

Assemblée générale mixte

Du 10 juin 2022 - Comptes annuels 2021

Orateurs

**Dominique
CEOLIN**

**Gaëtan
FOURNIER**

Président

Secrétaire Général

Déroulement de l'assemblée

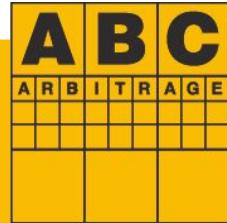
I. Présentation de l'activité

II. Questions / réponses

III. Vote des résolutions

Formalités de l'assemblée

1. Constitution du bureau
2. Documents consultables
3. Modalités de vote
4. Constatation du quorum
5. État des droits de vote reçus par le président
6. Votes par correspondance

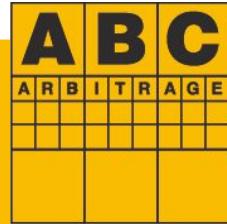


I. Présentation de l'activité

- 1. What we do**
- 2. How we do it**
- 3. 2021 Market Parameters**
- 4. 2021 Financial Results**
- 5. 2022 Outlook**
- 6. ABC 2022 - Vision and Strategy**
- 7. ABC Shares & distributions**

Who we are

- One Business:** Quantitative Asset Management.
- One Team:** Enthusiastic technologists, building innovative trading systems and asset management strategies.
- One Trading Principle:** Quantitative arbitrage on all kind of assets.
- One Conviction:** Investing our own Equity in our strategies.
- One Proof:** 27 consecutive profitable years with ROE > 10%.
- One Methodology:** Risk mitigation & Risk Management.



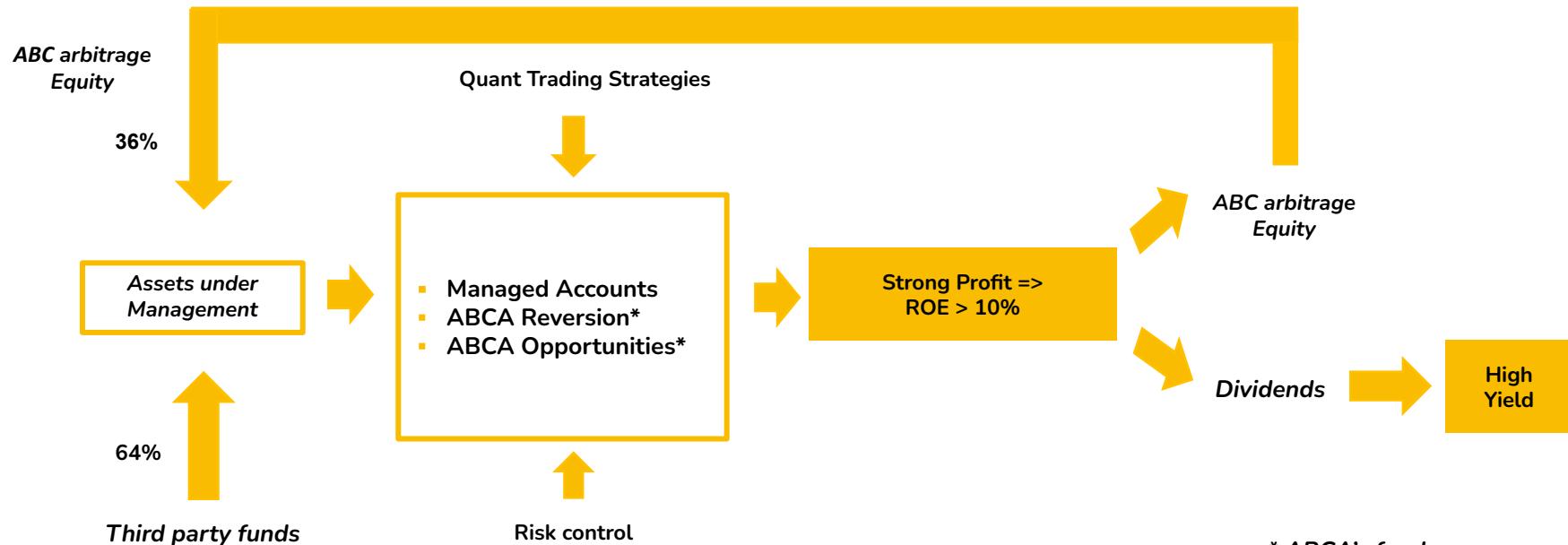
1. What we do

Arbitrage: Providing liquidity to the market with systematic mechanical or statistical hedging position

- ❑ Sophisticated trading techniques using scientific & data driven approach to generate alpha.
- ❑ **Statistical and Event Driven strategies** - focus on niche, mid-short term trading opportunities with capital protection.
- ❑ **40 main strategies**, multi-assets, multi markets on **almost 100 exchanges around the world**.
- ❑ ABC strategies are correlated to **Volatility, M&A activity, Corporate actions and traded markets volumes**.

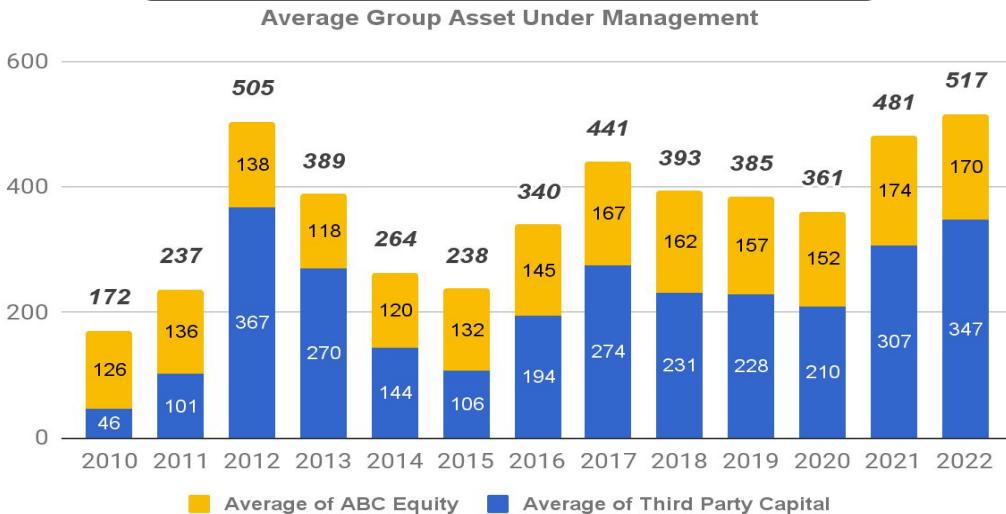
Markets Parameters	Impact on ABC activity	
Volatility on assets	++	Volatility
Strong Markets Volumes	++	M&A Corporate Actions
M&A and Corporate Action activity	++	
Rates Level	=	Traded Volumes
Inflation	=	



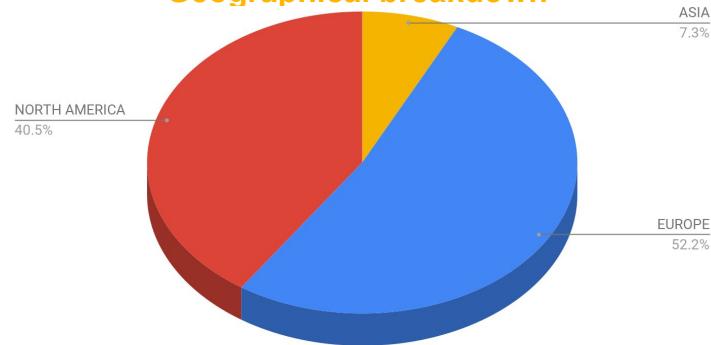


- ❑ Pre-2010: generated through trading of our own equity.
- ❑ Post-2010: opened to third party funds.
- ❑ Limited capacity strategies: via Managed Accounts.
- ❑ High Capacity strategies: via AIF (Alternative Investment Funds).

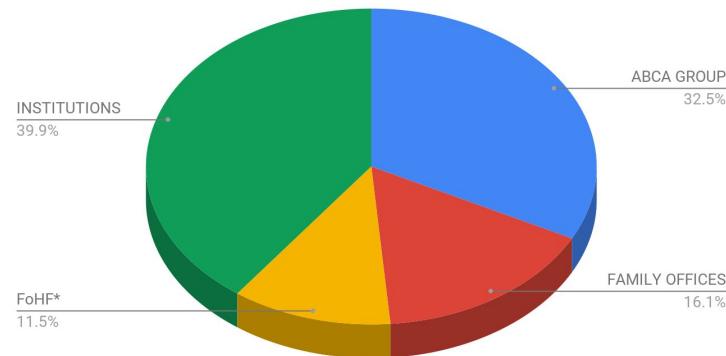
AUM as of 31/12/2021 = 512M€
 AUM as of 01/06/2022 = 533M€

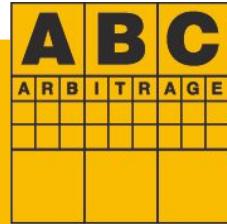


ABC's AuM Geographical breakdown



Investors' breakdown





2. How we do it

ABC Equity as a strong development tool

Equity in m€ vs Date



- High reactivity for seed money decision.*
- High reactivity for market allocation.*
- Independent from ext. client situation*
- Accumulation from ABC results (10K€ in 1995)*

Almost 100 people dedicated to ABC arbitrage Business

~10% - Risk Management

- Risk Control*
- Process Control*
- Risk Committee*
- Compliance*

~70% - R&D + Front

- Quant Traders & Research*
- IT developers & IS*
- Data analysis*
- Operations*
- Markets Lawyers*

~10% - Sales

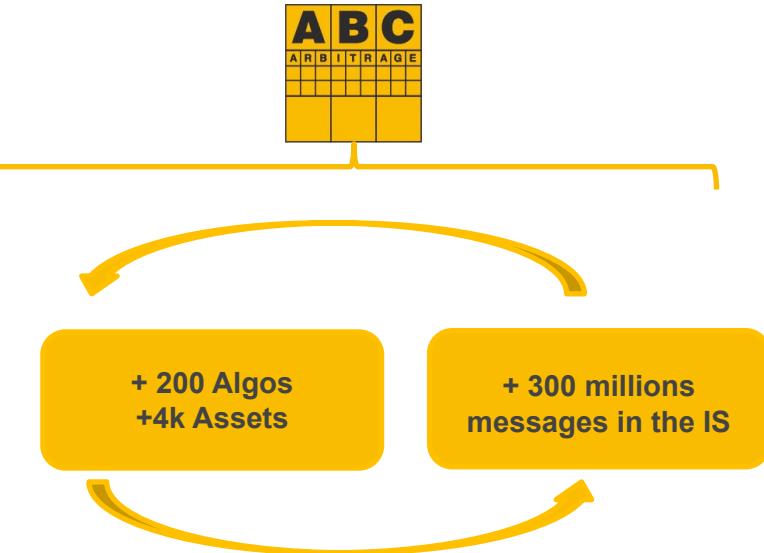
- Marketing*
- Investor Relations*
- Due Diligence Team*
- Senior management*

