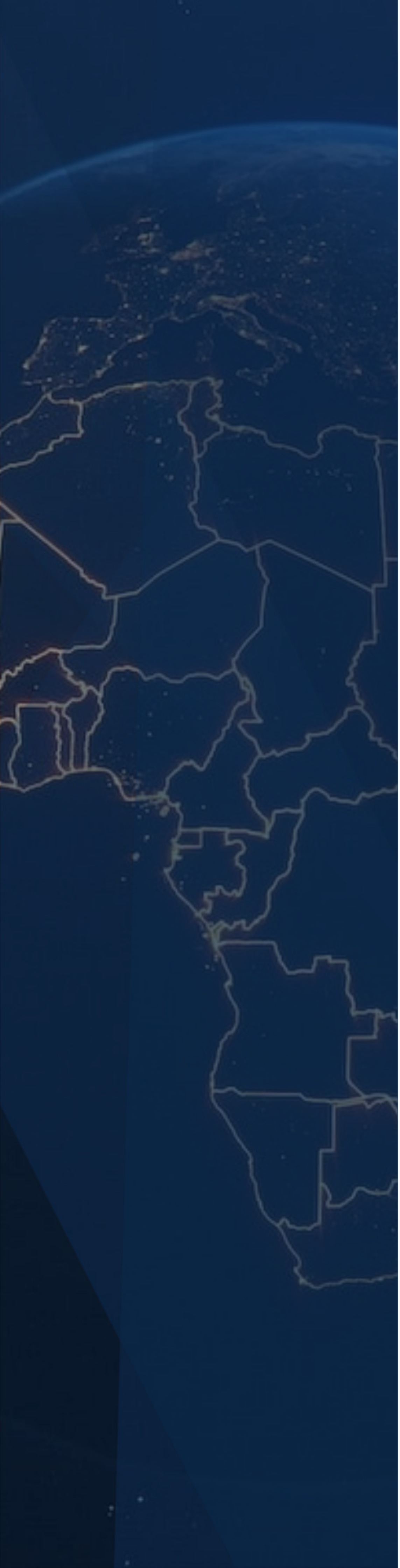
ETC

EXPORT, TRADING & COOPERATION

Annual Report

2023

Final version approved by ETC Invest SpA Board of Directors of 18.07.2024



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 and Financial services, Financial capability and technical skills of ETC Export Trading Cooperation

Our public rating

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-

Our Pan African public rating

ETC Export Trading Cooperation benefits of Pan African credit rating (Long term AA and short term A1 in local currency) at the West African Markets Authority (AMF-UMOA) by a Panafrican Credit Rating Agency (CRA).

Bloomfield Rating Agency has earned a reputation for credibility through its rigorous and transparent rating methodologies. With a focus on comprehensive analysis tailored to diverse risk categories, including commercial enterprises, financial institutions, and sovereign entities, Bloomfield employs a meticulous approach that incorporates local socio-political and economic factors. Its commitment to providing accurate assessments, coupled with a track record of reliable ratings, establishes Bloomfield as a trusted authority in the financial industry.

These ratings were issued by the pan-African rating agency Bloomfield Investment Corporation.

To this end, ETC's public rating can be used for regulatory purposes within the UMOA financial markets.

Please find ETC's Credit Rating with Bloomfield Investment Corporation.

Long term AA / short term A1

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.

WE SUPPORT

Our commitments

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 2
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

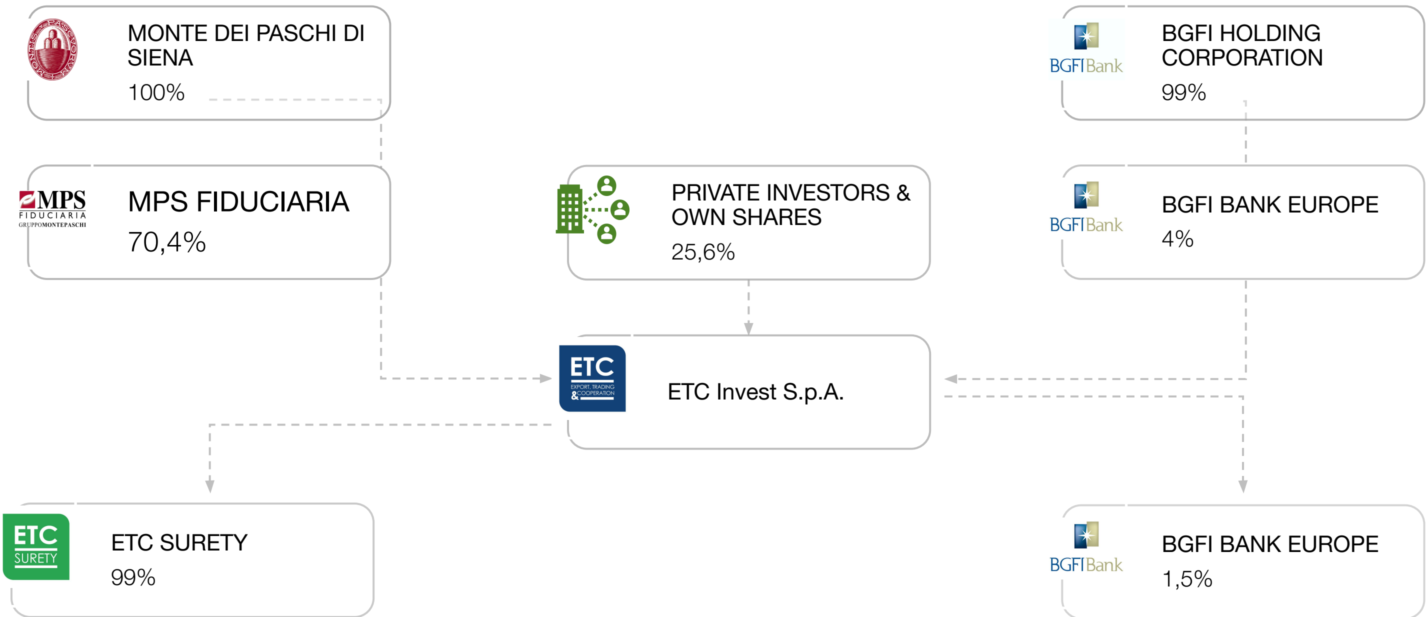
ETC Surety SA CV
Guarantee Funds

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.

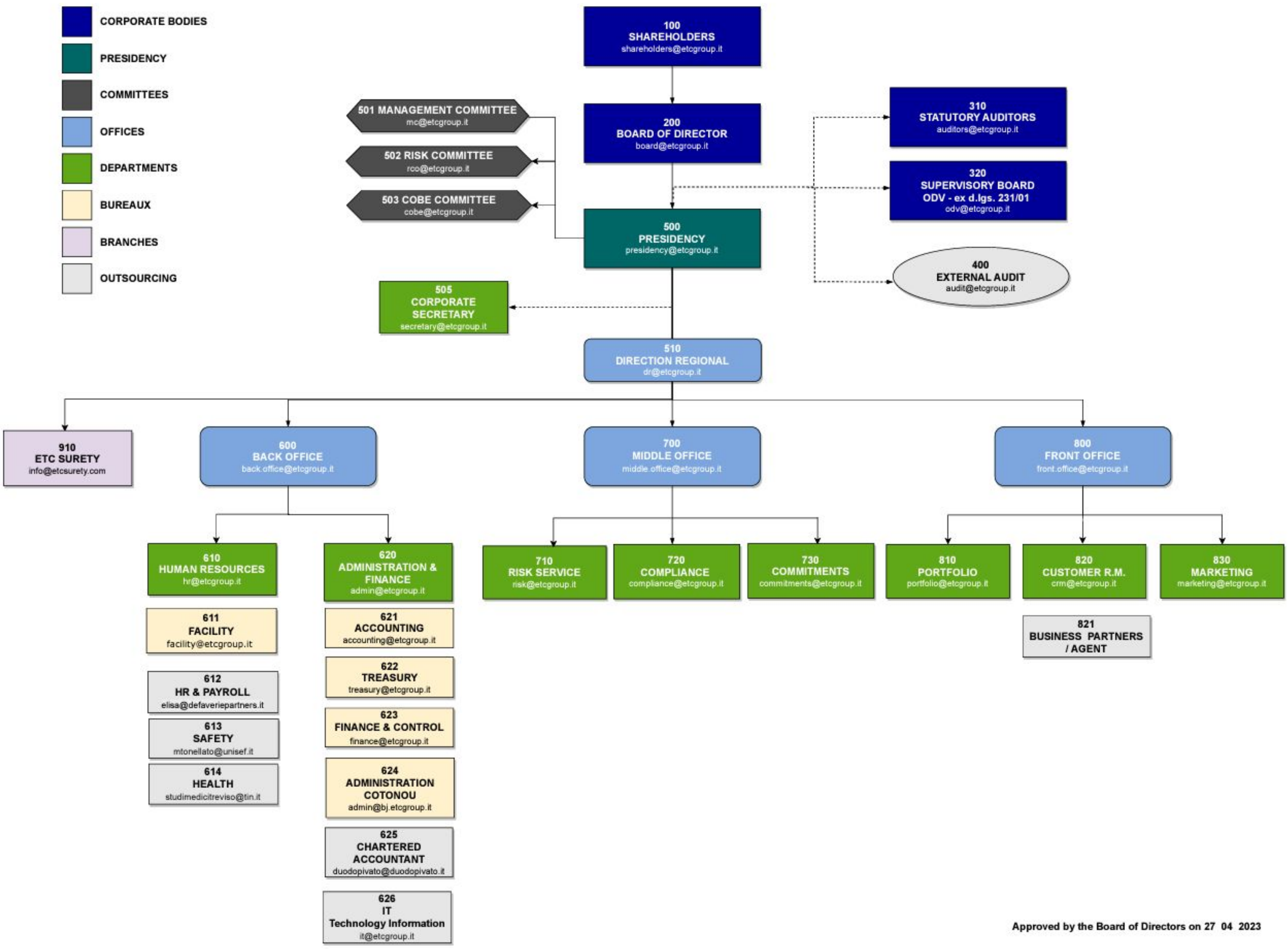


Our network of partners

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



Approved by the Board of Directors on 27 04 2023

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

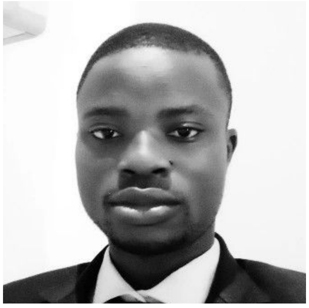
Antoine LAWI WANDER
Senior officer
Corporate Secretary

