AnaCap Financial Europe S.A. SICAV-RAIF

Presentation of the consolidated financial results of AnaCap Financial Europe S.A. SICAV-RAIF for the nine months ended 30 September 2018

27 November 2018

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Today's Presenters

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AnaCap Financial Europe S.A. SICAV-RAIF

Basis of Preparation of the Financial Statements

AnaCap Financial Europe S.A. SICAV-RAIF (“AFE”) was incorporated on 28 June 2017 for the purpose of facilitating the acquisition at fair value of the Portfolio Business from AnaCap Credit Opportunities II Limited and AnaCap Credit Opportunities III Limited, direct subsidiaries of AnaCap Credit Opportunities II, L.P. and AnaCap Credit Opportunities III, L.P. respectively (the “Acquisition”), as detailed in the Offering Memorandum. The Acquisition was financed by the issuance of €325,000,000 Senior Secured Floating Rate Notes due 2024, and the Acquisition completed on 21 July 2017. Upon completion of the Acquisition, the assets and liabilities of the Portfolio Business have been recognised at their fair value in accordance with IFRS 3.

The Financial Statements of AFE cover the period from 1 January 2018 to 30 September 2018. As the Acquisition of the Portfolio Business was completed on 21 July 2017 there are comparatives included in the Financial Statements however the comparatives in the Financial Statements published today only reflect the financial results of the Portfolio Business for the period 21 July 2017 to 30 September 2017.

In order to provide the bond holders with comparative performance data for the nine month period to 30 September 2018, this presentation includes results for the 9 month period to 30 September 2017 for the Portfolio Business. The appendices to this presentation contain a reconciliation of the results within the Financial Statements to the results of the Portfolio Business.

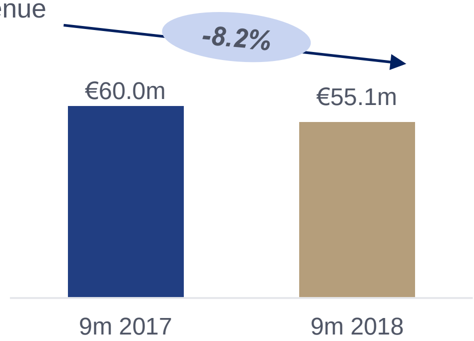
Q3 2018 Key Highlights

1. €22.3m of new portfolio purchases completed in Q3 resulting in deployment for the 9 months to 30 September 2018 totalling €131.5m compared €39.7m as of 30 September 2017
2. Selective deployment in predominantly secured debt, with further diversification of ERC across key geographies; 45.8% of total ERC attributable to Italy at 30 September 2018 compared to 71.7% as of 30 September 2017
3. LTM Adjusted EBITDA of €90.0m, up 15.5% compared to LTM Adjusted EBITDA of €77.9m as of 30 September 2017
4. Leverage metrics in line with market guidance of Net Debt to LTM Adjusted EBITDA at 4.0x (September 2017: 3.6x) and LTV ratio of 62.8% (September 2017: 61.0%)
5. Gross Collections of €77.7m for the 9 months ended 30 September 2018 in line with forecast and 3% greater than collections for the 9 months ended 30 September 2017
6. Market leading cost structure with total operating costs (including overheads) of 28.1% of Gross Collections for the 9 months ended 30 September 2018, supported by ongoing development in digitally enabled operating platform

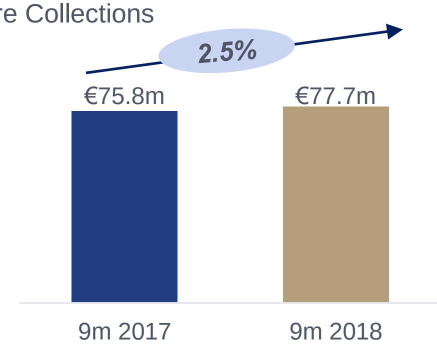
AnaCap Financial Partners

Financial Highlights for the Nine Months Ended 30 September 2018: Growth in Key Financial Metrics

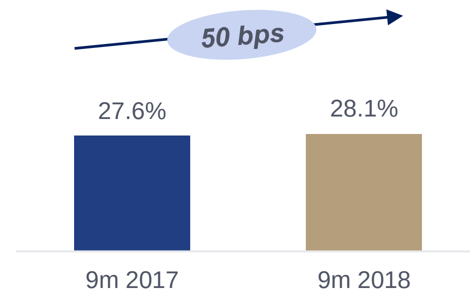
Revenue



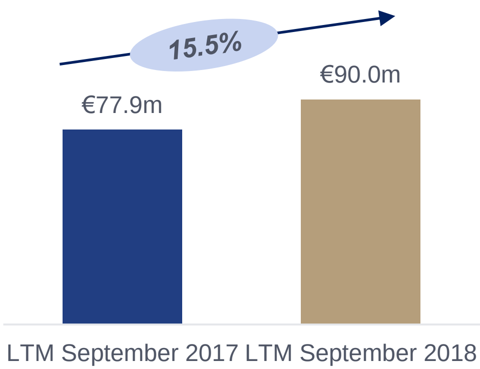
Core Collections

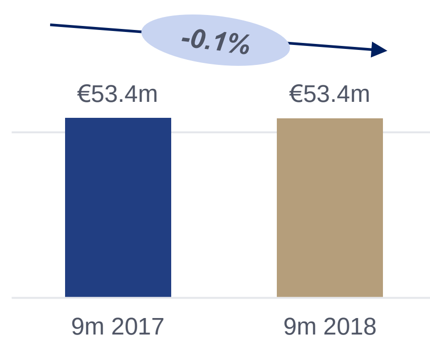


Total Operating Cost Ratio (2)

