Assemblée générale mixte

Du 9 juin 2023 - Comptes annuels 2022

Orateurs

Dominique CEOLIN

Président

Gaëtan FOURNIER

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

Key topics of the presentation

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 kinds of assets.
- **One Conviction:** Investing our own Equity in our strategies.
- **One Proof:** 28 consecutive profitable years with ROE > 10%.
- **One Methodology:** Risk mitigation & Risk Management.

1. What we do

Our business: Trading Arbitrage

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	++
Equity Index Prices	=
Rates Level	=
Commodities Prices	=
Strong Markets volumes	++
Weak volumes	-
M&A Activity	++
Corporate Actions Activity	++
Bank credit issue	-
Market Regulation	+

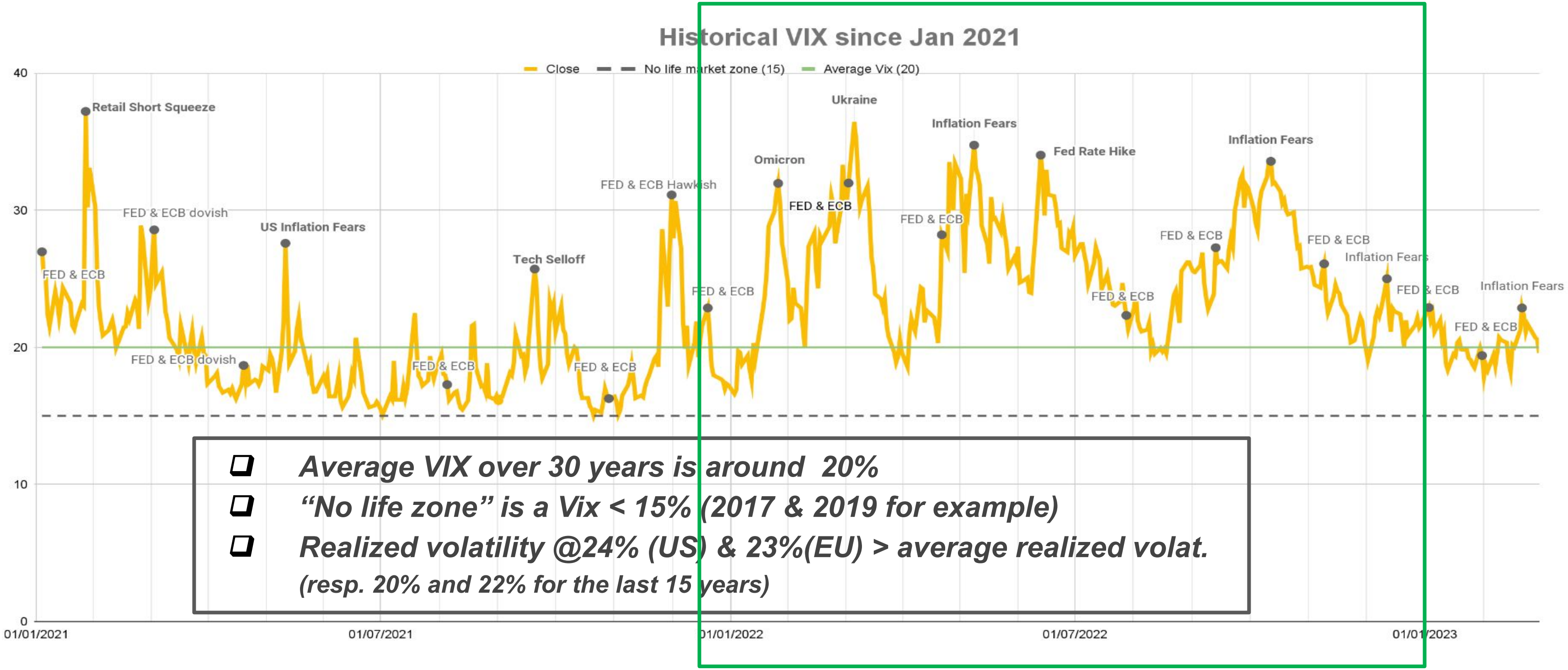
Volatility

M&A
Corporate Actions

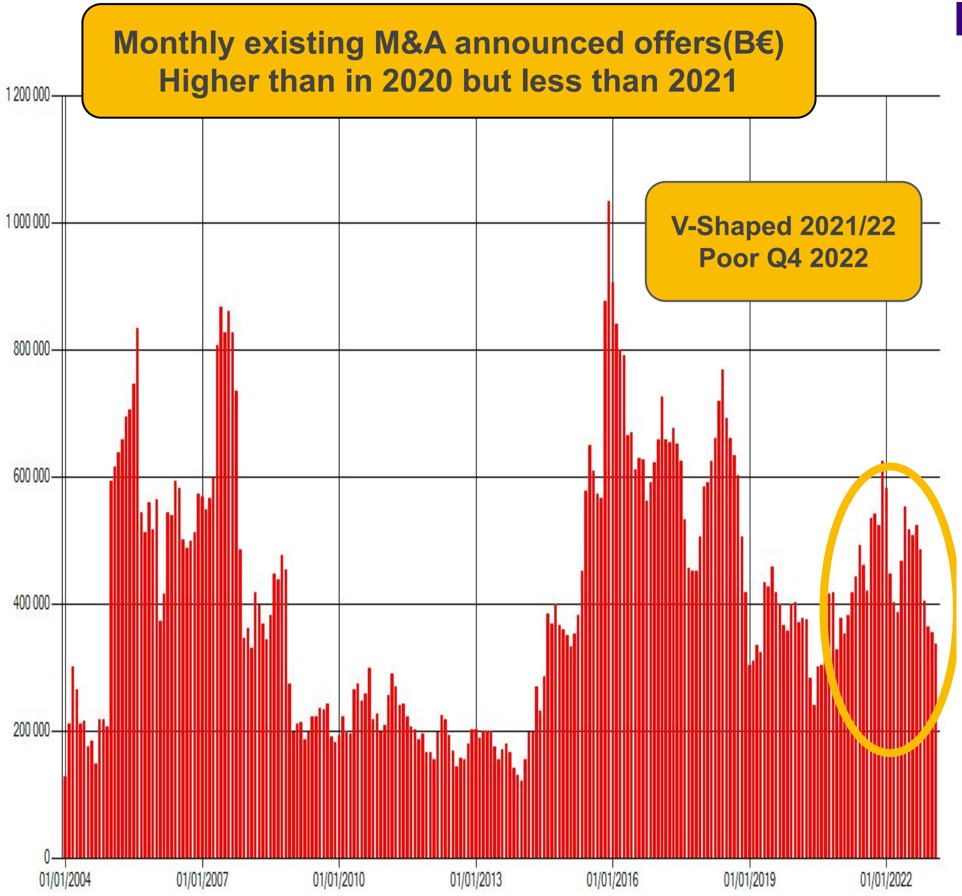
Traded Volumes

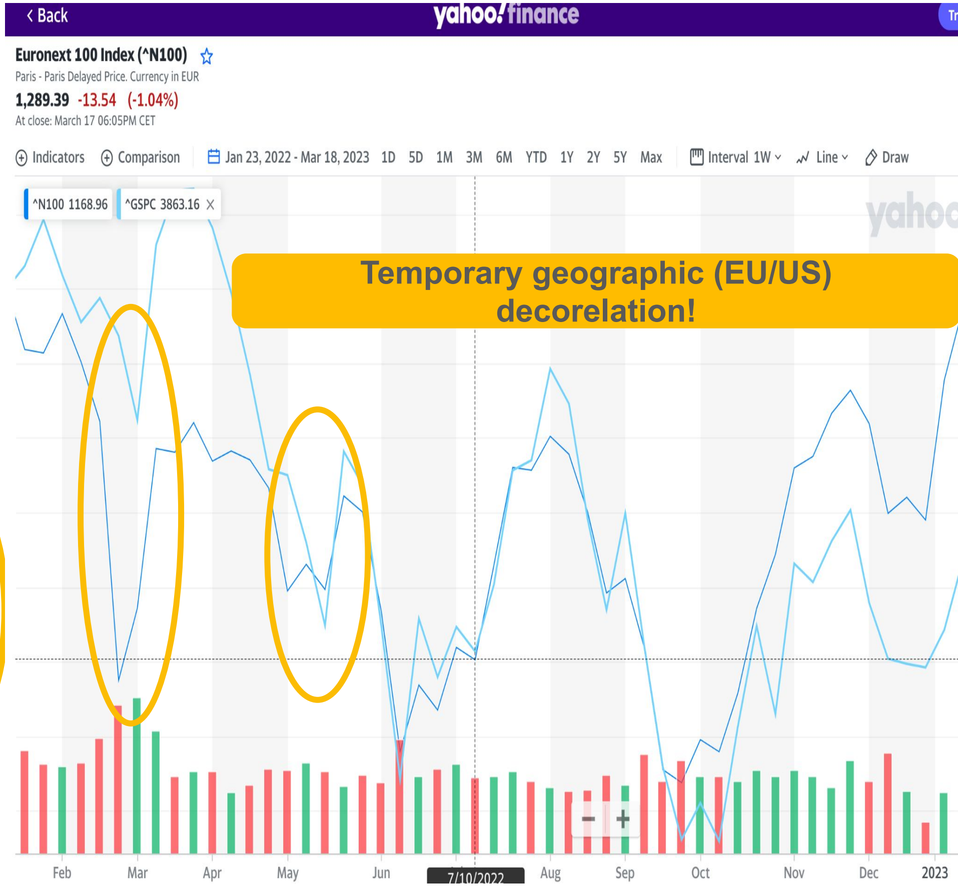
2. 2022 Market Parameters & ABC 2022 Profits

2022 - [almost] The end of Central Banks Paradigm under inflation pressure & UA/RUS War



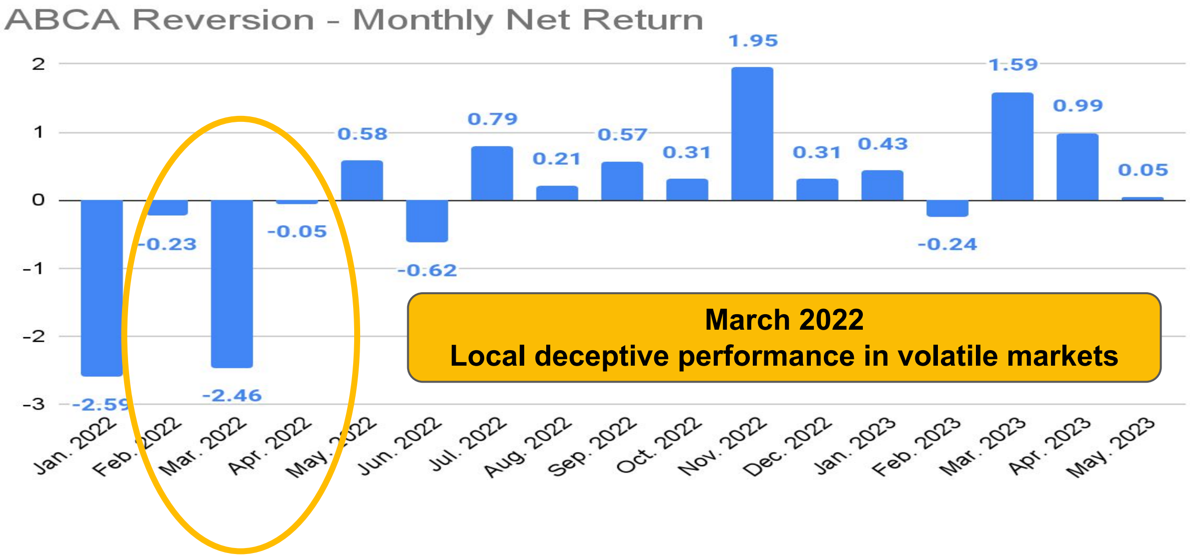
- ***Average VIX over 30 years is around 20%***
- ***"No life zone" is a Vix < 15% (2017 & 2019 for example)***
- ***Realized volatility @24% (US) & 23%(EU) > average realized volat.***
  (resp. 20% and 22% for the last 15 years)


Monthly existing M&A announced offers(B€)
Higher than in 2020 but less than 2021
V-Shaped 2021/22
Poor Q4 2022
1 200 000
1 000 000
800 000
600 000
400 000
200 000
0
01/01/2004
01/01/2007
01/01/2010
01/01/2013
01/01/2016
01/01/2019
01/01/2022


Back
yahoo!finance
Euronext 100 Index (^N100)
Paris - Paris Delayed Price. Currency in EUR
1,289.39 -13.54 (-1.04%)
At close: March 17 06:05PM CET
Indicators
Comparison
Jan 23, 2022 - Mar 18, 2023
1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max
Interval 1W
Line
Draw
^N100 1168.96
^GSPC 3863.16
Temporary geographic (EU/US) decorelation!
Feb
Mar
Apr
May
Jun
7/10/2022
Aug
Sep
Oct
Nov
Dec
2023

ABCA Funds - 2022 returns.

