# 2017 FY Results Presentation

27th February 2018

ALANTRA

# I. Executive summary (i)

2017 has been a year of growth and delivery for our clients, investors and shareholders

Record net profit of €30.2 Mn achieving a 20.7% growth vs. last year

- Net revenues reached €136.1 Mn, which implies a 50.9% growth versus 2016, achieving similar growth in investment banking (+50.4%) and asset management (+53.8%)
- Operating expenses have increased by 38.9% to €99.2Mn. Personnel expenses have increased by 48.8% mainly due to (i) the incorporation of new teams and senior professionals and (ii) a higher variable remuneration directly linked to the higher result obtained
- The fee business net profit has grown by 68.5%, reaching €26.6 Mn
- The investment portfolio generated in 2017 a profit of €3.8Mn (which in 2016 was €9.1Mn)

Attractive shareholder remuneration while continuing investing in the growth of the business

- A payment of 0.37 euros per share will be proposed to the AGM and, together with the 0.47 euros per share paid as interim dividend in November, the total shareholders remuneration for 2017 will be 0.84 euros per share (+68% versus 2015 and +40% versus 2016), implying a 100% payout
  - Earnings per share have increased by 57% since 2015 and by 15% since 2016, reaching 0.85 euros per share
- Cash and cash equivalents as of December 2017 amount to €122.3 Mn, maintaining a solid balance sheet after the cash out corresponding to the Catalyst integration and the interim dividend payment

Further steps towards becoming a leading global advisory and asset management business in the mid-market, incorporating 30 senior professionals in 2017

- Launching next generation funds: (i) QMC Fund III had its first closing of €44Mn in October (the target is to raise €150Mn) and (ii) private debt fund Alteralia II started its fundraising process
- Strengthening Alantra's UK presence through the integration with Catalyst CF, a London-based advisory firm with 48 professionals
- Further scaling Alantra's US presence through the incorporation of 5 senior professionals
- Reinforcing Alantra's deep penetration of the European market by adding new geographies, new activities and 10 senior professionals

# I. Executive summary (ii)

2017 has been a year of growth and delivery for our clients, investors and shareholders

## High value added advisory services for our clients

- **186 transactions** advised in 2017, of which **more than 40% have been cross border**
- Ranked **3rd independent advisor in Europe in 2017**[1]
- **Increased product and sector specialization**
  - 66% of the deals have been M&A, 13% credit portfolio advisory, 11% equity capital markets and 7% debt advisory
  - 27% of transactions have been in the industrials space (relevant deals in industrial machinery and in building products), 22% in the financial institutions space (distressed banking), 13% in consumer (hotels, leisure & entertainment, food & beverage, fashion), 12% in healthcare (nursing homes, OTC), 11% in technology (media, IT services), 8% in business services, 5% in real estate and 2% in infrastructure

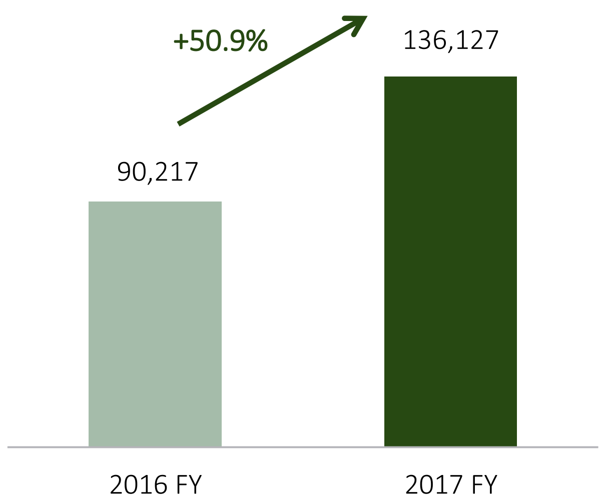
## Continued top performance of our asset management products while reaching €4.0 Bn of Assets under Management

- **Two successful acquisitions by Alantra PEF III** and **two exits,** Probos and Panasa
- **Active Funds have grown its AuM by 40%** vs. 2016, with a **23.2% return achieved by EQMC** fund this year and a **18.1% return by QMC II**
- **76% of the private debt fund invested** and **11 investments executed**, of which **2 have been fully repaid, obtaining a 17% and 10% IRR**
- **Alantra Real Estate Investment Managers completed the acquisition of Hotel Denia La Sella Golf Resort & Spa**[2]
- Significant growth in the **Wealth Management** division with **+20% in AuM** in December 2017 vs 2016 and **two new offices**

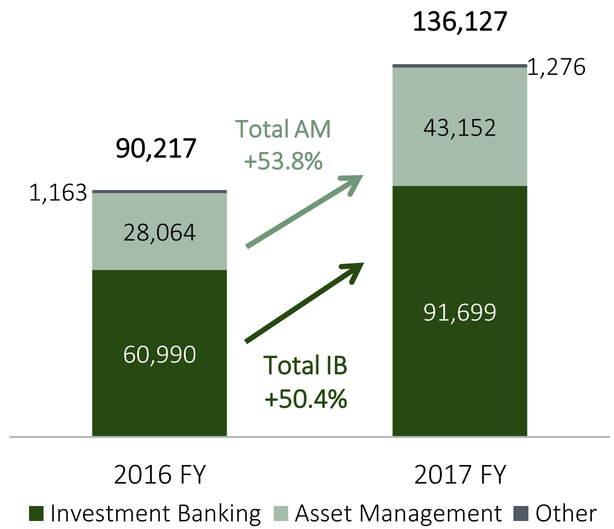
1) According to Mergermarket's 2017FY financial advisors league tables report
2) Transaction closed in 2018

# II. Record net profit of €30.2Mn achieving a 20.7% growth vs. last year (i)

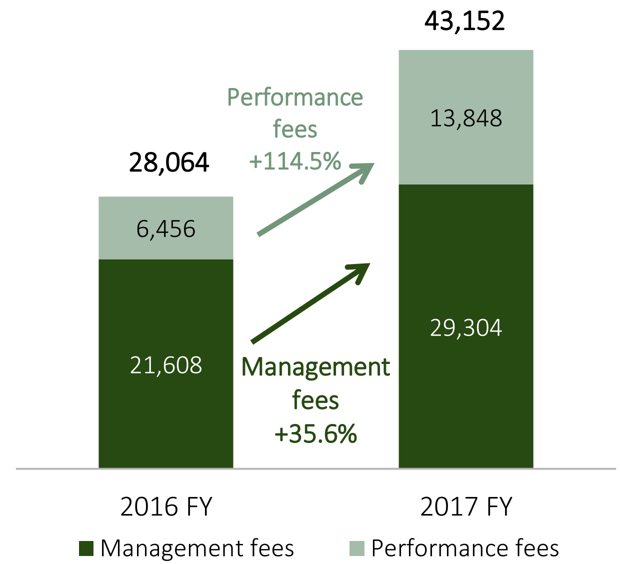
Net revenues for 2017 FY (€'000)




