

INSOLVENCY ICEBERGS

Q1 2021 MAJOR INSOLVENCIES UPDATE

UNITED STATES

Our risk team actively monitors companies that struggle financially to help our customers avoid iceberg defaults (major insolvencies/bankruptcies) and limit any potential loss. Due to the unstable economy from the fallout of Covid-19, the number of insolvencies has skyrocketed making our monitoring function even more important.

For Q1 2021, Euler Hermes effectively helped our customers avoid payment loss on these insolvent companies. We spotted the red flags of instability at least six months in advance and quickly advised our customers of the growing trade risks, successfully avoiding the insolvency icebergs. For those insolvencies we were unable to see coming, we were there with a "life raft" of claims payouts to our customers, guaranteeing their cash flow with limited interruption.

Euler Hermes' 1-to-10 risk ratings are reliably based on multiple sources of information and crosschecked thoroughly by our team of expert underwriters.

EH Risk Rating	Generic Description
1	Exceptional
2	Excellent
3	Strong
4	Good
5	Average
6	Watch
7	Substandard
8	High Risk
9	Uninsurable
10	Failed

→ **935 CREDIT LIMIT REQUESTS / DAY** are submitted by both U.S. and Canadian Euler Hermes Customers, on average

PAYMENT PROTECTION

For the insolvency icebergs we did hit, covered customers that were negatively impacted by these bankruptcies or insolvencies were able to submit claims, protecting them from non-payment.

Company Name	Sector	Date of Insolvency	Risk Grade by Insolvency Date	Covered Exposure 12 Months before Insolvency Date	Covered Exposure Six Months before Insolvency Date	Covered Exposure by Insolvency Date
Alpha Media Holdings LLC	Financial Services	01-25-2021	8	Mid 4 figures	High 4 figures	Low 5 figures
CiCi's Holdings, Inc.	Services	01-25-2021	6	None	Mid 5 figures	Low 5 figures
Country Fresh Holding Company	Agrifood	02-15-2021	5	Mid 6 figures	Low 7 figures	Low 7 figures

AVOID THE INSOLVENCY ICEBERG

We advised our customers of these struggling companies, protecting them from non-payment damage.

Company Name	Sector	Date of Insolvency	Risk Grade by Insolvency Date	Covered Exposure 12 Months before Insolvency Date	Covered Exposure Six Months before Insolvency Date	Covered Exposure by Insolvency Date
Mercy Hospital & Medical Center	Services	02-10-2021	5	Low 6 figures	Low 6 figures	None
Belk, Inc.	Retail	02-23-2021	9	Mid 8 figures	Low 7 figures	None
Paper Source, Inc.	Retail	03-02-2021	8	Mid 6 figures	None	None
Highpoint Resources Corporation	Energy	03-14-2021	7	Mid 8 figures	None	None
Nine Point Energy Holdings, Inc.	Energy	03-15-2021	7	Mid 5 figures	None	None