ABCA Reversion 2022 Perf. Class USD Net => -1.3% (31/12/2022)
2020 - BarclayHedge Recognition award for excellence - EMN Winner



March 2022
Local deceptive performance in volatile markets

31/05/2023	**Annualized Performance**	**Volatility**
Reversion Net $	6.1%	5.3%
SG SHORT-TERM TRADERS INDEX (USA)	0.4%	5.3%
Barclayhedge CTA Index	2.0%	4.6%
HFRI EH Equity Market Neutral	2.6%	2.4%
S&P 500	11.5%	14.6%
	Since	*01/06/2010*

Profit & Loss account

In Euro millions - IFRS	S1 2020	2020	2021	2021 Pro forma***	2022	Change 2022/2021	Change 2022/2021 Pro forma
Investment Services Fees*	14,9	22,5	59,9	25,3	27,4	-54,2%	8,5%
Net gains at fair value through profit or loss**	16,6	46,3	4,2	34,5	33,8	700,5%	-2,2%
Net revenues	31,5	68,8	64,1	59,8	61,2	-4,6%	2,3%
Payroll costs	-10,6	-25,9	-20,7	-21,2	-22,9	10,6%	8,0%
Occupancy costs	-0,8	-1,4	-1,4	-1,4	-1,4	-2,7%	-2,8%
Other expense	-3,4	-5,9	-6,4	-6,4	-7,2	12,0%	12,0%
Other taxes	-0,5	-0,1	-0,3	-0,3	-0,7	140,3%	140,3%
Total costs	-15,3	-33,4	-28,8	-29,3	-32,1	11,5%	10%
Income before tax	16,2	35,4	35,4	30,5	29,1	-17,7%	-4,7%
Income tax	0,0	-0,3	-7,3	0,2	0,1	-101%	-75,5%
Net income attributable to equity holders	16,2	35,1	28,0	30,8	29,2	4,0%	-5,2%

~14% from external third party

Tax & costs included

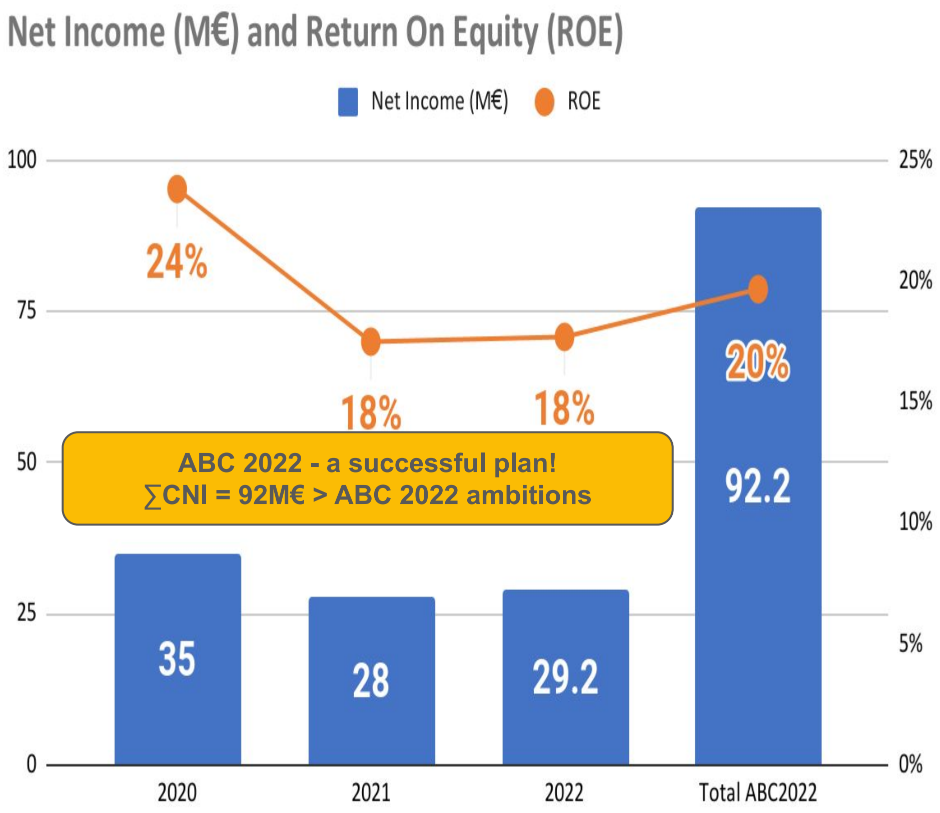
For ABC arbitrage & ABC arb. AM Paris & ABC arb. AM Asia

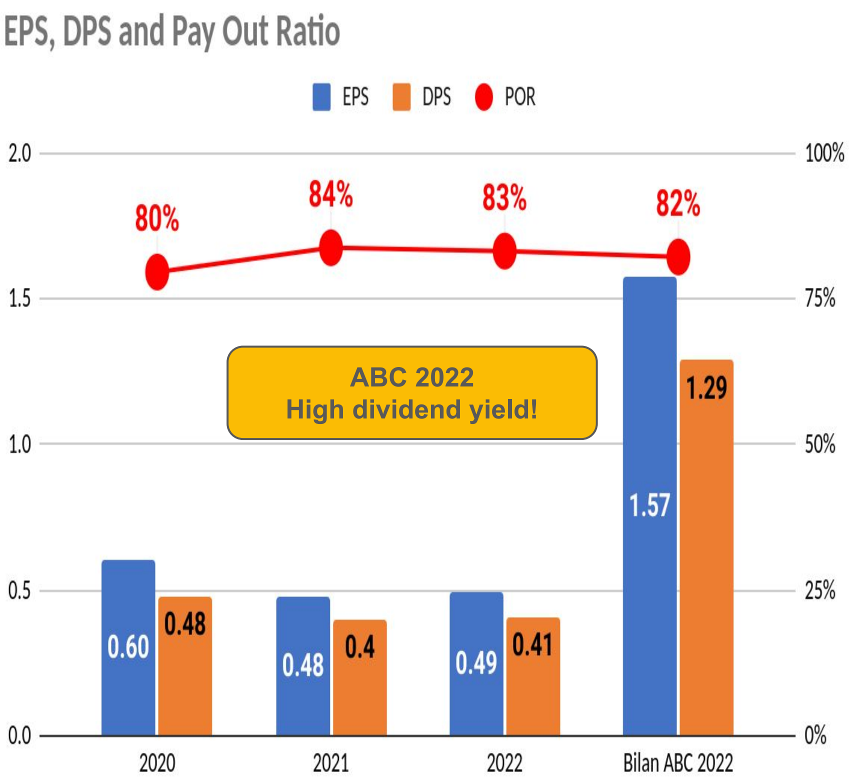
ROE 18%

**: 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]*

3. Review of ABC 2022 strategic plan

ABC arbitrage Historical Results & ROE



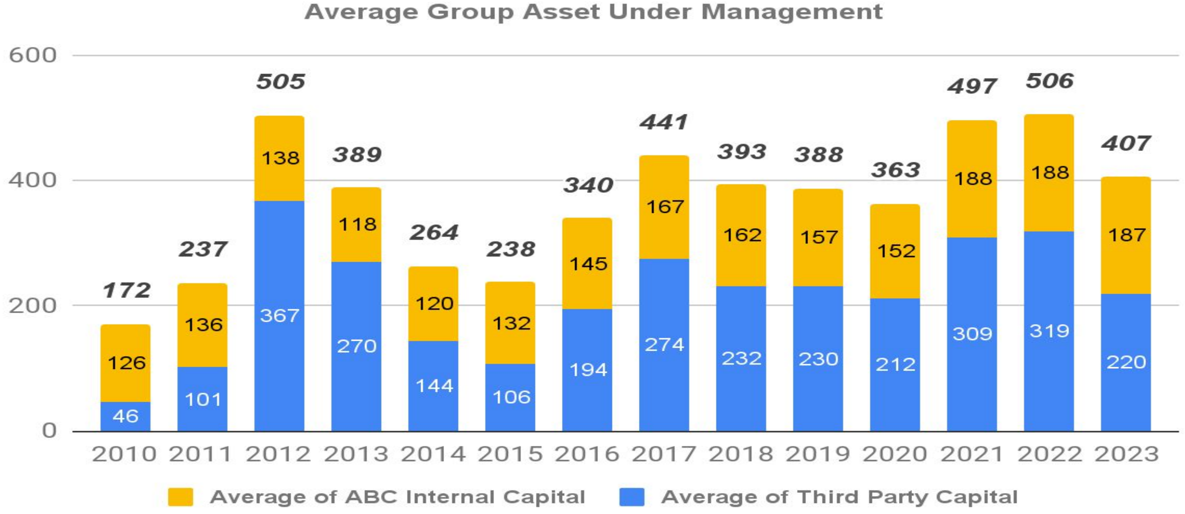


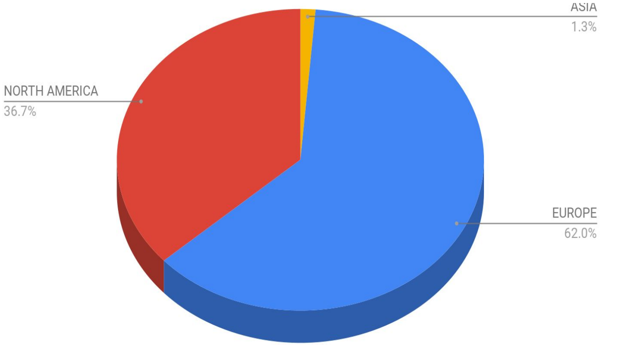
Some gross figures vs Targets

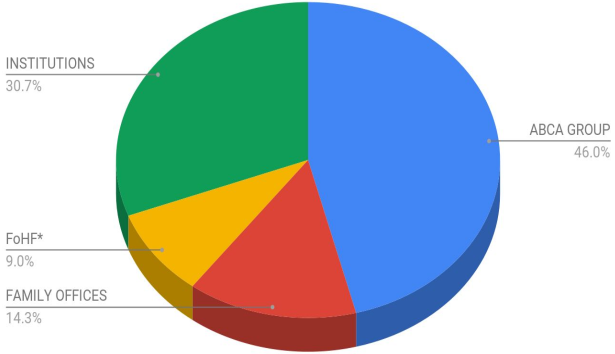
ABC 2022 Absolute Figures vs Objectives

- ➔ Cumulated Net Income > 90M€
- ➔ ROE > 15%
- ➔ AUM External Third Party ~ 800M€

AUM as of 31/05/2023 = 402M€ vs 403M€ 2022 eoy**







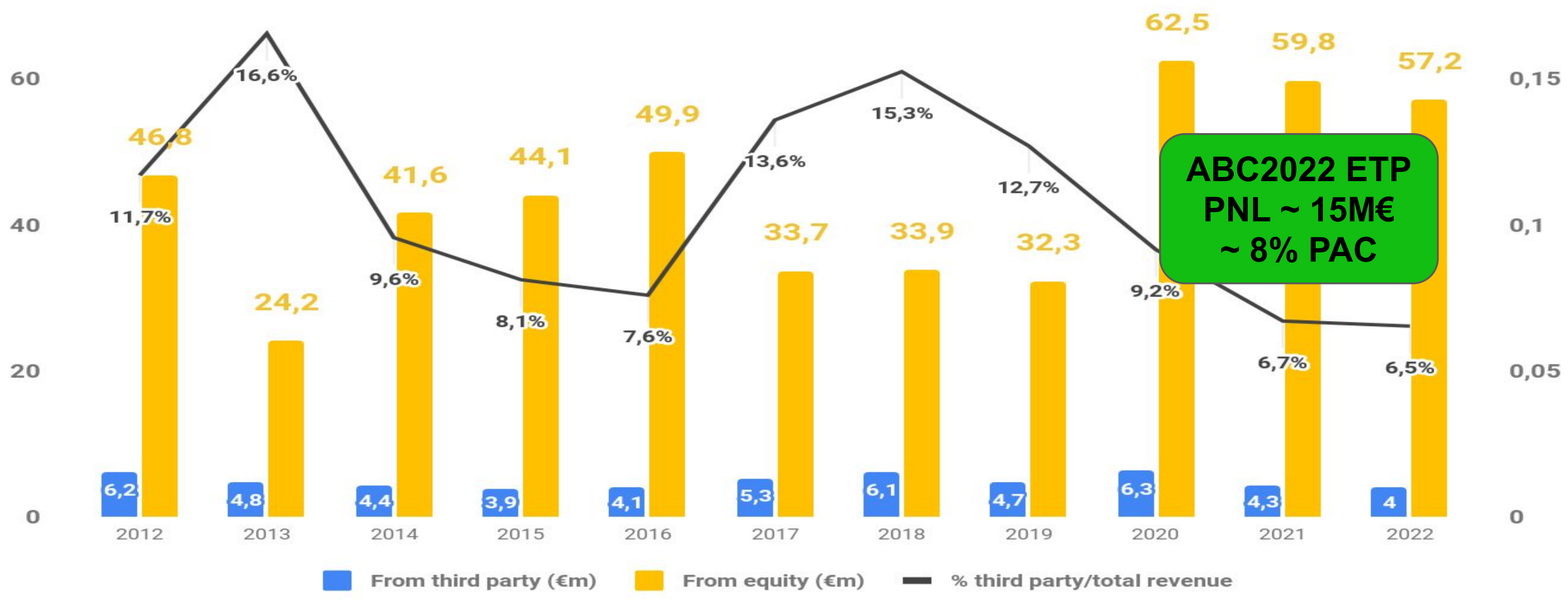
*Funds of hedge funds

*** This figure is a specific calculus to uniformize the AUM from a fee perspective. From a regulatory perspective, AUM are 361M€.*

Some real success in AUM-External Third Party (ETP) development!

Needed steps for our future success!

1. **Creation of a dedicated commercial team + CRM Implementation.**
2. **New client base up from 500 to 1200 targets.**
3. **New product launch as Managed Account & New dev. for numerous SMA.**



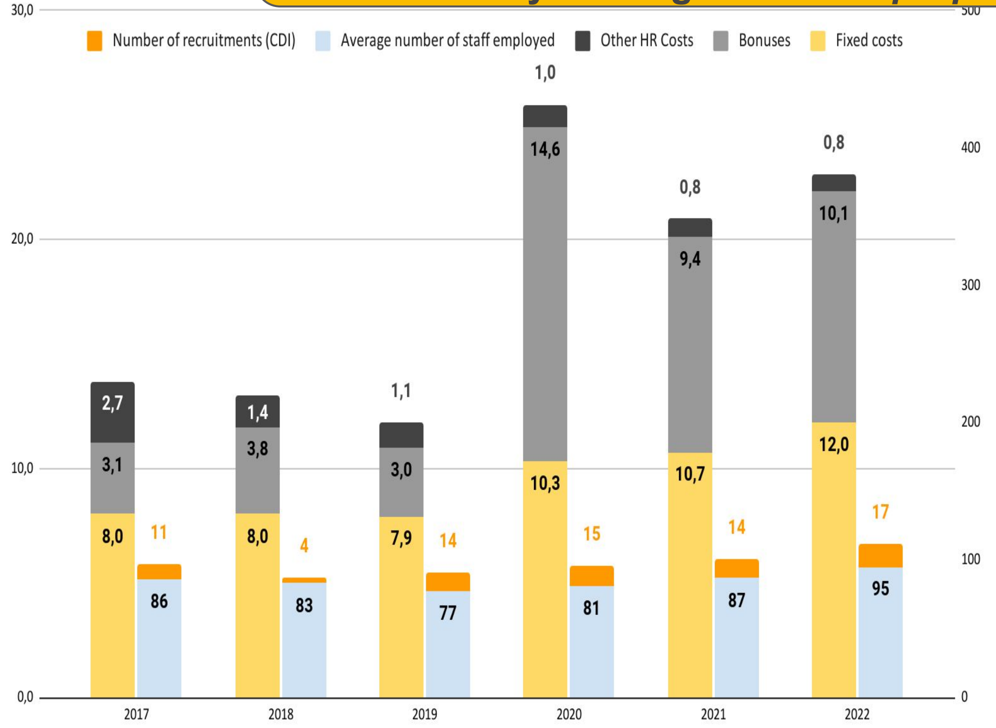
ABC2022 ETP
PNL ~ 15M€
~ 8% PAC

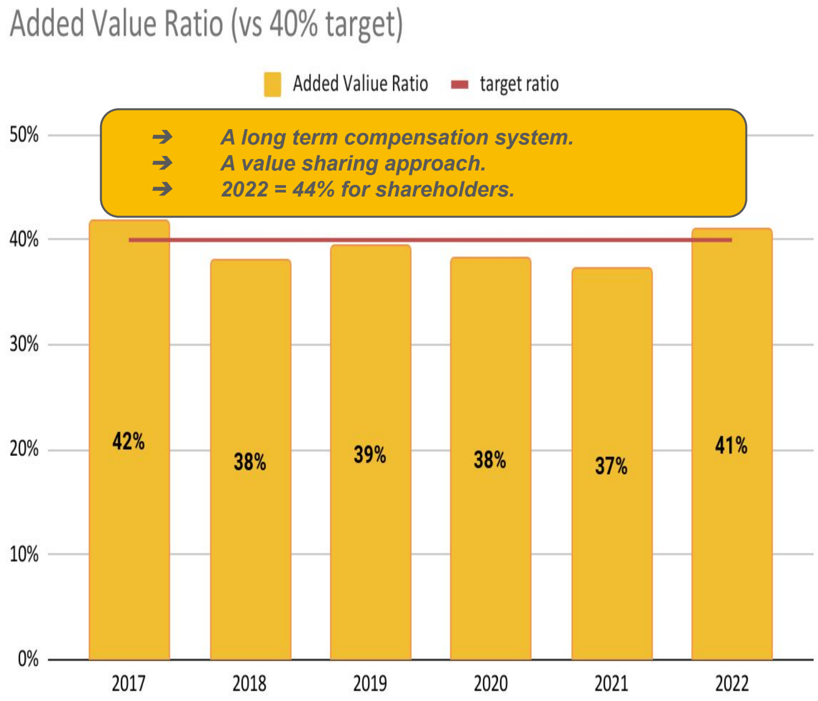
HR - Success in a competitive environment!

