



Results for the quarter ended 31 March 2025

Arrow Global

22 May 2025



Business Update



Zach Lewy
Group Chief Executive Officer

A Leading Western European Alternative Asset Manager

€10.6bn

Q1 2024: €9.3bn

FUM

+14%

€2.6bn

Q1 2024 (LTM): €1.2bn

Total Deployments (LTM)

+117%

£73.3m

Q1 2024 (LTM): £50.0m

**Integrated Fund Manager FRE
(LTM) +47%**

€1.2bn

Q1 2024 (LTM): €0.8bn

Total Realisations¹ (LTM)

+49%

8 Geographies²

Offering full coverage of all major markets across Western Europe

24 Local Platforms²

4,000+ professionals employed, originating differentiated investment opportunities

3 Investment Strategies

Investment verticals of credit, lending and real estate established across 5 Discretionary funds

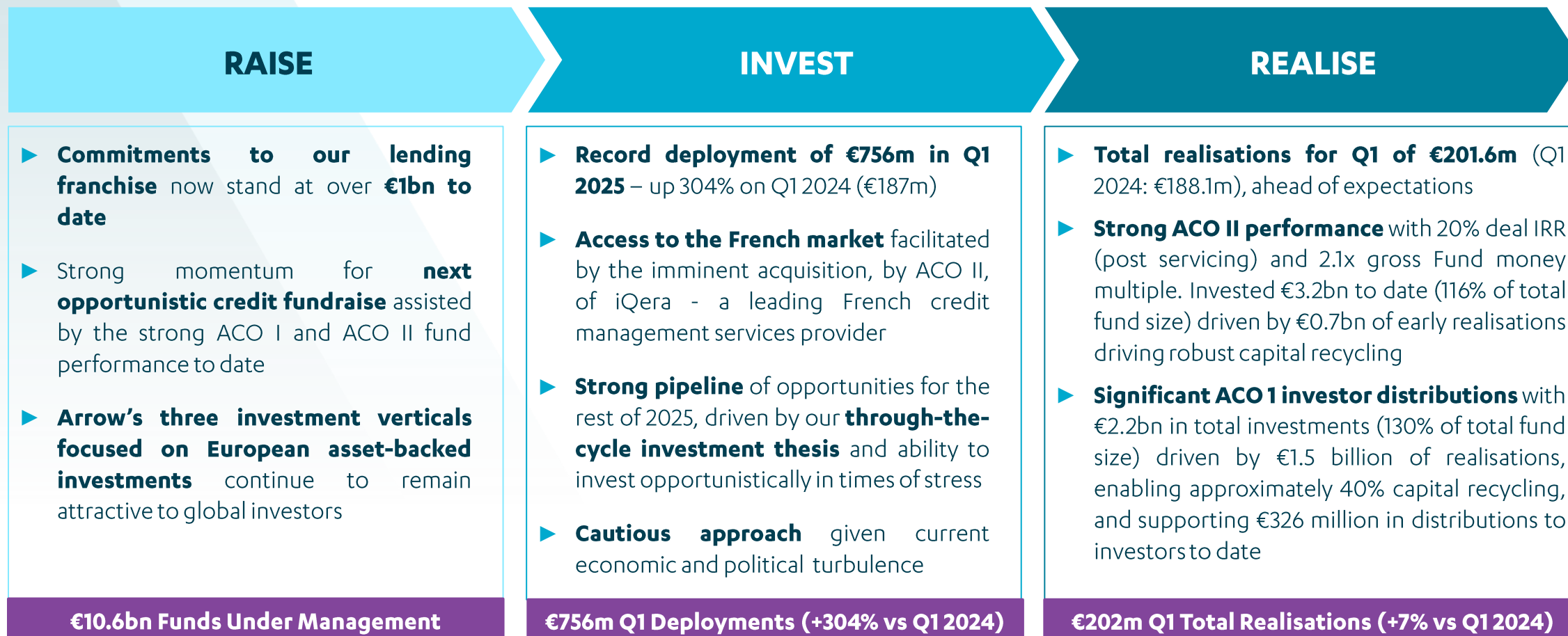
Asset Backed

>90% of current fund investments backed by real estate or cash in court

€112bn AUM²

Significant management of third-party assets complements our fund management business

Record Origination and Continued Strong Progress During Q1 2025



Continued strong development of Arrow Franchise Driving Growth In Capital Light Earnings

Q1 Integrated Fund Management EBITDA up 30% to £18.0 million (Q1 2024: £13.8million)

Arrow's Model Highly Attractive In The Face Of Global Protectionism And Macro Uncertainty

Arrow Remains Attractive LP Investment Opportunity

- ▶ **Western European footprint with 24 local platforms**
 - ▶ Local presence, combined with central expertise, enables optimisation of opportunities in fragmented markets and regulatory regimes
 - ▶ Western Europe remains highly attractive territory to a global, blue chip investor base
- ▶ **Opportunistic strategies well positioned**
 - ▶ Market volatility typically creates strong opportunities for Arrow to deploy capital at strong risk-adjusted returns
- ▶ **Track record**
 - ▶ Through-the-cycle experience and track record of delivering returns through previous market dislocations and period of high volatility

Strategies Well Positioned To Deploy And Realise

- ▶ **Clear emphasis on asset-backed investments**
 - ▶ Provides protection against current macro turbulence and broader downside risks
- ▶ **Distinct investment verticals offering entry points at different levels of the capital structure**
 - ▶ Opportunistic strategies take advantage of high-quality assets coming to market at more attractive valuations
 - ▶ Lending strategies deliver more stable, risk-adjusted returns at conservative LTVs
- ▶ **Very limited exposures to more cyclical investments, such as corporate debt**
 - ▶ Insulation from industry-specific impacts and corporate earnings volatility witnessed to date

Structural Features Of Arrow Business Model Mitigate Key Risks And Enable Realisation Of Opportunities

Continued Franchise Expansion And Progress Towards Medium Term Targets Expected in 2025

		Medium-term target
Funds Under Management	<ul style="list-style-type: none"> ▶ €10.6bn as at Q1 2025 ▶ Continued progress expected during 2025 with further commitments across key strategies 	~€15bn
Deployment	<ul style="list-style-type: none"> ▶ Record start to the year for deployment as we maintain a cautious investment approach given broader macro uncertainty ▶ Continued expansion of geographical footprint including France (iQera – expected to close imminently) and Germany 	€3bn p.a.
Discretionary Fund NAV	<ul style="list-style-type: none"> ▶ Discretionary fee-earning NAV is up 64% from Q1 2024 to €4.1bn ▶ Remain on track to achieve medium target deployment, which drives target discretionary fund NAV 	>€6bn
Returns	<ul style="list-style-type: none"> ▶ Expect to continue to grow capital-light earnings with 30% annual growth in Q1 at attractive margins 	40% ¹ Return on assets
Leverage	<ul style="list-style-type: none"> ▶ Leverage reduced by 0.2x times over previous year ▶ Despite rise since December 2024, the ongoing build of capital light income is delivering sustainable de-leveraging to our target of 3 times 	3x

Notes: 1. Based upon 10% co-investment by Arrow.



