

ABC ARBITRAGE



FR0004040608 • ABCA • Euronext Paris • Market cap €344m • Free float 54.6% • Average daily volume €0.5m

French quantitative investment group: systematic arbitrage on its own capital and alternative management for professional investors, across the main listed markets worldwide.

Price on 24 September 2026: €5.77 • Targets (prob.): low €5.20 (25%) • central €8.40 (50%) • high €11.80 (25%)

14.8%
ROE 2025
35.2%
GROSS RETURN 2025

27.4%
ANNUALISED ROE H1 2026
+40.0%
REVENUE GROWTH H1 2026

	2025	2026E	2027E	PEER MED. 2027E
P/E	13.7×	7.5×	11.6×	9.5×
P/B	2.03×	1.72×	1.59×	
Yield	5.9%	8.8%	5.7%	

Source: 2025 annual financial report, 2026 half-year accounts, Zonebourse; Investor Access estimates, September 2026.

SUMMARY

3 REASONS TO OWN THE SHARES

- **Profitability sustained over three decades:** 31 consecutive years of average ROE above 15%, and 61 positive half-years in a row to June 2025.
- **Each euro of revenue above breakeven leaves €0.57 of profit:** fixed costs are covered at about €54.5m of revenue.
- **A committed payout and two growth options:** at least €0.30 or 66% of earnings, equity towards €250m, external assets under due diligence.

3 MAIN RISKS

- **Earnings indexed on the volatility regime:** ROE went from 18.0% in 2022 to 10.6% in 2023, a year of calm markets.
- **External asset gathering still being built up:** €74m of external client assets on 01/09/2026, against an ambition of at least €250m in the first quarter of 2027.
- **A supply of shares to absorb:** Aubépar Industries is selling under a mandate and holds 11.36% of the capital, and the scrip option creates new shares.

NEXT CATALYST

24 November 2026: ex-date of the €0.20 interim dividend payable in shares at €4.54, option period until 7 December 2026.

INVESTMENT THESIS

Thesis

At €5.77, the share price assumes a lasting return to the 2023 regime: a normative ROE of 9.8% over 2027-2036, below the 10% floor held for 31 years, and 7.5 times expected 2026 earnings.

Our central case only uses the 2022-2025 average, a period of below-reference volatility according to ABC arbitrage: ROE of 14-15%, in line with history, and equity lifted towards €250m at a return above the 7.14% cost of equity.

WHAT WOULD BREAK THE THESIS:

- **a 2027 ROE below 10%,** published in March 2028;
- **half-year revenue below €27m in the first half of 2027,** under annualised breakeven;
- **external client assets below €100m at end-2027,** while the plan's costs are committed.

2026: A VOLATILITY PEAK OR A NEW LEVEL?

Bull case: In the first half of 2026 the VIX averaged about 18, its 15-year reference, and fewer than 5% of sessions fell below 15 against more than 33% over the three previous years; progress in medium-volatility regimes is confirmed.

Bear case: The Middle East conflict that began on 28 February 2026 amplified activity, and the VIX was back at 15.40 on 24 September 2026; in 2023, with calm markets, ROE fell to 10.6%.

Tell: the monthly activity rate published with the results on 23 March 2027, compared with the 2025 monthly average of about €5m.

EXTERNAL ASSETS: SCALING UP

Bull case: The probability-weighted amount of advanced discussions reaches about €500m, the ABCA funds show +26.0% and +36.8% since 1 January, and 2% of revenue on €500m represents €10m.

Bear case: Springboard 2025 targeted €800m of external assets; external clients represent €74m on 01/09/2026, and the business line operates close to breakeven.

Arbitration milestone: at least €250m of external client assets in the first quarter of 2027, an ambition published on 22 September 2026.

FREE FLOAT: SHARE SUPPLY OR BETTER LIQUIDITY

Bull case: Core shareholders have committed to support broader liquidity and institutional ownership; the free float stands at 54.6%.

Bear case: Aubépar Industries declared about 385,000 shares sold between March and September 2026 and keeps a sale mandate; payment in shares dilutes cash electors by about 2.9%.

Decisive signal: the take-up of the scrip option on 11 December 2026 and Aubépar Industries' holding in its next filings.

ABC ARBITRAGE AT A GLANCE

ABC arbitrage turns €189m of equity into half-year earnings of €26.0m: the group designs quantitative models that exploit unjustified price gaps between listed instruments, deploys them on its own capital and markets them through funds.

Per head, **productivity is that of a small research team:** 108 employees, 90% of them in Paris, generated €25.1m of net income in 2025, about €232k per employee.