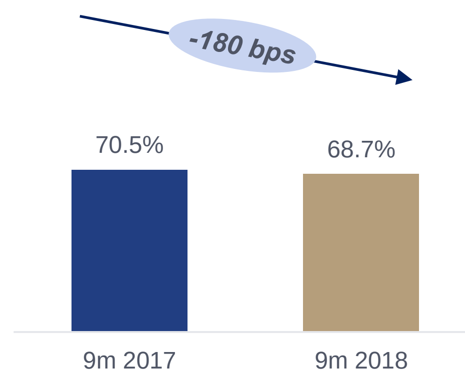


Normalised Adjusted EBITDA – LTM & 9m for 2017 & 2018





Normalised Adjusted EBITDA Margin (3)

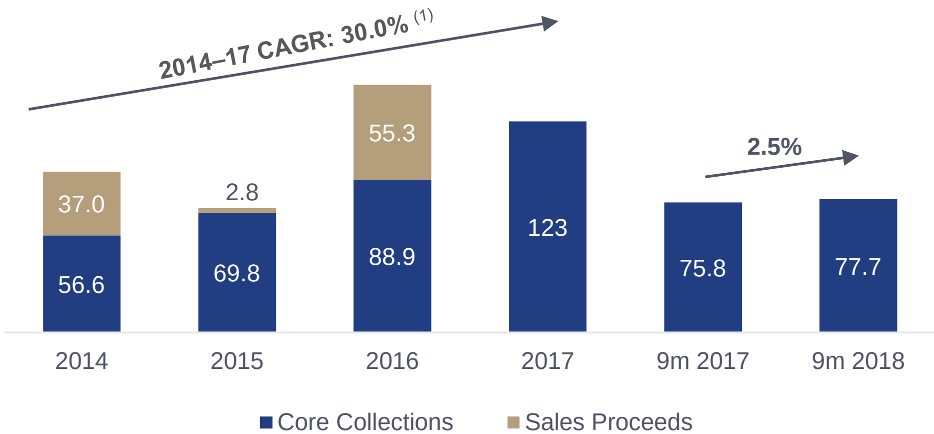


Nine months ended 30 September 2017 (1) Nine months ended 30 September 2018 Growth

1 Results of the Portfolio Business for comparative purposes only
2 Total operating cost ratio, represents the ratio of operating expenses (excluding non-recurring items) to Gross Collections
3 Based on Normalised Adjusted EBITDA as a percentage of Core Collections

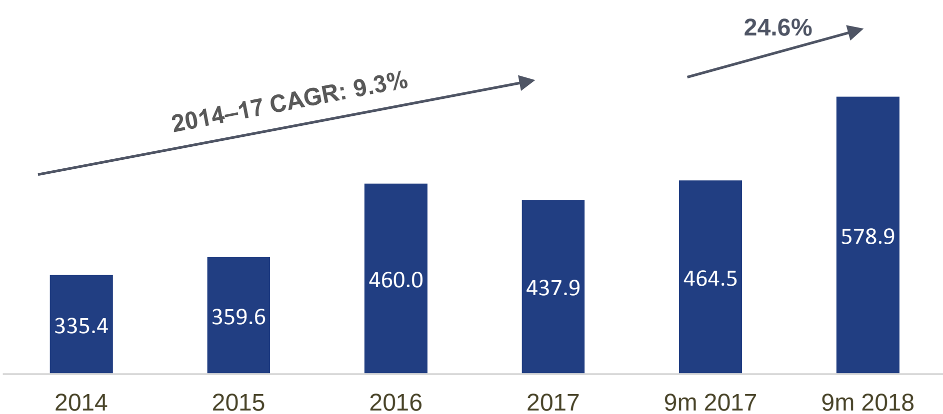
Growth in Collections & ERC

TOTAL GROSS COLLECTIONS (€M)



- **Key Comments**
  - YTD Gross Collections are 2.5% ahead of the prior year period
  - Gross Collections are in line with forecast figures reflecting accuracy in recovery assumptions, despite some volatility during the period driven by timing differences

84-MONTH ERC (€M)

