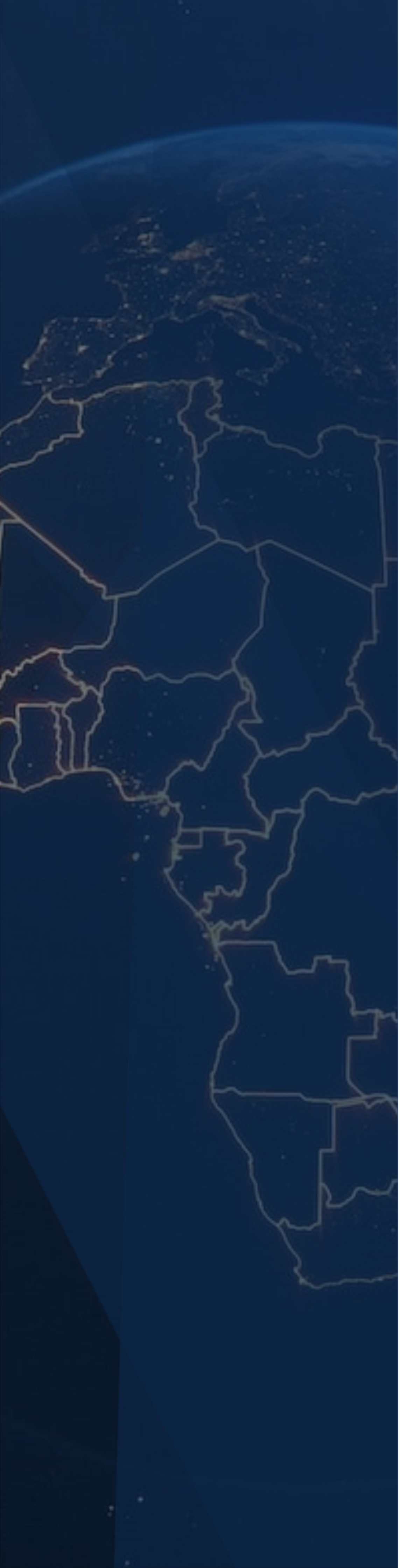
ETC

EXPORT, TRADING & COOPERATION

Annual Report

2023

Final version approved by ETC Invest SpA Board of Directors of 26.09.2023



Summary

Message from the President and CEO

ANCO MARZIO LENARDON

PRESIDENT & CHIEF EXECUTIVE OFFICER

Financial inclusion

To achieve climate, environmental and social sustainability goals, significant private and public investment is needed, especially in support of the sustainable revolution of the African economy.

Financing and guarantee mechanisms

Financial institutions involved in financing the economy are subject to new challenges. Indeed, the world of Finance will have to match the prudential principles of the Basel Committee with the criteria of the sustainable economy, especially the SDGs (Sustainable Development Goals). In this epochal change, Guarantee Mechanisms (GDM) will become more and more essential to mitigate financial risks as well as socio-economical and environmental ones.

MDGs, issued by Public Funds or Institutions rated by External Credit Assessment Agencies (ECAI), allow banks to optimize his of own funds thorough weighting of credit risk and reduction of concentration risk. This frees up resources to finance resilience, recovery and sustainable trade and investment transactions.

Export Trading Cooperation (ETC)

ETC as european Trade Finance Institution specialized in the technical and financial management of trade and investments in Africa, rated A3- at the European Securities and Markets Authority (ESMA) and member of Swift network (with its BIC ETCGIT2T), provides MDGs according to the standard of the International Chamber of Commerce (ICC).

About ETC

Who are we

ETC Export Trading Cooperation is a European guarantee institution which acts as a partner for companies, banks and institutions operating in African countries, especially those adhering to the harmonized african business law OHADA (West and Central Africa.

ETC Export Trading Cooperation aims to provide technical and financial services for investment projects and international trade. The headquarters of the ETC Export Trading Cooperation group is based in Treviso (Italy) with its Regional Office in Cotonou (Benin), its Guarantee Fund in Douala (Cameroon) with branches and offices between Europe and Africa.

Our History

ETC Export Trading Cooperation has its origins in 2010 with a project named Steel & Style Africa, promoted by Confindustria (Association of Italian Industrialists) with the patronage of the Italian Chamber of Commerce.

The aim was to facilitate Italian exports and industrial investments assisting the economies of sub-Saharan Africa region and serve African SMEs in need of European supplies, technologies and know-how.

The lack of information on the African markets by European companies and financial institutions led to the creation of ETC Export Trading Cooperation specializing in exports and investments in Africa.

ETC was born from the vision of the founding members who considered the Confirmation service as an ideal tool to approach the African markets.

2010 **The Origin**
The embryonic project was born on the initiative of Confindustria with the patronage of the Italian Chamber of Trade

2012 **The first legal entity**
ETC Srl, the Italian Confirming House, was established to stimulate Italian exports and investments in Africa

2014 **R&D in OHADA business law**
ETC in partnership with SACE (Italian Export Credit Agency) has produces legal opinions as a tool to authorize payment instruments, guarantees as well as arbitrations and debt collection procedures in OHADA countries

2015 **The first African subsidiary**
ETC opens its first subsidiary, ETC Surety SA in Benin (BJ) to secure the group investments and ensure debt collection

2016 **SWIFT onboarding process**
ETC initiates the process of joining SWIFT as a Non-Supervised Entity active in the financial industry (NOSU) with letters of recommendation from three banking institutions (Societe Generale, Crédit Agricole and Diamond Bank)

2017 **Public shareholding**
ETC benefits from the public intervention of Simest, the investment company of the Italian government, and Finest, the regional investment company for the northeastern regions of Italy

2018 **Joining SWIFT**
ETC finalizes the process of compliance with the SWIFT framework (Governance, AML, security IT and other rules for the financial sector) and obtains NOSU certification

2019 **First public credit rating ESMA**
ETC finalizes audit process with a European Credit Agency, ModeFinance to publish its first credit rating (B1+/BBB+) with the European Securities and Markets Authority (ESMA)

2020 **The first subsidiary in Cameroon**
ETC launches its first instrumental consulting subsidiary to the Group in Douala

2021 **New shareholders**
ETC buys back Simest and Finest shares for the benefit of new shareholders BGFIBank Europe SA and MPS Fiduciaria S.p.A.. Creation of the Africa Regional Office – ETC sets up its regional office in Cotonou, Benin in order to be closer to its partners

2022 **10th anniversary**
10th year of the first legal entity of ETC

Our Values

Responsible growth

Limiting the harmful effect of the efforts of this growth on humans, their work, their environment and their ways of acting, is at the heart of our concerns ETC, through its "Responsible Growth" value, wishes to take on and assert its responsibilities in limiting these harmful effects, in line with the 4 principles of the United Nations Global Compact:

o Respect for Human Rights

o Compliance with labor law

o Environmental responsibility

o Fight against corruption, terrorist financing and money laundering.

Financial inclusion

The vast majority of sub-Saharan African countries, for historical reasons, remain to this day on the fringes.

Financial services whose opportunities have fostered the development of most regions of the world.

Through its action with companies and financial institutions, ETC has set itself the task of offering financial instruments likely to promote access of African economies to the same development opportunities as all other regions of the world.

Multilateralism

The notions of cooperation and balance in international financial relations are prerequisites for ETC. These attitudes are indeed, guarantees of success in the treatment of transactions and other investments on the scale of several nations.

Our purpose

Our Vision

Financial inclusion, support for responsible growth to reveal the role of the protagonists of the African economy on the global markets, using a multilateral approach.

Our Mission

Provide the African regional market with appropriate financial instruments to support trade and investments for responsible growth.

Our Promise

Provide companies and financial institutions with technical and financial services for their investment and international trade projects.

Boost the performance of banks, financial institutions and companies by mitigating risks and promoting facilities for credit enhancement.

Your benefits of working with us

Compliance with prudential ratios and AML

Optimization of your own funds

Growth in the volume of your transactions

Loyalty of your champion customers

Improvement of your competitive positions.

Our Ambition

Make financial instruments accessible to stakeholders operating in Africa and create create long-term partnerships.

Our strengths

Make the most of the Guarantee, Financial capability and technical skills of ETC Export Trading Cooperation

Our public rating

The guarantee institution ETC Export Trading Cooperation benefits from the public rating A3- (risk category 2 “low” according to the EU classification) at The European Securities and Markets Authority (ESMA) by an External credit assessment institution (ECAI), in accordance with Regulation (EC) N°1060/2009.

The ECAI is authorized by the entire European System of Financial Supervisors (ESFS) which is made up of three authorities: the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA).

To this end, ETC’s public rating may be used for regulatory purposes within the European Union in compliance with CRR II (Capital Requirements Regulation), transposition in Europe of Basel III.

Please find the ETC’s Public Rating in the ESMA register

A3- / A-

Swift

Our membership in the SWIFT network

ETC Export Trading Cooperation is an active member of SWIFT (Society for Worldwide Interbank Financial Telecommunication) under category 2 called NOSU (Non Supervised Entity active in financial industry), with its BIC (Business Identifier Code) ETCGIT2T.

Thus, the institution is able to exchange authenticated interbank financial messages with banks and other financial institutions (Example: letter of credit, stand-by letter of credit, documentary remittance and others).

NON-SUPERVISED ENTITIES ACTIVE IN THE FINANCIAL INDUSTRY (NOSU)

Main activities of NOSU:

- Provide payment, securities, banking, financial, insurance or investment services or activities to Supervised Financial Institutions and/or third parties unrelated to NOSU.
- Provide services to supervised financial institutions and/or third parties unrelated to NOSU, whose services take charge of the processing of financial transactions in means of communication and processing of information. Which services require the sending of messages in the own name of the NOSU.

Specificities of NOSU

- Legal person duly constituted, validly existing and duly organized
- Financial strength and compliance with applicable laws and regulations
- Subject to regular audits in accordance with internationally recognized accounting standards by a company independent audit
- Majority owned by entity(ies) in the Supervised Financial Institution (SUPE) category
- Or recommended by three entities in the category of Supervised Financial Institution (SUPE) unrelated to the Non-Supervised Entity active in the financial industry (NOSU).

Our guarantee

The hedging instrument proposed by the ETC group is mainly the autonomous guarantee, materialized via message interbank SWIFT MT760 in accordance to the standards of the International Chamber of Commerce: Uniform Rules for Demand Guarantees (URDG) for the guarantee and ISP for the Stand-by Letter of Credit. Therefore, it represents a commitment, by signature, irrevocable which is equivalent to a direct claim for the beneficiary.

Our risk participation

The hedging instrument proposed by the ETC group in Trade Finance operations with correspondents is Risk Sharing, according to an MRPA (Master Risk Participation Agreement). Each risk taken is materialized via message interbank SWIFT MT799.

Our KYC procedures

ETC Export Trading Cooperation adopts a business organization model in accordance with the Legislative Decree of June 8 2001, no. 231, in execution of the law of September 29, 2000, n. 300, introduced in Italy by the discipline of responsibility administration of legal persons, companies and associations and, among other things, the fight against corruption.

It is part of a vast process of ratification of certain international conventions previously signed by Italy such as: the convention on the protection of the financial interests of the European Communities of 26 July 1995, the convention on the fight against corruption of May 26, 1997 and, finally, the OECD Convention on the fight against the corruption of the December 17, 1997.

Therefore ETC conducts a KYC – Know Your Customer process on each counterparty before the start of any activity.

In accordance with the European directive on AML – Anti-Money Laundering, CTF – Counter Terrorism Financing and ABC – Anti Bribery and Corruption.

HUMAN RIGHTS

Protection of security and individual personality

The ETC Group's essential value is the protection of the security, freedom and personality of the person. It is therefore opposed to any activity that may lead to a breach of individual security and to any possible form of financing likely to encourage or fuel the exercise of such practices, as well as any exploitation or possible reduction of the person in a state of subjugation.

The ETC Group also attaches paramount importance to the protection of minors and the repression of exploitative behavior of any kind towards them.

To this end, the misuse of the IT tools of the ETC group and, in particular, the use of these tools to indulge or even only facilitate possible behavior related to the crime of child pornography, possibly including virtual images, is prohibited and totally foreign to the Company.

Any employee or partner who, in the exercise of his professional activity, becomes aware of the commission of acts or behavior likely to favor any violation of personal security as identified above, as well as to constitute exploitation or reduction to a state of subjection the person must, without prejudice to legal obligations, immediately inform his superior.

LABOUR

Protection of the working environment

The ETC Group is committed to guaranteeing the health, safety, professionalism and competence of its employees and partners, who represent an absolute value for the prestige and credibility of the ETC Group.
By guaranteeing the primary value of human resources, the ETC Group does not tolerate any form of discrimination against its employees and collaborators. Employees and partners of the ETC Group, in their working environment and within the limits of the skills and responsibilities entrusted to them, must base their behavior on mutual fairness, with the greatest respect for the dignity and moral personality of each. All forms of intimidation or harassment of any kind are therefore absolutely prohibited.