TRACK RECORD

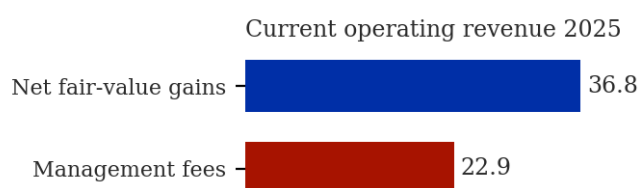
- **1995, founded;** listed on Euronext Paris's second market after the AMF approval of 6 February 2003.
- **2004, asset management company:** ABC arbitrage Asset Management is licensed by the AMF, then as an alternative fund manager since 22 July 2014.
- **2011, Irish funds:** ABCA Funds Ireland is created, grouping ABCA Opportunities and ABCA Reversion.
- **2022, Singapore:** ABC arbitrage Asset Management Asia is licensed by the Monetary Authority of Singapore on 15 August 2022.
- **2026, Momentum 2028 plan** and authorisation to market ABCA Opportunities in Germany on 23 February 2026.

GROUP STRUCTURE

Trading capital is carried on the balance sheet at fair value: ABC arbitrage is an investment entity under IFRS 10 and accounts for its holdings in Quartys and ABCA Funds Ireland at fair value, €174.2m on 30 June 2026.

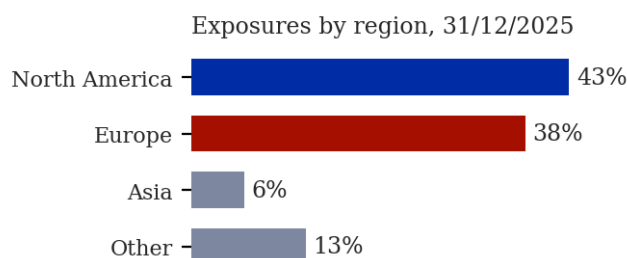
- **Quartys**, a 100%-owned Irish subsidiary, trades on its own account; its 2025 net income reached €36.4m.
- **ABCA Funds Ireland**, an Irish alternative fund, manages €153m on 30 June 2026: ABCA Opportunities, €117m, 78.3% held by the group, and ABCA Reversion, €36m.
- **The two asset management companies**, in Paris and Singapore, charge their fees to group vehicles and clients: €22.2m and €1.1m of revenue in 2025.

2025 current operating revenue, €59.7m, splits into **trading gains of Quartys and the funds, net of their costs and taxes**, and management fees, largely charged to group entities.



Current operating revenue 2025, €m. Source: 2025 annual financial report, p.5.

Positions are **split between North America, 43%, and Europe, 38%**, in absolute value of exposures at 31 December 2025.



Exposures by listing region, 31/12/2025. Source: 2025 annual financial report, p.77.

COUNTERPARTIES

- **Clients:** qualified and professional investors in the funds and mandates, €278m of client assets on 01/09/2026, of which €74m from external clients; in 2025, 40% of ABCA Funds Ireland investors, representing 90% of amounts subscribed, ran due diligence.
- **Market counterparties:** brokers, credit institutions and investment firms, which hold positions or write synthetic products; almost all assets are pledged to them, with concentration tests on prime brokers and daily monitoring of their ratings.
- **Suppliers:** market data, data centres and IT infrastructure, €7.1m of IT costs in 2025.

ABC arbitrage is a quantitative research firm that deploys its capital on market inefficiencies and sells this know-how to professional investors.

MARKET AND COMPETITIVE ADVANTAGE

The alternative management market is deep and growing: according to HFR, hedge funds managed \$5,600bn at end-June 2026, including \$1,430bn in relative value arbitrage and \$1,590bn in event-driven strategies, after a record quarterly increase of \$409bn.

At this scale, **ABC arbitrage's €278m of client assets leave growth headroom unconstrained by market size;** the Irish funds have capacity for close to one billion euros.

BARRIERS TO ENTRY

- **Scarce and loyal human capital:** 107 managers and professionals out of 108 employees, a staff turnover of 5.2% in 2025 against 13.7% in 2024, and variable pay indexed on value created.
- **A maintained technology infrastructure:** IT costs of €5.3m, €5.5m then €7.1m from 2023 to 2025, and a budget of about €8m in 2026.
- **Licences in three jurisdictions:** the AMF in France, the Monetary Authority of Singapore, Irish funds marketable in Germany.
- **A 31-year track record** that institutional investors audit in due diligence before allocating capital.

WHAT SETS ABC ARBITRAGE APART FROM ITS COMPETITORS

The most direct competitors, quantitative funds and market makers such as Jane Street, Optiver, Two Sigma or Citadel Securities, are not listed; **the closest listed peers convert volatility into revenue with teams of 641 to more than 2,500 people, against 108 at ABC arbitrage.**

COMPANY	MODEL	TRADING-LINKED REVENUE	NET MARGIN 2025	ROE 12 MONTHS	HEADCOUNT
ABC arbitrage	Quantitative arbitrage, alternative management	net gains 62% of revenue	42.0%	17.6%	108
Flow Traders	ETP market making	99.5%	27.8%	14.1%	641
Virtu Financial	Market making and execution	67%	25.1%	45.6%	1,027
Man Group	Quantitative alternative management	performance fees 20%	12.5%	20.3%	1,770
Plus500	CFDs as counterparty	92%	35.5%	48.6%	n.a.
IG Group	CFDs and investing	89%	40.2%	19.7%	2,311
Compagnie Financière Tradition	Interdealer broking	volume-linked commissions	12.0%	29.0%	over 2,500

Source: companies' 2025 annual and 2026 half-year reports; ROE over twelve months on closing equity; ABC arbitrage: €33.4m for €189.2m at 30/06/2026.