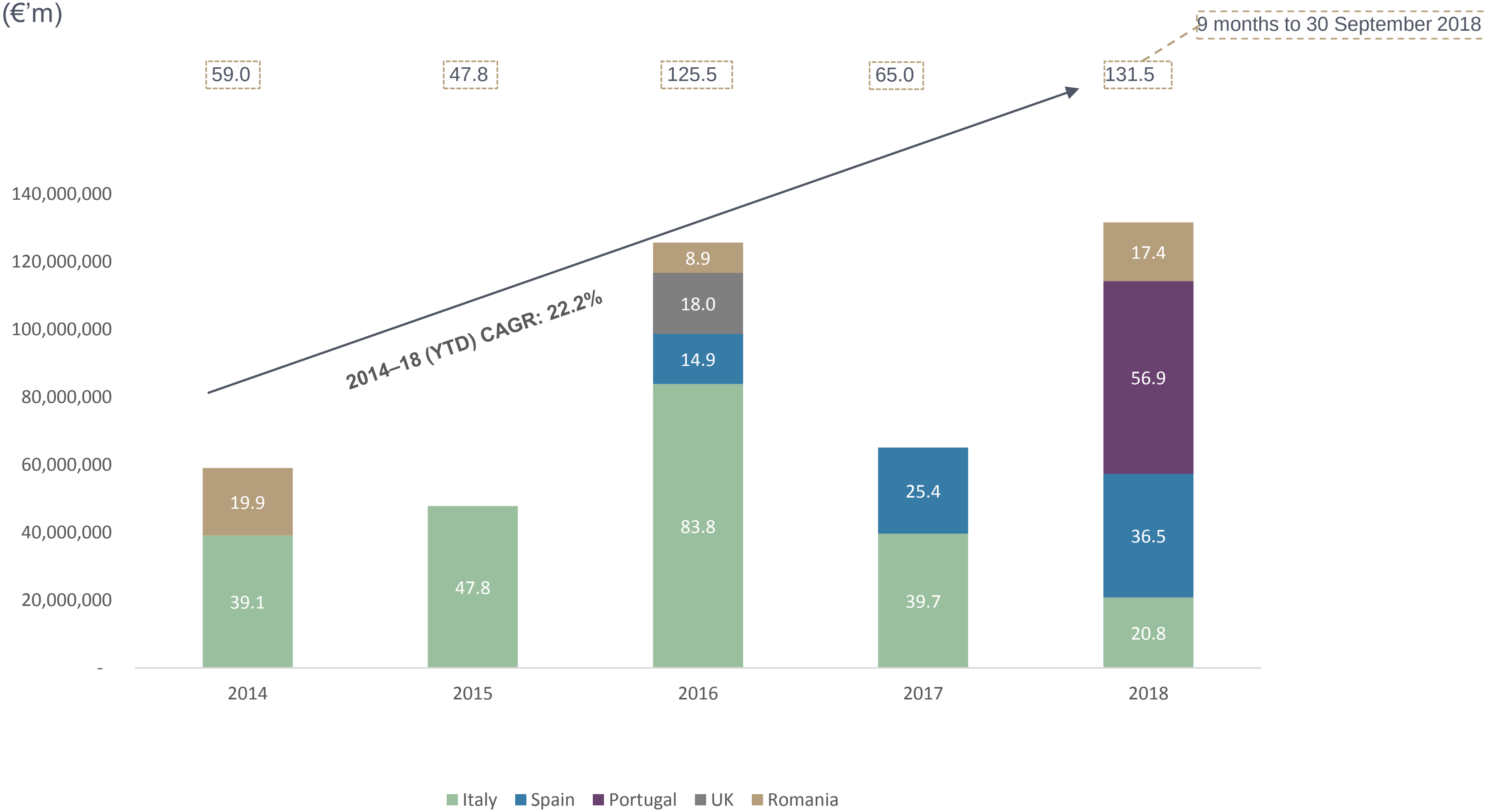


- **Key Comments**
  - ERC has grown by 24.6% y-on-y
  - Increase in ERC driven by selective deployment in chosen geographies and asset types (real estate secured)
  - YTD purchases have added c.€206m of total estimated collections of which c.€6m has been collected in the current year to date.

Sources: Company Information
1. Compound annual growth is based on core collections only.

Deployment by Year by Geography - Increasing Diversity Across Well Known Geographies in 2018 Deployment

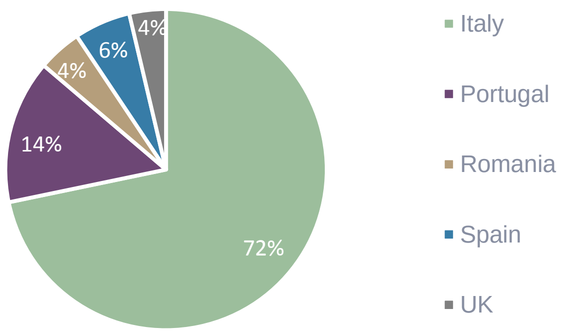
Deployment (€'m)



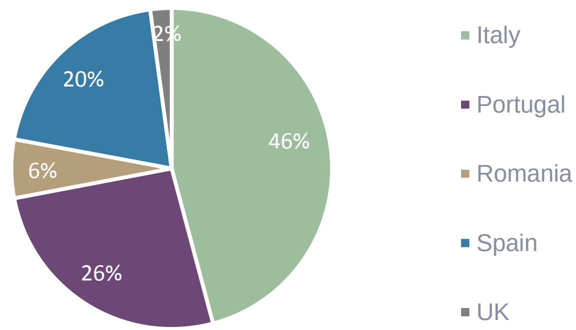
1. Remaining Portuguese assets were all originally purchased pre 2014

Enhanced Diversification Across Geographies and Asset Types Reflective of AnaCap's Longer Term Track Record

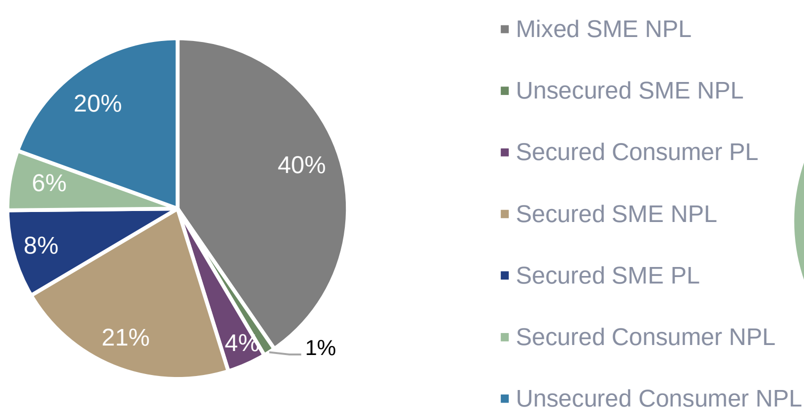
€464.5m 84-Month ERC by Geography – September 2017