Significant increase of ABC Team

➔ **+23% on average 2022 vs 2019 staff figures.**

➔ **+33% eoy staff figures vs *Step Up 2019.***



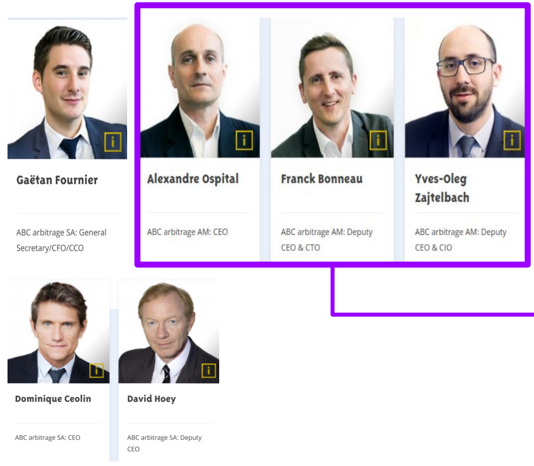


Governance - Group Organisation Evolution

ABC Group - Implementation of a strong expertise COMEX
ABC arbitrage Asset Management - New executive team

Objectives

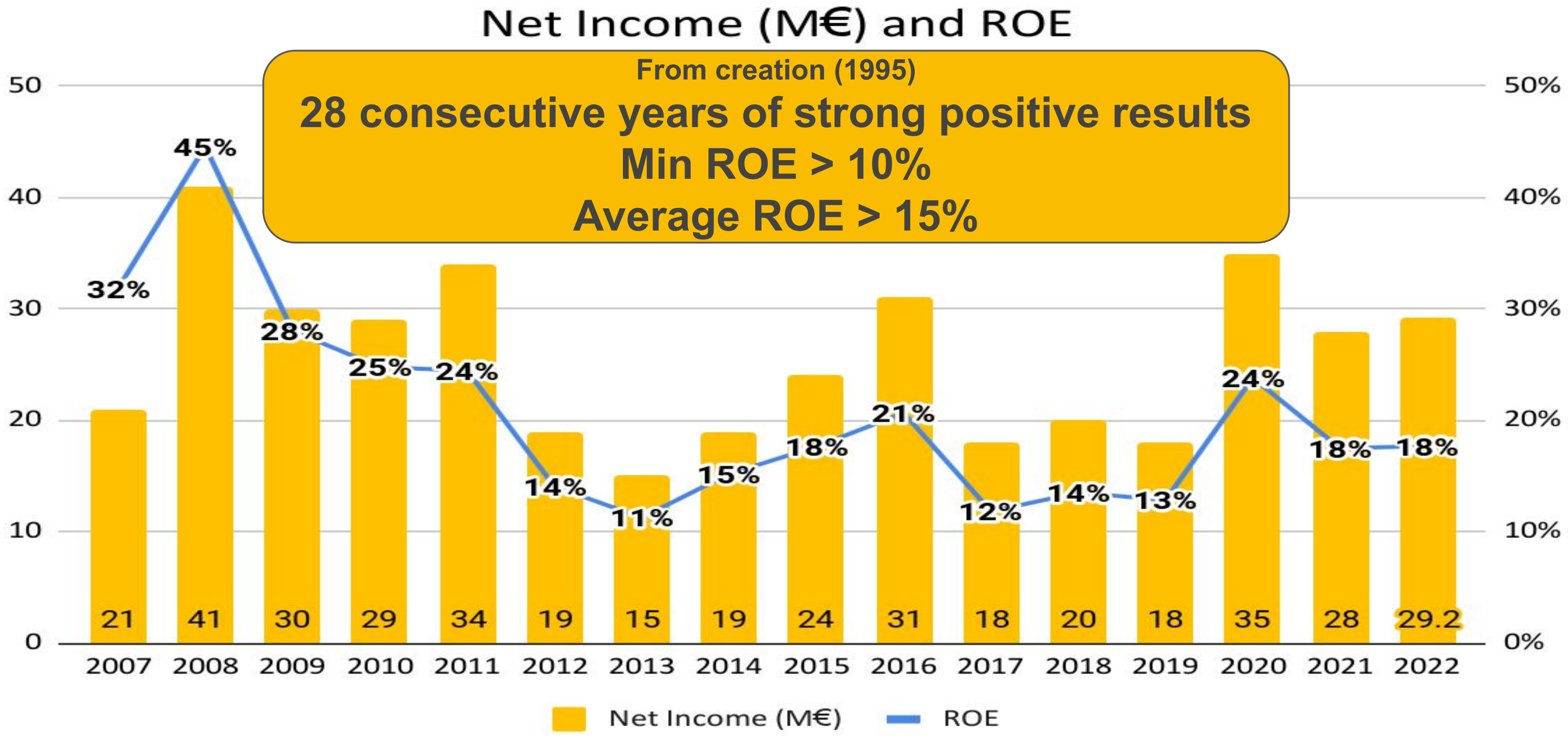
- ➔ Increase ABC agility.
- ➔ Increase number of new projects/products.
- ➔ Decrease time to market.
- ➔ Guarantee a transition plan.
- ➔ Guarantee an independence from too few key people.



Realisations

- ➔ ABC Group - New COMEX team
- ➔ ABC arbitrage AM - New Executive Team.

ABC arbitrage Historical Results & ROE - a success!



From creation (1995)

28 consecutive years of strong positive results

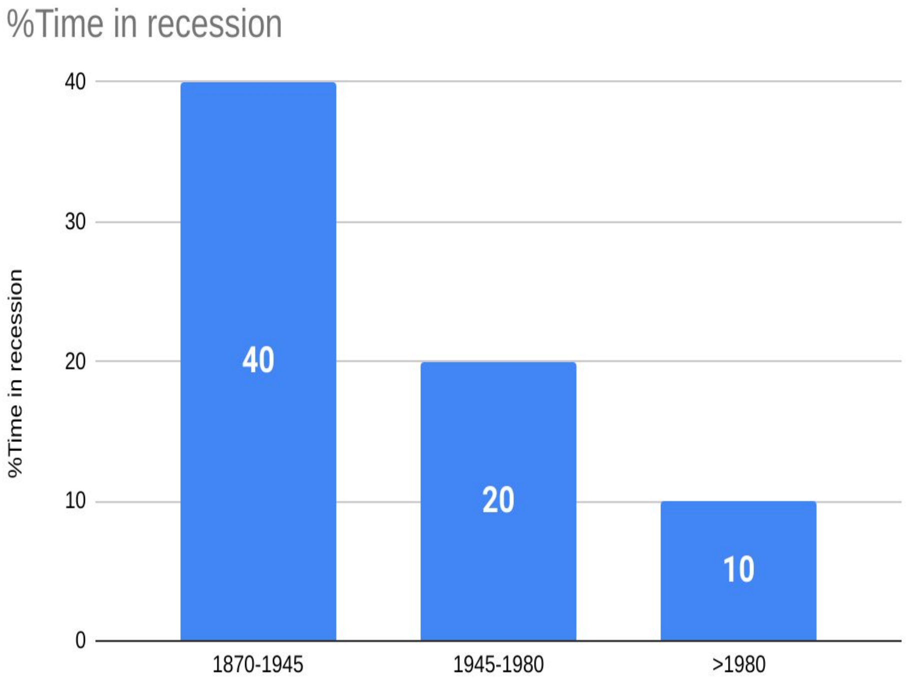
Min ROE > 10%

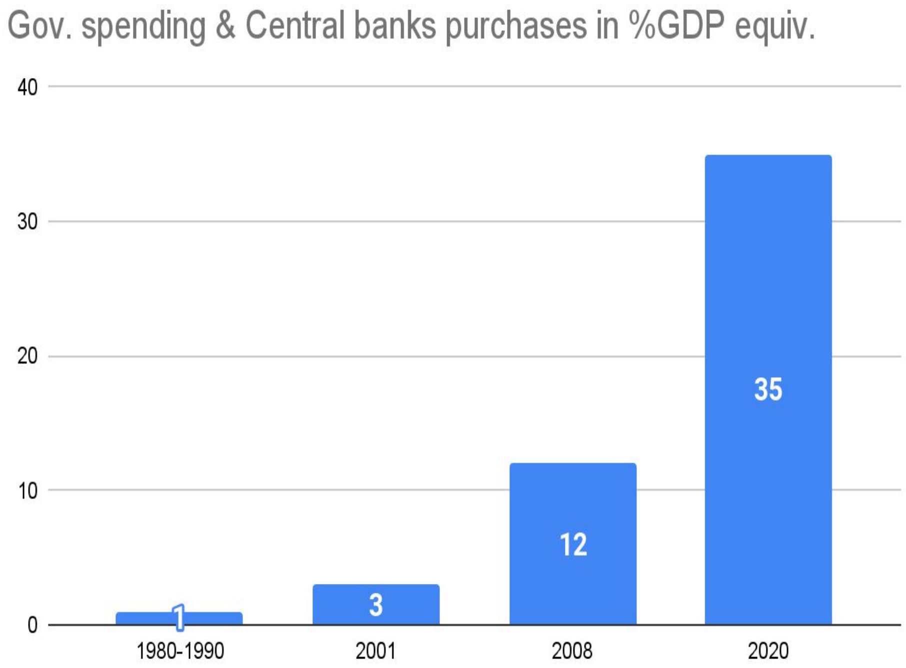
Average ROE > 15%

4. From 2023 to 2025… …Don't look up!

Detailed explanations on Linkedin (french version only) [Don't Look Up !]

The democratic world is not ready for the long grind to come!*



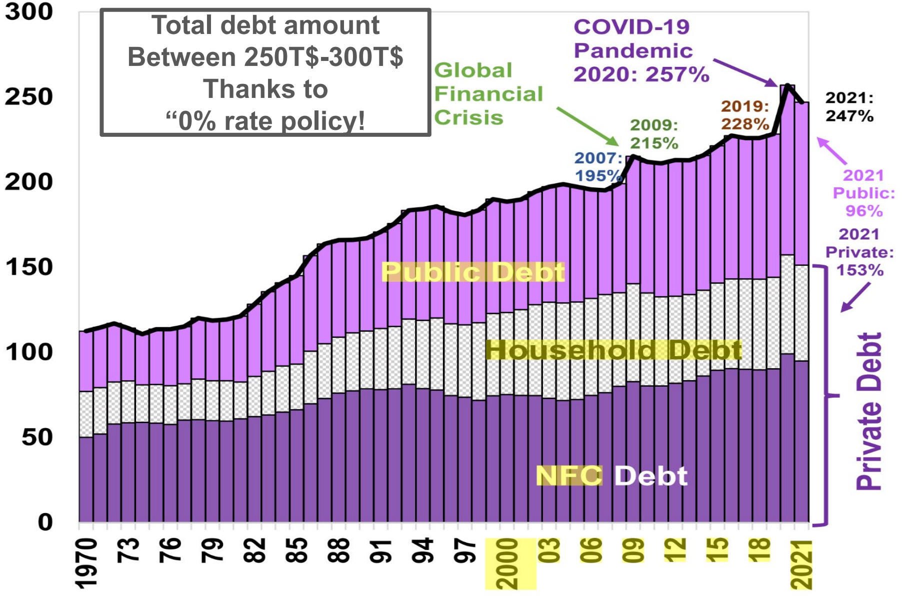


**Source: Ruchir SHARMA - Chairman of Rockefeller International.*

Global Debt situation vs Back to inflation world!