~10% - Support

- Human Resources*
- Office Management*
- Others (ABC arbitrage corporate, Com. etc...)*

Robust internally-developed 24/7 trading systems

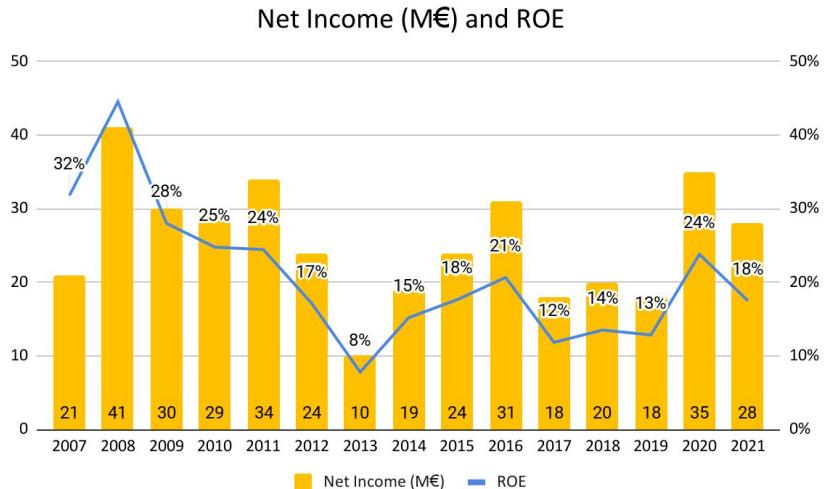
- ❑ Billions of data elements processed each year
- ❑ Active in almost 100 markets across the world - 24/7
- ❑ Not a High Frequency Trading player but Top Tier 2



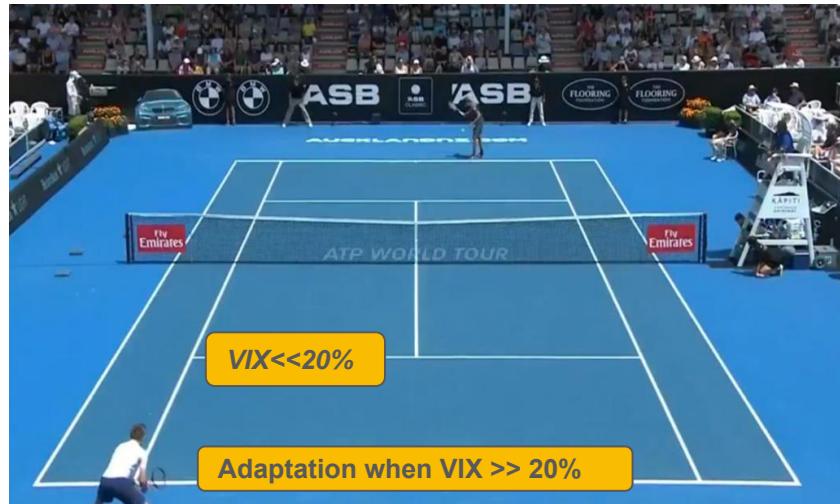
Figures are daily average

*: all updates in the order books or trades for each share followed in ABCA's algos

**Since creation, 27 consecutive years
with ROE > 10%**



More than 80% positive days



- ❑ 4 people dedicated to risk control + 3 people process control
- ❑ Top management involved in Risk Management
- ❑ No star trader

- ❑ Real Time monitoring of markets parameters
- ❑ Real Time monitoring of risk parameters on ABC strategies
- ❑ Real Time monitoring of each ABC strategy PnL

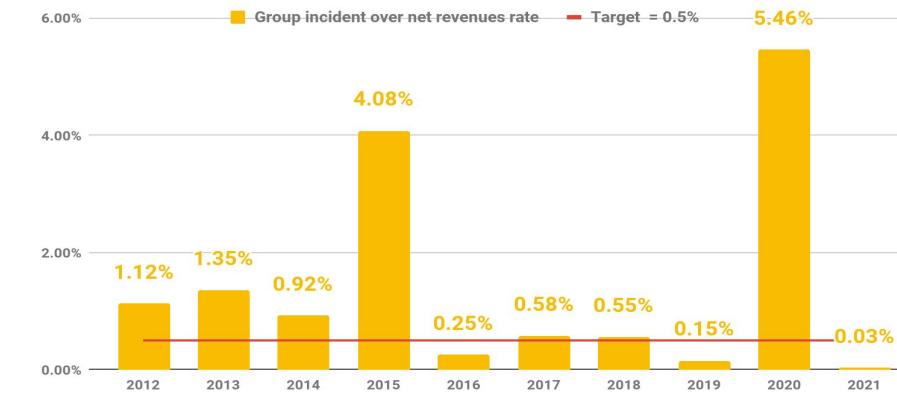
Risk Mitigation Process

Maximum Risk Budget for ABC group since 2010



Strict Quality Control

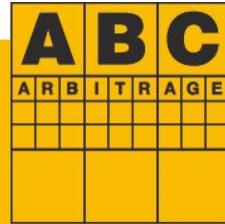
Group incident over net revenues rate



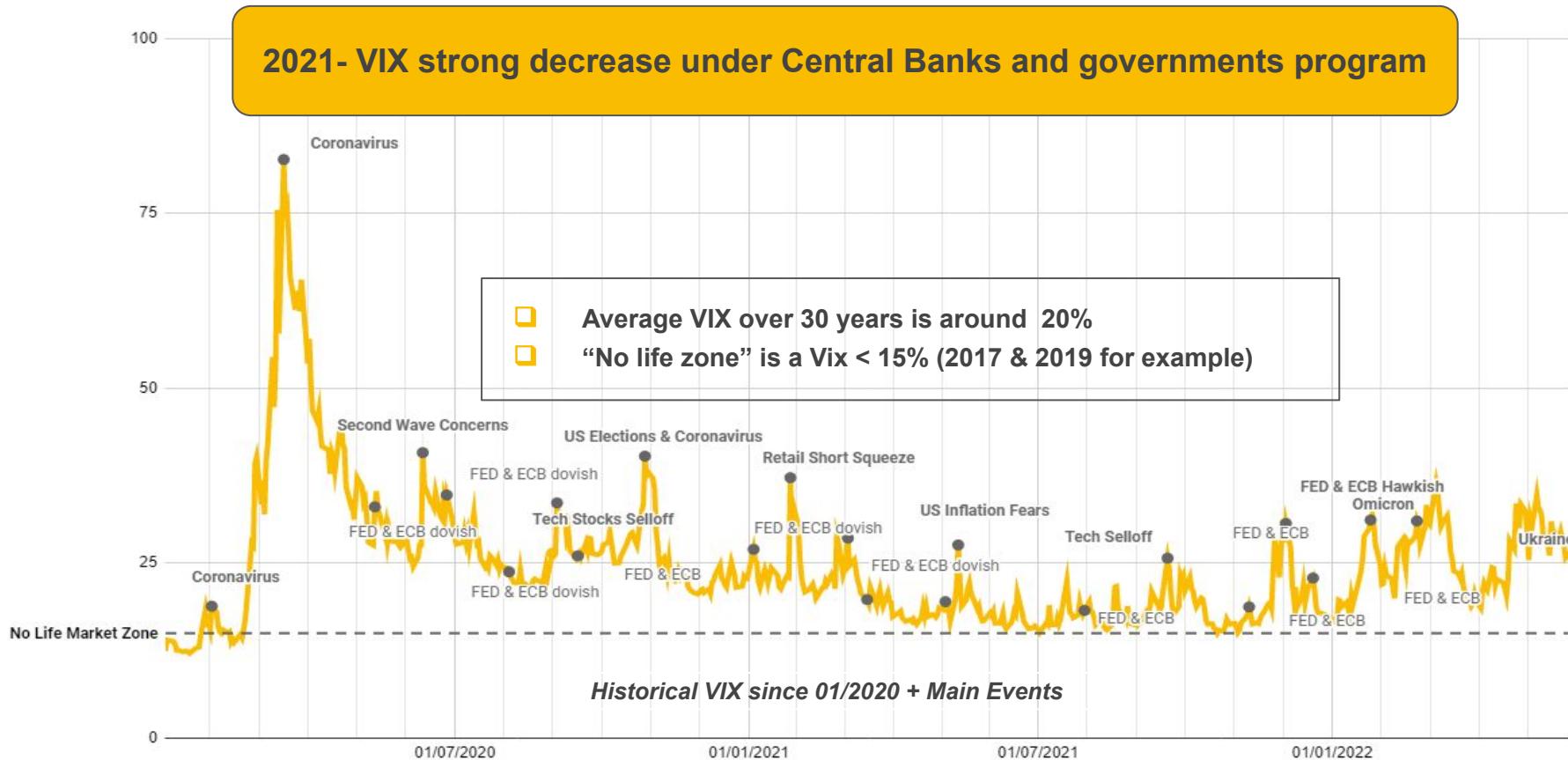
- ❑ Compound of “every” possible risk even “opposite” risks
- ❑ No significant increase in the risk budget over time

