21 November 2025

Arrow Global Group

Results for the period ended 30 September 2025

Group highlights

Arrow is a leading, vertically integrated European asset manager with discretionary strategies across opportunistic credit, real estate equity and real estate lending, utilising our 25 local platforms, supporting capital-light earnings growth and a clear route to de-leveraging.

Europe's leading vertically integrated asset manager with a strong track record in both fundraising and deployment

- Landmark fundraising progress: Fundraising for our Real Estate Lending strategy closed at €1.5 billion, and the opportunistic credit franchise (ACO) and related credit strategies secured €2.7 billion commitments
- Funds Under Management ("FUM") increased to €13.6 billion, up €3.1 billion (30%) year-on-year (Q3 2024: €10.5 billion)
- Record deployment of €1.9 billion during Q3 YTD 2025, up 51% year on year (Q3 YTD 2024: €1.25 billion), in part reflecting the first year of deployment in respect of our real estate lending strategy, and a strong pipeline of opportunities
- Fund performance remains strong with approximately €210m distributed to LP investors in the last six months. Arrow Credit Opportunities (ACO) 2 continues to perform above target with a deal IRR (after servicing costs) of 19%, 2.1 times gross fund money multiple and €3.9 billion capital deployed including recycling. ACO I has deployed €2.2 billion including recycling, achieving 15% deal IRR, 1.9 times gross fund money multiple with total distributions to LPs of €0.5 billion.
- Discretionary investment strategies in opportunistic credit, real estate equity and real estate lending firmly established, leveraging our competitive advantage by way of a vertically integrated, pan-European model across 8 major geographies

Delivering further increases in capital-light income with significant growth potential

- Integrated Fund Management ("IFM") Fee Related Earnings up 12.1% to £58.3 million (Q3 YTD 2024: £52.0 million), reflecting sustained deployments and rising fee-earning Net Asset Value ("NAV")
- External Fund and Asset Management income rose by 18.8% to £229.6 million (Q3 YTD 2024: £193.3 million), underlining the scalability of our capital-light model
- Discretionary fund management income increased 59% to £118.7 million (Q3 YTD 2024: £74.7 million), as deployment growth continues to expand fee-earning NAV, supporting high-quality, recurring revenues
- Third-party asset management continues to perform strongly, with 42 new servicing mandates won across Europe in the first three quarters

Significant enterprise value created and clear route to sustainable deleveraging

- Sale of non-core Italian servicing platform Zenith Global SpA, which provides third party servicing in the Italian market, executed in Q4 2025 (pending regulatory approval) for circa €110m proceeds (before transaction costs) at an implied ~14x earnings multiple
- Realisations of £181.4 million in Q3 YTD 2025 (Q3 YTD 2024: £298.1 million) in respect of Arrow Balance Sheet Investments, representing 102.5% of expected cumulative realisations
- €150m of additional bonds successfully placed in June 2025 (upsized on strong demand) and the remaining 2026 stub notes fully redeemed in November 2025, with maturity profile extended to November 2029
- Liquidity headroom of £315 million (30 September 2024: £220 million) and will be boosted further following the sale of the non-core platform executed in Q4 2025
- Proforma leverage increased to 5.8x (including proceeds of non-core platform sale), reflecting record deployment and the 'lumpy' nature of secured realisations. FY2026 realisations are currently expected to be circa £70m higher than FY2025. Growth in capital-light earnings provides a clear route to sustainable deleveraging and 3.0x medium term target

Zach Lewy, Group chief executive officer at Arrow, commented:

"We continued to strengthen our leadership position across Europe's asset-backed mid-market through strong performance, strategic expansion and record fundraising. Securing €2.7 billion of institutional commitments into our credit opportunities and related credit strategies and holding the final close of our Real Estate Lending Opportunities business at €1.5 billion reflects the depth of global investor confidence in Arrow's integrated model.

Funds under management increased to €13.6 billion, supported by €1.9 billion of deployment during the first three quarters and a strong pipeline of opportunities across our markets. We continue to focus on off-market, collateral backed investments sourced by our local platforms.

Realisations remain strong across strategies, enabled by disciplined capital recycling and active asset management. The sale of Zenith Global, a non-core servicing platform, subject to regulatory approval, represents an attractive strategic outcome, enabling us to concentrate on platforms that directly support origination for our discretionary funds.

Our continued momentum was reflected in November when Arrow was named 'Distressed Debt Manager of the Year' and 'Real Estate Debt Manager of the Year' at the 2025 Alternative Credit Investor Awards, reflecting the strength of our opportunistic credit and lending strategies and the distinct advantage of our vertically integrated model."

Group financial highlights	**30 September 2025**	**30 September 2024**
Fund and Asset Management income (£m)	229.6	193.3
Total income (£m)	311.5	281.8
Adjusted EBITDA (£m)	169.2	282.5
Free cash flow (£m)	69.0	192.2
Loss before tax and adjusting items / foreign exchange (£m)[1]	(35.4)	(15.1)
Loss before tax and after adjusting items (£m)	(95.7)	(36.5)

	30 September 2025	**31 December 2024**
Funds Under Management (€bn)	13.6	10.6
Leverage (times)	5.8[2]	3.7
Expected 84-month cumulative realisations (£m)	1,341.2	1,209.2
Expected 120-month cumulative realisations (£m)	1,419.9	1,249.2
Net debt (£m)	1,410.6[2]	1,303.6

[1] *The results presented exclude adjusting items. For the reconciliation between these results and the condensed consolidated profit and loss, please see the reconciliation on page 21*

[2] *Leverage and net debt shown on a proforma basis* including the proceeds from the agreed sale of Zenith Global SpA. See note 7 for further details.

Overview of group results and segmental commentary

Arrow is a leading integrated European fund manager with discretionary funds across opportunistic credit, real estate equity and real estate lending, utilising the network of 25 local platforms. This model continues to scale fee-related, capital-light earnings and supports de-leveraging.

Excellent progress on fundraising has been made this year, with the €1.5 billion final close in respect of our real estate lending strategy and €2.7 billion commitments secured within our opportunistic credit franchise and related credit strategies. Funds under management (FUM) reached €13.6 billion as of 30 September 2025, representing a 30% increase from €10.5 billion at 30 September 2024. The FUM figure encompasses €9.0 billion in opportunistic credit and related credit strategies, real estate lending, and real estate equity discretionary funds (up 67% from €5.4 billion as at 30 September 2024), alongside €4.6 billion attributed to non-discretionary strategies (compared with €5.0 billion for the prior period). Fee-earning Net Asset Value ("NAV"), referencing FUM deployed by our discretionary funds, increased by 43.8% over the prior year to €4.6 billion as at 30 September 2025 (30 September 2024: €3.2 billion), driving the increase in total discretionary fund management income of 58.9% or £44.0 million to £118.7 million (Q3 YTD 2024: £74.7 million).