Financial Review



Phil Shepherd
Group Chief Financial Officer

Integrated Fund Manager Fee Related Earnings – Up 30% Year On Year

	Q1 2025 £'m	Q1 2024 £'m	Change %
Discretionary Fund Management Revenues	34.0	22.9	48
Third-Party Asset Management Revenues	41.1	35.2	17
Total IFM Fee Related Revenues	75.1	58.0	29
Costs	(57.1)	(44.3)	(29)
Total IFM Fee Related Earnings	18.0	13.8	30
IFM FRE Margin (%)	23.9	23.7	1

Continued growth in IFM Fee Related Revenues And Earnings During Q1

- ▶ Discretionary Fund Management business continues to scale, driving revenue growth and margin improvement through operational leverage
- ▶ Strong ongoing momentum in fundraising and deployment drives Discretionary Fund Management revenues
- ▶ 18 new third-party asset management and servicing mandates won across multiple jurisdictions in Q1 2025

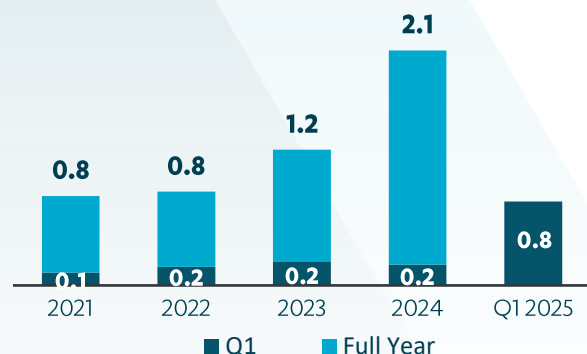
Q1 2025 IFM Fee Related Earnings Detail	
Discretionary Fund Management	Third-Party Asset Management
Discretionary FUM €5.9bn Fee-Earning NAV €4.1bn	Non-Discretionary FUM €4.7bn
	Third-Party AUM¹ €82bn
Discretionary fund management activity relating to our ACO, ALO and AREO franchises	Managing, servicing and/or administering of third-party assets and non-discretionary fund management
Revenue: £34m (Q1 2024: £23m) +48% YoY	Revenue: £41m (Q1 2024: £35m) +17% YoY

Notes: 1. Calculated as total AUM of €112bn excluding total FUM and iQera AUM.

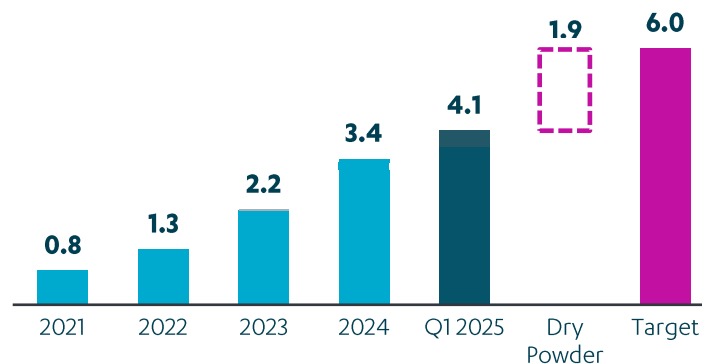
Discretionary Fund Management Performance

Increasing Deployment Drives Fee Earning NAV – Record First Quarter Deployment Levels in Q1 2025

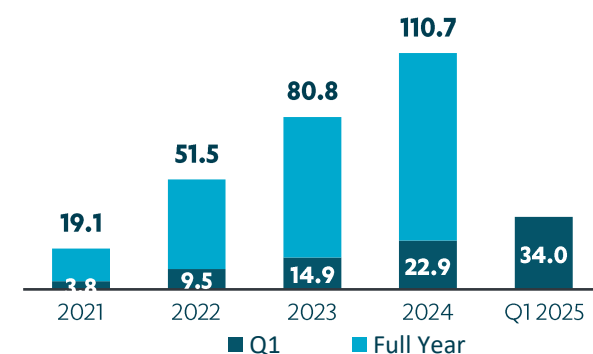
Deployments Per Annum and Q1 (€bn)



Fee-Earning NAV – End of Period (€bn)

