ARROW
GLOBAL

Results for the quarter ended 31 March 2024

Arrow Global

23 May 2024

Introduction

Zach Lewy

Group Chief Executive Officer

ARROW'S STRATEGIC OBJECTIVES REMAIN UNCHANGED

Strategy remains unchanged with 3 core objectives

Scale our integrated fund manager

Increase efficiency within our platforms and deliver a unique proposition to investors

Drive capital light earnings to reduce net debt and de-lever

Key Highlights

- FUM of €9.3 billion as at 31 March 2024, representing growth of €1.4 billion over previous 12 months
- Continue to make good fundraising progress on our lending strategy with a closing expected imminently
- Acquired Amitra, a Spanish master servicer, from Canada Pension Plan Investment Board (CPP Investments) and created the foundation for future collaboration with CPP Investments
- The acquisition of Amitra and the organic build of lending capabilities represents expansion into Spain, the sixth geography for the Group
- Continued scaling of our investment activity, with origination volumes of €187 million in Q1 2024 (Q1 2023: €209 million), with strong pipeline going into Q2 2024
- Capital light Integrated Fund Management EBITDA of £13.8 million, up 63% on prior year (Q1 2023: £8.4 million)
- Collections performance of £56.9 million in Q1 2024 representing 102% of ERC
- Q1 2024 leverage was 4.2 times, reducing by 0.2 times over the last 12 months
- Business model provides significant opportunity for growth, delivering increasing capital-light earnings and facilitating ongoing de-leveraging

LEADING EUROPEAN INTEGRATED FUND MANAGER

ARROW GLOBAL

- Vertically integrated across three investment verticals
- Able to service third party capital
- Focus on asset-backed investments
- Middle market & granular transactions
- 2,000+ Professionals
- Pan-European footprint with 21 local platforms
- 6 Core geographies

Investment Strategy	Discretionary Capital	Investment Focus
OPPORTUNISTIC CREDIT	• Arrow Credit Opportunities I ("ACO I") secured commitments of €1.7 billion, now within the distribution phase • ACO II reached hard cap of €2.75 billion in 2023 • Expect to commence fundraising for ACO III in late 2024 / early 2025	• Opportunistic Credit strategy focused on: ✓ Performing and non-performing credit portfolios ✓ Bankruptcy Situations ✓ Secured Collaterals
REAL ESTATE LENDING	• Continue to make good fundraising progress on our Real Estate Lending strategy with a closing expected imminently	• Real Estate Lending strategy focused on: ✓ Originating and structuring Real Estate financing solutions ✓ Includes bridge lending and development finance
REAL ESTATE EQUITY	• Arrow Real Estate Opportunities I ("AREO I") secured commitments of €110 million • Expect further fundraising activity in relation to our Real Estate Equity strategy in 2024	• Real Estate Equity strategy focused on: ✓ Granular off-the-run properties ✓ Assets needing capital and operating expertise ✓ Sourced through our local platforms

VERTICALLY INTEGRATED MODEL WELL POSITIONED TO PURSUE INVESTMENT STRATEGIES

- 15 asset management and servicing contract mandates signed in Q1 with additional FUM increase through Amitra deal expected in Q2

ARROW'S LOCAL PLATFORMS

	Maslow Capital / ELBA	Eagle Street / BCC	Drydens Solicitors / Arrow Global Massey	Mars Capital	whitestar / Restart Capital / Hefesto STC / Amitra	Norfin / Details	Vesting Finance / Focum / mica Real Estate (1)	RNHB (1)	Zenith Global	Europa Investimenti / Sagitta SGR / Sansedoni
€	€1.5bn AUM	€0.9bn AUM	€6.8bn AUM	€6.0bn AUM	€14.1bn AUM	€2.1bn AUM	€5.8bn AUM	€3.8bn AUM	€46bn AUM	€46bn AUM
FTEs	~35 FTEs	~20 FTEs	~145 FTEs	~210 FTEs	~440 FTEs	~430 FTEs	~250 FTEs	~150 FTEs	~170 FTEs	~110 FTEs
CREDIT (ACO I & ACO II)			✓	✓	✓		✓		✓	✓
REAL ESTATE LENDING	✓			✓			✓	✓		
REAL ESTATE EQUITY (AREO I)	✓	✓			✓	✓	✓	✓		✓

Notes: AUM figures include some overlap across investment verticals.
1. RNHB and MICA are partially-owned platforms.

STRATEGIC OBJECTIVES

SCALING THE INTEGRATED FUND MANAGER

RAISE

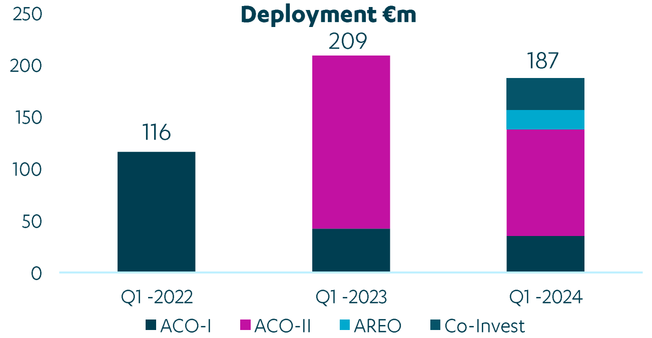
- Continue to make good fundraising progress on our lending strategy with a closing expected imminently
- Created the foundation for future collaboration with Canadian Pension Plan Investment Board (CPP Investments), focusing on both current and prospective investment opportunities