The staff and partners of the ETC Group are required to carry out their office activities according to criteria of benevolence and transparency, with a sense of responsibility, absolute diligence and a spirit of cooperation with colleagues and third parties.
In order to offer the highest levels of quality to all those with whom they come into contact because of their position, employees and partners actively participate in the life of the company and promote their professional growth, always acquiring new skills and capabilities.

The ETC Group also undertakes to provide its employees and partners with a working environment suitable for safeguarding their health, safety and physical and moral integrity, in compliance with the laws and regulations in force.

For these reasons, the ETC Group undertakes at each stage of its activity to ensure that:

- stakeholders are trained, informed and made aware (according to their own powers and skills) to perform tasks and duties according to the prevention and protection methods given by the ETC Group;
- stakeholders are made aware of the risks incurred in carrying out their activities;
- workplaces, operating methods and organizational aspects are implemented in such a way as to protect the health of workers and third parties;
- There is a company management aimed at the prevention of accidents, injuries and occupational diseases, as well as the prevention of accidents at work.

Valorization and development of human resources

ETC Group is aware of the value and professional development of its employees and partners. Managers and heads of functions or organizational units establish relationships with their employees based on mutual respect and close collaboration.
Each organizational unit manager supports the professional growth of the assigned resources, taking into account the capacities of each in the allocation of tasks, in order to achieve real efficiency in the operational field.
Everyone is guaranteed the same opportunities to express their professional potential.
The ETC Group indiscriminately recognizes professional qualities and the achievement of results, setting career development and economic incentives as objectives for each employee and stakeholder.

ANTI-CORRUPTION

How ETC fights against corruption

The ETC group pays particular attention to the definition of business processes that comply with the law, internal regulations and contractual commitments.

In this sense, the ETC Group prohibits any behavior concerning the use, transformation or concealment of funds of illicit origin. It is also prohibited and completely foreign to the ETC Group any behavior that may constitute or be related to activities or the subversion of the democratic order of the State or that may constitute or be related to transnational crimes related to a criminal association, including mafia-type, money laundering, use of money, goods or services of illegal origin, inducing persons not to make statements or to make false statements to judicial authorities, personal complicity, as well as association with criminals for the purpose of smuggling foreign processed tobacco and illegal trafficking in narcotics or psychotropic substances, or relating to possible violations of provisions against immigration.

Any employee or associate who, in the course of their work, becomes aware of the commission of acts or behavior that may constitute terrorist activities of any kind or related to the aforementioned transnational crimes, aiding or financing these activities or, in any case, overthrow the democratic order, must, without prejudice to legal obligations, immediately inform its leaders.

Our group

The group headquarters is based in Treviso in Italy with its Regional Office in Cotonou in Benin, its Guarantee Fund in Douala in Cameroon, participating companies and branches between Europe, Central Africa and West Africa.

Our entities

ETC Invest SpA

Holding company

Via Galileo Galilei 255
CAP 31057 Silea Treviso
ITALIE
VAT : 04821260264
REA : TV-400769
BIC SWIFT : ETCGIT2T
Authorized Share Capital : 250.000.000,00 EUR

ETC Invest SpA

Regional Bureau Africa

360, Bld de la Marina
08 BP 1186 Cotonou
BÉNIN
RCCM : RB/COT/21 B 30105
IFU : 3202113025001

ETC Surety SA CV

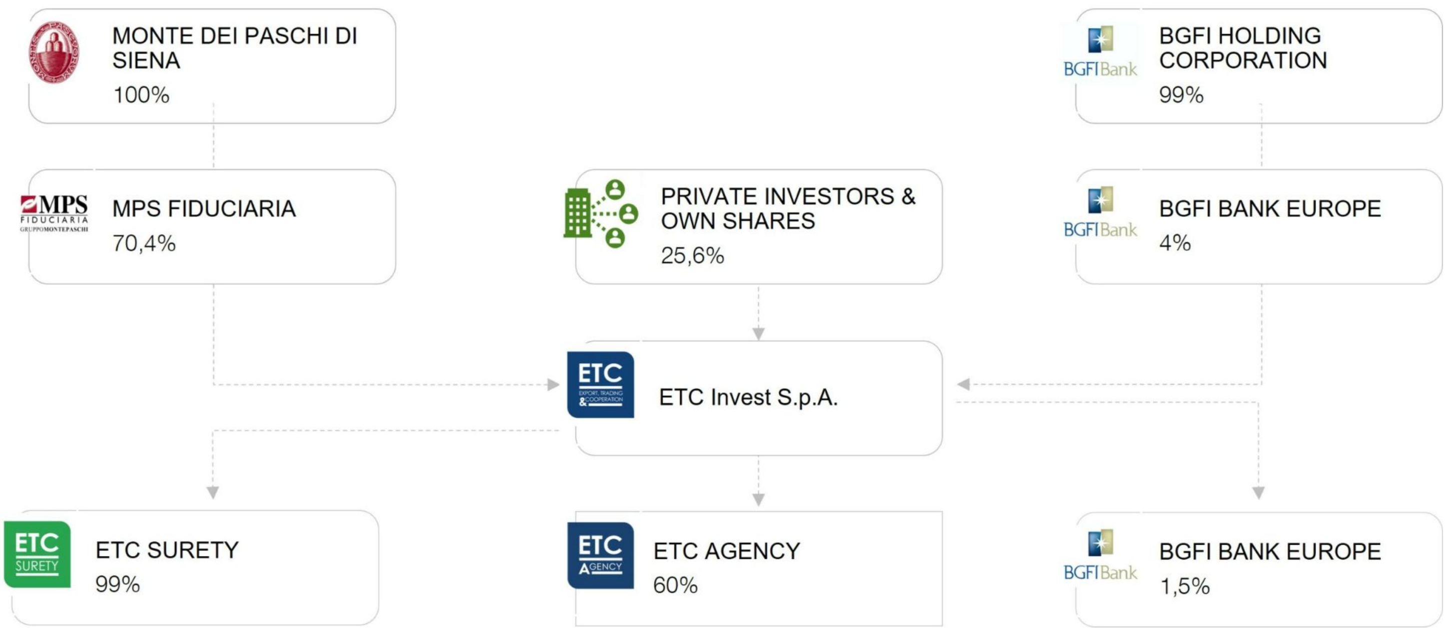
Guarantee Funds

SA With variable capital
341, Rue Mandessi Bell, Quartier Bali
BP 12480 Douala – CAMEROUN.
R.C.C.M : RC/DLN/2023/M/361
NIU : M082018470874B
Authorized Share Capital : 1.000.000.000.000 XAF

Our shareholders

Throughout its journey, the ETC group has benefited from the participation of Italian public institutions, in particular Sace-Simest (owned by the Cassa depositi e prestiti "Cdp" group) and Finest (owned by the regional governments of the north-east of Italy).

Today the shareholding of the Holding is made up of: Monte dei Paschi Fiduciaria S.p.A. whose head office is in Siena (Italy), subsidiary of the Italian banking group Monte dei Paschi di Siena S.p.A. (MPS), BGFI Bank Europe SA whose head office is is in Paris (France), a subsidiary of the Gabonese banking group BGFI Holding Corporation SA (BHC) and private investors, including the founding members.

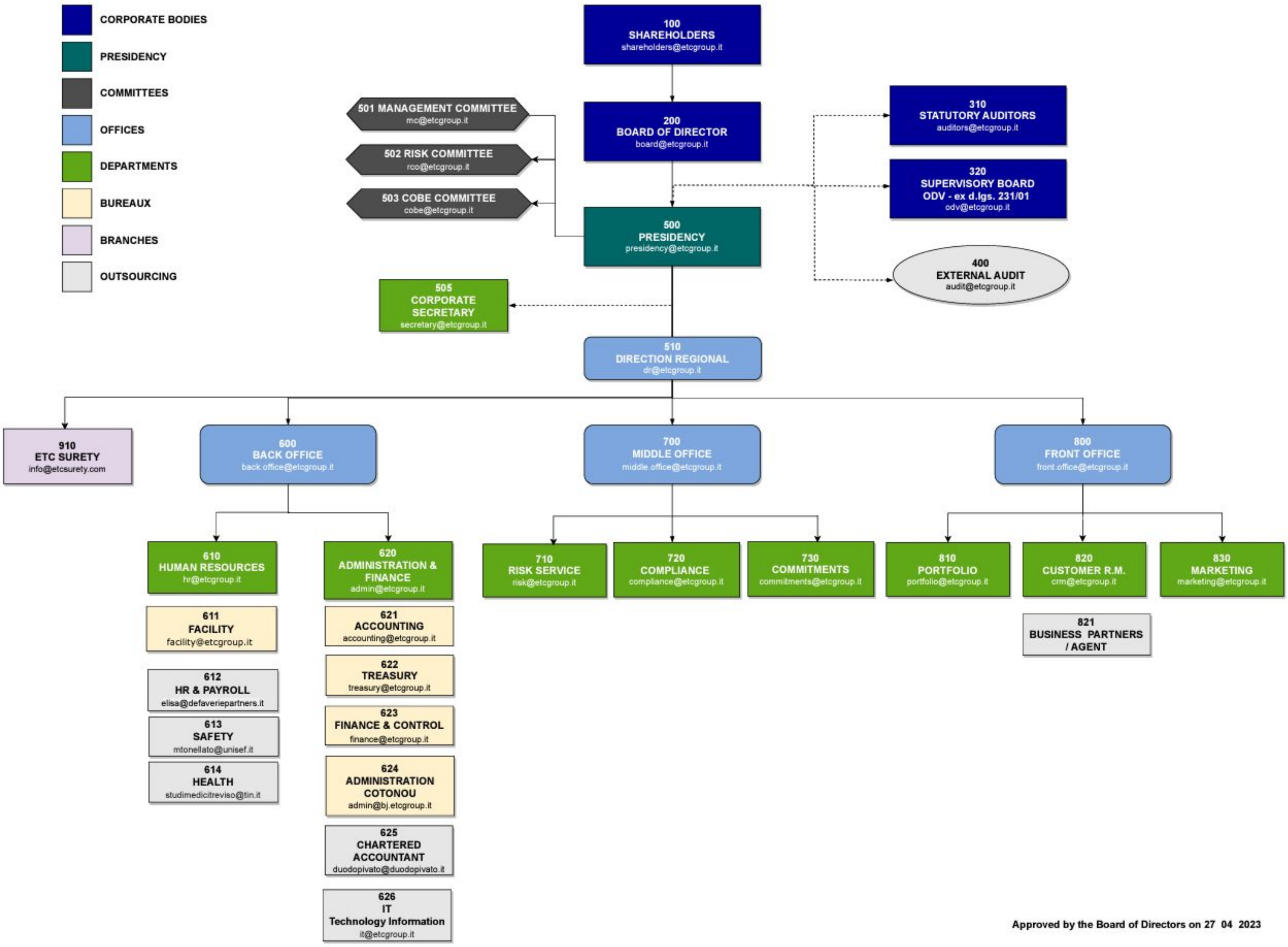


Our network of partners

ETC Export Trading Cooperation is able to provide all of its services thanks to an ecosystem of qualified partners. This partnership network allows us:

- The exchange of commercial information
- Creation of trade and investment opportunities
- Liaison between African and international banks via our own SWIFT channel
- The proper assessment: Counterparty risk, Operational risk, Market risk
- Mitigation and weighting: Counterparty risk, Operational risk, Market risk

Our organization chart



Our governance

It is the body of the company formed by the shareholders MPS Fiduciaria S.p.A, BGFI Bank Europe SA and the Private Investors including the Founders (or their representatives) within which the will of the company is formulated and expressed, and which is then executed by the Board of Directors.

- **Board of Directors:**

  It is the collegial body responsible for managing the group, made up of 5 directors, including 3 Delegates and 2 Independents. The Chairman of the Board of Directors is Mr. Anco Marzio Lenardon.

- **College of Auditors:**

  Supervisory body for Group Governance and Compliance made up of 5 members, including 3 incumbents and 2 alternates.

- **Statutory Auditors:**

  Entity in charge of the statutory audit.

- **Supervisory Board D.lgs 231 of 2001 Italian law:**

  Supervisory body AML, CTF, ABC

- **Technical Committees:**

  Decision-making bodies delegated by the Board of Directors called upon to deliberate on internal processes within the limits set by the Board of Directors. These bodies of the Parent Company have an impact on the management and coordination of the subsidiary companies.

Board of Directors

The ETC Export Trading Cooperation Board of Directors governs the organization by establishing general policies and setting strategic objectives:

- select, appoint, support and evaluate the performance of the Chief Executive Officer;
- ensure the availability of adequate financial resources;
- approve the annual budgets;
- reporting to stakeholders on the organization's performance;
- set senior management salaries, compensation and benefits.

Anco Marzio LENARDON
President &
Chief Executive Officer

Enrico MAZZON
Vice-President &
Chief Executive Officer

Jean Gauthier GAMBOR
General Director

Mario DI GIULIO
Independent Director

Faustin DAHITO
Independent Director

Committee of Statutory Auditors

The Board of Auditors monitoring the adequacy of the organizational, administrative and accounting structure of the company in accordance with article 2403 of the Italian Civil Code.

The Board of Statutory Auditors must meet at least every ninety days and must attend board meetings.

