



ABC arbitrage 2021 Results: €28 M€ 2021 ROE: 17.5% - 2021 Distributions: €0.40

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on March 17, 2022 to approve the consolidated financial statements for fiscal year 2021. The financial data are as follows:

	Dec. 31, 2021 IFRS	Dec. 31, 2020 IFRS	Dec. 31, 2019 IFRS
Net revenues	€64.1m	€68.8m	€37.2m
Net income	€28.0m	€35.1m	€18.3m
Earnings per share (EPS)	€0.48	€0.60	€0.31
Return On Equity (ROE)	17.5%	23.9%	12.8%

Business Performance - After an atypical year in 2020 from a health and economic point of view, the year 2021 is characterized by a return to a certain normality of the financial market parameters.

- Volatility in 2021 is back to its historical average of 20% compared to 29% in 2020.
- The M&A market showed a strong dynamic, notably exceeding in the first half 2021 its highest levels of 2016.
- The successive waves of COVID, unevenly spread over the various geographical areas, have generated statistically rare situations with unfavorable decorrelation for some of the group's activities.
- The group increased its client assets by €144 million (+39%) to reach €512 million at 31/12/2021.

The group has once again demonstrated its know-how by outperforming this market context. ABC arbitrage thus achieved one of its best results ever with a ROE of nearly 18%.

Dividend Policy - A quarterly distribution policy has been in place for over two years.

- Distribution of €0.10 per share in October 2021;
- Distribution of €0.10 per share in December 2021;
- Interim dividend of €0.10 per share on April 20, 2022 for payment on April 22;
- Proposition at the General Meeting of June 10, 2022 of a final dividend of €0.10 per share;
- If the meeting votes in favor of this final dividend, the total distribution for fiscal year 2021 will be €0.40 per share, i.e. a distribution rate of more than 80%.

Retained earnings will be invested in the development of new products with significant profitability prospects. The terms and timetable of this final dividend will be presented at a later date.

Outlook - It is important to contextualize this outlook with respect to events in Ukraine.

After a 10 year record of almost uninterrupted increase in equity indices, this war could prevent a return to normalized financial markets. Faced with the potential impacts of this war and despite the fact that inflation is off the charts, central banks could delay their exit from support programs. The major difference with 2020 is, for the time being, the strong decorrelation of markets between geographical areas, with the US economy seemingly less affected than Europe.

- The start of capital flight from Europe to seemingly safer areas may make it more difficult to achieve the group's objectives for the development of its assets under management in 2022.
- This situation also means a return to a period of sustained volatility despite the presence of accommodative monetary policies, and probably for several months. This should benefit a large part of the group's activities.
- After a quiet month of January, the average pace of activity in the first quarter is close to 80% of the average pace for the 2021 financial year, on a rising trend that should continue with the recent increase in volatility.

In a year 2022 that promises to be complex from a geopolitical point of view, ABC arbitrage, by recording its 27th positive fiscal year, confirms that it has all the assets to produce performance consistent with current volatility and is therefore pursuing its recruitment and investment objectives to achieve the ambitions of its ABC 2022 strategic plan.

¹ At this date, the audit procedures carried out by the statutory auditors are still in progress.