Net revenues by division for 2017 FY (€'000)




Breakdown of Asset Management revenues by type (€'000)




- **Net revenues reached €136.1 Mn in 2017,** which implies a **growth of 50.9%** vs. 2016
- **The revenue growth has been equally split between the two business divisions, having grown investment banking by 50.4% and asset management by 53.8%**
  - The growth in Asset Management was driven by an **increase in management fees (+35.6%)** and by **higher performance fees mainly coming from the EQMC fund**
- **Significant scale has been gained in the CF business in Germany and France**, businesses launched in 2013 and 2015, that this year have reached **€14.3 Mn and €12.2 Mn in revenues** respectively

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017



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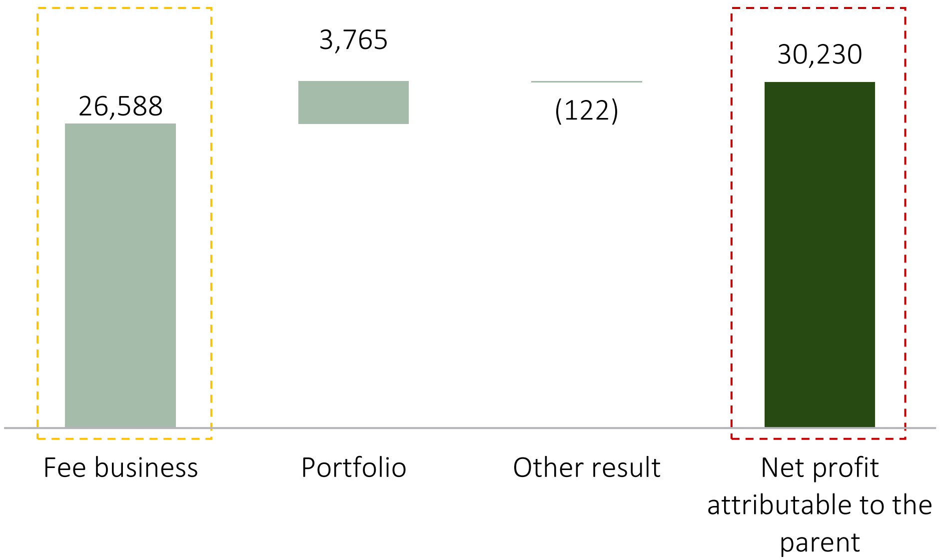
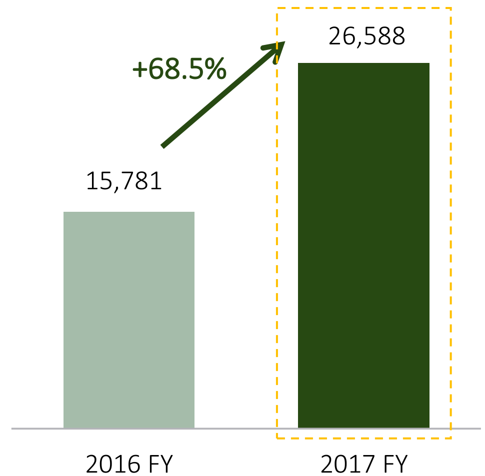
# II. Record net profit of €30.2Mn achieving a 20.7% growth vs. last year (ii)

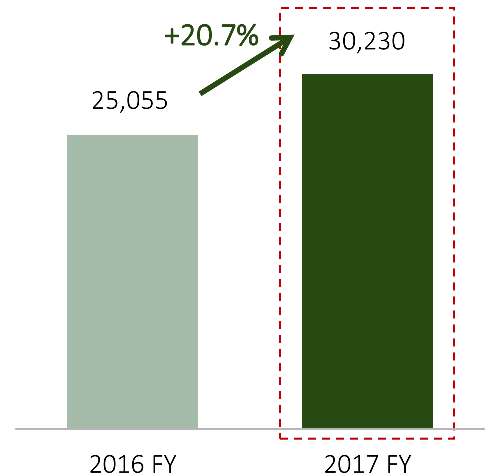
2017 FY net profit breakdown[1] (€'000)




Net profit from the fee business 2017 FY (€'000)




Total attributable net profit 2017 FY (€'000)




- **The net profit of the Group is composed of €26.6 Mn corresponding to the fee business, €3.8 Mn corresponding to the investment portfolio and (€0.1) Mn of other result**
- **This increase has been due to a strong growth of the fee business, which has grown by 68.5%** versus 2016, while the result coming from the portfolio has decreased by 58.7%

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017
1) Net profit attributable to the parent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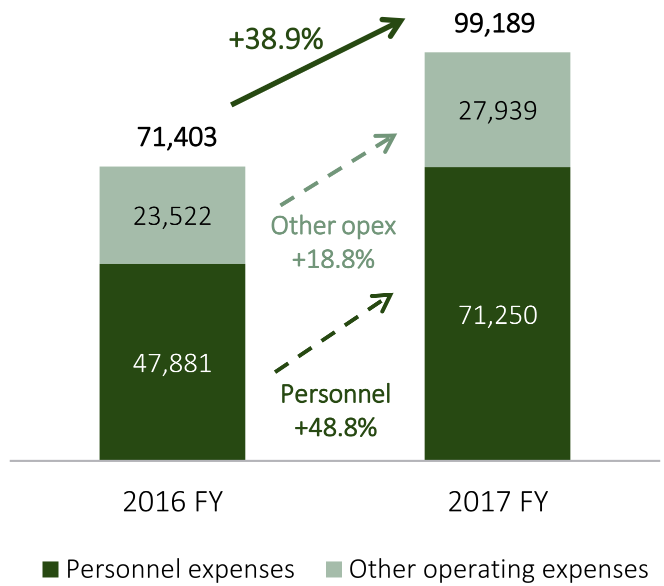
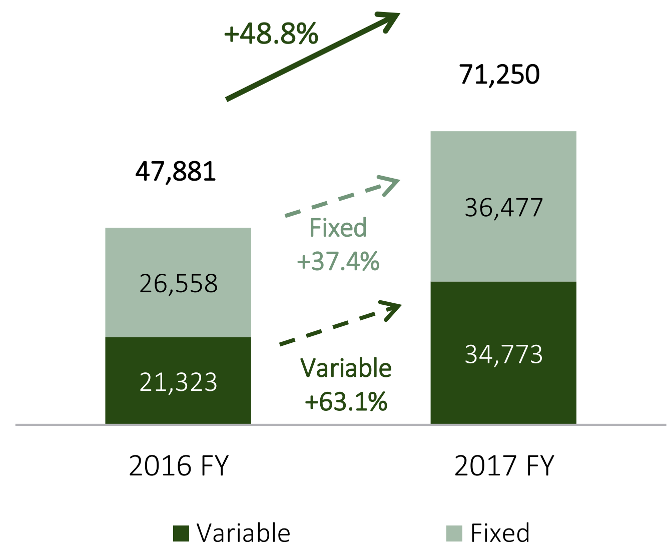
# III. High growth in profits has been compatible with growth in expenses due to new teams and activities and an increase in variable remuneration