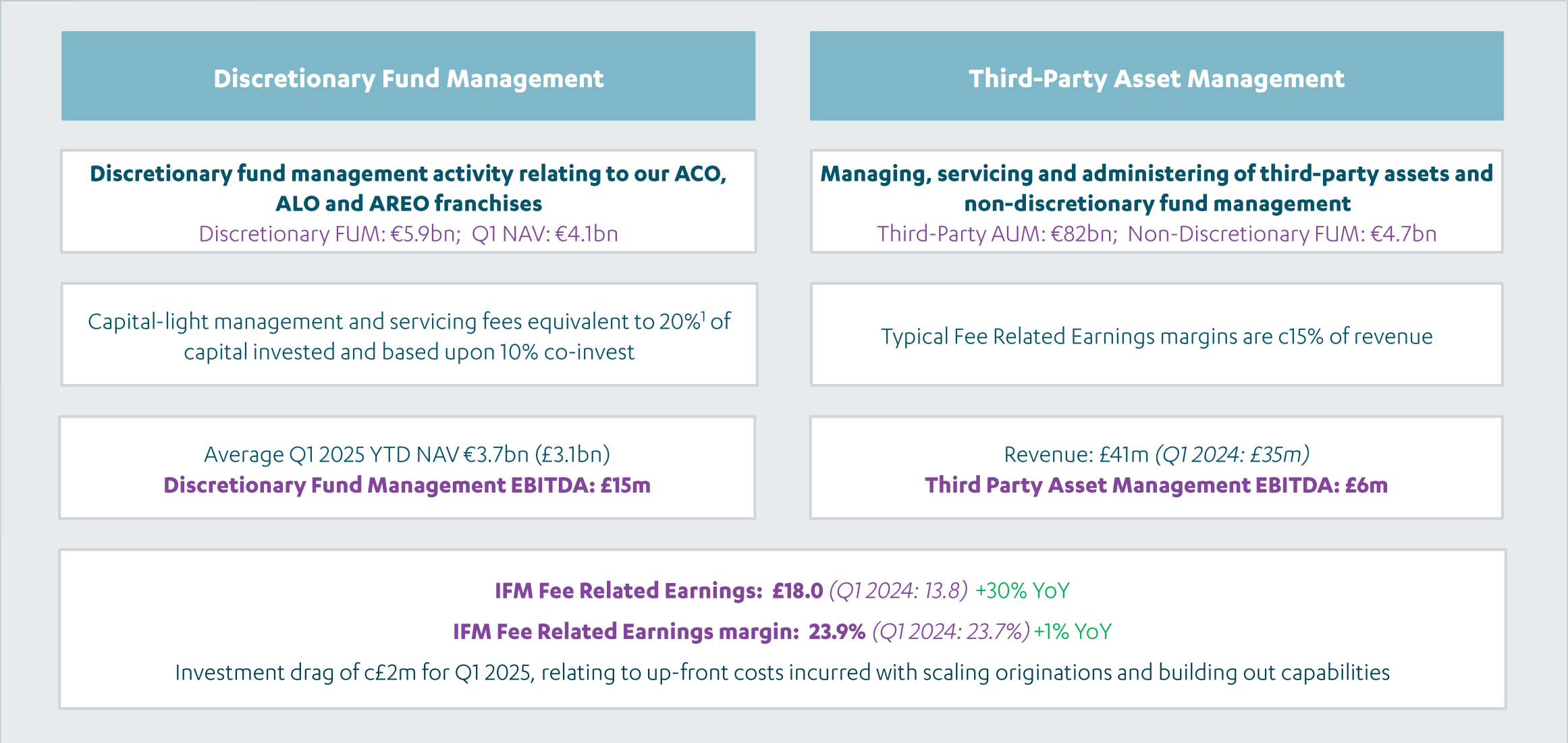


Discretionary Fund Management Revenues (£m)



- ▶ **Record Q1 deployment of €756m** has driven increase in discretionary fee-earning NAV as at 31 March 2025 to €4.1bn - **up €0.7bn since year end and annualised growth of 65% since 2021**
- ▶ **Q1 2025 discretionary revenues has increased year on year by 48%, or £11.1m, to £34.0m**
- ▶ **Typical capital light returns of circa 30%¹** on deployed capital, consisting of 10% management fees, 10% servicing and administration fees, and 10% performance fees received towards the end of each fund's life (not recognised to date)
- ▶ **Total Discretionary Fund Management FUM of €5.9bn;** €1.9bn of dry powder to be deployed by ACO, AREO and ALO strategies

Understanding Integrated Fund Management Fee Related Earnings

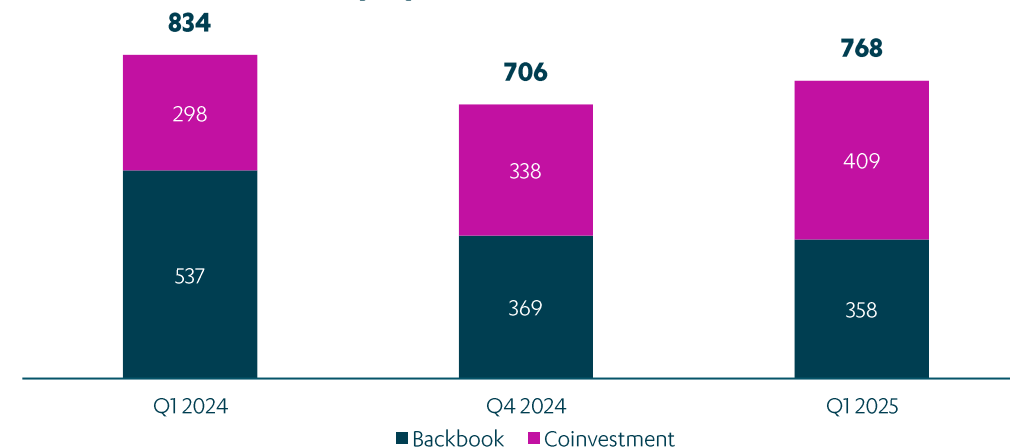


Notes: 1. Additional carry/performance fee of c10% of capital invested typically recognised towards end of fund life.

Balance Sheet Investments – Net Investment Income

	Q1 2025 £'m	Q1 2024 £'m	Change %
Investment income	26.4	31.1	(15)
Costs	(15.1)	(13.5)	12
Net investment income	11.3	17.6	(36)
<i>Net investment Margin (%)</i>	43.0	56.5	(24)
Gross Realisations	50.3	56.9	(12)
<i>Balance Sheet Realisations as a % of expectation</i>	131%	102%	

Balance Sheet investments (£m)



- ▶ **Strong realisations £50.3m, representing 131% of expectations** and record Q1 deployment driving £62m increase in Balance Sheet Investments over the quarter. Full year realisations expectations are circa £270m, with current expected realisations for the remaining nine months of £219m
- ▶ Balance sheet EBITDA has decreased by £6.3m to £11.3m due to the following factors:
 - ▶ Q1 2024 included £4m of non-cash impairment gains and one-off Italian Concordato income recognised in Q1 2024; and
 - ▶ Capital light strategy has **reduced quarterly average Balance Sheet Investments by 12%** versus Q1 2024
- ▶ Net balance sheet realisations (gross realisations less costs) of £35.2m (Q1 2024: £43.4m)

Group Costs And Overall Group Performance

	Q1 2025 £'m	Q1 2024 £'m	Change %
Integrated Fund Manager Fee Related Earnings	18.0	13.8	30
Balance Sheet Investments net investment income	11.3	17.6	(36)
Group costs	(9.9)	(7.6)	(30)
Group EBITDA	19.4	23.8	(18)
Depreciation and amortisation	(3.6)	(2.7)	(33)
FX (losses)/gains ¹	(8.7)	1.9	N/A
Finance costs	(30.8)	(26.6)	(16)
Share of profit from associate net of tax	0.0	0.0	0
Loss before tax and adjusting items	(23.6)	(3.6)	(556)