On 1 October 2025, the Group agreed to sell its 100% interest in Zenith Global SpA, a non-core Italian servicing business, for approximately €110 million before transaction costs. Final proceeds will be based upon 14 times the full year 2025 normalised EBITDA plus certain working capital adjustments, with the transaction reducing Arrow's third party asset management EBITDA by circa €7.5 million on a go-forward basis. Completion, pending regulatory approval, is expected in Q1 2026. The Group does not expect any impact to the level of origination or servicing of discretionary fund investments as a result of the sale. The transaction has no impact on amounts recognised at 30 September 2025. Once completed, the transaction will increase the level of liquidity headroom, reduce net debt and reduce leverage by 0.4 times (5.8 times on a proforma basis as at September 2025).

The business has continued to scale, and deployment was up 51% to €1.9 billion year-to-date (Q3 YTD 2024: €1.25 billion), in part reflecting the first year of deployment in respect of our real estate lending strategy, along with a strong pipeline. Our focus on off-market, real-estate-backed opportunities across Western Europe continues to deliver compelling returns. Over 81% of ACO 2 investments were sourced off-market; over 90% of ACO 1 and ACO 2 is secured on real estate assets, cash in court and granular collateral. ACO funds are delivering deal IRRs (after servicing costs) of 15% and 19% for ACO 1 and ACO 2 respectively.

The expansion into Germany and Spain during 2024 has been augmented with the expansion into France. Following the restructuring of iQera, a prominent French credit management services provider, ACO 2 became the majority shareholder in the second quarter of 2025, adding an eighth geography to our Western European footprint and enhancing deployment capacity and servicing capabilities.

Underlying loss before tax of £82.0 million (30 September 2024: £7.4 million) reflects higher interest expense and a non-cash FX impact from revaluing Euro liabilities and cross-currency swaps of £46.6 million. Importantly, IFM EBITDA increased to £58.3 million, (Q3 YTD 2024: £52.0 million) supported by record deployment.

Arrow realisations of £181.4 million (102.5% of projected cumulative realisations) were ahead of expectations and adjusted EBITDA was £169.2 million, impacted by the fact that investment realisations are inherently timing-dependent and can vary materially between periods – and as such, 2026 realisations are currently anticipated to be approximately £70m higher when compared to 2025 full year realisations.

The balance sheet remains strong, with liquidity headroom increasing to £315 million (September 2024: £220 million) and no debt maturities until 2029. As expected, leverage increased in the quarter reflecting the 'lumpy' nature of realisations on secured investment portfolios. FY2026 realisations are currently expected to be c£70m higher than FY2025. Leverage, on a proforma basis including the proceeds of the sale of Zenith, was 5.8x as at September 2025. Leverage was further impacted by increasing net debt, 0.3 times due to the £60.9 million impact on net debt arising from the retranslation of the Euro liability since December 2024 and 0.5 times due to the £111.4 million impact from the record deployment increasing the Group's balance sheet co-investment. The Group remains committed to the 3.0x medium-term target and the growth in capital-light earnings provides a clear route to sustainable deleveraging.

Segmental commentary

Our reportable operating segments are Integrated Fund Management ("IFM"), Balance Sheet and Group costs, as discussed below:

Integrated Fund Management

The IFM segment delivers capital-light returns from fund and asset management across multiple platforms.

Integrated Fund Management Fee Related Earnings were up 12.1% to £58.3 million (Q3 YTD 2024: £52.0 million) with the segment revenue up 13.8% to £250.9 million (Q3 YTD 2024: £220.5 million). EBITDA margin for Q3 YTD 2025 was 23.2%, consistent with prior year.

Fee earning NAV across discretionary strategies rose by 43.8% to €4.6 billion (September 2024: €3.2 billion) due to ongoing increases in deployment, driving 58.9% growth in discretionary fund management income to £118.7 million (Q3 YTD 2024: £74.7 million). Third party asset management business revenues reduced by 9.3% to £132.2 million (Q3 YTD 2024: £145.8 million), as Maslow revenues transition to discretionary fund management revenue following the launch of ALO.

Balance Sheet

This segment comprises portfolio investments (including co-investments alongside our funds), and the associated income and costs. Realisations for the 9 months to Q3 2025 were £181.4 million, representing 102.5% of expected cumulative realisations. Investment purchases were £174.9 million (Q3 YTD 2024: £136.3 million) reflecting the Group's disciplined co-investment alongside record deployment.

Segmental Balance Sheet EBITDA was £43.8 million (Q3 YTD 2024: £46.3 million), with the variance to the prior period primarily relating to one-off Italian Concordato income recognised in Q1 2024.

Group costs

The Group segment consists of costs not directly associated with the other segments, but relevant to overall oversight and control of the Group's activities.

Segmental EBITDA for the 9 months to Q3 2025 was £(30.4) million (Q3 YTD 2024 £(24.6) million) reflecting investment to scale capabilities and drive growth. The segmental EBITDA for Q3 was £(10.0) million, broadly consistent with the performance in each of the prior four quarters reflecting the scaling of the business that occurred in 2024 to deliver the heightened level of deployment.

Underlying net interest costs of £96.3 million were £15.9 million higher period-on-period (Q3 YTD 2024: £80.4 million), driven by higher interest rates following the refinancing at the end of 2024. The Group has substantially mitigated the exposure to future interest rate fluctuations with circa 83% of the bonds either fixed or hedged as at 30 September 2025.

The year-on-year impact on the re-translation of the net Euro liability position was £54.3 million with a loss of £46.6 million during 2025 (Q3 YTD 2024: £7.7m gain) arising from the re-translation of Euro liabilities and the fair value movements attributable to cross currency swaps entered into at the end of 2024. The Group maintains a net Euro liability position given an increasing level of the Group's revenues is generated in Euros and, as such, is economically hedged. However, this approach causes short term non-cash profit and loss volatility.

Results Presentation – Conference call details

A presentation is available on the Company's website https://bit.ly/3Co0rvO from 07.00am (UK time).

There will be a conference call for bondholders at 12.00pm (GMT) with Arrow Global's management team.

To join, register your details using the registration link below. Once registered, you'll receive a separate email containing your dial in number and PIN.

Registration	Register for the call **here**

For further information:

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Notes:

A glossary of terms can be found at the end of the document.

Forward looking statements

This document contains statements that constitute forward-looking statements relating to the business, financial performance and results of the Group and the industry in which the Group operates. All statements other than statements of historical fact included in this document may be forward looking statements. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target", or "forecast" and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. All statements regarding the future are subject to inherent risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and neither the Company, the Group nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions. The forward-looking statements in this document speak only as at the date of this presentation and the Company and the Group assume no obligation to update or provide any additional information in relation to such forward-looking statements, except as required pursuant to applicable law or regulation.

No statement in this report is intended as a profit forecast or estimate for any period. No statement in this report should be interpreted to indicate a particular level of profit and, as a consequence, it should not be possible to derive a profit figure for any future period from this report.