Arlette BOGNE MAKWIYA
Senior officer
Accounting

Roméo BAKPE
Executive officer
Accounting

Herbert DJOSSOU
Senior agent
Facility

Executive Team (Africa)

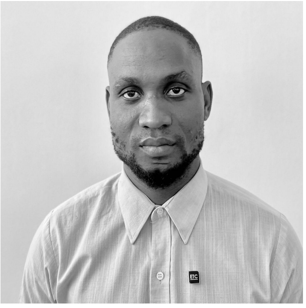


Zanclan Tadagbe Dimitri SINGBO
Junior Commitment Officer

Shadrac Emmanuel Mahoutin LOKONON
Junior Customer Relation Manager

Tougosari Loth HAOUDOU
Junior Compliance Officer

Mahussoumin Darius ADOKOUE
Junior Risk officer



Idrissou ONABIYI
Executive Agent Facility

Yvette K. NATTA
Junior Portfolio Officer

Esther AGUEDJOU
Chef de produit junior

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 12/31/2023

Track record

+25

active countries
africa & europe

+205

million euro
consolidated equity

+350

million euro
engagements

+1790

million euro
project supported

Our current sectors of intervention

Sectors	Credit	Coverage	Weight
Civil Engineering	29,727,558 €	14,863,779 €	9.59%
Electric Power *(Generation,Distribution)*	2,954,462 €	1,477,231 €	0.95%
Financial Services	172,931,132 €	51,355,276 €	33.14%
Horeca	21,954,479 €	10,977,240 €	7.08%
Manufacturing	105,284,924 €	50,648,176 €	32.68%
Real Estate Activities	7,548,980 €	5,124,490 €	3.31%
Telecommunication	2,700,000 €	1,350,000 €	0.87%
Wholesale Trade	62,036,328 €	19,185,475 €	12.38%

Last updated on 12/31/2023

Our countries of intervention

Countries	Credit	Coverage	Weight
Bénin	80,552,832 €	40,276,416 €	25.99%
Cameroun	30,108,681 €	15,054,340 €	9.71%
Gabon	172,527,977 €	50,284,739 €	32.45%
Guinée Equatoriale	16,312,045 €	6,890,696 €	4.45%
Malawi	45,736,328 €	12,385,475 €	7.99%
Congo	4,500,000 €	3,600,000 €	2.32%
Rdc	55,000,000 €	26,150,000 €	16.87%
Suisse	400,000 €	340,000 €	0.22%

Last updated on 12/31/2023

Financial Statements & Ratio

2023 Financial Highlights

210
million euro
Total Assets

205
million euro
Total Equity

413
million euro
Guarantees Received

155
million euro
Outstanding Commitments

3
million euro
Total Revenues

30%
EBITDA

2023 Key Financial Ratios

1.1%
Debt to assets ratio [<60%]

0.2%
Leverage ratio [<debt ratio]

127.3%
Current ratio [>1%]

16.7%
ROS [>4%]

1.5%
Asset turnover [>1,8%]

0.2%
ROE [>10%]

2023 Key Basel Ratios

265,99%
CET1 ratio [>8%]

48,96%
Leverage ratio Basel III [>3%]

346,38%
Liquidity coverage ratio [>100%]

283,81%
Net stable funding ratio [>100%]

Consolidated Financial Statements

ETC Invest SpA

Information data	
Headquartered in	Silea, Treviso (ITALY)
Tax code	04821260264
REA Number	TREVISO400769
VAT	04821260264
LEI Code	8156002BEE58A8C9E527
BIC Swift	ETCGIT2TXXX
Share Capital (€)	250,000,000 authorised 2,250,000 paid-up
Tier 1	31,297,335
Legal form	Joint stock company
Business sector (NACE Code)	70.22 and 64.99
Company in liquidation	No
Company with sole shareholder	No
Company subject to management and coordination by others	No
Group membership	Yes

Consolidated financial statements at 12/31/2023

OFF-BALANCE

	12/31/2023	31/12/2022
Guarantees issued	(154,981,666)	(162,837,156)
Guarantees received	412,926,143	1,324,873,460
Total off-balance	**257,944,477**	**1,162,036,304**

BALANCE SHEET

ASSETS	12/31/2023	12/31/2022
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
Total receivables from shareholders for payments still due (A)	0	0
B) FIXED ASSETS		
I - Intangible fixed assets		
1) Start-up and installation costs extension	997	1,495
3) Industrial patent rights and property rights	6,400	0
4) Concessions, licences, trademarks and similar rights	13,849	9,490
5) Goodwill	126,697	158,371
6) Fixed assets in progress and payments in advance	0	146
7) Others	24,265	22,047
Total intangible fixed assets	172,208	191,549
II - Tangible fixed assets		
1) Land and buildings	558,806	576,186
4) Other assets	106,944	138,995
Total tangible fixed assets	665,750	715,181
III - Financial assets		
1) Equity investments		
d-bis) Other companies	1,005,200	1,006,343
Total equity investments	1,005,200	1,006,343
2) Receivables		
d-bis) From others		
Due within one year	7,800	8,396
Due beyond one year	122,000	122,229
Total receivables from others	129,800	130,625
Total receivables	129,800	130,625
3) Other securities	31,854	0
Total financial assets	1,166,854	1,136,968
Total fixed assets (B)	**2,004,812**	**2,043,698**
C) CURRENT ASSETS		
I - Inventories		
Total inventories	0	0

II - Receivables		
1) From customers		
Due within following year	1,801,700	1,692,453
Due beyond the following year	1,421,245	3,727,324
Total trade receivables	3,222,945	5,419,777
5-bis) Tax credits		
Due within the following year	54,815	190,172
Due beyond the following year	4,112	4,899
Total tax credits	58,927	195,071
5-ter) Prepaid taxes	94,209	29,426
5-quater) From others		
Due within the following year	27,730	362,230
Due beyond the following year	10,391	39,932
Total others receivables	38,121	402,162
Total receivables	3,414,202	6,046,436
III - Financial assets not held as fixed assets		
6) Other investments	204,065,855	73,855,162
Total financial assets not held as fixed assets	204,065,855	73,855,162
IV - Cash and cash equivalents		
1) Bank and postal deposits	542,832	963,629
3) Cash and cash equivalents	4	198
Total cash and cash equivalents	542,836	963,827
Total current assets (C)	**208.022.893**	**80,865,425**
D) ACCRUALS AND DEFERRALS	88,655	87,365
TOTAL ASSETS	**210,116,360**	**82,996,488**

BALANCE SHEET

LIABILITIES & EQUITY	12/31/2023	12/31/2022
A) GROUP EQUITY		
I - Share capital	2,250,000	2,250,000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	50,000	32,000
V - Statutory reserves	0	0
VI - Other reserves, distinctly indicated		
Consolidation reserve	28,778,626	28,748,613
Reserve for translation differences	0	0
Total other reserves	28,778,626	28,748,613
VII - Reserve for hedging operations of expected cash flows	0	0
VIII - Retained profit/(losses)	12,130	0
IX - Profit (loss) for the year	256,579	96,448
Loss covered in the year	0	0
X - Negative reserve for treasury shares in portfolio	-50,000	-50,000
Total shareholders' equity of the group	31,297,335	31,077,061

Shareholders' equity of minority interests		
Third parties capital and reserves	173,788,348	45,013,352
Profit (loss) of minorities	141	-9,198
Total equity minority interests	173,788,489	45,004,154
Total consolidated shareholders' equity	**205,085,824**	**76,081,215**
B) PROVISIONS FOR RISKS AND CHARGES		
1) For retirement benefits and similar obligations	1,231	0
2) For taxes, including deferred ones	1,017	1,354
4) Others	318,998	105,253
Total provisions for risks and charges (B)	**321,246**	**106,607**
C) EMPLOYEE SEVERANCE INDEMNITY	**28,973**	**19,842**
D) PAYABLES		
3) Due to shareholders for loans		
Due within the next year	0	6,853
Total payables due to shareholders for loans	0	6,853
4) Due to banks		
Due within the next year	762,292	1,149,926
Due beyond the next year	65,082	118,045
Total payables due to banks	827,374	1,267,971
5) Due to other lenders		
Due within the next year	180,352	165,888
Due beyond the next year	584,248	745,678
Total payables due to other lenders	764,600	911,566
7) Due to suppliers		
Due within the next year	272,425	559,016
Total payables due to suppliers	272,425	559,016
12) Tax payables		
Due within the next year	241,188	51,980
Total tax payables	241,188	51,980
13) Payables due to social security and welfare institutions		
Due within the next year	18,744	73,762
Total payables due to social security and welfare institutions	18,744	73,762
14) Other payables		
Due beyond the next year	142,536	861,644
Total other payables	142,536	861,644
Total payables	**2,266,867**	**3,732,792**
E) ACCRUALS AND DEFERRALS	**2,413,450**	**3,056,032**
TOTAL LIABILITIES & EQUITY	**210,116,360**	**82,996,488**