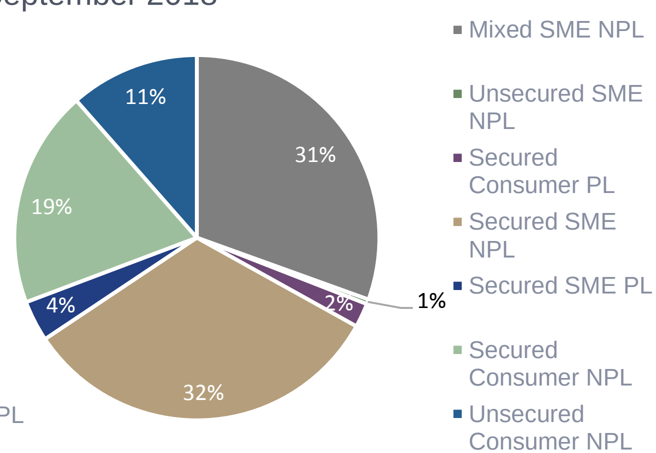
€578.9m 84-Month ERC by Geography – September 2018



€464.5m 84-Month ERC by Asset Type – September 2017



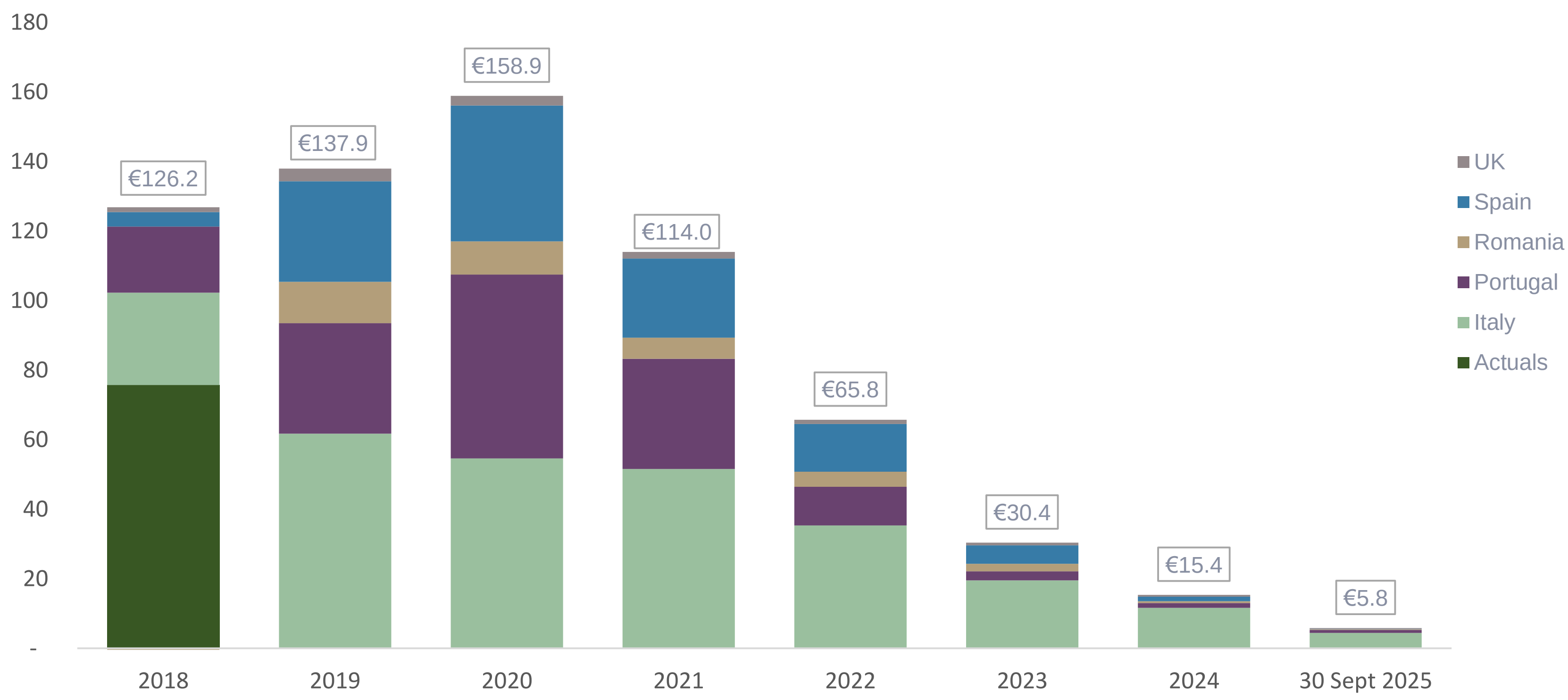
€578.9m 84-Month ERC by Asset Type – September 2018



- Continue to see geographic expansion on the back of successful deployment in 2018 YTD
- ERC attributable to Italy in September 2018 is 46% of total ERC in comparison to 72% in September 2017
- Diverse spread of ERC across all core geographies, with ERC in Spain and Portugal totalling 46% in September 2018 in comparison to 20% in September 2017 reflecting increased expansion in these two countries

