CATALYST PARTNERS | PRIVATE EQUITY

# PROJECT ASCENT

## Acquisition of the 24% minority stake in Alpine Racing Ltd

Investment Committee Presentation — Strictly Confidential

September 2026

Target: 24% of Alpine Racing Ltd (F1 team, Enstone, UK) — currently held by the Otro Capital-led investor group

This document is indicative and non-binding; all figures are estimates based on public information

# A rare, de-risked entry into Formula 1's premier assets



- **The opportunity —** Otro Capital-led investor group (24% of Alpine Racing Ltd) explored a sale in late 2025; preferred-bidder talks with Mercedes ended in mid-2026 over price. The process is stalled — a motivated seller with no active buyer.
- **The asset —** Alpine F1 team: historic Enstone operation, constructors' top-4 as recently as 2022, new Mercedes works-style customer deal, and a $160–200m Gucci title partnership signed for 2026.
- **The math —** Bought for €200m in 2023 at a ~$900m valuation; credible marks today at $2.3–3.5bn (Aston Martin comp ~$3.3bn). Otro's ~€700m ask implies ~$2.9bn.
- **Our proposal —** Acquire the full 24% at a $2.6–2.9bn team EV ($620–700m), all-cash with staged close, alongside a Renault-friendly governance package.
- **The return —** Illustrative 1.5x MOIC / ~8% IRR base case undiluted, uncapped upside from F1's 2026+ commercial growth and Alpine's cost-cap convergence.

### STAKE FOR SALE

24% of Alpine Racing Ltd (team only — Viry engine entity excluded)

### PROPOSED CONSIDERATION

US$620–700m, cash at close + 12-month escrow/earnout

### SELLER MOTIVATION

3.2–3.5x gross on 2023 entry; fund-life dynamics post-failed Mercedes process

# Why this stake is available — and why now



- **June 2023 —** Otro Capital, RedBird Capital Partners and Maximum Effort Investments (Ryan Reynolds) invest €200m for 24% at ~$900m post-money. Alec Scheiner joins the board.
- **Late 2025 —** Otro formally explores a sale; Mercedes Grand Prix named preferred bidder by controlling owner Renault (76%).
- **May–June 2026 —** Talks collapse: Otro asks ~€700m (~$2.9bn team EV); Mercedes values the team at ~€3bn and walks. Horner-linked consortium interest cools.
- **Today —** Process stalled; Otro 'in no rush' but under mounting LP pressure after a failed auction. Renault retains ROFO/veto — alignment is achievable and expected.
- **Window —** Catalyst can move as sole, certain buyer — no consortium risk, no strategic-conflict discount.

### OWNERSHIP

Renault Group 76% | Otro-led investor group 24%

### KEY SELLER DYNAMICS

Athlete LPs (Mahomes, Kelce, McIlroy, Joshua, TAA) in fund since 2023; liquidity event overdue

### WHAT RENAULT WANTS

Certain funds, clean governance, U.S. commercial momentum, no competitive conflict

# Formula 1: scarcity value compounding on every front



### COMMERCIAL ENGINE

F1 group revenue more than doubled since Liberty's 2017 takeover (~$1.8bn → ~$3.6bn in 2024); new U.S. media cycle and 24-race calendar; Las Vegas, Miami, Austin anchor U.S. flywheel

### DEMAND EXCEEDS SUPPLY

Ten teams, hard franchise cap; the only 'expansion team' route costs ~$600m+ anti-dilution — buying a 24% stake in an operating team is the cheapest access point to F1 equity

### REGULATORY FLOOR

Cost cap (~$135m) capped downside, equalized the field and turned backmarker economics positive; 2026 power-unit rules reset creates performance window

### SPONSOR ARMS RACE

Alpine's Gucci deal ($160–200m / 3–4 yrs) repriced the team's sponsorship book overnight; blue-chip luxury validation pulls the entire P&L up

### VALUATION MIGRATION

Every recent mark is up and to the right: Aston Martin ~$3.3bn stake sale; Racing Bulls declined ~$2.3bn; Mercedes itself underwrites Alpine at ~€3bn

### EXIT OPTIONALITY

Renault ROFO, strategic buyers (OEMs), sovereign-adjacent sports capital, and a maturing PE secondaries market for F1 minority positions

# Alpine Racing Ltd — what we would actually own



- **Entity —** Alpine Racing Ltd — Enstone, UK race team (chassis, operations, commercial rights share). Engine entity (Viry) stays with Renault — clean, asset-light perimeter.
- **Heritage —** Two constructors' titles' DNA via Benetton/Renault lineage; 2022 constructors' P4; race-winning pedigree with Gasly/Ocon.
- **Competitive reset —** 2026: full Mercedes customer power unit ends the works-engine cost drain; new regs compress the grid — realistic P5→P3 trajectory.
- **Commercial momentum —** Gucci title partnership 2026 (est. $160–200m); Briatore-led commercial push; U.S. fanbase growth strategy.
- **Financial profile —** Cost-cap era: top-line growth from sponsorship + prize money with capped cost base = expanding margins even at flat on-track results.