INCOME STATEMENT

	12/31/2023	12/31/2022
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	2,752,395	1,769,276
5) Other revenues and income		
Operating grants	0	1,527
Other	235,629	52,071
Total other revenues and income (5)	235,629	53,598
Total value of production (A)	**2,988,024**	**1,822,874**
B) PRODUCTION COSTS:		
7) For services	1,036,588	773,633
8) For use of third party assets	128,537	106,566
9) For personnel:		
a) Wages and salaries	385,784	363,919
b) Social security charges	65,914	82,512
c) Severance indemnity	10,427	13,714
d) Pensions and similar payments	0	2,185
e) Other costs	334	26,848
Total personnel costs (9)	462,459	489,178
10) Depreciation and write-downs:		
a) Amortisation of intangible assets	37,255	37,411
b) Depreciation of fixed assets materials	41,249	22,718
d) Writedown of receivables included in current assets and cash and cash equivalents	18,710	30,724
Total depreciation and write-downs (10)	97,214	90,853
12) Provisions for risks	280,000	58,600
13) Other provisions	0	14,800
14) Other operating expenses	524,182	108,278
Total production costs (B)	**2,528,980**	**1,641,908**
Difference between value and costs of production (A-B)	**459,044**	**180,966**
C) FINANCIAL INCOME AND EXPENSES		
15) Income from equity investments		
Others	40,894	49,445
Total income from equity investments	40,894	49,445
16) Other financial income:		
a) From receivables recorded as fixed assets		
From controlled companies	565	0
Others	3,600	3,660
Total financial income from receivables recorded as fixed assets	4,165	3,660
b) From securities recorded as fixed assets not held as equity investments	35	0
c) From securities recorded as current assets not held as equity investments	23,643	2,887
d) Other financial income		
Others	90,909	57,826
Total income other than the above (d)	90,909	57,826
Total other financial income (16)	118,752	64,373

17) Interest and other financial charges		
Others	235,537	151,533
Total interest and other financial charges (17)	235,537	151,533
17-bis) Gains and losses on foreign exchange	-6,065	120
Total financial income and charges (C) (15+16-17+-17-bis)	**-81,956**	**-37,595**
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES:		
18) Revaluations:		
a) Of equity investments	49,285	0
Total revaluations (18)	49,285	0
Total value adjustments of financial assets and liabilities (D) (18-19)	**49,285**	**0**
PROFIT BEFORE TAXES (A-B+-C+-D)	**426,373**	**143,371**
20) Current, deferred and prepaid income taxes for the year		
Current taxes	234,773	54,779
Deferred and prepaid taxes	-65,120	1,342
Total current, deferred and prepaid income taxes for the year	**169,653**	**56,121**
21) Profit (loss) consolidated	**256,720**	**87,250**
Profit (loss) of the exercise pertaining to third parties	141	-9,198
Profit (loss) attributable to the owners	**256,579**	**96,448**

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	**256,720**	**87,250**
Income taxes	169,653	56,121
Financial interests expenses/(income)	116,785	87,160
(Dividends)	(41,980)	49,445
(Capital gains) / Losses due to assets sales	0	0
1. Profit / (loss) for the year before income taxes, interest, dividends and capital gains / losses due to assets sales	**501,178**	**279,976**
Adjustments for non-monetary elements that did not have a counterpart in net working capital		
Provisions to funds	309,137	87,114
Depreciation of fixed assets	78,504	60,129
Devaluations for lasting losses in value	0	0
Value 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	0	30,724
Total adjustments for non-monetary elements that did not have a counterpart in net working capital	387,641	177,967

2. Cash flow before changes in net working	**888,819**	**457,943**
Changes in net working capital		
Decrease / (Increase) in inventories	0	0
Decrease / (Increase) in trade receivables	2,178,122	(3,140,933)
Increase / (Decrease) in trade payables	(286,591)	(167,126)
Decrease / (Increase) in accrued income and prepaid expenses	(1,290)	(5,516)
Increase / (Decrease) in accrued liabilities and deferred income	(642,582)	2,900,508
Other decreases / (Other increases) in net working capital	(299,607)	(14,581,883)
Total changes in net working capital	948,052	(14,994,950)
3. Cash flow after changes in net working capital	**1,836,871**	**(14,537,007)**
Other adjustments		
Interest received / (paid)	(116,785)	(92,311)
(Income taxes paid)	(48,588)	(167,357)
Dividends collected	41,980	49,445
(Use of funds)	(16,977)	(6,410)
Other collections / (payments)	0	0
Total other adjustments	(140,370)	(216,633)
Cash flow from operating activities (A)	**1,696,501**	**(14,753,640)**
B. Cash flow deriving from investments		
Tangible fixed assets		
(Investments)	(1,435)	(140,832)
Disposals	0	3,742
Intangible fixed assets		
(Investments)	(17,914)	(24,196)
Disposals	0	0
Financial assets		
(Investments)	(31,854)	0
Disposals	1,968	14,999,619
Financial assets not held as fixed assets		
(Investments)	(1,435,697)	0
Disposals	0	0
(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)	**(1,484,932)**	**14,838,333**

C. Cash flows deriving from financing activities		
Financial debts		
Increase / (decrease) in accounts payable to banks	644,593	(5,775)
Funding	0	1,084,145
(Repayment)	(1,232,153)	(314,495)
Equity		
Paid capital increase	0	0
(Capital repayment)	0	(153,852)
Sale (Purchase) of own shares	0	(50,000)
(Dividends and interim dividends paid)	(45,000)	0
Cash flow of financing activities (C)	**(632,560)**	**560,023**
Increase (decrease) of cash and cash equivalents (A ± B ± C)	**(420,991)**	**644,716**
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	963,629	319,004
Checks	0	0
Cash and cash equivalents	198	107
Total cash and cash equivalents at the beginning of the year	**963,827**	**319,111**
Of which not freely usable	0	0
Cash and cash equivalents at the end of the year		
Bank and post office deposits	542,832	963,629
Checks	0	0
Cash and cash equivalents	4	198
Total cash and cash equivalents at the end of the year	**542,836**	**963,827**
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 12/31/2023

STRUCTURE AND CONTENT OF THE FINANCIAL STATEMENTS

The consolidated financial statements as at 12/31/2023, consisting of the balance sheet, income statement, cash flow statement, explanatory notes and management report, were drawn up in compliance with Legislative Decree 127/1991 integrated, for the aspects not specifically provided for by the decree, by the national accounting standards published by the Italian Accounting Body (OIC) and, where missing, by those of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB).

It is also accompanied by the following documents:

- List of companies included in the consolidated financial statements and shareholdings:
- Reconciliation statement 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 with which the art. was implemented. 28 paragraph 3-bis of Legislative Decree 127/91, in case of failure to comply with the matters of detection, evaluation, presentation and information, 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 were drawn up by the respective administrative bodies based on the accounting principles mentioned above.

Exceptions

No exceptional cases that have arisen it necessary to resort to the exceptions referred to in the art. 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 it directly exercises control.

The assets and liabilities of the consolidated companies are assumed according to the global integration method. The book value of the investments held by the parent company is eliminated against the related net equity.

The excess of the shareholders' equity compared to the registration of the investment was credited to the 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 foreign companies are converted into Euros according to the following criteria:

- the assets and liabilities at the exchange rate in force on the closing date of the period;
- income and expenses by applying the average exchange rate for the period;
- the components of net assets at the rates in force in the relevant formation period.

The exchange differences resulting from the conversion of the final net equity at the historical exchange rates of formation compared to those in force at the balance sheet date are attributed directly to the net 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 the item "Other reserves".

The debit and credit items and the cost and revenue items between the companies included in the consolidation area have been deleted. In particular, profits and losses deriving from transactions between Group companies not yet realized 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.

Changes in the consolidation area

The consolidation area has changed compared to the previous year due to the sale of the shares held in ETC Agency.

EVALUATION CRITERIA

The evaluation criteria 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 done according to prudence and with a view to the continuation of the activity and taking into account the economic function of the assets and liabilities elements based on the principle of the prevalence of substance over form.

The evaluation criteria adopted are unchanged compared to those of the previous year .

In particular, the evaluation criteria adopted are the following.

Intangible assets

Intangible assets are recorded, within the limit of the recoverable value, at the purchase cost including directly attributable accessory charges, and systematically amortized in relation to the residual possibility of use of the asset, possibly written down if at the closing date of the financial year the value of estimated recovery of the fixed assets is lastingly lower than the cost.

The value of fixed assets is shown net of accumulated depreciation.

The start-up and expansion costs derive from the capitalization of the charges relating to the start-up or growth phases of operational capacity. They are recorded in the financial statements of the Parent Company with the consent of the Board of Statutory Auditors.

Industrial patent rights and intellectual property rights refer in particular to software licenses. They are amortized based on their presumed duration of use, which in any case does not exceed that established by the licensing agreements.

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

Tangible fixed assets

Tangible fixed assets are recognized on the date on which the risks and benefits associated with the acquired assets are transferred and are recorded, within the limit of the recoverable value, at the purchase cost net of the related depreciation funds, including all costs and charges directly attributable.

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

In the event that permanent losses in value are detected, regardless of the depreciation already accounted for, the fixed assets are written down in relation to their residual possibility of use. If in subsequent years the conditions for the devaluations cease to exist, the original value is restored. Fixed assets in progress and advances to suppliers are recorded under assets on the basis of the cost incurred and/or the advance paid including directly attributable expenses.

Leasing contracts

Operations are accounted for using the financial method, recording the assets under financial leasing in the balance sheet among fixed assets at the purchase value of the grantor adjusted by the depreciation determined on the basis of the useful life of the individual assets, the debt financial debt towards leasing companies among the debts towards other financiers and in the income statement the depreciation on the assets and the interest expense on the financing obtained.

Equity investments

Equity investments are classified under fixed assets or under current assets based on their destination.

The initial recognition was made at the purchase or acquisition cost, including ancillary costs, possibly revalued in accordance with specific revaluation laws, and written down in the presence of lasting losses in value. Specifically, it is specified that the Parent Company made use of the option provided for by Law 126/2020, revaluing the shareholding in ETC Surety SA in the financial statements as at 12/31/2020, for civil purposes only.

With reference to the financial statements as at 31 December 2023, it is specified that the investment in ETC Surety SA was valued using the equity method.

Debt securities

Debt securities are recognized at the time of delivery of the security and are classified under fixed assets or current assets based on their destination.

Debt securities are recognized in the balance sheet when the security is delivered (so-called settlement date) and are recorded at the purchase cost (or subscription cost).

Receivables

Receivables are classified under fixed assets or under current assets on the basis of their destination/origin with respect to ordinary activity, and are recorded at their presumed realizable value.

The subdivision of the amounts due within and beyond the financial year is carried out with reference to the contractual or legal deadline, also taking into account facts and events that may determine a change in the original deadline, the realistic ability of the debtor to fulfill the obligation within the contractual terms and the time horizon in which it is reasonably believed that the credit can be claimed.