David MORO
Chairman Of The Statutory Auditors

Michele LOSCHI
Member Of The Statutory Auditors

Marco CRISANTI
Auditors

Supervisory Board

Supervisory body (in Italian language ODV “Organismo di Vigilanza”), under Italian law, designates a body that monitors the liability of the entities, for crimes committed in the interest or for the benefit of the latter in accordance with article 6, paragraph 1, let. b) of Legislative Decree of 8 June 2001, n. 231.

The content derives from the provisions of the European Union and refers to Anglo-Saxon compliance programs.

Mario DI GIULIO
Independent Director

Michele LOSCHI
Member Of The Statutory Auditors

External auditors

External audit is the activity carried out by the audit firm which, through the application of procedures by sampling, enables it to verify the sincerity and accuracy of the elements of a financial statement or consolidated accounts in accordance with the law and regulations.

BDO
Audit Firm

MAZARS
Audit Firm

ZSM (Primeglobal Member)
Audit Firm

MODEFINANCE
European Credit Rating Agency (CRA)

BLOOMFIELD INVESTMENT
African Credit Rating Agency (CRA)

Executive Team (Europe)

Wilfried ADIKPETO
Chief Officer
Front Office

Andrea BATTISTEL
Principal officer
Administration & finance

Eunice VODOUNOU
Principal Officer
Compliance

Luca STORER
Executive officer
Administration & finance

Dario FASOLO
Senior officer
Accounting

Silvia SAVOÏA
Senior officer
Corporate Secretary

Executive Team (Africa)

Jean Gauthier GAMBOR
Regional Director

Sophia MAMADOU BOUBA
Deputy chief officer
Commitments

Pamela DAHITO
Deputy chief officer
Portfolio

Steaven GBETOWENONMON
Principal Officer
Risks

Gédéon AIHONNOU
Executive officer
Administration

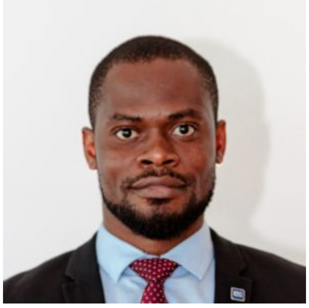
Amenan Carine AHOUANMENOU
Deputy principal officer
Commitments

Luca GOBBO
Executive officer
Customer Relations

Chirac DAHOUETO
Executive officer
Risks

Antoine LAWI WANDER
Senior officer
Corporate Secretary

Arlette BOGNE MAKWIYA
Senior officer
Accounting



Roméo BAKPE
Executive officer
Accounting

Herbert DJOSSOU
Executive agent
Facility

Our Expertise

Our offers

Thanks to the international presence (Africa and Europe) and the integrated expertise (Trade finance "TRF" and Supply chain management "SCM"), ETC Group has become the leader and the main reference for Banks and Corporates in the management of trade and investment and projects in Africa, in sectors ranging from agribusiness to industrial, but also transport and green energies.

The ETC group provides a corporate obligation (as a stand-by letter of credit "SBLC") materialized via the financial message SWIFT MT760.

Counter-guarantee

The ETC group provides a corporate obligation (as a stand-by letter of credit "SBLC") materialized via the financial message SWIFT MT760.

Project Finance Bond (PFB)

Alongside banks and their corporate clients to guarantee commercial risks of medium and long-term financing for industrial investments.

Click to learn more

Trade Finance Bond (TFB)

Alonside banks and their corporate clients to guarantee commercial risks of short term financing for trading of goods and services

Click here to learn more

Concentration Risk Bond (CRB)

Respect the risk division limit on your exposures

Click to learn more

Surety Bond (STB)

A deposit to participate and execute your public and private contracts

Click to learn more

Risk syndication

The hedging instrument offered by the ETC group in Trade Finance transactions with international correspondents is that of risk sharing according to an MRPA agreement.

Syndication of commercial risks of African banks.

Thanks to the MRPA (Master Risk Participation Agreement), in particular the framework risk participation agreement, ETC Export Trading Cooperation allows banks to carry out their activity in Western banking systems EU, UK and Switzerland take charge of banking risks in African markets reference to the syndication of these risks.

Each risk taken is materialized via the SWIFT MT799 interbank message.

Master Risk Participation Agreement (MRPA)

Au côté des banques correspondantes pour faciliter la confirmation de Lettres de Crédit des banques africaines partenaires !

Our results

Last updated on 12/31/2022

Track record

+25

active countries
africa & europe

+76

million euro
consolidated equity

+431

million euro
engagements

+1049

million euro
project supported

Our current sectors of intervention

Agribusiness
Weight: 9.7%
Coverage: €21,612,903
Credit: €79,698,582

Automotive
Weight: 0.6%
Coverage: €1,364,190
Credit: €4,694,842

Energy
Weight: 20.4%
Coverage: €45,414,867
Credit: €50,517,031

Equipment
Weight: 3.2%
Coverage: €7,225,000
Credit: €8,500,000

Finance
Weight: 3.4%
Coverage: €7,627,991
Credit: €12,524,102

Petroleum gas
Weight: 1.3%
Coverage: €2,836,225
Credit: €5,375,692

Real estate
Weight: 22.6%
Coverage: €50,440,599
Credit: €187,893,653

Logistics
Weight: 0.9%
Coverage: €1,981,837
Credit: €255,123,430

Microfinance
Weight: 0.8%
Coverage: €1,868,659
Credit: €3,263,100

Textile
Weight: 15.4%
Coverage: €34,301,029
Credit: €68,602,058

Trade
Weight: 21.6%
Coverage: €48,195,000
Credit: €90,293,882

Last updated on 12/31/2022

Our countries of intervention

Benin
Weight: 47.2%
Coverage: €101,903,679
Credit: €411,922,529

Cameroon
Weight: 21.9%
Coverage: €15,054,340
Credit: €30,108,681

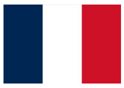
Ivory Coast
Weight: 3.9%
Coverage: €8,439,226
Credit: €28,748,805

Gabon
Weight: 21.9%
Coverage: €47,169,688
Credit: €179,122,356

Equatorial Guinea
Weight : %
Coverage: €5,747,328
Credit: €33,359,198

DRC
Weight: 3.6%
Coverage: €7,762,030
Credit: €18,949,022

Senegal
Weight: 10.4%
Coverage: €22,390,492
Credit: €280,634,249



France
Weight: 10.4%
Coverage: €22,390,492
Credit: €280,634,249

Last updated on 12/31/2022

Financial Statements & Ratio

2022 Financial Highlights

83
million euro
Total Assets

76
million euro
Total Equity

1.325
million euro
Guarantees Received

163
million euro
Outstanding Commitments

1,8
million euro
Total Revenues

19,5%
EBITDA

2022 Key Financial Ratios

4,5%

Debt to assets ratio [<60%]

0,8%

Leverage ratio [<debt ratio]

28,2%

Current ratio [>1%]

10,2%

ROS [>4%]

1,1%

Asset turnover [>1,8%]

0,1%

ROE [>10%]

2022 Key Basel Ratios

184,7%

CET1 ratio [>8%]

19,1%

Leverage ratio Basel III [>3%]

79,1%

Liquidity coverage ratio [>100%]

407,2%

Net stable funding ratio [>100%]

Consolidated Financial Statements

ETC Invest SpA

Information data	
Office in	Silea, Treviso (ITALY)
Tax code	04821260264
REA Number	TREVISO400769
VAT	04821260264
Share Capital (€)	250,000,000.00 authorised 2,250,000.00 paid-up
Tier 1	31,077,061
Legal form	Joint stock company
Business sector (ATECO)	702209
Company in liquidation	No
Company with sole shareholder	No
Company subject to management and coordination by others	No
Belonging to a group	Yes

Amounts are expressed in Euro

Consolidated financial statements at 31/12/2022

OFF-BALANCE

	31/12/2022	31/12/2021
Guarantees issued	(162.837.156)	(66.799.051)
Guarantees received	1.324.873.460	240.386.402
Total off-balance	**1.162.036.304**	**173.587.351**

BALANCE SHEET

ASSETS	31/12/2022	31/12/2021
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
Called part	0	59,529
Total receivables from shareholders for payments still due (A)	**0**	**59,529**
B) FIXED ASSETS		
I - Intangible fixed assets		
1) Start-up and installation costs extension	1,495	3,065
4) Concessions, licences, trademarks and similar rights	9,490	10,282
5) Goodwill	158,371	190,046
6) Fixed assets in progress and payments in advance	146	0
7) Others	22,047	1,372
Total intangible fixed assets	191,549	204,765
II - Tangible fixed assets		
1) Land and buildings	576,186	0
4) Other assets	138,995	21,480
5) Fixed assets in progress and payments in advance	0	579,329
Total tangible fixed assets	715,181	600,809
III - Financial assets		
1) Equity investments		
d-bis) Other companies	1,006,343	1,011,093
Total equity investments	1,006,343	1,011,093
2) Receivables		
d-bis) From others		
Due within one year	8,396	0
Due beyond one year	122,229	125,494
Total receivables from others	130,625	125,494
Total receivables	130,625	125,494
3) Other securities	0	15,000,000
Total financial assets	1,136,968	16,136,587
Total fixed assets (B)	**2,043,698**	**16,942,161**
C) CURRENT ASSETS		
I - Inventories	0	0
Total inventories		

II - Receivables		
1) From customers		
Due within following year	1,692,453	2,309,492
Due beyond the following year	3,727,324	76
Total trade receivables	5,419,777	2,309,568
5-bis) Tax credits		
Due within the following year	190,172	90,560
Due beyond the following year	4,899	5,521
Total tax credits	195,071	96,081
5-ter) Prepaid taxes	29,426	29,413
5-quater) From others		
Due within the year next	362,230	88,880
Due beyond one year	39,932	78,017
Total other receivables	402,162	166,897
Total receivables	6,046,436	2,601,959
III - Financial assets not held as fixed assets		
6) Other investments	73,855,162	227,687,582
Total financial assets not held as fixed assets	73,855,162	227,687,582
IV - Cash and cash equivalents		
1) Bank and postal	963,629	319,004
3) Cash and cash equivalents	198	107
Total cash and cash equivalents	963,827	319,111
Total current assets (C)	**80,865,425**	**230,608,652**
D) ACCRUALS AND DEFERRALS	87,365	81,849
TOTAL ASSETS	**82,996,488**	**247,692,191**

BALANCE SHEET

LIABILITIES & EQUITY	31/12/2022	31/12/2021
A) GROUP EQUITY		
I - Share capital	2,250,000	1,500,000
II - Share premium reserve	0	645,200
III - Revaluation reserves	0	0
IV - Legal reserve	32,000	21,000
V - Statutory reserves	0	0
VI - Other reserves, indicated separately		
Consolidation reserve	28,748,613	28,750,673
Reserve for translation differences	0	0
Total other reserves	28,748,613	28,750,673
VII - Reserve for hedging operations of expected cash flows	0	0
VIII - Retained profit/(losses)	0	12,657
IX - Profit (loss) for the year	96,448	220,559
Loss covered in the year	0	0
X - Negative reserve for treasury shares in portfolio	-50,000	0
Total shareholders' equity of the group	31,077,061	31,150,089

Shareholders' equity of minority interests		
Third parties capital and reserves	45,013,352	198,717,720
Profit (loss) of minorities	-9,198	-5,140
Total equity minority interests	45,004,154	198,712,580
Total consolidated shareholders' equity	**76,081,215**	**229,862,669**
B) PROVISIONS FOR RISKS AND CHARGES		
2) For taxes, including deferred	1,354	0
4) Other	105,253	42,144
Total provisions for risks and charges (B)	**106,607**	**42,144**
C) EMPLOYEE SEVERANCE INDEMNITY	**19,842**	**17,023**
D) PAYABLES		
3) Due to shareholders for loans		
Due within the year next	6,853	6,738
Total due to shareholders for loans	6,853	6,738
4) Due to banks		
Due within next year	1,149,926	210,067
Due beyond next year	118,045	309,520
Total due to banks	1,267,971	519,587
5) Payables to other lenders		
Due within next year	165,888	94,215
Due beyond next year	745,678	801,975
Total payables to other lenders	911,566	896,190
7) Payables to suppliers		
Due within next year	559,016	726,142
Total payables to suppliers	559,016	726,142
11-bis) Payables to companies subject to the control of the parent companies		
Due within next year	0	78
Total payables to companies subject to the control of the parent companies	0	78
12) Tax payables		
Due within the next year	51,980	210,349
Due beyond next year	0	9,386
Total tax payables	51,980	219,735
13) Payables due to welfare and social security institutions		
Due within the next year	73,762	59,472
Total payables due to welfare and social security institutions	73,762	59,472
14) Other payables		
Due beyond next year	861,644	15,186,889
Total other payables	861,644	15,186,889
Total **payables**	**3,732,792**	**17,614,831**
E) ACCRUALS AND DEFERRALS	**3,056,032**	**155,524**
TOTAL LIABILITIES & EQUITY	**82,996,488**	**247,692,191**