### PERIMETER

24% fully-diluted, board seat (Scheiner seat transfer), information rights

### 2026 SNAPSHOT

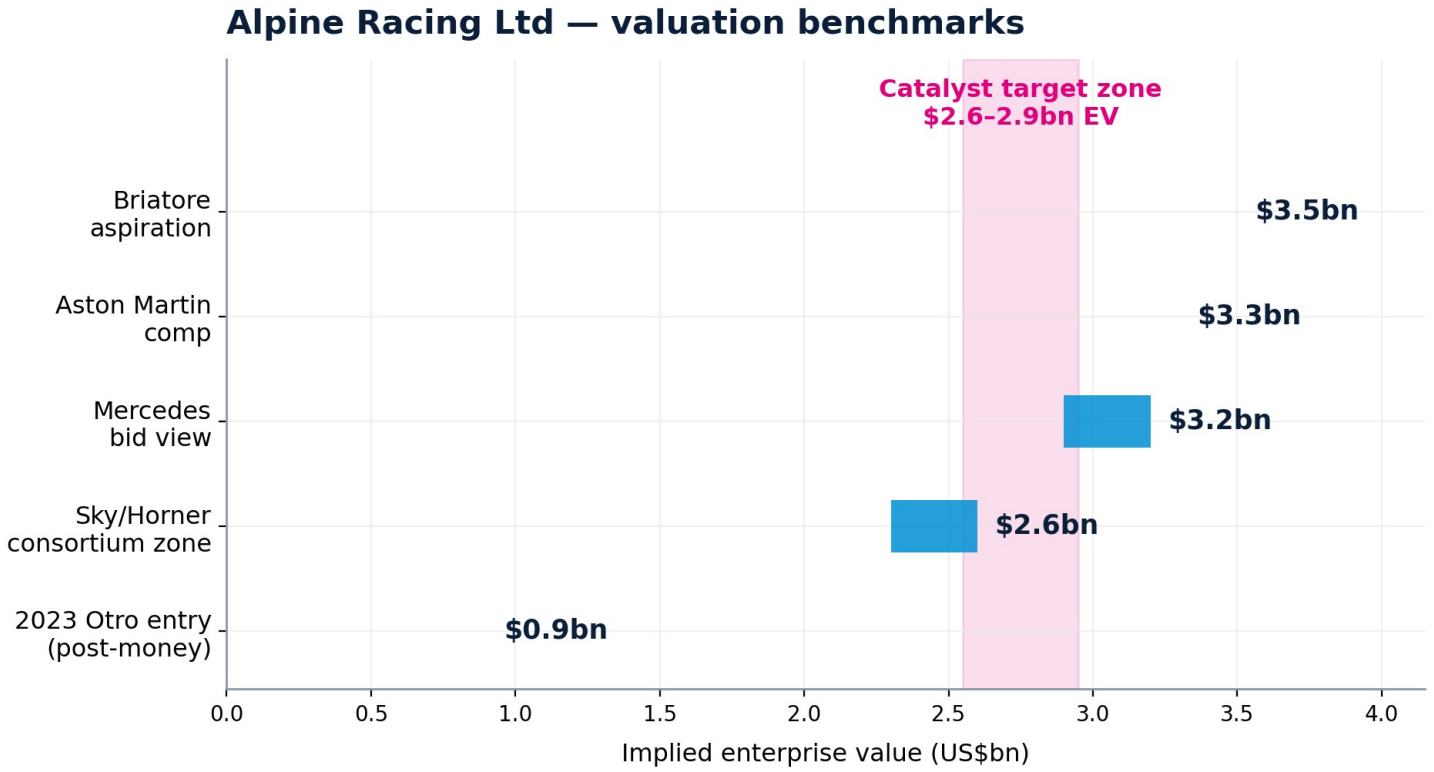
Constructors' P5 after 5 rounds; Mercedes-powered; Gucci Racing Alpine F1 Team

### CONTROL

Renault 76% — veto/ROFO; we underwrite as financial minority with aligned sponsor