The amortized cost criterion was not adopted in the evaluation of the receivables.

The receivables are represented in the balance sheet net of the registration of a write-down provision to cover the receivables deemed to be at solvency risk, as well as the generic risk relating to the remaining receivables, based on estimates made on the basis of past experience, the trend of the credit seniority of overdue receivables, the general economic, sector and country risk situation, as well as on events occurring after the end of the financial year which have an impact on the values at the balance sheet date.

Tax credits and deferred tax assets

The item 'Tax credits' includes certain and determined amounts deriving from credits for which a right of realization has arisen through reimbursement or compensation.

The item 'Deferred tax assets' includes deferred tax assets determined on the basis of the deductible temporary differences, applying the estimated rate in force at the time in which such differences are believed to reverse.

Cash and cash equivalents

Cash and cash equivalents at the end of the financial year are valued at nominal value.

Accruals and deferrals

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

Therefore, only the shares of costs and revenues common to two or more financial years are recorded, the amount of which varies as a function of time.

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

Accrued income, similar to operating receivables, was valued at the presumed realizable value, making a write-down in the income statement if this value was lower than the book value.

Accrued expenses, similar to debts, were valued at nominal value.

For prepaid expenses, the future economic benefit related to the deferred costs was assessed, making a value adjustment if this benefit was lower than the deferred portion.

Provisions for risks and charges

Provisions for risks represent liabilities connected to situations existing at the balance sheet date, but whose occurrence is only probable.

With reference to risks for which the occurrence of a liability is only possible or the burden cannot be reliably estimated, a risk fund has not been allocated .

Provisions for charges represent certain liabilities, related to negative components of income pertaining to the financial year, but which will have a numerical manifestation in the following financial year.

The estimate process is carried out and/or adjusted to the balance sheet closing date on the basis of past experience and any useful element available.

Employee severance indemnity

It reflects the debt, subject to revaluation by means of specific indices and net of the advances paid, accrued to all Group employees at the end of the year, in compliance with the law and employment contracts in force, deducting the advances paid.

Payables

The subdivision of the amounts due within and beyond the financial year is carried out with reference to the contractual or legal deadline, also taking into account facts and events that may determine a modification of the original deadline.
Debts are indicated among liabilities based on their nominal value, considered representative of their settlement value.
It should be noted that the amortized cost criterion was not adopted in the evaluation of the debts, making use of the provisions referred to in paragraph 3-bis of article 29 of Legislative Decree 127/91.
Debts originating from the acquisition of goods are recorded at the moment in which the risks, charges and benefits are transferred; those relating to services are recorded at the time of performance of the service; financial and other ones at the moment in which the obligation towards the counterparty arises.
Tax payables include liabilities for certain and determined taxes, as well as withholdings made as a substitute and not yet paid at the balance sheet date, and, where compensation is permitted, are recorded net of advances, withholdings and tax credits.

Foreign currency values

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

Costs and revenues

They are exposed according to the principle of prudence and economic accrual.
and financial transactions with group companies and related counterparties are carried out at normal market conditions.

Income taxes for the year

Current income taxes are recorded, for each company, based on the estimate of taxable income in accordance with the rates and provisions in force at the closing date of the period in each country, taking into account the applicable exemptions and any tax credits due .
Prepaid and deferred taxes are calculated on the temporary differences between the value attributed to assets and liabilities in the balance sheet and the corresponding values recognized for tax purposes, based on the rates in force at the time the temporary differences reverse. Prepaid taxes are recorded only if there is reasonable certainty of their future recovery.

INFORMATION ON THE BALANCE SHEET

Intangible fixed assets

Intangible assets amount to Euro 172,208 (Euro 191,549 in the previous year).

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

	Start-up and expansion costs	Industrial patent rights and rights to use intellectual works	Concessions, licences, trademarks and similar rights	Goodwill	Intangible assets in progress and advances	Other intangible assets	Total intangible assets
Starting values							
Cost	1,495	0	9,490	158,371	146	22,047	191,549
Depreciation (Depreciation fund)	1,495	0	9,490	158,371	146	22,047	191,549
Net book value							
Increases for acquisitions	0	8,000	5,308	0	0	4,606	17,914
Reclassifications (of the book value)	0	0	146	0	-146	0	0
Amortisation of the financial year	498	1,600	1,095	31,674	0	2,388	37,255
Total changes	**-498**	**6,400**	**4,359**	**-31,674**	**-146**	**2,218**	**-19,341**
Year-end value							
Cost	997	6,400	13,849	126,697	0	24,265	172,208
Depreciation (Depreciation fund)	997	6,400	13,849	126,697	0	24,265	172,208

The increase in the period is due to costs incurred by the Parent Company for:

- Euro 8,000 for the implementation of the new GALILEO software;
- Euro 5,454 for capitalization of costs linked to the ETC trademark;
- Euro 4,606 for works and improvements on the leased property supported by the Parent Company.

Goodwill

The goodwill consists of the merger difference resulting from the incorporation operation by ETC Invest SpA (formerly ETC Group Srl) of ETC SpA which took place in 2018. When preparing the 2020 financial statements, the company made use of the option provided by L.126/2020 and by L.178/2020 by realigning the tax value of goodwill to the civil value.

In relation to the provisions of the art. 38 c. 1 letter d) of Legislative Decree 127/1991, the composition of start-up and expansion costs and development costs is shown in the following tables.

Composition of installation and expansion costs:

	Description	Beginning of financial year value	Increases for the year	Depreciation for the year	Others decreases	Total variations	End of financial year value
	Expenses for issuing new shares	1,495	0	498	0	-498	997
Total		**1,495**	**0**	**498**	**0**	**-498**	**997**

The costs recorded are reasonably correlated to a useful life extended over several years, and are systematically amortized in relation to their useful life.

Tangible fixed assets

Tangible fixed assets amount to Euro 665,750 (Euro 715,181 in the previous year).

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

	Lands and buildings	Other tangible fixed assets	Total tangible fixed assets
Beginning of financial year value			
Cost	576,186	138,995	715,181
Depreciation (Depreciation fund)	576,186	138,995	715,181
Variation in the year			
Increases for acquisitions	0	1,435	1,435
Depreciation (Depreciation fund)	17,380	23,905	41,285
Other variations	0	-9,581	-9,581
Total variations	-17,380	-32,051	-49,431
Year-end value			
Cost	558,806	106,944	665,750
Net book value	558,806	106,944	665,750

The value of "Land and buildings" refers to the real estate leasing of the Parent Company.

The value of "Other assets" refers to the Parent Company's furniture leasing .

Financial assets – Equity investments, other securities and active financial derivative instruments

Equity investments not included in the consolidation area amount to Euro 1,005,200 (Euro 1,006,343 in the previous year).

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

	Equity investments in other companies	Total Participations	Other titles
Starting values			
Cost	1,006,343	1,006,343	0
Net book value	1,006,343	1,006,343	0
Changes during the financial year			
Increases for acquisitions	0	0	31,854
Decreases due to disposals (of the book value)	1,143	1,143	0
Total variations	-1,143	-1,143	31,854
Year-end value			
Cost	1,005,200	1,005,200	31,854
Net book values	1,005,200	1,005,200	31,854

The item "Equity investment in other companies" includes a 1.5% stake in the French bank BGFI Bank Europe SA for a value recorded in the balance sheet at 12/31/2023 of Euro 1,005,200. This is a long-lasting and strategic investment for the Company. In the period 2023, dividends of Euro 41,980 were collected.

The item “Other securities” includes the subscription of a TFR policy by the Parent Company for Euro 9,699 in addition to Euro 22,155 relating to a cash collateral position, expiring in 2025, connected to the disbursement to the Parent Company of a Simest loan no. 6256/IM/FCS.

Financial assets - Receivables

Receivables included in financial fixed assets amount to Euro 129,800 (Euro 130,625 in the previous year). The composition and movements of the individual voices are represented as follows:

	Start nominal value	Start net worth
Towards others due within the following financial year	8,396	8,396
Towards others due after the next financial year	122,229	122,229
Total	**130,625**	**130,625**

	Other movements increases / (decreases)	Final nominal amount	Final net value
Towards others due within the following financial year	-596	7,800	7,800
Towards others due after the next financial year	-229	122,000	122,000
Total	**-825**	**129,800**	**129,800**

The balance at 12/31/2023 is made up of Euro 122,000 of a loan provided by the subsidiary ETC Surety and Euro 7,800 of interest income accrued on the same.

Current assets - Receivables

The receivables included in current assets amount to Euro 3,414,202 (Euro 6,046,436 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-down s)	Net value
Customers	1,801,700	1,526,440	3,328,140	105,195	3,222,945
Tax credits	54,815	4,112	58,927		58,927
Prepaid taxes			94,209		94,209
Others	70,156	10,391	80,547	42,426	38,121
Total	1,926,671	1,540,943	3,561,823	147,621	3,414,202

The adjustment of the nominal value of receivables "from customers" and "from others" to the presumed realizable value was obtained through a specific "Provision for bad debts" which underwent the following movements during the year:

Balance as of 12/31/2022	**128,911**
Provision for the year	18,710
Reclassify	42,426
Balance as of 12/31/2023	**105,195**

“Tax credits” are mainly composed of VAT tax credits.

Receivables from “others" for Euro 38,121 are mainly composed from cash security deposits.

Receivables - Breakdown by maturity

Below is the data relating to the breakdown of credits by maturity, pursuant to art. 38 c. 1 letter e) of Legislative Decree 127/1991:

	Beginning of financial year value	Change in the financial year	Year-end value	Amount due within the financial year	Amount due beyond the financial year
Trade receivables	5,419,777	-2,196,832	3,222,945	1,801,700	1,421,245
Tax credits	195,071	-136,144	58,927	54,815	4,112
Deferred tax assets	29,426	64,783	94,209		
Receivables from others	402,162	-364,041	38,121	27,730	10,391
Total receivables	**6,046,436**	**-2,632,234**	**3,414,202**	**1,884,245**	**1,435,748**

Current assets - Financial assets not held as fixed assets

The financial assets included in current assets amount to Euro 204,065,855 (Euro 73,855,162 in the previous year). The composition and movements of the individual voices are represented as follows:

	Starting value	Charge	Year-end value
Other non-fixed assets	73,855,162	130,210,693	204,065,855
Total non-fixed assets	**73,855.162**	**130,210,693**	**204,065,855**

The item "Financial assets not held fixed assets" mainly includes the credit securities held by the subsidiary ETC Surety and in trust deposit with the Parent Company for the amount of Euro 202,784,482 issued by the individual subscribers of the shares, category B shareholders and C, upon release of the share capital; and marginally a remunerated term deposit worth Euro 1,266,603, established with BGFIBank RDC in September 2023.