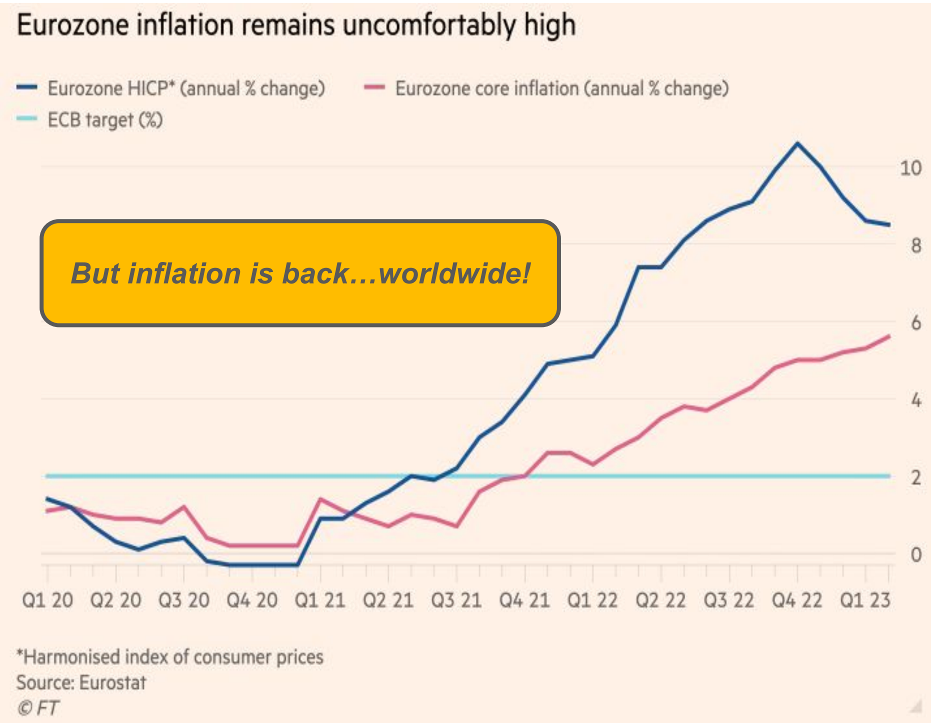
2022 Global Debt Monitor

Figure 1. Global Public and Private Debt, 1970–2021 *(Percent of GDP, weighted averages)*

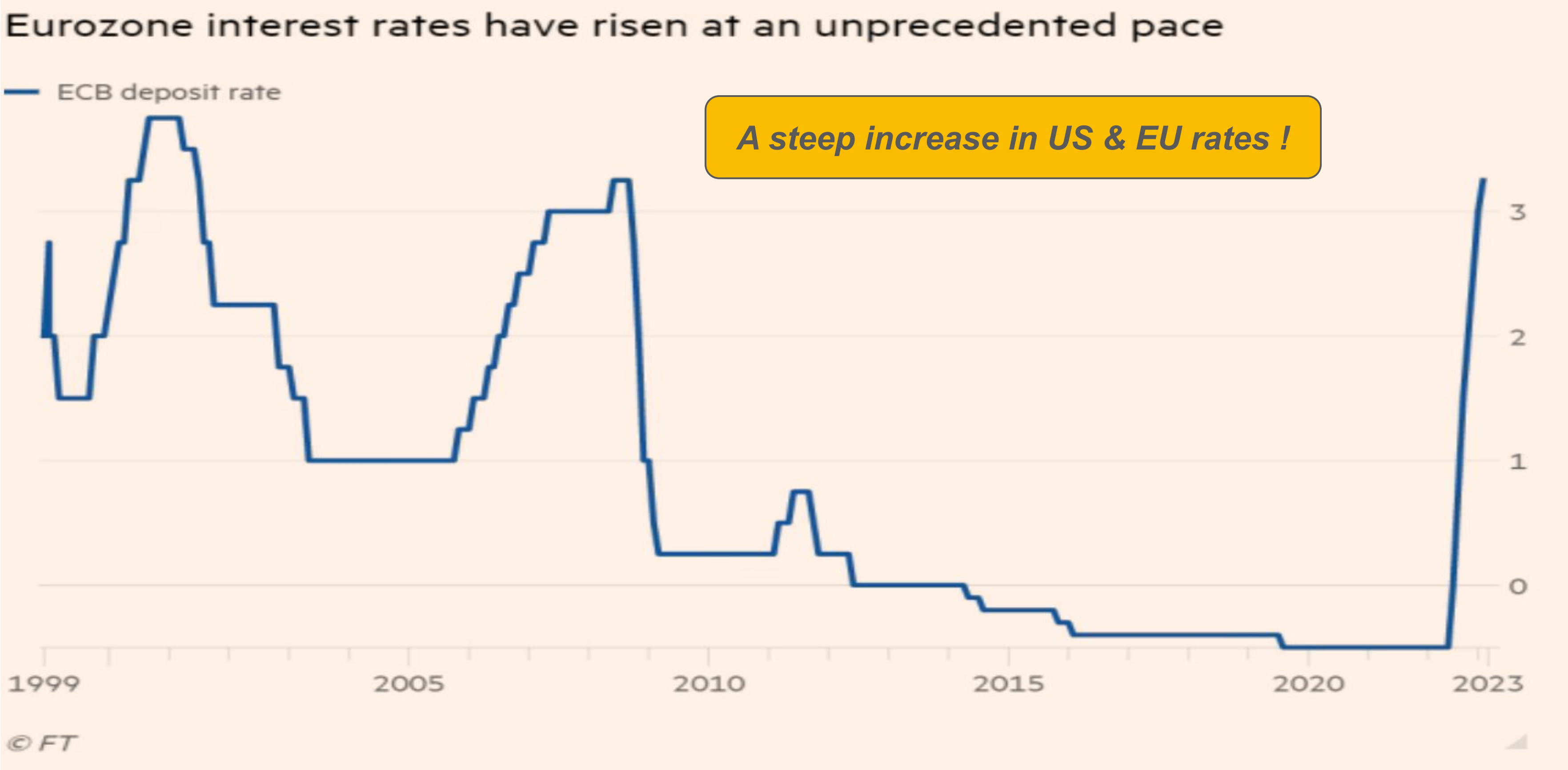


Source: IMF Global Debt Database, 2022

An economic world with contradictory pressures!

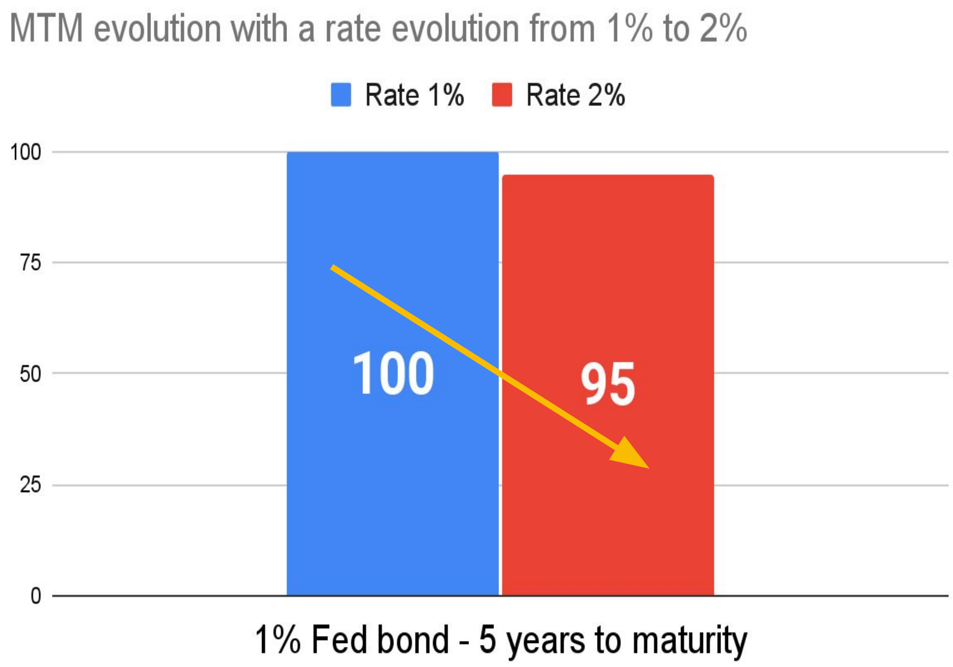


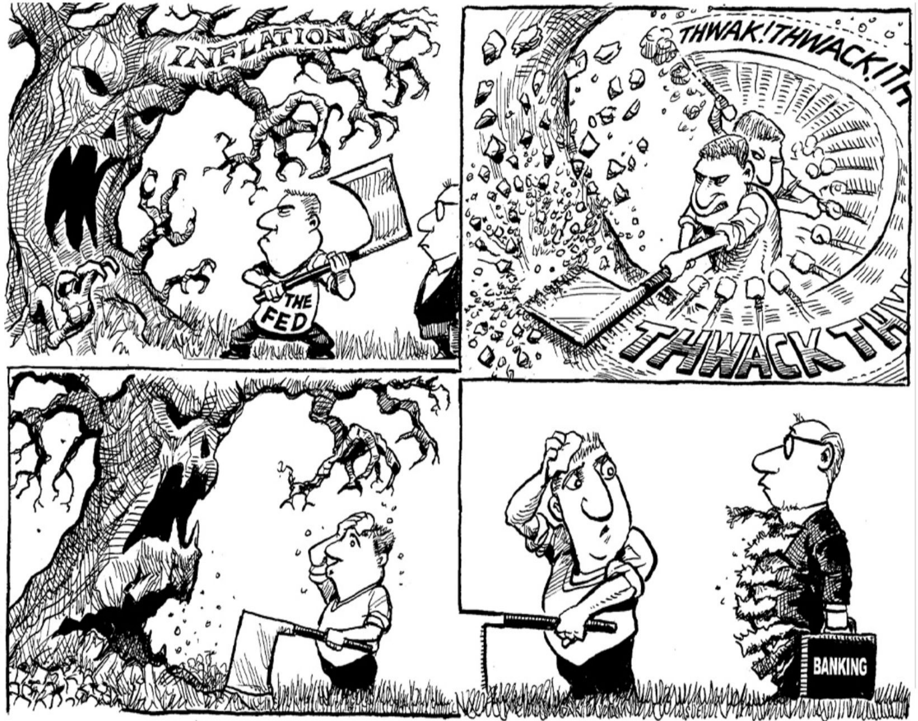
Reference rates level - back to reality!



Expected consequences of the end of the “rates 0” paradigm.

Too long of a period with “negative” rates and a way too brutal rate hike => Look up !



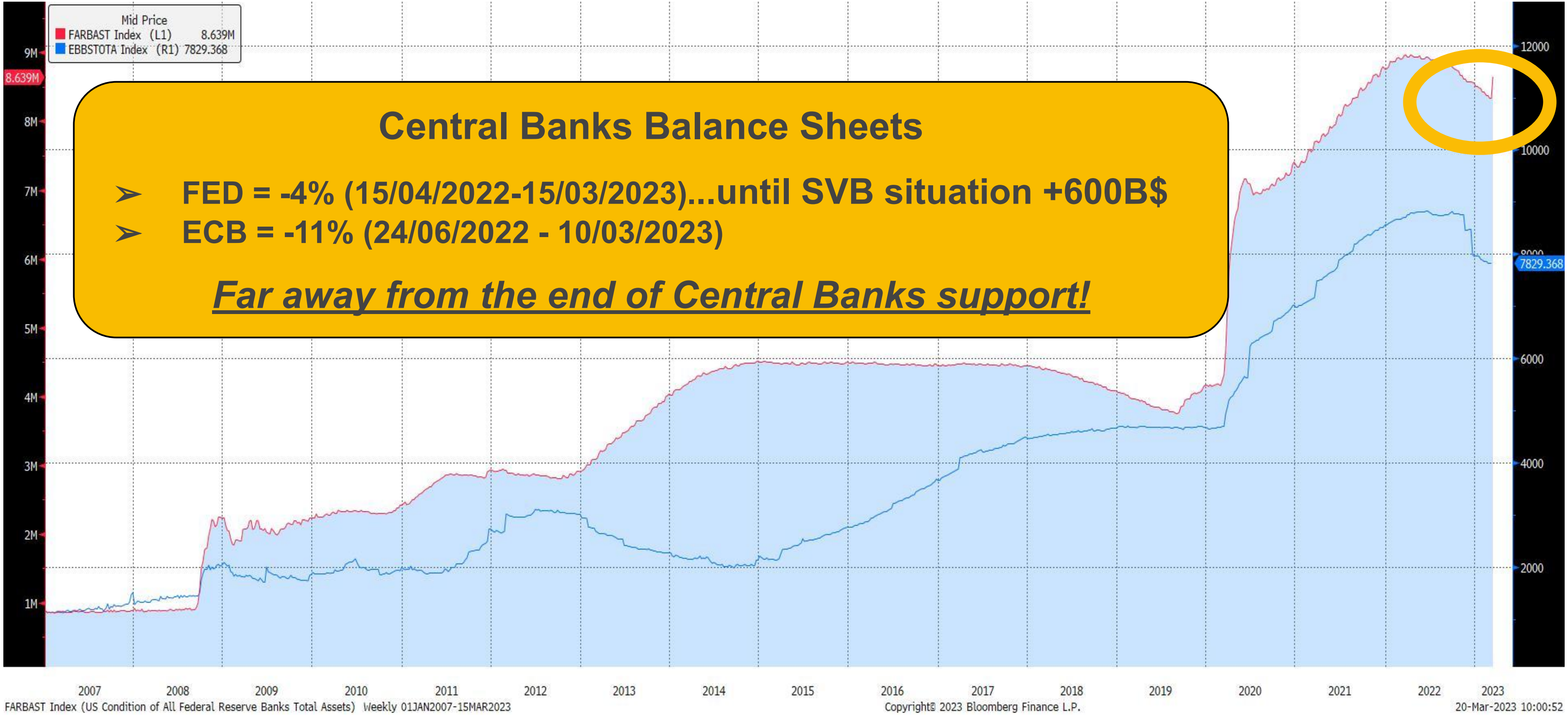


From “The economist” - illustration: @kaltoons1

Just the beginning?!

Some reasonably logical difficulties in bank sector...and it's probably not over yet!
Markets & Govt's should have prepared the end of ¨negative rate paradigm" more carefully!
Stop the Moral Hazard! (SVB - 100% deposit guarantee & CS - Shareholders>CoCo invest.)

Central banks Balance sheets



Central Banks Balance Sheets

- FED = -4% (15/04/2022-15/03/2023)...until SVB situation +600B$
- ECB = -11% (24/06/2022 - 10/03/2023)

Far away from the end of Central Banks support!

