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## AnaCap Financial Europe S.A. SICAV-RAIF reports strong Q421 performance, launches refinancing of senior secured notes and revolving credit facility

**7 February 2022**

AnaCap Financial Europe S.A. SICAV-RAIF ("AFE" or, together with its consolidated subsidiaries, the "Company") has announced today the preliminary unaudited results for the 12 months ended 31 December 2021 and its intention to redeem its senior secured floating rate notes and repay all outstanding borrowings under its existing revolving credit facility through the issuance of €350 million in aggregate principal amount of senior secured floating rate notes due 2027 and to enter into a new €62.5 million revolving credit facility.

Summarised below are key financial highlights for the 12 months ended December 2021 are based on preliminary unaudited financial information.

	<b>12 months Ended 31 December 2021<sup>1</sup></b>	<b>12 months Ended 31 December 2020</b>	<b>Variance</b>
<b>Total Attributable Collections</b>	<b>€128.7m</b>	<b>€86.6m</b>	<b>48.6%</b>
<b>Adjusted EBITDA</b>	<b>€99.4m</b>	<b>€53.2m</b>	<b>86.9%</b>
<b>Total Operating Cost Ratio<sup>2</sup></b>	<b>25.4%</b>	<b>36.2%</b>	<b>-10.8%</b>
<b>Net Debt<sup>3</sup>/Adjusted EBITDA</b>	<b>3.57x</b>	<b>6.21x</b>	<b>-2.64x</b>
<b>Finance Costs</b>	<b>22.1m</b>	<b>20.4m</b>	<b>8.3%</b>

<sup>1</sup> Preliminary unaudited figures.

<sup>2</sup> Total operating cost ratio represents the ratio of total operating expenses (excluding non-recurring costs and foreign exchanges gains/losses) divided by Total Attributable Collections.

<sup>3</sup> Net debt is defined as total debt less the sum of (i) cash and cash equivalents amounting to €21.4 million as of December 31, 2021 (€17.2 million as of December 31, 2020), (ii) cash held on the Group account with servicers amounting to €12.8 million as of December 31, 2021 (€6.1 million as of December 31, 2020), and (iii) cash deposits paid amounting to €3.6 million as of December 31, 2021 (€1.0 million as of December 31, 2020), excluding cash collected on behalf of secured loan note holders amounting to €0.8 million as of December 31, 2021 (€0.6 million as of December 31, 2020).

## Key Highlights:

- The Company delivered €128.7m of total attributable collections for the 12 months ended 31 December 2021, up 48.6% from the prior year, primarily driven by proactive asset management by our Asset Solutions team as well as the re-opening of the courts following the easing of COVID-19 lockdown measures in our core markets.
- Seasoned, predominantly secured back book driving strong, increasing cash flow as markets continue to re-open post the onset of COVID and associated delays.
- Portfolio acquisitions, or deployment, also returned to normalised levels at ~€100m in 2021 at an attractive average 1.8x GMM across a range of secured asset types, primarily driven by the increase in our portfolio acquisitions in direct real estate that reached €92m in 2021.
- Adjusted EBITDA of €99m for the twelve months ended 31 December 2021, representing an 86.9% increase on the prior year, primarily driven by the increase of our total attributable collections for the period and our relatively low fixed cost and mostly variable cost structure, including 24% growth (based on annualized figures for 2020) in our capital-light income compared to the corresponding prior period.
- Strength of flexible low fixed cost operating model reflected by continued improvement to Adjusted EBITDA, with total operating cost ratio of 25.4% in 2021 vs 36.2% in 2020.
- Net Debt to Adjusted EBITDA continues to trend lower, reaching 3.6x at year-end 2021, in the range of long-term target leverage ratio of 3.5 to 4.0x.
- Finance costs of €22.1m for the twelve months ended 31 December 2021, representing a 8.3% increase on the prior year, primarily due to higher usage of AFE's existing revolving credit facility to support increased deployment.
- AFE also announces today that it intends to offer €350m in aggregate principal amount of senior secured floating rate notes due 2027 (the "Notes"). The Notes, whose proceeds will be used to (i) redeem in full AFE's existing senior secured floating rate notes due 2024; (ii) repay drawings under AFE's existing revolving credit facility and (iii) pay certain fees and expenses, will be the senior obligations of AFE and guaranteed by certain of AFE's subsidiaries. Interest will be payable quarterly. The interest rate margin, offering price and other terms will be determined at the time of pricing of the offering, subject to market conditions. There can be no assurances that the offering of Notes will be consummated.
- AFE also intends to enter into a new revolving credit facility in an aggregate amount of €62.5m, which is conditional on the consummation of the bond offering.

## Capital Structure and Liquidity

The Company had a strong liquidity position of €43.0m as at 31 December 2021, providing significant capital for deployment as opportunities continue to emerge post-COVID. Net Debt to Adjusted EBITDA continues to trend lower at 3.6x as at 31 December 2021 and is expected to be below 3.5x by the end of 2022.



**Justin Sulger**

**Partner, Head of Credit at AnaCap Financial Partners**

“We are very pleased with the strong and accelerating performance delivered in 2021. This not only underlined the resilience of the Company’s predominantly secured portfolio but drove even faster than anticipated de-leveraging to back in line with long term target. We continue to see strong embedded collections expected from our seasoned back book as well as a growing pipeline emerging post-COVID at attractive risk-adjusted returns, driving renewed growth into year-end and beyond.”

### **Teleconference**

At 14.00 hours GMT on 22 March 2021, an audio Conference Presentation will be held on the results for the twelve months ended 31 December 2021. For further details please visit the AFE website at:

[www.anacapfe.com](http://www.anacapfe.com)

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### **NOTES TO EDITORS**

**AnaCap Financial Europe ([www.anacapfe.com](http://www.anacapfe.com))**

AnaCap Financial Europe S.A. SICAV-RAIF (AFE) invests in a diverse range of primarily non-performing debt and non-core assets across Europe. AFE has broad based expertise spanning unsecured and secured, consumer, SME and corporate debt as well as real estate. AFE was established on 28 September 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](http://www.anacapfp.com))**

AnaCap is a leading specialist mid-market private investor, investing through complementary Private Equity, Credit and Real Estate strategies across Europe.

Since 2005 the firm has raised €5.2 billion in gross AUM and completed over 100 primary investments across 16 European jurisdictions and India. We operate out of 7 offices in London, Luxembourg, New Delhi, Mumbai, Milan, Madrid and Lisbon.

Our name, AnaCap, defines our investment approach: ‘Analytics before Capital’. Our investment decisions are founded on a disciplined, operational and data-driven investment approach with support from Minerva, our digital proprietary intelligence platform.

Similarly, in both our Credit and Real Estate strategies, we combine specialised in-house investment expertise with an active asset management approach focused on working with best-in-class servicing and operating partners tailored to each investment, using data intelligently throughout the entire investment life cycle.

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