# Where the truth sits between $0.9bn and $3.5bn

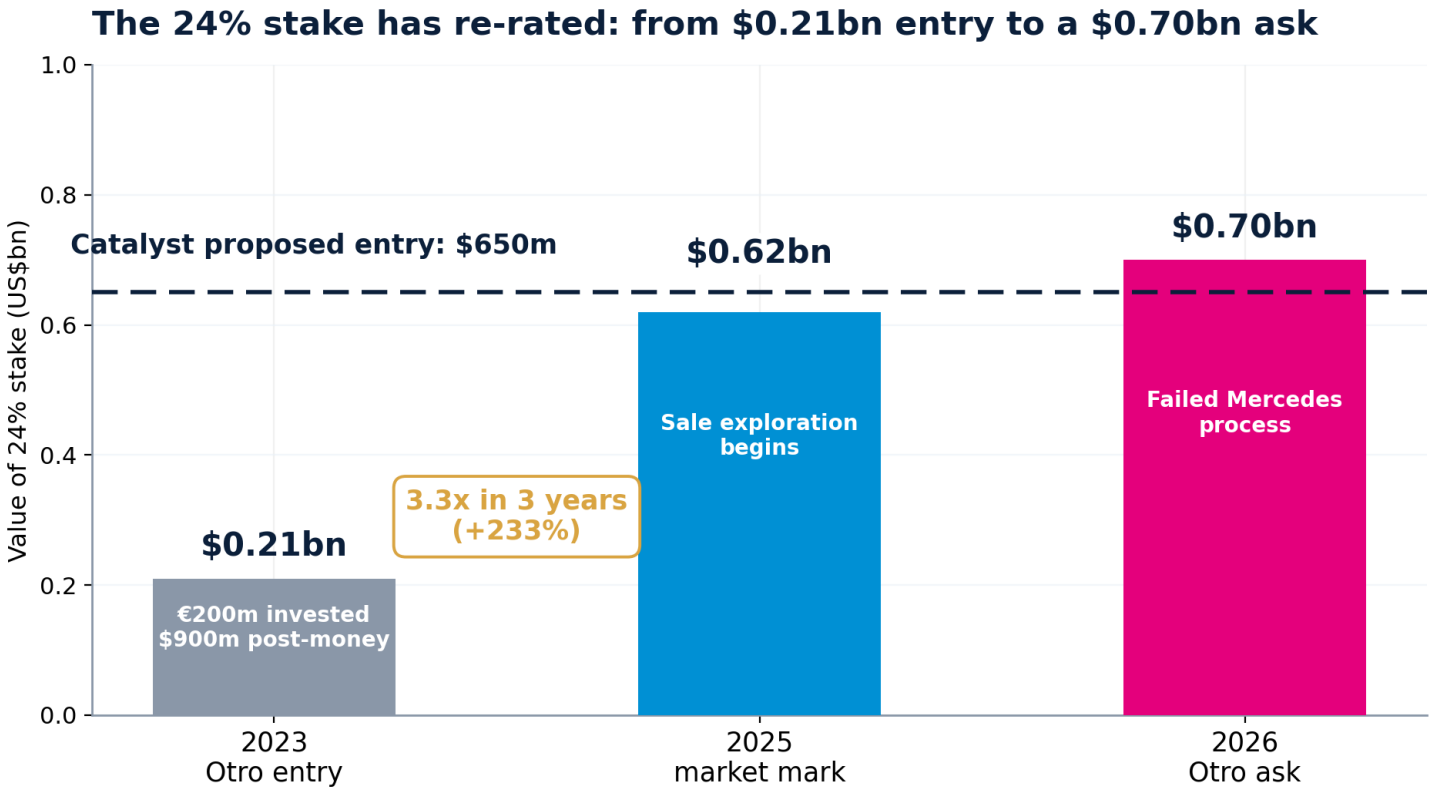





- **Anchor low —** 2023 entry at $900m is stale — pre-cost-cap proof, pre-U.S. surge, pre-Gucci.
- **Anchor high —** Briatore's $3.5bn is a marketing number, not a clearing price.
- **Clearing logic —** Failed process ceiling ≈ Mercedes' ~€3bn underwrite. A certain, conflict-free $2.6–2.9bn clears above every mark available to LPs and below Otro's failed ask.
- **Implied stake price —** 24% at $2.6–2.9bn EV → $620–700m for 100% of Otro's position.

# The seller's own journey prices our entry






- **3.3x gross —** to Otro at our $650m entry — a defensible 'win' the seller can take to its athlete LPs after the Mercedes failure.
- **Below-ask certainty —** our $650m beats a hypothetical higher price that has now failed once and may never return.
- **Asymmetry —** we enter at ~18–25% below the last credible strategic underwrite (Mercedes ~€3bn team value).

