



AFE

# AFE S.A. SICAV-RAIF: H1 2025

Bondholder Presentation

August 2025

# Introduction and Agenda

## Welcome

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► Speaker Introduction:

- Zach Lewy (CEO, CIO, Fund Principal – Arrow Global)
- Meera Savjani (Fund CFO – AGGCM)

► Agenda:

- H1 2025 Financial Results



**Zach Lewy,**  
CEO, CIO, Fund Principal (Arrow)



**Meera Savjani,**  
Fund CFO (AGGCM)

# Leverage and Outlook

## Key Highlights

- ▶ Efficiency gains delivered with operating expenses right-sized to a current annualised run rate of circa €13m in 2025 (€17m 2024)
- ▶ Realisations delivered since new ownership of €107m with 71% of remaining Real Estate related ERC are inherited minority positions – AFE remains reliant upon majority holder wanting to sell
- ▶ Investments since new ownership of €57m which includes acquisition of €11m nominal value of Senior Secured Notes and €52m investment with €88m of ERC added
  - Impact from investments have been outweighed by ongoing interest, operational costs, and impairment of ERC, leading to an increase in LTV from 91% to 113%
- ▶ 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

|                      | H1 2025<br>€'m | H1 2024<br>€'m |
|----------------------|----------------|----------------|
| ERC                  | 428.3          | 486.9          |
| Secured Net Debt     | 484.7          | 444.8          |
| LTV (Net Debt / ERC) | 113%           | 91%            |
| Leverage             | 11.6x          | 11.8x          |

# Financial Summary

## H1 2025 Financial 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

## Financial Metrics

| AFE Performance                                    | H1 2025<br>€'m | H1 2024<br>€'m | Change<br>€'m |
|--|----------------|----------------|---------------|
| Collections  | 38.1           | 35.0           | +3.1          |
| Adjusted EBITDA                                    | 25.6           | 21.7           | +4.0          |
| Invested Capital                                   | 14.7           | 29.1           | -14.4         |
|  |                |                |               |
| Revenue  | 14.9           | 16.5           | -1.6          |
| Collection activity cost                           | (5.7)          | (6.1)          | +0.4          |
| Operating expenses                                 | (6.6)          | (8.6)          | +2.0          |
| <b>Profit pre-exceptionals &amp; finance costs</b> | <b>2.6</b>     | <b>1.8</b>     | <b>+0.8</b>   |
| Finance costs (incl. PIK and FX)                   | (31.3)         | (25.6)         | -5.6          |
| <b>Loss before tax &amp; exceptionals</b>          | <b>(28.6)</b>  | <b>(23.8)</b>  | <b>-4.8</b>   |



