

First rating date: 25/06/2020
Review date: 17/05/2023

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Rating Action

Ethifinance Ratings (“the Agency”) has affirmed HT Suministros 1 - ODF Financiación the rating of A-sf.

Executive Summary

HT SUMINISTROS 1 - ODF FINANCIACIÓN (the “FT” or the “Fund”), is a Compartment Securitization Fund instrument under a Promissory Note program (hereinafter “Promissory Notes”), constituted under Spanish Law, with separate equity, of an open nature by asset and by the liabilities. The collateral of the Fund is composed of Credit Rights originated from contracts for the supply of electricity, gas, telecommunications, or water of each of the Assignors of the Compartment. As of the date of review, the Fund is composed of Compartment 1 with Credit Rights assigned by ON DEMAND FACILITIES, S.L.U. (hereinafter “ODF”), as well as its subsidiaries, ENERGÍA LIBRE COMERCIALIZADORA, S.L.U. (hereinafter “ENERLI”) and ASAL DE ENERGÍA, S.L. (hereinafter “ASAL”). The Credit Rights are originated and administrated by ODF and Beka Titulización (hereinafter “Beka” or “the Managing Company”) respectively.

The rating of Compartment 1 is derived from the rating of Compañía Española de Seguros de Crédito a la Exportación, S.A. (hereinafter “CESCE”) ratified by EthiFinance Ratings on 29 November 2022 at “A-” with a stable outlook. CESCE in turn is based on the rating of the Kingdom of Spain, which has 50,25% of its share capital. CESCE insures 95% of the nominal amount of the issued invoices which is equal to 100% of the Credit Rights of the Compartment, without having a Limit of Indemnity (LOI).

Class	Maximum Issuance Amount	Promissory Notes		Coupon ⁽¹⁾	Final Maturity Date
		Outstanding Balance (30/01/2023)	Rating		
HT SUMINISTROS 1 – ODF FINANCIACION	Up to 30 million euros	13.600.000 €	A-(sf)	Fixed (implicit)	24/06/2030

(1) The promissory notes are issued at discount

Rating Fundamentals

- **The Credit Rights assigned to the Fund are insured by an Investment Grade Insurance Company.** The credit insurance policy, which has no Limit of Indemnity, covers 95% of the nominal of Credit Rights, however, only the insured amount of the Credit Rights is assigned to the Fund. As a consequence, 100% of the nominal amount assigned to the Fund is insured. Furthermore, EthiFinance Rating has ratified, on November 2022, the A-rating of CESCE, providing strength to the structure.
- **The Credit Rights in the portfolio have shown adequate performance.** The Credit Rights (from “Real Invoices”) with more than 60 days in arrears, for the past 11 months, have been 0,0% of the outstanding balance. Furthermore, the Credit Rights with arrears of less than 30 days, and those with arrears from 30 to 60 days, have also shown an adequate performance, with a maximum weight over the outstanding nominal balance, during 2022, being 2,3% and 1,5%, respectively.
- **In the month of July 2022, the Fund’s Liquidity Line agreement with Bankinter expired.** The decision was not to renew this contract as the Fund’s performance and Reserve Fund have shown adequate effectiveness.
- **The Fund has an adequate reserve structure to mitigate the risk of possible cash shortfalls.** The Fund’s three reserve funds are the Liquidity Reserve, the Interest Reserve, and the Operating Expenses and Liquidation

Reserve. These reserves have been designed to absorb possible shortfalls that render the Fund unable to pay its financial responsibilities with the cash generated from the Credit Rights.

- **Throughout 2022, the minimum spread between the interest rates of Promissory Notes issued during a month and the Credit Rights assigned during that same month has been 1,33%.** This shows an acceptable interest rate spread between the Fund's assets and liabilities.
- **Low risk of commingling.** The risk of commingling is reduced by the existence of the pledge of the Assignor's account to the Fund through a pledge contract.

Sensitivity analysis

Factors that could (individually or collectively) impact the rating

- **Positive factors (↑).**

The rating of Compartment 1 could be positively affected by an increase in the rating of the Kingdom of Spain as this could have an impact on the rating of CESCE.

- **Negative factors (↓).**

The downgrade of the rating of the Kingdom of Spain could impact the Insurer's rating, and therefore, the Compartment. Furthermore, a cancellation or modification of the insurance policy could also harm the Compartment's rating, for example, if the modified insurance contract sets a lower LOI.

Description of the Transaction

The Fund, which has the possibility of being divided into several compartments, currently only has one, called "Compartment 1 (ODF)", whose assets and liabilities will correspond exclusively to it. Both, the current and future compartments have a revolving structure: open on both the assets and liabilities sides. The Credit Rights assigned to Compartment 1 (ODF) by ODF, ELC, and ADE are 100% insured by CESCE.