# Proposed structure — simple, certain, Renault-approved by design



| | |
|---|---|
| **Instrument** | Purchase of 100% of the Otro-led consortium's 24% equity in Alpine Racing Ltd (all co-investors dragged/stapled) |
| **Consideration** | US$650m headline (range $620–700m): 90% cash at close, 10% 12-month escrow against warranty/indemnity claims |
| **Price basis** | Implied team EV of ~$2.7bn — above 2023 mark, below failed Mercedes ask of ~€700m stake / ~€3bn team |
| **Governance** | One board seat (successor to Scheiner); standard minority protections; no operational covenants; confidentiality & non-compete from seller |
| **Conditions** | Renault ROFO waiver or exercise-pass; F1/commercial-rights change-of-control consents as applicable; no financing condition — equity-backed |
| **Funding** | Catalyst Fund F1 equity (100% equity commitment, no financing condition) + optional co-invest sleeve for strategic/sport-aligned LPs — mechanics on IC Q&A p.14 |

Illustrative and non-binding — subject to confirmatory due diligence and definitive documentation

# Four levers, no operational control required



### 1 — MULTIPLE CONTINUATION

F1 team EVs have re-rated every 18–24 months (Alpine $0.9bn → $3bn+ marks in 36 months). Simply holding the 24% through the next media-rights and sponsorship cycle compounds value; base case assumes only partial continuation.

### 2 — SPONSORSHIP UPSIDE

Gucci title deal repriced the book; remaining inventory (sleeves, crypto/fintech, U.S. regional sponsors) under-monetized vs. McLaren/Aston Martin benchmarks. As minority we advocate, Renault executes — shared incentive.

### 3 — ON-TRACK REGRESSION TO MEAN

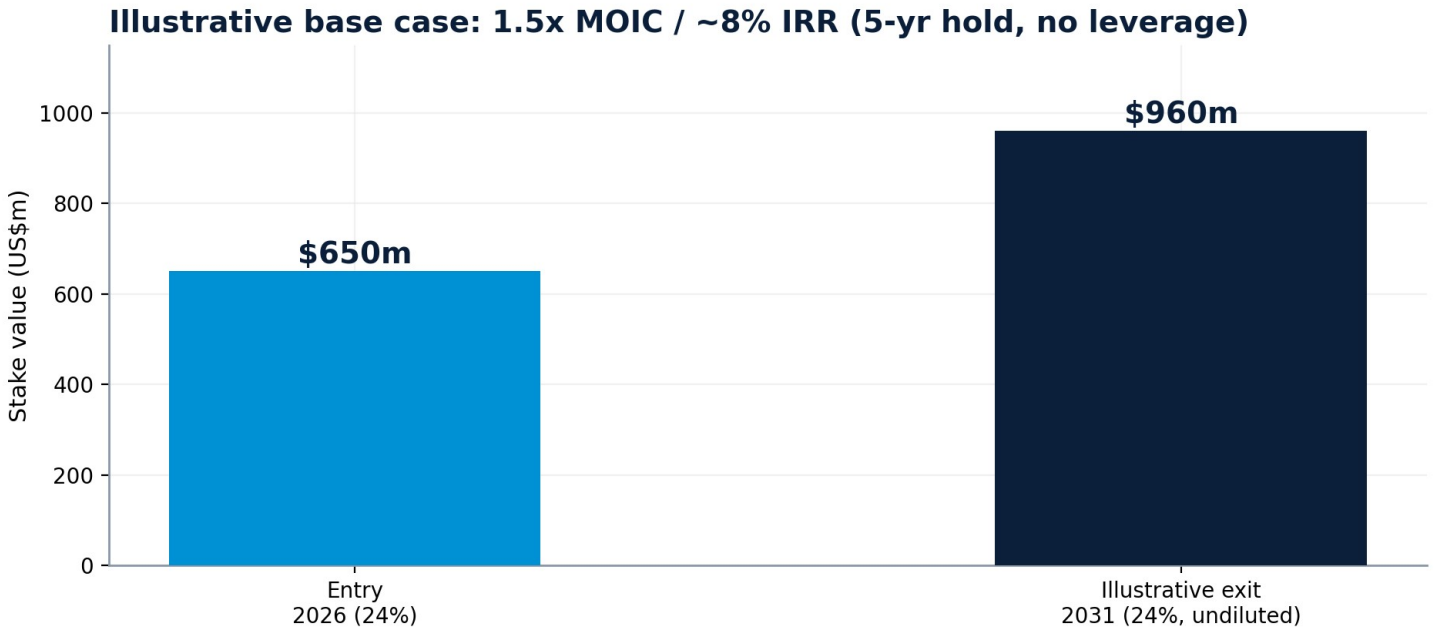
Mercedes power unit + cost cap + 2026 regs: Alpine's spend efficiency is top-half; P5 finish + improved prize-money distribution mechanically lifts team revenue. We underwrite zero championships — upside if P3 emerges.