- **Flow Traders: same volatility dependence, lower margin;** an ETP market maker that suspended its regular dividend.
- **Virtu Financial: scale and agency execution;** \$3,632m of 2025 revenue, 67% from trading.
- **Man Group: same quantitative management business, global distribution;** revenue driven by fees on assets.
- **Plus500 and IG Group: volatility monetised with retail clients,** with higher ROEs and their own regulatory risk.

- **Compagnie Financière Tradition: volume-driven revenue, without proprietary trading;** interdealer broking commissions.

ABC arbitrage pairs the smallest headcount of the panel with a published net margin of 42.0%, calculated on revenue already net of Quartys's costs: its edge lies in research productivity.

EQUITY STORY AND GOVERNANCE

Management and staff hold about 31% of the capital at 31/12/2025: Financière WDD, a holding company controlled by Dominique Ceolin, 11.95%, Dominique Ceolin 4.44%, David Hoey 5.85%, other managers 6.23% and other employees 2.82%.

- **Purchases by the chairman and CEO:** subscription of 9,204 shares at €5.65 in 2025, purchase of 11,157 shares at €5.24 in 2026.
- **David Hoey, director:** near-symmetrical purchases and sales since 2024, 20,200 shares bought and 14,390 sold in 2026, plus family gifts.
- **Aubépar Industries, director:** about 385,000 shares sold at an average price of about €5.21 between March and September 2026, holding reduced from 11.93% to 11.36%, sale mandate ongoing.
- **Eximium:** 4.99% of the capital after crossing a threshold downwards on 6 July 2026, due to the capital increase reserved for employees.

The board of directors has five members, including **two independent women directors and 40% women**; the 5 June 2026 meeting renewed Isabelle Maury and appointed DERNHAM, represented by David Hoey. The group applies the MiddleNext code.

CAPITAL ALLOCATION

The group distributed €86.0m from 2022 to 2025 against €97.6m of earnings, most of its profits; Momentum 2028 changes course to lift equity from €200m towards €250m, with the payout reduced to 66% and a scrip dividend.

Return on equity, 14.8% in 2025 and 27.4% annualised in the first half of 2026, **exceeds the 7.14% cost of equity**: each euro retained creates value as long as the gross return holds.

GUIDANCE TRACK RECORD

SPRINGBOARD 2025 TARGET, 21/03/2023	TARGET	ACHIEVED
Cumulative net income 2023-2025	over €100m	€68.4m
Annual ROE	at least 15%	10.6% · 16.4% · 14.8%
Assets under management, of which external clients	over €1bn, of which €800m	€245m on 01/03/2026
Minimum distribution per share	0.30 €	0.30 € · 0.34 € · 0.34 €

Source: press release of 21/03/2023, 2024-2026 results releases, presentation of 24/03/2026 p.14.

The payout was delivered every year, while earnings and asset-gathering ambitions are still being caught up: ABC arbitrage attributes the gap to below-reference volatility and weak corporate-action activity.

Alignment rests on management owning about 31%; Aubépar's selling is the only shareholder watch point.

KEY PERFORMANCE INDICATORS

At 31 August 2026, the average monthly activity rate is about 90% above its 2025 level: about €9.5m a month over eight months, against about €5m in 2025. The activity rate is, according to ABC arbitrage, "an indicator [...] close to the financial aggregate Current Operating Revenue".

- **Fund performance:** ABCA Opportunities +18.2% and ABCA Reversion +20.2% in the first half of 2026, +26.0% and +36.8% since 1 January to 31 August 2026, dollar shares.
- **Assets:** €278m of client assets on 01/09/2026, +13% over the period, of which €74m from external clients; probability-weighted amount of advanced discussions of about €500m, with no certainty on outcome or timing.
- **Risk:** aggregate one-day 99% VaR of €5.1m at 31/12/2025, for gross exposures of €1,921m long and €1,851m short.
- **Unrecognised performance fees:** €4.8m calculated at 30/06/2026 against €2.2m a year earlier, recognised on annual crystallisation.

July-August activity accelerated beyond the first half, which secures most of 2026 earnings.

VALUATION

Our central target of €8.40 implies 45.6% upside on the €5.77 share price: it weights discounted flows to shareholders at 60% and trading comparables at 40%.