INCOME STATEMENT

	31/12/2022	31/12/2021
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	1,769,276	2,975,838
5) Other revenues and income		
Operating grants	1,527	32,175
Other	52,071	12,423
Total other revenues and income (5)	53,598	44,598
Total value **of production (A)**	**1,822,874**	**3,020,436**
B) PRODUCTION COSTS:		
7) For services	773,633	1,087,866
8) For use of third party assets	106,566	122,920
9) For personnel:		
a) Wages and salaries	363,919	438,637
b) Social security charges	82,512	93,172
c) Severance indemnity	13,714	13,936
d) Pensions and similar payments	2,185	10,219
e) Other costs	26,848	52,142
Total personnel costs (9)	489,178	608,106
10) Depreciation and write-downs:		
a) Amortisation of intangible assets	37,411	35,767
b) Depreciation of fixed assets materials	22,718	14,673
d) Writedown of receivables included in current assets and cash and cash equivalents	30,724	77,532
Total depreciation and write-downs (10)	90,853	127,972
12) Provisions for risks	58,600	0
13) Other provisions	14,800	1,643
14) Other operating expenses	108,278	584,958
Total **production costs (B)**	**1,641,908**	**2,533,465**
Difference between value and costs of production (A-B)	**180,966**	**486,971**
C) FINANCIAL INCOME AND EXPENSES		
15) Income from equity investments		
Others	49,445	0
Total income from equity investments	49,445	0
16) Other financial income:		
a) From receivables recorded as fixed assets		
Others	3,660	3,494
Total financial income from receivables recorded as fixed assets	3,660	3,494
c) From other investments not held as fixed assets	2,887	3,223
d) Other financial income		
Others	57,826	7,630
Total income other than the above (d)	57,826	7,630
Total other financial income (16)	64,373	14,347

17) Interest and other financial charges		
Others	151,533	142,178
Total interest and other financial charges (17)	151,533	142,178
17-bis) Gains and losses on foreign exchange	120	-253
Total financial income and charges (C) (15+16-17+-17-bis)	**-37,595**	**-128,084**
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES:		
Total value adjustments of financial assets and liabilities (D) (18-19)	**0**	**0**
PROFIT BEFORE TAXES (A-B+-C+-D)	**143,371**	**358,887**
20) Current, deferred and prepaid income taxes for the year		
Current taxes	54,779	169,379
Deferred and prepaid taxes	1,342	-25,911
Total current, deferred and prepaid income taxes for the year	**56,121**	**143,468**
21) Profit (loss) consolidated	**87,250**	**215,419**
Profit (loss) of the exercise pertaining to third parties	-9,198	-5,140
Profit (loss) attributable to the owners	**96,448**	**220,559**

CASH FLOW STATEMENT (INCOME FLOW USING THE INDIRECT METHOD)		
	Current year	**Previous year**
A. Cash flows deriving from operating activities (indirect method)		
Profit (loss) for the year	**87,250**	**215,419**
Income taxes	56,121	143,468
Interests and other financial charges/(financial incomes)	87,160	54,554
(Dividends)	49,445	0
(Capital gains) / Losses due to assets sales	0	73,277
1. Profit / (loss) for the year before income taxes, interest, dividends and capital gains / losses due to assets sales	**279,976**	**486,718**
Adjustments for non-monetary items that have not had a counterpart net working capital		
Provisions to funds	87,114	15,530
Depreciation of fixed assets	60,129	50,440
Write-downs for permanent losses	0	0
Adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary movements	0	0
Other increases / (decreases) adjustments for non-monetary items	30,724	77,532
Total adjustments for non-monetary items that have not had a counterpart working capital	177,967	143,502

2. Cash flow before changes in net working	**457,943**	**630,220**
Changes in net working capital		
Decrease / (Increase) in inventories	0	0
Decrease / (Increase) in trade receivables	(3,140,933)	(1,883,300)
Increase / (Decrease) in trade payables	(167,126)	422,400
Decrease / (Increase) in accrued income and prepaid expenses	(5,516)	523,144
Increase / (Decrease) in accrued liabilities and deferred income	2,900,508	(178,337)
Other decreases / (Other increases) in net working capital	(14,581,883)	245,098
Total changes in net working capital	(14,994,950)	(870,995)
3. Cash flow after changes in net working capital	**(14,537,007)**	**(240,775)**
Other adjustments		
Interest collected / (paid)	(92,311)	(54,554)
(Income taxes paid)	(167,357)	(65,738)
Dividends collected	49,445	0
(Use of funds)	(6,410)	(14,335)
Other collections / (payments)	0	0
Total other adjustments	(216,633)	(134,627)
Cash flow from operating activities (A)	**(14,753,640)**	**(375,402)**
B. Cash flow deriving from investments		
Tangible fixed assets		
(Investments)	(140,832)	(593,604)
Disposals	3,742	0
Intangible fixed assets		
(Investments)	(24,196)	(4,006)
Disposals	0	926
Financial assets		
(Investments)	0	(1,234,053)
Disposals	14,999,619	10,468
Financial assets not held as fixed assets		
(Investments)	0	0
Disposals	0	30,078
(Acquisition of subsidiaries net of cash and cash equivalents)	0	0
Sale of subsidiaries net of cash and cash equivalents	0	0
Cash flow from investing activities (B)	**14,838,333**	**(1,790,191)**

C. Cash flows deriving from financing activities		
Financial debts		
Increase / (decrease) in accounts payable to banks	(5,775)	1,335
Funding	1,084,145	586,228
(Repayment)	(314,495)	(90,566)
Equity		
Increase in paid capital	0	1,009,573
(Capital repayment)	(153,852)	0
Sale (Purchase) of own shares	(50,000)	0
(Dividends and interim dividends paid)	0	0
Cash flow of financing activities (C)	**560,023**	**1,506,570**
Increase (decrease) of cash and cash equivalents (A ± B ± C)	**644,716**	**(659,023)**
Exchange rate effect on cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the year		
Bank and post office deposits	319,004	977,776
Checks	0	0
Cash and cash equivalents	107	358
Total cash and cash equivalents at the beginning of the year	**319,111**	**978,134**
Of which not freely usable	0	0
Cash and cash equivalents at the end of the year		
Bank and post office deposits	963,629	319,004
Checks	0	0
Cash and cash equivalents	198	107
Total cash and cash equivalents at the end of the year	**963,827**	**319,111**
Of which not freely usable	0	0
Acquisition or sale of subsidiaries		
Total consideration paid or received	0	0
Part of the fees consisting of cash and cash equivalents	0	0
Cash and cash equivalents acquired or sold in operations of acquisition / sale of subsidiaries	0	0
Book value of the assets / liabilities sold	0	0

Explanatory Notes to the Consolidated Financial Statements at 31/12/2022

STRUCTURE AND CONTENT OF THE FINANCIAL STATEMENT

The consolidated financial statements at 31th December 2022, consist of balance sheet, income statement, cash flow statement and additional explanatory notes, have been prepared in compliance with the Italian Legislative Decree 127/1991, integrated, for the aspects not specifically provided by the decree, by the national accounting standards published by the Italian Accounting Organization (OIC - Organismo Italiano di Contabilità) and, where missing, by those of the International Accounting Standard Board (IASB) and the Financial Accounting Standards Board (FASB) and are accompanied by the Management Report.

They are also accompanied by the following documents:

- The list of companies included in the consolidated financial statements and of equity investments;
- The statement of reconciliation between shareholders' equity and profit/(loss) for the year of the Parent Company and consolidated shareholders' equity and profit/(loss) for the year.

The specific sections of the explanatory notes illustrate the criteria used to implement art. 28 paragraph 3-bis of Legislative Decree 127/91, in the event of non-compliance in terms of detection, evaluation, presentation and disclosure, when their observance has irrelevant effects on the truthful and correct representation.

The amounts are expressed in Euros.

The financial statements of the companies included in the consolidation area used for the purposes of these consolidated financial statements were drawn up by the respective administrative bodies in accordance with the aforementioned accounting principles.

Exemptions

No exceptional cases have arisen that made it necessary to resort to derogations under Article 29, paragraphs 4 and 5 of Legislative Decree 127/1991.

Consolidation area - Consolidation and conversion principles

The consolidated financial statements include the financial statements of ETC Invest SpA and of the controlled companies, over which ETC Invest SpA exercises its control directly.

The assets and liabilities of the consolidated companies are all taken on a line-by-line basis. The book value of the equity investments held by the parent company and by the other companies included in the consolidation area is eliminated against the related shareholders' equity.

The excess of the shareholders' equity over the acquisition cost has been accounted as consolidated shareholders' equity under the item 'Consolidation reserve'. The minority interest in shareholders' equity of the consolidated subsidiaries is accounted in the item 'Minority interest in capital and reserves' of the shareholders' equity, while the minority interests of the net result is shown separately in the consolidated income statement under the item "Profit (loss) for the year attributable to minority interests".

The financial statements of the foreign companies are converted into Euros currency according to the following criteria:

- assets and liabilities at the exchange rate in force at the end of the period;
- income and expenses applying the average exchange rates for the period;
- the components of shareholders' equity at the rates in force in the relevant period.

The exchange rate differences arising from the conversion of the final shareholders' equity at the historical exchange rates compared to those in force at the date of the financial statements are charged directly to shareholders' equity, together with the differences between the economic result expressed at average exchange rates and the economic result expressed in Euros at the exchange rates in force at the end of the period under the item 'Reserve for translation differences', included in 'Other reserves'.

The debit and credit balances and the cost and income items between the companies included in the consolidation area have been deleted. In particular, profits and losses arising from transactions between Group companies not yet realised with third parties are eliminated, if significant.

The financial statements of the individual companies approved by the shareholders' meeting or prepared by the Board of Directors for approval have been expressed and adjusted, where necessary, according to the accounting principles adopted by the Group.

COMPARABILITY AND ADJUSTMENT ISSUES

With specific reference to revenues, it is noted that the parent company, in its financial statements at 31th December 2022, has made a change in estimate regarding the accounting treatment of the revenue category called "Confirming service". This change in estimate was necessary to better represent the underlying activity, which accrues on a pro-rata basis year by year.

Changes in the consolidation area

The consolidation area has remained unchanged compared to the previous year.

EVALUATION CRITERIA

The evaluation principles adopted for the preparation of the consolidated financial statements are in line with those used by the Parent Company, integrated where necessary with the accounting principles adopted for particular items of the consolidated financial statements.

The evaluation of the individual items is made on a prudent and long-term approach, taking into account the economic function of the assets and liabilities based on the principle of substance over form.

The evaluation criteria adopted remain unchanged compared to those of the previous financial year, with the exception of what will be mentioned later in relation to the revenue item.

In particular, the following evaluation criteria have been adopted:

Intangible assets

Within the limit of recoverable value, intangible assets are recorded at purchase or production cost, including accessory charges, and systematically amortised in relation to the residual possibility of use; depreciated if at the end of the financial year the estimated recoverable value of the assets is persistently lower than the purchase or production cost value.

They are shown net of accumulated depreciation.

The start-up and installation costs extension derive from the capitalisation of charges related to start-up or increase in operating capacity. In the financial statements of the parent company, they are entered with the approval of the Board of Statutory Auditors.

Industrial patent and intellectual property rights refer to software usage licence. They are amortised based on their estimated useful life, which however does not exceed the duration specified in the licence agreements.

The values recorded are not higher than those actually attributable to the assets in relation to their size and their production capacity, the effective economic possibility of use in the company (value in use), as well as the current values and prices recorded on the regulated markets (market value).

Tangible fixed assets

Tangible assets are recognised on the date on which the risks and benefits associated with the assets acquired are transferred, and are accounted, within the limit of their recoverable amount, at purchase cost net of related depreciation provisions, including all directly attributable costs and accessory charges.

The cost of fixed assets whose use is limited in time, it is systematically amortised in each year on the basis of economic-technical rates determined in relation to the residual possibility of use.

In the event that, regardless of the depreciation already recorded, impairment losses are recognized, the fixed assets are written down in relation to the residual possibility of use. If in subsequent years the reasons for the write-down no longer apply, the original value is restored. Assets under construction and advances to suppliers are recognized as assets on the basis of the cost incurred and/or the advance paid including directly attributable expenses.

Leasing contracts

Leasing contracts as lessee are accounted according to the financial method, that is:

- balance sheet: tangible assets are included in fixed assets at their purchase value for the lessor net of the accumulated depreciation on the basis of the useful life, while the financial debt to leasing companies is booked under payables to other lenders;
- income statement: it includes depreciation of the assets and interest expense on the leasing contract.
-

Equity investments

Equity investments are classified as fixed assets or current assets on the basis of their intended use, valued at purchase cost, possibly revalued in accordance with specific revaluation laws, and written down in the event of impairment losses in value.

Receivables

Receivables are classified under fixed assets or current assets on the basis of their allocation/origin with respect to ordinary business, and are recorded at their estimated realisable value.

Amounts due within and after the financial year are allocated according to the contractual or legal maturity, also taking into account facts and events that may determine a change in the original maturity, the debtor's realistic capacity to fulfil the obligation within the contractual terms and the timeframe in which it is reasonably expected to be able to collect the receivable.