### 4 — PORTFOLIO SYNERGY

Catalyst's consumer, media and hospitality network (luxury, travel, gaming) feeds qualified sponsorship pipeline to the team — value we can deliver as a minority, strengthening our Renault relationship for future motorsport opportunities.

# Conservative base case still clears the fund hurdle

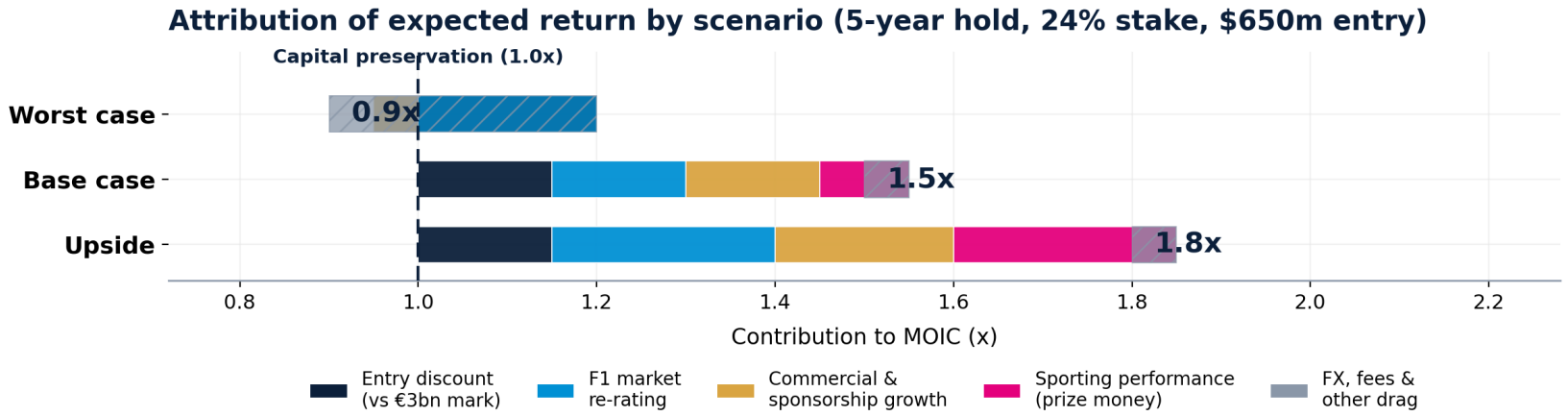


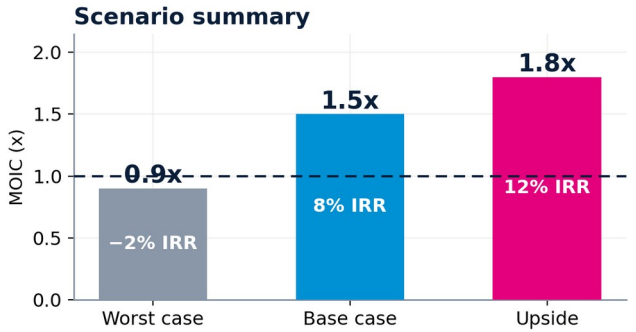



- **Base case —** $650m entry, 5-yr hold, team EV $4.0bn at exit (≈13% EV CAGR vs. 40%+ historic) → ~1.5x / ~8% IRR, uncapped.
- **Bull case —** $4.8bn exit (Aston trajectory + new media deal) → ~1.8x / ~12% IRR.
- **Bear case —** flat EV $2.7bn at exit → ~1.0x capital preserved; downside cushioned by scarcity of F1 equity and Renault's strategic commitment.
- **No leverage —** equity-funded minority; no debt at asset level — avoids forced-sale dynamics.

# Return breakdown: what creates (and protects) value in each scenario






## SCENARIO ASSUMPTIONS

**Upside** exit EV ~$4.8bn · P3–P4 · new media cycle lands

**Base** exit EV ~$4.0bn · P5–P6 · Gucci delivers

**Worst** EV ~$2.6–2.7bn · flat market · FX drag

How to read this: every scenario starts from capital preservation (1.0x). The entry discount — buying at ~$2.7bn against a ~€3bn strategic underwrite — contributes positively in all three cases and is the single largest protector of capital in the worst case. Return differences between scenarios are driven almost entirely by F1 market re-rating and sporting performance, both of which we deliberately do not control or underwrite aggressively.