Current assets - Cash and cash equivalents

Cash and cash equivalents included in current assets amount to Euro 542,836 (Euro 963,827 in the previous year). The composition and movements of the individual voices are represented as follows:

	Beginning of financial year value	Change in the financial year	End of financial year value
Bank and postal deposits	963,629	-420,797	542,832
Cash and other cash on hand	198	-194	4
Total cash and cash equivalent	**963,827**	**-420,991**	**542,836**

Accrued income and prepayments

Accrued income and prepaid expenses amount to Euro 88,655 (Euro 87,365 in the previous year). The breakdown and movements of the individual voices are represented as follows:

	Beginning of financial year value	Change in the financial year	End of financial year value
Accrued income	97	23,546	23,643
Prepaid expenses	87,268	-22,256	65,012
Total accrued income and deferred income	87,365	1,290	88,655

Composition of accrued income:

	Description	Amount
	Financial income	23,643
Total		23,643

Composition of prepaid expenses:

	Description	Amount
	Various administrative services	23,436
	Software/licenses/online services	1,941
	Insurance	1,570
	Rentals and leases	23,501
	Car rental	3,686
	Others	10,878
Total		65,012

Financial charges charged to balance sheet items

No financial charges were attributed to the values recorded in the assets of the balance sheet.

Equity

The net equity existing at the end of the financial year is equal to Euro 205,085,824 (Euro 76,081,215 in the previous financial year). The increase compared to the previous year is due to the positive balance between incoming and outgoing partners in the subsidiary ETC Surety, a company with variable capital as provided for in the statute.

In the tables below, the movements undergone during the financial year by the individual items that make up the Shareholders' Equity are highlighted and the details of the item 'Other Reserves' are highlighted.

	Starting value	Award of dividends	Other destinations	Increments
Share capital	2,250,000	0	0	0
Legal reserve	32,000	0	0	18,000
Other reserves				
Consolidation reserves	28,748,613	0	0	17,387
Total other reserves	28,748,613	0	0	17,387
Profits (losses) carried forward	0	0	0	12,130
Profit (loss) for the year	96,448	45,000	-51,448	
Negative reserve for portfolio treasury shares	-50,000	0	0	0
Total shareholders’ equity of the group	31,077,061	45,000	-51,448	47,517
Minorities’ equity				
Minorities capital and reserves	45,013,352	0	0	128,774,996
Profit (loss) of minorities	-9,198	0	9,198	
Total minorities equity	45,004,154	0	9,198	128,774,996
Total consolidated shareholders equity	**76,081,215**	**45,000**	**-42,250**	**128,822,513**

	Decreases	Reclassifications	Operating result	End of financial year value
Share Capital	0	0		2,250,000
Share premium reserve	0	0		50,000
Other reserves				
Consolidation reserves	10,074	22,700		28,778,626
Total other reserves	10,074	22,700		28,778,626
Profits (losses) carried forward	0	0		12,130
Profit (loss) for the year			256,579	256,579
Negative reserve for treasury in portfolio	0	0		-50,000
Total shareholders’ equity of the group	10,074	22,700	256,579	31,297,335
Minorities’ equity				
Minorities capital and reserves	0	0		173,788,348
Profit (loss) of minorities			141	141
Total minorities equity	0	0	141	173,788,489
Total consolidated shareholders equity	**10,074**	**22,700**	**256,720**	**205,085,824**

For the purposes of better intelligibility of the changes in shareholders' equity, the movements in the previous year in the shareholders' equity items are highlighted below:

	Beginning of financial year value	Award of dividends	Other destinations	Increments
Share Capital	1,500,000	0	0	0
Share premium reserve	645,200	0	0	0
Legal reserve	21,000	0	0	11,000
Other reserves				
Consolidation reserves	28,750,673	0	0	0
Total other reserves	28,750,673	0	0	0
Profits (losses) carried forward	12,657	0	-12,657	0
Profit (loss) for the year	220,559	0	-220,559	
Negative reserve for portfolio treasury shares	0	0	0	0
Total group net worth	31,150,089	0	-233,216	11,000
Minorities equity				
Minorities capital and reserves	198,717,720	0	0	0
Profit (loss) of minorities	-5,140	0	5,140	
Total minorities equity	198,712,580	0	5,140	0
Total consolidated shareholders equity	**229,862,669**	**0**	**-228,076**	**11,000**

	Decreases	Reclassifications	Operating result	End of financial year value
Share Capital	0	750,000		2,250,000
Share premium reserve	0	-645,200		0
Legal reserve	0	0		32,000
Other reserves				
Consolidation reserves	0	-2,060		28,748,613
Total other reserves	0	-2,060		28,748,613
Profits (losses) carried forward	0	0		0
Profit (loss) for the year			96,448	96,448
Negative reserve for portfolio treasury shares	50,000	0		-50,000
Total group net worth	50,000	102,740	96,448	31,077,061
Minorities equity				
Minorities capital and reserves	0	0		45,013,352
Profit (loss) of minorities			-9,198	-9,198
Total minorities equity	0	0	-9,198	45,004,154
Total consolidated shareholders equity	**50,000**	**102,740**	**87,250**	**76,081,215**

The “consolidation reserves”, included among "Miscellaneous other reserves", represents the difference resulting from the replacement of the carrying value of the Parent Company's investments in the consolidated company with the corresponding net capital at the time of consolidation.

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 in liabilities for a total of Euro 321,246 (Euro 106,607 in the previous year).
The composition and movements of the individual voices are represented as follows:

	Provision for retirement benefits and similar obligations	Provision for taxes, including deferred taxes	Other provisions	Total provisions for risks and charges
Starting value	0	1,354	105,253	106,607
Changes during the year	0	0	0	0
Provision during the year	1,231	0	280,000	281,231
Use in exercise	0	337	16,640	16,977
Other variations	0	0	-49,615	-49,615
Total variations	1,231	-337	213,745	214,639
Year-end value	1,231	1,017	318,998	321,246

Under the item "Other provisions", a further provision was made relating to the same case that arose in 2020 in which the Parent Company was sued with a request for compensation for damages. The first instance ruling of the Court of Treviso in November 2023 condemned the Company which appealed on 11/24/2023 and subsequently, on 02/09/2024, concluded a settlement agreement with which it undertakes to pay a sum equal to Euro 500,000, plus interest, according to a repayment plan. In the item "Other funds", the ETC Surety risk fund has been partially released on the basis of the weighted risks as of 12/31/2023 relating to the core business .

Employee severance indemnity

Employee severance pay is recorded among liabilities for a total of Euro 28,973 (Euro 19,842 in the previous year).

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

	Employee severance pay
Starting value	**19,842**
Changes	0
Provision during the year	9,196
Other variations	-65
Total variations	**9,131**
Year-end value	**28,973**

The employee severance indemnity only concerns the Parent Company’s employees.

Payables

The payables are recorded in liabilities for a total of Euro 2,266,867 (Euro 3,732,792 in the previous year). The composition of the individual items is represented as follows:

	Starting year value	Changes	Year-end value
Payables due to shareholders for loans	6,853	-6,853	0
Payables due to banks	1,267,971	-440,597	827,374
Payables due to other lenders	911,566	-146,966	764,600
Trade payables	559,016	-286,591	272,425
Tax payables	51,980	189,208	241,188
Payables to social security and social security institutions	73,762	-55,018	18,744
Other payables	861,644	-719,108	142,536
Total payables	**3,732,792**	**-1,465,925**	**2,266,867**

Some items are detailed below:

“Payables due to banks”: during the year the Parent Company closed a debt equal to Euro 950,000 linked to a short-term financing contract with a banking partner .

“Payables due to other financiers”: this section also includes the debts of the Parent Company relating to real estate leasing (Euro 422,707) and movables (Euro 75,415);

"Tax payables": of which Euro 30,389 for debts for registration taxes and Euro 177,393 for debts linked to current IRES and IRAP taxes.

Payables - Breakdown by maturity

Below is the data relating to the breakdown of debts by maturity, pursuant to art. 38 c. 1 letter e) of Legislative Decree 127/1991:

	Starting value	Changes	Year-end value	Amount due within the financial year	Amount due beyond the financial year	Of which lasting more than 5 years
Payables to shareholders for loans	6,853	-6,853	0	0	0	0
Payables due to banks	1,267,971	-440,597	827,374	762,292	65,082	0
Payables due to other lenders	911,566	-146,966	764,600	180,352	584,248	0
Trade payables	559,016	-286,591	272,425	272,425	0	0
Tax payables	51,980	189,208	241,188	241,188	0	0
Payable to welfare and social security institutions	73,762	-55,018	18,744	18,744	0	0
Other payables	861,644	-719,108	142,536	142,536	0	0
Total payables	**3,732,792**	**-1,465,925**	**2,266,867**	**1,617,537**	**649,330**	**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 secure by collateral on corporate assets	Total
Payables due to banks	827,374	827,374
Payable due to other lenders	764,600	764,600
Trade payables	272,425	272,425
Tax payable	241,188	241,188
Payable to welfare and social security institutions	18,744	18,744
Other payable	142,536	142,536
Total payable	**2,266,867**	**2,266,867**

Accruals and deferred income

Accrued and deferred income are recorded in liabilities for a total of Euro 2,413,450 (Euro 3,056,032 in the previous year).