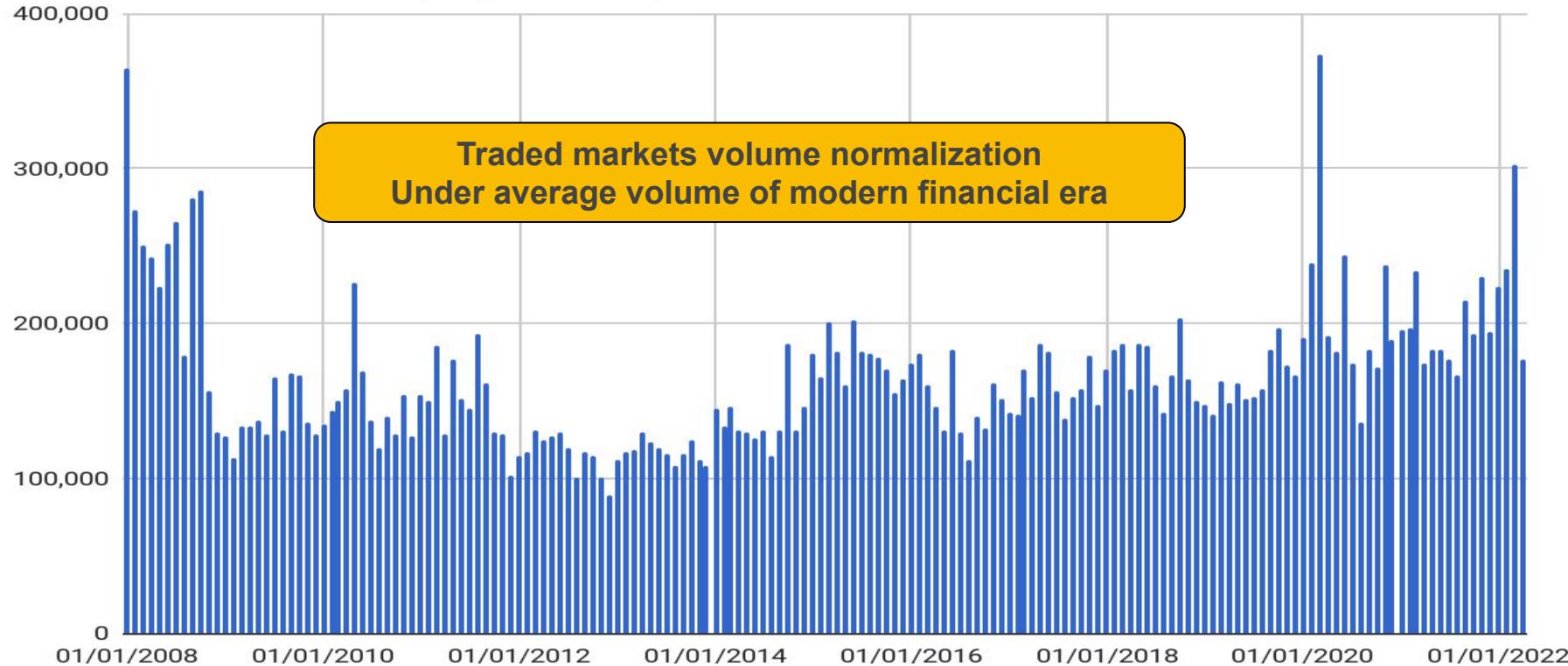
- ❑ External incident* in Dec 2020 concerning 2016 to 2019.
- ❑ Excluding this incident*: 2020 ratio = 0.35%
- ❑ Back to normal in 2021

*recognised in FY 2020 Result, [2020 Annual Financial Report](#), Page 61



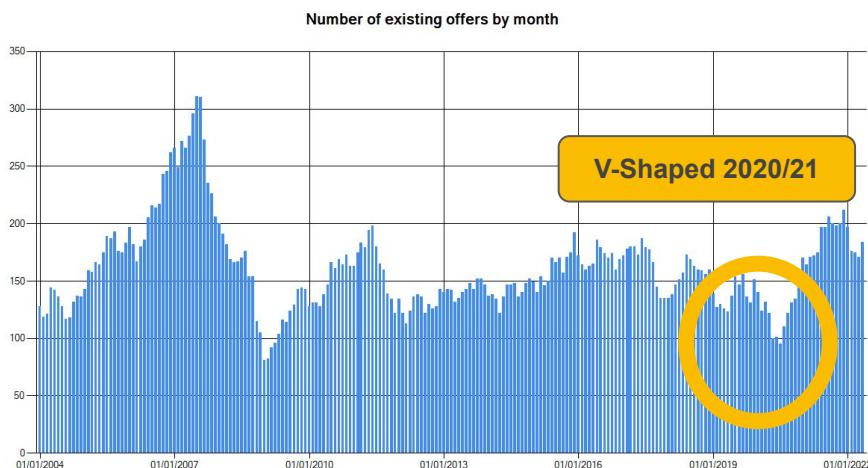
3. 2021 Market Parameters



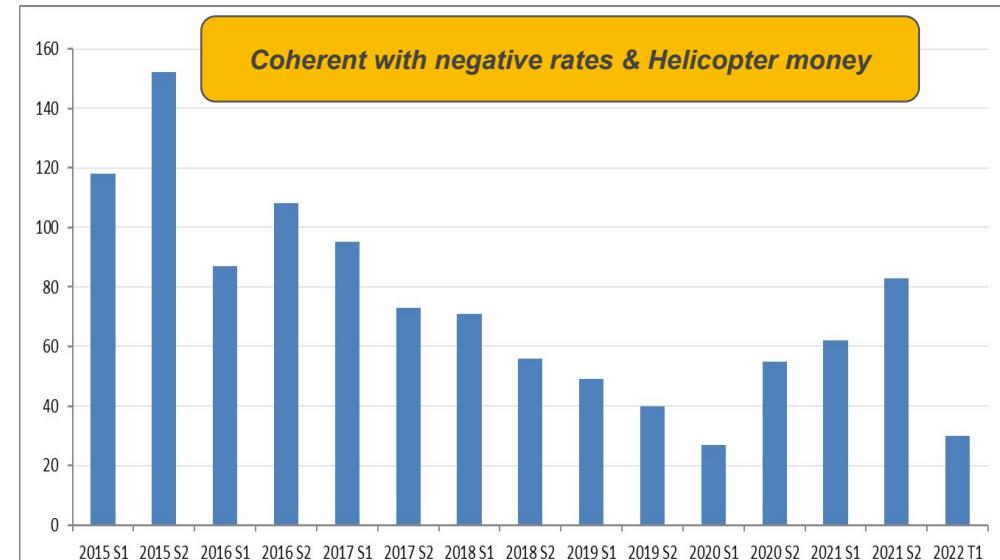
Euronext Traded Volume (M€) - Monthly data

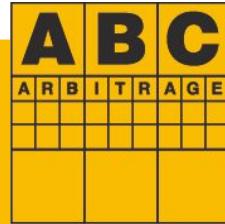
Monthly existing M&A announced offers
Higher level than in 2016

Corporate actions opportunities
Divided by 3 since 2014 - Divided by 1.5 since 2018



V-Shaped 2020/21





4. 2021 Financial Results

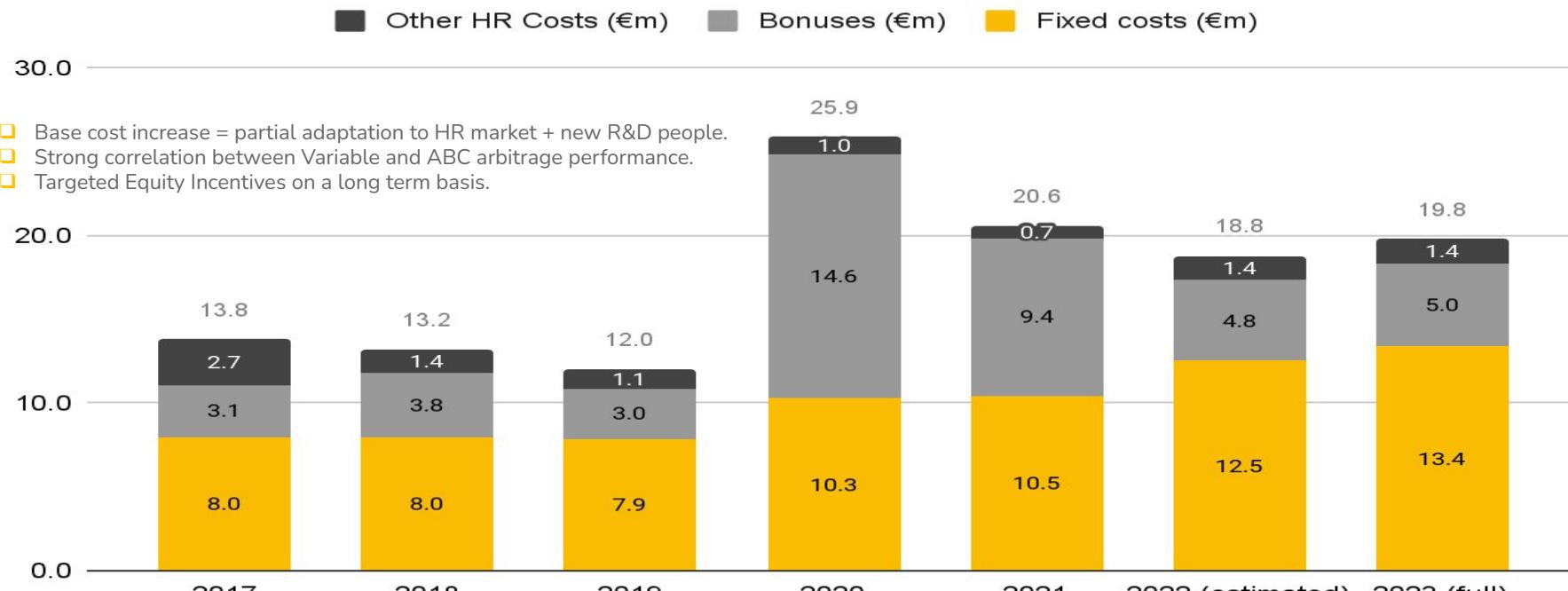
In Euro millions - IFRS	2019	2020	2021	2021 Pro forma	Change 2021/2020	Change 2021/2021 Pro forma	Useful comment
Investment Services Fees*	14.4	22.5	59.9	25.3	166.3%	12.4%	Impact of the change in the transfer pricing policy (TPP)
Net gains at fair value through profit or loss**	22.6	46.3	4.3	34.5	-90.7%	-25.4%	
Net revenues	37.0	68.8	64.1	59.8	-6.8%	-13.1%	
Payroll costs	-12.0	-25.9	-20.7	-21.2	-20.3%	-18.3%	Cf. Slide 20
Occupancy costs	-1.3	-1.4	-1.4	-1.4	0.0%	0.0%	
Other expense	-5.5	-5.9	-6.4	-6.4	8.8%	8.8%	Cf. Slide 21
Other taxes	-0.1	-0.1	-0.3	-0.3	114.8%	114.8%	
Total costs	-18.9	-33.4	-28.7	-29.3	-13.7%	-12.2%	
Income before tax	18.1	35.4	35.4	30.5	-0.2%	-13.9%	
Income tax	0.2	-0.3	-7.3	0.2	n.m.	-170.8%	
Net income attributable to equity holders	18.3	35.1	28.0	30.8	-20.1%	-12.4%	€3m fiscal net impact of the TPP change***

*: Management fees on all AuM (included ABCA's own equity)