# What can hurt us — and why it doesn't kill the deal

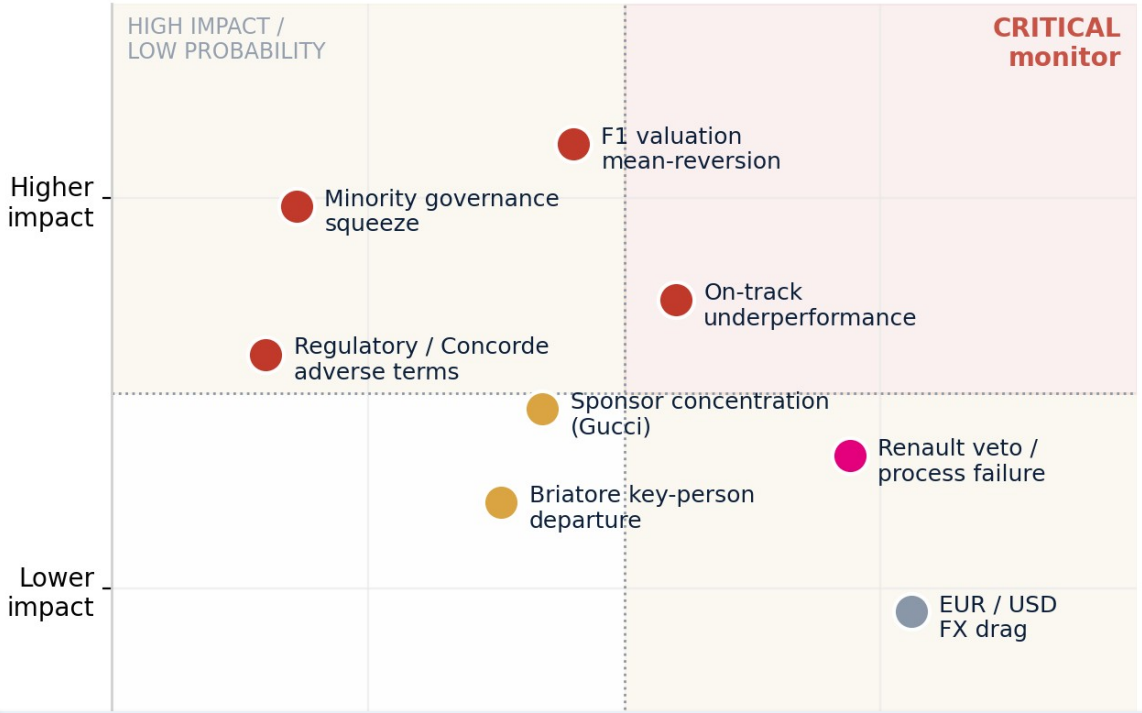


| | | |
|---|---|---|
| **Renault veto / process risk** | **Renault can block any transfer** | Priced to clear ROFO; we offer Renault strategic goodwill (sponsor pipeline, no conflict). Process risk limited — we deal directly with Otro. |
| **On-track underperformance** | **Sporting results drive prize money** | Cost cap + customer Mercedes PU removed the structural cost penalty; P5-level results already underwritten in base case. |
| **Valuation mean-reversion** | **$2.7bn could be a peak** | Anchor on buyer-of-last-resort logic: failed Mercedes process repriced expectations; scarcity floor from franchise cap; worst case ≈ capital preservation. |
| **Minority governance** | **24% with no control** | Board seat + information rights + Renault's alignment (brand strategy) make minority position closer to preferred equity in practice. |

