

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.

17 April 2020

Trading and Operational Update in Response to COVID-19

AnaCap Financial Europe S.A. SICAV-RAIF (the "Company" or "AFE") hereby provides an update to bondholders against the background of the spread of COVID-19.

Business Operations

AnaCap Financial Europe is present in six European Markets with 88% of Estimated Remaining Collections ("ERC") as of 31 December 2019 in Southern Europe. The effects of COVID-19 vary from market to market, with Spain and Italy among the hardest hit initially by the ongoing pandemic.

100% of AnaCap staff are operational, with full remote access to all IT Infrastructure and support services. All of the Company's servicing partners have implemented business continuity plans successfully and have mobilized remote working models in a timely fashion. However, the key services that enable and support the collections process, including court proceedings, authorization of signatures (notaries) and real estate activities (property auctions, site visits) are largely suspended or closed, and will take time to return to normal levels. The Company continues to work with its servicing partners, agents and advisors to help safeguard the health and wellbeing of all staff and customers.

Q1 Collections Performance

Attributable gross collections for the first quarter ended 31 March 2020 were 18% ahead of forecast at c.€20.4m (2019: €31.1m), with strong out performance in each month of the quarter as Italy, Spain and Portugal all exceeded targets.

Liquidity Position

AFE's financial position is strong, with no financing maturing before June 2022 and significant liquidity entering 2020 (€61.6m) ahead of a positive first quarter. The Company has run various extreme stress case scenarios to ensure sufficient liquidity for a prolonged downturn in collections performance. However, given the current uncertainty caused by COVID-19 and its potential impact on economic activity going forward, the Company is conserving capital in the short term, increasing the hurdle rate for new investments significantly whilst continuing to review a number of more stable, cash generative credit investments in seeking out the highest risk-adjusted returns.

AFE's low fixed overhead, predominantly variable cost structure means that the Company is able to remain patient deploying new capital whilst continuing to closely monitor and manage collections from its existing portfolio.



Outlook

With significant timing delays expected and given the continued uncertainty surrounding the future outlook, deployment targets have been reduced significantly to preserve liquidity, as a new opportunity set continues to evolve.

Justin Sulger

Partner, Head of Credit at AnaCap Financial Partners

“At the start of 2020, none of us envisaged what a devastating social and economic impact would be brought about with the spread of COVID-19. However, we are fully operational and will remain both vigilant and patient as challenges unfold in the months ahead. With significant liquidity and a nimble, low-cost infrastructure, we expect to capitalise on an emerging opportunity set going forward.”

The company will announce its results for the first quarter ended 31 March 2020 on 27 May 2020.

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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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