Receivables are not valued at the amortised cost.

Receivables are shown in the balance sheet net of a provision for bad debts to cover receivables considered at risk of solvency, as well as the generic risk relating to the remaining receivables, based on estimates made on the basis of past experience, the trend of past due receivables, the general economic situation, the sector and country risk indices, as well as events occurring after the end of the financial year.

Tax credits and deferred tax assets

The item 'Tax credits' includes certain and determined amounts arising from receivables for which a right of realisation has arisen through refund or offsetting.

'Deferred tax assets' include deferred tax assets determined on the basis of deductible temporary differences, applying the estimated rate in force at the time these differences are expected to reverse.

Cash and cash equivalents

Cash and cash equivalents are stated at their nominal value.

Accruals and deferrals

Accruals and deferrals are recorded on the basis of economic-temporal competence and contain the revenues / costs pertaining to the year and payable in subsequent years and the revenues / costs incurred by the end of the year, but pertaining to subsequent years.

Therefore, in this item are recorded only costs and revenues common to two or more years and whose amounts are correlated to time.

At the end of the financial year, it is verified that the conditions that determined initial recognition had been met, making any necessary value adjustments, taking into account not only the time element but also any recoverability.

Accrued income, assimilated to operating receivables, are valued at the estimated realisable value, making a write-down in the income statement if this value was lower than the book value.

Accrued liabilities, which are similar to payables, are valued at nominal value.

Prepaid expenses are valued taking into account any future economic benefit related to the deferred costs, adjusting the value if this benefit is lower than the deferred portion.

Provisions for risks and charges

Provisions for risks and charges represent the existing risks at the balance sheet date, whose occurrence is 'probable'. Any provision has been made with reference to the existing risks whose occurrence is 'possible' or the charge cannot be reliably estimated.

Provisions for risks and charges represent certain liabilities related to negative income components accruing during the year but which will materialise in the following years.

The estimation-risk process is performed and/or adjusted at the balance sheet date on the basis of past experience and any useful information available.

Employee severance indemnity

It reflects the payable, subject to revaluation by means of specific ratios and net of advances paid, accrued to all Group employees at the end of the year, in compliance with the law and current employment contracts, less the advances paid.

Payables

Amounts due within and after the financial year are allocated according to the contractual or legal maturity, also taking into account facts and events that may determine a change in the original maturity.

Payables are shown under liabilities at their nominal value, which is considered representative of their settlement value.

Payables are not valued at the amortised cost, in accordance with the provisions of Article 29, paragraph 3-bis of Legislative Decree 127/91.

Payables arising from asset acquisition are recognised when the risks, charges and benefits are transferred; those relating to services are recognised when the service is carried out; financial and other payables are recognised when the obligation to the counterparty arises.

Tax payables include liabilities for defined taxes, as well as withholding taxes made as a withholding agent and not yet paid at the date of the financial statements, and, where offsetting is permitted, are recognised net of advances, withholding taxes and tax credits.

Leased assets

Assets under finance leases are recognized in the consolidated financial statements according to the financial criterion, recommended by OIC 17, as it closely adheres to the economic and equity substance of the transactions.

Foreign currency values

Monetary assets and liabilities outstanding at the end of the financial year are recorded at the spot exchange rate, with related foreign exchange gains and losses recognised in the income statement.

Costs and revenues

Costs and revenues are recorded under prudence and economic competence principles.

Economic and financial transactions with the group companies and related parties are carried out at normal market conditions.

Income taxes for the year

For each company, current income taxes are recorded on the basis of estimated taxable income in accordance with the rates and provisions in force at the end of the period in each country, taking into account applicable exemptions and any tax credits due.

Deferred tax assets and liabilities are calculated on the temporary differences between the value attributed to assets and liabilities in the financial statements and the corresponding values recognized for tax purposes, based on the rates in force at the time the temporary differences will reverse. Deferred tax assets are recognized only if there is reasonable certainty of their future recovery.

INFORMATION ON THE BALANCE SHEET

Intangible fixed assets

Intangible fixed assets amount to Euros 191,549 (Euros 204,765 in the previous year).

The composition and movements of the individual items are represented as follows:

	Start-up and expansion costs	Industrial patent rights and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Total intangible assets
Starting values						
Cost	12,519	10,282	316,743	0	1,514	341,058
Depreciation (Depreciation fund)	9,454	0	126,697	0	142	136,293
Net book value	**3,065**	**10,282**	**190,046**	**0**	**1,372**	**204,765**
Changes						
Increases for acquisitions	0	0	0	146	24,050	24,196
Depreciation	1,570	792	31,675	0	3,375	37,412
Total changes	**-1,570**	**-792**	**-31,675**	**146**	**20,675**	**-13,216**
Year-end values						
Cost	12,519	9,490	316,743	146	22,047	360,945
Depreciation (Depreciation fund)	11,024	0	158,372	0	0	169,396
Net book value	**1,495**	**9,490**	**158,371**	**146**	**22,047**	**191,549**

The decrease of Euros 37,412 is due to the annual depreciation quota.

The increase of Euros 24,050 is due to leasehold improvements related to improvements made on the property acquired under lease from the Parent Company.

Goodwill

Goodwill consists of the merger difference resulting from the merger operation by ETC Invest SpA (formerly ETC Group Srl) of ETC SpA which took place in 2018. In the 2020 financial statements the company exercised the option provided by the Law 126/2020 and 178/2020 aligning the tax value to the statutory value of goodwill.

In accordance with the provisions of Article 38, paragraph 1, letter d) of Legislative Decree 127/1991, the breakdown of start-up and expansion costs is presented in the following tables.

Breakdown of start-up and expansion costs:

	Description	Book value	Increases	Depreciation	Others decreases	Total changes	Value
	Incorporation costs of ETC Invest Spa	0	0	0	0	0	0
	Merger costs	1,071	0	1,071	0	-1,071	0
	New shares issuing expenses	1,994	0	499	0	-499	1,495
Total		**3,065**	**0**	**1,570**	**0**	**-1,570**	**1,495**

The booked costs are reasonably correlated to a long term utility, and they are amortised systematically in relation to their useful life.

Tangible fixed assets

Tangible fixed assets amount to Euros 715,181 (Euros 600,809 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Lands and buildings	Other tangible fixed assets	Fixed assets in progress and payments in advance	Total tangible fixed assets
Year start value				
Cost	0	70,429	579,329	649,758
Depreciation (accumulated depreciation)	0	48,949	0	48,949
Net book values	**0**	**21,480**	**579,329**	**600,809**
Variations in the year				
Increases for acquisitions	0	127,790	0	127,790
Reclassifications (of book value)	579,329	0	-579,329	0
Decreases for disposals and divestments (of book value)	0	-17,283	0	-17,283
Depreciation	3,143	18,599	0	21,742
Other variations	0	-8,959	0	-8,959
Total variations	**576,186**	**117,515**	**-579,329**	**114,372**
Year-end value				
Cost	579,329	191,240	0	770,569
Depreciation (accumulated depreciation)	3,143	52,245	0	55,388
Net book values	**576,186**	**138,995**	**0**	**715,181**

The reclassification of Euros 579,329 from "Fixed assets in progress and payments in advance" to "Land and buildings" relates to the start of the Parent Company's real estate leasing.

The increase of Euros 127,790 in "Other tangible fixed assets" mainly refers to the completion and initiation of the Parent Company's equipment leasing.

Financial fixed assets - Equity investments, other securities and financial derivative instruments

Equity investments not included in the consolidation area amount to Euros 1,006,343 (Euros 1,011,093 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Equity investments in other companies	Total Equity	Other securities
Starting values			
Cost	1,011,093	1,011,093	15,000,000
Net book values	**1,011,093**	**1,011,093**	**15,000,000**
Changes			
Other changes	-4,750	-4,750	-15,000,000
Total changes	**-4,750**	**-4,750**	**-15,000,000**
Year-end value			
Cost	1,006,343	1,006,343	0
Net book values	**1,006,343**	**1,006,343**	**0**

The decreases are due to the following reasons:

1) Maturity of the term deposit, which as of 31/12/2021 amounted to Euros 15,000,000, on 28/02/2022 was reduced to Euros 5,500,000 and it has finally expired on 28/09/2022.
2) Euros 4.750 related to the Parent Company's shareholding in Confidi, which has been reversed to cost for a more accurate accounting treatment, as provided by paragraph 48 of article 13 of Legislative Decree 269/2003.

Financial assets - Receivables

Receivables included in financial fixed assets amount to Euros 130,625 (Euros 125,494 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Start nominal value	Start net value	Other increases / (decreases)	Final nominal amount	Final net value
Others due within the next financial year	0	0	8,396	8,396	8,396
Others due beyond the next financial year	125,494	125,494	-3,265	122,229	122,229
Total	**125,494**	**125,494**	**5,131**	**130,625**	**130,625**

It should be noted that receivables' amount included in the financial assets on 31/12/2021 indicated in the table (Euros 125,494) differs from the amount reported in the approved financial statements (Euros 228,853). This difference is due to some reclassifications made in Parent Company's financial statements, to ensure the comparability within the years. The reclassifications primarily relate to the credits towards Simest (Euros 59,080 as of 31/12/2021) and Emea (Euros 44,278), now accounted as current assets.

As at 31/12/2022, the balance consists of Euros 122,229 from the financing provided by the subsidiary ETC Surety and Euros 8,396 from the accrued interest on the same.

Current assets - Receivables

Receivables included in current assets amount to Euros 6,046,436 (Euros 2,601,959 in the previous year).

The composition of the individual items is represented as follows:

	Due within one year	Due beyond one year	Total nominal value	(Provisions for risks / write-downs)	Net value
Customers	1,692,453	3,856,235	5,548,688	128,911	5,419,777
Tax credits	190,172	4,899	195,071		195,071
Prepaid taxes			29,426		29,426
Others	362,230	39,932	402,162	0	402,162
Total	**2,244,855**	**3,901,066**	**6,175,347**	**128,911**	**6,046,436**

The realisable value of the receivables includes a special 'provision for bad debts', which has experienced the following changes during the fiscal year:

Balance at 31/12/2021	**98,187**
Provision for the year	30,724
Change	0
Balance at 31/12/2022	**128,911**

"Receivables from others": the balance of the item of Euros 402,162 mainly consists of:

- Euros 51,696 relates to a cash collateral position, expiring in 2025, connected to the disbursement of the Simest loan no. 6256/IM/FCS to ETC Invest SpA.
- Euros 290,000 relates to a cash fiduciary deposit or "transfert fiduciarie" expiring in 2023, connected to the provision of a short-term loan in favour of the Parent Company.
- Euros 10,391 represents a security deposit of the Parent Company paid in relation to the lease agreement of the representative office in Cotonou - Benin.

Receivables - Breakdown by maturity

The following data is provided regarding the breakdown of credits by maturity, in accordance with Article 38, paragraph 1, letter e) of Legislative Decree 127/1991:

	Book value at the beginning of the year	Changes	Book value at the end of the year	Amount due within one year	Amount due beyond one year
Trade receivables	2,309,568	3,110,209	5,419,777	1,692,453	3,727,324
Tax credits	96,081	98,990	195,071	190,172	4,899
Tax deferred assets	29,413	13	29,426		
Receivables from others	166,897	235,265	402,162	362,230	39,932
Total receivables	**2,601,959**	**3,444,477**	**6,046,436**	**2,244,855**	**3,772,155**

"Trade receivables" - within one year: the balance of the trade receivables amounting to Euros 1,692,453, has experienced a significant increase compared to the previous year, attributed to a receivable generation resulting from the maturity of revenues of a significant contract.

"Trade receivables" - beyond one year: the balance of the trade receivables amounting to Euros 3,727,324, has experienced a significant increase compared to the previous year, attributed to a receivable generation resulting from a significant contract, whose revenues will accrue in subsequent years.

"Tax credits": the increase is mainly attributed to credits arising in the current year for corporate income tax (Ires), regional tax on productive activities (Irap), and value-added tax (Iva) of the Parent Company.

Current assets - Financial assets not held as fixed assets

Financial assets not held as fixed assets amount to Euros 73,855,162 (Euros 227,687,582 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Starting value	Change	Year-end value
Other non-fixed assets	227,687,582	-153,832,420	73,855,162
Total non-fixed assets	**227,687,582**	**-153,832,420**	**73,855,162**

‘Financial assets not held as fixed assets’ includes the credit instruments held by the subsidiary ETC Surety and in trust with the parent company, for a total amount of Euros 73,855,162. These securities are issued by the individual subscribers, who are category-B-investor shareholders, during the share capital released. The decrease of Euros 153,832,420 during the year is consequent to the exit of some category-B-investor shareholders upon completion of their respective investments.

Current assets - Cash and cash equivalents

Cash and cash equivalents included in current assets amount to Euros 963,827 (Euros 319,111 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Starting value	Change during the year	Year-end value
Bank and post office deposits	319,004	644,625	963,629
Cash and other cash on hand	107	91	198
Total cash and cash equivalents	**319,111**	**644,716**	**963,827**

Accrued income and prepayments

Accrued income and prepayments amount to Euros 87,365 (Euros 81,849 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Starting value	Change during the year	Year-end value
Accrued income	17,200	-17,103	97
Deferred income	64,649	22,619	87,268
Total accrued income and deferred income	**81,849**	**5,516**	**87,365**

Financial charges charged to Balance Sheet items

No financial charges have been recorded as assets in the Balance Sheet.