**: Quartys' (group investment company) financial result (after costs and taxes)

***: Link to the press release [Activity pace and specific event 2021](#)

ABC Team = ABC first priority = ABC first expense

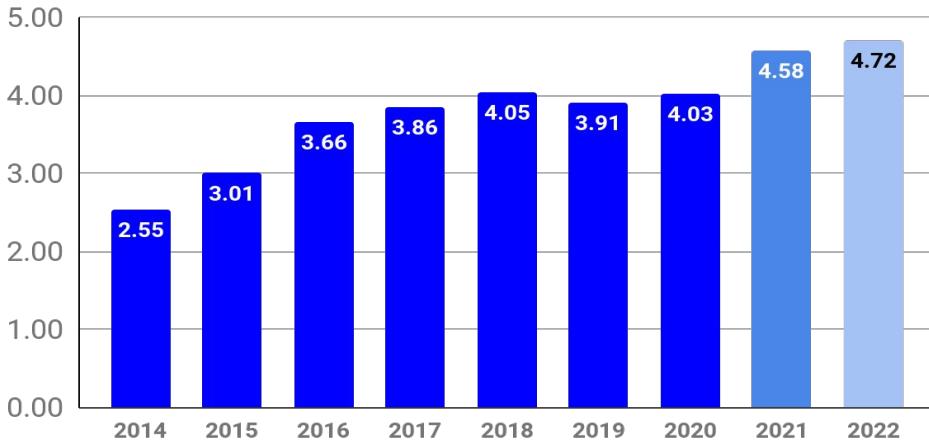


2022 estimated = Team 2021 + new staff + hypothesis of a Net income of 22M€

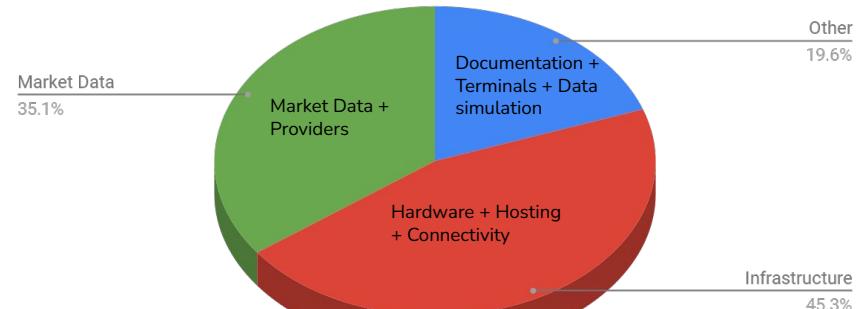
2023 full = Team 2021 + recruitment plan +hypothesis of a Net income of 22M€

ABC arbitrage is a “French Tech” Company !

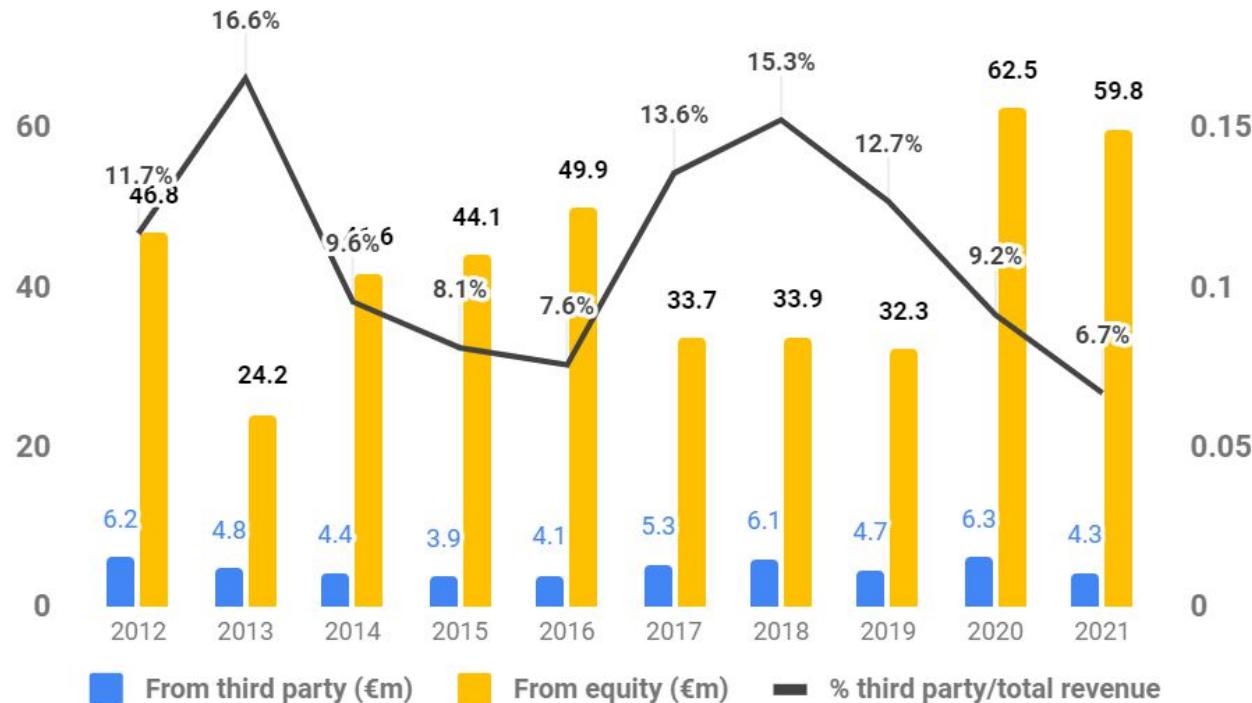
Budget Data annual history (M€)



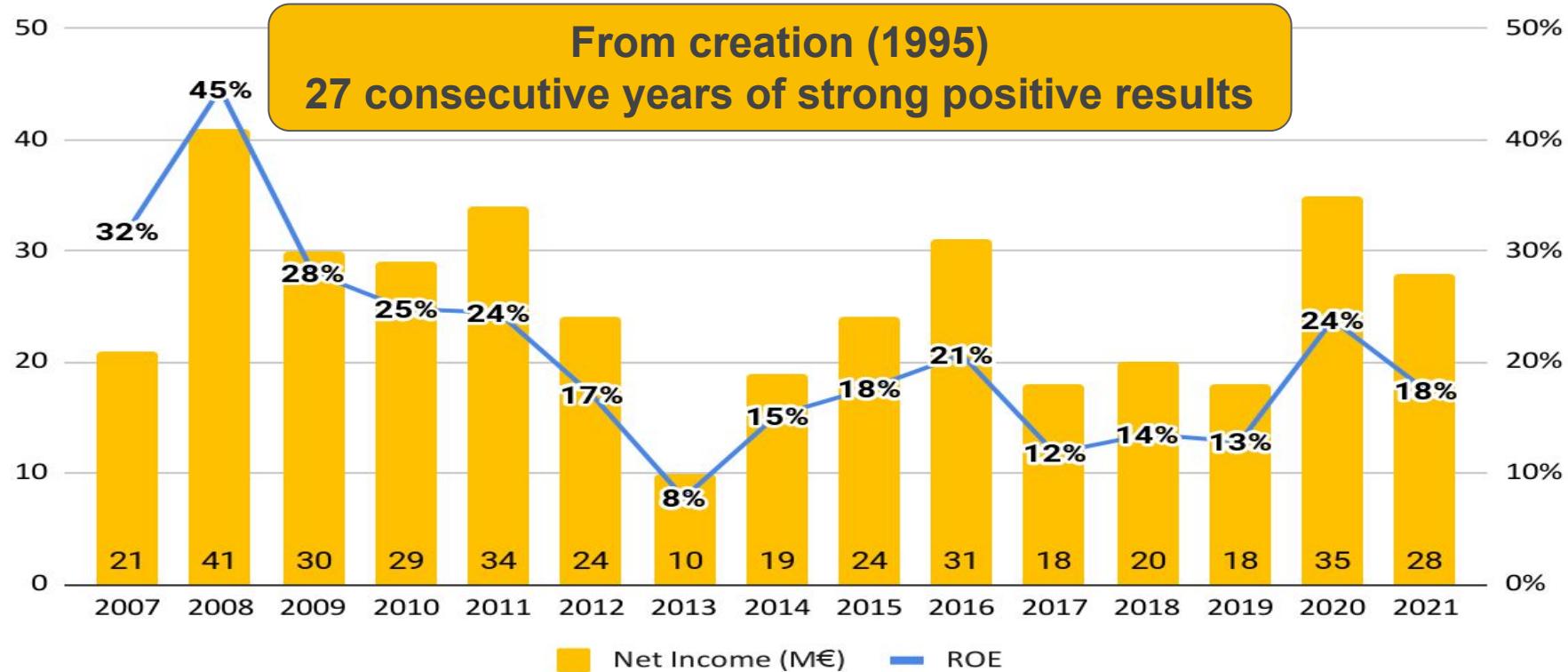
Budget Repartition 2022

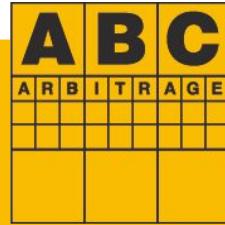


**Revenue from third party capital is in a 10% - 20% range
ABC 2022 ambitions → substantially increase third party revenue**