WHAT THE SHARE PRICE IMPLIES

The share price assumes a normative gross return of 25.0% on equity, the 2023 level: with the cost of equity and capital path held fixed, an average ROE of 9.8% over 2027-2036 is needed to get back to €5.77, whereas the 2022-2025 average gross return is 32.7% and historical ROE above 15%.

DISCOUNTED FLOWS TO SHAREHOLDERS

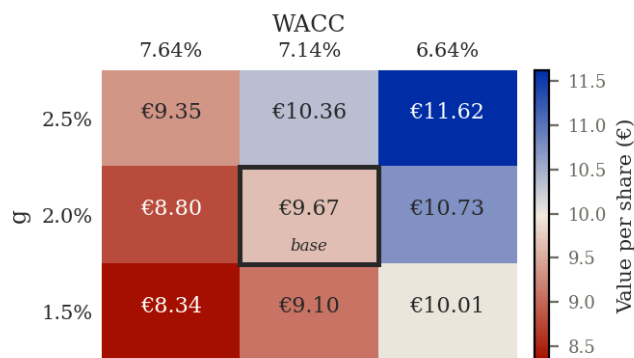
For an investment entity, value lies in the flows distributable after equity build-up: ten years are projected one by one, net income less the equity needed for growth, then a normative flow grows at 2% a year. ABC arbitrage has no financial debt: the cost of capital is the cost of equity.

Earnings follow the simplified formula ABC arbitrage has made available to its shareholders since 22/09/2026: revenue, the gross return applied to average equity, funds IT and other costs, €15m in 2026, then 43% of value added goes to staff, including €17m of fixed pay. Above about €54.5m of revenue, each additional euro leaves €0.57 of profit.

PARAMETER	VALUE	SOURCE AND DATE	STATUS
Risk-free rate, 10-year OAT	4.67%	Agence France Trésor, TEC 10, 24/09/2026	observed
Mature-market equity risk premium	4.23%	Damodaran NYU, 01/2026	reference
Unlevered beta, asset management, Europe	0.585	Damodaran NYU, 01/2026	reference
Cost of equity	7.14%	calculation, no financial debt	judgement
Terminal growth	2.0%	below the risk-free rate	judgement
Normative gross return	32.7%	2022-2025 average, annual reports	judgement
Share of value added to staff	43%	presentation of 22/09/2026, p.31	observed
Tax at consolidated level	0.0%	2025 annual financial report, p.75	observed

Source: Agence France Trésor, Damodaran NYU, ABC arbitrage reports; Investor Access estimates, September 2026.

The central value comes out at €9.67 per share, 65.6% of it from terminal value; a cost of equity half a point higher brings it down to €8.80.



Value per share by cost of equity and terminal growth, €. Source: Investor Access estimates, September 2026.

TRADING COMPARABLES

Six listed companies monetise volatility or quantitative management and form the panel; their median P/E is 10.99 times for 2026 and 9.47 times for 2027, on 23/09/2026 prices and consensus EPS.

PEER	VENUE	P/E 2026E	P/E 2027E
Flow Traders	Euronext Amsterdam	7.87×	6.87×
Virtu Financial	NYSE	8.07×	9.42×
Man Group	LSE	10.75×	9.35×
Plus500	LSE	11.39×	10.70×
IG Group	LSE	11.23×	9.52×

PEER	VENUE	P/E 2026E	P/E 2027E
Compagnie Financière Tradition	SIX	13.87×	12.82×
Median		10.99×	9.47×

Source: Zonebourse, 23/09/2026 closing prices and consensus EPS read on 25/09/2026.

Applied to our earnings of €46.2m in 2026 and €29.7m in 2027, these multiples give €8.28 and €4.62, an average of €6.45; the gap between the two years measures the normalisation we assume after 2026.

SUMMARY AND DERIVATION

The two methods frame the value: discounting captures the full cycle and the value created by reinvested equity, comparables the price the market currently pays for volatility-linked earnings.

VALUATION METHODOLOGY	VALUE PER SHARE	KEY ASSUMPTIONS
Flows to shareholders	9.67 €	cost of equity 7.14%, g 2.0%, ROE of 14 to 15%
Comparables, P/E	6.45 €	median P/E 10.99 times in 2026 and 9.47 times in 2027

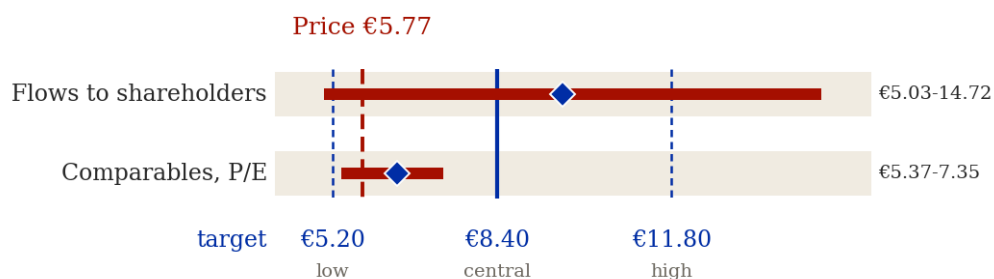
Source: Investor Access estimates, September 2026.