This report is intended solely to provide information to bondholders to assess the group's strategies and neither the company nor its directors accept liability to any other person, save as would arise under English law. The report should not be relied on by any other party or for any other purpose.

Consolidated statement of profit or loss and other comprehensive income

For the period ended 30 September 2025

	Unaudited 9-months to 30 September 2025 £000	Unaudited[1] 9-months to 30 September 2024 £000
Continuing operations		
Fund and Asset Management income	**229,605**	**193,309**
Income from Balance Sheet Investments:		
Fair value gains on investments at FVTPL	39,894	40,564
Income from investments at amortised cost	30,163	33,879
Impairment gains/(losses) on amortised cost investments	3,970	1,404
Income from real estate investments	405	2,066
Share of profit in joint venture investment	6,837	8,922
Total income from investments	**81,269**	**86,835**
Other income	654	1,660
Total income	**311,528**	**281,804**
Operating expenses	(264,357)	(245,564)
Operating profit (pre foreign exchange and derivative fair value movements)	47,171	36,240
Foreign exchange translation (loss)/gain	(31,807)	7,654
Derivative fair value movement	(14,805)	–
Operating profit	**559**	**43,894**
Net finance costs	(96,282)	(80,356)
Loss before tax[2]	**(95,723)**	**(36,462)**
Taxation (charge)/credit on ordinary activities	(1,504)	3,166
Loss after tax	**(97,227)**	**(33,296)**
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange translation difference arising on revaluation of foreign operations	4,207	(2,080)
Movement on the hedging reserve	1,805	(448)
Total comprehensive loss for the period	**(91,215)**	**(35,824)**
Loss attributable to:		
Owners of the Company	(97,249)	(33,170)
Non-controlling interest	22	(126)
	(97,227)	**(33,296)**
Comprehensive loss attributable to:		
Owners of the Company	(91,237)	(35,698)
Non-controlling interest	22	(126)
	(91,215)	**(35,824)**

[1] Note the statement of profit or loss and other comprehensive income for 2024 has been re-presented to reflect the change in aggregation of total operating expenses. There is no impact on Loss after tax.

[2] The loss before tax of £95,723,000 for the period to 30 September 2025 (Q3 YTD 2024: £36,462,000), includes £13,677,000 of net adjusting costs (Q3 YTD 2024: £29,043,000), with an underlying loss before tax of £82,046,000 (Q3 YTD 2024: £7,419,000 underlying loss). The underlying loss before tax and non-cash foreign exchange impacts was £35,434,000 (Q3 YTD 2024: 15,071,000). For the reconciliation to the underlying consolidated profit and loss, please see the reconciliations on page 21.

Consolidated statement of financial position
As at 30 September 2025

Assets	Note	Unaudited 30 September 2025 £000	Audited 31 December 2024 £000
Cash and cash equivalents		100,832	87,570
Derivative assets		–	415
Trade and other receivables		143,356	131,372
Investments:			
Investments – amortised cost	4	229,468	238,048
Investments – FVTPL	4	515,340	385,500
Investments – real estate inventories	4	–	3,333
Investments – joint venture	4	72,724	79,221
Total portfolio investments		**817,532**	**706,102**
Property, plant and equipment		37,837	28,219
Intangible assets		96,129	101,748
Deferred tax asset		14,737	10,827
Current tax asset		–	–
Goodwill		747,430	746,926
Total assets		**1,957,853**	**1,813,179**
Liabilities			
Bank overdrafts	5	590	5,734
Revolving credit facility	5	62,975	13,299
Derivative liability		17,520	5,537
Trade and other payables		215,692	210,408
Current tax liability		3,471	972
Other borrowings	5	7,981	7,436
Senior secured notes	5	1,495,444	1,323,373
Deferred tax liability		11,824	12,849
Total liabilities		**1,815,497**	**1,579,608**
Equity			
Share capital		166,813	166,813
Share premium		419,609	419,609
Retained deficit		(449,186)	(351,936)
Hedging reserve		(1,993)	(3,798)
Other reserves		5,684	1,476
Total equity attributable to shareholders		**140,927**	**232,164**
Non-controlling interest		1,429	1,407
Total equity		**142,356**	**233,571**
Total equity and liabilities		**1,957,853**	**1,813,179**

Consolidated statement of changes in equity

For the period ended 30 September 2025

	Share capital	Other equity reserves	Total equity attributable to shareholders	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000
Balance at 1 January 2024	**166,813**	**137,741**	**304,554**	**2,759**	**307,313**
Loss after tax	–	(33,170)	**(33,170)**	(126)	**(33,296)**
Exchange differences	–	(2,080)	**(2,080)**	–	**(2,080)**
Net fair value losses– cash flow	–	(598)	**(598)**	–	**(598)**
Tax on hedged items	–	150	**150**	–	**150**
Total comprehensive loss for the period	–	(35,698)	**(35,698)**	(126)	**(35,824)**
Purchase of non-controlling interests	–	612	**612**	(687)	**(75)**
Dividends paid by non-controlling interest	–	–	**–**	(230)	**(230)**
Balance as at 30 September 2024	**166,813**	**102,655**	**269,468**	**1,716**	**271,184**
Loss after tax	–	(35,982)	**(35,982)**	(10)	**(35,992)**
Exchange differences	–	520	**520**	–	**520**
Net fair value losses – cash flow	–	(2,803)	**(2,803)**	–	**(2,803)**
Tax on hedged items	–	700	**700**	–	**700**
Total comprehensive loss for the period	–	(37,565)	**(37,565)**	(10)	**(37,575)**
Purchase of non-controlling interests	–	261	**261**	(319)	**(58)**
Acquisition of non-controlling interest	–	–	–	13	**13**
Dividends paid by non-controlling interest	–	–	–	7	**7**
Balance at 1 January 2025	**166,813**	**65,351**	**232,164**	**1,407**	**233,571**
Loss after tax	–	(97,249)	**(97,249)**	22	**(97,227)**
Exchange differences	–	4,207	**4,207**	–	**4,207**
Net fair value gains – cash flow	–	2,407	**2,407**	–	**2,407**
Tax on hedged items	–	(602)	**(602)**	–	**(602)**
Total comprehensive loss for the period	–	(91,237)	**(91,237)**	22	**(91,215)**
Balance at 30 September 2025	**166,813**	**(25,886)**	**140,927**	**1,429**	**142,356**