Net Income (M€) and ROE



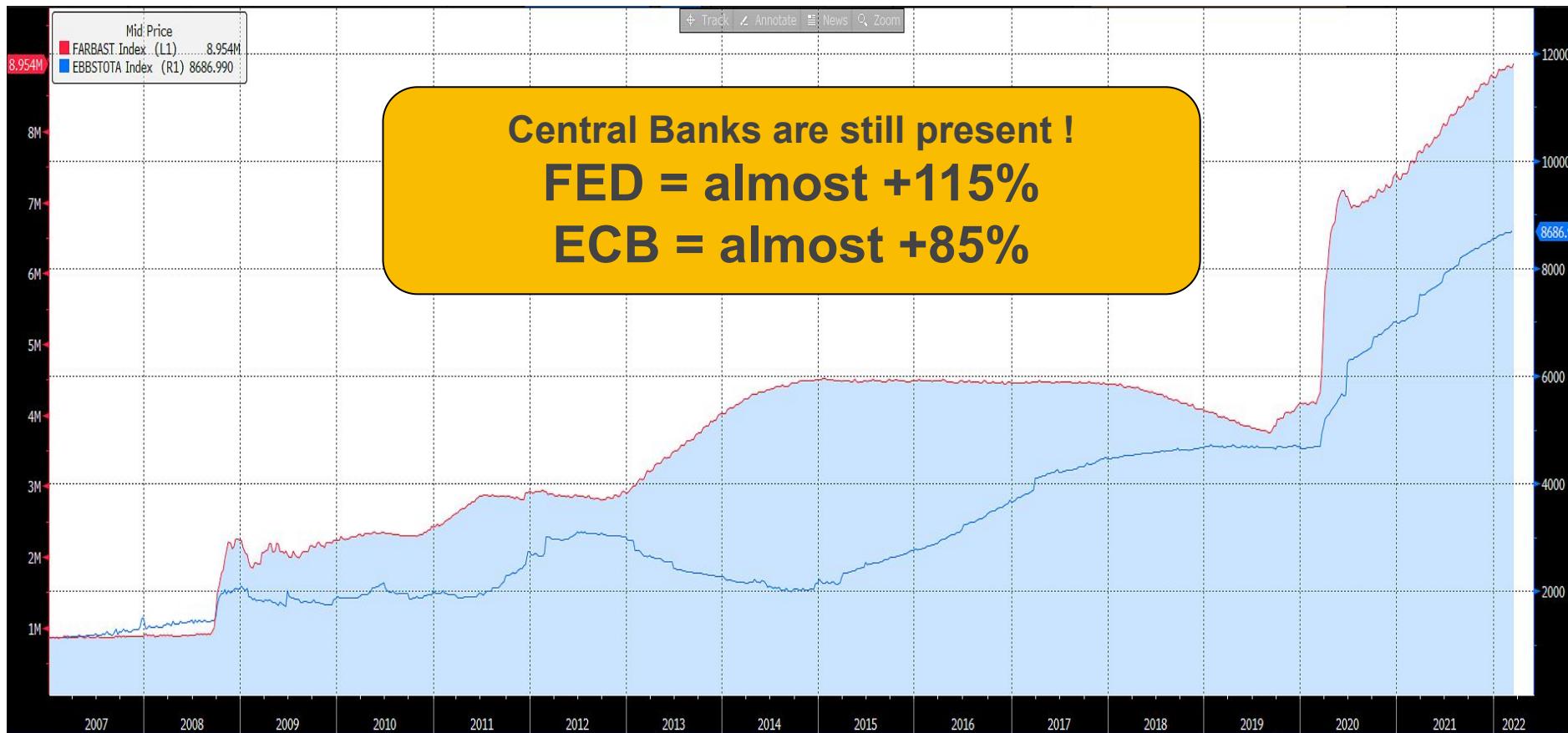


5. 2022 Outlook









Le taux d'inflation dans la zone euro à un niveau historique

Glissement annuel, en %



SOURCE : BLOOMBERG

US inflation stays at four-decade high despite slowing pace

Consumer price index, annual % change



All items

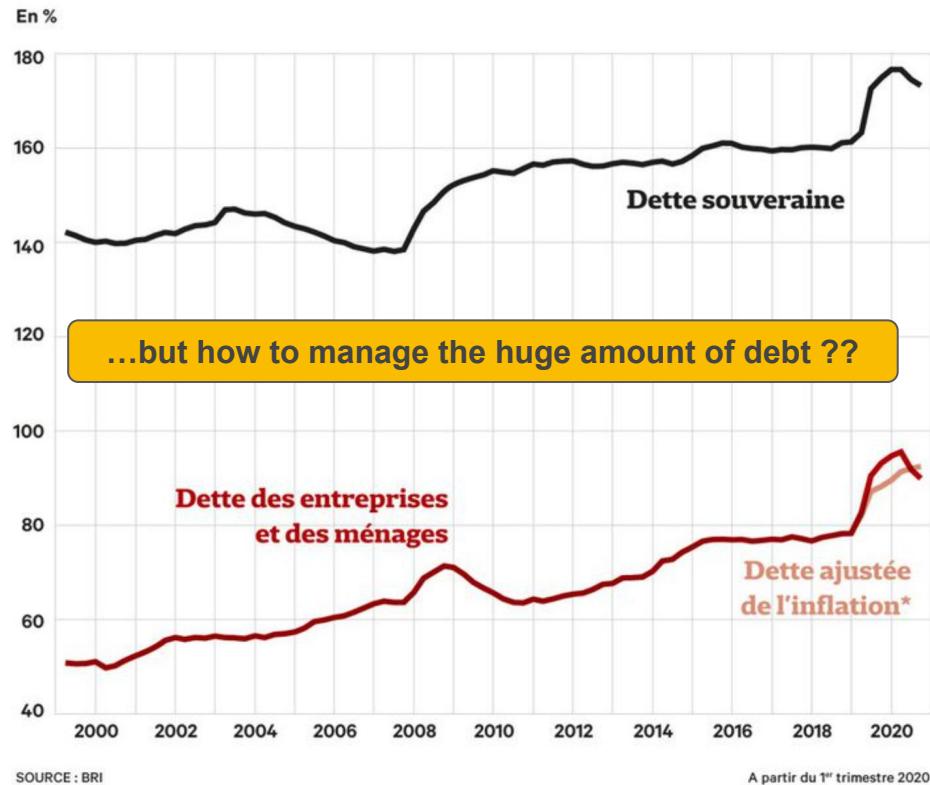
Source: Refinitiv

© FT

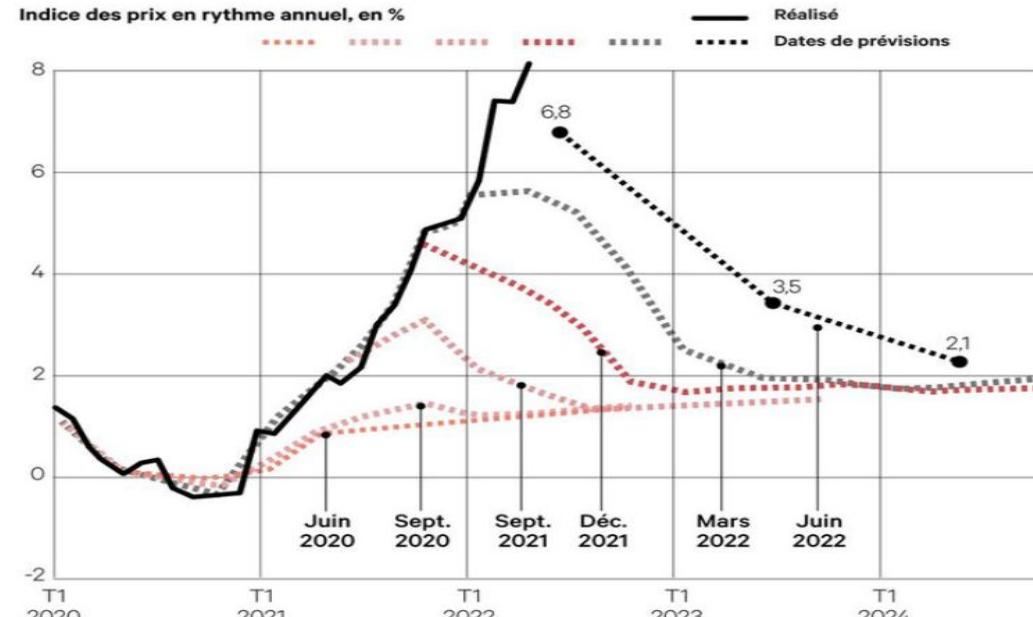
Le taux à 10 ans américain face au Nasdaq



