

Thursday, 10^h August 2023**modefinance Corporate Credit Rating (Solicited) for
ETC INVEST S.P.A.: A3- (Affirm)**

modefinance published the Solicited Corporate Credit Rating of ETC INVEST S.P.A. on the website (<http://cra.modefinance.com/en>) and the rating assigned to the entity is A3- (affirm). The analysis revealed that the company's capacity to meet its commitment on financial obligations is strong.

ETC INVEST S.P.A., the holding company of the multinational Italian group "Export Trading Cooperation" (ETC), is a joint-stock enterprise that provides consulting services in project finance and trade finance with an exclusive operational focus on African markets, directly and through the Group's subsidiaries. The Company is specialized in Trade Finance and Supply Chain activities, through which it supports interchanges with Sub-Saharan African countries and investment projects. Since its foundation, the Company has pursued an internationalization process through the creation of representative offices, subsidiaries and funds across Europe and Africa, including the Regional Bureau Africa based in Cotonou (Benin). Moreover, as an active member of SWIFT (Society for Worldwide Interbank Financial Telecommunication), the Group facilitates interbank financial messages between European and African financial institutions. Thanks to its direct and indirect presence in Africa and its combined expertise in trade finance and supply chain management, the ETC Group has become the leader and main reference of banks and industrial/commercial groups as far as the management of supply and investment projects in Africa is concerned, in sectors that range from agribusiness to industry, but also from transport to green energy.

Key Rating Assumption

The company was established in 2016, but its operational activity began in 2012. Over the years, the ETC Group pursued a process of internationalization and reorganization, changing its legal form into a joint-stock company and improving its operational and governance structure. The Group has grown also thanks to the entry of new and important shareholders. No black records have been found. The corporate structure is clear as far as roles and responsibilities are concerned. In fact, from 2021, Monte Paschi Fiduciaria S.p.A. retains full control of the Group, while the two founding partners, who are also part of the Board of Directors, still hold minority stakes. The administrative and control collegial bodies of the company are flanked by the activities of an independent auditing company and of an independent supervisory body. The Group, which also includes two Cameroonian companies, presents also in 2022 a sufficient economic-financial situation. The Group's report released by the Italian Central Credit Register doesn't show any critical issues and reveals good management of maturity and overdraft risks. The peer group keeps on presenting balanced indicators of solvency, liquidity and profitability. The Italian management consulting sector continued to grow in 2022 and a further expansion is expected also in 2023. The value of greenfield projects globally announced in Africa almost quadrupled in comparison to the previous year and the number of projects rose, too. In contrast, international project finance operations in Africa showed a decline, despite the increase in projects number. The economic growth in Africa's larger economies is struggling to gain momentum and their overall performance is expected to dissatisfy in the short-to medium-term. On the other hand, emerging African countries and in particular

commodity exporters will record strong growth rates, benefitting from strong demand and high prices for their products and from Europe's search for alternative energy sources to reduce reliance on energy supply from Russia. Inflation remains high and many African states will experience exchange rate pressures, exacerbating financing issues for households, businesses, and governments. Economic instability is expected, coupled with security concerns, since Africa remains the region most affected by armed conflicts.

Sensitivity Analysis

Action	Description of the addressing factors, actions or events
Upgrade	<ul style="list-style-type: none"> The Group improves its profitability, keeping on expanding its business; Improvement of the macroeconomic context in Africa leads to lower economic instability in the region. <p>In the case these conditions are met, the rating could upgrade to A3.</p>
Downgrade	<ul style="list-style-type: none"> Further contraction of Group's profitability; Inflation and geopolitical tension cause a deterioration of the macroeconomic situation in Africa. <p>If these conditions are to occur, we can expect a downgrade to B1.</p>

IMPORTANT

The present Corporate Credit rating is issued by modefinance under EU Regulation 1060/2009 and following amendments.

The present rating is solicited and is based on both private and public information. The rated entity and/or related third parties have provided all private information used. modefinance had access to some accounts and other relevant internal documents of the rated entity and/or related third parties. Solicited and unsolicited ratings issued by modefinance are of comparable quality, as the solicitation status has no effect on methodologies used. More comprehensive information on modefinance Corporate Credit Ratings are available at: <http://cra.modefinance.com/en>

The present Corporate Credit Rating is issued on MORE Methodology 2.0 and Rating Methodology 1.0. A comprehensive description of both methodologies, as well as information on modefinance Rating Scale and Mappings, is available at <http://cra.modefinance.com/en/methodologies>.

For information on historical default rates of modefinance Corporate Credit Ratings please refer to ESMA Central Repository: <https://cerep.esma.europa.eu/cerep-web/> and ESMA European Rating Platform https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar.

modefinance refers to default as a company under bankruptcy, or under liquidation status, or under administration or for which missed payments on a financial obligation are officially recorded.

The quality of the information available on the rated entity and used to determine the present rating was judged by modefinance as satisfactory. Please note that modefinance does not perform any audit activity and is not in a position to guarantee the accuracy of any information used and/or reported in the present document. As such,

modefinance can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

The present credit rating was notified to the rated entity in order to identify potential factual errors, as prescribed by the CRA Regulation.

Deadline for the appeal process expired without the notification of factual errors by the Rated Entity.

The rated entity is a buyer of ancillary services provided by modefinance (credit risk software). modefinance ensures that such situation does not imply a conflict of interest in the issuance of the present credit rating.

The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties. If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary, the rating will be withdrawn.

The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

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