Total operating expenses 2017 FY (€’000)




Breakdown of personnel expenses in 2017 FY (€’000)




- **The Group’s total operating expenses have grown by 38.9%** in 2017 versus 2016
  - Personnel expenses have increased by 48.8% while other opex have increased by 18.8%
    - Personnel expenses have had two main growth drivers: (i) new teams and senior hires that joined during the year and (ii) a higher variable retribution, which is directly linked with the higher profits obtained
  - As a consequence of the group’s international expansion, the 2017 P&L carries significant costs related to the opening of new offices which have not yet generated revenues for the group

Note: Catalyst Corporate Finance is included in Alantra’s accounts since November 2017



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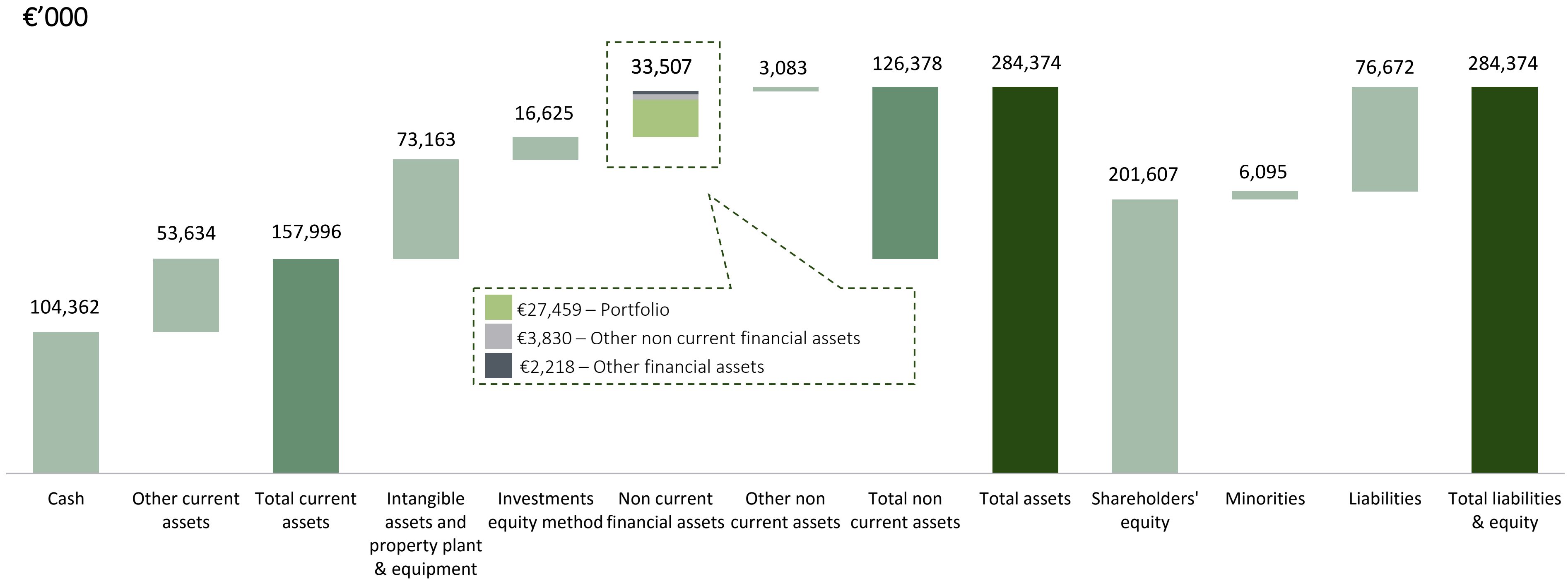
# IV. Balance sheet as of 31st December 2017 continues to have a strong and steady cash position




- **€201.6 Mn of shareholder's equity** attributable to the parent
- **€122.3 Mn of cash and cash equivalents**[1]
- Non current financial assets include a **portfolio valued at €27.5 Mn[2], which is composed mainly by investments in products managed by the group**
- The Group has no financial leverage

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017
1) €104.4 Mn of cash and €17.9 Mn of cash equivalents (€10.0 Mn in a monetary fund and €7.9 Mn in deposits)
2) Of the €27.5 Mn of the portfolio, the €10 Mn from a monetary fund are included in the €122.3 Mn of cash and cash equivalents



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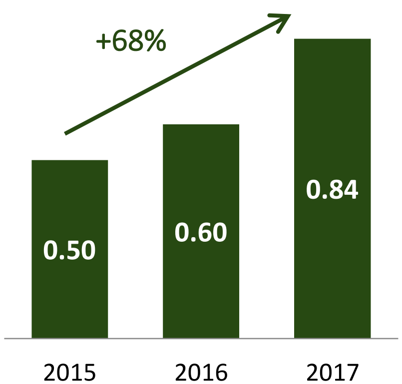
# V. Shareholder’s remuneration

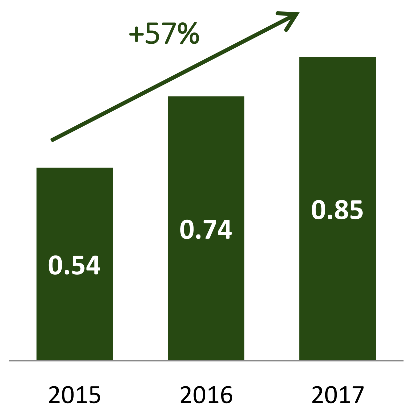
- An **interim dividend of 0.47 euros per share was paid on the 30th of November 2017**, as distribution of 2017 result
- Alantra Board of Directors will **propose to the Annual General Shareholders Meeting**, which is expected to be held on the 25th of April, **an additional payment of 0.37 euros per share**
- If approved, **shareholder remuneration corresponding to 2017 result will amount to 0.84 euros per share**, implying a **100% payout and a dividend yield of 7.4%[3]**
- **Earnings per share will have increased by 15% in 2017 versus 2016, reaching 0.85 euros per share**
- **Taking into account the €0.84 per share dividend distributed from 2017 result and the share price as of 31st December, shareholders’ value will have increased by 177% from January 2017**