On January 16, 2023, the Compartment has 38.390 Credit Rights with a nominal balance of €12.758.129 and the Fund has a total cash balance on its Treasury account and Reserve Funds equal to €944.171. The liabilities of the Fund consist of 128 Promissory Notes, with a total nominal balance of €13.600.000,00.

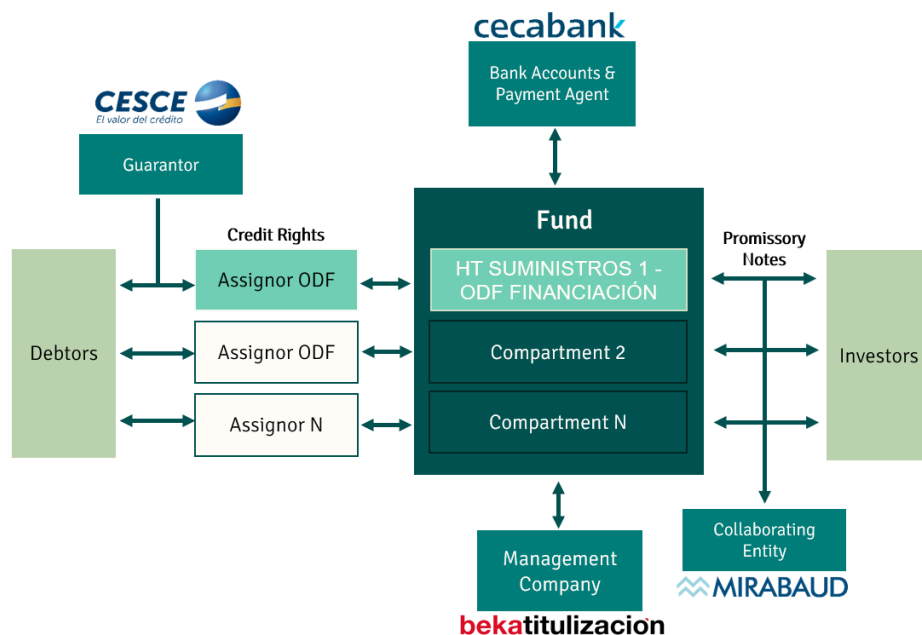
Main figures

Issuer	HT SUMINISTROS 1 - ODF FINANCIACIÓN
Purpose	Financing
Fund Type	Open by the assets and liabilities
Underlying	Credit Rights of services provided and (i) invoiced or (ii) pending-invoice
Maximum Issuance Amount of the Fund	Up to 200 million euros
Maximum Issuance Amount of the Compartment	Up to 30 million euros
Incorporation Date	24/06/2020
Maturity Date	24/06/2030
Legal Maturity Date	24/06/2032
Promissory Notes Outstanding Balance (30/01/2023)	€13.600.000
Credit Rights Outstanding Balance (30/01/2023)	€12.365.218
Amortization Method	At Maturity Date
Interest Payment Schedule	At Maturity Date
Market Listing	Mercado Alternativo de Renta Fija (MARF)

Participants

Participants	
Credit Rights Originators and Administrator	On Demand Facilities S.L.U. and subsidiaries: Energía Libre Comercializadora and ASAL de Energía. S.L.
Guarantor	Compañía Española de Seguros de Crédito a la Exportación
Main Collaborating Entity	Mirabaud Securities Limited
Servicer	Beka Titulización, SGFT, S.A.
Payment Agent	CECABANK, S.A
Bank Accounts	CECABANK, S.A
Lawyers	J & A Garrigues, S.L.P.

Operation Diagram



* Source: Beka Tlización and EthiFinance Rating.

Description of the Assignor

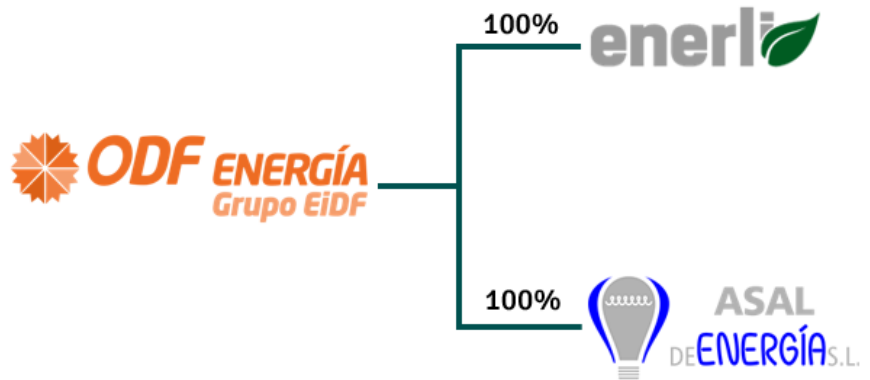
ON DEMAND FACILITIES, S.L.U. (ODF) was established at the end of 2004, initially focused on the design and installation of telecommunication systems and infrastructures for energy saving and efficiency, as well as the provision of value-added services in global energy management, mainly focused on the corporate sector. In 2010 it obtained the license of the market operator and market entity of electric energy and later of natural gas.