Equity

Equity at the end of the fiscal year amounts to Euros 76,081,215 (Euros 229,862,669 in the previous year). This decrease resulted from the exit from the company ETC Surety of some category-B-investor shareholders, as indicated in the section 'Current assets - Financial assets not held as fixed assets'.

The following tables show the movements during the year for each item of Equity and the details of the item
Other Reserves.

	Starting value	Other destinations	Change during the year	Reclassifications	Profit (loss) for the year	Year-end value
Share Capital	1,500,000	0	0	750,000		2,250,000
Share premium reserve	645,200	0	0	-645,200		0
Legal reserve	21,000	0	11,000	0		32,000
Other reserves						
Consolidation reserve	28,750,673	0	0	-2,060		28,748,613
Total other reserves	28,750,673	0	0	-2,060		28,748,613
Profit (loss) carried forward	12,657	-12,657	0	0		0
Profit (loss) for the year	220,559	-220,559			96,448	96,448
Negative reserve for treasury shares in portfolio	0	0	-50,000	0		-50,000
Total shareholders' equity of the Group	**31,150,089**	**-233,216**	**-39,000**	**102,740**	**96,448**	**31,077,061**
Minority interests						
Third parties capital and reserves	198,717,720	0	0	0		45,013,352
Profit (loss) of minorities	-5,140	5,140			-9,198	-9,198
Total equity minority interests	**198,712,580**	**5,140**	**0**	0	-9,198	45,004,154
Total consolidated shareholders' equity	**229,862,669**	**-228,076**	**-39,000**	**102,740**	**87,250**	**76,081,215**

For the purposes of a better understanding of the changes in shareholders' equity, the changes in the previous year in the shareholders' equity items are shown below:

	Starting value	Dividends	Other destinations	Increases	Decreases	Reclassifications	Operating result	Year-end value
Share Capital	0	0	0	0	0	1,500,000		1,500,000
Share premium reserve	0	0	0	0	0	645,200		645,200
Legal reserve	0	0	0	0	0	21,000		21,000
Other reserves								
Consolidation reserve	0	0	0	0	0	28,750,673		28,750,673
Total other reserves	0	0	0	0	0	28,750,673		28,750,673
Profit (loss) carried forward	0	0	12,657	0	0	0		12,657
Profit (loss) for the year	0	0	0				220,559	220,559
Total shareholders' equity of the Group	**0**	**0**	**12,657**	**0**	**0**	**30,916,873**	**220,559**	**31,150,089**
Minority interests								
Third parties capital and reserves	0	0	0	0	0	0		198,717,720
Profit (loss) of minorities	0	0	0				-5,140	-5,140
Total equity minority interests	**0**	**0**	**0**	**0**	**0**	**0**	**-5,140**	**198,712,580**
Total consolidated shareholders' equity	**0**	**0**	**12,657**	**0**	**0**	**30,916,873**	**215,419**	**229,862,669**

The share capital of Euros 2,250,000 relates to the share capital of the Parent Company: the increase over the previous year is due to a free capital increase of Euros 800,000, approved by resolution of the extraordinary shareholders' meeting on 20th December 2022; the decrease of Euros 50,000 is due to the acquisition of treasury shares, as documented in the notarial deed dated 20th October 2022; the decrease of Euross 100,000 is the result of dividend distribution to be paid by 31st December 2023, in accordance with the resolution of the ordinary shareholders' meeting on 20th December 2022.

The ‘Consolidation reserve’, included in the ‘Various other reserves’, represents the negative difference arising from the replacement of the book value of the Parent Company's shareholdings in consolidated companies with the corresponding net capital at the time of first-time consolidation.

Provisions for risks and charges

Provisions for risks and charges are recorded for a total of Euros 106,607 (Euros 42,144 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Provision for taxes, including deferred	Other provisions	Total provisions for risks and charges
Starting value	**0**	**42,144**	**42,144**
Changes during the year			
Provision during the year	1,354	71,574	72,928
Use in exercise	0	8,465	8,465
Total variations	**1,354**	**63,109**	**64,463**
Year-end value	**1,354**	**105,253**	**106,607**

‘Other provisions’ regards as follows:

- Euros 15,000 are due to the provision made by the Parent Company for legal expenses estimated for the management of a dispute that arose on 21/05/2020. This liability is categorised as "possible" since the future damages cannot be predetermined with reasonable certainty and other potential impacts are not currently evident. No significant events occurred in 2022 such as to change the amount of the provision set aside;
- Euros 62,655 are due to the prudential provision made by the subsidiary ETC Surety, with Euros 50,135 recognised in 2022, for risks assumed by the company in carrying out its ordinary activity;
- Euros 12,576 are due to previous provisions for an individual labour dispute allocated in ETC Surety's financial statements.

Employee severance indemnity

The employee severance indemnity is recorded for a total of Euros 19,842 (Euros 17,023 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Employee severance indemnity
Starting value	**17,023**
Changes	
Provision during the year	13,714
Provision used in the exercise	10,895
Total changes	**2,819**
Year-end value	**19,842**

Employee severance indemnity only concerns Parent Company’s employees.

Payables

Payables are recognised as liabilities for a total of Euros 3,732,792 (Euros 17,614,831 in the previous year).

The breakdown of the individual items is represented as follows:

	Starting value	Changes	Year-end value
Payables to shareholders for loans	6,738	115	6,853
Due to banks	519,587	748,384	1,267,971
Payables to other lenders	896,190	15,376	911,566
Trade payables	726,142	-167,126	559,016
Payables to companies subject to the control of the parent companies	78	-78	0
Tax payables	219,735	-167,755	51,980
Payables to social security and social security institutions	59,472	14,290	73,762
Other payables	15,186,889	-14,325,245	861,644
Total	**17,614,831**	**-13,882,039**	**3,732,792**

“Payables due to banks:”: the Parent Company has signed a new short-term credit agreement for Euros 950,000 which expires in May 2023.

“Payables to other lenders”: this section also includes the payables of the Parent Company relating to the real-estate leasing (Euros 457,149) and the equipment leasing (Euros 95,571).

"Other payables” no longer include the amount of Euros 15,000,000 paid by BGFIBank Eurospe as cash collateral for a Stand-by Letter of Credit (SBLC) issued in its favour, as the position has expired in September 2022.

Payables - Breakdown by maturity

Following the detail of payables by maturity, in accordance with Article 38, paragraph 1, letter e) of Legislative Decree 127/1991:

	Starting value	Changes	Year-end value	Amounts due within the year	Amounts due beyond the year	Of which with a duration of more than 5 years
Payables to shareholders for loans	6,738	115	6,853	6,853	0	0
Due to banks	519,587	748,384	1,267,971	1,149,926	118,045	0
Payables to other lenders	896,190	15,376	911,566	165,888	745,678	0
Trade payables	726,142	-167,126	559,016	559,016	0	0
Payables to companies subject to the control of the parent companies	78	-78	0	0	0	0
Tax payables	219,735	-167,755	51,980	51,980	0	0
Payables to welfare and social security institutions	59,472	14,290	73,762	73,762	0	0
Other payables	15,186,889	-14,325,245	861,644	861,644	0	0
Total payables	**17,614,831**	**-13,882,039**	**3,732,792**	**2,869,069**	**863,723**	**0**

Payables secured by collateral on corporate assets

Following the detail of payables secured by collateral on corporate assets, pursuant to Article 38, paragraph 1, letter e) of Legislative Decree 127/1991:

	Payables secured by collateral on corporate assets	Total
Payables to shareholders for loans	6,853	6,853
Due to banks	1,267,971	1,267,971
Payables to other lenders	911,566	911,566
Trade payables	559,016	559,016
Tax payables	51,980	51,980
Payables to welfare and social security institutions	73,762	73,762
Other payables	861,644	861,644
Total payables	**3,732,792**	**3,732,792**

Shareholder loans

Following the details regarding the financing provided by the minority shareholders of ETC Agency:

	Expiry	Due amount	Quota with postponement clause expiring
		6,853	0
Total		**6,853**	**0**

Accrued payables and deferred income

Accrued payables and deferred income are accounted for a total amount of Euros 3,056,032 (Euros 155,524 in the previous year).

The breakdown and movements of the individual items are represented as follows:

	Starting value	Change during the year	Year-end value
Accrued liabilities	11,033	-10,259	774
Deferred income	144,491	2,910,767	3,055,258
Total accrued payables and deferred income	**155,524**	**2,900,508**	**3,056,032**

The increase in deferred income is a result of the Parent Company's adjustment in revenue change in estimate, as previously indicated.

INFORMATION ON THE INCOME STATEMENT

Revenues from sales and services

Pursuant to the regulations outlined in Article 38, paragraph 1, subparagraph II) of Legislative Decree 127/1991, the breakdown of revenues by business category and geographical area is shown in the following tables:

Breakdown of sales and services by business category:

	Business category	Current year value
	Advisory services	832,823
	Technical service	412,917
	Confirming service	523,536
Total		**1,769,276**

Breakdown of sales and services by geographical area:

	Geographical area	Current year value
	Benin	585,346
	Gabon	497,097
	Democratic Republic of Congo	192,932
	Central African Republic	173,000
	Italy	133,093
	Equatorial Guinea	122,428
	France	63,094
	Other	2,286
Total		**1,769,276**

Other revenues and income

Other revenues and income are recorded in the value of production of the income statement for a total of Euros 53,598 (Euros 44,598 in the previous year).

The breakdown of the individual items is as follows:

	Previous year value	Change	Current year value
Operating grants	32,175	-30,648	1,527
Other			
Non-financial gains	0	7,024	7,024
Other revenues and income	12,423	32,624	45,047
Total others	12,423	39,648	52,071
Total other revenues and income	**44,598**	**9,000**	**53,598**

Service expenses

Service expenses are recorded in the production costs of the income statement for a total of Euros 773,633 (Euros 1,087,866 in the previous year).

Service expenses refer to the partners listed below:

Service charges	Cost centre	Partners
Board Members	9	9
Supervisory Body	2	2
Auditors	3	8
Board of Statutory Auditors	3	5
Business partners	3	5
Law firms and notaries	5	8
IT consultants	4	9
Accounting and tax consultants	7	16
Marketing consultants	1	5
Occupational health consultant	1	1
External RSPP consultant	1	1
Translators and interpreters	2	2
Total partners	**41**	**72**

Expenses for the use of third party assets

Expenses for the use of third party assets are recorded in the production costs of the income statement for a total of Euros 106,566 (Euros 122,920 in the previous year) and mainly consist of:

- Euros 44,323 refer to the office rent of the Representative Office in Cotonou - Benin.
- Euros 6,982 refer to the office rent of ETC Surety in Douala - Cameroon.
- Euros 44,247 refer to rental fees for vehicles granted to employees and directors of the parent company.

Personnel cost

During the year, the Group incurred personnel costs amounting to Euros 489,178 (Euros 608,106 in the previous year).

On average, 8 employees are employed in the Italian headquarters of the Parent Company, 6 employees in the Beninese office, and 3 employees in the Cameroonian office.

Other operating expenses

Other operating expenses are recorded in the production costs of the income statement for a total of Euros 108,278 (Euros 584,958 in the previous year).

No significant events occurred in 2022.

FINANCIAL INCOME AND EXPENSES

The financial income for the year amounted to Euros 113,818 (Euros 14,347 in the previous year) and mainly originated from dividends received from equity investments and from late-payment interest charged to customers.

The financial expenses, including interest and other financial charges, amount to Euros 151,457 (Euros 142,178 in the previous year) and are mainly related to bank and financial payables.

Revenues of exceptional significance or incidence

During the year, there were no revenues of exceptional significance or incidence.

Costs of exceptional significance or incidence

During the year, there were no costs of exceptional significance or incidence.