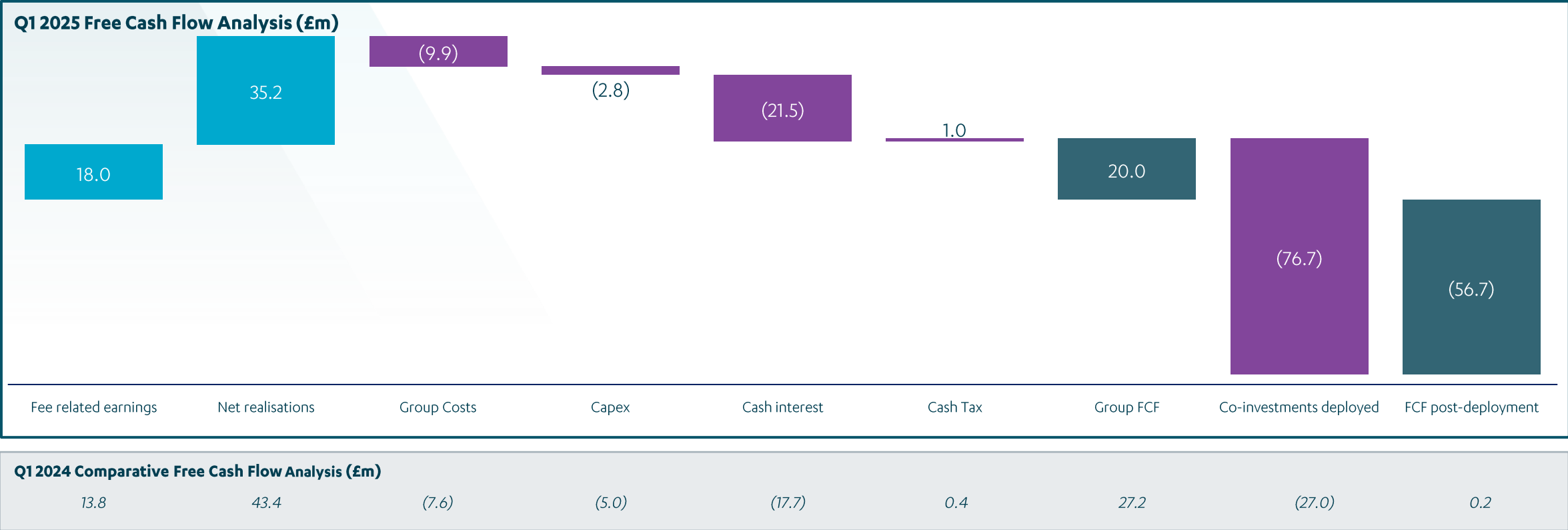
- ▶ Group costs are marginally lower than Q4 2024 (£10.1m) with year-on-year increase of £2.3m to £9.9m
 - ▶ **Increase reflects the costs of scaling the business with ALO now fully operational, expansion into Spain, Germany and France to create the Western European footprint facilitating record Q1 origination**
- ▶ Overall Group loss has widened by £20m – in significant part due to:
 - ▶ £10.6m year-on-year movement in the non-cash FX retranslation of the net Euro liability position - net EUR liability position acts as a natural hedge to increasing surplus EUR income from the Integrated Fund Management business; and
 - ▶ £4.2m increased financing costs reflecting the higher interest rates following the refinancing completed in late 2024

Notes: 1. FX (losses)/gains includes fair value movements attributable to cross-currency swaps entered into at the end of 2024.

Free Cash Flow Generation

Positive Group Free Cash Flow Before Co-investments Whilst Deployment Levels Continue To Grow

- ▶ Free cash flow is expected to benefit further from ongoing decreases in fund co-investment levels (ACO I: ~25%; ACO II: ~10%, ALO: ~7%)
 - ▶ Future funds are expected to have sub 10% co-investment level
- ▶ Positive Group FCF prior to co-investments that are driven by significant and increasing deployment levels



Liquidity And Capitalisation

Capitalisation	Q1 2025 £'m	Q1 2024 £'m
Cash	(84)	(101)
Stub Notes due 2026 & 2027	98	1,239
£250m 9.625% Fixed Rate Notes due 2029	250	0
€250m 7.625% Fixed Rate Notes due 2029	209	0
€965m E+5.5% FRN due 2029	808	0
RCF £285m maturing 2029	96	167
Total secured net debt	1,377	1,305
Adjusted EBITDA	344.6	309.3
Leverage	4.0x	4.2x

Liquidity	Q1 2025 £'m	Q1 2024 £'m
Liquidity headroom (cash + undrawn RCF)	265.6	208.0
Expected 84-month cumulative realisations ¹	1,246.7	1,175.3
Expected 120-month cumulative realisations ¹	1,285.6	1,267.3

Cash Generation	Q1 2025 £'m	Q1 2024 £'m
Free cash flow	20.0	27.2
Reported balance sheet investments	(76.7)	(27.0)
Post-investment cash flow	(56.7)	0.2
Deferred consideration on investments	-	(2.0)
Net M&A	-	-
Other	(47.4)	(17.1)
Increase in net debt	(104.0)	(18.9)

- ▶ **Leverage reduced by 0.8 times since 2021** (date of take private transaction), but marginally up since December 2024 to 4.0 times
- ▶ Predominantly due to £104m increase in net debt caused by:
 - ▶ Record Q1 deployment driving £77m in Balance Sheet Investments
 - ▶ £13m of non-cash FX movements in net debt
 - ▶ £24m working capital outflow – largely driven by payment of annual bonuses in Q1
- ▶ **Build in capital light revenues is delivering sustainable de-leveraging**

Notes: 1. Given Arrow co-invests in our discretionary managed funds, an increasing proportion of realisations are measured on FVTPL basis. Approximately 74% of 84-month cumulative realisations and 74% of 120-month cumulative realisations are stated net of servicing and collections costs. Assuming 15% servicing costs, comparable gross 84-month and 120-month cumulative realisations would be £1,410m and £1,453m respectively.



Summary and Outlook



Zach Lewy
Group Chief Executive Officer

Building Leading European Integrated Fund Manager And Creating Significant Enterprise Value

Strong fundraising momentum, raising over €1bn in respect of real estate lending franchise and well placed to raise further capital during 2025

Record Q1 deployment of €756m, enabled by our local platforms and in line with historical risk-adjusted returns

Total realisations over €200m during Q1 with ACO I and ACO II continuing to deliver attractive returns

Local platform operating model and diversified investment offering provides both **significant protection and opportunity** from ongoing macro volatility

Fee-earning NAV grows as a function of capital raised and deployed, **driving profitability and facilitating sustainable deleveraging**

► Defined Terms

Definitions Of Certain Terms Used Within This Presentation

Term	Meaning
Adjusted EBITDA	The Group's earnings before interest, tax, depreciation and amortisation (including investment portfolio realisations), adjusted for any non-cash income or expense items and adjusting items
AUM or Assets Under Management	The sum of: i) Funds Under Management; and ii) The value of the assets managed, administered or serviced by our local platforms on behalf of third-party clients as part of Third-Party Asset Management activities and referred to as " <i>Third-Party AUM</i> "
Balance Sheet Investments	Investments that comprise i) co-investments whereby Arrow's own capital is committed to invest alongside third-parties committed capital in Arrow funds, in addition to ii) backbook investments held by Arrow
Discretionary Fund Management	References our activities in relation to all fund management activity, on a discretionary basis, and encompasses our funds ACO I, ACO II, ALO, AREO and AREO II, as well as the management of Arrow's own capital which it has committed to invest alongside third-parties' committed capital
EBITDA	Earnings before interest, taxation, depreciation and amortisation
FUM or Funds Under Management	The value of assets and undrawn commitments in respect of our fund management activities specifically, within both our Discretionary Fund Management and Third-Party Asset Management businesses (that is, covered by both discretionary and non-discretionary mandates), including any of Arrow's own capital which it has committed to invest alongside third-parties' committed capital
IFM FRE or IFM Fee Related Earnings	Fee related revenues (comprising management and servicing fees) earned on AUM, less attributable costs, derived in respect of both our Discretionary Fund Management and Third-Party Asset Management activities, that together, constitute our Integrated Fund Management business
Third Party Asset Management	References our activities, including managing, servicing and/or administering activities in respect of Third-Party AUM and, in addition, the provision of fund management services on our FUM that is managed on a non-discretionary basis, the financial results from which are reported within our Third-Party Asset Management FRE

