

AFE S.A. SICAV-RAIF ("AFE") Results for period H1 2025

AFE

AFE invests in a diverse range of primarily non-performing debt and real estate assets across the UK and Europe. AFE has broad based expertise spanning unsecured and secured consumer, SME and corporate debt as well as real estate equity. AFE was acquired by funds managed by Arrow Global Group Capital Management Limited ("AGGCM") in February 2024. AGGCM is the fund manager of Arrow Global ("Arrow"), a leading European alternative asset manager specialising in private credit and real estate. AFE now benefits from the wide network, extensive track record and expertise in origination, underwriting and asset management that Arrow Global has developed since inception.

Key Highlights

- Realisations in H1 2025 of €38.1m
 - €3.1m up on prior year (€35.0m in H1 2024)
- Invested Capital of €14.7m in H1 2025
 - Acquired €8.4m nominal value of Senior Secured Notes during Q1 2025
 - Continued investment in existing real estate assets, with €10.4m investment in H1 2025
- Revenue of €15m in H1 2025
 - Q1 gain arising on bond buybacks offset by impairments in Q2 relating to inherited minority position in real estate assets, primarily due to a delay in 2025 expected realisations
- Delivered efficiency with operating expenses €2m/23% lower than prior year
- As disclosed previously, AFE continues to evaluate its options to improve its overall credit strength and long-term sustainability, including opportunities to further reduce its debt through repurchases of its outstanding notes in the open market through privately negotiated transactions, tender offers or otherwise, which may occur from time to time at prices below par

Financial Highlights	H1 2025	H1 2024	Change
Revenue (€m)	14.9	16.5	(10%)
Collection activity cost (€m)	(5.7)	(6.1)	7%
Other Operating Expenses (€m)	(6.6)	(8.6)	23%
(Loss)/Profit before exceptionals & finance costs	2.6	1.8	43%
Finance Costs (Incl. PIK and FX) (€m)	(31.3)	(25.6)	(22%)
(Loss)/Profit before tax & exceptionals	(28.6)	(23.8)	(20%)

	H1 2025	H1 2024	Change
ERC (€m)	428.3	486.9	(12%)
Total core collections (€m)	38.1	35.0	9%
Adjusted EBITDA (€m)	25.6	21.7	18%
Net Debt (€m)	484.7	444.8	9%
LTV	113 %	91 %	(22%)

Results Presentation – Conference call details

A presentation is available on the Company's [website](#).

There will be a conference call for bondholders at 10am (UK time) on 29 August 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.

Disclaimer

This document is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities. This document is not intended to contain all information that may be deemed material by investors in the context of our results of operations.

Disclosure regarding forward-looking statements

Various statements contained in this document constitute "forward-looking statements." All statements other than statements of historical fact included in this presentation, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular countries), plans, projects to enhance efficiency, the impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this financial report, the words "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimates," "positioned," "strategy" and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. Any forward-looking statements are only as at the date of the particular statement and we do not intend, and do not assume any obligation to update the forward-looking statements set out in this financial report.

Industry and market information

We operate in an industry in which it is difficult to obtain precise industry and market information. We may rely on and refer to certain economic information, information regarding our industry and information regarding the markets in which we operate and compete. In addition, we may make statements regarding our industry and our position in the industry based on our experience and our own investigation of market conditions. We cannot assure you that the assumptions forming the basis of these statements are accurate or correctly reflect our position in the industry, and none of our internal surveys or information is verified by any independent sources.

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 AFE. In addition, the leverage ratio of AFE is calculated as the ratio of secured net debt to Adjusted EBITDA. This makes the Adjusted EBITDA figure a key component of this metric.
ERC	The ERC means the Group's estimated remaining balance sheet cash collections on portfolio investments (of all classifications), representing the expected future balance sheet cash collections on portfolio investments during this period. The expected future balance sheet cash collections are calculated at the end of each month, based on the Group's proprietary ERC forecasting model, as amended from time to time.	The ERC is particularly important for AFE as it shows the forecast cash inflows over the same period.
Leverage	Leverage is calculated as secured net debt over Adjusted EBITDA.	The leverage metric provides an indication of the level of indebtedness of AFE, relative to its underlying cash earnings.