Income taxes

The breakdown of individual items is as follows:

	Current taxes	Taxes relating to previous years	Deferred taxes	Prepaid taxes	Income (charges) from joining the consolidated tax regime /tax transparency
IRES	20,933	0	1,354	12	
IRAP	24,645	0	0	0	
Total	**45,578**	**0**	**1,354**	**12**	**0**

OTHER INFORMATION

Reconciliation statement between shareholders' equity and net result of the Parent Company's financial year and shareholders' equity and consolidated result for the year

	Net equity	Of which: result for the year
Balances as per parent company's financial statements	2,648,649	80,387
Changes to update the parent company's statutory financial statements to the group's accounting principles	0	0
Updated balances as per parent company's financial statements	2,648,649	80,387
Effect of the valuation of equity investments with the integral method		
- Elimination of the book values of subsidiary companies	-860,926	
- Net equity of subsidiary companies	74,310,213	
- Result for the year of the subsidiary companies	-5,267	3,931
- Amortisation of consolidation differences	0	0
	73,444,020	3,931
Effect of valuation of equity investments using the equity method	0	0
Other adjustments	-45,015,607	12,130
Total adjustments	**28,428,413**	**16,061**
Group equity and result for the year	**31,077,062**	**96,448**
Third parties equity and result for the year	**45,004,153**	**-9,198**
Consolidated equity and result of the year	**76,081,215**	**87,250**

List of companies included in the consolidation area

Pursuant to the provisions of art. 38 c. 2 lett. a) to d) of Legislative Decree 127/1991, the following lists are presented below:

List of equity investments included in the consolidation area with the line-by-line method

Name	Company Registered Office	Currency	Share capital	Direct share of the group
ETC INVEST S.P.A.	Silea (TV) - Italy	Eur	2,250,000	100%
ETC SURETY S.A.	Douala - Cameroon	Eur	29,964,554	99.75%
ETC AGENCY SARL	Douala - Cameroon	Eur	30,429	60%

Going concern

The Directors have the reasonable expectation that the Group will be able to continue its operations in the foreseeable future, and therefore they deemed appropriate to prepare the financial statements as at 31st December 2022 on a going concern basis, confirming that the organisational, administrative and accounting structure is appropriate to the nature and size of the Group.

In the prospective assessment of the going concern assumption, no significant uncertainties have emerged, nor have been identified reasons that could lead to the close of the business.

The Board of Directors on 20th December 2022 have updated the Business Plan for the period 2022-2025, revising costs and revenues estimates and confirming the growth trend expected for the upcoming years.

Group staff

Below is the information regarding personnel, pursuant to art. pursuant to the Article 38 c. 1 lett. n) of Legislative Decree 127/1991

	Average number current year	Average number previous year
Senior Managers	2	2
Middle Managers	5	8
Employees	10	12
Workers	0	0
Stageur	2	0
Total	**19**	**22**

Fees to directors and statutory auditors of the parent company

Below is the information concerning the fees paid to the directors and statutory auditors of the parent company for the performance of these functions also in other companies included in the consolidation, pursuant to art. 38 c. 1 lit. o) of Legislative Decree 127/1991:

	Board of Directors	Board of Statutory Auditors
Fees	106,208	17,908

Supervisory board fees

The board of directors of the parent company approved an annual fee of Euros 8,500 for the periodic audit of compliance with the organisational model pursuant to Article 6 of Legislative Decree No. 231/2001.

Audit firm fees

Below is the information regarding the fees to the statutory auditor or audit firm, in accordance with Article 38 c. 1 lett. o-septies of Legislative Decree 127/1991:

	Value
Audit of the annual financial statements	14.000
Total fees due to the statutory auditor or auditing firm	**14.000**

Commitments, guarantees and contingent liabilities not shown on the balance sheet

In relation to the provisions of art. 38 c. 1 lit. h) of Legislative Decree 127/1991, the following table shows commitments, guarantees and potential liabilities not resulting from the balance sheet:

	Amount
Commitments	162,837,156
Commitments - residual value	152,808,229

More details are provided below on the commitments undertaken by the Company represented by patronage towards the subsidiary ETC Surety SA, which generates “Confirming service” revenues. These commitments are formalised through the Stand-by Letter of Credit (SBLC) instrument, adhering to the International Chamber of Commerce (ICC) standards. They are classified as low-risk (remote risk) due to the mitigation provided by credit securities and collateral, in accordance with the standard method of Basel Committee.

Sending date	Expiry date	Beneficiary's country	Commitment Nominal Value (Euros)	Commitment Residual Value (Euros)
08/11/2018	29/10/2026	Congo Brazzaville	15,054,340	7,318,082
21/09/2020	30/09/2028	Benin	1,524,490	1,252,260
29/10/2020	30/10/2024	Congo Brazzaville	1,524,490	1,524,490
19/11/2020	30/06/2026	Gabon	2,500,000	1,171,398
03/12/2020	30/04/2024	France	340,000	136,000
29/12/2021	18/01/2023	Benin	76,225	0
07/02/2022	28/06/2027	Congo Brazzavillle	2,317,225	1,905,613
07/02/2022	30/09/2031	Congo Brazzaville	34,301,029	34,301,029
14/03/2022	27/02/2023	Benin	1,981,837	1,981,837
17/05/2022	20/03/2023	Democratic Republic of Congo	3,750,234	3,750,234
07/06/2022	11/05/2023	Benin	7,628,005	7,628,005
23/06/2022	19/05/2023	Democratic Republic of Congo	2,812,676	2,812,676
27/06/2022	30/04/2028	Congo Brazzaville	1,905,613	1,905,613
28/09/2022	22/08/2023	Democratic Republic of Congo	1,406,338	1,406,338
12/10/2022	12/10/2023	France	11,000,000	11,000,000
18/11/2022	18/11/2023	Benin	34,301,029	34,301,029
30/12/2022	30/12/2023	Benin	20,004,970	20,004,970
30/12/2022	31/12/2023	Benin	20,408,655	20,408,655

Significant events occurring after the end of the financial year

Information concerning the nature and effect on the balance sheet, financial position and income statement
of significant events occurring after the end of the financial year is provided below, pursuant to Article 38, paragraph 1, letter o-septies of Legislative Decree 127/1991:

- New commitments: in the first months of the financial year 2023, "Commitments not shown on the balance sheet" have seen an increase of Euros 34,476,192;
- UN Global Compact: in February 2023 ETC Invest SpA was accredited to the international program "United Nations Global Compact," which was launched in 2000 by the Secretary-General of the United Nations, Kofi Annan. The program has the clear mandate to "promoting the values of the United Nations and responsible business practices within the United Nations system and among the global business community."

Silea (Treviso), 28th March 2023

The administrative body

The Chairman of the Board of Directors
Anco Marzio Lenardon

Management Report

Group structure and activities

The Company is a specialised entity with a public rating from the Eurospean Securities and Markets Authority (ESMA), operating in international markets with a specific focus on Sub-Saharan African ones.

As a member of the Swift circuit (Society for Worldwide Interbank Financial Telecommunication) with its BIC (*Business Identifier Code*) ETCGIT2T (according to ISO 9362), the Company is included in Category number 2 of the NOSU (*Non Supervised entity active in finance industry*) entities. As such, it carries out the following activities:

a) Swift Category 2 activities (see User eligibility criteria).

b) Ateco code 70.22.09 activities, in particular the "technical and financial management of international trade and investments";

c) Analysis and risks taking with own funds in international trade and industrial investments in the international reference markets, through:

    i) Commitments via Swift messaging;

    ii) The acquisition, holding, and management of equity shareholdings and interests of any kind and form, both directly and indirectly, in companies and entities, including consortia, both under Italian and foreign law, for the purpose of long-term investment rather than placement;

d) Management, directional, and strategic consultancy to companies, including activities and services for business development and marketing;

e) Consultancy on internationalisation and trade in foreign market, including support in obtaining financing, export credit, trade finance and project finance instruments, in compliance with legal provisions;

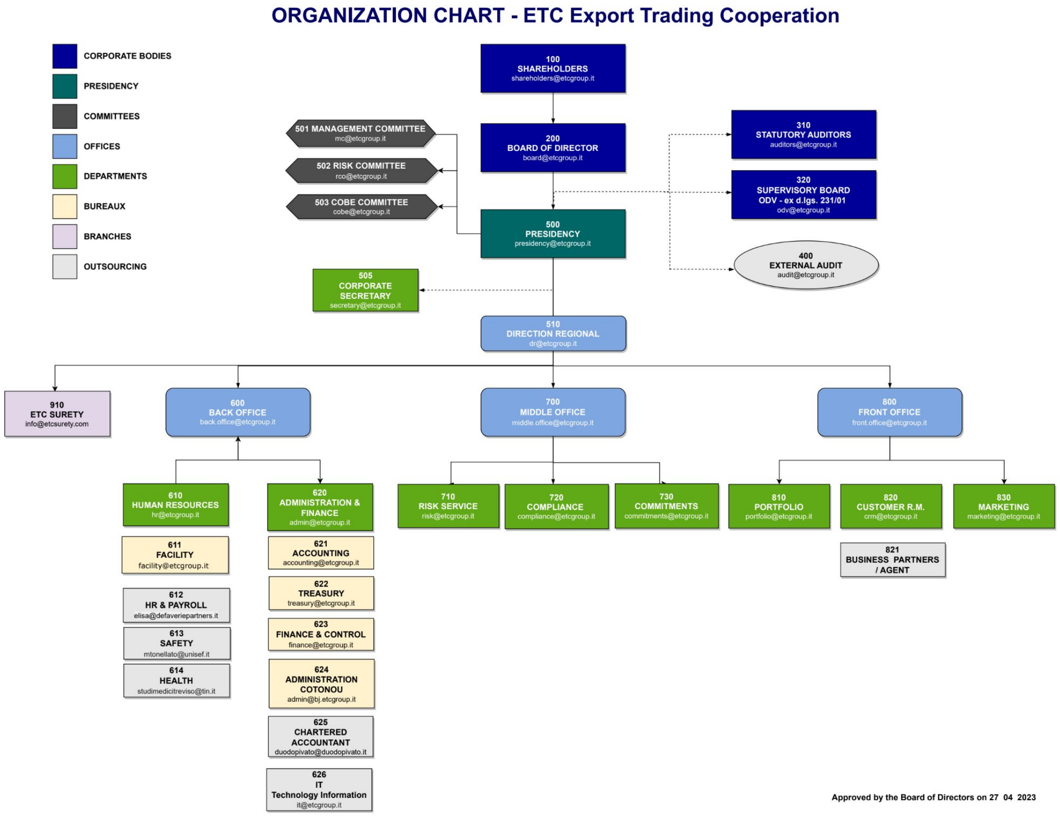
f) Granting of loans or guarantees in whatever form, with regard to supporting companies with which there is an interest, shareholding, or group relationship, in compliance with applicable laws and regulations;

g) All commercial, financial, industrial, movable, and real estate transactions, as well as provide sureties, endorsements, guarantees in general, including for third parties, in a non-prevalent and instrumental manner for the achievement of the corporate purpose.

Activities of a fiduciary nature, savings collection, credit operations, financial securities placement, whether or not conducted with the public, and any other activities reserved by law for specific categories or subjects with specific requirements are excluded from the corporate purpose.

The registered office is in Silea (Treviso) - Italy with a representative office located in Cotonou - Benin.
The subsidiaries ETC Surety and ETC Agency are based in Douala - Cameroon.

Group organisation chart **:**



Governance

Board of directors: in its management function of the company, ensuring compliance with the principles of integrity, professionalism and independence. The Shareholders' Meeting held on 29/04/2022 appointed the new Board of Directors. At the date of approval of the draft financial statements, it is composed as follows:

- Chairman and Managing Director: Mr. Anco Marzio Lenardon
- Vice-Chairman and Managing Director: Mr. Enrico Mazzon
- Managing Director: Mr. Jean-Gauthier Eric Gambor
- Independent Managing Director: Mr. Mario Di Giulio
- Independent Managing Director: Mr. Faustin Dahito

Board of Statutory Auditors: in its supervision function of the adequacy of the organisational, administrative and accounting structure of the company. The Shareholders' Meeting held on 29/04/2022 appointed the new Board of Statutory Auditors.

At the date of approval of the draft financial statements, it is composed as follows:

- Chairman: Mr. David Moro
- Standing Auditor: Mr. Marco Crisanti
- Standing Auditor: Mr. Michele Loschi
- Alternate auditor: Mrs. Monica Vettorazzo
- Alternate Auditor: Mr. Luca Crisanti.

External Audit Firm: the statutory audit of the accounts of the Parent company is entrusted to an independent auditing company: BDO Italia SpA, appointed by the Shareholders' Meeting of 29/04/2022.

Supervisory Body: the Supervisory Body was appointed on 29/10/2021, pursuant to Art. 6 of Legislative Decree No. 231/2001. At the date of approval of the draft financial statements, it is composed as follows:

- Chairman: Mr. Mario Di Giulio
- Member: Mr. Michele Loschi.

The Company, in accordance with Legislative Decree No. 14/2019 (Code of Business Crisis and Insolvency), adopts an organisational, administrative, and accounting structure appropriate to the nature of the company, also aiming at the timely detection of business crises and the implementation of suitable measures. This includes the preparation of quarterly rolling cash flow statements covering a 12-month period and the provision of information on early warning signs for the emergence of a business crisis, as defined by Article 3 of the Code of Business Crisis and Insolvency. Based on this organisational structure, no asset or financial imbalances nor warning signs emerged in 2022, considering the specific characteristics of the company and its activities.

Market Evolution

Despite the global economy experiencing a significant inflation growth in 2022 which hasn't been seen in years due to the Russian invasion of Ukraine and the ongoing crisis caused by the Covid-19 pandemic, the Company has managed to sustain its growth trend, primarily focusing on the Sub-Saharan African region.

In 2022, the Sub-Saharan Africa GDP grew by +3.6%, with peaks of +6.1% in the Democratic Republic of Congo and +5.8% in Equatorial Guinea.

In the short term, Sub-Saharan Africa GDP is expected to grow by +3.7% in 2023, with peaks of +6.2% in Benin and +4.6% in Cameroon (source: WEO October 2022, IMF).