La dette mondiale a atteint un pic en 2020



Inflation dans la zone euro : des prévisions de la BCE trop optimistes



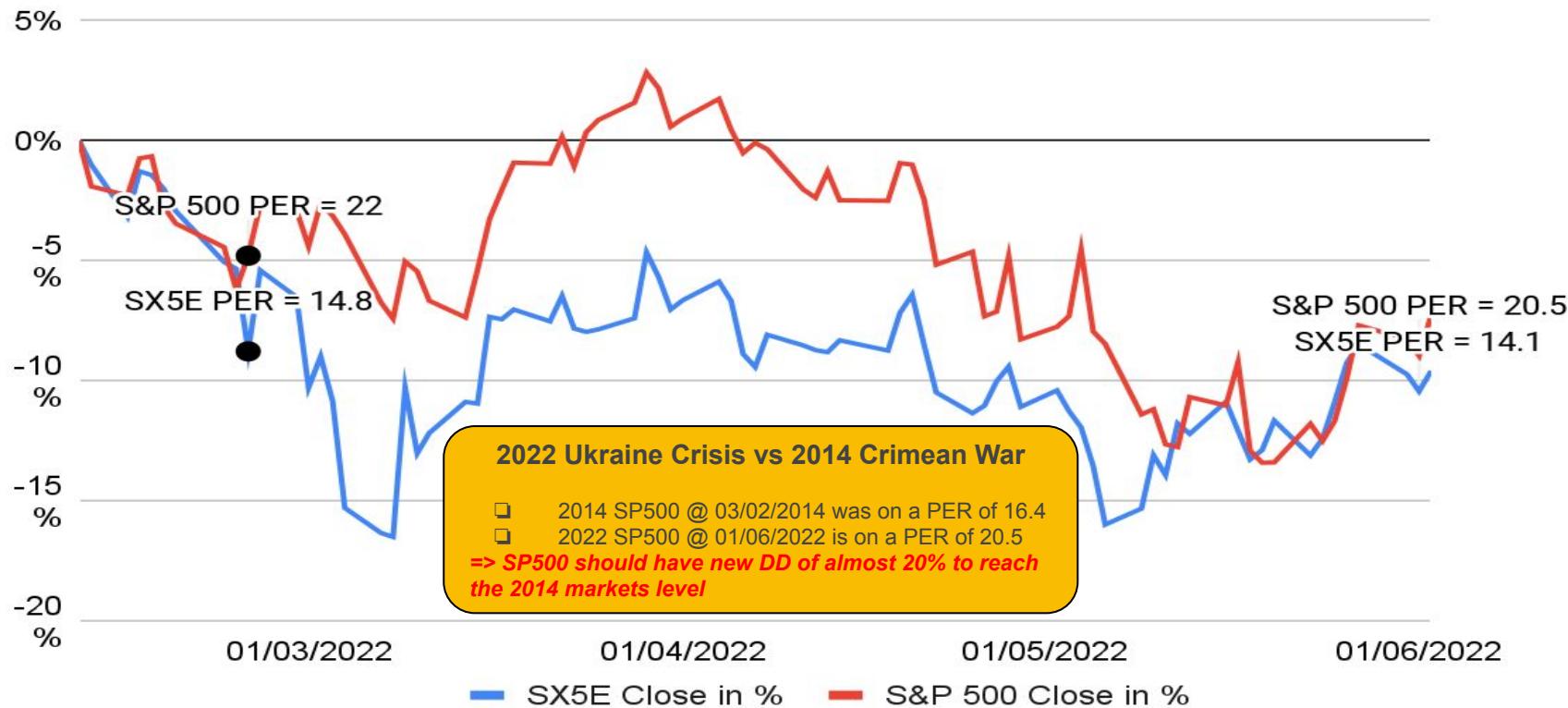
SOURCE : BCE



Les Echos

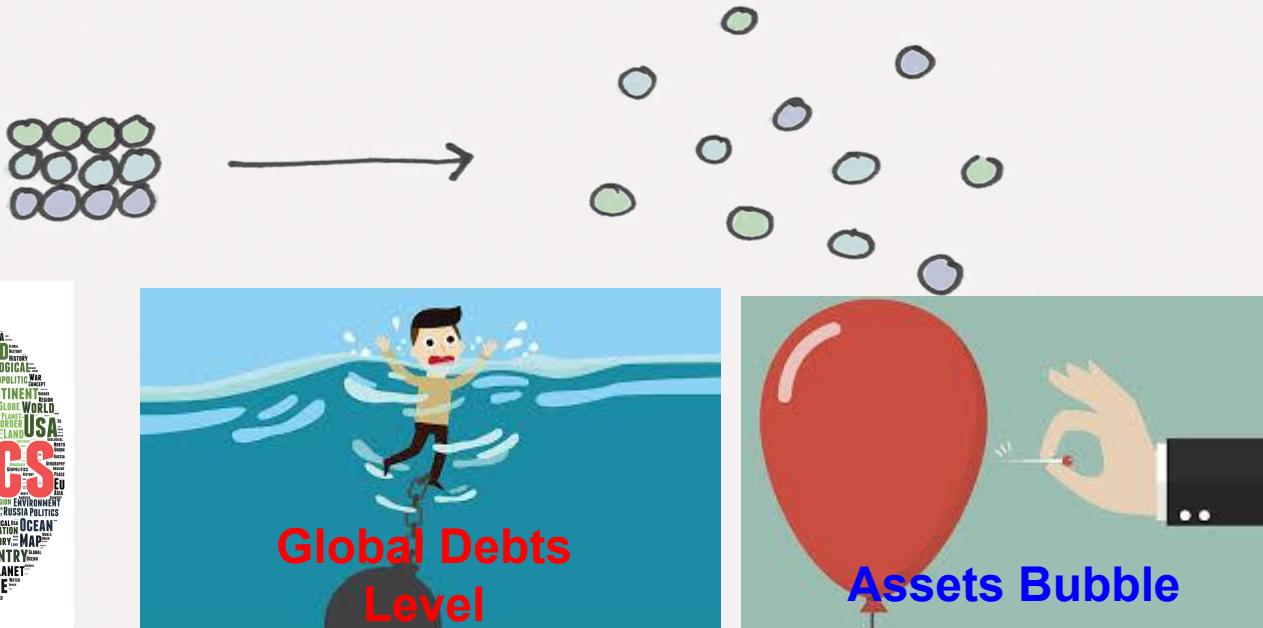


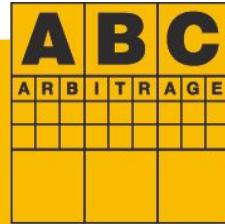
Ukraine crisis : Close in % of S&P 500 and SX5E



A new world of entropy

ABC arbitrage has the necessary resources to perform in these environments !





6. ABC 2022 - Situation update and Strategy

Average ROE > 15%

3 year P&L ~ €90m

Over €1bn AUM

PER > 15

Dividend yield > 6%

Level of activity

- Average ROE 2020&2021 >> 15%
- 2020+2021 > 70% Target of 90M€
- Average Month 2022 ~ 2021
- AUM ~ 80% e.o.y 2021 target
- Still strong correlation to volatility

Group Structure - Governance

Core Business

Asset Management Strategy

Human Capital

Brand Strategy

The Group

3 locations around the world



ABC arbitrage
Parent Company

Listed on Euronext Paris

Paris, France



QUARTYS

Irish Trading Company

Dublin, Ireland

Owned 100% by ABC arbitrage



ASSET MANAGEMENT

Alternative Investment
Fund Manager (AIFM)

Licensed by AMF

Paris, France

Owned 100% by ABC arbitrage



ASSET MANAGEMENT ASIA

Registered Fund
Management Company
(RFMC)

Registered by MAS

Singapore

Owned 100% by ABC arbitrage

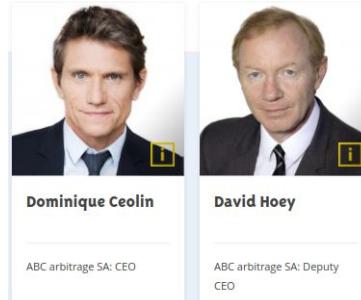


ABC arbitrage Asset Management - New executive team

Developing more projects simultaneously

Developing a necessary range of skills

Installing succession plan



Dominique Ceolin

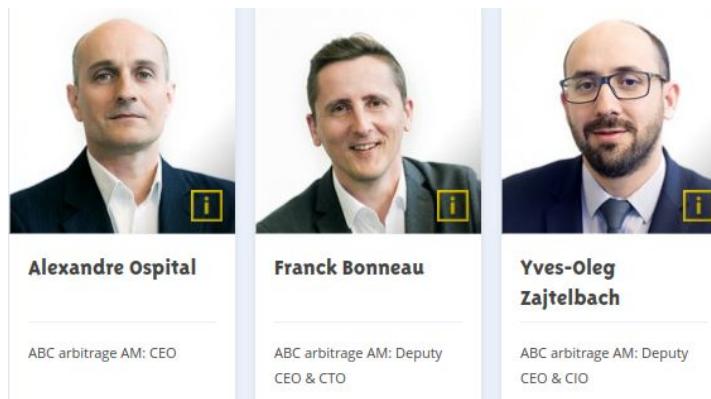
ABC arbitrage SA: CEO

David Hoey

ABC arbitrage SA: Deputy CEO

Dominique Ceolin : Chairman of ABAM's Board
David Hoey : ABAM's Board member

New Executive Team
More than 60 accumulated years of ABC experience



Alexandre Ospital

ABC arbitrage AM: CEO

Franck Bonneau

ABC arbitrage AM: Deputy CEO & CTO

Yves-Oleg Zajtelbach

ABC arbitrage AM: Deputy CEO & CIO

**Increasing
Gross Profits strongly**

- New assets like crypto, ETF
- Developing Como. & Treasuries
- Improving our histo. know-how

**Facing
Very low vol. paradigm**

- Mutualisation
- Different assets & strategy
- Developing client turnover

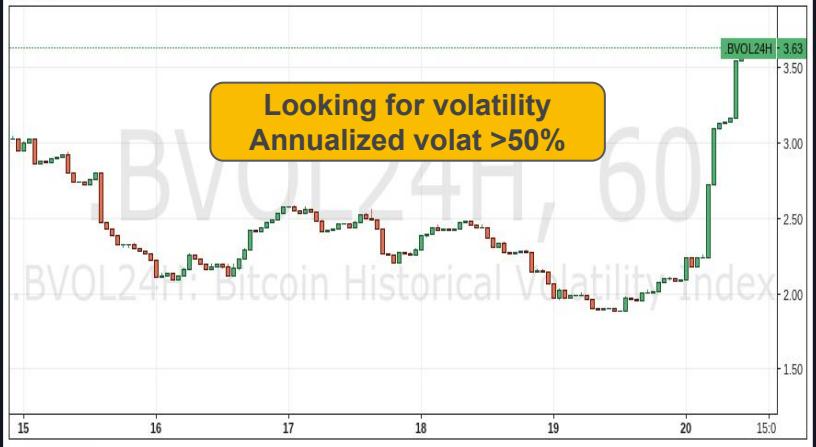
**Developing
Management capacity**

- Tailor made products
- “Out of the box” ABC quant strat.

New Assets - New Strategies - New products for clients

Published on TradingView.com, September 20, 2021 11:50:14 CEST
.BVOL24H, 60 O:3.61 H:3.63 L:3.62 C:3.63

Looking for volatility
Annualized volat >50%



TradingView



Crypto Business - Next ABCA fund

ABC GROUP

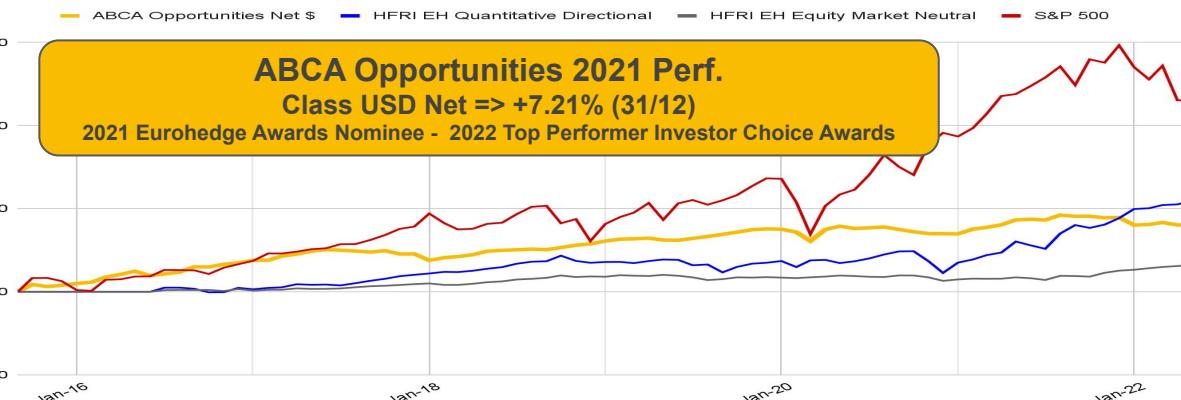
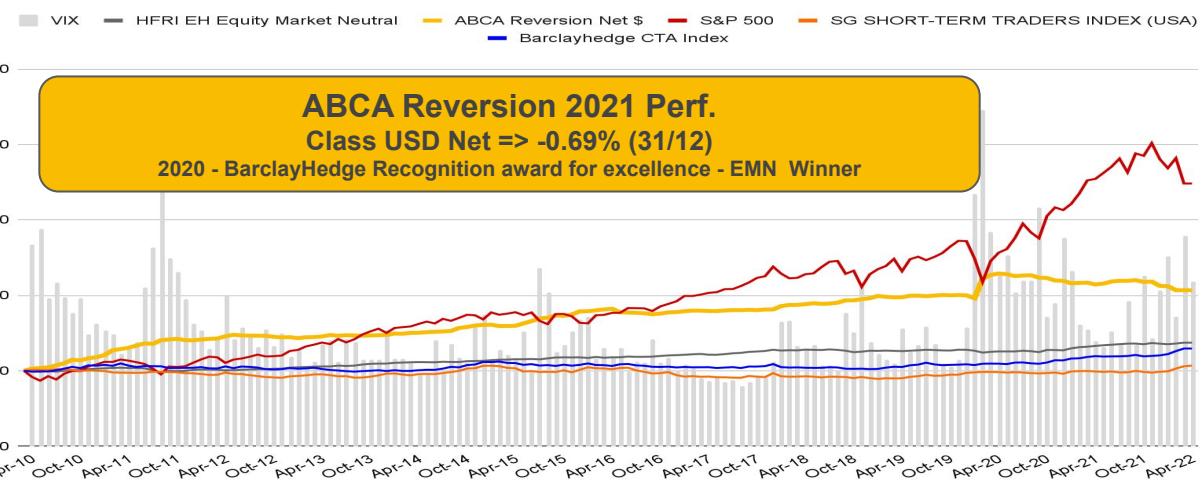
- 1 dedicated people
- All ABC staff are committed
- Work in Progress
- Shareholders Choice

ABC Business

- Label UNPRI (WiP)
- ESG Funds (WiP)

**Industry Reflexions**

- What we can do ?
- What we have to do ?
- Pre or post regulation ?
- Whatever it costs ?