## Shareholder remuneration in 2015, 2016 and 2017

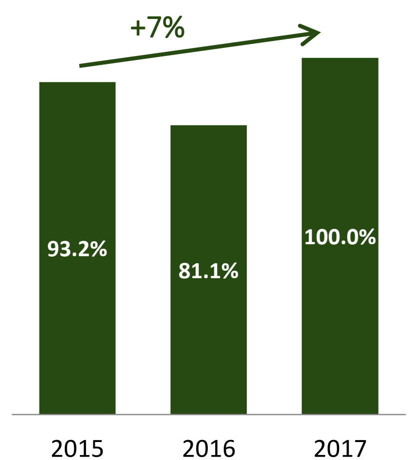
### Shareholder remuneration



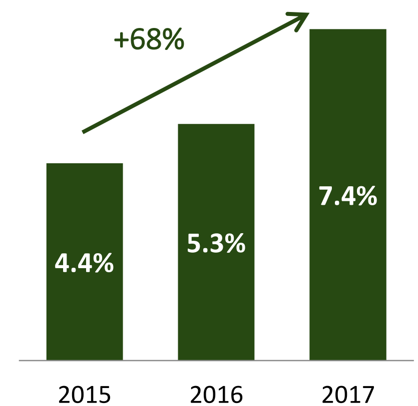

### Earnings per share[1]




### Payout[2]



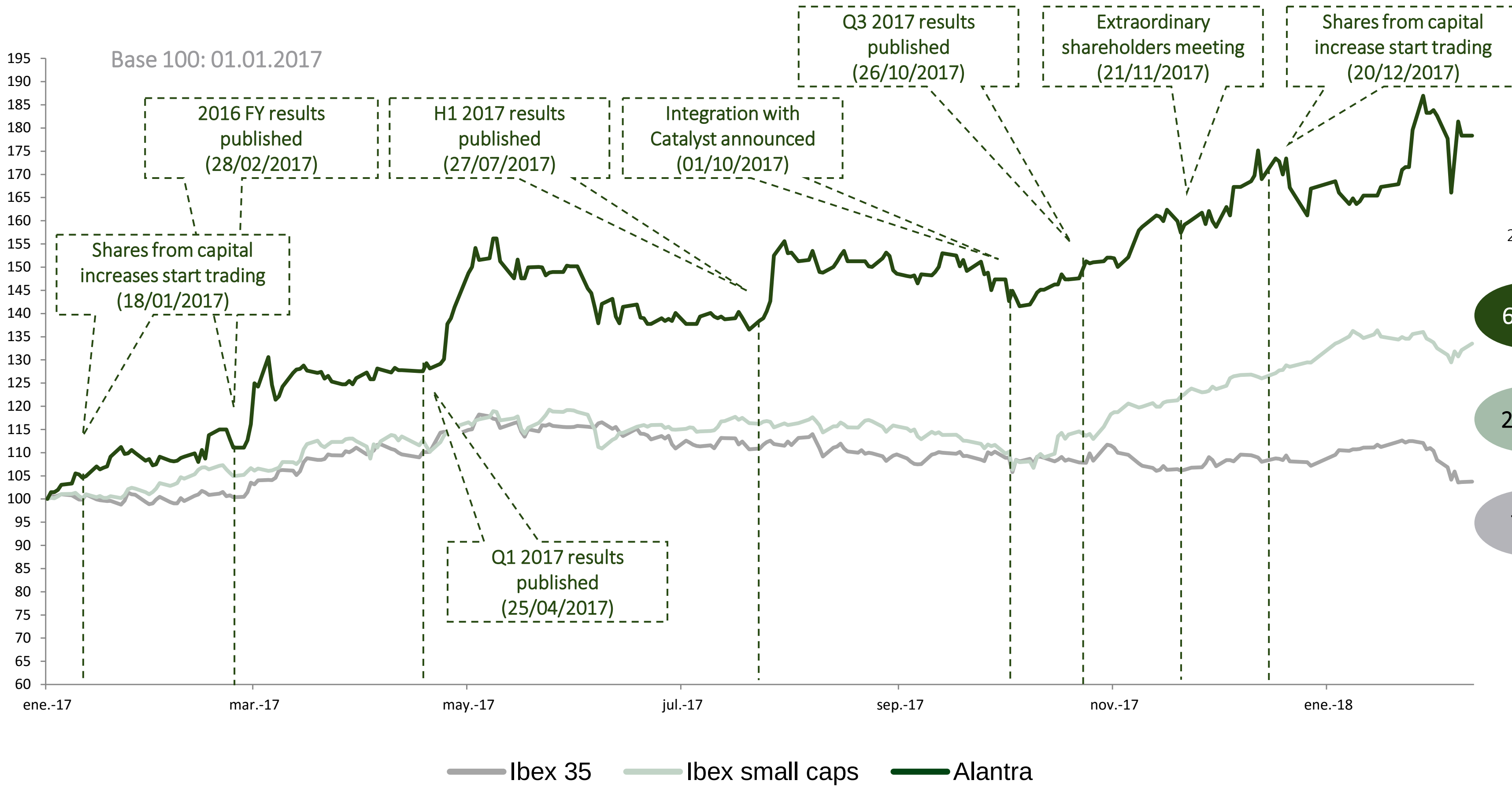

### Dividend yield[3]




1) The Group's diluted earnings per share are calculated by dividing its net profit in a given period by the weighted average number of shares outstanding during that period, excluding the average number of shares held as treasury stock; 2) Although the payout has been 100%, there is a small difference between the dividend and the EPS in 2017. This is because the dividend calculation excludes both the treasury stock and a group of shares of which Alantra has the usufruct and the EPS only exclude the treasury stock; 3) The dividend yield was calculated dividing the dividend paid by the average closing share price during 2017 (11.31 euros per share)

# VI. 67% share price appreciation in 2017

## Evolution of Alantra’s share price vs comparable indices in 2017




| | Var. 2017FY | Var. Since 1 Jan 18 |
|---|---|---|
| Alantra | 66.9% | 5.8% |
| Ibex small caps | 29.4% | 0.0% |
| Ibex 35 | 7.2% | -5.3% |

Note: Data as of 12th February 2018



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# VII. Further steps towards becoming a leading global advisory and asset management business in the mid-market, incorporating 30 senior professionals

## CATALYST CORPORATE FINANCE

- ✓Strengthening our presence in the UK through the **integration with Catalyst CF**
- ✓**London based**, with 2 regional offices and **48 professionals, of which 14 MDs**
- ✓**Over 100 M&A and debt transactions** advised in last 5 years with total value of **£5Bn**