Discounting carries the majority weight, the reference method for a financial profile and the only one covering the cycle; comparables remain a cross-check, as no listed peer shares the model of arbitrage on own funds. No liquidity discount is applied: the free float is 54.6% and the stock trades 0.15% of its capital a day.

METHOD	WEIGHT	LOW	CENTRAL	HIGH
Flows to shareholders	60%	€5.03	€9.67	€14.72
Comparables, P/E	40%	€5.37	€6.45	€7.35
Weighted average	100%	€5.17	€8.38	€11.77
Price target, rounded		€5.20	€8.40	€11.80

Source: Investor Access estimates, September 2026.

The target range runs from €5.20 to €11.80: the low case, below the share price, assumes a lastingly calm volatility regime.



Target by method, €/share. Source: Investor Access estimates, September 2026.

SCENARIO	OPERATING NARRATIVE	TARGET	UPSIDE	PROBABILITY
Low	Gross return of 24.8%, 2023 regime; no new external assets; costs at 2026 budget; ROE of 9 to 10%	€5.20	-9.9%	25%
Central	Gross return of 32.7%, 2022-2025 average; external assets at €250m at end-2029; plan costs of €20m; ROE of 14 to 15%	€8.40	+45.6%	50%
High	Gross return of 38.1%, 2022 regime; external assets at €500m at end-2028; plan costs of €25m; ROE of 17 to 20%	€11.80	+104.5%	25%

Source: Investor Access estimates, September 2026.

The share price embeds a permanently calm market regime; a mere return to the 2022-2025 average justifies €8.40.

Seven milestones before September 2027 will measure the normalisation of activity and asset gathering.

DATE	EVENT	WHAT IS AT STAKE
24/11/2026	Ex-date of the €0.20 interim dividend, scrip option at €4.54 until 07/12/2026	take-up and new shares
11/12/2026	Payment of the interim dividend and delivery of new shares	strengthened equity
Q1 2027	Ambition of at least €250m of external client assets, with no certainty on outcome or timing	scaling of third-party management
23/03/2027	2026 annual results	early-2027 activity rate
early June 2027	Trading update before the AGM, not yet announced; precedent on 01/06/2026	first five months' activity
04/06/2027	Annual general meeting and 2026 final dividend	payout and buyback programme
21/09/2027	2027 half-year results	ROE outside a volatility peak

Source: press release of 22/09/2026, investor-page agenda at 24/09/2026, presentation of 22/09/2026 p.26.

The 23 March 2027 results will settle the peak-or-plateau question.

FINANCIAL PROJECTIONS

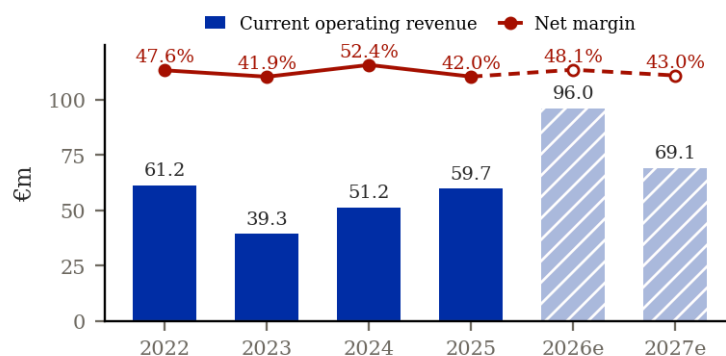
2026 earnings are largely secured, €46.2m in our central case, with September to December activity brought back to the 2025 monthly average of €5m; 2027 returns to €29.7m on an average gross return of 32.7%.

€M	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Current operating revenue	61.2	39.3	51.2	59.7	96.0	69.1	75.6	82.0
Total costs	-32.1	-22.9	-30.2	-34.8	-49.8	-39.4	-43.1	-46.1
Net income, group share	29.2	16.5	26.8	25.1	46.2	29.7	32.5	35.9
Net margin	47.6%	41.9%	52.4%	42.0%	48.1%	43.0%	43.0%	43.8%
EPS, €	0.49	0.28	0.45	0.42	0.77	0.50	0.55	0.60
Distribution per share, €	0.41	0.30	0.34	0.34	0.51	0.33	0.36	0.40
Closing equity	161.7	155.4	164.1	169.6	200.0	216.7	233.3	250.0
ROE	18.0%	10.6%	16.4%	14.8%	25.0%	14.2%	14.5%	14.9%

Source: 2023 and 2025 annual financial reports; Investor Access estimates, September 2026. Projected costs: revenue less net income. Projected EPS on 59,632,383 shares. Projected equity: level required by the plan.