Highly Diversified And Sophisticated Investor base

- **32%** Pension Funds
- **31%** Sovereign Wealth Funds
- **7%** Insurance Companies
- **29%** Diversified Others*

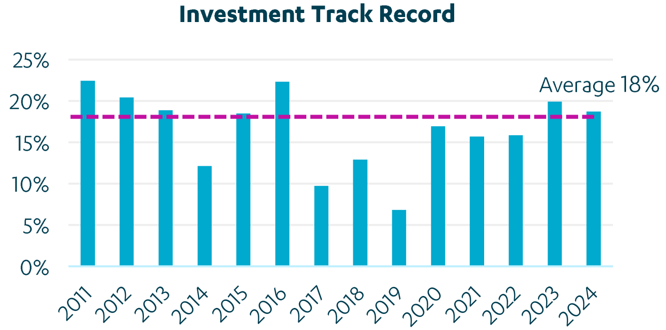
INVEST

- Q1 2024 exhibited typical seasonality
- €187m of funds deployed in Q1 2024 (Q1 2023: €209m)
- Strong pipeline of investments opportunities going into Q2
  - Pipeline includes build of deals in anticipation of an imminent closing with respect to lending strategy fundraising



REALISE

- Continued strong quarter-on-quarter generation of realisations, with €60m distributed to ACO-I investors in Q1 2024, bringing total distributions to-date of €156m
- Delivering strong returns in both our ACO funds with Deal IRR (after servicing costs) of 16% and 20% in ACO 1 and ACO 2 respectively
- Collections were £56.9 million for Q1 2024 (Q1 2023: £81.5 million) representing 102% of ERC



Investor base percentage splits based on LP euro commitments for ACO 1, ACO 2, and AREO
*Others include Banks, Asset Managers, Endowment, Family Offices etc
Track record shows internal rates of return ("IRR") based upon annualised implied discount rate calculated from actual and forecast cash flows after servicing costs in respect of ACO I, ACO II, AREO I and backbook portfolio investments

Q1 2024 KEY PERFORMANCE METRICS

INCREASED SCALE AND EFFICIENCY AS AN INTEGRATED FUND MANAGER CONTINUES TO DELIVER GROWTH IN CAPITAL LIGHT REVENUES

FUM	€9.3bn	*March 2023: €7.9bn*	↑ 18%
Capital-light EBITDA (LTM)	£50.0m	*March 2023 : £39.9m*	↑ 25%
Deployment (LTM)	€1,192m	*March 2023 : €879m*	↑ 36%
Free cashflow post investment (LTM)*	£32.1m	*March 2023 : £18.0m*	↑ 78%
Secured Net debt	£1,305m	*March 2023 : £1,318m*	↓ 1%
Leverage	4.2x	*March 2023 : 4.4x*	↓ 0.2x

BUSINESS MODEL PROVIDES SIGNIFICANT OPPORTUNITY FOR GROWTH, DELIVERING INCREASING CAPITAL-LIGHT EARNINGS AND FACILITATING DE-LEVERAGING

* Excludes movements on funding into holding structure

ARROW GLOBAL

Financial Review

Phil Shepherd

Group Chief Financial Officer

GROUP CASH RESULTS

- Collections were £56.9 million, representing 102% of ERC for Q1 2024
  - Collections were lower than prior year reflecting the divestment of 50% of the wholly owned UK portfolios in 2023, the increasing proportion reported on a net basis (i.e. after servicing costs) and the 'lumpy' nature of the collections profile of secured/collateral backed investment portfolios
- Adjusted EBITDA of £49.5 million (2023: £72.1 million) and free cash flow of £27.2 million (2023: £53.5 million) were lower than prior year reflecting the lower collections
- Despite the collections profile impact, free cash flow post portfolio investments remained positive at £3.7 million (2023: £19.6 million)
  - Portfolio investments were £23.5 million[1] (2023: £33.9 million), reflecting co-investment at 10% in ACO 2 and AREO
- Over the 12-month period to March 24, leverage reduced by 0.2x to 4.2x and secured net debt reduced by £13 million
- For the full year 2024, collections are expected to be strong, with ERC for the remaining nine months in excess of £300 million
  - These strong collections are expected to drive leverage lower during 2024

Cash Performance	Q1 2024 £'m	Q1 2023 £'m	Change %
Core cash collections	56.9	81.5	*(30)*
Adjusted EBITDA	49.5	72.1	*(31)*
Leverage	**4.2x**	**4.4x**	***0.2x***
Free cash flow generation	27.2	53.5	*(49)*
Free cash flow post portfolio investment	**3.7**	**19.6**	***(81)***

1. Excludes movement on investments awaiting deployment

INTEGRATED FUND MANAGEMENT SEGMENT

- **EBITDA increased by 63% to £13.8 million as the net asset value of our core discretionary strategies increases**
- Revenue of £58 million, increased £13.4 million or 30% on prior year driven by:
  - Increased management fees and servicing fees from our core discretionary strategies
  - Strong asset management and servicing driven by new third-party servicing contract wins across multiple jurisdictions, including 15 new servicing mandates won across Europe in Q1 2024
- EBITDA margin expanded from 18.9% to 23.7%, reflecting the growth in discretionary funds deployed, operational leverage and efficiency from scaling of our operations.
- Continued to invest in the growth of proposition, including the recent acquisition of Amitra Capital for a platform consideration of €0.3 million (additional €4.5 million was paid for portfolio investment of 1% stake in Amitra's Spanish and Portuguese loan portfolios)
- EBITDA and profit margins will continue to grow over the medium term as the business scales FUM and in time recognises carried interest