## Reinforcing Europe

- ✓**New activities: Equities in Italy and Debt & Real Estate advisory in France with 4 new MDs**
- ✓**New teams in Belgium and Austria with 4 MDs joining**
- ✓Teams in **Switzerland** and **Spain reinforced with 2 new MDs**

## Scaling the US

- ✓**5 new MDs** specialized in the Technology, Apparel & Accessories, Private Equities and Debt Advisory spaces

## Next generation funds

- ✓**QMC Fund III** had its **first closing** in October with **€44 Mn**. The fund's target is to raise a total of €150 Mn in the next 12 months
- ✓**Alteralia II**, the group's second private debt fund, has started its **fundraising process**



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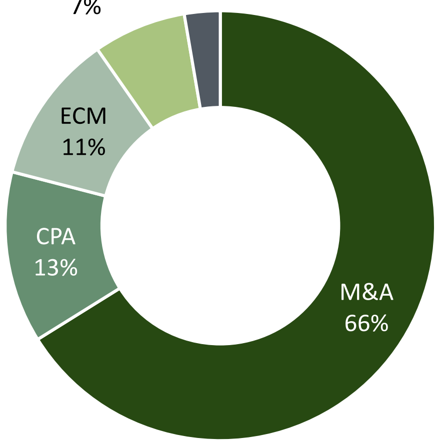
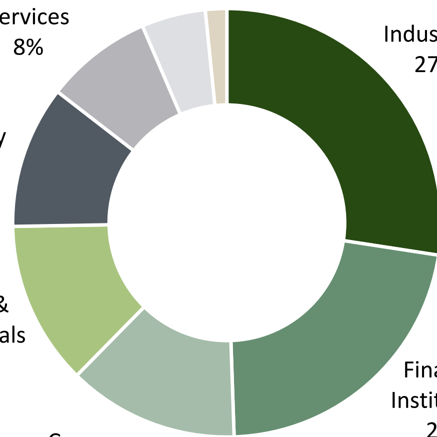
# VIII. Activity in the Investment Banking division

I. High value added advisory services for our clients (i)

## Deals by product[1]




## Deals by sector[1]




186 deals advised in 2017[1]
More than 40% cross border

## Rankings and awards

### Mergermarket's Europe Ranking by deal count FY 2017

| Rank FY 2017 | Company name | # of deals | Value ($Bn) |
|---|---|---|---|
| 1 | PwC | 284 | 49,8 |
| 2 | KPMG | 279 | 54,8 |
| 3 | Rothschild | 274 | 211,5 |
| 4 | EY | 254 | 17,4 |
| 5 | Deloitte | 227 | 16,2 |
| 6 | Lazard | 152 | 281,8 |
| 7 | JP Morgan | 140 | 320 |
| 8 | BDO | 121 | 3,2 |
| 9 | Goldman Sachs & Co | 117 | 409,4 |
| 10 | Morgan Stanley | 110 | 315,5 |
| **11** | **ALANTRA** | **101** | **37,4** |
| 12 | Bank of America Merrill Lynch | 88 | 327,1 |
| 13 | Oaklins | 85 | 2,3 |
| 14 | Lincoln International | 85 | 1,5 |
| 15 | Citi | 83 | 207,7 |

*Ranked as 3rd independent advisor. Independent players exclude auditors, alliances and bulge bracket firms*

### Alantra Switzerland – M&A Financial advisor of the year

*2017 Mergermarket Awards*

1) Includes Catalyst CF transactions. CPA refers to Corporate Portfolio Advisory and ECM refers to Equity Capital Markets



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# VIII. Activity in the Investment Banking division

I. High value added advisory services for our clients (ii)

## Corporates

BULLDOG, SIX GROUP, sojitz, ferrer, COYOTE, ADCURAM GROUP, hilcona, cinfa, ISOLUX CORSÁN, Jacqueline's Gourmet Cookies, MUTTI, MAHLE, CHT SMART CHEMISTRY WITH CHARACTER., Q-PARK, NUTRAGENESIS Making Foods Functional™, PROTEC LABORATORY, ADAMA, LATAM AIRLINES, .Pax ANLAGE, VENUM, C-4 Analytics, COLISEE, ROVEMA, TERADIODE, RIETER

## Selected clients

## Financial Institutions

Liberbank, BMN, Popular, CREDIT SUISSE, BBVA, Santander, iberCaja, HELLENIC BANK, cajamar CAJA RURAL, Unicaja, bankinter.

## Financial Sponsors

ERGON CAPITAL PARTNERS, FSN CAPITAL, OAKTREE, Bridgepoint, TRILANTIC CAPITAL PARTNERS, Investment Partners, alpha, EQUITA, QUADRIGA CAPITAL, B4INVESTIMENTI, PROGRESSIO SGR, ALTOR FUNDS, iiiNVEST, SYNERGO, Five Arrows Principal Investments, CAPVIS, ARGOS SODITIC, SEAFORT ADVISORS



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# IX. Activity in the Asset Management division

I. Strong performance of our asset management products (i)

1 Private Equity

## Two successful acquisitions by Alantra PEF III

MD Moldes

Entry date: Oct 2017

70% stake in MD Moldes

*One-stop shop provider of injection moulding solutions with a special focus on high value-added segments within the automobile market. Located in Leiria, Portugal, it has over 330 employees and c.90% of its income comes from outside Iberia*

roq CREATING SOLUTIONS

Entry date: Feb 2018

44% stake in ROQ

*Leading manufacturer of machinery and equipment for the textile printing and packaging industries. ROQ manufactures high quality products thanks to its own R&D capabilities and is commercially present in more than 70 countries worldwide*

## Strong exits in PEF II and SBF III

### PEF II

PROBOS

*Stake: 97.3%*

*Leading manufacturer of thermoplastic edgebanding solutions*

Entry date: 2013
Exit date: Jul 2017
Industrial buyer: Surteco

### SBF III

PANASA

*Stake: 53%*

*Leading manufacturer, distributor and seller of fresh and frozen bread, baked goods and pastries in Spain*

Entry date: 2010
Exit date: Feb 2018
Financial buyer: Ardian
Return CoC: 3.3x

## Solid performance of the PEF II

**13%**
Average EBITDA growth

**29%**
Deleverage[1]

**>50%**
International portfolio sales

1) Average since entry



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# IX. Activity in the Asset Management division

I. Strong performance of our asset management products (ii)

## 2 Active Funds

- +40% growth in AuM versus December 2016
- Significant scale up of the EQMC fund, raising €147Mn in AuM in 2017
  - Achieved a 23.2% return in 2017 and a 19.7% net IRR since 2010
  - Ranked as top global hedge fund on Barron's Penta's 2017 ranking
  - Among most innovative global funds in 2017, according to CIO Magazine
- QMC II fund achieved a 18.1% return in 2017 and a 16.0% net IRR since 2013
- Successor fund QMC III completed its first closing of c. €44 Mn in October 2017. The fund's target is to raise a total of €150 Mn in the next 12 months