- **Revenue:** gross return applied to average equity, 32.7%, plus 2% of external assets above €74m.
- **Costs:** published 2026 budget then €20m of plan investment over 2026-2028, about €3m of it in 2026, and 43% of value added to staff.
- **Tax:** no additional tax at consolidated level, Quartys's tax being already deducted from its gains.

Net margin stays close to 43% in the projection, the level the value-sharing formula produces once breakeven is passed.



Current operating revenue and net margin, €m and%. Source: 2023 and 2025 annual reports; Investor Access estimates, September 2026.

The central case brings ROE back to its historical average, without assuming a new volatility peak.

GUIDANCE

The central case reaches €108.4m of cumulative earnings over 2026-2028, above the published €100m ambition; it stays below the external asset-gathering ambition.

PUBLISHED TARGET	DOCUMENT	CENTRAL CASE
Cumulative 2026-2028 net income of €100m	presentation of 24/03/2026, p.26	€108.4m
ROE always above 10%	presentation of 24/03/2026, p.26; release of 22/09/2026	14 to 15% from 2027
Investment of €15m to €25m cumulated over three years, contingent on results	release of 22/09/2026	€20m
At least €250m of external client assets in the first quarter of 2027	presentation of 22/09/2026, p.26	€150m at end-2027, €250m at end-2029
Equity of €200m then €250m plus within three years	presentation of 22/09/2026, p.25	€200m at end-2026, €250m at end-2029
Dividend of at least €0.30 or 66% of earnings	release of 24/03/2026	€0.51 in 2026, €0.33 in 2027
2026 budget: fixed pay €17m, IT €8m, other €7m, 43% to staff	presentation of 22/09/2026, p.31	used as published

Source: presentations of 24/03/2026 and 22/09/2026, releases of 24/03/2026 and 22/09/2026.

Our central case meets the earnings ambition and assumes more gradual external asset gathering than ABC arbitrage's stated ambition.

SWOT

Strengths	Weaknesses
- Average ROE above 15% for 31 years - Net margin of 42.0% in 2025 - No financial debt - Management owns about 31%	- Earnings tied to the volatility regime - External assets of €74m - Assets pledged to counterparties
Opportunities	Threats
- Probability-weighted pipeline of about €500m - Equity lifted towards €250m - Marketing in Germany	- Lasting return of calm markets - Sales by Aubépar Industries - Swiss tax dispute of €8.8m

ESG

REPORTING FRAMEWORK

ABC arbitrage voluntarily publishes its sustainability information: the group is below the thresholds of the non-financial performance statement and of the CSRD. The double materiality analysis follows EFRAG IG 1 guidance and the ESRS; a dedicated staff member, a quarterly working group and a board CSR committee oversee the approach.

MATERIAL TOPICS

- Talent attraction and retention, pay model: overlap with the thesis's first driver, research productivity.
- Cybersecurity and IT resilience, rated probable and rising; policies, continuity plans and tests overseen by the chief technology officer.
- Market rules and integrity, specific to algorithmic trading; value creation and capital protection for investors.

CLIMATE

METRIC	2024	2025
Scope 1, tCO ₂ e	0	0
Scope 2, tCO ₂ e	201	176
Operational scope 3, tCO ₂ e	289	387
Scopes 1 and 2 intensity, kgCO ₂ e per average employee	1,861	1,630

Source: 2025 annual financial report, p.138-139 and p.153.

The total footprint is 563 tCO₂e in 2025, up 25% on restated 2024, with an upper uncertainty bound of 800 tCO₂e, now including artificial intelligence, cloud storage and common-area energy for the first time. ABC arbitrage "now intends to work on a climate strategy and set credible greenhouse gas targets".

SOCIAL AND GOVERNANCE

- 108 employees at end-2025, 90% in Paris; 6 permanent hires; staff turnover of 5.2%.
- Women: 21% of staff, 14% of executive management, 67% of managers, 40% of the board; gender equality index of 77 out of 100 in 2025.
- Compliance officer, whistleblowing system, CSR committee chaired by an independent director; ABC arbitrage Asset Management is a signatory of the UN Principles for Responsible Investment.

APPENDIX: VALUATION WORKINGS

- **Bridge to equity:** none, discounted flows accrue directly to shareholders; ABC arbitrage has no financial debt and holds €15.0m of cash at 30/06/2026.
- **Lease liabilities:** €2.1m at 30/06/2026, as a memo; flows are after rent, office costs being included in the other-costs budget.
- **Dilution:** 1,129,487 attributable performance shares and 3,200,000 options exercisable at €7.00 from 2029, by the treasury stock method at each calculation's price.
- **Tax:** no additional tax at consolidated level, effective rate of –0.62% in 2025; Quartys's tax is deducted from its fair-value gains.
- **Discounting:** mid-point of each year, first partial year at the mid-point of the remaining 2026 period, terminal value at the last projected year's factor.