Consolidated statement of cashflows

For the period ended 30 September 2025

	Note	Unaudited 9-months to 30 September 2025 £000	Unaudited Re-presented[1] 9-months to 30 September 2024 £000
Net cash generated by operating activities	6	**(21,558)**	**92,181**
Investing activities			
Purchase of property, plant and equipment		(2,494)	(5,088)
Purchase of intangible assets		(8,836)	(10,449)
Proceeds from disposal of intangible assets and property, plant and equipment		76	36
Disposal of subsidiary, net of cash		–	1,590
Acquisition of subsidiary, net of cash acquired		(109)	(3,946)
Net cash used in investing activities		**(11,363)**	**(17,857)**
Financing activities			
Repayment of RCF and other borrowings		(210,897)	(159,555)
Proceeds from RCF and other borrowings		250,828	138,550
Revolving credit facility interest paid		(5,063)	(11,903)
Proceeds from senior notes issuing		118,116	–
Redemption of senior notes		(28,706)	–
Payment of interest on senior notes		(75,671)	(53,792)
Bank and other similar fees paid		(298)	(796)
Bank interest received		562	258
Lease payments		(5,469)	(5,670)
Payment of dividends to non-controlling interest & shareholders		–	(230)
Net cash flow from financing activities		**43,402**	**(93,138)**
Net movement in cash and cash equivalents		**10,481**	**(18,814)**
Cash and cash equivalents at beginning of period		87,570	114,683
Effect of exchange rates on cash and cash equivalents		2,781	(4,821)
Cash and cash equivalents at end of period		**100,832**	**91,048**

[1]The Group has changed its presentation of repayments and proceeds of/from RCF and other borrowings in the period to show the repayments and proceeds separately as opposed to a net position within financing activities. The Group's principal RCF facility is structured such that frequent drawdowns and repayments are made within short periods, and therefore the previous net presentation was considered appropriate. However, the Group has determined that gross presentation is more in line with convention for such facilities under IAS 7. As a result, prior period amounts have been re-presented accordingly. The re-presentation had no impact on the total cash flows from financing activities.

Included within cash and cash equivalents is £7,027,000 (Q3 2024: £6,855,000) of cash, which may be subject to constraints regarding when the balance can be remitted, such as cash in a consolidated securitisation structure awaiting a payment date.

Notes to the consolidated financial statements

1. General Information

These financial statements are unaudited and do not include all the information required for annual reporting. These results should be read in conjunction with the Sherwood Parentco Limited Group's consolidated statutory report and accounts for the year to 31 December 2024. The Sherwood Parentco Limited Group's consolidated statutory report and accounts for the year to 31 December 2024 are available on our website at https://bit.ly/3Co0rvO.

The Group's consolidated report and accounts are prepared in accordance with UK-adopted international accounting standards and in accordance with the requirements of the Companies Act 2006. These financial statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the Sherwood Parentco Limited Group's consolidated statutory report and accounts for the year to 31 December 2024.

2. Segmental reporting

In line with IFRS 8 Operating Segments, the Group reports under three separate reportable segments, being Integrated Fund Management, Balance Sheet Investments and Group costs. Details of the principal business categories are as follows:

Integrated Fund Management	Income and costs associated with managing debt portfolios on behalf of the Group, our discretionary funds and other third parties, the income and costs associated with providing other servicing and realisation activities to third parties and income and costs associated with investment and asset management. The combined income from this segment represents the capital-light income of the Group.
Balance Sheet Investments	All portfolio investments that the Group owns, including investments held directly on our balance sheet together with our co-investment made through our discretionary funds, such as ACO 1, ACO 2, AREO 1, AREO 2, and ALO I and the associated income and direct costs of such investments.
Group costs	Costs not directly associated with the other two segments, but relevant to overall oversight and control of the Group's activities.

These segments represent how the Group manages the wider business, and the organisational structure is aligned to these segments. Therefore, this has been deemed to be the appropriate level of disaggregation to provide information to the Chief Operating Decision Maker.

The Integrated Fund Management segment charges the Balance Sheet Investments segment for servicing and realisation of the Group portfolio investments and management and servicing fees in relation to fund management in respect to its investments. This intra-segment charge is calculated on equivalent commercial terms to charging third parties. The intra-segment elimination column below removes such charges.

Notes to the consolidated financial statements (*continued*)

2. Segmental reporting (continued)

Period ended 30 September 2025 (unaudited)

	Integrated Fund Management £000	Balance Sheet £000	Group £000	Intra-segment elimination £000	Total exc. adjusting items 30 September 2025 £000	Adjusting items £000	Total inc. adjusting items 30 September 2025 £000
Total income	250,939	84,141	44	(20,725)	314,399	(2,871)	311,528
Realisation activity costs	(100,002)	(33,730)	(381)	20,725	(113,388)	–	(113,388)
Gross margin	**150,937**	**50,411**	**(337)**	–	**201,011**	**(2,871)**	**198,140**
Gross margin %	*60.1%*	*59.9%*			*63.9%*		*63.6%*
Other operating expenses excluding depreciation, amortisation and forex	(92,650)	(6,625)	(30,033)	–	(129,308)	–	(129,308)
EBITDA	**58,287**	**43,786**	**(30,370)**	–	**71,703**	**(2,871)**	**68,832**
EBITDA margin %	*23.2%*	*52.0%*			*22.8%*		*22.1%*
Depreciation and amortisation	(8,546)	–	(2,309)	–	(10,855)	(10,806)	(21,661)
Operating profit/(loss) (pre foreign exchange and derivative fair value movement)	**49,741**	**43,786**	**(32,679)**	**–**	**60,848**	**(13,677)**	**47,171**
Foreign exchange translation loss	–	–	(31,807)	–	(31,807)	–	(31,807)
Derivative fair value movements	–	–	(14,805)	–	(14,805)	–	(14,805)
Operating profit/(loss)	**49,741**	**43,786**	**(79,291)**	–	**14,236**	**(13,677)**	**559**
Net finance costs	–	–	(96,282)	–	(96,282)	–	(96,282)
Profit/(loss) before tax	**49,741**	**43,786**	**(175,573)**	**–**	**(82,046)**	**(13,677)**	**(95,723)**

Notes to the consolidated financial statements (*continued*)

2. Segmental reporting (continued)

Period ended 30 September 2024 (unaudited)

	Integrated Fund Management £000	Balance Sheet £000	Group £000	Intra-segment elimination £000	Total exc. adjusting items 30 September 2024 £000	Adjusting items £000	Total inc. adjusting items 30 September 2024 £000
Total income	220,530	90,170	11	(25,572)	285,139	(3,335)	281,804
Realisation activity costs	(81,332)	(40,859)	(175)	25,572	(96,794)	–	(96,794)
Gross margin	**139,198**	**49,311**	**(164)**	**–**	**188,345**	**(3,335)**	**185,010**
Gross margin %	*63.1%*	*54.7%*			*66.1%*		*65.7%*
Other operating expenses excluding depreciation, amortisation and forex	(87,234)	(3,028)	(24,476)	–	(114,738)	(7,181)	(121,919)
EBITDA	**51,964**	**46,283**	**(24,640)**	**–**	**73,607**	**(10,516)**	**63,091**
EBITDA margin %	*23.6%*	*51.3%*			*25.8%*		*22.4%*
Depreciation and amortisation	(6,416)	–	(2,052)	–	(8,468)	(18,381)	(26,849)
Operating profit/(loss) (pre foreign exchange)	**45,548**	**46,283**	**(26,692)**	**–**	**65,139**	**(28,897)**	**36,242**
Foreign exchange translation gain	–	–	7,652	–	7,652	–	7,652
Operating profit/(loss)	**45,548**	**46,283**	**(19,040)**		**72,791**	**(28,897)**	**43,894**
Net finance costs	–	–	(80,210)	–	(80,210)	(146)	(80,356)
Profit/(loss) before tax	**45,548**	**46,283**	**(99,250)**	**–**	**(7,419)**	**(29,043)**	**(36,462)**

Notes to the consolidated financial statements (*continued*)

2. Segmental reporting (continued)

Total income includes income from portfolio investments, fund and investment management and performance fees, asset management and servicing and other income.