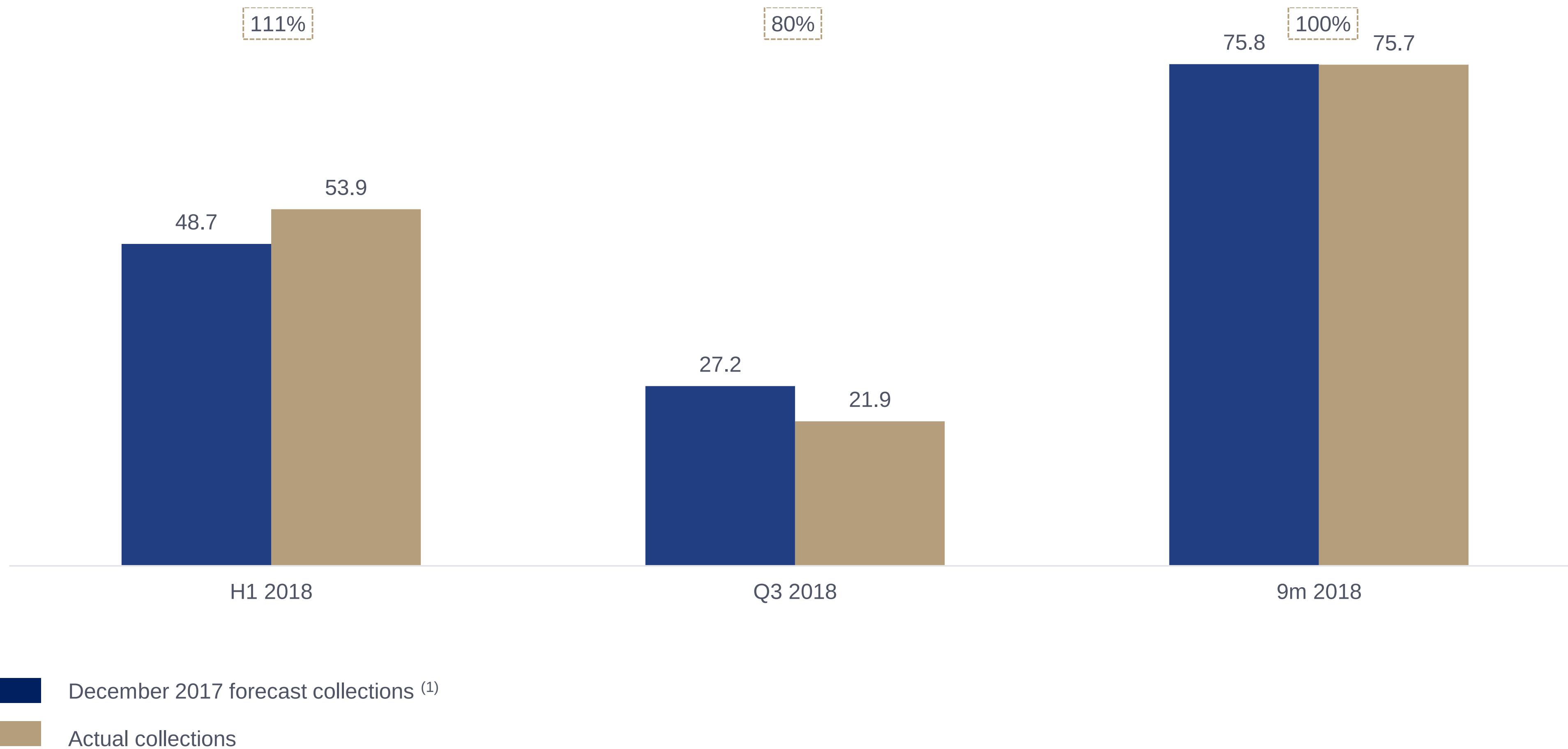
Recent Deployment Embeds Growth in Cash Generation Out to 2020 – A Good Indicator of Adjusted EBITDA Growth

AFE 9 MONTHS TO 30 SEPTEMBER 2018 ERC BY YEAR & GEOGRAPHY (€M)



9 Months to 30 September 2018: Attributable Collections Consistent With Forecast, Year to Date Volatility Driven by Timing Differences

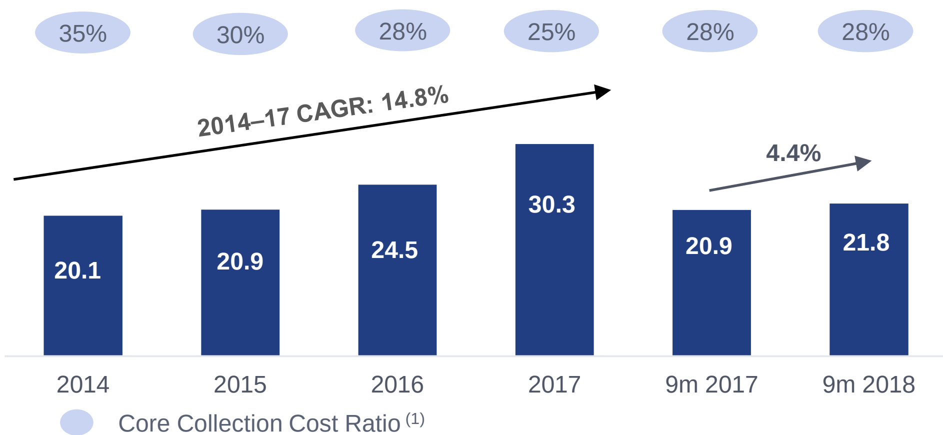
AFE 9 MONTHS TO 30 SEPTEMBER 2018 TOTAL ATTRIBUTABLE GROSS COLLECTIONS PERFORMANCE (€M)



1. December 2017 forecast collections include underwritten collections for portfolio purchases in 2018

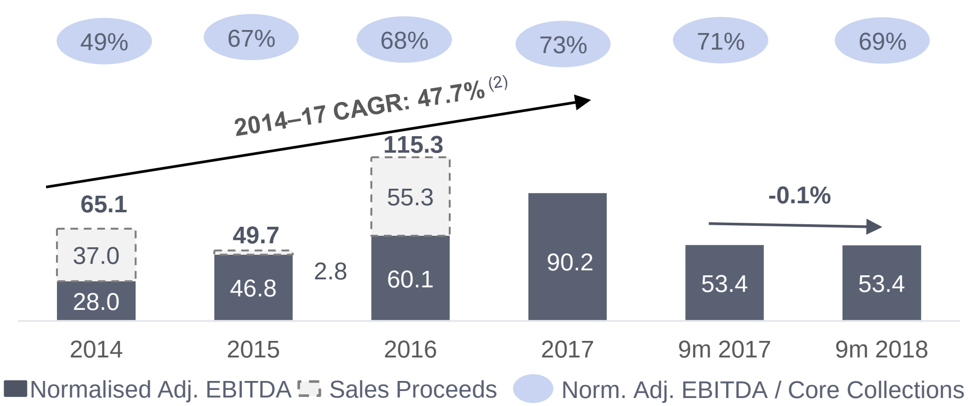
Market Leading Cost Structure and Margins