## 3 Private Debt

- 76% of the fund invested and 11 investments executed, out of which 2 have fully repaid the loan
- 2 successful divestments:

KIWOKO mundo animal

*Jul 2016 - Oct 2017*

**17% IRR**

Leading Spanish pet products retailer Kiwoko repaid the full loan granted by Alteralia

INDIBA

*Nov 2015 - Dec 2017*

**10% IRR**

The equipment for physiotherapy and aesthetics company Indiba repaid the full loan granted by Alteralia

- Alteralia II, Alantra's second private debt fund, has started its fundraising process. The target is to raise €150 Mn

# IX. Activity in the Asset Management division

I. Strong performance of our asset management products (iii)

## 4 Real Estate

Alantra ‘s Real Estate Investment and Asset Management platform has **completed the acquisition of the Hotel Denia La Sella Golf Resort & SPA** for one of its managed vehicles[1]

## 5 Wealth Management

+20%

**Significant growth in the Wealth Management division**

*+20.0% in Assets under Management and advisory as of December 2017, growing to €1.6 Bn from €1.3 Bn in December 2016*

**Opening of 2 new offices**

*In Seville and La Coruña*

1) Transaction closed in 2018



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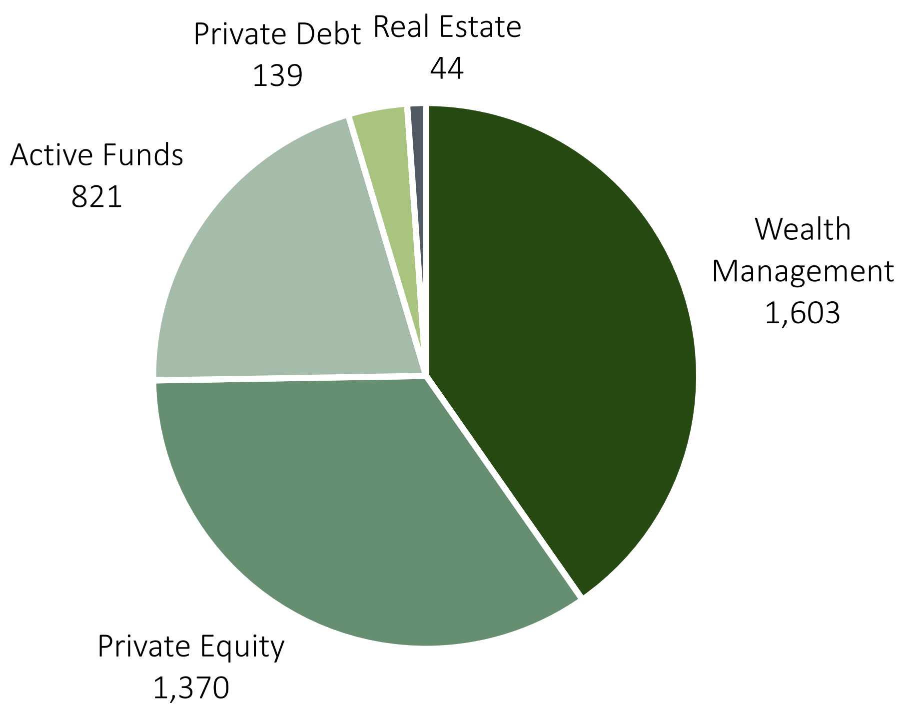
# IX. Activity in the Asset Management division

## II. Assets under Management as of 31st December 2017

Assets under Management (€Mn)




**Total Assets under Management[1]: €3,977 Mn**

**Total fee-earning AuM: €3,192 Mn**

1) This figure includes assets that don't pay management fees anymore because their corresponding divestment periods have been concluded



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# ANNEX

# Annex

## I. Consolidated income statement for 2017 FY

| € Thousand | 31/12/2017 | 31/12/2016 | % |
|---|---|---|---|
| **Net income** | | | |
| Investment banking | 91,699 | 60,990 | 50.4% |
| Asset Management | 43,152 | 28,064 | 53.8% |
| *Management Fees* | *29,304* | *21,608* | *35.6%* |
| *Success Fees* | *13,848* | *6,456* | *114.5%* |
| Others | 1,276 | 1,163 | 9.7% |
| **TOTAL Net income** | **136,127** | **90,217** | **50.9%** |
| **Other income** | 14 | 43 | (67.0%) |
| Personnel Expenses | (71,250) | (47,881) | 48.8% |
| *Fixed cost* | *(36,477)* | *(26,558)* | *37.3%* |
| *Variable cost* | *(34,773)* | *(21,323)* | *63.1%* |
| Other operating expenses | (27,114) | (23,006) | 17.9% |
| Amortisation | (825) | (490) | 68.4% |
| Impairment | - | (26) | (100.0%) |
| **TOTAL Operating Expenses** | **(99,189)** | **(71,403)** | **38.9%** |
| **Operating Profit (Loss)** | **36,953** | **18,857** | **96.0%** |
| Finance income (expense) attributable to Portfolio | 5,103 | 11,717 | (56.4%) |
| Other finance income (expense) | (691) | (511) | 35.4% |
| **Net Finance Income (expense)** | **4,412** | **11,207** | **(60.6%)** |
| Result of companies registered by the equity method | 3,347 | 2,520 | 32.8% |
| Non-controlling Interests | (4,027) | (2,239) | 79.8% |
| Income Tax | (10,454) | (5,289) | 97.7% |
| **NET PROFIT ATTRIBUTABLE TO THE PARENT** | **30,230** | **25,055** | **20.7%** |
| **NET PROFIT DERIVED FROM FEE BUSINESS** | **26,588** | **15,781** | **68.5%** |
| **NET PROFIT DERIVED FROM PORTFOLIO** | **3,765** | **9,116** | **(58.7%)** |
| **ORDINARY NET PROFIT** | **30,352** | **24,897** | **21.9%** |