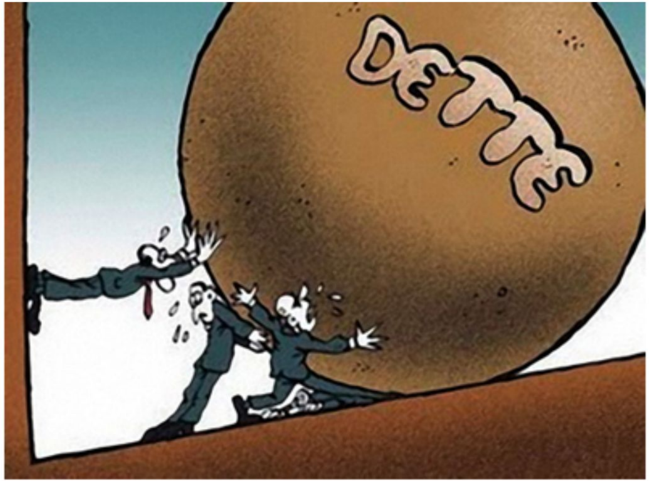
The "debt wall" - The tough journey is in front of our democratic countries

The majority (approximately 74%) of rated corporate debt maturing through 2026 is investment grade (rated 'BBB-' or higher)

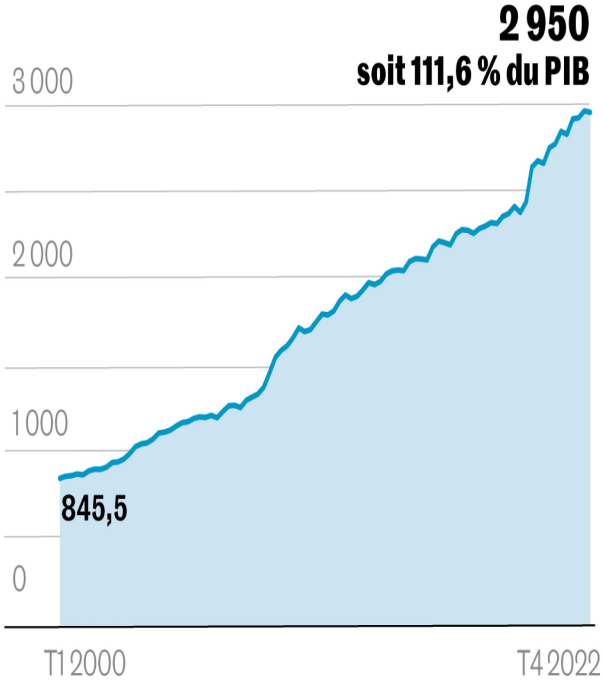
Estimated Global Schedule for Maturing Corporate Debt (2022–2026)

(dollars in billions)

	2022	2023	2024	2025	2026	Total
United States						
Financial						
Investment grade	$180	$236	$240	$215	$212	$1,084
Speculative grade	9	16	20	33	33	110
Nonfinancial						
Investment grade	350	448	438	435	401	2,072
Speculative grade	129	209	360	460	464	1,622
Total United States	**$668**	**$910**	**$1,057**	**$1,143**	**$1,109**	**$4,888**
Europe						
Financial						
Investment grade	$453	$496	$384	$374	$351	$2,057
Speculative grade	12	12	16	15	15	69
Nonfinancial						
Investment grade	315	275	307	273	254	1,424
Speculative grade	50	98	135	198	233	714
Total Europe	**$830**	**$880**	**$840**	**$860**	**$854**	**$4,264**
Rest of World						
Financial						
Investment grade	$187	$183	$188	$111	$123	$793
Speculative grade	12	12	12	13	5	54
Nonfinancial						
Investment grade	156	158	143	111	131	699
Speculative grade	40	41	49	77	100	307
Total Other Developed Markets	**$395**	**$393**	**$392**	**$313**	**$359**	**$1,853**
Total Global	**$1,893**	**$2,183**	**$2,290**	**$2,316**	**$2,323**	**$11,005**



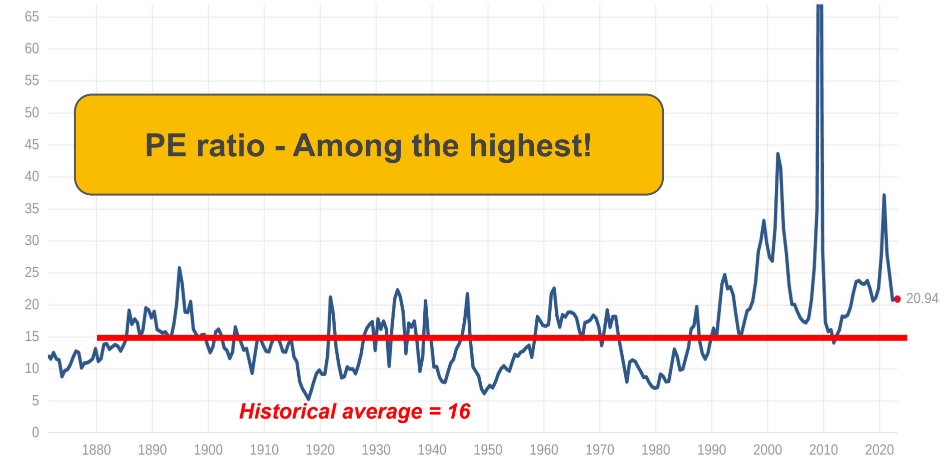
Dette au sens de Maastricht,
en milliards d'euros, par trimestre



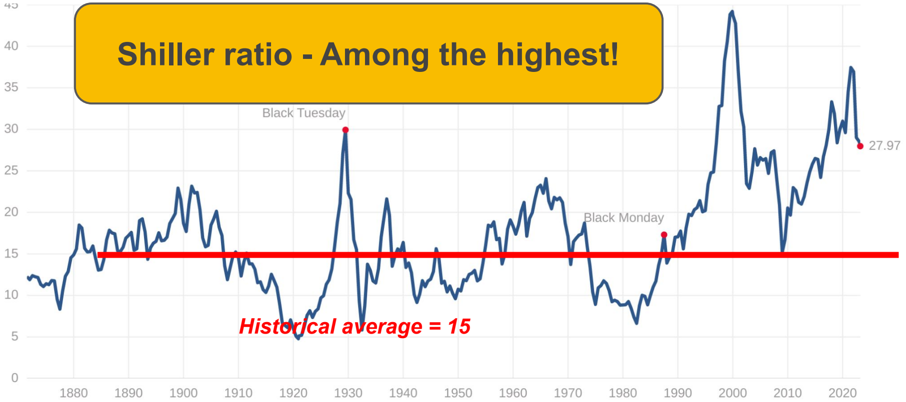
Source : Insee • Infographie : *Le Monde*

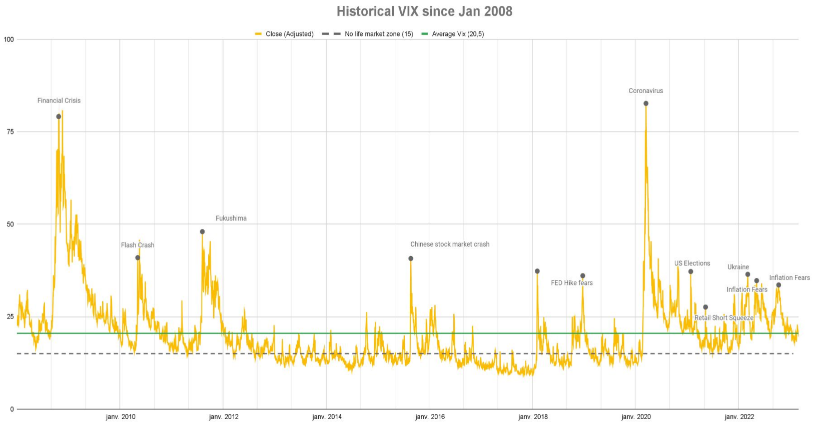
Shares Valuation…what is the next move ?!

PE ratio - Among the highest!

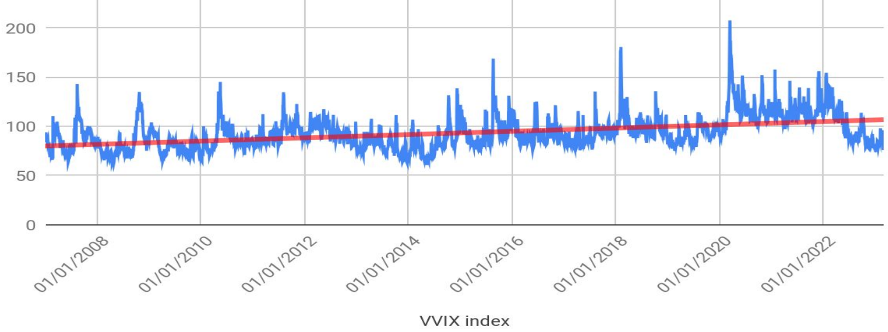


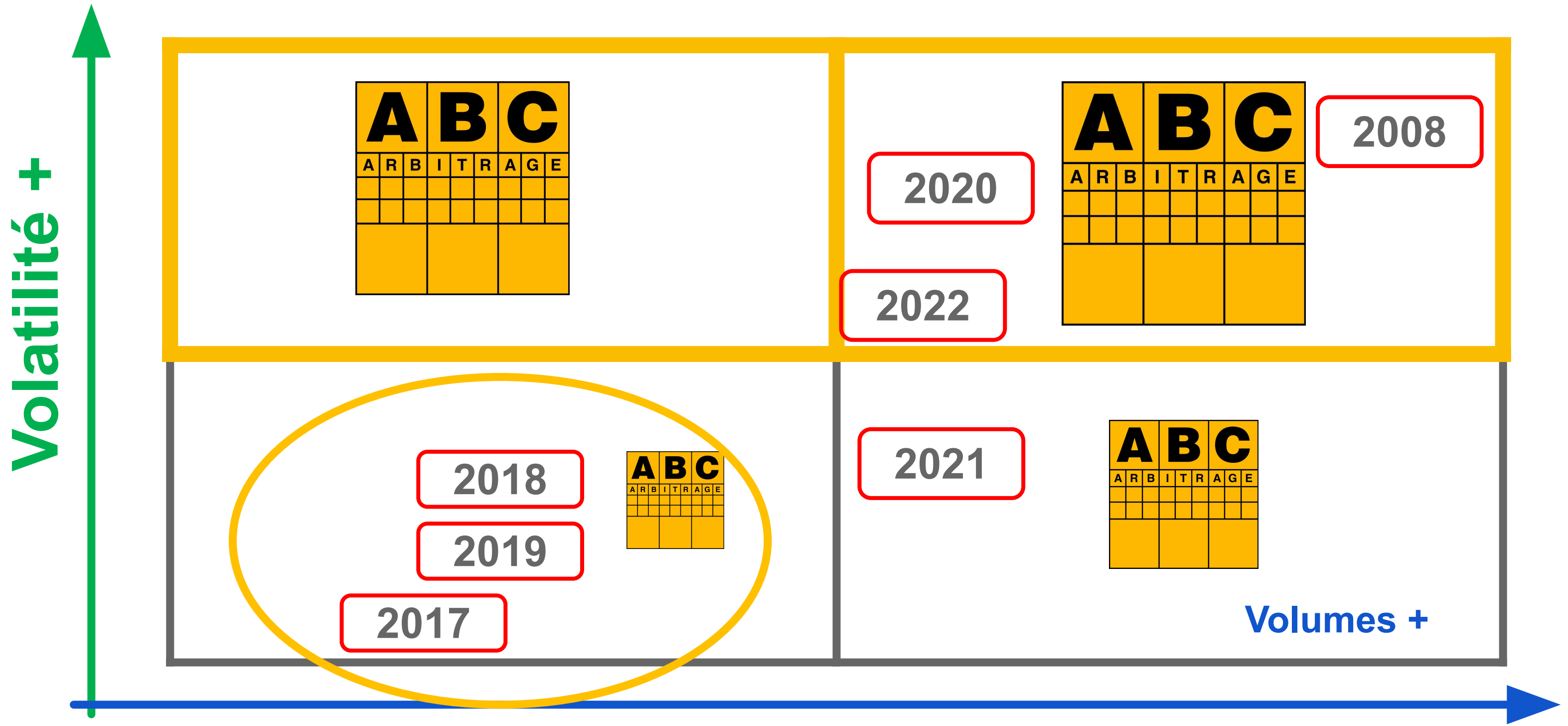
Shiller ratio - Among the highest!





Substantial probability of a new paradigm of normalized volatility.





BP2025 Decision - To build a strategic plan to face low vol. And high vol. environment !

5. *Springboard 2025* For today and for tomorrow!

For today - Maintain a day to day high return level.

Springboard 2025 income targets.

- ➔ ROE Min > 10% => annual CNI of 16M€ based on ABC Equity as of *31/12/22.*
- ➔ ROE Target >= 15% => annual CNI of 24M€ based on ABC Equity as of *31/12/22.*
- ➔ Keeping predictive CNI correlated to ABC's Historical 3 Market Parameters (3MP).

An ambition of Cumulative Net Income of 100M€ over 3y.

*Under the assumption that the 3 Market Parameters (Volatility, Corporate Actions and M&A, Traded volumes) ≃ Average last 10 years**

- ➔ implies a cumulative distribution of 1.30€ over 3 years with a POR of 80%.
- ➔ implies an average ROE >> 15%.

Springboard 2025 distributions figures.

- ➔ Min Distribution of 0.30€ (ie Consolidated Net Income (CNI) ~ 18M€).
- ➔ Payout Ratio (POR) ~ 80%.
- ➔ A principle of "no Scrip Dividend".

*Market Parameters - Average 10 years - Volatility VIX = 18%. Average realized volatility = 18%

For tomorrow - Maintain a high level of investment!

Cornerstones for Springboard 2025

- ➔ **Cornerstone 1 - ABC Equity invested in ABC strat. - For Return & Seed Money.**
- ➔ **Cornerstone 2 - Substantial group investment in HC but under PnL threshold.**
- ➔ **Cornerstone 3 - Substantial group investment & implication in IT.**
- ➔ **Cornerstone 4 - Develop scalability to succeed in further growth.**

Core Business (CB) - Fighting Low Volatility !

