

## AnaCap Financial Europe Announces Financial Results for Six Months Ended 30 June 2017

**12 September 2017**

AnaCap Financial Europe S.A. SICAV-RAIF ("AFE" or the "Company") has today announced the financial results of the Portfolio Business for the six months ended 30 June 2017.

### **Incorporation of AFE and Acquisition of the Portfolio Business**

AFE was incorporated on 28 June 2017 to acquire from the AnaCap Funds or their directly controlled subsidiaries (together with their affiliates, the "Funds Group") several direct and indirect subsidiaries and the majority of their assets (the "Acquisition"), including their interests in several loan portfolios (together, the "Portfolio Business").

On 21 July 2017, AFE completed the Acquisition and issued Senior Secured Floating Rate Notes for a value of €325.0m (the "Notes"). AFE also entered into a Super Senior Revolving Credit Facility Agreement (the "Facility") on 7 July 2017 which provides a facility of €45.0m, which can be increased up to an amount equal to 17.5% of Estimated Remaining Collections ("ERC"). As of today, the Facility remains undrawn. The proceeds of the Notes were used, together with cash on balance sheet, to:

- (i) pay the consideration for the Portfolio Business;
- (ii) pay the estimated total attributable collections for the three months ended 30 June 2017 (net of costs) to the Funds Group;
- (iii) fund cash on AFE's balance sheet for general corporate purposes; and
- (iv) pay certain fees and expenses in relation to the transaction, including the offering of the Notes.

On 21 July 2017, initial consideration was paid to the Funds Group in the amount of €297.2m upon the issuance of the Notes, being the estimated fair value for the Acquisition of the Portfolio Business as at 30 June 2017. A further distribution was paid to the Funds Group on 14 August 2017, representing collections attributable to the Funds Group for the three months ended 30 June 2017 and a 'true-up' of the initial consideration, which ensured that AFE acquired the Portfolio Business at fair value as at 30 June 2017. This distribution was made for an amount of €19.6m.

As at 30 June 2017, the Portfolio Business had Purchased Loan Portfolios and Purchased Loan Notes with an aggregate face value of €8.9bn and ERC over 84 months of €488.0m, with 71% of ERC in Italy, 15% in Portugal and the remaining ERC derived from investments in Spain, Romania and the UK.

### **Financial highlights for the Portfolio Business**

- 31.3% year-on-year growth in revenue (excluding profit from portfolio sales) from €31.2m to €40.9m
- 35.4% year-on-year growth in Core Collections from €37.1m to €50.2m
- 73.7% year-on-year growth in Normalised Adjusted EBITDA from €20.8m to €36.2m
- Normalised Adjusted EBITDA margin increased to 72.2% (H1 2016: 56.2%)
- €40.0m capital deployed in March 2017 in an attractive Italian portfolio (mixed PL & NPL)

The Financial Statements of the Portfolio Business have been specially prepared on a 'carve-out' basis, consistent with the Financial Statements included in the Offer Memorandum in connection with the issue of the Notes, and incorporate the assets, liabilities, revenue and expenses of the Portfolio Business. As such, the Portfolio Business has not existed, and will not exist, as a separate legal entity or combined group of entities. Following the completion of the acquisition of the Portfolio Business by AFE on 21 July 2017, the first set of interim accounts for AFE will be for the period from incorporation to 30 September 2017.

### **Business strategy and operations**

AFE purchases and invests in a diverse range of primarily non-performing debt across Europe. AFE has the capability to price and purchase a wide range of debt, consisting of unsecured and secured consumer, SME and mortgage debt, including portfolios that are a mix of these assets. The Directors believe that this ability is a key competitive advantage in originating new investment opportunities and further penetrating its current markets, providing it with the opportunity to generate strong returns on an ongoing basis.

AFE has a diverse portfolio which is differentiated among debt purchasers in the level of diversification across borrowers, asset types and geographies. The assets of the Portfolio Business were acquired between 2012 and 2017 and are comprised of debt purchased in Italy, Portugal, Spain, Romania and the UK. There is a particular focus on Italy where the Portfolio Business has a strong presence and a wealth of experience in debt purchasing.

### **Teleconference**

At 14.00 hours (BST) on 12 September 2017, AFE Management will hold an audio conference presentation on the results for the six months to 30 June 2017. For further details, please visit the AFE website at [www.anacapfe.com](http://www.anacapfe.com).

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