	30/04/2022	Annualized Performance	Volatility
Reversion Net \$	6.2%	5.5%	
SG SHORT-TERM TRADERS INDEX (USA)	0.7%	5.4%	
Barclayhedge CTA Index	2.2%	4.6%	
HFRI EH Equity Market Neutral	2.7%	2.5%	
S&P 500	11.4%	14.1%	

	30/04/2022	Annualized Performance	Volatility
ABCA Opportunities Net \$	5.3%	5.0%	
HFRI EH Equity Market Neutral	2.5%	2.5%	
HFRI EH Quantitative Directional	6.9%	7.7%	
S&P 500	12.7%	15.0%	

Total AUM

M€

EoY* 2019

335

Group's AUM (Asset Under Management)

EoY 2020

370

EoY 2021

512

EoY 2022

1000**

vs ambition of 670M€ 2021 eoy

Targeting a net return of 2%

Revenue MF/PF

M€

Excluding Quartz Client

2019

4.7

Gross PnL External Clients

2021

4.2

2022

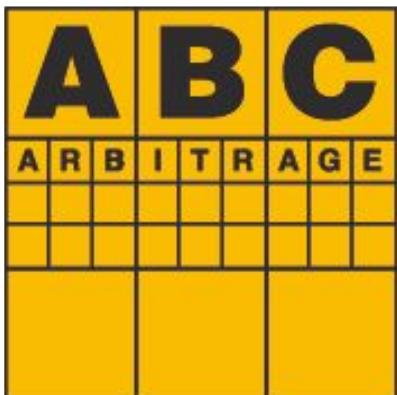
12 - 18**

* End of Year

** ABC 2022 Ambition

vs ambition of 6M€ eoy 2021

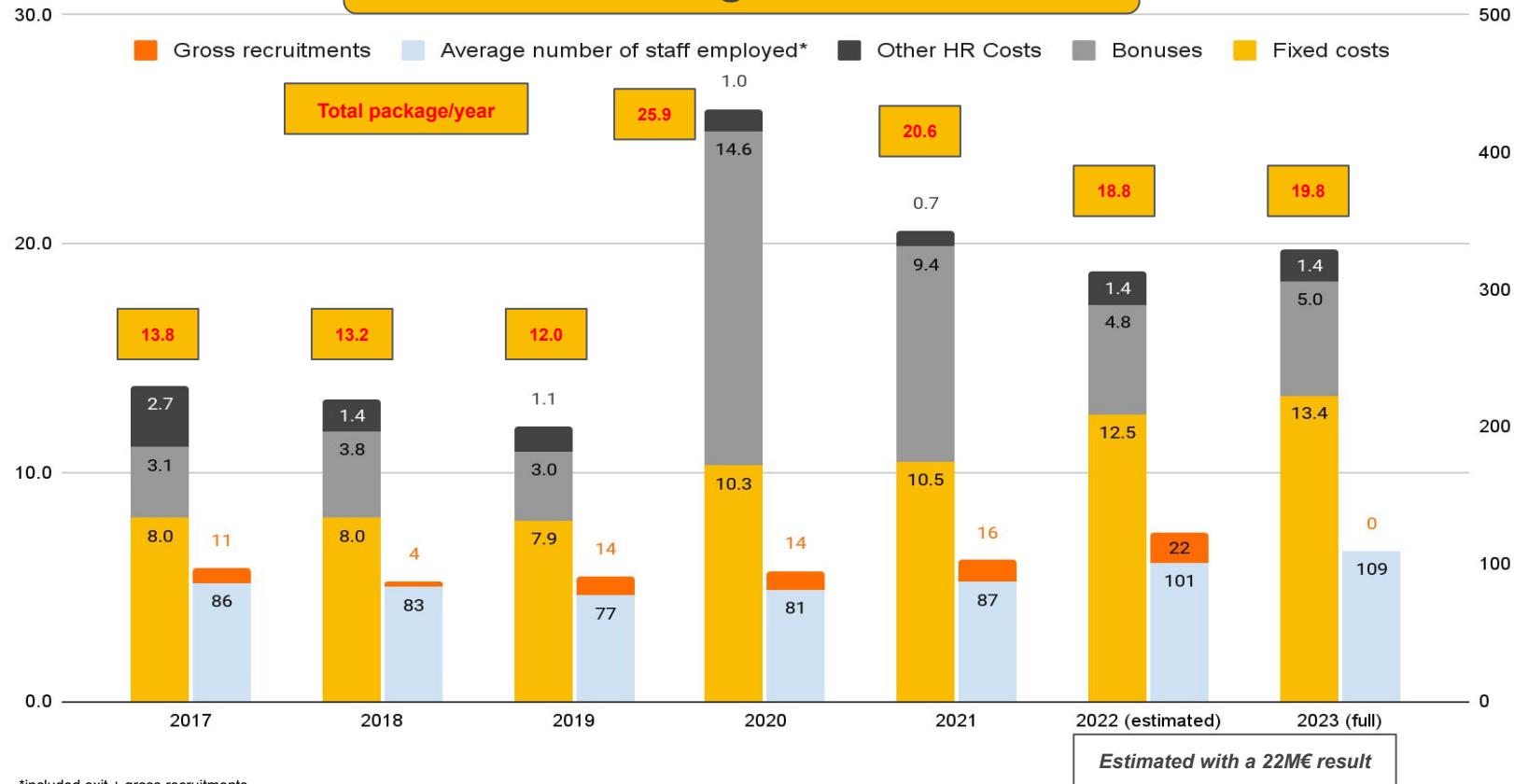
Under pressure finding people
→75% of our needs fulfilled in 2021



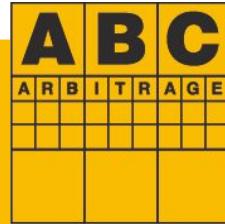
Remuneration under pressure
As of 2020 - Cost increase above a result of 22M€



2022 - Continuing R&D recruitment



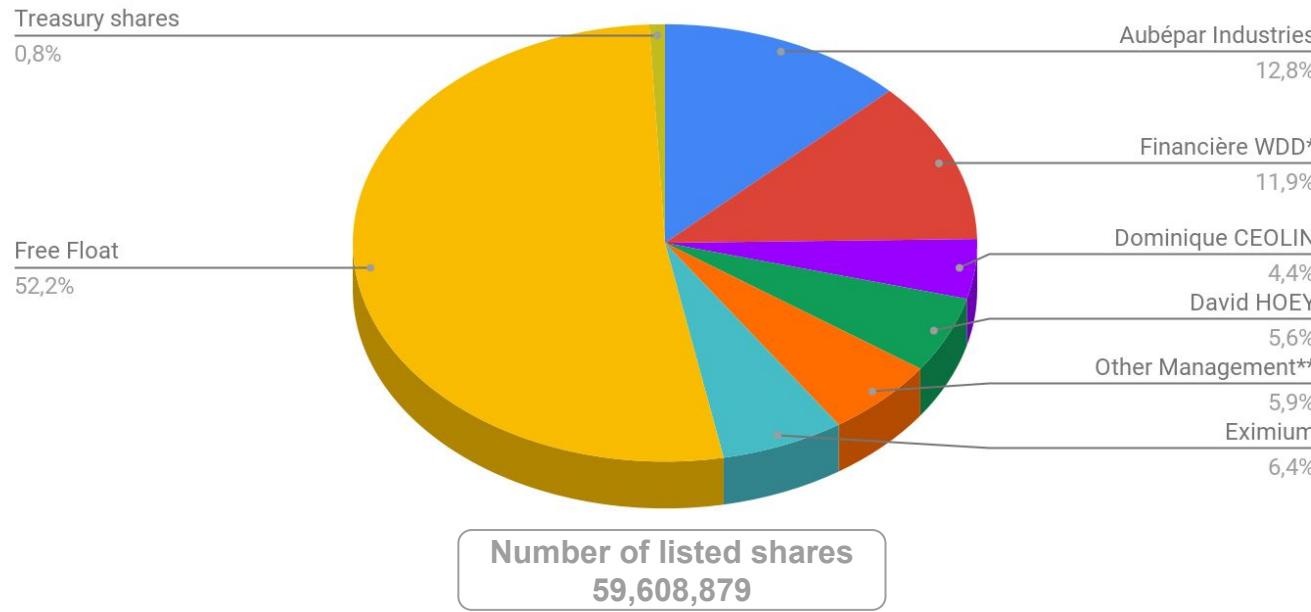
*included exit + gross recruitments



7. Shares & Distributions

21% owned by Executive Top management => Alignment of interests between Shareholders and Management Team

Share ownership as of 08/06/2022



* Holding company 50,01% held by Dominique Ceolin

** Management and independent non-executive directors excluding Dominique Ceolin and David Hoey

INFORMATION

- Mandate for the sale of 200,000 ABCA shares (< 0.4% of the capital).*
- Minimum price at 7.30€.*
- A strict process to trade a marginal part of the market share.*
- AUBEPAR Industries situation after sale => 12.4% of ABCA.*