- ➔ **Continued diversification - Multi Assets / Geography / Investment Strat.**
- ➔ **Alpha Strat - Significant alpha strategies to keep a global correlation to the 3MP.**
- ➔ **Focus on "niche" strat. - (from 5M€ to 100M€ capacity).**
- ➔ **Numerous Alpha Strat. - Increase our diversification/mutualization to face 3MP.**

Asset Management for External Third Party (AM-ETP)

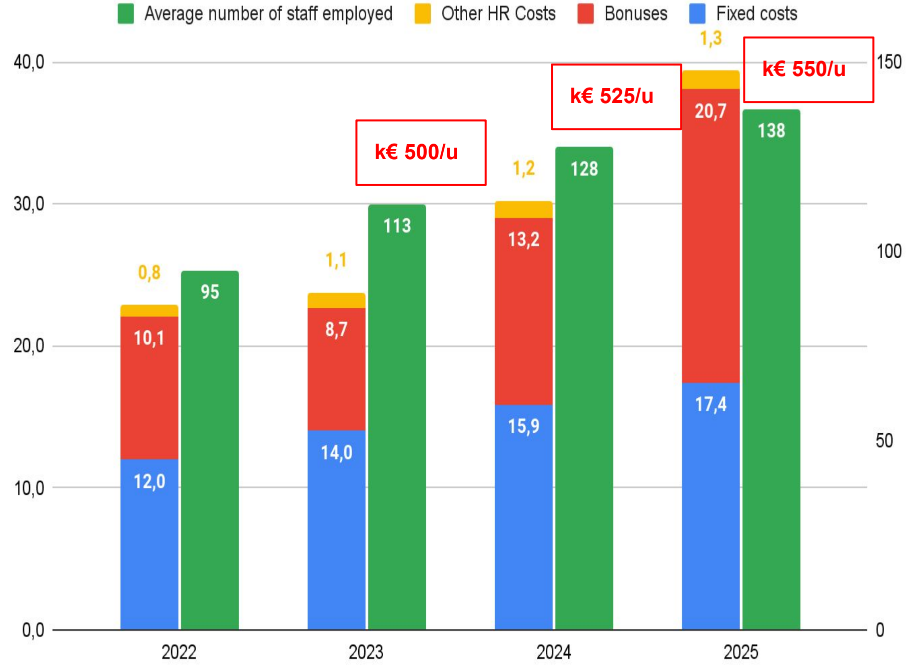
- ➔ **"Niche Strat" - *Focus on our expertise to develop numerous strategies.***
- ➔ **Capacity - *Increase the capacity for AM-ETP above 1B€.***
- ➔ **ABC Catalog - *An extensive - but selective - catalog of products & managed vehicles.***
- ➔ **Marketing - *Increase ABC Brand on ETP markets.***

For **tomorrow** - HR & IT investments

HC Costs Management

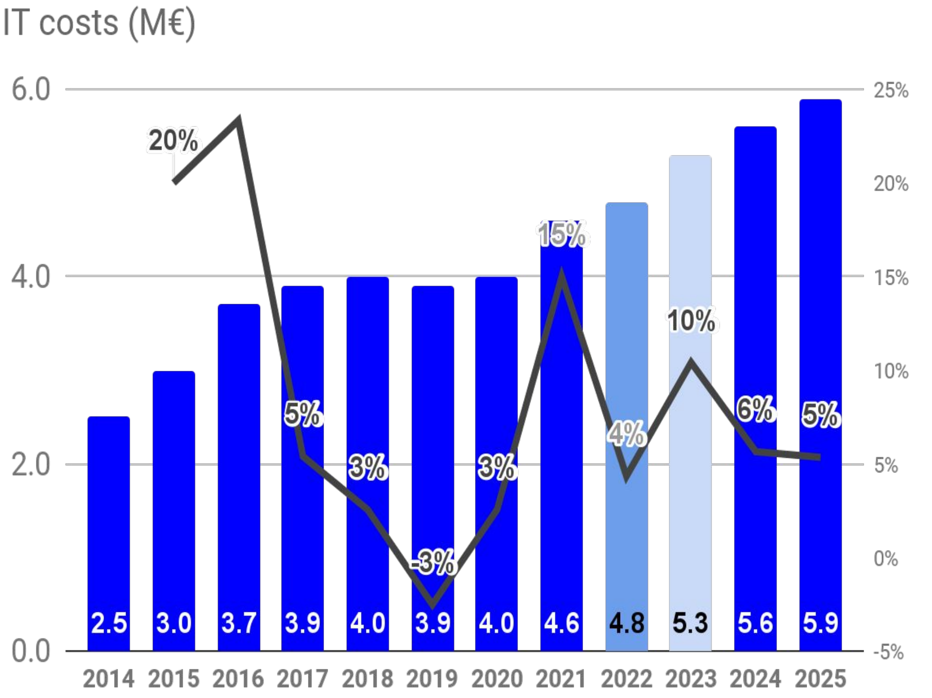
→ **Monitoring of the KPi - PnL/unit to challenge hiring plan**

→ **+33% on ABC staff**

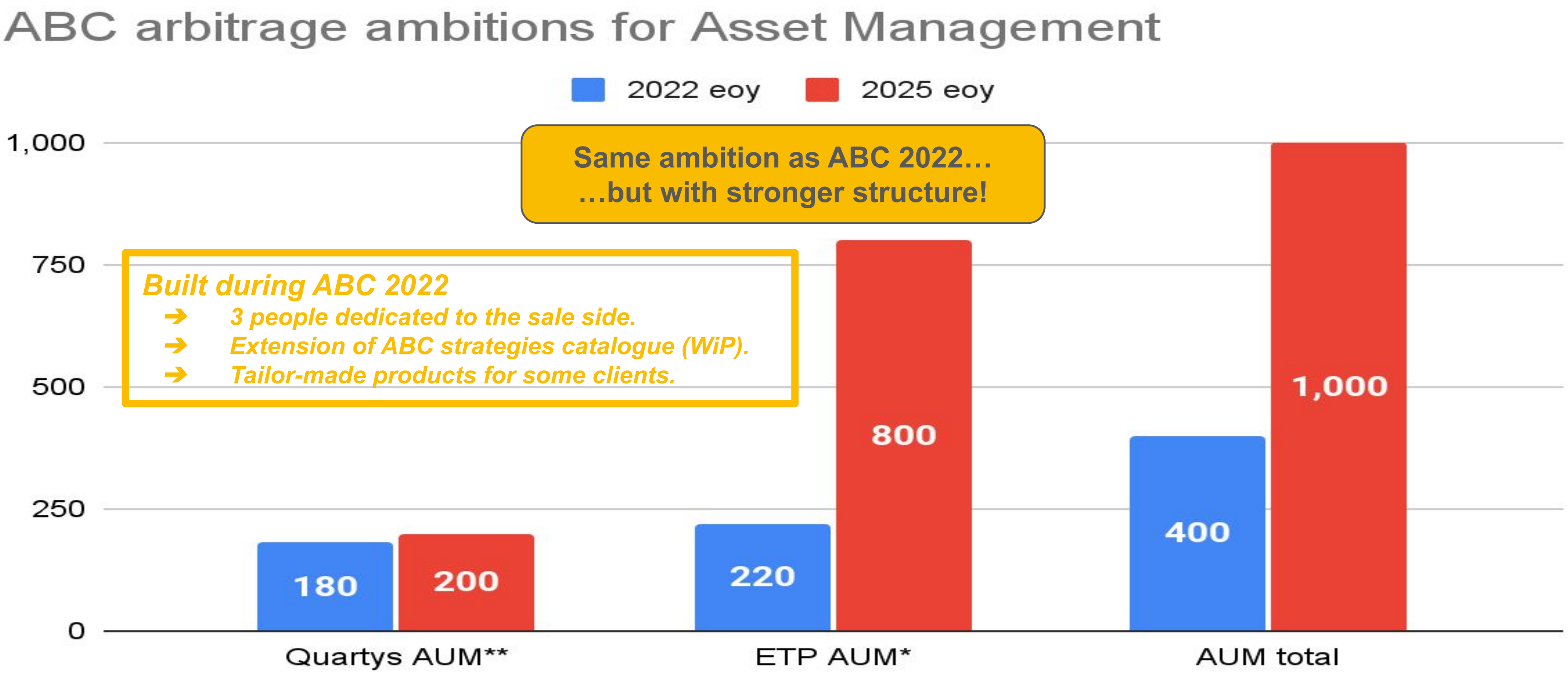


IT Costs - Stay in the competition!

An investment in agility and performance.

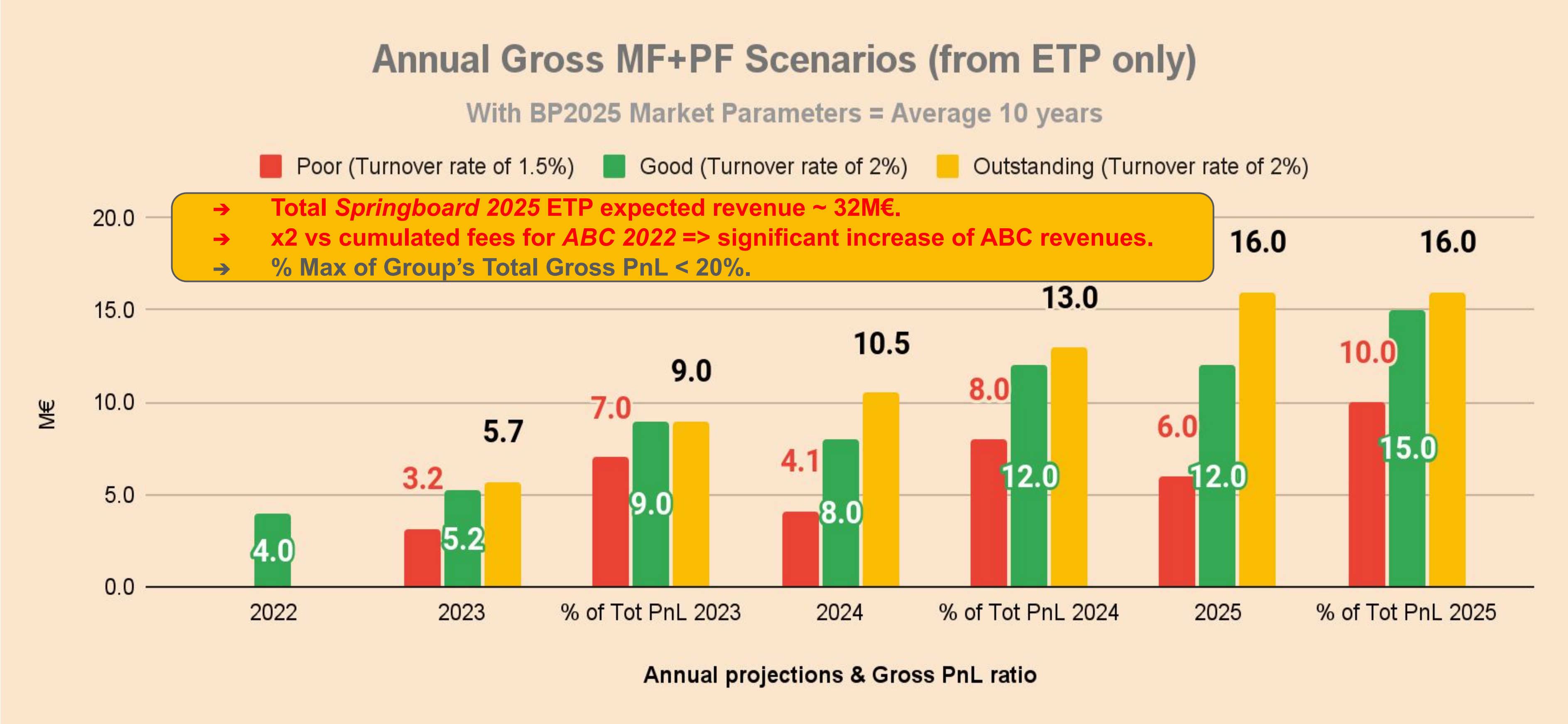


Asset Under Management ambitions



*ETP = External Third Party, i.e. excluded ABC arbitrage Equity. AUM = Asset Under Management.
**QUARTYS AUM = Asset Under Management used to charge fees by ABC arbitrage AM and ABC arbitrage AM Asia. QUARTYS is a 100% subsidiary of ABC arbitrage.

ETP* Asset Under Management P&L scenarios

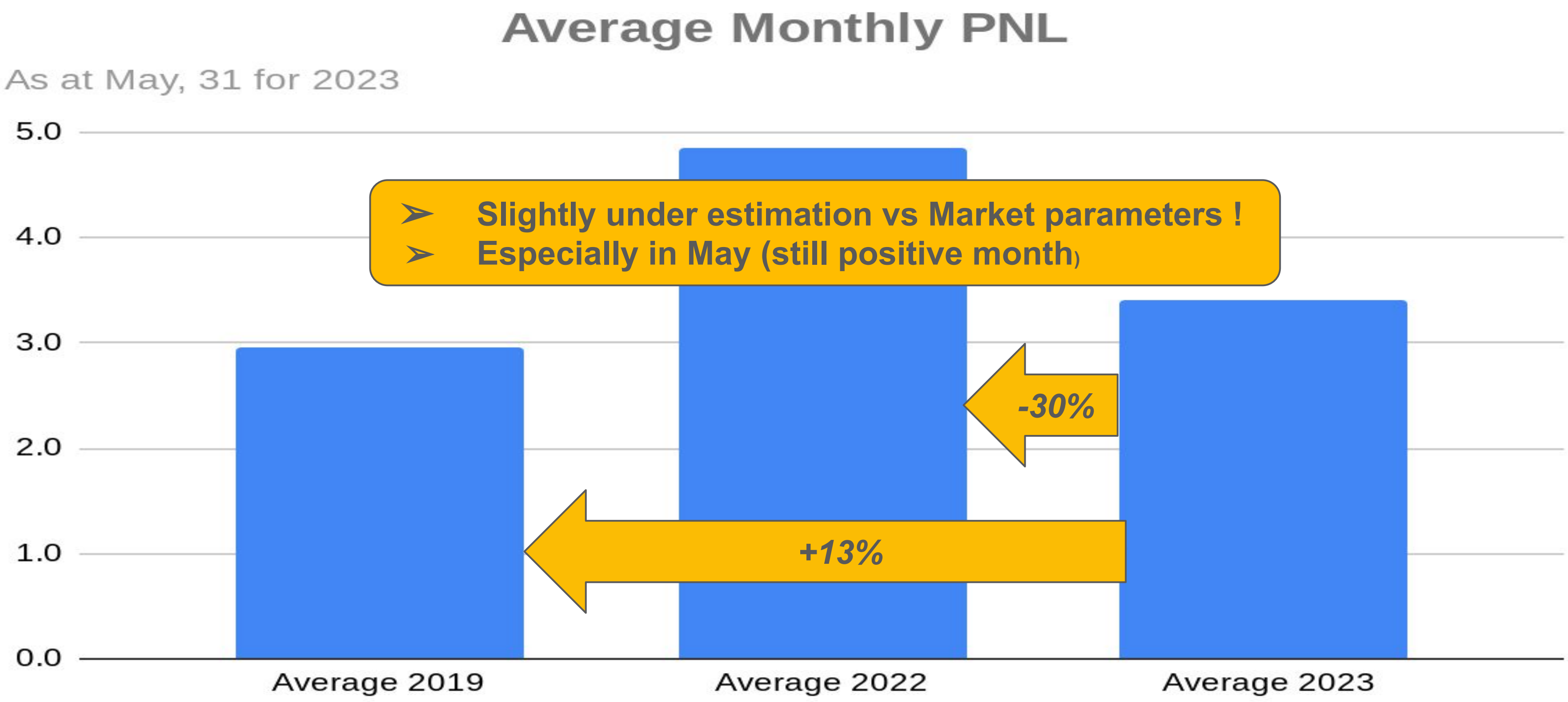


*ETP=External Third Party, i.e. excluded ABC arbitrage Equity.