OPERATING EXPENSES (€M) (1)



- Operating expenses grew by 4.4% compared to collections growth of 2.5%, though direct collections cost has decreased from 19.6% to 19.1% y-on-y
- Overheads increased from 7.9% to 9.1% reflecting increase in asset management and master servicing capability
- Overall cost structure remains market leading at 28.0% including all collection costs and overheads

NORMALISED ADJUSTED EBITDA (€M)



- Normalised Adjusted EBITDA for LTM = €90.0m, up 39.6% on March 2017
- Incremental fall in margin consistent with slight marginal increase in operating expenses' during the period

Sources: Company Information
1. Operating expenses exclude non-recurring items, impairment charges and FX
2. Compound annual growth is based on Normalised Adjusted EBITDA

Summary of Net Debt & Key Metrics

Net debt as of 30 September 2018 (€m)

Bonds issued	325
SSRCF (utilised) (1)	67
Total debt	392
Less:	
Cash at bank	(24)
Cash due from servicers	(6)
Add back:	
Amounts due to co-investors	-
Net debt	**363**

Reconciliation of total debt to the Financial Statements (€m)

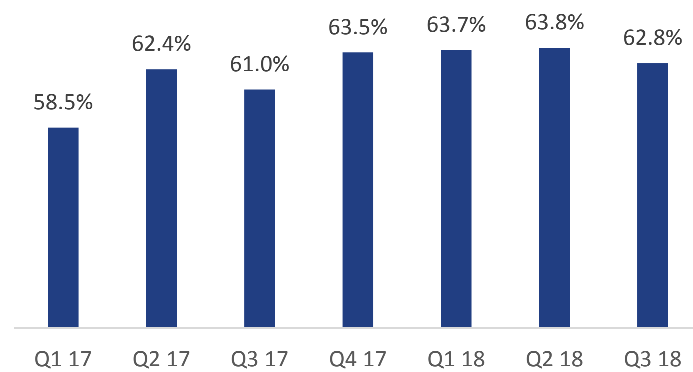
Total debt	325
Unamortised discount on issuance of the Notes	(2)
Unamortised transaction fees	(7)
Borrowings (non-current liability)	316
Accrued interest (current liability)	3
SSRCF (drawn) (1)	64
Borrowings (current liability)	67
Total borrowings per Financial Statements	**382**

Key Indicators

84-Month ERC	€578.9m
LTV Ratio	62.8%
Net Debt / LTM Adj. EBITDA	4.04x
LTM Adj. EBITDA	€90.0m
Net Interest Expense	€21.1m
FCCR	4.27x
Liquidity	€24m cash plus €26.4m undrawn SSRCF (€33.1m undrawn as of 27 November 2018)
Financial Covenant	62.8% LTV (vs 75% threshold)
SSRCF Covenant	6.6% LTV (vs 25% threshold)

LTV Evolution

Loan-to-Value (%)

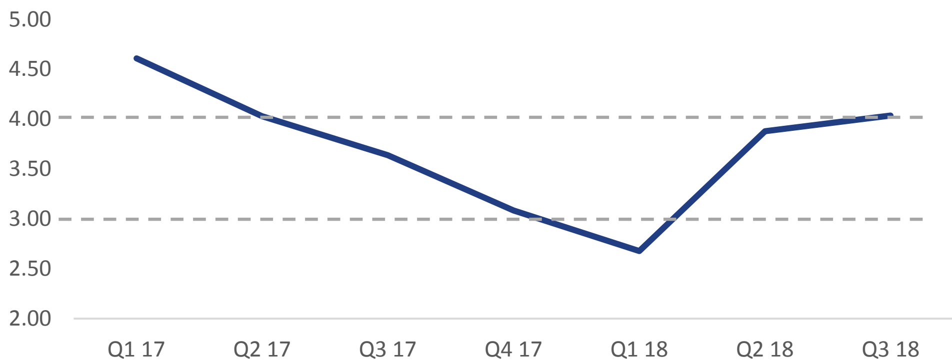


All key terms have been defined in the Glossary at the end of this presentation

1. SSRCF utilised includes €4.102m utilised in the form as a bank guarantee issued (SSRCF drawn excludes this balance). This restricts the Facility available to use, however it is not a drawn amount and so it is not accounted for in the Financial Statements.