The below tables are produced on a statutory basis:

	Unaudited 9-months to 30 September 2025		Unaudited 9-months to 30 September 2024	
	Total income	**Fund and Asset management income**	**Total income**	**Fund and Asset management income**
	£000	**£000**	**£000**	**£000**
UK and Jersey	138,809	79,885	142,743	74,862
Luxembourg	24,145	–	14,709	–
Ireland	28,492	27,998	26,229	25,914
Portugal	59,406	48,199	54,550	39,612
Italy	40,422	35,170	41,070	30,823
The Netherlands	26,785	24,068	25,063	20,074
Other Western Europe	14,194	14,285	3,012	2,024
Intra-group trading	(20,725)	–	(25,572)	–
Total	**311,528**	**229,605**	**281,804**	**193,309**

Income from contracts with customers has been disaggregated on a geographical basis, as a similar set of services are provided to customers across the geographies, and therefore this was deemed to be the most appropriate level of disaggregation for this disclosure.

Notes to the consolidated financial statements (*continued*)

3. Integrated fund manager fee related income

Integrated fund manager fee related income is made up of discretionary fund management income from the Group's integrated fund manager activity, and third party asset management income including third party and Arrow on-balance sheet investments servicing activity, as described in the following paragraphs.

	Unaudited 9-months to 30 September 2025 £000	Unaudited 9-months to 30 September 2024 £000
Discretionary fund management income:		
External third party fund income	114,457	71,692
Internal income arising on Arrow balance sheet co-invest	4,283	3,014
Total discretionary fund management income	**118,740**	**74,706**
Third party asset management income:		
External third party asset management income	115,801	123,266
Internal income arising on Arrow back book investments	16,398	22,558
Total third party asset management income	**132,199**	**145,824**
Total Integrated fund management segmental income	**250,939**	**220,530**

Discretionary fund management

Fund and investment management income encompasses services provided in relation to the discretionary allocation and management of third party capital within ACO 1, ACO 2, AREO, and ALO. Fees for fund and investment management services are normally calculated based on a fixed percentage of the value of assets managed. Income from fund and investment management services is recognised over time as the services are provided in accordance with IFRS 15.

Revenue is also generated from asset management and servicing of the assets. Servicing income comprises a broad range of services, including secured and unsecured collection activity, real estate asset realisation, legal title holding, due diligence activities, initial platform migration and on-boarding activities, securitisation vehicle set-up and ongoing management activities, new origination activities, litigation and court process management and third party sub-servicer management.

In all material cases, the services are provided at a point in time that corresponds to the satisfaction of the related performance obligations. As such, revenue arising from servicing income is normally recognised as the services are provided to the customer, with no deferral or acceleration of revenue across the life of the contract.

Third party asset management

Income from asset management and servicing contracts with third party customers, together with services provided to the Arrow back book, is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it satisfies a performance obligation related to a service it has undertaken to provide to a customer in accordance with IFRS 15.

Notes to the consolidated financial statements (*continued*)

4. Investments

The movements in portfolios investments were as follows:

Period ended 30 September 2025 (unaudited)

	Amortised cost £000	FVTPL £000	Real estate inventories £000	Joint venture £000	Total £000
As at 1 January 2025	**238,048**	**385,500**	**3,333**	**79,221**	**706,102**
Investments purchased during the period	2,369	167,240	–	–	169,609
Movement in investments awaiting deployment[1]	–	5,242	–	–	5,242
Realisations in the period	(58,308)	(106,007)	(3,761)	(13,334)	(181,410)
Fair value gains on investments at FVTPL	–	39,894	–	–	39,894
Income from investments at amortised cost	30,163	–	–	–	30,163
Net impairment gains	3,970	–	–	–	3,970
Income from real estate investments	–	–	405	–	405
Share of profit in joint venture investment	–	–	–	6,837	6,837
Exchange and other movements	13,226	23,471	23	–	36,720
As at 30 September 2025	**229,468**	**515,340**	**–**	**72,724**	**817,532**

[1] Investments awaiting deployment relates to movements in cash held in an investment vehicle, in anticipation of purchasing portfolio investments, which had not completed at the period end.

Note that for real estate inventories, which are not financial instruments, the balance sheet realisations figure above is analogous to total sales of inventories, and the net of balance sheet realisations and income from portfolio investments – real estate inventories, is analogous to cost of sales of inventories. Sales of inventories are accounted for as revenue under IFRS 15, as they are not financial instruments, but are presented alongside the other portfolio investments for ease of reference.

4. Investments *(continued)*

Year ended 31 December 2024 (audited)

	Amortised cost	FVTPL	Real estate inventories	Joint venture	Total
	£000	£000	£000	£000	£000
As at 1 January 2024	**323,827**	**380,977**	**54,588**	**87,253**	**846,645**
Investments purchased during the year	548	154,225	–	–	154,773
Movement in investments awaiting deployment[1]	–	(1,318)	–	–	(1,318)
Acquisitions in the year	2,040	716	–	–	2,756
Realisations in the year	(124,823)	(177,311)	(57,782)	(19,990)	(379,906)
Fair value gains on investments at FVTPL	–	47,842	–	–	47,842
Income from investments at amortised cost	43,158	–	–	–	43,158
Net impairment gains/(losses)	9,157	–	(950)	–	8,207
Income from real estate investments	–	–	6,797	–	6,797
Share of profit in joint venture investment	–	–	–	11,958	11,958
Capital expenditure on real estate investments	–	–	2,216	–	2,216
Exchange and other movements	(15,859)	(19,631)	(1,536)	–	(37,026)
As at 31 December 2024	**238,048**	**385,500**	**3,333**	**79,221**	**706,102**

[1] Investments awaiting deployment relates to movements in cash held in an investment vehicle, in anticipation of purchasing portfolio investments, which had not completed at the period end.

Note that for real estate inventories, which are not financial instruments, the balance sheet realisations figure above is analogous to total sales of inventories, and the net of balance sheet realisations and income from portfolio investments – real estate inventories, is analogous to cost of sales of inventories. Sales of inventories are accounted for as revenue under IFRS 15, as they are not financial instruments, but are presented alongside the other portfolio investments for ease of reference.