Integrated Fund Management Segment EBITDA	Q1 2024 £'m	Q1 2023 £'m	Change %
Income	58.0	44.6	*30*
Business operating costs	(23.8)	(20.6)	*(15)*
Overheads (excl. D&A and FX)	(20.5)	(15.6)	*(31)*
EBITDA	**13.8**	**8.4**	***63***
EBITDA margin (%)	*23.7*	*18.9*	*4.8pts*

SEGMENTAL RESULTS

ANALYSIS OF IFM EBITDA FOR Q1 2024

Discretionary Core Strategies

FUM: € 4.5 billion

- Revenue[1]: £23 million (Q1 2023: £15 million)
- EBITDA: £10 million

- Our core discretionary strategies generate management, performance (carry) and servicing fees
  - Total capital light return of circa 30% on capital invested (based on 10% co-investment)
  - Carry / performance fees (equate to circa 10% return on capital) only recognised towards the end of fund life
  - Management fees and servicing fees, equivalent to 20% of capital invested, recognised on an ongoing basis
  - Based upon FUM €4.5 billion, NAV €2.5 billion at end March 24 and average NAV for the quarter €2.4 billion (£2.0bn), Q1 EBITDA £10 million

Local / Ancillary Platform Strategies

FUM: € 4.8 billion

- Revenue[2]: £35 million (Q1 2023: £30 million)
- EBITDA: £5 million

- Range of services / activities across our 21 local platforms generating asset management, fund administration and servicing fees
- Typical EBITDA margins are circa 15%
- Q1 2024 EBITDA £5 million
- FUM increased in Q2 with the acquisition of Amitra

Total IFM Segment

FUM: € 9.3 billion

- Revenue: £58 million (Q1 2023: £45 million)
- EBITDA: £14 million (after incurring circa £1-2 million investment drag)

- Segment EBITDA is affected by costs incurred to drive future growth as the business scales
- These primarily relate to costs of scaling origination and building real estate and lending capabilities
- Costs incurred up-front with revenues only generated when investment programmes are fully active in future years
- Drag on IFM EBITDA of scaling costs incurred during the quarter circa £1-2 million

Total IFM EBITDA of £14 million for Q1 2024

Notes: 1 includes ACO and AREO strategies; 2 Includes fees for asset management, fund administration and servicing of third-party assets and the Arrow back book
Appendix slide 23 shows example builds of fee-paying NAV for our discretionary core strategies under €1.5 billion and €2.0 billion origination volumes, based upon typical ACO/AREO collection profiles

BALANCE SHEET SEGMENT

- EBITDA was £17.6 million, £4.8 million higher than prior year primarily driven by two factors:
  - Recognition of revenue on 50% retained wholly owned UK portfolio divestment in Q1 2024 of £3.4 million
    - No income or associated collection costs were reported within our underlying results up until deal completion in H1 2023 in respect of 100% of the divested portfolio
  - Impairment – year on year impact £0.9 million:
    - During Q1 2024, portfolio investments were subject to a non-cash write up of £2.5 million (2023 Q1: £1.6million)
- Net collections[1] were £43.4 million and exceeded portfolio investments[2] of £23.5 million by £19.9 million

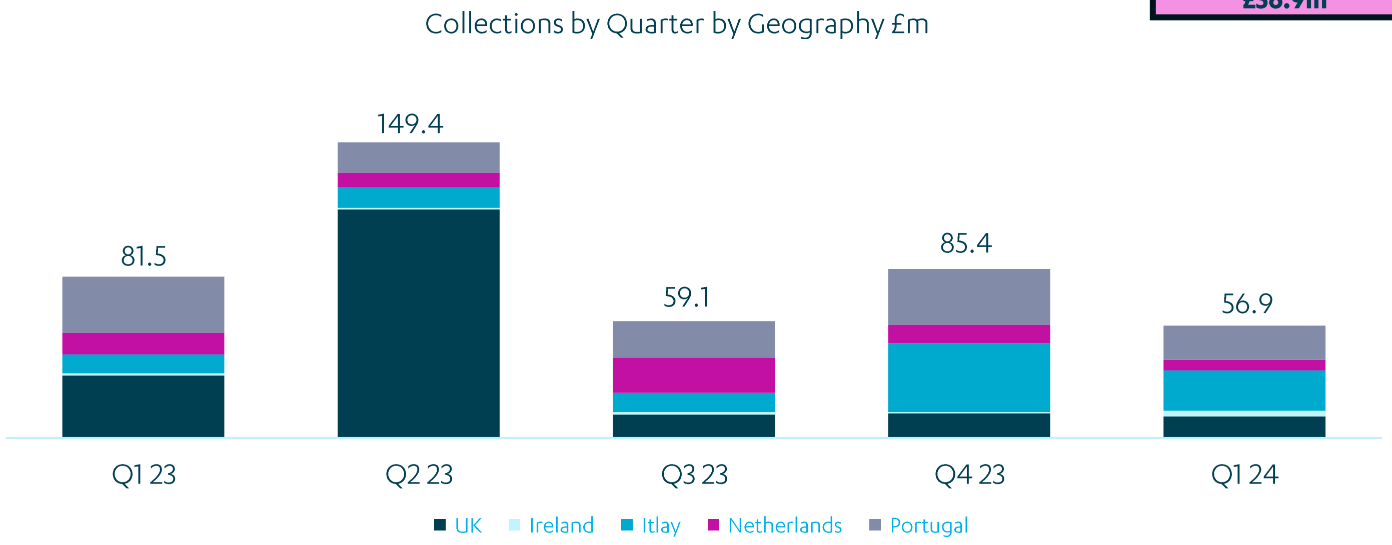
Balance Sheet Segment EBITDA	Q1 2024 £'m	Q1 2023 £'m	Change %
Core cash collections	56.9	81.5	*(30)*
Net collections[1]	43.4	68.7	*(37)*
Income	31.2	25.6	*22*
Business operating costs	(13.5)	(12.8)	*(6)*
Overheads (excl. D&A and FX)	-	-	-
EBITDA	**17.6**	**12.8**	***37***
EBITDA margin (%)	*56.5*	*50.1*	*6*