***Springboard 2025* is a necessary lay up for the the next BP2028!**

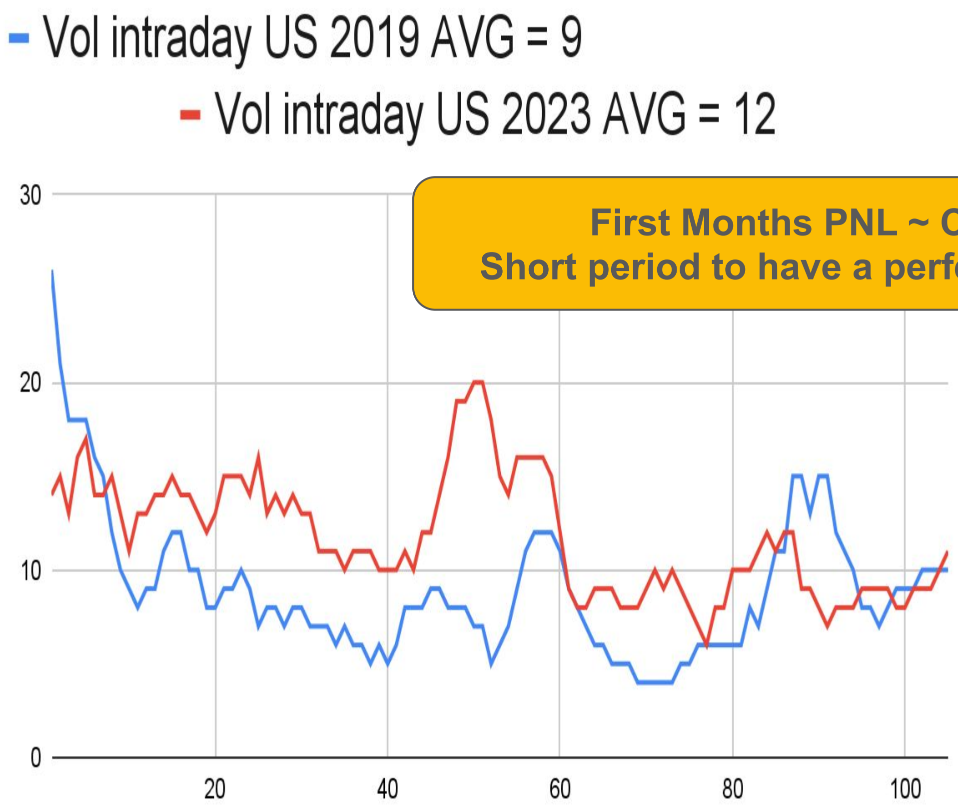
6. *2023 - First months situation*

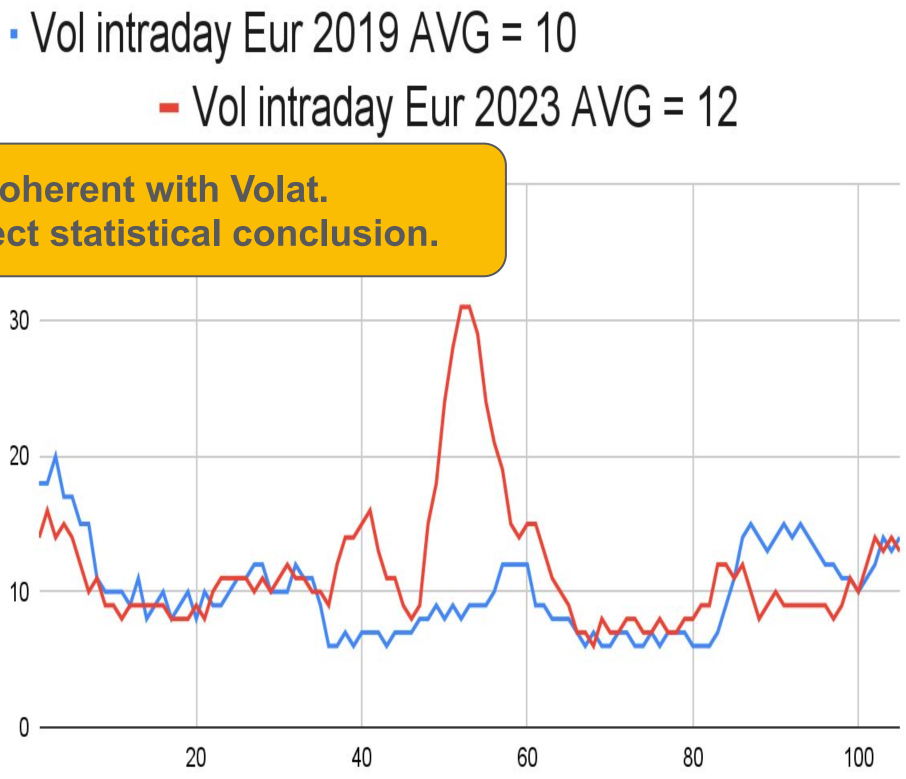
Pace of activity as of May 31, 2023



*recognised in FY 2020 Result, 2020 Annual Financial Report- Page 61

Market Parameters - Volatility

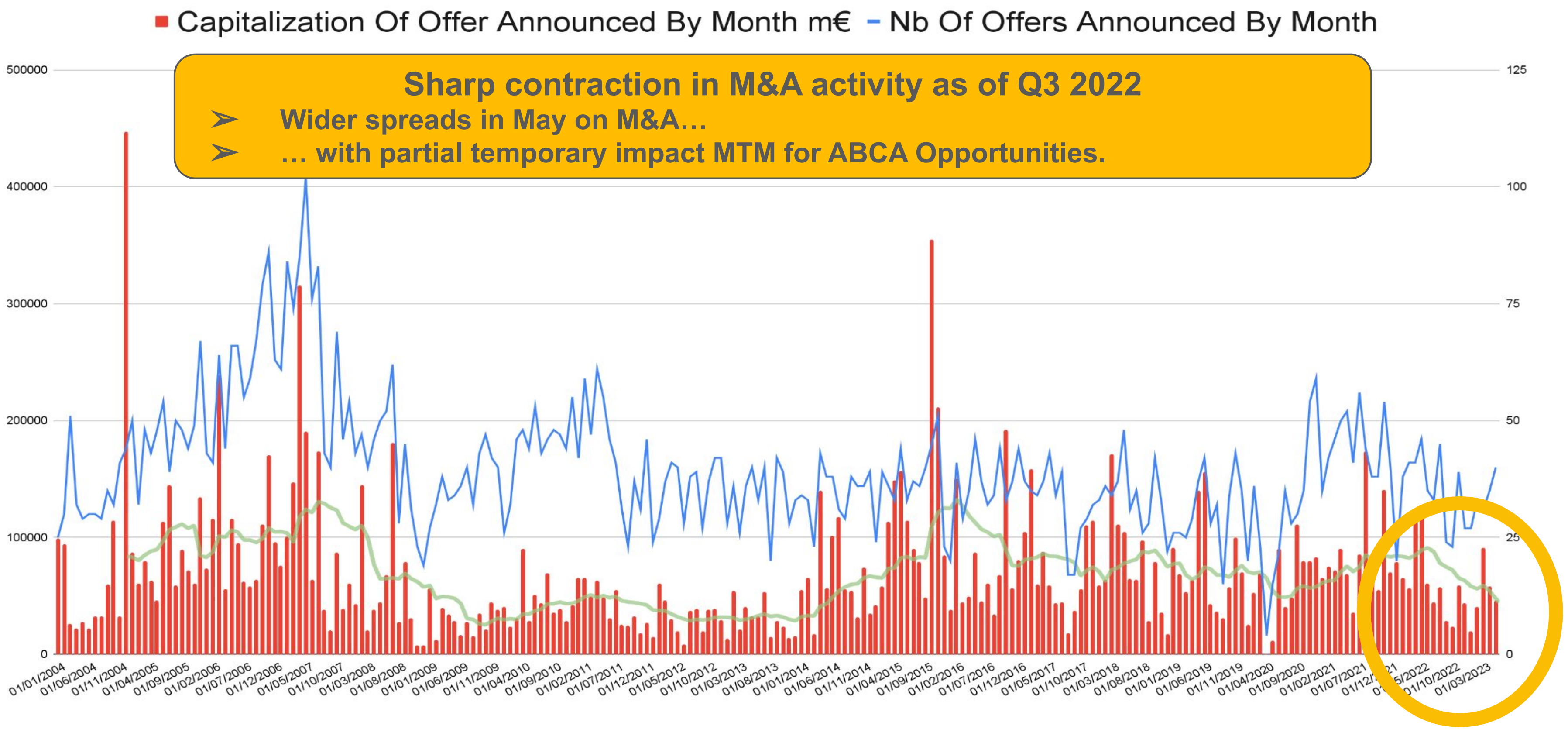




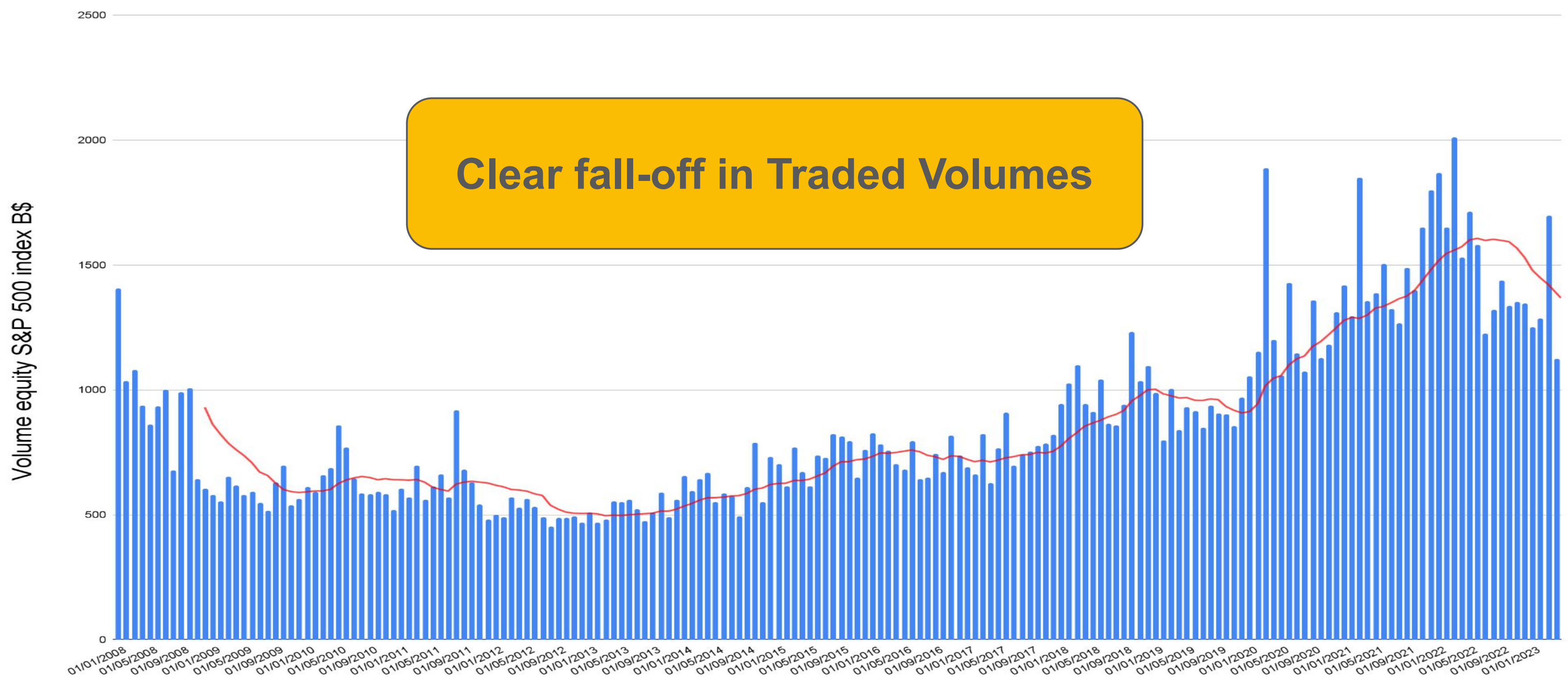
First Months PNL ~ Coherent with Volat.
Short period to have a perfect statistical conclusion.

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

Market Parameters - M&A activity



Market Parameters - Traded Volumes



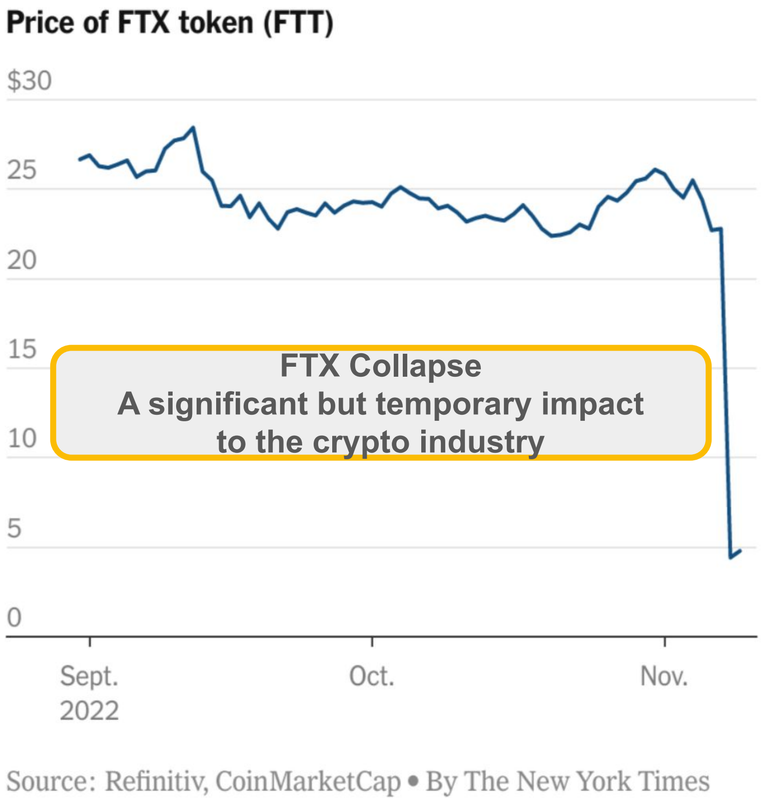
recognised in FY 2020 Result, [2020 Annual Financial Report](#)- Page 61

ABC situation

- No loss for ABC Group.
- Temporary stop in H1-2023.

WiP

- Uptake of Digital Assets Trading in Q3 2023.
- Significant increase in regulatory requirements
  => WiP with French & Irish Financial Authorities.
- Digital assets fund delayed to Q1 2024.