In the medium/long term, the region's potential remains unchanged. Over the next three decades, the world's population is expected to increase by approximately 2 billion people, with half of this growth occurring in Sub-Saharan Africa alone.

Approval of the consolidated financial statements

The consolidated financial statement as at 31/12/2022 was approved by the Board of Directors on 28th March 2023 and is subject to audit.

Management performance

The operating performance has been positive at a consolidated level. The Group has managed to mitigate the economic, asset, and financial effects arising from the Covid-19 pandemic, the Russia-Ukraine conflict, and the volatility of global commodity prices.

Relevant events during the year:

- Leasing: as planned, in May 2022 the furniture leasing contract was signed with MPS Leasing. Along with the real estate leasing contract, already signed in 2021, the investment operation for the new headquarters in Silea (TV) has been completed.
- Off-balance sheet commitments trend: as at 31 December 2022 the off-balance sheet commitments amounted to Euros 162,205,815, compared to Euros 66,799,051.38 as at 31 December 2021. In the 2022 financial year, ETC has experienced a significant increase in its volume, growing by 2.4 times compared to the previous year.
- Rating ETC Invest SpA: in August 2022, the Rating Agency Modefinance confirmed for the fiscal year 2021 the A3- rating (A-Standard & Poor's equivalent - "Good company with good capability of repaying financial obligations. Very low dependence on possible adverse macroeconomic conditions"), published at the European Securities and Markets Authority (ESMA). The public rating allows financial institutions to objectively assess the credit (or counterparty) risk of the Company in line with the Basel Committee principles (Basel III) transposed into the European directive CRR (Capital Requirements Regulation).

Group shareholders' equity is Euros 31,077,061 (Euros 31,150,089 in the previous year), while the minority shareholders' equity is equal to Euros 45,004,154 (Euros 198,712,580 in the previous year).

The decrease in group shareholders' equity is consequent to the exit of some category-B-investor shareholders from the subsidiary ETC Surety SA, upon completion of their respective investments.

	31/12/2022	31/12/2021
A) GROUP SHAREHOLDERS' EQUITY		
I - Capital	2,250,000	1,500,000
II - Share premium reserve	0	645,200
III - Revaluation reserves	0	0
IV - Legal reserve	32,000	21,000
V - Statutory reserves	0	0
VI - Other reserves, indicated separately		
Consolidation reserve	28,748,613	28,750,673
Reserves from translation differences	0	0
Total other reserves	28,748,613	28,750,673
VII - Reserve for expected cash flow hedges	0	0
VIII - Retained profit/(losses)	0	12,657
IX - Profit (loss) for the year	96,448	220,559
Loss covered during the year	0	0
X - Negative reserve for treasury shares in portfolio	-50,000	0
Total shareholders' equity of the group	**31,077,061**	**31,150,089**
Shareholders' equity of third parties		
Share capital and reserves of third parties	45,013,352	198,717,720
Profit (loss) of third parties	-9,198	-5,140
Total third parties equity	**45,004,154**	**198,712,580**
Total consolidated shareholders' equity	**76,081,215**	**229,862,669**

In order to provide a better picture of the performance and result of operations, the tables below show a reclassification of the Income Statement, a reclassification of the Balance Sheet by functional areas and on a financial basis, as well as the most significant economic profitability ratios.

(thousands of Euros)	31/12/2022		31/12/2021			
					diff	*diff %*
Net revenues	**1,769**	***100.00%***	**2,976**	***100.00%***	***(1,207)***	***-40.55%***
Purchases	-	*0.00%*	-	*0.00%*	*-*	*0.00%*
Labour costs	(489)	*-27.65%*	(608)	*-20.43%*	*119*	*-19.56%*
Operating costs	(880)	*-49.75%*	(1,211)	*-40.69%*	*331*	*-27.30%*
First operating margin	**(1,369)**	***-77.40%***	**(1,819)**	***-61.12%***	***450***	***-24.71%***
Other (charges) income	(55)	*-3.09%*	(540)	*-18.16%*	*486*	*-89.88%*
EBITDA	**345**	***19.51%***	**617**	***20.72%***	***(271)***	***-44.01%***
Amortisation, depreciation and provisions	(164)	*-9.28%*	(130)	*-4.36%*	*(35)*	*26.72%*
EBIT	**181**	***10.23%***	**487**	***16.36%***	***(306)***	***-62.84%***
Net financial income (charges)	(87)	*-4.92%*	(128)	*-4.30%*	*41*	*-32.04%*
First result of extraordinary items and taxes	**143**	***8.10%***	**359**	***12.06%***	***(216)***	***-60.05%***
Extraordinary income (charges).	-	*0.00%*	-	*-*	*-*	*0.00%*
Pre-tax result	**143**	***8.10%***	**359**	***12.06%***	***(216)***	***-60.05%***
Taxes for the period	(56)	*-3.17%*	(143)	*-4.82%*	*87*	*-60.88%*
Net profit	**87**	***4.93%***	**215**	***7.24%***	***(128)***	***-59.50%***

Net revenues amounted to Euros 1,769,276 (Euros 2,976,000 in the previous year). The significant change is attributed to a change in estimate made for a specific revenue item. Please refer to the relevant section in the explanatory note for more details.

At the EBITDA level, the recorded margins were 19.51% (20.72% in the previous year), while at the Net profit level, they stood at 4.93% (7.24% in the previous year).

PROFITABILITY RATIOS		**31/12/2022**	**31/12/2021**
Net ROE	Net profit / Average equity	0.06%	0.10%
Gross ROE	Pre-tax result / Average equity	0.09%	0.16%
ROI	EBIT / Average net invested capital	5.38%	14.85%
ROS	EBIT / Revenues of sales	10.23%	16.36%

As for the previous years, the above profitability indicators are hardly representative of the real dynamics of the Group. In this regard, the net and the gross ROE are limited by the high value of the denominator (equity).

(thousands of Euros)	**31/12/2022**		**31/12/2021**			
					diff	***diff %***
Current receivables	6,134		2,684		*3,450*	*129%*
Stock	-		-		-	-
Current payables	(4,602)		(16,348)		*11,745*	*-72%*
Net working capital	**1,531**		**(13,664)**		***15,195***	***-111%***
Intangible assets	192		205		*(13)*	*-6%*
Tangible fixed assets	715		601		*114*	*19%*
Financial fixed assets	1,137		16,137		*(15,000)*	*-93%*
Fixed assets	**2,044**		**16,942**		***(14,898)***	***-88%***
Receivables from shareholders for payments still due	**-**		**60**			
Gross invested capital	**3,575**		**3,338**		***237***	***7%***
Different funds	(126)		(59)		*(67)*	*114%*
Net invested capital	**3,449**		**3,278**		***170***	***5%***

(thousands of Euros)	**31/12/2022**		**31/12/2021**			
					diff	***diff %***
Equity	**76,081**		**229,863**		***(153,781)***	***-67%***
Total financial payables beyond one year	864		1,111		*(248)*	*-22%*
Total financial payables within the year	1,323		311		*1,012*	*325%*
Financial assets over 12 months						
Total current financial assets	(74,819)		(228,007)		*153,188*	*-67%*
Net financial position	**(72,633)**		**(226,584)**		***153,952***	***-68%***
Net financial resources	**3,449**		**3,278**		***170***	***5%***

Environment and personnel

The nature of the core business carried out by the ETC Group does not involve risks or the occurrence of situations that could reasonably cause damage to the environment. However the Company has worked to be accredited to the UN Global Compact, aiming to certify its commitment to Environmental, Social, and Governance (ESG) principles and preparing the COP (Communication On Progress), which is the related non-financial communication.

With regard to the internal staff, the ETC Group has since long undertaken all the necessary initiatives to protect the workplace, in accordance with the provisions of the relevant legislation. In particular, the regulations included in the Consolidated Law on Safety in the Workplace issued by Legislative Decree no. 81 of 2008 are applied.

It should be noted that the group companies give particular attention to the training and to the growth of their internal staff, in order to internally develop the needed skills to fully oversee each department, and they intend to adopt adequate remuneration, loyalty and incentive systems for top management and other subjects who hold key positions.

See information on the balance sheet for further information.

Turnover

The turnover staff rate is physiological. During the year, personnel costs decreased by 19.6% due to some departures.

The Company, on its part, is increasing its efforts to enhance employee loyalty.

Training

The group companies are always attentive to the professional development aspects of its internal staff, for whom they organise internal or external training sessions involving selected players in the market.

Health & Safety

The focus on health and safety is essential for the group companies with regard to their internal staff, therefore all the devices and legal requirements in this regard have also been implemented in response to the recent Covid19 pandemic.

Description of the main risks and uncertainties to which the Group is exposed

Pursuant to Legislative Decree No. 127/91 article 40 comma 1, the main risks to which are exposed the companies included in the scope of consolidation are indicated below. The most important operating risks are constantly monitored by the Presidency, aided and abetted by the technical Committees and periodically reviewed by the Board of Directors, which takes them into account in the development of the strategy.

Market risks:

The ETC Group operates in the technical and financial management of international trade and investments.

This sector is characterised by a significant correlation between the demand for goods in the reference markets (West and Central Africa) and the level of wealth, economic growth and stability of the countries where the demand is generated. The Group's ability to develop its business, therefore, also depends on the macroeconomic situation in the different countries in which it operates.

The ETC Group boasts its commercial presence in a significant number of African countries, thereby reducing the concentration risk against a possible deterioration of economic conditions in one or more markets in which it operates, thus avoiding negative consequences on economic and financial results.

Risks associated with management and the management of human resources:

The success of the ETC Group depends on Top Management, individual business areas and the professionality of the employees. The main risks relating to the human resources area are linked to the Group's ability to manage the internal and external staff appropriately. As regards the ability to attract valuable resources, it should be noted that the main Group companies plan initiatives aimed at improving both the quality of professional life of their employees and collaborators and the Group's external image (communication, relations with schools and universities, testimonials, company internships, etc.), in some cases with the help of specialised service companies with proven experience and professionalism.

Pending lawsuits and settlement agreements:

In order to cope with the risk of legal action, the Group has put in place over the years appropriate provisions in special risks funds, located among the liabilities in the balance sheet. For further details on the main legal disputes currently underway, please refer to the relevant section of the information on the balance sheet.

Going concern and economic situation:

The financial statements have been valued on the going concern assumption, as stated in the information on the balance sheet.

Management and type of financial risks

The Group's activities may be subject to various types of risks, particularly counterparty risk, market risk, and operational risk.

Regarding the core activity of analysis and risk assumption or “Confirming” in international trade operations, the Company voluntarily adopted the Basel principles on prudential risk approach during the Board of Directors meeting on 18th October, 2018. Therefore in the corporate risk manual, duly approved by the Board of Directors on 28th May 2021, the calculation methodology is made explicit, which in turn refers to the standard method using the fintech platform Tigran (Modefinance) for credit rating purposes, necessary for the definition of counterparty credit risk.

The Risk Committees convened during the 2022 approved the dossiers respecting the eligibility criteria and internal office assessments of compliance (legal analysis, anti-money laundering, anti-financing of terrorism and corruption) and risks (standard method).

At 31st December 2022, the total value of SBLC (Standby Letters of Credit) issued amounted to Euros 162,837,156, while the received real guarantees (subrogation of mortgage guarantees, pledges of plant and

assets, financial and cash guarantees) totaled Euros 1,302,006,107, resulting in a risk-weighted exposure (Risk Weighted Assets "RWA") of Euros 17,006,883 and requiring the use of own funds amounting to Euros 1,360,550.

Management and coordination activities

The Group is not subject to management and coordination activities by any companies or entities, and it defines in full autonomy its general strategic and operational guidelines.

Research and development activities

During the year, no research and development activities’ costs were incurred.

Foreseeable development of operations

In the financial year 2023 the ETC Group intends to continue its growth path in accordance with the current Business Plan, updated by the Board of Directors on 20th December 2022, on the one hand through the economic growth trend of the African reference markets (Central and Western African), leaders in the continent (source Africa Pulse from the World Bank), and on the other hand through a continuous and gradual internal structural process of the Group, pursued through :

- the introduction of new human resources;
- the implementation of an inbound communication and marketing plan;
- the finalisation and signing of new commercial agreements;
- IT implementation (hardware and software) useful for managing and improving business processes;
- the start of the listing procedure at Euronext Growth;
- the start of the accreditation procedure to the West African Financial Markets Authority;
- the accreditation to the UN Global Compact.

Shares or stakes in the parent company owned by it or by subsidiaries, including through trust companies or third parties

Since September 2022, the Company has held treasury stock with a tax value of Euros 50,000 .

Silea (Treviso), 28 March 2023

The administrative body

The Chairman of the Board of Directors

Anco Marzio Lenardon

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55
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ETC Surety SA CV
Guarantee Funds
SA With variable capital
341, Rue Mandessi Bell, Quartier Bali
BP 12480 Douala – CAMEROUN.
R.C.C.M : RC/DLN/2023/M/361
NIU : M082018470874B
Authorized Share Capital :
1.000.000.000.000 XAF

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