► Appendix

Arrow's European Operating Model Is Facilitated By 24 Local Platforms

UK & Ireland



France

iQera²

Portugal & Spain



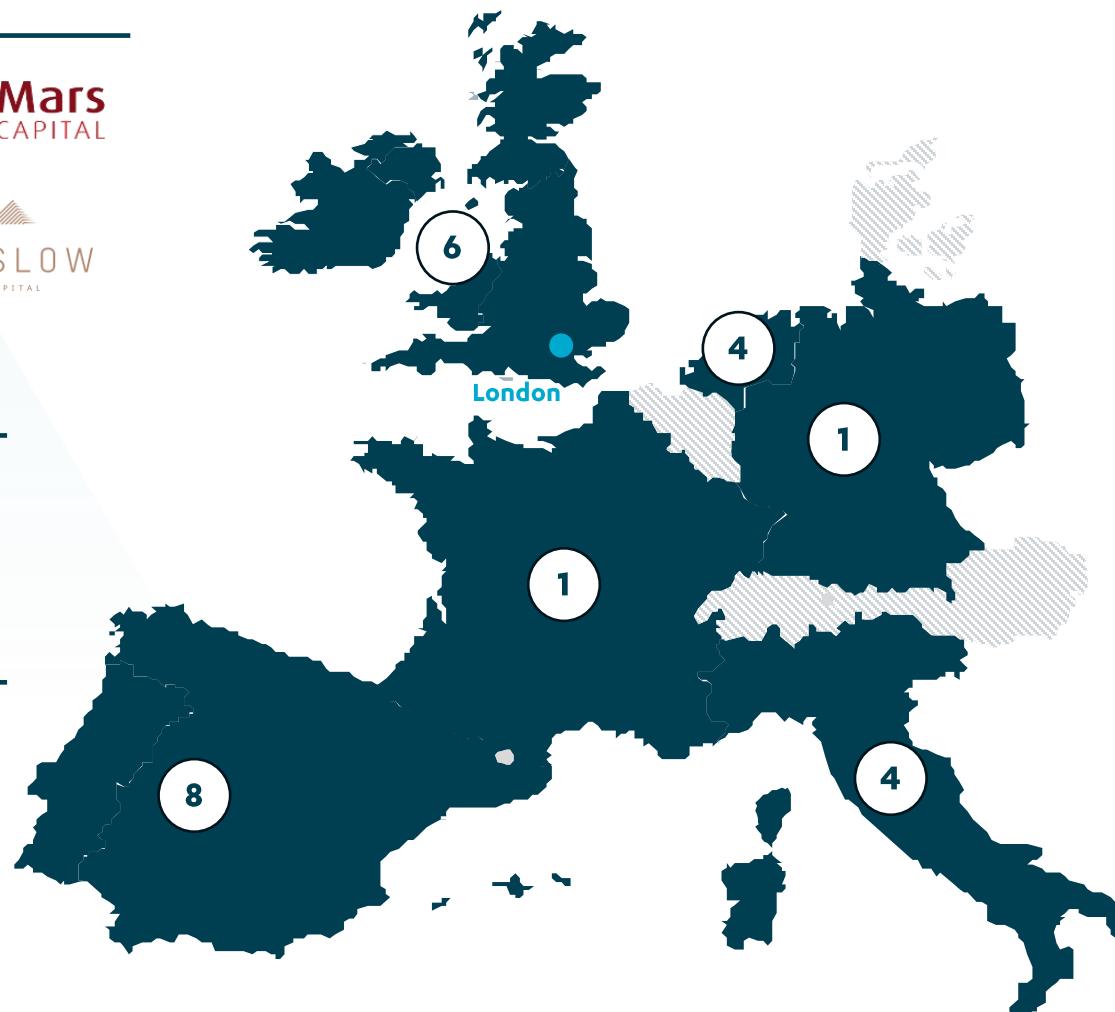
Netherlands



Germany

INTERBODEN

Italy



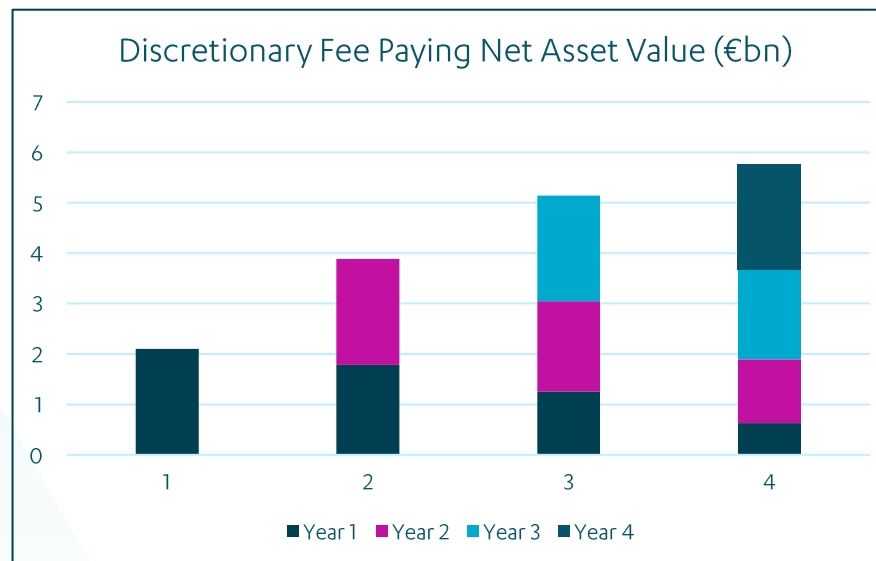
Notes: 1. MICA, Nexor, RNHB and Blue Current are partially-owned platforms, whilst this total also does not include iQera. 2. iQera is a proposed acquisition by ACO II following a restructuring and is expected to complete late May 2025.

No. # of local origination platforms

Illustrative Growth In EBITDA From Discretionary Fund Management

2024 ACTUAL DEPLOYMENT LEVELS

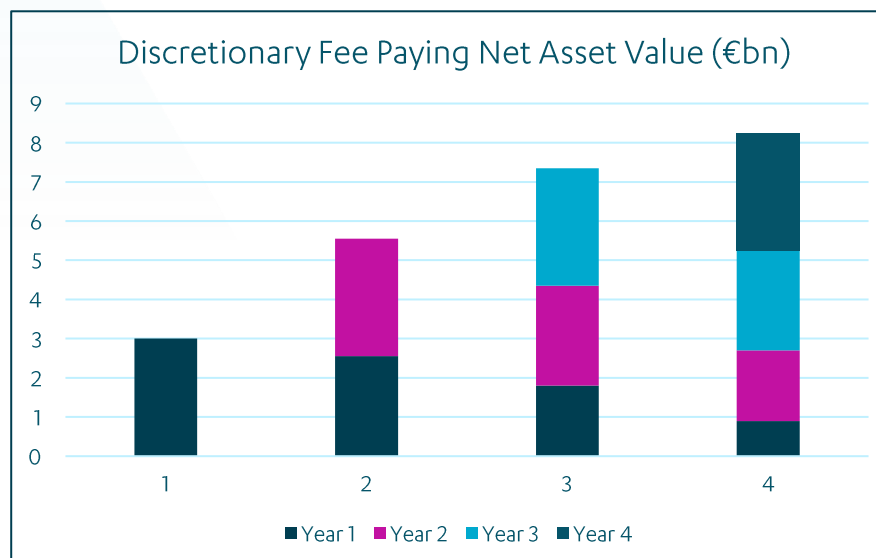
- ▶ Chart shows NAV outputs of consistent €2.1bn deployment per annum, reflecting actual 2024 deployment levels
- ▶ Fee-earning NAV builds to a steady state of €5.8bn by year 4
- ▶ Discretionary FRE return circa €173m (30% return)
- ▶ Investment returns of circa €58m (conservative 10% return) on 10% co-invest
- ▶ Does not include Third-Party Asset Management FRE and assumes nil opening NAV balance.