ABC group Evaluation for HY2023

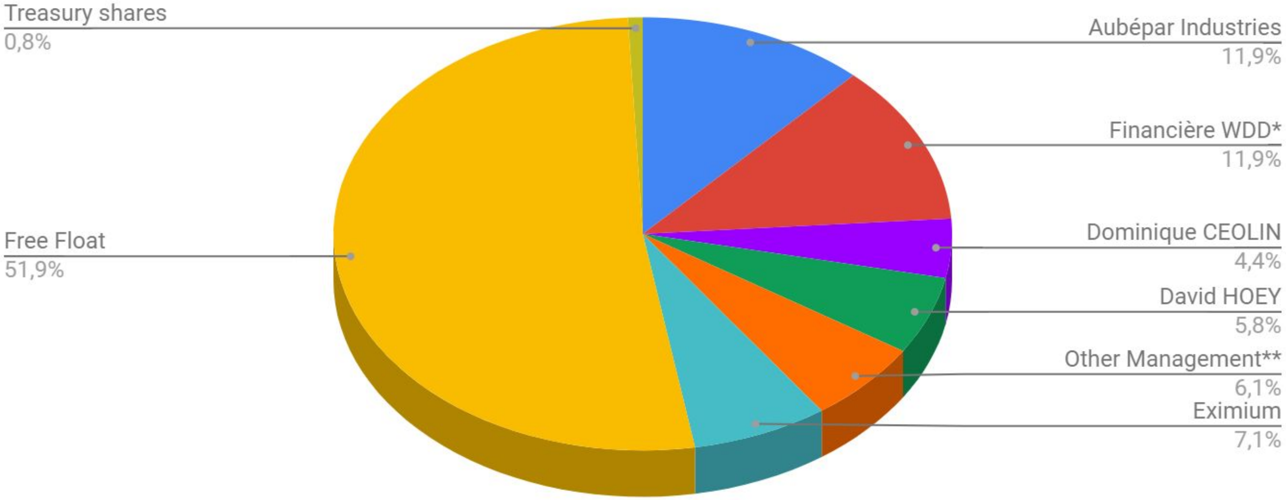
- ➢ Robust Pace of activity in a poor Market Parameters environment.
- ➢ Excellent beginning of June 2023 (~ 2022 pace of activity).
- ➢ Ongoing developments in line for the 2nd HY2023 => PNL contribution to be confirmed.
- ➢ Investments under scrutiny with PNL/u threshold.

7. Shares & Distributions

Shareholders breakdown

22% owned by Executive Top management => Alignment of interests between Shareholders and Management Team

Share ownership as of 31/12/2022



** Holding company 50,01% held by Dominique Ceolin*

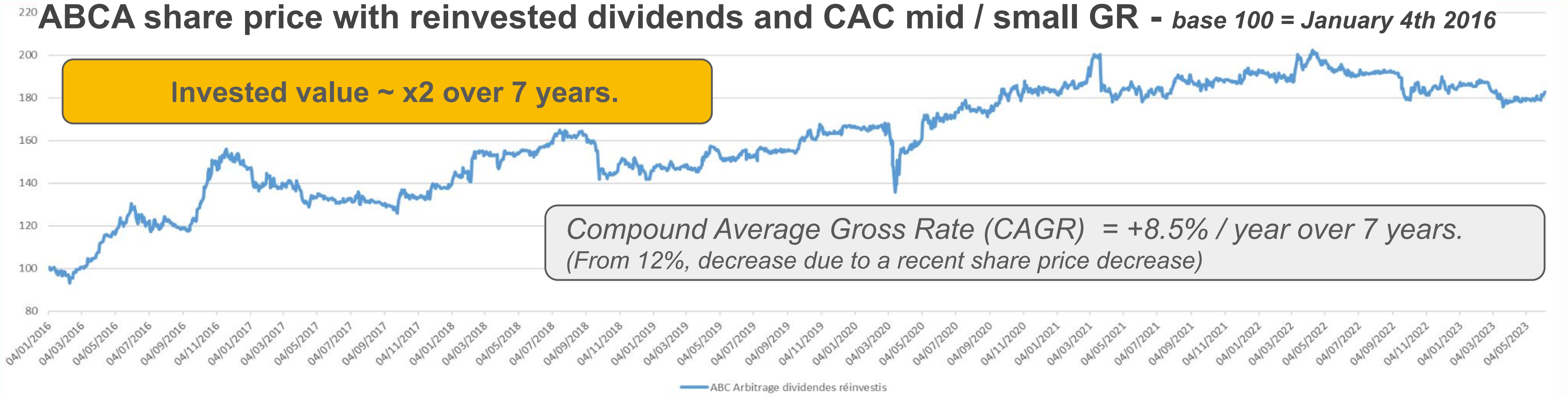
*** Management and independent non-executive directors excluding Dominique Ceolin and David Hoey*

Historical share prices

ABCA share price with reinvested dividends and CAC mid / small GR - *base 100 = January 4th 2016*

Invested value ~ x2 over 7 years.

Compound Average Gross Rate (CAGR) = +8.5% / year over 7 years.
(From 12%, decrease due to a recent share price decrease)



Mainly above the CAC Mid&Small GR index

Increase the visibility & the liquidity of ABC arbitrage Stock

Kepler Cheuvreux

- Buyback program
- Specific financial research on ABC arbitrage (initiation note, update etc…)
- Public access via ABC arbitrage Web Site or Kepler Web Site
- Liquidity program

TP ICAP

- Specific financial research on ABC arbitrage (initiation note, update etc…)
- Public access via ABC arbitrage Web Site.

EDISON BRILLIANT KNOWLEDGE

- Specific financial research on ABC arbitrage (initiation note, update etc…)
- WiP - Public access via ABC arbitrage web site & Edison Web Site

Distribution & Share Buyback Program

FY2022 distribution = €0.41

- **€0.10 – Ex date 11 October 2022.**
- **€0.10 – Ex date 6 December 2022.**
- **€0.10 – Ex date 18 April 2023.**
- **€0.11 – Ex date July 2023 - 2022 final dividend***

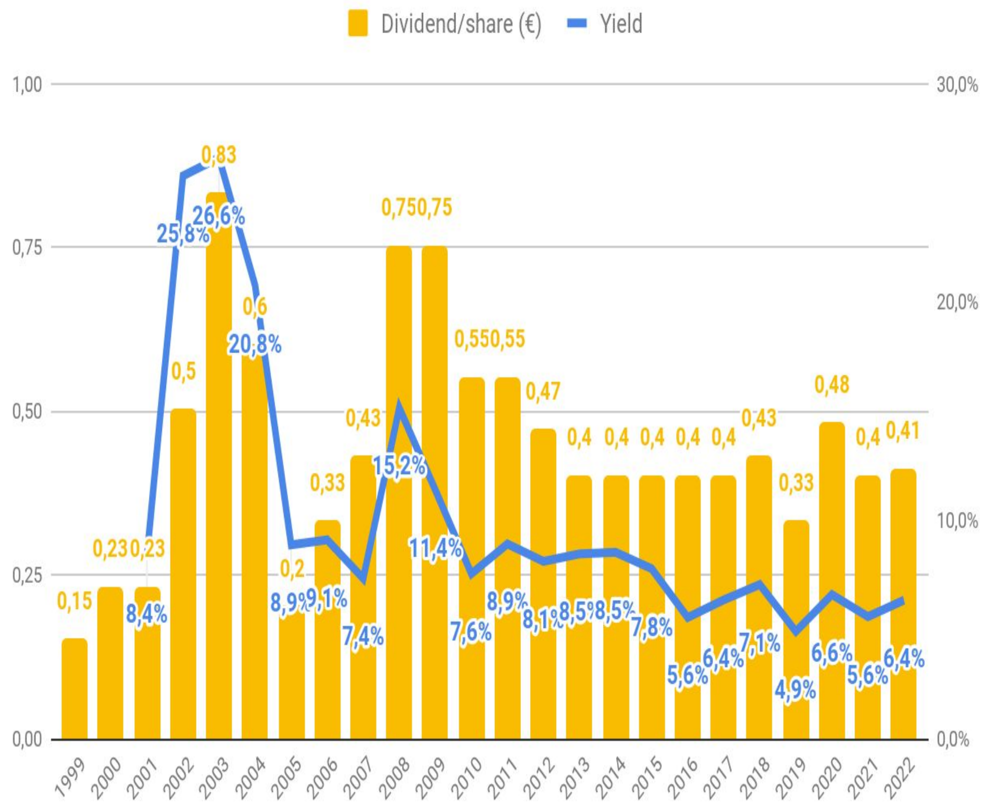
*: if approved by the AGM

Buyback program

- **Authorization by the Board in line with AGM resolution of 10th June 2022 - last one in April 2023 for €m1**
- **~0.2% of share capital**

Payout Ratio (POR) Policy

- **Since 1999, average POR = 95%**
- **2020 & 2021 & 2022 ~ 80%**



Disclaimer

This slideshow is a communication support for the investor presentation on FY 2022. 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 2022 financial year.

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

Information AUBEPAR Industries

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

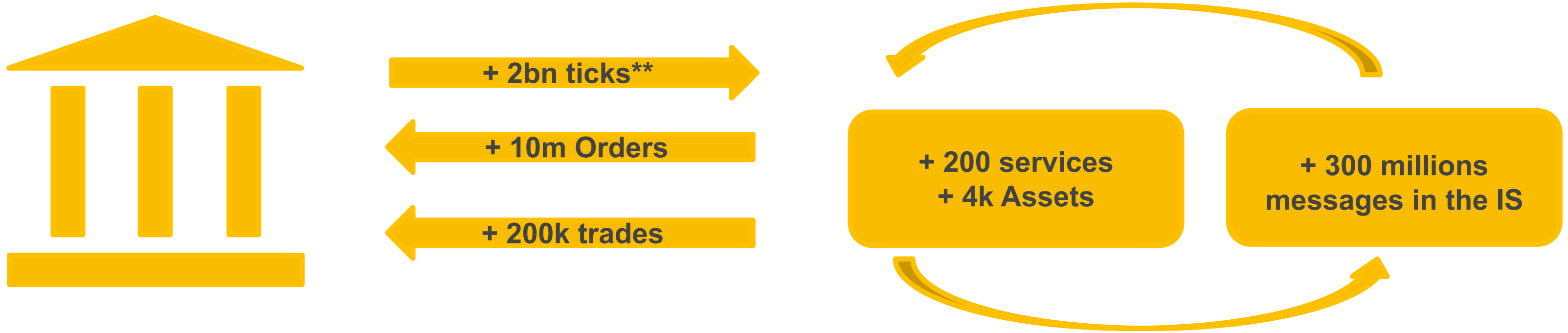
- *Marginal sale - no huge modifications of shareholders structure*
- *Expected process (should be !)*
- *Shareholders structure is also a "board of directors" responsibility...*
- *...as is the board of directors constitution with shareholders meeting*

Proven expertise, technological know how

Tech company!

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



x3 to x5 if high volatility

*Daily average figures
** All updates in the order books or trades for each share followed in ABCA's services

III. Vote des résolutions

AGO 2023 – 1ère résolution

L'assemblée :

- ❑ Prend acte des différents rapports du conseil d'administration et des commissaires aux comptes
- ❑ Approuve les comptes sociaux 2022 *(bénéfice net de 5 614 494 euros)*

AGO 2023 – 2ème résolution

- ❑ Approbation des comptes consolidés de l'exercice 2022 *(bénéfice net de 29 150 432 euros)*

AGO 2023 – 3ème résolution

- Affectation du résultat de l'exercice 2022 :
  - Dotation de la réserve légale : 449 €
  - Distributions 2022 : 0,41 € par action
    - *Acompte de 0,10 € (Octobre 2022)*
    - *Acompte de 0,10 € (Décembre 2022)*
    - *Acompte de 0,10 € (Avril 2023)*
    - *Solde de 0,11 € (Juillet 2023)*

AGO 2023 – 4ème résolution

- ❑ Option pour les actionnaires, en cas de distribution de dividende afférent à l'exercice 2022 et d'acomptes à valoir sur le dividende 2023, de les percevoir en actions

AGO 2023 – 5ème résolution

- ❑ Renouvellement du mandat de Monsieur Dominique CEOLIN en qualité d'administrateur

AGO 2023 – 6ème résolution

- ❑ Non renouvellement du mandat de Madame Sabine ROUX de BÉZIEUX en qualité d’administratrice indépendante

AGO 2023 – 7ème résolution

- ❑ Proposition de nomination de Monsieur David HOEY en qualité d'administrateur

AGO 2023 – 8ème résolution

- Non renouvellement du commissaire aux comptes titulaire le cabinet Ernst & Young

AGO 2023 – 9ème résolution

- Proposition de nomination du cabinet BM&A en qualité de co-commissaire aux comptes titulaire

AGO 2023 – 10ème résolution

- ❑ Non renouvellement du commissaire aux comptes suppléant, le cabinet Auditex

AGO 2023 – 11ème résolution

- Constat de l’absence de conventions et engagements réglementés

AGO 2023 – 12ème 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 2022 aux mandataires sociaux

AGO 2023 – 13ème 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 2022 à Monsieur Dominique CEOLIN, à raison de son mandat de président-directeur général — *vote ex-post*

AGO 2023 – 14ème 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 2022 à Monsieur David HOEY, à raison de son mandat de directeur général délégué — *vote ex-post*

AGO 2023 – 15ème résolution

- ❑ Approbation de la politique de rémunération des administrateurs et censeurs — vote ex-ante

AGO 2023 – 16ème résolution

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

AGO 2023 – 17ème résolution

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

AGO 2023 – 18ème 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, finalités, modalités, plafond

- Programme de rachat d’actions

- Durée de l’autorisation : 18 mois

AGE 2023 – 19ème résolution

- ❑ Autorisation donnée au conseil d’administration à l’effet de consentir des options de souscription et/ou d’achat d’actions avec renonciation au droit préférentiel de souscription en faveur des membres du personnel salarié et des dirigeants-mandataires sociaux

- ❑ Durée de l’autorisation : 38 mois

AGE 2023 – 20ème résolution

- Autorisation donnée au conseil d'administration à l'effet d'attribuer gratuitement des actions ordinaires existantes ou à émettre dites de performance de la Société en faveur du personnel salarié et/ou des dirigeants-mandataires sociaux

- Durée de l'autorisation : 38 mois

AGE 2023 – 21ème résolution

- Plafond global de 200 000 euros de nominal du montant des émissions effectuées en vertu :
  - des résolutions n°19 et 20 de cette assemblée générale mixte ;
  - des résolutions n°17, 18, 19 et 20 de l'assemblée générale mixte du 10 juin 2022.

AGE 2022 – 22ème résolution

- Pouvoirs pour formalités