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

	Starting value	Change during the year	Year-end value
Accrued liabilities	774	104	878
Deferred income	3,055,258	-642,686	2,412,572
Total accrued and deferred income	**3,056,032**	**-642,582**	**2,413,450**

***Composition of accrued liabilities* :**

	Description	Amount
	Passive interests	878
Total		**878**

Composition of deferred income:

	Description	Amount
	Confirmation services outside the EU	2,353,353
	EU Confirmation Services	58,160
	Others	1,059
Total		**2,412,572**

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 performance by business categories:

Breakdown of sales and services by business category:

	Business category	Current year value
	Advisory services	513,171
	Technical service	164,208
	Confirming service	2,075,016
Total		**2,752,395**

Breakdown of sales and services by geographical area:

	Geographic area	Current year value
	Benin	1,147,108
	Democratic Republic of Congo	509,832
	Gabon	382,879
	France	337,822
	Central African Republic	173,000
	Equatorial Guinea	105,989
	UK	56,410
	Italy	28,605
	Cameroon	6,250
	Congo	4,500
Total		**2,752,395**

Other revenues and income

Other revenues and income are recorded in the value of production of the income statement for a total of Euro 235,629 (Euro 53,598 in the previous year).
The composition of the individual items is as follows:

	Previous year value	Charge	Current year value
Operating contributions	1,527	-1,527	0
Others	0	0	0
Non-financial gains	7,024	-7,024	0
Contingencies and inconsistencies	0	43,259	43,259
Other income	45,047	147,323	192,370
Total others	52,071	183,558	235,629
Total other revenues and income	**53,598**	**182,031**	**235,629**

Service expenses

Service expenses are recorded in the production costs of the income statement for a total of Euro 1,036,588 (Euro 773,633 in the previous year).

The costs for services refer to the collaborators listed below:

Service charges	Cost center	Partners
Advisors	9	9
Supervisory body	2	2
Auditing firm	3	8
Board of Statutory Auditors	3	5
Business Partners	2	4
Law firms and notaries	8	14
IT consultants	4	9
Accounting and tax consultants	6	14
Marketing consultants	1	5
Occupational medical consultant	1	1
External RSPP consultant	1	1
Translators and interpreters	1	1
Total partners	**41**	**73**

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 Euro 128,537 (Euro 106,566 in the previous year) and are mainly composed of:

- Euro 46,681 refers to the rental fee for the Cotonou - Benin representative office of the Parent Company;
- Euro 45,582 refers to the rental fee for vehicles granted to employees and directors of the Parent Company.

	Previous financial year value	Variation	Current financial year value
Rentals and leases	55,267	21,438	76,705
Others	51,299	533	51,832
Total	**106,566**	**21,971**	**128,537**

Personnel cost

During the year, the Group incurred personnel-related costs of Euro 462,459 (Euro 498,178 in the previous year).

Other operating expenses

Other management costs are recorded in the production costs of the income statement for a total of Euro 524,182 (Euro 108,278 in the previous year).

The parent company's contingent liabilities of Euro 449,558 refer, in addition to non-pertinent costs, for Euro 424,062 to revenues already invoiced in previous years for which resolution agreements have been reached.

FINANCIAL INCOME AND EXPENSES

The financial income for the year amounting to Euro 159,646 (Euro 113,818 in the previous year) mainly originated from dividends from participation and from brokerage services to exchange services (provided by the Partner Banks) that we make available to customers.

Interest and other financial charges amounting to Euro 235,537 (Euro 151,533 in the previous year) mainly relate to bank and financial debts.

Revenues of exceptional significance or incidence

During the year, no revenues of exceptional size or impact were recorded.

Costs of exceptional significance or incidence

During the year, no costs of exceptional size or impact were identified.

Income taxes

The composition of the individual items is represented as follows:

	Current taxes	Taxes relating to previous years	Deferred taxes	Prepaid taxes	Income (charge) from joining the consolidated tax/tax transparency regime
IRES	184,268	878	-337	64,783	0
IRAP	46,830	2,132	0	0	0
Substitute taxes	665	0	0	0	0
Total	**231,763**	**3,010**	**-337**	**64,783**	**0**

OTHER INFORMATION

Reconciliation statement between the parent company's net equity and operating result and the consolidated net equity and operating result

	Net equity	Of which: result of the financial year
Balances as per the parent company's financial statements	31,195,044	156,344
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	31,195,044	156,344
Effect of the valuation of investments with the integral method	0	0
- Elimination of the carrying values of the subsidiaries	-29,327,000	0
- Net assets of investees	203,105,274	0
- Operating result of subsidiaries	20,719	20,578
- Amortization of consolidation differences	0	0
	173,798,993	20,578
Effect of the valuation of investments with the equity method	0	0
Other corrections	-173,744,106	44,383
Total adjustments	**54,887**	**64,961**
Group assets and operating results	**31,249,931**	**221,305**
Assets and operating results of third parties	**173,788,489**	**141**
Consolidated assets and results for the financial year	**205,038,420**	**221,446**

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 investments included in the consolidation with the line-by-line method

Business name	Registered office	Currency	Share capital	Direct share of the group
ETC INVEST SPA	Silea (TV) - Italy	Eur	2,250,000	100%
ETC SURETY SA	Douala - Cameroon	Eur	30,093,481	99.32%

Going concern

The Directors have the reasonable expectation that the Group will be able to continue its operations in the foreseeable future, therefore they considered it appropriate to prepare the financial statements as at 31 December 2023 on the basis of the assumption of business continuity, confirming that the organisational, administrative and accounting structure is adequate to the nature and size of the Group.

In the prospective evaluation regarding the assumption of business continuity, the Directors, in the Board of Directors meeting of 26th September 2023, reviewed the 2022-2025 Corporate Strategy, reviewing the cost and revenue estimates and confirming the growth trend expected for the next few years.

No uncertainties have therefore emerged nor have any reasonable reasons been identified that could lead to the cessation of the activity, in accordance with articles 2381 and 2475 of the Civil Code as part of the Legislative Decree of 01/12/2019 n.14 Code of business crisis and of insolvency.

Furthermore, the Board of Directors has adopted adequate measures for the 2023 financial year to guarantee the sustainability and continuity of the company's business. In 2023, the Company committed to keeping its organizational and management structure updated on a quarterly basis to promptly address any challenges and market turbulences.

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	1	2
Middle Managers	5	5
Employees	10	10
Workers	0	0
Stageur	1	1
Total	**17**	**18**

Fees to directors and statutory auditors of the parent company

Below is information regarding the remuneration of the directors and statutory auditors of the parent company for carrying out these functions also in other companies included in the consolidation, pursuant to art. 38 c. 1 letter o) of Legislative Decree 127/1991:

	Administrators	Statutory auditors
Fees	83,527	18,200

Supervisory Body fees

It should be noted that the compensation approved by the Board of Directors is equal to Euro 8,500 for the periodic verification of compliance with the organizational model pursuant to art. 6 of Legislative Decree no. 231/2001.

Audit firm fees

Below is the information regarding the remuneration of the statutory auditor or the auditing company pursuant to art. 38 c. 1 letter o-septies of Legislative Decree 127/1991:

	Value
Audit of the annual financial statements	39,432
Total fees due to the statutory auditor or auditing firm	**39,432**

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

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

	Amount
Engagements	**154,981,666**
Commitments - residual value	141,623,605

Further details are provided below regarding the commitments undertaken by the Parent Company, in the role of confirmer, mainly represented by patronage towards the subsidiary ETC Surety SA which generate revenues relating to confirmation services. These are commitments materialized through interbank financial messaging (MT7XX category) according to the standards of the International Chamber of Commerce (ICC), classified with a low risk profile (remote risk) as they are always mitigated by credit securities and collateral in compliance with the Basel Committee Standard Method:

Sending date	Expiry date	Beneficiary's country	Commitment Nominal Value (Euros)	Commitment Residual Value (Euros)
11/08/2018	10/29/2026	Cameroon	15,054,340	4,809,025
21/09/2020	09/30/2028	Benin	1,524,490	1,034,475
10/29/2020	04/30/2028	Equatorial Guinea	1,524,490	1,148,891
11/19/2020	06/30/2026	Gabon	1,868,659	836,713
12/03/2020	04/30/2024	Swiss	340,000	34,000
02/07/2022	06/28/2027	Equatorial Guinea	2,317,225	2,070,712
02/07/2022	09/30/2031	Gabon	34,301,029	34,301,029
03/20/2023	03/19/2024	DR Congo	3,600,000	3,600,000
06/27/2022	04/30/2028	Equatorial Guinea	1,905,613	1,548,310
01/15/2023	01/12/2024	Malawi	2,744,621	2,744,621
01/20/2023	01/19/2024	Benin	10,977,240	10,977,240
02/02/2023	01/28/2024	Malawi	6,673,968	6,673,968
03/07/2023	03/07/2028	Gabon	1,715,051	1,457,794
03/23/2023	03/22/2028	DR Congo	1,350,000	1,301,887
05/09/2023	05/08/2024	DR Congo	5,000,000	5,000,000
05/23/2023	05/22/2024	DR Congo	18,000,000	18,000,000
05/06/2023	06/04/2024	Benin	7,622,451	7,622,451
06/07/2023	06/06/2029	Equatorial Guinea	1,143,368	1,143,368
06/13/2023	06/12/2024	DR Congo	1,800,000	1,800,000
06/29/2023	12/28/2023	Gabon	12,400,000	12,400,000
09/22/2023	09/21/2024	Benin	3,811,225	3,811,225
09/26/2023	09/25/2024	Benin	3,811,225	3,811,225
09/26/2023	09/25/2024	Benin	1,524,490	1,524,490
11/10/2023	11/01/2024	Malawi	120,739	120,739
11/10/2023	11/01/2024	Malawi	187,024	187,024
11/10/2023	11/01/2024	Malawi	157,568	157,568
12/04/2023	11/15/2024	Malawi	637,891	637,891
12/04/2023	11/15/2024	Malawi	295,975	295,975
12/04/2023	11/16/2024	Malawi	655,531	655,531
12/04/2023	11/17/2024	Malawi	467,204	467,204
12/04/2023	11/18/2024	Malawi	444,956	444,956
12/31/2023	12/30/2024	Benin	9,528,063	9,528,063
12/31/2023	06/29/2024	Benin	1,477,230	1,477,230

Significant events that occurred after the end of the financial year

Below is information regarding the nature and equity, financial and economic effect of the significant events that occurred after the end of the period.