# What can go wrong — quantifying the downside before we price the upside



## Downside risk map — probability vs. impact on returns




## QUANTIFIED DOWNSIDE — SINGLE-DRIVER IMPACTS VS 1.50x BASE

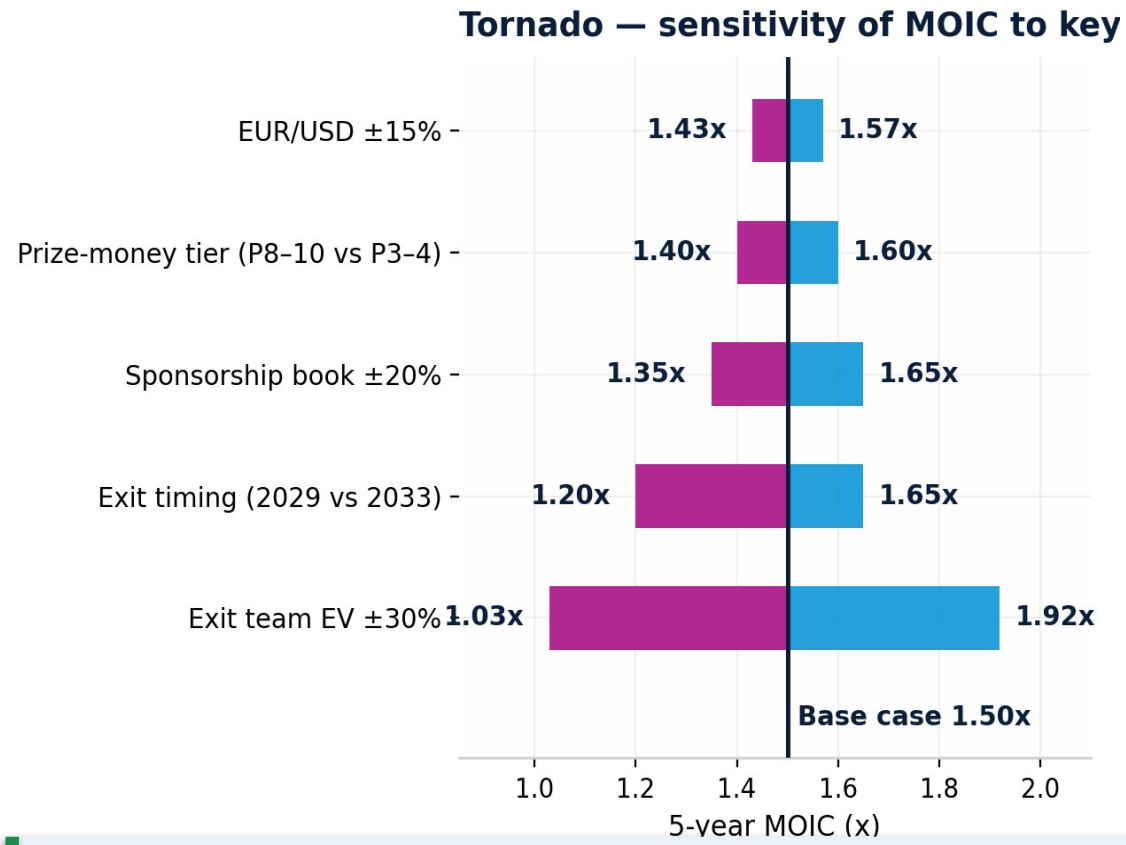
| Downside event | Prob. | Stake value / MOIC |
|---|---|---|
| F1 franchise values re-rate −30% | **Medium** | **~$455m → 0.70x** |
| P8–P10 results for 3 yrs (−$25m/yr prize money) | **Medium** | **~$830m → 1.28x** |
| Gucci partnership ends early / not renewed | **Low–Med** | **~$875m → 1.35x** |
| Briatore departs; commercial momentum stalls | **Medium** | **~$890m → 1.37x** |
| EUR/USD −15% at exit | **High** | **~$915m → 1.41x** |

**COMBINED STRESS (tail case): multiple −30% + P8–P10 results + −15% FX simultaneously → stake ≈ $360m, ≈0.55x (−$290m, −45%).**

Single-driver downsides cluster at 0.70–1.41x; probability-weighted downside ≈ 0.9x — consistent with our worst-case scenario (p.11). The entry discount (buying ~18–25% below the last credible strategic underwrite) is the cushion that keeps the realistic downside at capital preservation rather than impairment.

# Returns under stress — what has to happen for us to lose money






**STRESS MATRIX — 5-YR MOIC BY EXIT EV & SPORTING OUTCOME**

| Exit team EV | P8–P10 | P5–P6 | P3–P4 |
|---|---|---|---|
| $1.9bn (stress −30%) | 0.60x | 0.70x | 0.80x |
| $2.7bn (flat) | 0.90x | 1.00x | 1.10x |
| $3.4bn (+26%) | 1.15x | 1.25x | 1.35x |
| $4.0bn (base) | 1.38x | 1.48x | 1.58x |
| $4.8bn (+20%) | 1.67x | 1.77x | 1.87x |

Stake value = exit EV × 24% ÷ $650m entry; prize-money tier shifts MOIC by ±0.10x. Red = capital impairment, amber = 1.0–1.3x, green = ≥1.3x.

