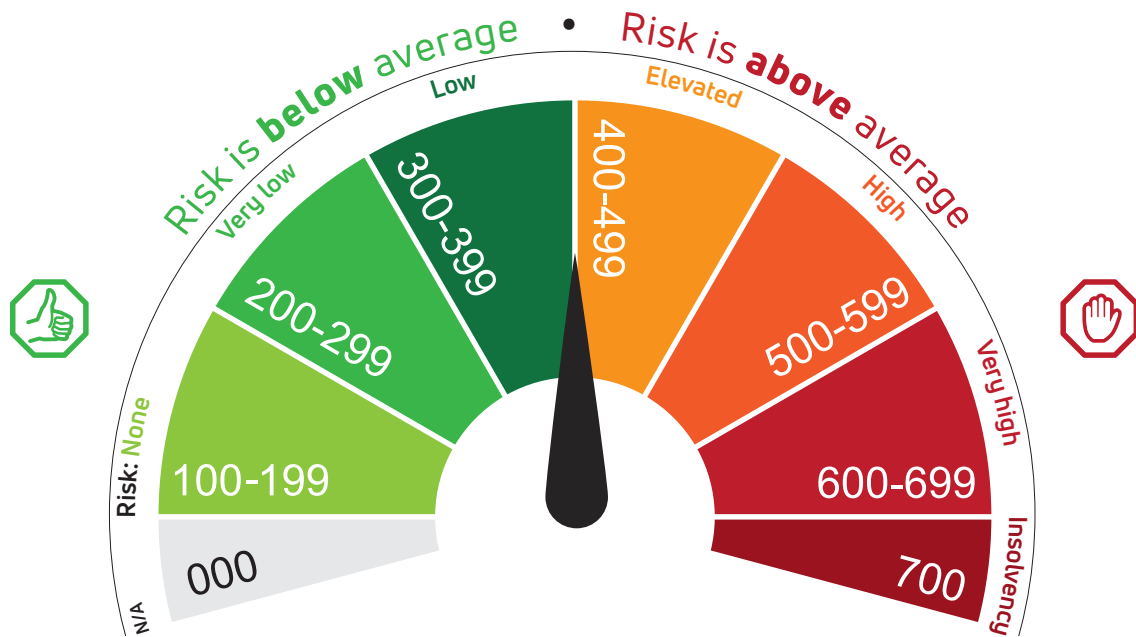


AN ACCURATE PORTRAYAL OF DEFAULT RISK

Using its unique database and backed by 145 years of experience in protecting creditors as an association, KSV 1870 has successfully been developing quality, reliable models and ratings for the forward-looking assessment of personal and corporate credit standing.



KSV1870 RatingDisplay

In a clear, graphic diagram, the KSV1870 RatingDisplay provides a snapshot of credit standing and risk. The KSV1870 rating describes a company's credit standing using a single indicator. This indicator is calculated using specific weightings of over 20 different factors and special factor combinations.

Depending on the data available, various scientific-statistical models are used: CompanyScore, StartupScore and BasicScore. You are thus able to obtain a credit assessment for any company as long as the data subject does not file an objection in accordance with Article 21 GDPR.

Rating category	000	100-199	200-299	300-399	400-499	500-599	600-699	700
Risk	no current calculation	no risk	very low risk	low risk	elevated risk	high risk	very high risk	insolvency indicator
Probability of insolvency		0.01% and higher	0.03% and higher	0.20% and higher	1.30% and higher	7.95 % and higher	36.23% and higher	
Explanation (CompanyScore, BasicScore and StartupScore)	probability of default cannot be calculated	default is improbable	very low probability of default	average probability of default	above-average probability of default	high probability of default	very high probability of default	



Rating models for the evaluation of companies

CompanyScore

- ✓ Objective calculation of the probability of default
- ✓ Rating model that meets Basel II criteria
- ✓ Optimally adjusted to availability and timeliness of data

StartupScore

- ✓ Appraisal of companies in their first year of trading
- ✓ Researched data available, but no assessment of the payment method
- ✓ Based on soft facts with strong statistical specificity
- ✓ Influencing factors are, among others, branch, legal form, person starting up the business and appraisal by information experts.

BasicScore

- ✓ Appraisal of companies in their first year of trading
- ✓ Always available when no other score is available
- ✓ Based on basic data on company's structure
- ✓ Taken into account where available, debt recovery, insolvencies, current balance sheets

Part of CompanyProfile

Professional, Standard, Compact and Basic

Standard, Compact and Basic

Basic

KSV1870 rating of companies

The indicators of the KSV1870 ratings are determined once due consideration has been given to all the influencing factors; the higher the rating, the more negative the evaluation. The KSV 1870 rating uses a scale ranging from 100 to 700; the individual scores are accurately calculated to the third decimal. KSV1870's calculations are based on an insolvency rate among actively trading companies of 1.3 %. It became clear during calibration that a score of 400 represents the average insolvency rate. Accordingly, the default risk of companies with a KSV1870 rating of under 400 is below average, whereas the default risk of companies with a KSV1870 rating of 400 and higher is above average.

Individual maximum credit for companies

Individual maximum credit is the maximum credit recommended per supplier within the scope of an average payment target. Essential influencing parameters are company size (sales), type of company (incl. service company, production company, retail company) and the company's credit standing.



The evaluation of companies and individuals

Payment method used by companies and individuals

The payment method sheds light on the payment track record of a company or individual based on the last review conducted. Influencing factors include debt recovery, supplier information and sector-specific data. The best classification is 100, the lowest classification is 650 and 000 means that no classification can be made.

The evaluation of companies and individuals

The evaluation sheds light on the company's or individual's overall financial situation based on the last review conducted. Influencing factors include financing sources, balance sheets, land register and the general situation in the business sector. The best classification is 100, the lowest classification is 650 and 000 means that no classification can be made.



The evaluation of individuals

Viability index (WIKEX) for individuals

The viability index uses a statistical model to project the likelihood of an individual's payment irregularities. This figure indicates the market attractiveness of potential customers.