At the end of 2016, ENERGÍA LIBRE COMERCIALIZADORA, S.L. (ENERLI) was created to focus on the residential and SME sector. In 2017, ASAL DE ENERGÍA, S.L. (ASAL), a small reading company located in Extremadura, Spain, was acquired. The two subsidiaries receive financial and operational support from ODF.

The objective of ODF is to obtain resources to finance its current assets to be able to buy in the wholesale market and to generate a larger amount of electricity to supply customers with higher energy demand.

On January 2022, EiDF acquired Grupo ODF as its new commercialization branch. The acquisition was made by EiDF with the strategic objective of becoming an integrated service provider, by offering both generation and commercialization services. EiDF is the leader in industrial self-consumption with a market share of 65%, which will facilitate ODF's access to this segment.

The current structure of Grupo ODF is as follows:



* Source: ODF and Ethifinance Rating.

Description of the Underlying

The underlying is composed of invoices for suppliers assigned to the Fund by ODF, ENERLI, and ASAL. The Credit Rights originate from the energy, gas, and telecommunications services provided by the Assignors. The Credit Rights can come from (i) a service provided and invoiced or (ii) a service provided with a pending invoice (proforma).

Description of the Guarantor

Compañía Española de Seguros de Crédito a la Exportación, S.A. (CESCE) is a mixed-capital company present in the integral commercial risk management, information, and technology businesses with a significant weight in Spain.

Our credit rating is based on outstanding profitability and efficiency that is above its main peers, as well as a capitalization that exceeds requirements and zero financial leverage. We also highlight the complementary nature of the insurance and information businesses and the balanced distribution of profits between the two lines. In addition, the group shows a conservative profile in its investment portfolio, prioritizing assets with low credit risk.

On the other hand, our rating is limited by the lower geographic diversification compared to its peers and the current uncertain economic context, which could have an impact on the Insurer's financial profile.

Due to the majority shareholding of the Spanish state in the company and the high rate of business in the domestic market, the rating is limited to the country ceiling of the Kingdom of Spain where we do not expect the rating to increase.

On 29 November 2022, EthiFinance Ratings ratified the rating of A- with a stable outlook to CESCE.

Description of the Insurance Policy

The credit insurance policy signed between ODF and CESCE, states the commitment of CESCE to compensate, up to the limit established in said policy, the financial losses derived from the default of the Debtors and, when appropriate, of their guarantors. The effectiveness of the contract is subject to the prior payment of the insurance premium by ODF.

The credit insurance policy has a duration of one year. However, the parties agree that the insurance contract shall be tacitly extended for successive annual periods under the same terms and conditions.

ODF will periodically request coverage from CESCE for those customers to whom ODF supplies or will supply energy, gas, and telecommunication services. CESCE will periodically notify CESCE of all sales made, as well as the collection received from Debtors.

ODF is responsible for notifying CESCE of the non-payment of the issued invoices within a maximum delay of 60 days from their supposed maturity date and immediately if ODF becomes aware of the dismissal of a Debtor. ODF is obligated to attach the extract of all the Debtor's movements to justify the right of compensation and the existence of the unpaid invoice. CESCE will have a maximum of 60 days to determine the compensation amount. Subsequently, CESCE will make the corresponding payment of the compensation to the compensation account in no more than 30 days.

It's worth noting that, under the insurance policy, CESCE has to have a "Título de Liquidez" limited to €1.000.000. This means that in case the CESCE, for whatever reason, is not able to meet the insurance claims made ODF, ODF can then claim this "Título de Liquidez" to cover its losses, up to the limit amount.

1. Collateral Characteristics and Eligibility Criteria

1.1 Collateral Description

Regulatory information

Sources of information

The credit rating assigned in this report has been made solicited by the originator of the assets, taking part in the process. The credit rating is based in:

- Public information from public access sources.
- Information provided by the originator of assets assigned or that shall be assigned to the securitization fund.

From the time of the assignment of the credit rating, all information provided by the originator of the assets, by the servicer of the assets (other than the originator) or by a third participant in the transaction, shall be reviewed and analyzed with the aim to assess the following issues:

- The performance of the credit quality of the assets comprising the collateral of the Fund.
- The level of credit enhancement.
- The evolution of the quantitative triggers of the Fund.
- The evolution of the qualitative triggers (counterparty risks).

The information has been thoroughly reviewed to ensure that it is valid, coherent and consistent and it is considered as satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information provided and the conclusions drawn from it.

Additional information

- The rating was carried out in accordance with Regulation (EC) N° 1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies, and in accordance with the Structured Finance Rating Methodology that can be consulted on <https://www.ethifinance.com/en/ratings/methodologies> and according to the Structured Finance Rating scale available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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