1. Net collections is collections less collection activity costs
2. Excludes movement in investments awaiting deployment of £3.4 million

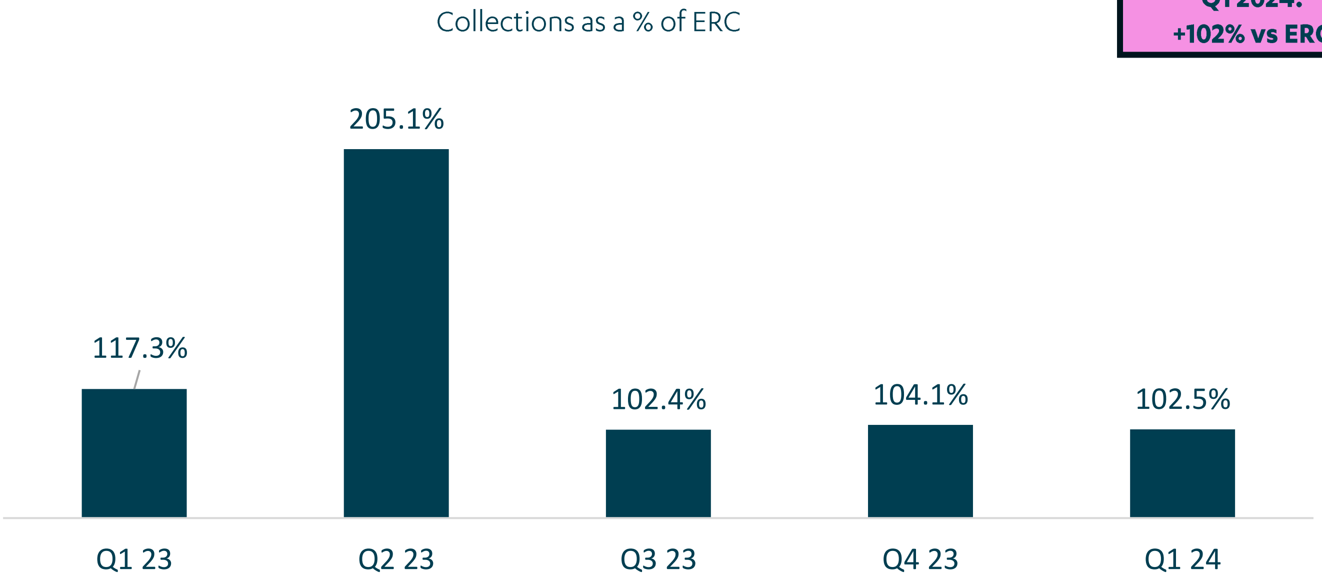
FINANCIAL OVERVIEW
COLLECTIONS

- Cash collections during the quarter were £56.9 million, representing 102% of ERC although £24.6 million lower than Q1 2023
- The reduction relative to Q1 2023 is attributable to:
  - The divestment of 50% of the UK wholly owned portfolios in 2023
  - An increasing proportion of collections reported on a net basis, after servicing costs, and
  - The specific ERC profile for Q1 2024, reflecting the 'lumpy' collections profile of real estate and collateral-backed portfolio investments
- Our collections continue to prove resilient, with solid performance against our ERC assumptions
- Full year collections are expected to be strong, reflecting the 'lumpy' profile, with ERC of over £300 million for the remaining 9 months of the year

Q1 2024: £56.9m



Q1 2024: +102% vs ERC



GROUP SEGMENT

- EBITDA in the Group segment was broadly consistent with prior year
- Group costs base reflects a scaled business able to raise, invest and realise €1.5 to 2 billion per annum
  - Future IFM revenue growth will not require significant additional group cost growth

Group Segment EBITDA	Q1 2024 £'m	Q1 2023 £'m	Change %
Business operating costs	(0.1)	0.1	*(196)*
Overheads (excl. D&A and FX)	(7.5)	(7.2)	*(4)*
EBITDA	**(7.6)**	**(7.2)**	**(6)**