**THE BREAK-EVEN LINE: we return 1.0x at a ~$2.7bn exit EV — flat to today's mark with zero growth for five years; impairment requires the team to be ~30% cheaper in 2031 than Mercedes' 2026 underwrite.**

Stress conclusion: short genuine tail risk (0.55x combined stress, p.13) but long a wide band of acceptable outcomes — every cell from $3.4bn up clears 1.15x regardless of sporting results.

# Indicative path to close — ~16 weeks



| WEEKS 1–3 | WEEKS 3–6 | WEEKS 6–10 | WEEKS 10–14 | WEEKS 14–16 |
|---|---|---|---|---|
| **Confirmatory DD** | **Renault engagement** | **Documentation** | **F1 consents** | **Close** |
| Data room access via Otro; commercial, sporting & legal review | ROFO response period; governance MOU | SPA, escrow, LPA consents from athlete co-investors | Commercial-rights holder and regulator notifications | Cash at close; board seat transfer |

Critical path: Renault ROFO window and co-investor consents. Otro's consortium includes RedBird, Maximum Effort and individual athlete LPs — drag/staple mechanics to be confirmed in DD.

# Supplementary considerations — Renault, sponsorship, structure & funding



## WHY DOESN'T RENAULT BUY THE 24% ITSELF?

Renault recapitalized via Otro in 2023 rather than funding 100% itself. CEO Provost: Renault keeps control and 'does not intend to sell' — it wants a value-adding partner, not more cash.

A buyback adds zero operational control (76% + veto already held) and ties up ~$700m earmarked for Renault's EV/software programs.

Implication: our offer must pass Renault's 'added value' test — sponsorship pipeline + clean financial profile is our answer.

## WHO RUNS THE SPONSORSHIP BOOK — AND THEIR TRACK RECORD

Otro has no operational role (Provost: 'no right, no added value to help us operate'). Renault runs the team; commercial deals are driven by executive advisor Flavio Briatore under CEO Philippe Krief.

Track record: originated the Gucci title deal — first luxury fashion title sponsor in F1 (~$160–200m / 3–4 yrs); BWT, Eni and MSC renewed or extended.

Watch item: monetization concentrated in one rainmaker — key-person risk sits with Renault, not with our position.

## 'CO-INVEST SLEEVE' — WHAT IT MEANS IN PRACTICE (P.8)

Core equity comes from Catalyst Fund F1; a parallel co-invest vehicle lets selected LPs invest pro-rata on identical terms.

Purpose: reduce single-deal concentration ($650m vs fund size). No additional fee or carry on co-invest capital (market standard); capped at ~30–40% of equity.

Optional — Fund F1 can fund 100% of the position if the IC prefers maximum simplicity.

## ANTICIPATED TRANSACTION COSTS (ILLUSTRATIVE)

| | |
|---|---|
| Financial & commercial DD advisors | **$2–3m** |
| Legal — SPA, governance, F1 consents | **$2–3m** |
| Escrow agent, admin, filings, misc. | **~$1m** |
| Financing / arrangement fees | **$0 (all equity)** |

**Total: ~$10–15m all-in (~2% of EV), borne by Catalyst; base-case MOIC shown gross of costs (net drag ≈ −0.03x MOIC)**

## FUNDING: ALL EQUITY — WHY NO LEVERAGE?

Confirmed: 100% equity commitment; our offer carries no financing condition — a core part of our certainty pitch to Otro and Renault.

Why no debt: minority stakes in private teams carry no cash-flow distribution rights and no security package — asset-level leverage is not market practice for F1 minority positions.

Optional enhancement only: a short-dated, fund-level NAV facility could add ~100–150 bps to IRR without touching the asset; deliberately excluded from our base case.

# APPENDIX & DISCLAIMER

This presentation was prepared by Catalyst Partners PE ('Catalyst') for internal Investment Committee discussion only. It is based exclusively on publicly available information and press reports (including Sports Business Journal, RACER, Sky Sports and Renault Group/Alpine announcements) and has not been verified through access to the company, its shareholders, or their advisers.

All valuation figures, return metrics and transaction terms are illustrative, preliminary and non-binding. Certain dates and values reflect media reporting that may be inaccurate or incomplete. Nothing herein constitutes an offer, a valuation opinion, or investment advice.

Key public sources: Renault/Alpine announcements of 26 June and 18 December 2023; Sports Business Journal report of Otro's exploration of a sale (October 2025); Sky Sports report on the breakdown of Mercedes talks (May 2026); RACER report on the stalled sale process (June 2026).


## DEAL TEAM CONTACT

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