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017

# Annex

## II. Consolidated 2017 FY income statement by segment

| € Thousand | Investment Banking | | Asset Management | | Structure | | Portfolio | | Rest | | Consolidation Adjust. | | Total Group 2017 | Total Group 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 FY | 2016 FY | 2017 FY | 2016 FY | 2017 FY | 2016 FY | 2017 FY | 2016 FY | 2017 FY | 2016 FY | 2017 FY | 2016 FY | | |
| Net income | 91,699 | 60,990 | 43,152 | 28,064 | 1,276 | 1,163 | - | - | - | - | - | - | 136,127 | 90,217 |
| Other operating income amongst segments | 1,512 | 1,318 | 4,622 | 5,210 | 6,242 | 5,048 | - | - | - | - | (12,376) | (11,576) | - | - |
| Other operating income | 14 | - | | 43 | | - | - | - | - | - | - | - | 14 | 43 |
| Personnel expenses | (45,111) | (30,869) | (21,147) | (13,451) | (4,667) | (1,554) | (325) | (2,007) | - | - | - | - | (71,250) | (47,881) |
| Other operating expenses | (15,949) | (11,061) | (6,888) | (5,711) | (4,277) | (4,865) | - | (1,368) | - | - | - | - | (27,114) | (23,006) |
| Other operating expenses amongst segments | (4,127) | (2,985) | (5,577) | (4,503) | (2,673) | (4,088) | - | - | - | - | 12,376 | 11,576 | - | - |
| Amortization | (275) | (210) | (344) | (109) | (206) | (171) | - | - | - | - | | | (825) | (490) |
| Impairment losses/gains on disposal of property plant & equip. | - | - | - | (26) | - | - | - | - | - | - | - | - | - | (26) |
| Other result | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Net operating profit** | **27,763** | **17,183** | **13,818** | **9,516** | **(4,305)** | **(4,466)** | **(325)** | **(3,375)** | **-** | **-** | **-** | **-** | **36,952** | **18,857** |
| Financial income | - | 24 | - | - | - | - | 352 | 129 | 83 | 72 | - | - | 435 | 225 |
| Financial income amongst segments | - | - | - | - | - | - | - | - | 798 | 753 | (798) | (753) | - | - |
| Financial expenses | - | - | - | - | - | - | - | - | (71) | (29) | - | - | (71) | (29) |
| Financial expenses amongst segments | - | - | - | - | - | - | - | - | (798) | (753) | 798 | 753 | - | - |
| Changes in fair value of financial instruments | - | - | - | - | - | - | - | 2,493 | 260 | - | - | - | 260 | 2,493 |
| Gains/losses on exchange rate differences | - | - | (7) | 8 | - | - | - | - | (491) | 169 | - | - | (498) | 177 |
| Impairment losses/gains on disposal of financial instruments | (374) | (715) | (147) | (39) | - | - | 4,751 | 9,094 | 56 | (1) | - | - | 4,286 | 8,340 |
| **Financial result** | **(374)** | **(691)** | **(154)** | **(31)** | **-** | **-** | **5,103** | **11,717** | **(163)** | **211** | **-** | **-** | **4,412** | **11,206** |
| Result of companies registered by the equity method | 3,313 | 2,510 | 34 | 10 | - | - | - | - | - | - | - | - | 3,347 | 2,520 |
| **Profit before tax** | **30,703** | **19,002** | **13,698** | **9,495** | **(4,305)** | **(4,466)** | **4,778** | **8,342** | **(163)** | **211** | **-** | **-** | **44,711** | **32,583** |
| Corporate income tax | (6,945) | (4,398) | (4,172) | (2,637) | 1,446 | 1,024 | (825) | 774 | 41 | (53) | - | - | (10,454) | (5,289) |
| **Consolidated result** | **23,757** | **14,605** | **9,527** | **6,858** | **(2,858)** | **(3,442)** | **3,954** | **9,116** | **(122)** | **158** | **-** | **-** | **34,257** | **27,294** |
| **Net profit attributed to the parent company** | **20,095** | **12,478** | **9,351** | **6,746** | **(2,858)** | **(3,442)** | **3,765** | **9,116** | **(122)** | **158** | **-** | **-** | **30,230** | **25,055** |
| **Minorities** | **3,662** | **2,127** | **176** | **112** | **-** | **-** | **189** | **-** | **-** | **-** | **-** | **-** | **4,027** | **2,239** |

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017



ALANTRA

# Annex

## III. Consolidated balance sheet as of 31st December 2017

### ASSETS

| € Thousand | 31/12/2017 | 31/12/2016 | Var. % |
|---|---|---|---|
| NON-CURRENT ASSETS | 126,378 | 103,837 | 21.7% |
| Intangible assets | 70,036 | 35,260 | 98.6% |
| Property, plant & equipment | 3,127 | 2,356 | 32.7% |
| Investments accounted for by the equity method | 16,625 | 16,117 | 3.2% |
| Non current financial assets | 33,507 | 47,235 | (29.1%) |
| Deferred tax assets | 3,083 | 2,869 | 7.5% |
| Other non current assets | - | - | - |
| CURRENT ASSETS | 157,996 | 150,961 | 4.7% |
| Available for sale financial assets | - | - | - |
| Trade and other receivables | 44,155 | 40,006 | 10.4% |
| Trade receivables | 41,727 | 26,539 | 57.2% |
| Other receivables | 589 | 4,154 | (85.8%) |
| Current tax assets | 1,839 | 9,313 | (80.3%) |
| Current financial assets | 8,473 | 8,683 | (2.4%) |
| Other current assets | 1,006 | 660 | 52.4% |
| Cash and cash equivalents | 104,362 | 101,612 | 2.7% |
| TOTAL ASSETS | 284,374 | 254,798 | 11.6% |

### LIABILITIES AND EQUITY

| € Thousand | 31/12/2017 | 31/12/2016 | Var. % |
|---|---|---|---|
| EQUITY | 207,702 | 189,860 | 9.4% |
| SHAREHOLDERS EQUITY | 201,413 | 182,742 | 10.2% |
| Capital | 111,518 | 106,611 | 4.6% |
| Share premium | 94,138 | 92,062 | 2.3% |
| Reserves | (16,787) | (39,848) | (57.9%) |
| Treasury shares | (1,138) | (1,138) | 0.00 |
| Net profit attributable to the parent | 30,230 | 25,055 | 20.7% |
| Interim dividend | (16,548) | - | - |
| VALUATION ADJUSTMENTS | 194 | 3,615 | (94.6%) |
| EQUITY ATTRIB. TO EQ. HOLD. OF THE PARE | 201,607 | 186,357 | 8.2% |
| NON-CONTROLLING INTERESTS | 6,095 | 3,503 | 74.0% |
| NON-CURRENT LIABILITIES | 14,944 | 15,733 | (5.0%) |
| Financial liabilities | 12,141 | 11,970 | 0.0 |
| Liabilities with credit institutions | 2,343 | 2,616 | (10.4%) |
| Other liabilities | 9,798 | 9,354 | 4.7% |
| Non current provisions | 352 | 1,844 | (80.9%) |
| Deferred tax liabilities | 2,030 | 1,917 | 5.9% |
| Other non current liabilities | 421 | 2 | 20269.3% |
| CURRENT LIABILITIES | 61,728 | 49,205 | 25.5% |
| Financial liabilities | 4,736 | 1,258 | 276.5% |
| Trade and other payables | 56,702 | 47,724 | 18.8% |
| Suppliers | 7,451 | 5,668 | 31.5% |
| Other payables | 45,838 | 40,147 | 14.2% |
| Current tax liabilities | 3,413 | 1,909 | 78.8% |
| Other current liabilities | 290 | 223 | 30.3% |
| TOTAL LIABILITIES AND EQUITY | 284,374 | 254,798 | 11.6% |