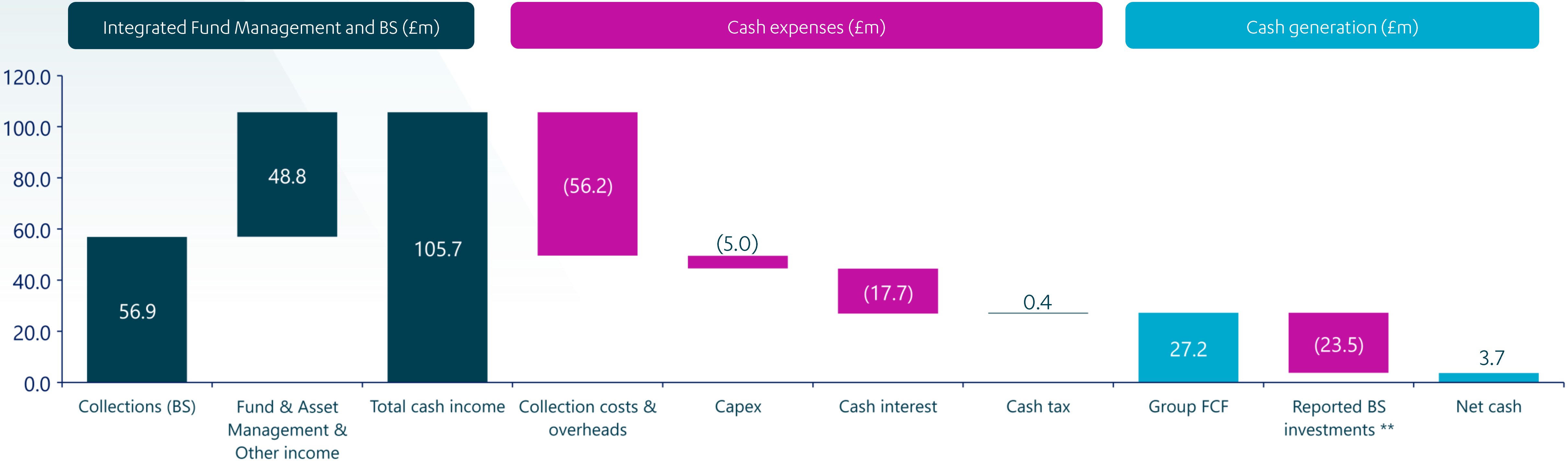
GROUP PERFORMANCE

- Loss before adjusting items of £3.6 million, improved by £6.8 million compared with the £10.4 million loss during 2023
- Financing costs were £1.3 million higher than 2023 reflecting:
  - Rising interest rates; and
  - Costs of maintaining high levels of liquidity
- During the quarter, the FX gain was £1.9 million (2023: £1.6 million gain) on the non-cash retranslation of our net Euro liability position as a natural hedge to the surplus Euro income generation from increasing fund management income and in due course, carried interest

Profit Before Tax	**Q1 2024 £'m**	**Q1 2023 £'m**	**Change %**
EBITDA:			
Integrated Fund Management	13.8	8.4	*63*
Balance Sheet Business	17.6	12.8	*37*
Group	(7.6)	(7.2)	*(6)*
EBITDA	**23.8**	**14.1**	***69***
Depreciation and amortisation	(2.7)	(2.8)	*5*
FX gains / (losses)	1.9	1.6	*n/a*
Finance costs	(26.6)	(25.3)	*(5)*
Share of profit from associate net of tax	-	2.1	*(100)*
Loss before tax before adjusting items	**(3.6)**	**(10.4)**	***66***

FREE CASH FLOW GENERATION

- Free cash flow* generation of £27.2 million (Q1 2023: £53.5 million) was impacted by lower collections in the quarter
- Free cash flow generation exceeded the cash outflow for portfolio investments by £3.7 million (Q1 2023 £19.6 million)**
- Investment levels benefit from 10% co-invest ratio in ACO 2 versus 25% through ACO 1, therefore capital intensity is expected to continue to reduce
- Unique integrated fund manager model enables revenue/earnings growth with balance sheet de-leveraging going forward
- Full year collections are expected to be robust with ERC in excess of £300 million for the remaining 9 months of the year, driving strong free cash flow during the year



	Collections (BS)	Fund & Asset Management & Other income	Total cash income	Collection costs & overheads	Capex	Cash interest	Cash tax	Group FCF	Reported BS investments **	Net cash
Q1 2023 (£m):	81.5	41.5	123.0	(50.9)	(3.2)	(14.5)	(0.9)	53.5	(33.9)	19.6

* Free cash flow = Cash generated after the effects of capital expenditure, financing and tax cash impacts & before reinvestment and cash impact of adjusting items
** Investments made excludes movements on funding into holding structure.

CASH GENERATION AND CAPITAL ALLOCATION

- Free cash flow (£27.2 million) exceeded portfolio investments (£23.5 million) by £3.7 million
- The increase in net debt since the year end reflects the operational working capital outflow, which relates to the payment of staff bonuses in respect of 2023 paid in Q1 2024
- The strong collections profile for the remainder of 2024, together with 10% co-investment in ACO 2, is expected to deliver strong free cash flow after portfolio investment and support de-leveraging

£'millions	2023	Q1 24
Free Cash Flow	**200**	**27**
Reported Balance Sheet investments[1]	(152)	(23)
Net Cash Flow post investment	**48**	**4**
Net deferred purchases from prior/to future periods	13	(2)
Net M&A	(20)	-
Other	(14)	(21)
(Increase) / decrease in net debt	**27**	**(19)**

Item	£m
FX	12
Operational working capital	(24)
Accrued Interest	(9)
Total	**(21)**

