

AFME Recommended Market Practices Ongoing Reporting Obligations by Issuers of Non-Investment Grade Debt Securities¹

(Last updated 2020)

The Association for Financial Markets in Europe recommends that the issuers of noninvestment grade debt securities adopt the following four principles of disclosure as “best practice” where their securities are to be listed or otherwise publicly traded:

Ongoing Reporting Obligations

Issuers of non-investment grade debt securities are reminded of their recurring and special reporting obligations under the indenture or trust deed and the listing rules of the exchange on which the securities are listed. These reporting requirements generally include (i) periodic financial reporting (quarterly or semi-annual), and (ii) prompt disclosure of material events (acquisitions, disposals, defaults, changes in auditors etc.).

Financial reports and other ongoing reporting obligations should be consistent with, and made to the same extent and in substantially the same manner as, the reports and disclosure given in connection with the initial issuance in order to facilitate investor review and analysis, including a reconciliation between EBITDA and the nearest GAAP/IFRS measure, if applicable.

The Group's semi-annual (and quarterly, if any) and annual reports should include, where applicable:

- balance sheet, income statement and cash flow statement, each prepared in accordance with the relevant GAAP/IFRS standard;
- Definitions for non-GAAP/IFRS measures referred to in the report; and
- Information regarding the Group's outstanding debt obligations, including:
 - The total amount of the Group's material debt obligations, including a breakdown of the individual components of such debt obligations; and

¹ These guidelines represent an update of AFME's previously issued “Recommended Market Practices – Disclosure by Issuers of Non-Investment Grade Securities”.

➤ Unused availability under committed credit lines.

The Group's annual report should also include a maturity profile for the Group's long term debt obligations over the short, medium and long-term.

Issuers of non-investment grade debt securities should ensure that all material information regarding the securities is released contemporaneously to all relevant market participants (including information regarding conference calls related to the securities, the release dates and times of any financial reports and any other material information regarding the securities).

In addition to the foregoing, the issuer may be required under the indenture or trust deed, within a reasonable time after each quarterly and annual report, to:

- Hold a conference call open to relevant market participants; and
- Make the report accessible to investors on the issuer's website.

Issuers may be able to satisfy the reporting obligations referred to above by posting the relevant information to the issuer's public website, Bloomberg (or other comparable public news service) and/or, to the extent practicable, the exchange on which the securities are listed. It is recommended that access to any issuer website, or any relevant section of the issuer's website, related to the relevant securities should not be conditional on registration of a password (or other prior registration), approval of access, acceptance or confidentiality obligations or other restrictions on access or on the use or disclosure of the information related to the relevant securities disclosed on the issuer's website.

Issuers are reminded that the relevant listing or disclosure rules may also require the issuer to make disclosures using a prescribed service (such as an approved regulatory information service in the UK and Ireland) and to post information to its own website. Those rules may also require that material information should not be publicly disclosed by posting to a website or otherwise released in advance of publication via the prescribed service.