Discretionary Fund Management Returns	% Return	Forecast EBITDA €'m
Fund management, servicing and administration fees	20%	116
Performance fees / carry	10%	58
Discretionary Fund Management FRE	30%	173
Balance Sheet Investment return	10%	58
EBITDA (Discretionary Fund Management income only)	40%	231

TARGET ANNUAL DEPLOYMENT LEVELS

- ▶ Chart shows NAV outputs of consistent €3bn deployment per annum, reflecting target deployment levels
- ▶ Fee-earning NAV builds to a steady state of €8.25bn by year 4
- ▶ Discretionary FRE return circa €248m (30% return)
- ▶ Investment returns of circa €83m (conservative 10% return) on 10% co-invest
- ▶ Does not include Third-Party Asset Management FRE and assumes nil opening NAV balance.

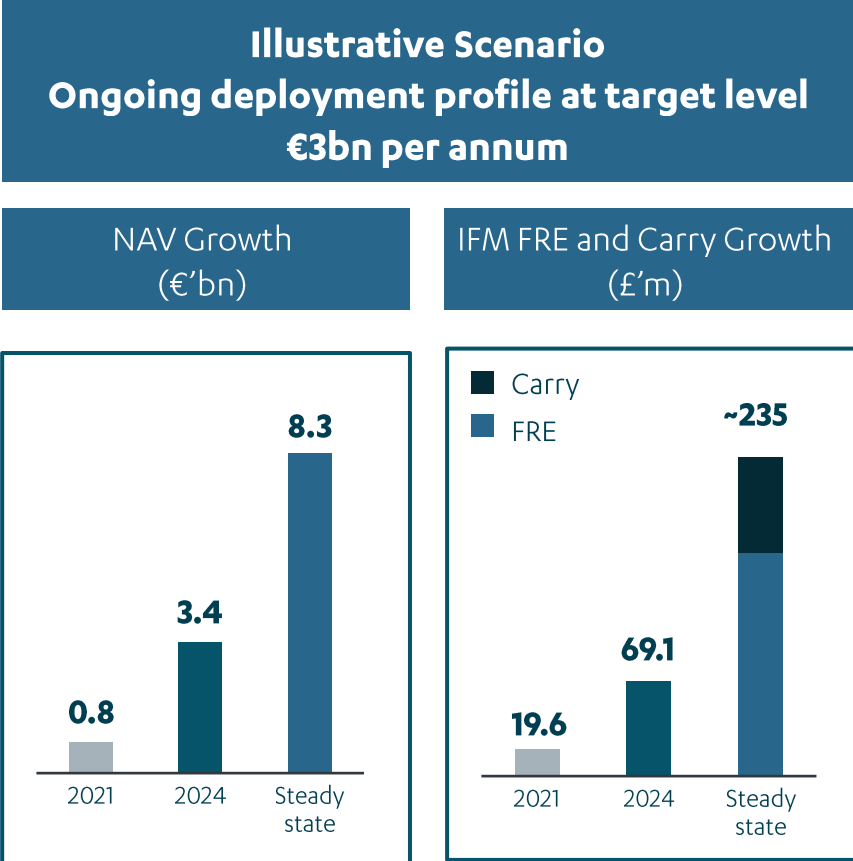
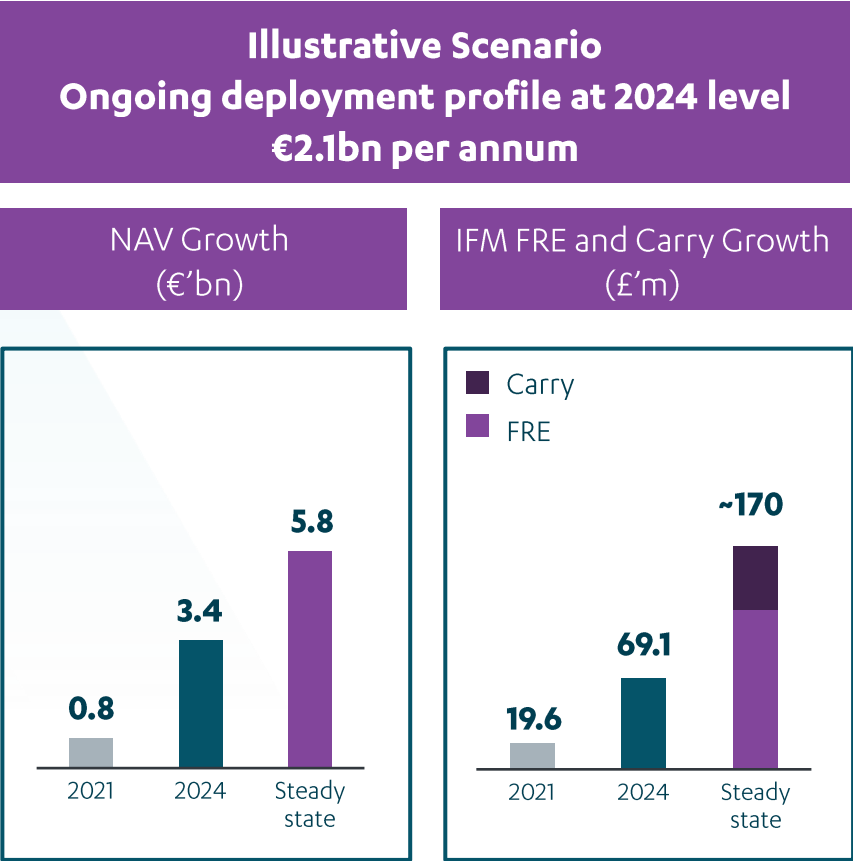


Discretionary Fund Management Returns	% Return	Forecast EBITDA €'m
Fund management, servicing and administration fees	20%	165
Performance fees / carry	10%	83
Discretionary Fund Management FRE	30%	248
Balance Sheet Investment return	10%	83
EBITDA (Discretionary Fund Management income only)	40%	330

Notes: Implied economics assume current collections profile. Balance Sheet Investments returns are after incurring management, asset and servicing fees. Future returns are subject to market and macroeconomic factors. Implied weighted average life of deployments assumed at 2.75 years over 4-year time horizon, allocated 2/3 to ACO and AREO deployments, 1/3 to ALO deployments.