1. Excludes movements on funding into holding structure

LIQUIDITY AND LEVERAGE POSTION

- Group leverage reduced by 0.2 times since Q1 2023 from 4.4x to 4.2x and secured net debt reduced by £13m, with further progress towards medium term strategic leverage commitment of 3.0 times expected in 2024
  - Leverage reduced by 0.6x since end of 2021 (4.8x)
- Significant levels of liquidity headroom with no bond maturities until 2026
  - Weighted average duration of debt 3.0 years (FY 2023: 3.2 years)
  - Weighted average cost of debt of 6.8% (FY 2022: 6.8%)
  - Currently circa 80% of total bonds are fixed rate, including the impact of interest rate swaps
- 120-month ERC was £1,267 million at Q1 2024 – circa 60% of ERC is reported net of servicing costs rather than gross
- Commitment to reaching medium term target leverage of circa 3 times is unchanged

£'millions	Mar-24
Cash	(101)
£350m 6% Fixed Rate Notes due 2026	350
€640m Floating Rate Notes due 2027 Euribor + 4.625%	547
€400m 4.5% Fixed Rate Notes due 2026	342
Revolving credit facility - £285m maturing 2026	167
Total secured net debt	**1,305**
LTM Adjusted EBITDA	309.3
Leverage	***4.2x***
Liquidity headroom (cash and RCF headroom)	208
84-month ERC[1]	1,175.3
120-month ERC[1]	1,267.3

1. Given Arrow now co-invests in ACO 1 & 2 with an increasing proportion of ERC measured on FVTPL basis, approximately 59% of 84-month ERC and 57% of 120-month ERC is stated net of servicing and collections costs. Assuming 15% servicing costs, comparable gross ERC would be £1,299 million 84-month ERC and £1,396 million 120-month ERC respectively

Strategic focus

Zach Lewy

Group Chief Executive Officer

LEADING EUROPEAN INTEGRATED FUND MANAGER

Strategy remains unchanged with 3 core objectives

- Scale our integrated fund manager
- Increase efficiency within our platforms and deliver a unique proposition to investors
- Drive capital light earnings to reduce net debt and delever

Outlook

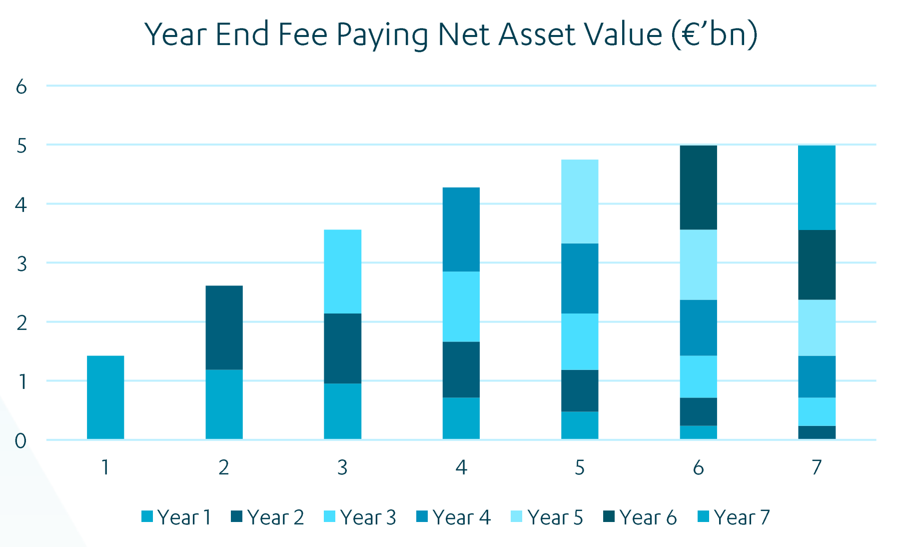
- Business model provides significant opportunity for growth, delivering increasing capital light earnings and facilitating de-leveraging
  - Integrated fund manager EBITDA for Q1 up 63% year on year
- Significant fundraising progress on our lending strategy and strategic partnership with CPP Investments
- Continue to scale origination with presence in Spain – Arrow's sixth country
- ACO 1 and 2 returns remain strong – key to ongoing fundraising
- De-leveraging remains a core focus with strong progress expected during 2024 towards the medium-term target of 3 times
- Expect to refinance the bonds well in advance of maturity date (November 2026/2027)
- Continue to drive our ESG agenda with responsible investment strategy and operating responsibly for all our stakeholders, including our people, customers, clients, suppliers and investors

Appendix

EXAMPLE GROWTH IN EBITDA FROM CORE / DISCRETIONARY STRATEGIES

EXAMPLE ONE:-

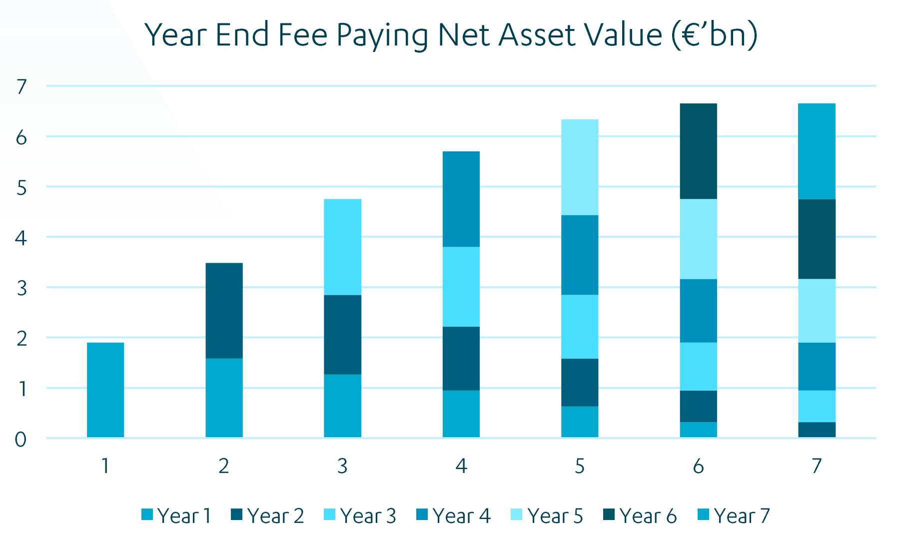
- Assume deployment of €1.5bn per annum (10% Arrow co-invest)
- Chart shows growth in fee paying NAV assuming consistent deployment each year, building to a steady state after circa 6-7 years
- At maturity delivers fee paying NAV of €5 billion
- IFM EBITDA return circa €150 million (30% return)
- Balance sheet EBITDA circa €50 million (conservative 10% return) on co-invest of €500 million