- New commitments : on the date of approval of the financial statements, the commitments not shown in the balance sheet saw a decrease of Euro 10,779,578.

Silea (Treviso - Italy) April, 24th 2024

The President of the Board of Directors

Anco Marzio Lenardon

Management Report

ETC Invest SpA

Information data	
Headquartered in	Silea (Treviso), Italy
Tax code	4821260264
REA number	TREVISO400769
VAT	4821260264
LEI Code	8156002BEE58A8C9E527
BIC Swift	ETCGIT2TXXX
Share Capital (€)	250,000,000 authorised 2,250,000 paid-up
Tier 1	31,297,335
Legal form	Joint Stock Company
Business sector (NACE Code)	70.22 and 64.99
Company in liquidation	no
Company with sole shareholder	no
Company subject to management and coordination by others	no
Group membership	Yes

Amounts are expressed in Euro

Management Report

Group structure and activities

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

The Company, as a member of the Swift circuit (*Society for Worldwide Interbank Financial Telecommunication*) with its identification code BIC (*Business Identifier Code*) ETCGIT2T (according to ISO 9362), is included in the reference Category No. 2 of Unsupervised Parties called NOSU (*Non Supervised entity active in finance industry*), classified among the NBFI (*Non-Bank Financial Institution*). 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-financial management of international trade and investments" and 64.99.60 "other financial intermediation";

c) The analysis and risk-assumption with own funds in the context of international trade and industrial investments in the international reference markets, through:

   i) Signature commitments via Swift messaging;

   ii) The acquisition, holding and management of shareholdings and interests of any type and form, both directly and indirectly, in companies and entities, including consortiums, both under Italian law and foreign law, for the purpose of stable investment and not of placement;

d) Management, directional and strategic consultancy for businesses, including commercial development and marketing activities and services;

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

f) Also included in the corporate purpose, with regard to support for companies with which there is an interest, participation or group relationship, is the granting of financing or guarantees, in any form, in compliance with the legal and regulations in force from time to time;

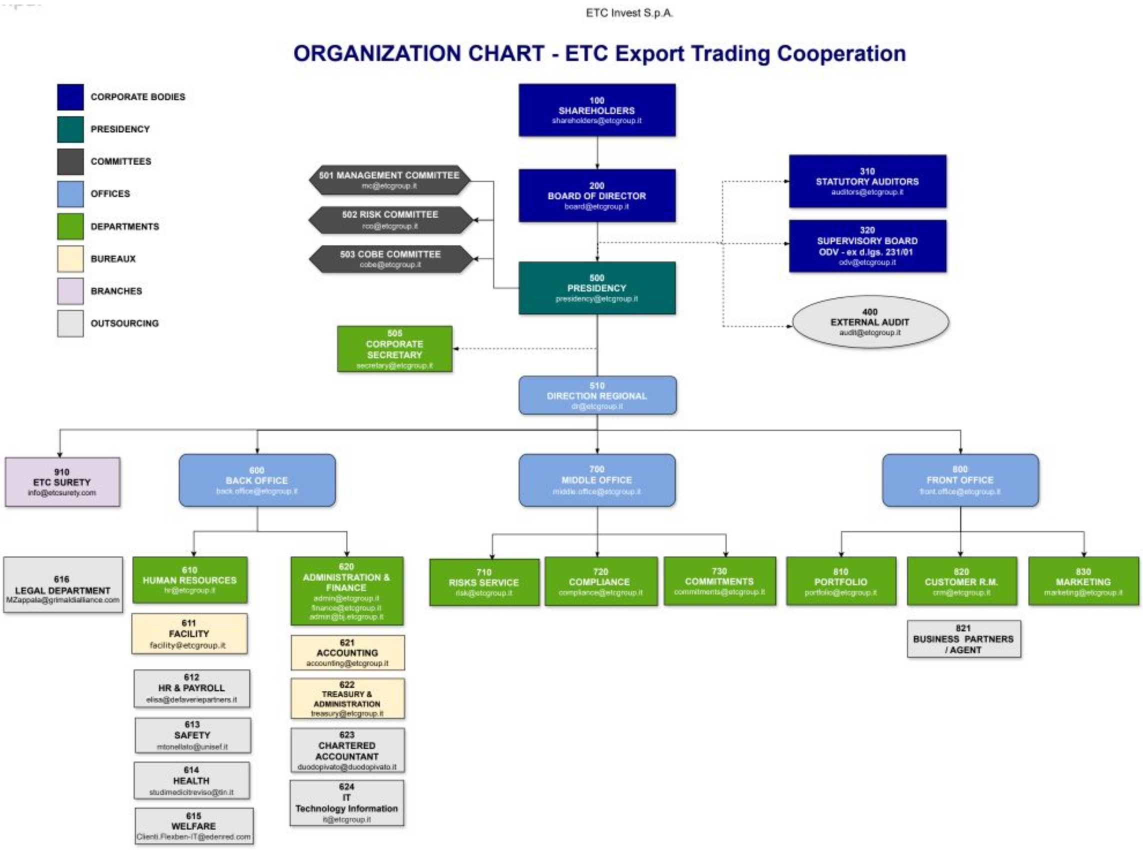
g) The company, on a non-prevalent and instrumental basis for the achievement of the corporate purpose, will be able to carry out all commercial, financial, industrial, securities and real estate operations, grant sureties, guarantees, sureties, guarantees in general, also in favour of third parties.

Excluded from the corporate purpose are activities of a fiduciary nature, collection of savings, exercise of credit, placement of financial securities, whether or not carried out towards the public, and any other activity reserved by law for certain categories or individuals with particular requirements.

The registered office is in Silea (Treviso) - Italy with a Representative Office located in Cotonou - Benin.

The subsidiary ETC Surety is 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 04/29/2022 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 04/29/2022 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 04/29/2022.

Supervisory Body: the Supervisory Body was appointed on 10/29/2021, 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.
- Alternate auditor: Monica Vettorazzo
- Alternate auditor: Franco Grosso.

The Company, in accordance with Legislative Decree no. 14/2019 (Corporate Crisis and Insolvency Code), adopts an organisational, administrative and accounting structure suited to the nature of the company also based on the timely detection of the corporate crisis and the assumption of suitable initiatives and which provides for the preparation at least on a quarterly basis of the rolling treasury financial situation with a time horizon of 12 subsequent months and information regarding the signals for the timely prediction of the emergence of the business crisis defined by the art. 3 of the Crisis and Insolvency Code. On the basis of this organisational structure, no imbalances of a capital or economic-financial nature emerged in 2023 with reference to the specific characteristics of the company and the activity carried out and/or alarm signals.

Evolution of the reference market

During the year 2023, an increase in inflation was recorded as had not been seen for years. The continuation of the war between Russia and Ukraine, the Israeli invasion of the Gaza Strip, as well as the coups d'état in Niger and Gabon are all factors that have had an impact on global markets, within which the activity of the ETC group also fits, albeit with a clear focus on Sub-Saharan Africa.

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

In 2023, the GDP growth forecast in Sub-Saharan Africa was seen decreasing (-0.4%) to an average of +3.3%, with peaks of +5.5% (-0.7%) in Benin and +4.0% (-0.6%) in Cameroon, while already in 2024 growth is expected to reach +4.0%, however still below the historical growth rate of +4.8 % (source: WEO October 2023, IMF).

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

Approval of the consolidated financial statements

The consolidated financial statements as of 12/31/2023 were approved by the Board of Directors on March, 28th 2024 and are subject to audit.

Management performance

The Board of Directors has adopted adequate measures for the 2023 financial year to guarantee the sustainability and continuity of the company activity, in accordance with articles 2381 and 2475 of the Italian Civil Code. In 2023, the Company committed to keep its organisational and management structure updated on a quarterly basis to promptly address any challenges and market turbulences.

The operating performance has been positive and in line with the growth trend envisaged by the Business Plan in force, reaching a Production Value of Euro 2,988,024 (+64% compared to the previous year) and a Profit before taxes of Euro 426,372 (+197% compared to the previous year) .

Main events during the year:

- Trademark : in addition to the nominative trademark already registered at the European Union Intellectual Property Office (EUIPO) and present in the balance sheet, the figurative trademark was also registered and therefore valorised at the EUIPO on 04/14/2023. Furthermore, the nominative and figurative trademark has also been registered with the African Office for Intellectual Property (OAPI) which includes the member countries of OHADA (Benin, Burkina Faso, Cameroon, Chad, Comores, Congo, Ivory Coast, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Central African Republic, Senegal, Togo) .
- Off-balance sheet commitments trend : as at 31st December 2023, the off-balance sheet commitments in the portfolio amounted to Euro 154,981,666, compared to Euro 162,205,815 as at 31st December 2022.
- Subscription of new category B and C shareholders : in 2023 there were 7 new subscriptions by 7 new subscribers, which contributed Euro 153,607 of new share capital and Euro 153,454,022 of new share premium reserves, increasing the net equity of the subsidiary ETC Surety SACV of Euro 153,607,629.

- Rating : in August 2023, the Rating Agency Modefinance confirmed for the fiscal year 2022 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 by the European Securities and Markets Authority (ESMA). For the first time, ETC, mainly for commercial, regulatory and market needs, submitted itself to the evaluation of the pan-African Rating Agency Bloomfield Investment corporation, which assigned an AA on the long term and A1 on the short term, in local currency (Franco CFA). The public rating allows financial institutions to weigh the credit (or counterparty) risk of the Company in an objective manner according to the guidelines of the Basel committee (Basel III) transposed into the European CRR (*Capital Requirements Regulation*) directive.
- ETC Agency : on July, 27th 2023 the shareholding was sold, together with the receivables claimed from it, as it was no longer considered strategic for the Company's business.
- Legal disputes : the existing dispute is concluded positively with a settlement agreement, for which a specific risk provision of Euro 275,000 has been established.
- Employees : n. 6 new resources have been hired at the Cotonou Representative Office. New hires are expected for the 2024 financial year.

In order to provide a better cognitive picture of the performance and result of management, the tables below show a reclassification of the balance sheet by functional areas and on a financial basis, a reclassification of the value-added income statement and the most significant financial statement indices.