Illustrative Deployment Scenario Analysis

- ▶ Illustrative scenarios demonstrate significant growth potential
- ▶ Two scenarios based upon continued deployment at:
 - ▶ 2024 actual level of €2.1bn per annum
 - ▶ Medium term target deployment of €3.0bn per annum
- ▶ Assumes investments in line with current weighted average life, at target returns and continue at consistent levels per annum

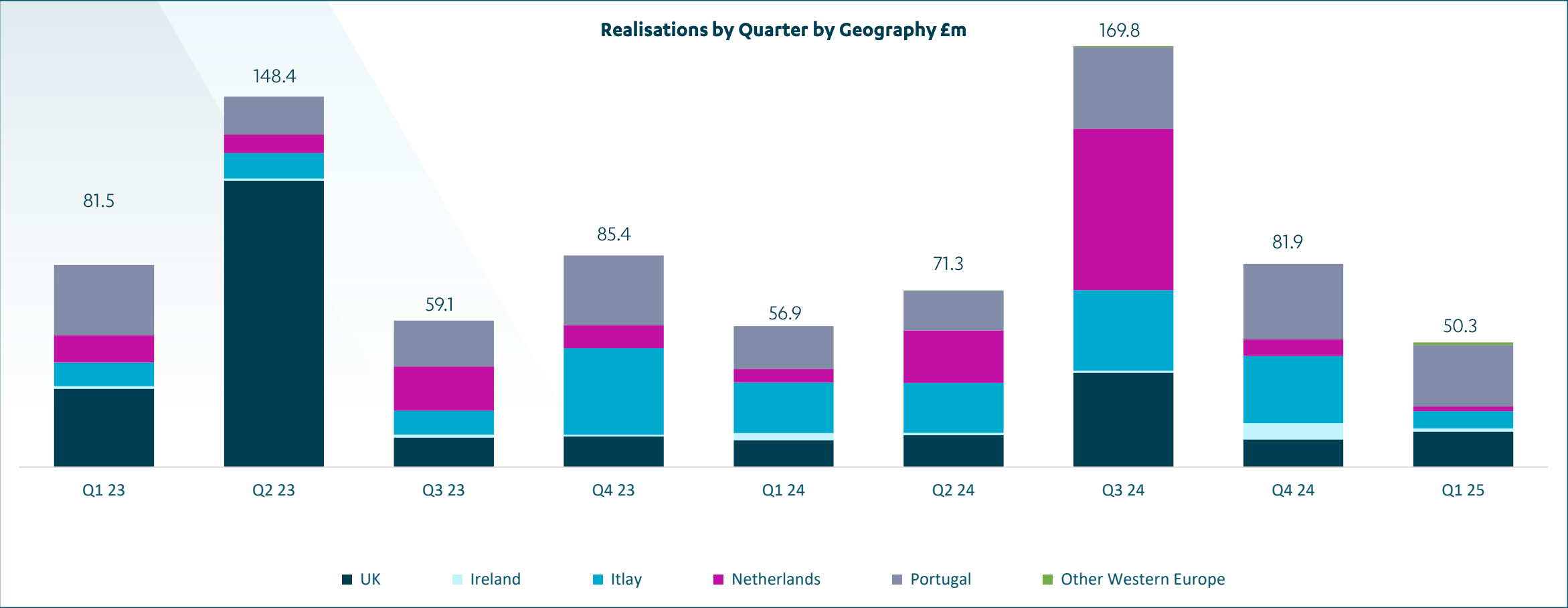


DEPLOYMENT LEVELS DRIVE FEE-EARNING NAV AND IN TURN, CAPITAL-LIGHT FEE RELATED EARNINGS

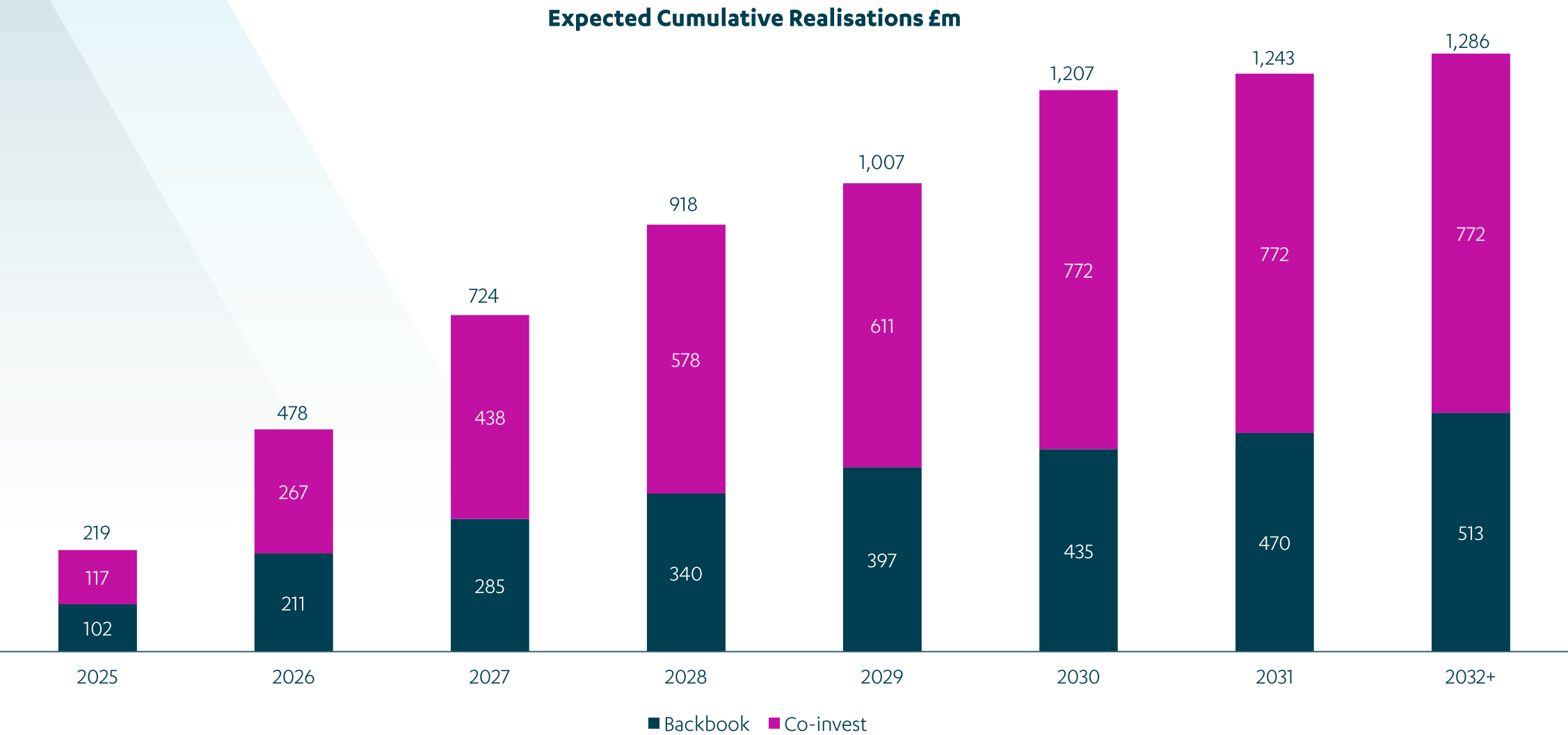
Notes: See previous Appendix page “Illustrative growth in EBITDA from Discretionary Fund Management” for further detail on NAV and FRE/Carry build out including steady state NAV and FRE/Carry calculation methodology. No carried interest has been recognised to date owing to back-end timing. FRE includes earnings attributable to Third-Party Asset Management, which is included and calculated as 2024 Third-Party Asset Management revenues at an assumed EBITDA margin of 15%. FRE/Carry converted using GBP:EUR rate of 1.19.