Notes to the consolidated financial statements (*continued*)

5. Borrowings and facilities

Secured borrowing at amortised cost	Unaudited 30 September 2025 £000	Audited 31 December 2024 £000
Senior secured notes (net of transaction fees of £34,599,000, 31 December 2024: £35,931,000)	1,495,444	1,323,373
Revolving credit facility (net of transaction fees of £5,094,000, 31 December 2024: £4,701,000)	62,975	13,299
Bank overdrafts and other borrowings	8,571	13,170
	1,566,990	**1,349,842**
Total borrowings		
Amount due for settlement within 12 months	64,591	19,779
Amount due for settlement after 12 months	1,502,399	1,330,063
	1,566,990	**1,349,842**

Senior secured notes

On 11 December 2024, the Group issued new €250 million 7.625% Euro fixed rate senior secured notes, €965 million 5.5% over three months EURIBOR floating rate senior secured notes, and £250 million 9.625% fixed rate senior secured notes, all due December 2029, with the proceeds being used to pay the cash consideration for the tender offers and exchange offer on the existing senior secured notes, issued in November 2021, and certain drawings under the revolving credit facility.

On 24 June 2025, the Group successfully priced €100 million of additional senior secured floating rate notes due 2029 and €50 million of additional 7.625% senior secured notes due 2029 by way of a private placement, with the proceeds being used to redeem in entirety the outstanding Euro-denominated floating rate senior secured notes due 2027 (31 December 2024: €33,062,000), which were originally issued on November 8, 2021, and to repay a portion of the amounts outstanding under the revolving credit facility.

Of the bonds issued in 2021 and as of 30 September 2025, €36,268,000 remained outstanding of the €400 million 4.5% Euro fixed rated senior secured notes due November 2026 and £39,807,000 remained outstanding of the £350 million 6% fixed rate senior secured notes due November 2026. All of the remaining bonds issued in 2021 were subsequently redeemed in full and at par on 18 November 2025.

All of the outstanding senior secured notes were issued by Sherwood Financing plc, with the floating rate notes subject to a zero percent EURIBOR floor, and are secured on the majority of the Group's assets and, subject to market conditions, the Group may initiate a repurchase.

Revolving credit facility

On 11 December 2024, the Group entered into a new £285 million revolving facility, replacing the previous £285 million revolving facility which was terminated on the same date, with a margin of 350bps, maturing June 2029. The margin is subject to a ratchet downwards based upon decreasing leverage levels. The facility is senior secured and therefore has a similar security package to the bonds issued on the same date. Under the terms of the intercreditor agreement, the facility ranks super senior to the bonds as any obligations under the facility will be settled in advance of any obligations under the bonds in an event of enforcement.

The two facilities entered into during 2023, under the commitment of the previous revolving credit facility, were rolled into the new facility. The facilities, being an overdraft facility of £20 million, have reduced the revolving credit facility commitment by a total of £20 million. Unutilised overdraft facility is included within headroom under the revolving credit facility for the purpose of calculating liquidity headroom.

Other borrowings

Other borrowings primarily consist of minor banking facilities used by the Group's subsidiaries.

Notes to the consolidated financial statements (*continued*)

6. Notes to the cash flow statement

Cash flows from operating activities	Unaudited 9-months to 30 September 2025 £000	Unaudited 9-months to 30 September 2024 £000
Loss after tax	(97,227)	(33,296)
Adjusted for:		
Balance sheet realisations in the period	181,410	298,050
Income from investments at amortised costs	(30,163)	(33,879)
Income from real estate investments	(405)	(2,066)
Fair value gains	(39,897)	(40,564)
Net impairment gain	(3,970)	(1,404)
Share of profit in portfolio joint venture	(6,837)	(8,922)
Gain on sale of subsidiary	–	(1,029)
Gain on disposal of intangible assets	249	87
Profit on write-off and disposal of property, plant and equipment	(23)	914
Depreciation and amortisation	21,660	26,849
Net interest payable	94,732	78,934
Lease liability interest	1,550	1,422
Deferred remuneration unwind	–	6,887
Foreign exchange losses/(gains)	31,807	(7,652)
Derivative fair value movements	14,805	–
Tax charge/(credit)	1,504	(3,166)
Operating cash flows before movement in working capital	**169,198**	**281,165**
Increase in other receivables	(6,761)	(44,547)
Decrease in trade and other payables	(6,105)	(8,095)
Cash generated by operations	**156,332**	**228,523**
Income taxes and overseas taxation payable	(3,039)	(2,843)
Net cash flow from operating activities before purchases of loan portfolios	**153,293**	**225,680**
Purchases of investments	(174,851)	(133,499)
Net cash generated by operating activities	**(21,558)**	**92,181**

Included within cash and cash equivalents is £7,027,000 (Q3 2024: £6,855,000) of cash, which may be subject to constraints regarding when the balance can be remitted, such as cash in a consolidated securitisation structure awaiting a payment date.

Notes to the consolidated financial statements (*continued*)

7. Post Balance Sheet Events

On 1 October 2025, the Group entered into an agreement to dispose of its wholly-owned non-core subsidiary, Zenith Global SpA, with completion expected in Q1 2026. The sale, which remains subject to regulatory approval, reflects Arrow's strategic focus on investing in businesses that are core to its fund management activities. Zenith was acquired by Arrow in 2017 and has grown under the Group's ownership to circa 200 employees and revenue of €16 million during H1 2025.

Sale proceeds (before transactional costs) will be circa €110 million, with the final proceeds based upon 14 times the full year 2025 normalised EBITDA result for the business plus certain working capital adjustments and will reduce Arrow's third party asset-management EBITDA by circa €7.5 million on a go-forward basis once the sale is concluded. The sale will result in a profit on disposal, which will be shown as an adjusting item upon completion, and will be circa €50 million, subject to finalisation of the disposal price.

In addition, Arrow and the acquirer have entered into a five-year commercial arrangement going forward, in particular ensuring Zenith continues sourcing investment opportunities for Arrow. Alongside these arrangements, Arrow retains strong market access in the Italian market, through its wholly owned subsidiaries, Europa Investimenti and Sagitta SGR, and through iQera's Italian business, majority owned by Arrow Credit Opportunities II. As such, the Group does not expect any impact to the level of origination or servicing capabilities of discretionary fund investments as a result of the sale.

As execution of the agreement occurred after 30 September 2025, the subsidiary was not classified as held for sale at the reporting date, with the transaction representing a non-adjusting post balance sheet event under IAS 10. No adjustments have been made to the consolidated financial statements as at 30 September 2025.

On 18 November 2025 all of the outstanding 2021 senior secured notes were subsequently redeemed in full and at par.