Flows to shareholders rise from €9.4m in the second half of 2026 to €38.7m in 2036, as the equity build-up slows.

€M	S ₂										
	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Current operating revenue	45.0	69.0	75.6	82.0	87.0	90.2	92.8	95.1	97.2	99.4	101.6
Net income	20.2	29.7	32.5	35.9	38.4	39.9	41.0	42.0	42.8	43.7	44.5
Additional cash tax (0.0%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortisation	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Investment	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8	–0.8
Build-up of required equity	–10.8	–16.7	–16.6	–16.7	–10.0	–7.8	–6.7	–5.5	–5.6	–5.7	–5.8
Flows to shareholders	9.4	13.0	15.9	19.2	28.4	32.1	34.4	36.5	37.2	38.0	38.7
Discount period, years	0.13	0.77	1.77	2.77	3.77	4.77	5.77	6.77	7.77	8.77	9.77
Discount factor	0.9908	0.9484	0.8852	0.8262	0.7712	0.7198	0.6718	0.6270	0.5852	0.5462	0.5098
Discounted flow	9.3	12.3	14.1	15.9	21.9	23.1	23.1	22.9	21.8	20.7	19.7

Source: Investor Access estimates, September 2026.

The sum of discounted flows, €204.8m, and the discounted terminal value, €391.2m, give €596.0m, or €9.67 per diluted share.

€M	DCF, CENTRAL CASE
Sum of discounted flows S ₂ 2026e-2036e	204.8
Normative 2037 flow	39.4
Terminal value, cost of equity 7.1% and g 2.0%	767.3
Terminal value discount factor	0.5098
Discounted terminal value	391.2
Present value of flows to shareholders	596.0
Terminal value weight	65.6%

Equity value	596.0
Diluted share count	61,645,427
Value per share	€9.67

Source: Investor Access estimates, September 2026.

Median P/Es applied to 2026e and 2027e earnings give €8.28 and €4.62 per share, averaged.

€M	TARGET AGGREGATE	PEER MEDIAN	ENTERPRISE VALUE	EQUITY VALUE	VALUE PER SHARE
P/E 2026e	46.2	11.0×		507.4	€8.28
P/E 2027e	29.7	9.5×		281.0	€4.62
Retained value, average					€6.45

Source: Investor Access estimates, September 2026.

ACCOUNTING AND TAX SPECIFICS

Three accounting items shape the reading of ABC arbitrage's accounts.

- **Quartys's Swiss tax dispute, not valued in the target:** refusal of withholding tax refunds of CHF 8.1m, €8.8m, decision of 29/08/2024 contested on 30/09/2024; no provision, the risk being deemed less likely than not; discounted receivable, impairment of €1.52m at 30/06/2026. Key audit matter for 2025.
- **Unrecognised performance fees, not valued in the target:** €4.8m at 30/06/2026, recognised on annual crystallisation.
- **ABC arbitrage Asset Management's tax losses, not valued in the target:** deferred tax assets not recognised, on prudence grounds according to ABC arbitrage; in the parent accounts, a €34.3m provision for repayment of tax-group savings.

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Valuation methods. Depending on the issuer and its sector, the valuation may rely on one or more of the following methods:

- discounted cash flow (DCF), on a firm (FCFF) or equity (FCFE) basis;
- trading comparables (market multiples of a sample of comparable listed companies);
- transaction comparables (multiples observed in comparable M&A transactions);
- sum-of-the-parts (SOTP), valuing each business or asset separately;
- net asset value (NAV);
- dividend discount model (DDM);
- yield-based approach (dividend and/or free cash flow yield);
- for financial companies, an equity-based approach (P/B relative to return on equity).

Key assumptions. Depending on the methods used, valuations rely on assumptions including:

- risk-free rate, equity risk premium, beta and cost of equity;
- cost of debt, target capital structure and weighted average cost of capital (WACC);
- terminal growth rate (terminal value, Gordon-Shapiro model) and explicit forecast horizon;
- projected revenue, margins (EBITDA, EBIT) and cash flows;
- working capital requirements, capital expenditure (capex) and normative tax rate;
- reference multiples applied (EV/sales, EV/EBITDA, EV/EBIT, P/E, P/B, P/CF, dividend yield);
- net financial debt and other enterprise-to-equity value bridge adjustments;
- where applicable, discounts or premia (size, liquidity, holding, control).

The specific assumptions used for this Note and, where the valuation is carried out in it, the detailed calculations derived from them are set out in the document. Any price target and opinion reflect the author's assessment as at the date of the Note and are inherently uncertain.

Reference formulas. Unless otherwise stated in the body of the Note, valuation calculations follow the formulas below, where t is the normalised cash tax rate, D net debt and E the market value of equity.