Note: Catalyst Corporate Finance is included in Alantra's accounts since November 2017

Identified business segments

- **"Business Segments"** refer to each operating segment or component identified and classified as such by Alantra that (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the group); (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.
- **"Investment Banking".** The identified Alantra business segment which provides financial advisory services to companies or entities on corporate transactions (corporate finance and M&A) and equity research and brokerage services to institutional investors.
- **"Asset Management".** The identified Alantra business segment which consists of the management of and provision of advice in relation to various classes of assets for institutional investors, high net worth individuals/family offices and other professional investors through specialist investment funds or customer investment portfolios.
- **"Corporate".** The identified Alantra business segment which encompasses the universe of revenues and expenses corresponding to Alantra's governance and development structure (corporate governance, strategic management, corporate and business development and corporate services such accounting and financial reporting, risk management and control, human resource management and legal services, among others) and which, either because they relate to the Group parent - as a listed entity - or the management of the Group as a whole, are not directly attributable to the Investment Banking, Asset Management or Portfolio segments. The Corporate segment also includes the invoicing of services related to Alantra Group companies that are associates, i.e., not fully consolidated. In light of Alantra's ongoing growth at both the corporate and business levels, the significance of the services encompassed by the Corporate area justifies its classification as an independent segment.
- **"Portfolio".** The identified Alantra business segment which is defined as the activity consisting of the pursuit of capital gains by taking ownership interests in companies, funds or investment vehicles managed by the Alantra Group's Asset Management teams and subsequently selling those interests. The current portfolio originated in two ways: (i) the universe of companies invested in by the Company in its former capacity - prior to the Merger between N Más Uno IBG, S.A. and Dinamia Capital Privado, S.C.R., S.A., which took place in July 2015 - as a private equity firm and which at the date of the Merger had not yet been disposed of or sold; and (ii) Alantra's investments in vehicles managed or advised on by the Group.
- **"Other".** It is defined, by default, as the host of items that do not correspond to any of the business segments (i.e., that are not part of either the Investment Banking, Asset Management, Corporate or Portfolio segments).

# Annex

## IV. Glossary (ii)

- **"Fee Business"** is defined as the group or aggregate of the Investment Banking, Asset Management and Corporate segments which, as a whole, are referred to as the service provision businesses, whether those services be financial advisory or management, whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs. The following is specifically carved out of the Fee Business: losses or gains deriving from the Group parent's investments in the companies that perform the aforementioned activities (such as, for example, gains unlocked on the sale of investments in companies or businesses, goodwill impairment charges or foreign currency gains or losses); those losses or gains are included under segment termed Other.
  - The decision to allocate 100% of the activity encompassed by the Corporate segment to the Fee Business reflects the fact that the vast majority of the time and/or investment of the resources included under Corporate are devoted to managing the growth and complexity emanating from the Investment Banking and Asset Management segments. This concept is all the more relevant as it underpins several of the alternative performance measures (APMs) used.
- **"Recurring Business".** The group or aggregate of segments comprising the Fee Business (Investment Banking, Asset Management, Corporate) plus the Portfolio segment.

<u>Alternative performance measures</u>

- **"Alternative performance measures" or "APMs".** A measure of the past or future financial performance, financial situation or cash flows of a company other than the financial measures defined or described in the applicable financial reporting framework.
- **"Fee Business Net Profit".** The profit generated from the provision of advisory or management services under the umbrella of the Fee Businesses (i.e., that corresponding to the Investment Banking, Asset Management and Corporate segments), whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs.
  - Fee Business Net Profit is calculated as the sum of profit attributable to owners of the parent corresponding to the above three segments.
  - The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Fee Business Net Profit attributable to owners of the parent in the Company's public financial disclosures.
- **"Portfolio Net Profit".** The profit deriving from the investment in and subsequent disposal of shareholdings in companies, funds or other investment vehicles managed by the Alantra Group.
  - Portfolio Net Profit is equal to the profit attributable to owners of the parent corresponding to the Portfolio segment.
  - The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Portfolio Net Profit attributable to owners of the parent in the Company's public financial disclosures.

# Annex

## IV. Glossary (iii)

- **“Recurring Net Profit”.** The profit derived from the Group's recurring or ordinary activities, i.e., that generated by the Investment Banking, Asset Management and Portfolio segments.
  - Recurring Net Profit is the sum of Fee Business Net Profit and Portfolio Net Profit.
  - Recurring Net Profit is an important indicator, in relation to net profit (or profit attributable to owners of the parent), insofar as it helps users assess what part of the Group's bottom line is attributable to the recurring businesses and not extraordinary accounting entries.
- **“Financial Leverage”.** This metric is defined as the aggregate borrowings provided to the Group by banks, credit institutions and similar entities to fund its business operations. This measure excludes amounts due to employees, suppliers, companies within its scope of consolidation or their shareholders. It also excludes obligations to banks, credit institutions or similar entities when these obligations are specifically secured by assets in the same amount.
  - Financial Leverage is calculated as the sum of balance sheet items grouped under “Bank borrowings” that meet the criteria defined in this APM. Hence the 2,616 thousand euros registered in the liabilities of the consolidated balance sheet as of 31st December 2016 and 2,343 thousand euros in 2017 are excluded.
  - Financial Leverage is a meaningful indicator of changes in the Group's consolidated balance sheet.
- **“Payout”.** This metric is defined as the percentage of profits the Company pays out to its shareholders.
  - It is calculated as the ratio between the total per-share sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the diluted earnings per share generated during that same period.
  - The payout indicates the extent to which shareholder remuneration is financed from profit for the year (or for the reporting period in question).
- **“Dividend Yield”.** The return earned by the Company's shareholders by means of the dividends they receive.
  - The Dividend Yield is calculated as the ratio between the total per-share sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the share price as of a given date (which date shall be that referenced when the AMP is disclosed).
  - Shareholders earn a return in two ways: gains in the price of the shares they hold and the remuneration they receive in the form of distributed dividends, reserves or share premium accounts. The Dividend Yield is the APM or benchmark indicator for the latter source of shareholder returns.

# Annex

## V. Disclaimer

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