Quarterly Arrow Realisations: Co-investments And Backbook

Q1 2025 YTD realisations of £50.3m, 131% of expected cumulative realisations



Expected 120-Month Cumulative Arrow Realisations Profile

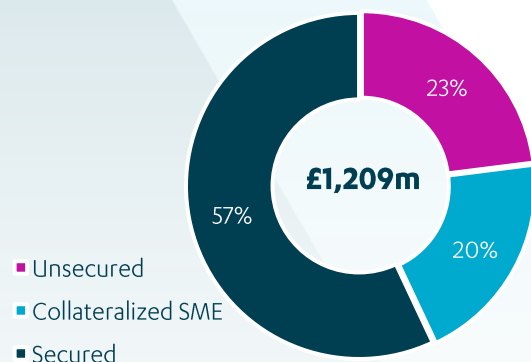


Notes: As at March 31, 2025, 74% of 120mth realisations are reported net of servicing costs.

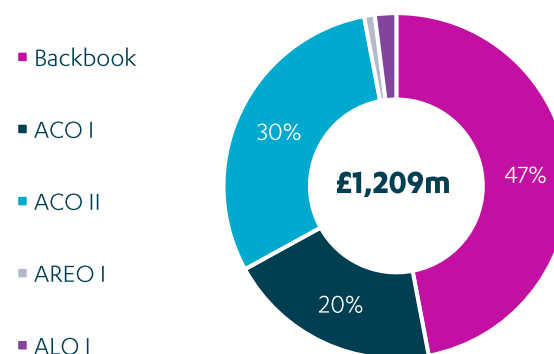
Expected Cumulative Arrow Realisations By Geography And Type

Expected cumulative realisations measured net of servicing and collection costs represent 74% of total expected cumulative realisations

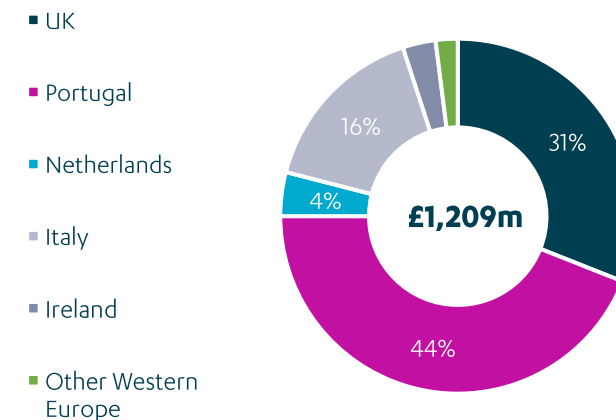
Dec 2024 84-month realisations by asset class



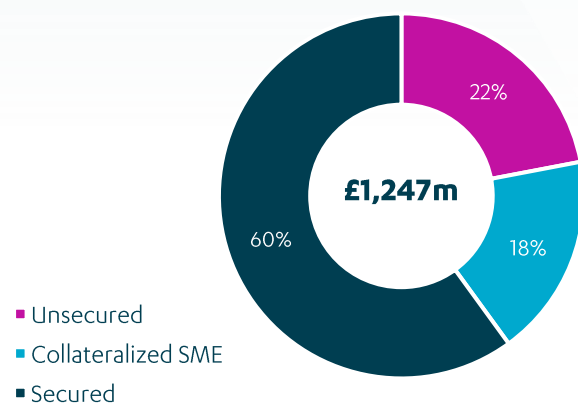
Dec 2024 84-month realisations by classification



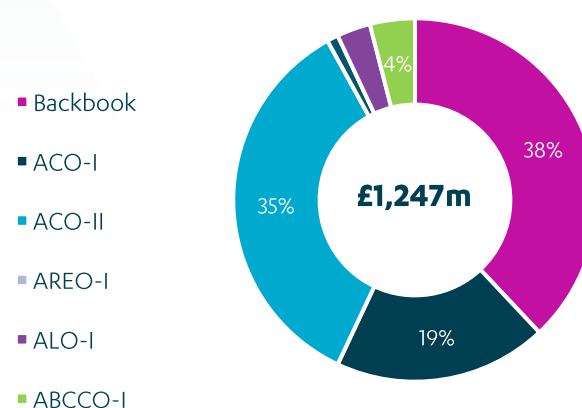
Dec 2024 84-month realisations by geography



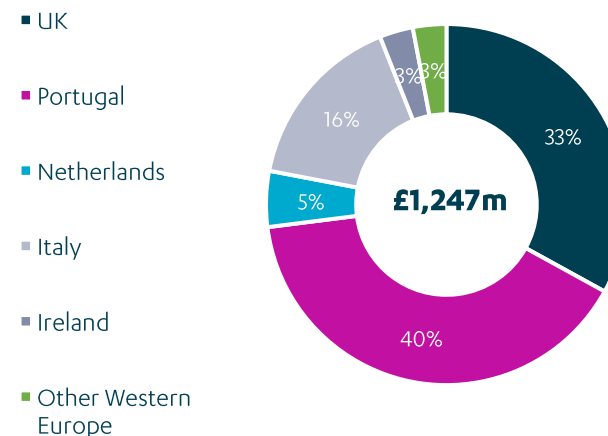
Mar 2025 84-month realisations by asset class



Mar 2025 84-month realisations by classification



Mar 2025 84-month realisations by geography



Notes: 1. Expected realisations include Arrow's investment in ACO I, ACO II, AREO I and ALO I as well as Arrowbackbook. 2. A growing proportion of the Group's expected realisations is reported net of servicing and collection costs. The percentage of 84-month cumulative realisations for assets measured on a net basis was 74% as at March 31, 2025. 3. Collateralised unsecured primarily represents claims in bankruptcy situations originated by Europa Investimenti.



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