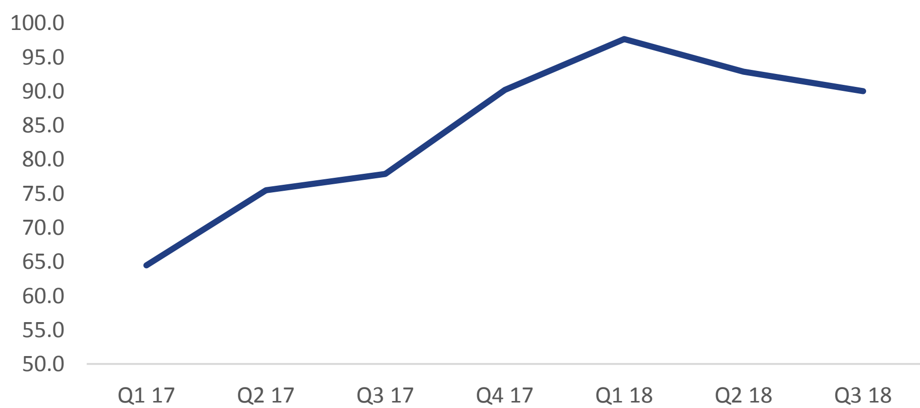
Proven Ability to De-Lever: Leverage Decreased From 4.6x to 2.68x Prior to Recent Deployment

Leverage Evolution



- Between March 2017 and March 2018 group leverage fell from 4.60x to 2.68x
- As anticipated following recent deployment leverage has increase to 4.04x
- Following recent purchases Attributable Collections forecast to increase by 25% in 2020
- Which results in a pro-forma[1] leverage ratio at end of September 2018 of 3.18x

LTM ADJ. EBITDA Evolution

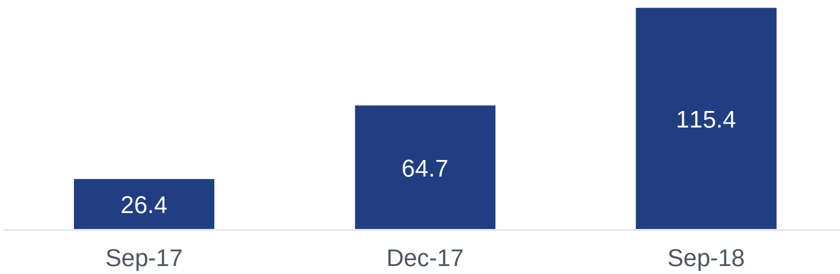


- Between March 2017 and March 2018 Adjusted LTM EBITDA grew by 51% reflecting strong deployment in 2016
- LTM Adjusted EBITDA dropped modestly in the 12 months to September 2018 and reflects the fact that given the nature of collections from secured cashflow there is a lag between purchase and more significant collections
- ERC by year and geography (slide 9) demonstrates the embedded growth (25% from 2018-2020) in cashflow from the existing book prior to any further acquisitions

1. Pro- forma leverage is calculated by applying current operating cost margin to 2020 Gross Collections to estimate Pro-forma Adjusted EBITDA and then dividing the Net debt as of 30 September 2018 by pro-forma EBITDA

Platform Development in Spain & Portugal Matching Increased Scale

SPAIN: 84M ERC EXPANSION SEP-17 TO SEP-18



KEY OPERATIONAL DEVELOPMENTS

- ✓ Acquisition of 100% of share capital in Galata Asset Management S.L. in April 2018 to provide local asset management & special servicing
- ✓ Expansion of Servicing Panel from 1 to 2 partners
- ✓ Extended digital integration with key servicing partner via Minerva platform, driving real time optimisation of operational strategies and drill down to individual borrower level
- ▪ Outlook: further panel optimisation, capitalising on extended data capture and improved local intelligence through Galata platform

PORTUGAL: 84M ERC EXPANSION SEP-17 TO SEP-18

KEY OPERATIONAL DEVELOPMENTS

- ✓ Expansion of Panel from 1 to 3 partners
  - Addition of new “challenger” servicer to existing “champion”
  - Addition of specialist Real Estate servicing partner
- ✓ Extended digital integration with all servicing partners via Minerva platform enabling granular comparison of KPIs/relative performance
- ▪ Outlook: launch of Portugal platform to provide local asset management services

Continual Innovation via Minerva Digital Platform

MASTER SERVICING PLATFORM: EXAMPLE INNOVATION INITIATIVES DURING Q3

	Initiative	Next Step	Headline Performance[1]
Italy Unsecured Portfolios	▪ Legal specialist "challenger" introduced to panel on non-paying accounts ▪ Panel benchmarking via Minerva platform ▪ Challenger Servicer performing 2.5x segment forecasts	▪ Increased allocation of non-paying accounts to challenger servicer ▪ Extended digital data integration ▪ Optimisation of litigation strategies	+3.7% outperformance in quarter
Portugal Unsecured Portfolios	▪ Deployment of series of skip-tracing and litigation campaigns via Minerva ▪ Forensic tracking of campaign performance ▪ Campaigns tracking 56% ahead of expectations	▪ Further campaign roll-out across other non-paying segments ▪ Extended data integration to enhance intelligence on campaign performance	+1.8% outperformance in quarter

Continued innovation and optimisation of Minerva platform master servicing capabilities

1. Represents Total Attributable Gross Collections vs. Target for Q3 2018

Conclusion

- Completed €131.5m of deployment in the 9 months to 30 September 2018 leading to greater ERC diversification across core geographies and embedding future growth in annual gross collections out to 2020
- Primary focus on secured consumer and SME debt, asset types underpinned by significant collateralization and where AnaCap has extensive local experience
- Strong financial performance, with Core Collections continuing to grow from seasoned back book even as new capital deployment remains highly selective
  - ERC of €578.9m as of 30 September 2018 compared to €464.5m as of 30 September 2017, a 24.6% increase
  - 9 months to 30 September 2018, €77.7m core collections versus €75.8m in the comparative 2017 period
  - Leverage at 4.04x LTM Adjusted EBITDA (Pro-Forma[1] 3.18x)
- Large and diverse pipeline across each of our core and targeted new geographies, particularly in secured debt, but we will continue to remain highly selective
- This includes further progress in Poland where we are in exclusivity on what would be AFE's inaugural portfolio transaction, leveraging AnaCap's wider local investment track record
- Continued development of the AFE operating platform, including key hires within Galata AM in Spain and Portugal as well as further investment in our digitally enabled asset management platform

1. Pro- forma leverage is calculated by applying current operating cost margin to 2020 Gross Collections to estimate Pro-forma Adjusted EBITDA and then dividing the Net debt as of 30 September 2018 by pro-forma EBITDA

Q&A

Any Questions?