Notes to the consolidated financial statements (*continued*)

Additional information (unaudited)

The adjusted EBITDA reconciliations for the periods ended 30 September 2025 and 30 September 2024 respectively are shown below:

Reconciliation of net cash flow to Adjusted EBITDA	30 September 2025 £000	30 September 2024 £000
Net cash flow used in operating activities	(21,558)	92,181
Investment purchases and movement in investments awaiting deployment[1]	174,851	133,499
Income taxes paid	3,039	2,843
Working capital adjustments	12,866	52,641
Operating cash adjusting items	–	1,324
Adjusted EBITDA	**169,198**	**282,488**
Reconciliation of balance sheet cash realisations to Adjusted EBITDA		
Fund and Asset Management income	229,605	193,309
Income from portfolio investments including fair value and impairment losses and gains	81,269	86,835
Portfolio amortisation	100,141	211,215
Balance sheet cash realisations (includes proceeds from disposal of portfolio investments)	**181,410**	**298,050**
Gain on disposal of subsidiary and other income	654	1,660
Operating expenses excluding foreign exchange losses/(gains) and derivative fair value movements	(264,357)	(245,564)
Depreciation and amortisation	21,661	26,849
Net loss on disposal and write off intangible assets and property, plant and equipment	225	1,001
Operating adjusting items	–	7,181
Adjusted EBITDA	**169,198**	**282,488**
Reconciliation of operating profit to Adjusted EBITDA		
Loss after tax	(97,227)	(33,296)
Net finance costs	96,282	80,356
Tax credit on ordinary activities	1,504	(3,166)
Operating (loss)/profit	**559**	**43,894**
Portfolio amortisation	100,141	211,215
Depreciation and amortisation	21,661	26,849
Foreign exchange losses/(gains)	31,807	(7,652)
Derivative fair value movements	14,805	–
Net loss/(gain) on disposal and write off of intangible assets and property, plant and equipment	225	1,001
Operating adjusting items	–	7,181
Adjusted EBITDA	**169,198**	**282,488**

[1] *Investments awaiting deployment relates to movements in cash held in an investment vehicle, in anticipation of purchasing portfolio investments, which have not yet completed at the period end.*

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Additional information (unaudited) *(continued)*

Loss before adjusting items

	9-months to 30 September 2025 £000	9-months to 30 September 2024 £000
Total income	**314,399**	**285,139**
Operating expenses	**(253,551)**	**(220,000)**
Operating profit (pre foreign exchange and derivative fair value movements)	**60,848**	**65,139**
Foreign exchange translation (loss)/gain	(31,807)	7,652
Derivative fair value movement	(14,805)	–
Operating profit	**14,236**	**72,791**
Net finance costs	(96,282)	(80,210)
Loss before tax and adjusting items	**(82,046)**	**(7,419)**
Taxation charge on underlying activities	(3,586)	964
Loss after tax before adjusting items	**(85,632)**	**(6,455)**
Non-controlling interest	(22)	126
Loss attributable to owners of the company	**(85,655)**	**(6,329)**
Tax rate on results before adjusting items	**(4.4%)**	**13.0%**

Reconciliation between IFRS profit and profit before adjusting items:

	9-months to 30 September 2025			9-months to 30 September 2024		
	Loss before tax £000	Tax £000	Loss after tax £000	Loss before tax £000	Tax £000	Loss after tax £000
IFRS loss	**(95,723)**	**(1,504)**	**(97,227)**	**(36,462)**	**3,166**	**(33,296)**
Adjusting items:						
Maslow acquisition costs	-	-	-	7,591	-	7,591
Acquisition costs related to the TDR takeover	13,677	-	13,677	21,862	-	21,862
Net other acquisition income		-		(410)	-	(410)
Tax associated with adjusting items	-	(2,082)	(2,082)	-	(2,202)	(2,202)
Loss before adjusting items	**(82,046)**	**(3,586)**	**(85,632)**	**(7,419)**	**964**	**(6,455)**

Adjusting items are those items that by virtue of their size, nature or incidence (i.e. outside the normal operating activities of the Group) are not considered to be representative of the ongoing performance of the Group and these items are excluded to get to the profit before adjusting items.

The acquisition of the Group by TDR created ongoing non-cash acquisition intangible and fair value or other accounting unwinds.

The acquisition of Maslow occurred through an initial 49% acquisition and subsequently via the exercise of the option to acquire the remaining 51%. Maslow acquisition costs in 2024 relate to the unwind of the contingent earn-out payments.

Total acquisition cost in the 9 months to Q3 2025 amounted to £13.7 million (Q3 YTD 2024: £29.0 million).

Additional information (unaudited) *(continued)*

Reconciliation of loss after tax to the free cash flow result

The table below reconciles the reported loss after tax for the period to the cash result.

Income	Reported profit £000	Other items £000	Free cash flow £000	
Fund and Asset Management income	229,605	–	229,605	Income from integrated fund and asset management income
Total income from investments	81,269	100,141	181,410	Realisations in the period
Other income	654	–	654	
Total income [1]	**311,528**	**100,141**	**411,669**	
Total operating expenses	(310,969)	68,498[2]	(242,471)	Cash operating expenses
Operating profit	**559**	**168,639**	**169,198**	Adjusted EBITDA [4]
Net finance costs	(96,282)	10,344[3]	(85,938)	
(Loss)/profit before tax	**(95,723)**	**178,983**	**83,260**	
Taxation charge on ordinary activities	(1,504)	(1,535)	(3,039)	
(Loss)/profit after tax	**(97,227)**	**177,448**	**80,221**	
			(11,254)	Capital expenditure
			68,967	**Free cash flow** [5]

[1] *Total income is largely derived from income from portfolio investments plus income from managing portfolios for our discretionary funds and other third parties, and income from asset management and servicing, being commission on balance sheet cash realisations for third parties and fee income received. The other items add back loan portfolio amortisation to get to balance sheet cash realisations. Amortisation reflects a reduction in the statement of financial position carrying value of the portfolio investments arising from balance sheet cash realisations, which are not allocated to income. Amortisation plus income from portfolio investments equates to balance sheet cash realisations.*

[2] *Includes non-cash items including depreciation and amortisation and foreign exchange.*

[3] *Non-cash amortisation of fees and interest*

[4] *Adjusted EBITDA is a key driver to free cash flow. This measure allows us to monitor the operating performance of the Group.* *See page 20 for detailed reconciliations of adjusted EBITDA.*

[5] *Free cash flow is the adjusted EBITDA after the effect of capital expenditure, financing costs and taxation.*