Discretionary / Core Strategy Returns	% Return	Forecast EBITDA €'m
Integrated fund manager fees	20%	100
Performance fees	10%	50
Capital-light return	30%	150
Investment return	10%	50
EBITDA (Core Strategies only)	40%	200

EXAMPLE TWO:-

- Assume deployment of €2bn per annum (10% Arrow co-invest)
- Chart shows growth in fee paying NAV assuming consistent deployment each year, building to a steady state after circa 6-7 years
- At maturity delivers fee paying NAV of €6.7 billion
- IFM EBITDA return circa €200 million (30% return)
- Balance sheet EBITDA circa €67 million (conservative 10% return) on co-invest of €670 million



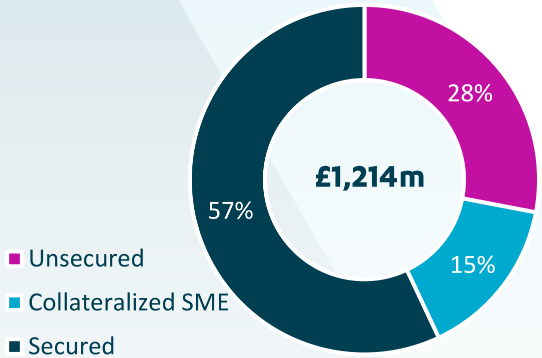
Discretionary / Core Strategy Returns	% Return	Forecast EBITDA €'m
Integrated fund manager fees	20%	133
Performance fees	10%	67
Capital-light return	30%	200
Investment return	10%	67
EBITDA (Core Strategies only)	40%	267

NOTES: Implied economics assume current collections profile and are for ACO and AREO. Balance sheet segment returns are after incurring management, asset and servicing fees. Future returns are subject to market and macro economic factors

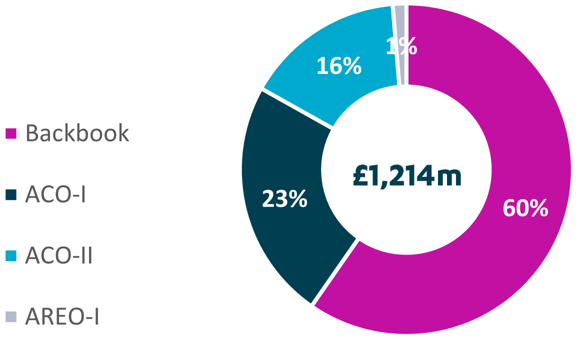
ERC EXPOSURE BY GEOGRAPHY AND TYPE

ERC for assets measured net of servicing and collection costs and represents 59% of total ERC