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Appendix

- Normalised and Adjusted EBITDA reconciliations
- Glossary

Appendix

The appendix contains reconciliations between the figures per the Financial Statements and the figures used for the purposes of this presentation:
Consolidated Statement of Comprehensive Income for the 9-month period to 30 September 2017:

	3 months to 30 Sept 17 as per Financial Statements (€'m)	Add impact of 20 days (€'m)	Full 3 months to 30 September 17 (€'m)	6 months to 30 June 17 (€'m)	9 months to 30 September 2017 (€'m)
Total Gross Collections	20.5	5.1	25.6	50.2	75.8
Revenue	14.4	4.8	19.1	40.9	60.0
Collection activity costs	(3.8)	(1.0)	(4.8)	(10.1)	(14.9)
Impairment	-	-	-	(6.0)	(6.0)
Operating costs – recurring	(2.5)	(0.4)	(2.9)	(3.1)	(6.0)
Operating costs – non-recurring[1]	(2.4)	-	(2.4)	-	(2.4)
Finance costs/income	(4.0)	(0.3)	(4.3)	(8.2) [2]	(12.5)
Profit before tax	1.7	3.0	4.7	13.5	18.4

1. Non-recurring items include costs associated with completion of the acquisition of the Portfolio Business. In total this amounted to €13.9m, of which €2.4m has been expensed directly to the Consolidated Statement of Comprehensive Income.
2. Pro forma interest expense i.e. as if the bonds had been issued on 1 January 2017

Normalised & Adjusted EBITDA

The appendix contains reconciliations between the figures per the Financial Statements and the figures used for the purposes of this presentation:

Reconciliation of profit before tax to Normalised and Adjusted EBITDA

	9 months to 30 September 2018 (€'m)	9 months to 30 September 2017 (€'m)	September 2018 LTM Normalised Adjusted EBITDA (€'m)	September 2017 LTM Normalised Adjusted EBITDA (€'m)
Profit before tax	15.8	18.4	12.5	20.5
Finance costs/income	15.6	12.5	21.2	20.6
Share of profit in associate	(0.6)	-	(0.9)	(0.3)
FX	0.1	0.1	0.2	0.9
Impairment	2.4	6.0	9.8	6.8
Gross Collections	77.7	75.8	124.9	106.5
Revenue	(55.1)	(60.0)	(74.0)	(78.0)
Repayment of secured loan notes	(2.5)	(1.5)	(4.0)	(1.5)
Non-recurring items	0.3	2.4	0.3	2.4
Normalised and Adjusted EBITDA	**53.4**	**53.4**	**90.0**	**77.9**

Glossary

- **“84-month ERC (“ERC")”** means AFE’s estimated remaining collections on purchased loan portfolios and purchased loan notes over an 84-month period, assuming no additional purchases are made and on an undiscounted basis. ERC excludes any proportionate share of remaining cash collections that may be payable to a co-investor holding secured loan notes. ERC includes estimated collections on sold portfolios where part of the sale proceeds are based on future collections from that underlying portfolio.
- **“Adjusted EBITDA”** represents (loss)/profit before tax adjusted to exclude the effects of finance costs and finance income, share of profit/(loss) in associates, net foreign currency losses/(gains), impairment of purchased loan portfolios and loan notes, disposals and repayments of secured loan notes, and non-recurring items. Revenue on purchased loan portfolios and loan notes and costs on secured loan notes calculated using the effective interest rate method are replaced with total gross collections in the period.
- **“Cash due from servicers”** relates to cash collected by servicers on the portfolios which were not received until after the period.
- **“Core collections”** represents total gross collections, less disposals of purchased loan portfolios and loan notes.
- **“Gross MM”** represents total attributable collections received on a portfolio to the date the multiple is measured, plus ERC for that portfolio at the same date, divided by the total amount paid for the portfolio at the date of purchase.
- **“Liquidity”** - €26.4m undrawn on the Facility plus cash available of €24m as at 30 September 2018.
- **“LTM Adjusted EBITDA”** means Adjusted EBITDA for the 12 month period to 30 September 2018.
- **“LTV ratio”** means the aggregate secured indebtedness of the Group less cash and cash equivalents (including cash and cash equivalents in servicers' accounts or otherwise that are due from servicers but not yet paid by servicers to the Group, less cash collections due to be paid to co-investors under secured loan notes) divided by ERC.
- **“Normalised Adjusted EBITDA”** represents Adjusted EBITDA excluding disposals of purchased loan portfolios and loan notes.
- **“Net interest expense”** means interest expense incurred for a period of 12 months.
- **“Fixed Cover Charge Ratio (“FCCR”)”** is calculated as LTM Adjusted EBITDA divided by net interest expense.
- **“SSRCF”** (Super Senior Revolving Credit Facility) – In February 2018 AFE increased the Facility available to use by an additional €45.0m, bringing the total Facility available to use to €90.0m.
- **“Total attributable collections”** represents total gross collections, excluding any share of cash collections that relate to the interests of co-investors holding secured loan notes.
- **“Total gross collections”** represents cash collected from debtors in connection with purchased loan portfolios and net cash collections (after servicing costs) for purchased loan notes as well as disposals of purchased loan portfolios and loan notes. Total gross collections include any proportionate share of cash collections that relate to the interests of co-investors holdings of secured loan notes.