

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

25 February 2020

Trading Update

AnaCap Financial Europe S.A. SICAV-RAIF (the "Company") hereby provides an update to bondholders following a review of its preliminary financial information for Q4 2019.

Summary full year financial performance based on preliminary financial information for the fourth quarter is as follows:

	12 months ended 31 December 2019¹	12 Months ended 31 December 2018
Gross Attributable Collections	€125m	€130m
Adjusted EBITDA	€90m	€97m
Portfolio purchases	€36m	€162m
84-Month ERC	€524m	€585m

These numbers are preliminary. Further information will be provided as part of Q4 and full year 2019 results, scheduled to be published on 10 March 2020.

As part of the Company's biannual detailed review of all investments, and taking into account recent and expected future performance, the Company expects a reassessment of the timings for estimated remaining collections ("ERC"). As a consequence, the Company will report a non-cash impairment of €36m in Q4 2019, resulting in a write down of the book value of its investment in portfolios to €347m, or a 9% reduction.

Adjusted EBITDA for 2019 is unaffected by the impairment and expected to be €90m, based on preliminary and unaudited numbers, compared to €97m in 2018, despite total capital deployment of only €36m during the year (compared to €162m in 2018). The Company will record a non-cash loss for the full year 2019 as a result of the write down of the portfolio.

During 2019, the Company remained highly disciplined in deployment while it continued to enhance its Asset Management and Analytics capabilities in order to continually assess and optimise performance across its portfolio. This includes significant recent hires in the UK, Spain and Portugal, with additional hires expected soon in Italy, as the Company looks to further capitalise on its long track record in each of these local markets.

¹ Preliminary and unaudited numbers

The reassessment of ERC includes a timing shortfall of collections of €10m in Q4 2019 or 7.6% below full year collections target of €135m as well as a more conservative view of expected timings of collections going forward across a range of portfolios and geographies.

The level of impairment is primarily driven by the impact of discounting expected cash flow over the life of the portfolio (using the Effective Interest Rate to calculate the book value) as well as a modest decrease of ERC of €5m, or 1%, to €524m. While the proportion of ERC now forecast to be delivered in 2020 will be reduced to €127m or 23% below previous forecast of €164m (presented during Q3 results), we expect total collections from assets owned at 30 September 2019 to be €450m from 2020 to 2023 or 97% of the previous estimate. ERC secured by underlying real estate collateral and cash in court remains stable over the period at around 75%.

As at 31 December 2019, the Company's Leverage Ratio was 3.85x, with available liquidity at 31 January 2020 of €67m to pursue new opportunities.

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NOTES TO EDITORS

AnaCap Financial Europe (www.anacapfe.com)

AnaCap Financial Europe S.A. SICAV-RAIF (AFE) is a debt purchaser which invests in a diverse range of primarily non-performing debt across Europe. AFE has broad based expertise spanning unsecured and secured, consumer, SME and corporate debt. AFE was established on 28 June 2017 and acquired a portfolio of assets from existing AnaCap Credit Funds on 21 July 2017.

AFE benefits from the wide network and extensive track record in origination, underwriting and servicing that AnaCap has developed since 2005 across the European financial services sector.

AnaCap Financial Partners (www.anacapfp.com)

AnaCap Financial Partners is a leading European dedicated financial services specialist investor, investing across the sector through highly complementary Private Equity and Credit strategies. Since 2005, AnaCap has raised €5.1bn in funds and employs a team of investment professionals, with backgrounds as owners, operators and experts in capital markets, corporate, structured finance, credit and asset management. The team has grown to 77 professionals across 6 offices, including London, Luxembourg, Guernsey, Spain, Portugal and New Delhi (India). Through its Private Equity and Credit strategies, AnaCap offers a complete suite of solutions to sellers and management teams, supported by an extensive track record of investing in financial services, with 83 primary investments completed across 15 countries.

The name AnaCap, an abbreviation of '*Analytics before Capital*', forms the bedrock upon which the organisation operates. The AnaCap investment approach is underpinned by the firm's proprietary digital intelligence platform, [Minerva](#), which enables AnaCap to harness granular data and intelligence to rapidly turn it into actionable information, enabling an actively engaged approach to asset management.

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