Glossary of alternative performance measures

APM	Definition	Why is the measure used?
Adjusted EBITDA	The Adjusted EBITDA figure represents the Group's earnings before interest, tax, depreciation and amortisation (including investment portfolio amortisation), adjusted for any non-cash income or expense items and adjusting items.	Adjusted EBITDA is an approximate measure of the underlying cash EBITDA of the Group. In addition, the leverage ratio of the Group is calculated as the ratio of secured net debt to Adjusted EBITDA. This makes the Adjusted EBITDA figure a key component of this metric, which also features in the Group's banking covenant measures.
Free cash flow	The free cash flow represents current cash generation on a sustainable basis and is calculated as Adjusted EBITDA less cash interest, income taxes and overseas taxation paid, purchase of property, plant and equipment and purchase of intangible assets.	Free cash flow provides a measure of how much cash the Group generates across the reporting period which it can utilise on a discretionary basis.
Balance sheet cash realisations	Balance sheet cash realisations represent cash receipts on the Group's portfolio investments including realisations on the Group's co-investment into ACO 1, ACO 2, AREO 1, AREO 2 and ALO 1, portfolio sales and put-backs.	Balance sheet cash realisations is a key metric as it represents the Group's most significant cash inflow. It is also a key component of Adjusted EBITDA which is used to calculate the Group's leverage position.
Expected 120-month cumulative realisations	The expected 120-month cumulative realisations means the Group's estimated remaining balance sheet cash realisations on portfolio investments (of all classifications) over the next 120-months, representing the expected future balance sheet cash realisations on portfolio investments during this period. The expected future balance sheet cash realisations are calculated at the end of each month, based on the Group's proprietary expected cumulative realisations forecasting model, as amended from time to time.	The expected 120-month cumulative realisations is an important metric for the Group as this is the period used to value FVTPL portfolio investments, which is now the Group's most significant portfolio asset class. Additionally, the realisation profile of amortised cost portfolios can extend beyond 84-months, and as such, the 120-month expected cumulative realisations gives a more holistic view of potential remaining balance sheet cash realisations from the Group's portfolio investments.
Expected 84-month cumulative realisations	The expected 84-month cumulative realisations means the Group's estimated remaining balance sheet cash realisations on portfolio investments (of all classifications) over the next 84-months, representing the expected future balance sheet cash realisations on portfolio investments during this period. The expected future balance sheet cash realisations are calculated at the end of each month, based on the Group's proprietary expected cumulative realisations forecasting model, as amended from time to time.	The expected 84-month cumulative realisations shows the forecast cash inflows over the same period that is used to calculate the future cash flows of the Group's amortised cost portfolio investments.
Leverage	Leverage is calculated as secured net debt over Adjusted EBITDA.	The leverage metric provides an indication of the level of indebtedness of the Group, relative to its underlying cash earnings.
Underlying profit/loss	This is the profit/loss excluding adjusting items. Adjusting items are those items that by virtue of their size, nature or incidence (i.e. outside the normal trading activities of the Group)	The underlying profit/loss gives an indication of the trading performance of the Group.

Glossary of other items

'ACO 1' is Arrow Credit Opportunities SCSp SICAV-RAIF and related investment vehicles, our first closed fund.

'ACO 2' is our second closed fund, Arrow Credit Opportunities II SCSp, SICAV-RAIF, and related investment vehicles.

'AREO' is our Real Estate Opportunity discretionary fund, Arrow Real Estate Opportunities I SCSp, SICAV-RAIF.

'ALO' is our discretionary real estate lending funds, Arrow Lending Opportunities 1 A SCSp, SICAV-RAIF, Arrow Lending Opportunities 1 B SCSp, SICAV-RAIF, Arrow Lending Bridging SCSp, SICAV-RAIF, and related investment vehicles.

'Adjusted EBITDA' see the glossary of alternative performance measures on page 23 for the definition.

'APM' means alternative performance measure.

'Capital-light income' income and costs associated with managing Investment portfolios on behalf of the Group, our discretionary funds and other third parties, the income and costs associated with providing other servicing activities to third parties and income and costs associated with investment and asset management.

'CGU' means cash generating unit.

'**Deal IRR (after servicing costs)**' means the internal rate of return adjusted for actual realisations and the latest expected cumulative realisations. This is post-servicing fee, but pre-management fees, carry/performance fees and other fund level costs.

'EBITDA' means earnings before interest, taxation, depreciation and amortisation.

'ECL' means expected credit losses.

'EIR' means effective interest rate (which is based on the portfolio investment's gross internal rate of return) calculated using the portfolio investments purchase price and forecast gross expected cumulative realisations at the date of purchase.

'Expected cumulative realisation' means Estimated Remaining Collections. See the glossary of alternative performance measures on page 23 for the definition of 84-month expected cumulative realisation and 120-month expected cumulative realisations.

'FCA' means the Financial Conduct Authority.

Funds under management (FUM) 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 business (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' capital committed.

'FVOCI' means fair value through other comprehensive income.

'FVTPL' means financial instruments designated at fair value with all gains or losses being recognised in the profit or loss.

Glossary of other items (*continued)*

'Free cashflow' or **'FCF'** means Adjusted EBITDA after the effects of capital expenditure, financing and tax cash impacts.

'FY' means full year being the 12 months to 31 December.

'HPI' means house price index.

'IAS' means international accounting standards.

'IFRS' means UK adopted international financial reporting standards.

'Leverage' is secured net debt to Adjusted EBITDA. See the glossary of alternative performance measures on page 23 for more detail.

'Liquidity headroom' is cash on balance sheet, excluding the reclassified cash as detailed in the unaudited consolidated statement of cash flows, together with headroom on committed facilities.

'NCI' means non-controlling interest.

'Net debt' means the sum of the outstanding principal amount of the senior secured notes and asset-backed loans, interest thereon, amounts outstanding under the revolving credit facility and deferred consideration payable in relation to the acquisition of portfolio investment, less cash and cash equivalents. Net debt is presented because it indicates the level of debt after removing the Group's assets that can be used to pay down outstanding borrowings, and because it is a component of the maintenance covenants in the revolving credit facility. The breakdown of net debt as at 30 September 2025 is as follows:

	30 September 2025 £000	**31 December 2024 £000**
Cash and cash equivalents	(100,832)	(87,570)
Senior secured notes (pre-transaction fees net off)	1,512,661	1,352,554
Revolving credit facility (pre-transaction fees net off)	68,069	18,000
Secured net debt	**1,479,898**	**1,282,984**
Deferred consideration – portfolio investments	742	703
Senior secured loan notes interest	17,382	6,750
Bank overdrafts	590	5,734
Other borrowings	7,981	7,436
Net debt	**1,506,593**	**1,303,607**
Proforma Net debt[1]	**1,410,592**	**n/a**

[1] *Proforma Net debt reflects proceeds of £96 million (€110 million) arising from the sale of Zenith Global SpA. See note 7 for further details.*

Glossary of other items (*continued)*

‘NPL’ means non-performing loan.

‘NPV’ means net present value.

‘Off-market’ means those loans that were not acquired through a process involving a competitive bid or an auction like process.

‘POCI’ means purchased or originated credit impaired.

‘Portfolio amortisation’ represents total balance sheet cash realisations plus income from portfolio investments.

‘Portfolio investments’ are on the Group’s statement of financial position and represent all Investment portfolios that the Group owns at the relevant point in time. Example portfolios comprise of groups of customer accounts or real estate, purchased in a single transaction.

‘REO’ means a real estate owned assets.

‘Secured net debt’ see table in ‘Net debt’ definition.

‘SPPI’ means solely payments of principal and interest.

‘Translation reserve’ comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.