ABC arbitrage analysis

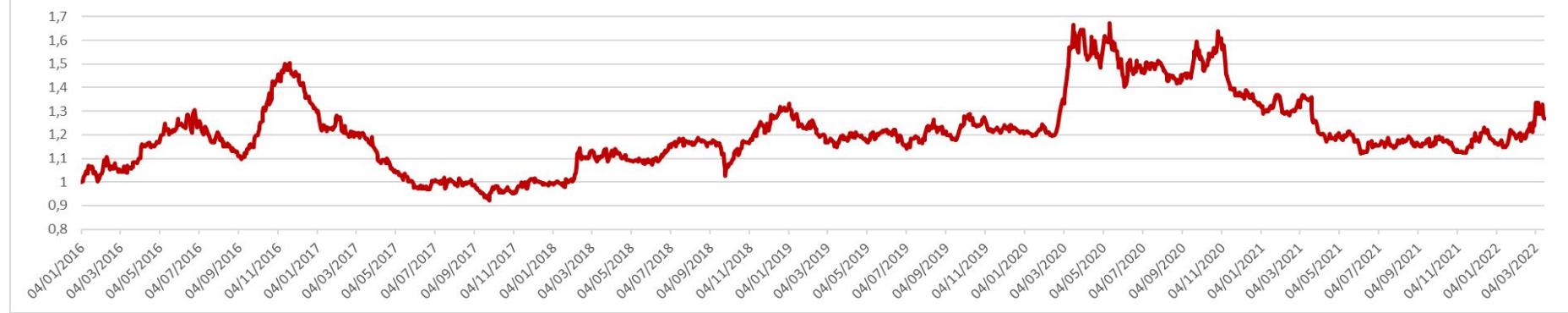
- Marginal sale - no huge modifications of shareholders structure*
- Expected process (should be !)*
- Shareholders structure is also a "board of directors" responsibility...*
- ...as is the board of directors constitution with shareholders meeting*

ABCA share price with reinvested dividends and CAC mid / small GR

base 100 = January 4th 2016



ABC Arbitrage with reinvested dividends / CAC mid small GR



FY2021 distribution = €0.40

- €0.10 – Ex date 12 October 2021.
- €0.10 – Ex date 7 December 2021.
- €0.10 – Ex date 20 April 2022.
- €0.10 - Ex date July 2022 - 2021 final dividend*
- €0.10 – Ex date October 2022 (TBC)
- €0.10 – Ex date December 2022 (TBC)

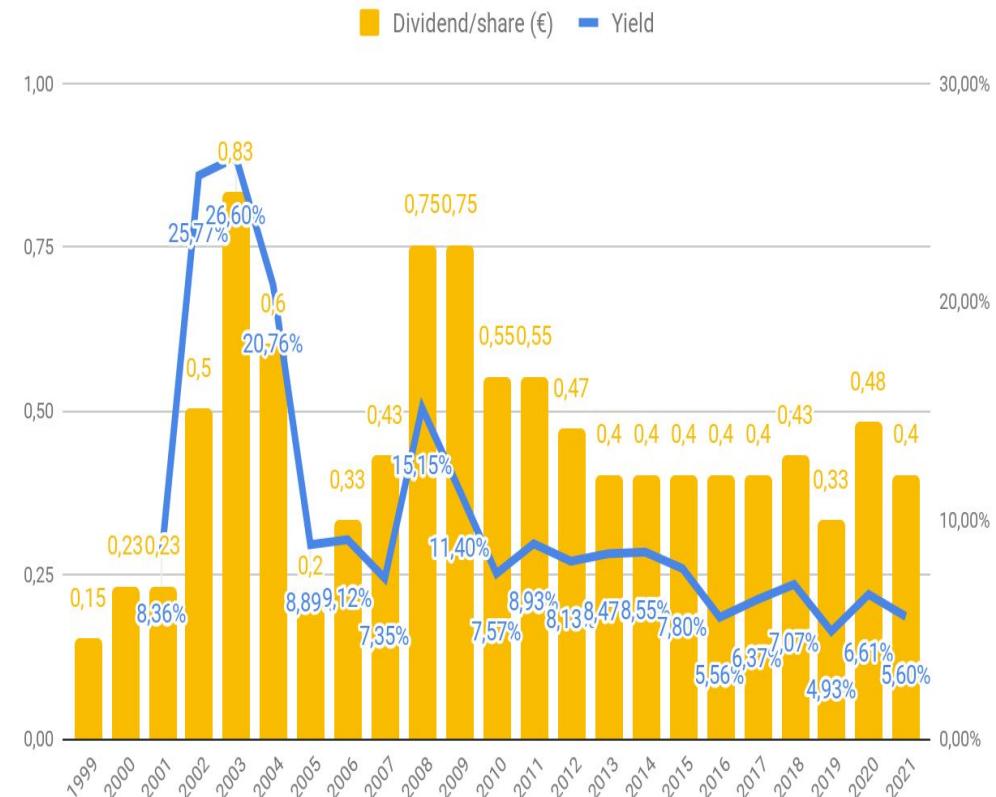
*: if approved by the AGM

Buyback program

- €4m authorization by the Board following AGM's decision on 11 June 2021
- €4.8m additional authorization by the Board on 23 May 2022
- Realized ~ 2% of share capital

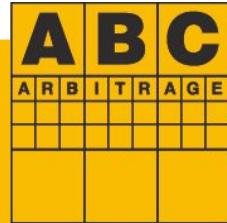
Pay Out Ratio (POR) Policy

- Since 1999, average POR = 96%
- 2020 & 2021 ~ 80%



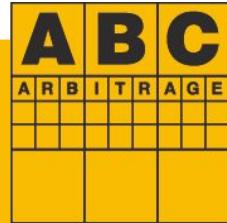
This slideshow is a communication support for the investor presentation on FY 2021. This document includes some forward-looking statements as statements regarding ABC arbitrage business operations. Although ABC arbitrage believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements.

These documents and information are given for illustrative purposes and do not substitute for official documents relating to the 2021 financial year.



II. Questions des actionnaires sur la présentation de l'activité





III. Vote des résolutions



AGO 2022 – 1^{ère} résolution

L'assemblée :

- Prend acte des différents rapports du conseil d'administration et des commissaires aux comptes
- Approuve les comptes sociaux 2021 (*bénéfice net de 43 409 072 €*)

AGO 2022 – 2^{ème} résolution

- Approbation des comptes consolidés de l'exercice 2021
(bénéfice net de 28 038 222€)

AGO 2022 – 3^{ème} résolution

- ❑ Affectation du résultat de l'exercice 2021
- ❑ Distributions 2021 : 0,40 € par action
 - *Acompte de 0,10 € (Octobre 2021)*
 - *Acompte de 0,10 € (Décembre 2021)*
 - *Acompte de 0,10 € (Avril 2022)*
 - *Solde de 0,10 € (Juillet 2022)*

AGO 2022 – 4^{ème} résolution

- ❑ Option pour les actionnaires, en cas de distribution de dividende afférent à l'exercice 2021 et d'acomptes à valoir sur le dividende 2022, de les percevoir en actions

AGO 2022 – 5^{ème} résolution

- Démission du mandat d'administrateur de Monsieur Jean-François DROUETS



AGO 2022 – 6^{ème} résolution

- Proposition de nomination de Madame Isabelle MAURY en qualité d'administratrice indépendante

AGO 2022 – 7^{ème} résolution

- Constat de l'absence de conventions et engagements réglementés

AGO 2022 – 8^{ème} résolution

- Rapport complémentaire du conseil d'administration sur l'augmentation de capital social

AGO 2022 – 9^{ème} résolution

- Approbation des informations mentionnées au I de l'article L.22-10-9 du Code de commerce et relatives aux rémunérations versées au cours ou attribuées au titre de l'exercice clos le 31 décembre 2021 aux mandataires sociaux

AGO 2022 – 10^{ème} résolution

- Approbation des éléments fixes, variables et exceptionnels composant la rémunération totale et les avantages de toute nature versés au cours ou attribués au titre de l'exercice clos le 31 décembre 2021 à Monsieur Dominique CEOLIN, à raison de son mandat de président-directeur général — *vote ex-post*

AGO 2022 – 11^{ème} résolution

- Approbation des éléments fixes, variables et exceptionnels composant la rémunération totale et les avantages de toute nature versés au cours ou attribués au titre de l'exercice clos le 31 décembre 2021 à Monsieur David HOEY, à raison de son mandat de directeur général délégué — *vote ex-post*

AGO 2022 – 12^{ème} résolution

- Approbation de la politique de rémunération de Monsieur Dominique CEOLIN président directeur général — *vote ex-ante*

AGO 2022 – 13^{ème} résolution

- Approbation de la politique de rémunération de Monsieur David HOEY directeur général délégué — *vote ex-ante*



AGO 2022 – 14^{ème} résolution

- Approbation de la politique de rémunération des administrateurs - *Vote ex-ante*

AGO 2022 – 15^{ème} résolution

- Autorisation donnée au conseil d'administration à l'effet d'opérer sur les actions de la Société dans le cadre du dispositif de l'article L22-10-62 du Code de commerce

- Durée de l'autorisation : 18 mois

AGE 2022 – 16^{ème} résolution

- Autorisation d'annuler des actions et toutes autres valeurs mobilières donnant accès au capital dans le cadre du dispositif de l'article L22-10-62 du Code de commerce

- Durée de l'autorisation : 24 mois

AGE 2022 – 17^{ème} résolution

- Délégation de compétence consentie au conseil d'administration à l'effet de décider l'incorporation au capital de bénéfices, réserves ou primes dans la limite de 250 000 euros

- Durée de l'autorisation : 26 mois

AGE 2022 – 18^{ème} résolution

- Autorisation à conférer au conseil d'administration en vue d'émettre des actions ordinaires ou de toutes valeurs mobilières donnant accès au capital avec maintien du droit préférentiel de souscription dans la limite de 250 000 euros au nominal

- Durée de l'autorisation : 26 mois

AGE 2022 – 19^{ème} résolution

- Autorisation à conférer au conseil d'administration en vue d'émettre des actions ordinaires ou de toutes valeurs mobilières donnant accès au capital avec suppression du droit préférentiel de souscription par placement privé dans la limite de 20 % du capital social par an

- Durée de l'autorisation : 26 mois

AGE 2022 – 20^{ème} résolution

- Délégation de compétence consentie au conseil d'administration en vue de l'émission des actions et/ou valeurs mobilières donnant accès au capital réservées aux salariés et dirigeants sociaux du groupe dans la limite d'un montant nominal de 40 000 euros soit 2 500 000 actions

- Durée de l'autorisation : 26 mois

AGE 2022 – 21^{ème} résolution

- ❑ Plafond global de 300 000 euros de nominal du montant des émissions effectuées en vertu :
 - des résolutions 18, 19 et 20 de cette assemblée générale mixte ;
 - des résolutions 18 et 19 de l'assemblée générale mixte du 12 juin 2020.

AGE 2022 – 22^{ème} résolution

- Modification de l'article 16 des statuts – Accès aux assemblées / pouvoirs

- À l'effet de modifier gagner en clarté quant à l'utilisation de plus en plus répandue des moyens de télécommunications pour assister et voter en assemblée générale



AGE 2022 – 23^{ème} résolution

- Pouvoirs pour formalités