# Appendices

# Appendix 1 – Net Debt movement

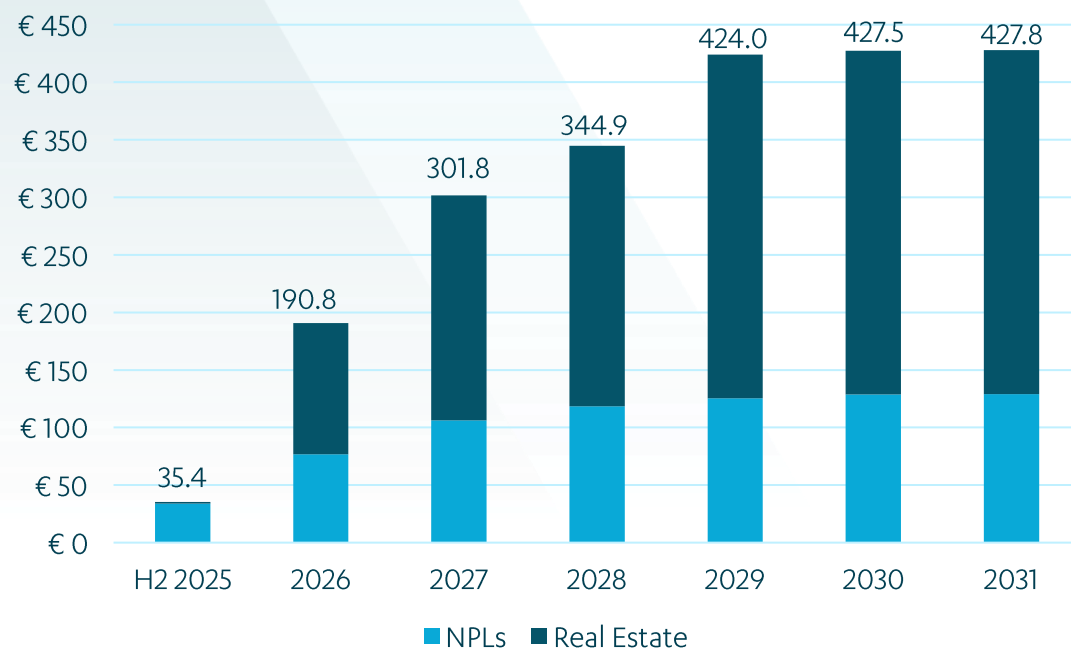
## Net Debt movement in quarter

- Net debt increased by €16m to €485m in Q2 2025, driven by the quarterly PIK and lower collections vs opex costs and cash coupons in quarter

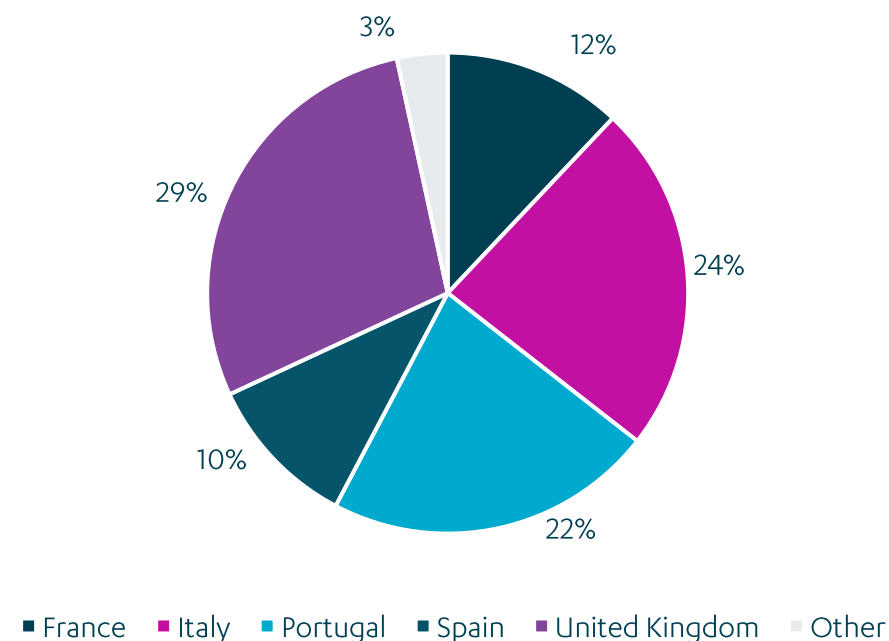
| Net debt                                 | Q2 2025<br>€'m | Q1 2025<br>€'m | Change<br>€'m |
|--|----------------|----------------|---------------|
| Bond Notes                               | 331.9          | 331.9          | -             |
| Revolving Credit Facility                | 167.0          | 162.2          | +4.8          |
| <b>Total debt</b>                        | <b>499.0</b>   | <b>494.2</b>   | <b>+4.8</b>   |
| Cash at bank                             | (8.3)          | (19.2)         | -10.9         |
| Cash held at servicers                   | (6.2)          | (6.5)          | -0.3          |
| Cash collected on behalf of co-investors | 0.2            | 0.2            | -             |
| <b>Net debt</b>                          | <b>484.7</b>   | <b>468.6</b>   | <b>+16.0</b>  |
|  |                |                |               |
| LTV                                      | 113%           | 107%           | +6%           |