(thousands of Euro)	12/31/2023	12/31/2022	diff	diff%
Current receivables	3,503	6,134	(2,631)	-43%
Stock	-	-	-	-
Current payables	(3,088)	(4,602)	1,514	-33%
Net working capital	**415**	**1,531**	**(1,117)**	**-73%**
Intangible assets	172	192	(19)	-10%
Tangible fixed assets	666	715	(49)	-7%
Financial assets	1,167	1,137	30	3%
Fixed assets	**2,005**	**2,044**	**(39)**	**-2%**
Receivables from shareholders for payments still due	**-**	**-**	**-**	
Gross invested capital	**2,419**	**3,575**	**(1,156)**	**-32%**
Different funds	(350)	(126)	(224)	177%
Net invested capital	**2,069**	**3,449**	**(1,380)**	**-40.00%**

(thousands of Euro)	12/31/2023	12/31/2022		
			diff	diff %
Equity	205,086	76,081	(129,005)	170%
Total financial payables beyond one year	649	864	(214)	-25%
Total financial payables within the year	943	1,323	(380)	-29%
Financial assets beyond 12 months				
Total current financial assets	(204,609)	(74,819)	129,790	173%
Net financial position	(203,017)	(72,633)	(130,384)	180%
Net financial resources	2,069	3,449	259	5%

(thousands of Euro)	12/31/2023		12/31/2022			
					diff	diff%
Net revenues	**2,752**	**100.00%**	**1,769**	**100.00%**	**983**	**55.57%**
Purchases	-	0.00%	-	0.00%	-	0.00%
Labour costs	(462)	-16.80%	(489)	-27.65%	27	-5.46%
Operating costs	(1,165)	-42.33%	(880)	-49.75%	(285)	32.37%
First operating margin	**(1,628)**	**-59.13%**	**(1,369)**	**-77.40%**	**(258)**	**18.86%**
Other (charges) income	(289)	-10.48%	(55)	-3.09%	(234)	427.71%
EBITDA	**836**	**30.38%**	**345**	**19.51%**	**491**	**142.24%**
Amortisation, depreciation and provisions	(377)	-13.70%	(164)	-9.28%	(213)	129.65%
EBIT	**459**	**16.68%**	**181**	**10.23%**	**278**	**153.66%**
Net financial income (expenses).	(33)	-1.19%	(38)	-2.12%	5	-13.10%
Profit before extraordinary and tax components	**426**	**15.49%**	**143**	**8.10%**	**283**	**197.39%**
Extraordinary income (expenses).	-	-	-	0.00%	-	0.00%
Profit before the taxes	**426**	**15.49%**	**143**	**8.10%**	**283**	**197.39%**
Taxes for the period	(170)	-6.16%	(56)	-3.17%	(114)	202.30%
Net profit	**257**	**9.33%**	**87**	**4.93%**	**169**	**194.23%**

The margins recorded at EBITDA level were equal to 30.38% (19.51% in the previous year) and at Net Profit level they were equal to 9.33% (4.93% in the previous year).

	INDEXES	12/31/2023	12/31/2022
Debt ratio	Total debts / Total assets	1.1%	4.5%
Current ratio	Current assets / Current liabilities	127.3	26.6
ROS	EBIT / Sales revenues	16.7%	10.2%
Asset turnover	Average turnover / Average total assets	1.5%	1.4%
ROI	EBIT / Average net invested capital	16.6%	5.4%
Net ROE	Net profit / Average equity	0.2%	0.1%
Gross ROE	Profit before taxes / Average equity	0.3%	0.1%
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation	30.4%	19.5%
CET1	Common Equity Tier1 / Risk–Weighted Assets	266.0%	184.7%
LRA	Group equity / Total commitments	49.0%	19.1%
LCR	Stock Of High-Quality Assets / Expected total net cash outflows over the 30-day	346.4%	79.1%
NSFR	Cash & Equivalents / Long-Term Liabilities	296.3%	407.2%

Environment and staff

The nature of the core activity carried out by the 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 of the United Nations, with the aim of certifying the Environmental, Social, and Governance commitment according to the ESG and drawing up the COP - *Communication On Progress* , or non-financial communication.

As regards the personnel, the Group has long since undertaken all the initiatives necessary to protect health in the workplace, in accordance with the provisions of the relevant national legislation. In particular, the rules included in the Consolidated Law on safety at work issued with 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. Moreover, they intend to adopt adequate remuneration, loyalty and incentive systems towards top management.

See the explanatory note for further information.

Turnover

The staff turnover rate is physiological. During the year, personnel costs remained substantially unchanged (-5%), balancing some departures in Italy with some hirings in Benin .

The Company, for its part, is increasing its employee loyalty policy.

Training

The Group companies are always attentive to the professional growth aspects of their collaborators for whom internal or external specialist training sessions are organised using selected players on the market.

Health & Safety

Attention to health and safety in the workplace is an element paid attention by the Group Companies towards their collaborators, all the devices and legal requirements in this regard are and are constantly implemented.

Descriptions of the main risks and uncertainties to which the company is exposed

Pursuant to art. 40, paragraph 1 of Legislative Decree 127/91, the main risks to which the companies included in the consolidation are exposed are indicated below. The most important business risks are constantly monitored by the Presidency, assisted and supported by the Technical Committees and periodically examined by the Board of Directors, which takes them into account in the development of the strategy.

Market risks:

ETC operates in the technical-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 in which the demand is generated. The Group's ability to develop its business therefore also depends on the economic situation of the various countries in which it operates.

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

Risks associated with management and human resources management:

The success of ETC depends on the Top Management, the individual business areas and the professionalism of the collaborators. The main risks relating to the human resources area are linked to the ability to adequately manage personnel. In relation to the ability to attract valuable resources, it is highlighted how the company plans initiatives aimed at improving both the quality of professional life of its employees and collaborators, and the external image (communication, relationships with schools and universities, testimonials, company internships, etc.), resorting in some cases to the aid of specialised service companies with proven experience and professionalism.

Ongoing legal proceedings and settlement agreements:

To deal with the risk of legal action, ETC has made adequate provisions over the years in specific risk funds present among the balance sheet liabilities. For details on legal disputes and settlement agreements, please refer to what is reported in the specific paragraph of the Notes to the Financial Statements.

Business continuity and economic situation :

The financial statement assessments were carried out on the assumption of the continuation of the company activity as reported in the specific paragraph of the Notes to the financial statements.

Management and typology of financial risks

The business may be subject to different types of risks having a financial impact, in particular counterparty, market and operational risks. In this regard, in 2023 the Company drafted the RAS (*Risk Appetite Statement)* risk measurement document with reference to the FSB (*Financial Stability Board) framework* , a crucial risk management tool, promoting the adoption of a solid and transparent management system towards market stakeholders, which includes the following elements:

1. Strategic objectives: Describes the overall objectives of the organisation and how risk management is integrated into them.
2. Acceptable level of risk: Indicates the level of risk that the organisation is willing to take to achieve its objectives, considering its risk tolerance and its ability to absorb losses.
3. Risk Assessment Criteria: Specifies the criteria used to evaluate and measure risks, including risk exposure limits, assessment methods, and monitoring metrics.
4. Roles and responsibilities: Defines who is responsible for risk management and what their roles and responsibilities are within the organisation.
5. Monitoring and reporting mechanisms: Describes how risks are monitored and reported, as well as corrective measures taken, if necessary.

The Risk Appetite Statement is essential to ensure prudent risk management, aligned with the organisation's objectives and financial capacity. Its effective adoption and implementation are crucial to the long-term stability and sustainability of the organisation and the financial system as a whole.

With reference to the characteristic activity of analysis and assumption of risk or *Confirming* in international trade operations, on a voluntary basis, on the occasion of the Board of Directors of 18th October 2018, the Company adopted the Basel guidelines on the prudential principles of approach to risk . Therefore, in the company risk manual, duly approved by the administrative body on 28th May 2021, the calculation methodology is explained which in turn refers to the standard method through the aid of the Tigran fintech platform (modefinance) for the purposes of identifying the Credit Rating, necessary to define the credit risk or counterparty credit risk.

The risk committees convened during the 2023 financial year approved the dossiers respecting the eligibility criteria and the scrutiny of the internal offices responsible for compliance (legal analysis, anti-money laundering, fight against the financing of terrorism and corruption) and risks (standard method).

At the end of the financial year on 12/31/2023 the total value of the Commitments in force is equal to Euro 154,981,666, against Euro 412,926,143 of real guarantees received (subrogations of mortgage guarantees, pledges on plants and assets, financial and liquid guarantees) , which generate a weighted exposure (*Risk Weighted Assets* “RWA”) of Euro 24,173,247 and imply an absorption of own funds of Euro 1,933,860.

Management and coordination activities

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

Research and development activities carried out

No costs were incurred for research and development activities during the year.

Predictable evolution of management

In the 2024 financial year, the Group intends to continue its growth path in compliance with the Business plan and the Strategic Plan in force, updated by the Board of Directors on September, 26th 2023, on the strength of the growth trend of the reference African markets (Central and Western Africa), first in terms of growth on the continent (source Africa Pulse of the World Bank), on the other through a continuous and gradual process of structural growth of the Group, which will be pursued through:

- Financial capital:
  - improvement of the capital solidity index through a free increase in share capital;
  - increase in capital solidity through the entry of new investors;
  - improve the company liquidity ratio through bond issuance.
- Human capital:
  - company training plan;
  - reinforcement of the workforce through the inclusion of new human resources.
- Organisational process:
  - strengthening governance model and company procedures;
  - IT implementation (hardware and software).
- Commercial development:
  - implementation of an inbound communication and marketing plan;
  - implementation of the commercial development plan;
  - initiation of the procedure for accreditation to the West African Financial Markets Authority to open a new market segment.
- Corporate sustainability:
  - accreditation to the UN Global Compact;
  - start of process of obtaining ISO 37001.

Shares or quotas of the parent company owned by it or by controlled companies, also through trust companies or through third parties

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

Silea (Treviso - Italy) March, 28th 2024

The President of the Board of Directors

Anco Marzio Lenardon

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55
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BIC SWIFT : ETCGIT2T
Authorized Share Capital : 250,000,000
EUR

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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