BB rated entities demonstrate a medium-low credit quality with a slightly increased default risk.
B	In the opinion of Scope Hamburg, B rated entities demonstrate a low credit quality with an increased default risk.
CCC	In the opinion of Scope Hamburg, CCC rated entities demonstrate a very low credit quality with a high default risk.
CC	In the opinion of Scope Hamburg, CC rated entities demonstrate a very low credit quality, an event of default is very likely.
C	In the opinion of Scope Hamburg, C rated entities demonstrate a very low credit quality, an event of default is imminent.
D / SD	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.
PLUS (+) MINUS (-)	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 July 2020](#)

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