# Appendix 2 - Updated ERC for June 2025 at €428 million

**Cumulative ERC profile (existing assets) €'m**

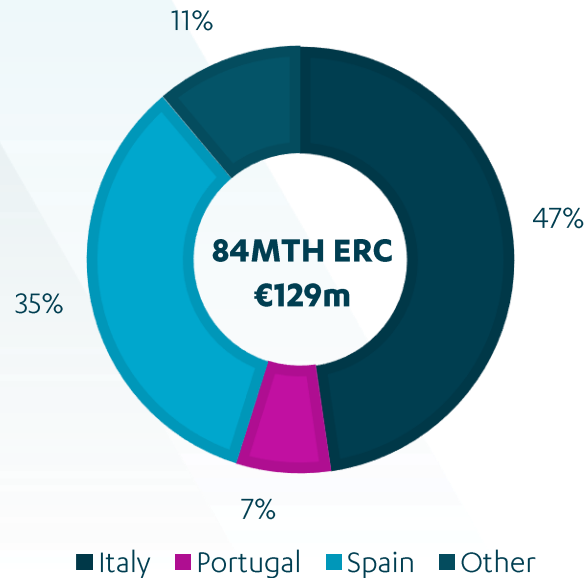


**ERC split by geography**

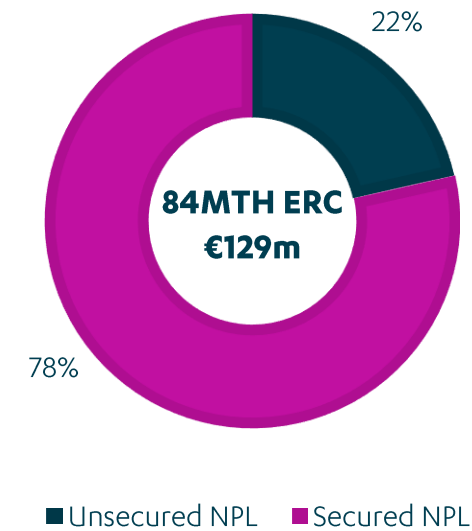


## Appendix 3 - Highly seasoned, cash generative NPL portfolio

NPL ERC BY GEOGRAPHY



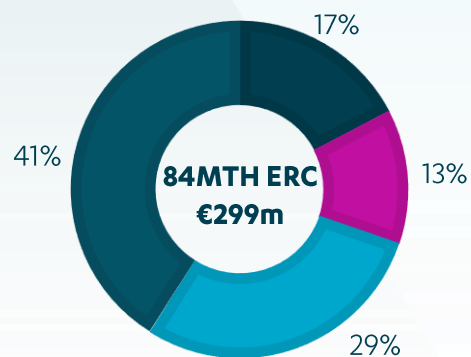
NPL ERC BY ASSET COMPOSITION





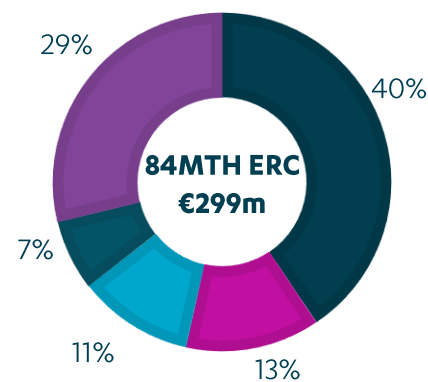
# Appendix 4 - Diversified portfolio of real estate

REAL ESTATE ERC BY GEOGRAPHY



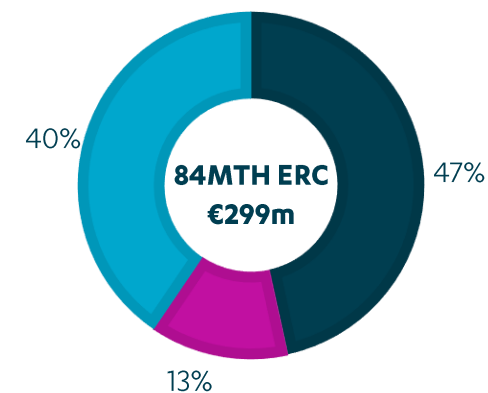
■ France ■ Italy ■ Portugal ■ United Kingdom

REAL ESTATE ERC BY ASSET TYPE



■ Office ■ Residential ■ Retail ■ Mixed Use ■ Mixed Use\*

REAL ESTATE ERC BY STRATEGY



■ Core Plus ■ Development ■ Value Add



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### Debt investors

For all investor relations enquiries contact: [afe-treasury@arrow-afe.com](mailto:afe-treasury@arrow-afe.com)

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