- Free cash flow to the firm: $FCFF = EBIT \times (1 - t) + \text{depreciation and amortisation} - \text{capex} - \text{change in working capital}$.
- Discount factor for financial year n , mid-year convention: $1 / (1 + WACC)^{d(n)}$, where $d(n)$ is the time in years between the valuation date and the middle of year n .
- Terminal value, Gordon-Shapiro model: $TV = \text{normative FCFF for the first year after the explicit horizon} / (WACC - g)$, discounted at the factor of the last explicit year N , $1 / (1 + WACC)^{d(N)}$, cash flows beyond the horizon also being deemed received mid-year.
- Enterprise value by discounted cash flow: $EV = \sum FCFF(n) \times \text{factor}(n) + \text{discounted TV}$; terminal value weight = discounted TV / EV .
- Cost of equity: $ke = R_f + \theta L \times \text{mature-market equity risk premium}$, the sovereign risk of the issuer's country being carried by the risk-free rate; any additional specific premium, including a country risk supplement, is disclosed and justified in the document.
- Levered beta, Hamada formula with a zero debt beta: $\theta L = \theta U \times [1 + (1 - t) \times D / E]$.
- Weighted average cost of capital: $WACC = ke \times E / (D + E) + kd \times (1 - t) \times D / (D + E)$, weights at market values.
- Trading or transaction comparables: implied $EV = \text{median multiple of the sample} \times (1 - d) \times \text{the issuer's aggregate}$, for the same financial year and on the same definition, where d is any discount applied to the multiple, disclosed and justified in the document; for an equity multiple such as P/E , equity value is obtained directly.
- Sum-of-the-parts: $EV = \sum \text{value of the pillars}$, each valued by multiple, by discounted cash flow or as a risk-adjusted net present value, $rNPV = \sum p(n) \times F(n) \times \text{factor}(n)$, where $p(n)$ is the cumulative probability that cash flow $F(n)$ materialises.
- Net asset value: $NAV = \sum \text{assets at market or appraised value} - \text{net debt} - \text{other liabilities}$.
- Dividend discount model: $\text{value} = \text{Div}(1) / (ke - g)$, where $\text{Div}(1)$ is the dividend expected for the next financial year; justified $P/B = (ROE - g) / (ke - g)$.
- Equity value = $EV - \text{net debt} \pm \text{other bridge items: lease liabilities, pension provisions, non-controlling interests, earn-outs, financial assets and equity-method holdings}$.
- Diluted share count, treasury stock method: $\text{shares issued} - \text{treasury shares} + \sum q(i) \times \max(0; 1 - K(i) / P)$, where $q(i)$ and $K(i)$ are the number and exercise price of each dilutive instrument and P the value per share of the calculation concerned.
- Value per share = equity value / diluted share count.
- Price target for a scenario = $[\sum \text{weight}(m) \times \text{value per share under method } m \times (1 - d(m))] \times (1 - d)$, rounded to the stated increment, where $d(m)$ is any discount specific to method m and d any liquidity discount common to all methods; weights are set before calculation and any judgemental adjustment is quantified and explained in the document.
- Upside = price target / reference price – 1.

Definitions. Unless otherwise stated in the body of the Note:

- Reference price: opening price of the session stated in the header of the Note.
- Market capitalisation: reference price $\times$ number of shares issued, net of treasury shares.
- Net debt: gross financial debt – cash and cash equivalents, as published by the issuer; a negative amount denotes net cash. IFRS 16 lease liabilities are shown separately.
- Treatment of lease liabilities: identical in the numerator and denominator of each multiple, and in the DCF cash flow and bridge. A pre-lease aggregate, such as EBITDA reported under IFRS 16, is paired with an enterprise value including lease liabilities; a post-lease aggregate, with an enterprise value excluding them. The same convention applies to the issuer and its peers.
- Enterprise value: market capitalisation + net debt $\pm$ other bridge items, under the convention above.
- EBITDA, EBIT, current operating income, free cash flow, organic growth, order backlog: aggregates as defined by the issuer, with the definition reproduced in the Note at first use; any difference from the convention used by Investor Access is disclosed there.
- Multiples: EV/sales , EV/EBITDA , EV/EBIT and P/E , the latter relating market capitalisation to net income attributable to owners of the parent, calculated at the reference price. Peer multiples are calendarised to the issuer's financial year; the peer median states the year to which it relates; "e" denotes an estimated year.
- Risk-free rate: yield on the 10-year government bond of the issuer's country, in the currency of the cash flows, at the stated date. Mature-market equity risk premium and cash-adjusted unlevered beta: datasets published by A. Damodaran, New York University, vintage as stated.
- Terminal growth, g : perpetual nominal growth rate of cash flows beyond the explicit horizon, below the WACC and no higher than the long-term nominal growth of the reference economy.
- Low, central and high scenarios: internally consistent sets of operating assumptions. The associated probabilities are indicative; the central target is that of the central scenario and is not a probability-weighted expected value.
- 20-session average volume: average traded value over the last twenty sessions. Free float: share of capital treated as free float by the stated market data provider.

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