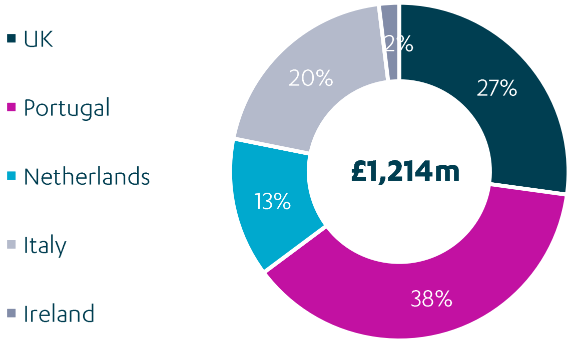
Dec 2023 84-month ERC by asset class



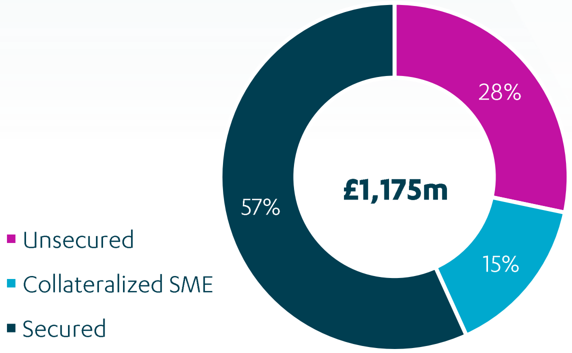
Dec 2023 84-month ERC by classification



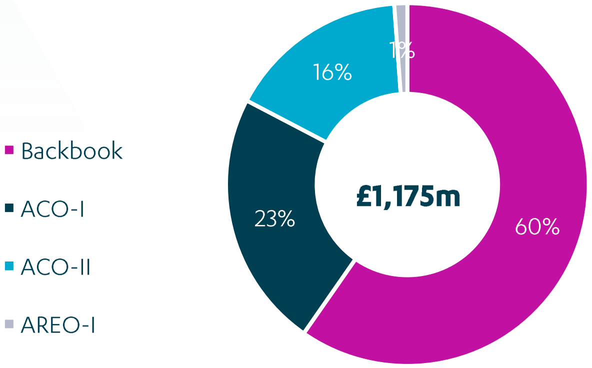
Dec 2023 84-month ERC by geography



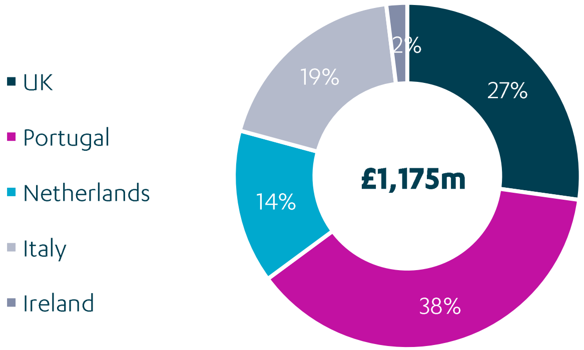
Mar 2024 84-month ERC by asset class



Mar 2024 84-month ERC by classification



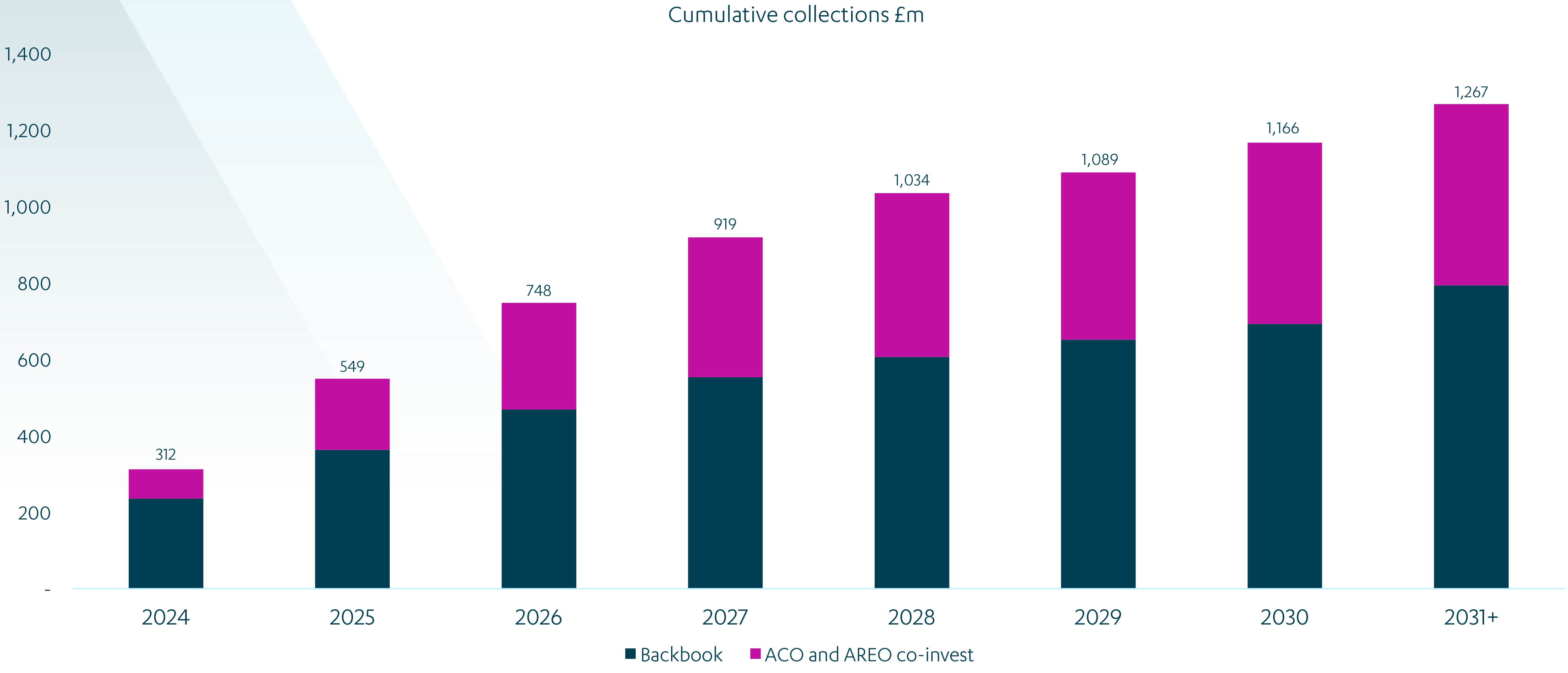
Mar 2024 84-month ERC by geography



1. ERC includes Arrow's investment in ACO 1, ACO 2 and AREO 1
2. A growing proportion of the Group's ERC is reported net of servicing and collection costs. The percentage of 84-month ERC for assets measured on a net basis was 59% as at March 2024
3. Collateralised unsecured primarily represents claims in bankruptcy situations originated by Europa Investimenti

APPENDIX

120-MONTH ERC PROFILE



Note: The ERC for ACO and AREO co-invest, together with the backbook portfolio investments classified as Joint Venture, are reported net of servicing costs

ARROW
GLOBAL

Debt investor contact:	Phil Shepherd Group CFO	treasury@arrowglobal.net
	Iain Wright Director of Finance	treasury@arrowglobal.net
Media contact:	Nick Jones	njones@arrowglobal.net