

ARROW
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AFE

Consolidated Financial Statements (unaudited)

AFE S.A. SICAV-RAIF

For the period from 1 January 2024 to 31 March 2024

R.C.S. Luxembourg B216080
43-45, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

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General Information

Fund

AFE S.A. SICAV-RAIF
43-45, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Alternative Investment Fund Manager (“AIFM”)

Carne Global Fund Managers (Luxembourg) S.A.
3, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Custodian, Depositary Bank

RBS International Depositary Services S.A.
40, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Depositary

RBS International Depositary Services S.A.
Luxembourg Branch
The Square, Building A – 40 Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Portfolio Manager

Carne Global Fund Managers (Luxembourg) S.A.
3, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Audrey Lewis
Graham Parry-Dew
Christopher Ross-Roberts
Eric Verret
Anthony Place
James Culshaw (appointed 9 February 2024)

Board of Directors of the AIFM and Portfolio Manager

Anouk Agnes
John Alldis
Veronica Buffoni
Jacqueline O’Connor
Glenn Thorpe

Administrative Agent

Belasko Luxembourg S.a.r.l
43-45, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Investment Advisor

Since 9 February 2024:
AGG Capital Management Limited
27 Esplanade
St. Helier
Jersey
JE1 1SG

Until 21 December 2023:

Veld Capital Limited
105 Wigmore Street
London
W1U 1QY

Fund Performance Summary (Unaudited)

	Quarter Ended 31 March 2024	Quarter Ended 31 March 2023
	EUR '000	EUR '000
84-month attributable ERC	478,564	538,759
Cumulative purchases of loan portfolios and loan notes	756,663	715,744
Number of investments	66	67
Number of accounts	102,034	207,996
Total attributable collections	18,309	16,080
Operating expenses	8,390	10,859
Collection cost ratio	46%	68%
Adjusted EBITDA	10,824	6,231
LTM Adjusted EBITDA	44,181	111,301
LTM Net interest expenses	22,807	21,198

Net Debt

The Notes	343,214	307,500
Revolving Credit Facility	132,979	79,002
Term Facility	-	3,325
Less:		
Cash at bank	-32,632	-13,745
Cash held on AFE's account at servicers' and others	-10,262	-6,990
Cash collected on behalf of secured loan note holders	604	223
Net Debt	433,903	369,315

Key Facts

	Quarter Ended 31 March 2024	Quarter Ended 31 March 2023
LTV ratio at period end	90.67%	68.55%
Adjusted EBITDA leverage ratio	9.82	3.32
Fixed charge cover ratio ("FCCR")	1.94	5.25

Consolidated Statement of Comprehensive Income (Unaudited)

	Quarter ended 31 March 2024	Quarter ended 31 March 2023
	EUR '000	EUR '000
Revenue		
Interest income from purchased loan portfolios	4,849	7,937
Interest income from purchased loan notes	191	212
Interest income on loans to joint ventures at amortised cost	2,601	3,075
Fair value (loss)/gain on investments in joint ventures at FVPL	(24,713)	4,414
Other income	905	1,240
Total Revenue	(16,167)	16,878
Expenses		
Collection activity costs	(3,813)	(5,647)
Impairment loss	(1,478)	-
Net foreign exchange gain	1,755	1,055
Other operating expenses	(4,577)	(5,212)
Total Expenses	(8,113)	(9,804)
Operating (Loss)/Profit	(24,280)	7,074
Finance costs		
Finance costs	(13,081)	(8,700)
Exceptional items - restructuring costs	(37,268)	-
Share of loss in joint venture accounted for using equity method	(23,262)	-
Loss Before Tax	(97,891)	(1,626)
Tax charge		
Tax charge	(207)	(39)
Comprehensive Loss for the year	(98,098)	(1,665)

Consolidated Statement of Financial Position (Unaudited)

	As at 31 March 2024	As at 31 December 2023
	EUR '000	EUR '000
Assets		
Non-current assets		
Property, plant and equipment	72	90
Investments in joint ventures at amortised cost	57,111	47,535
Investments in joint ventures at FVPL	93,953	103,518
Participation in joint ventures	30,118	61,168
Goodwill	770	770
Total non-current assets	182,024	213,081
Current assets		
Cash and cash equivalents	32,632	22,635
Trade and other Receivables	14,072	31,463
Tax receivable	344	389
Other assets	3,737	3,928
Purchased loan portfolios	62,872	65,044
Purchased loan notes	6,139	6,869
Investments in joint ventures at amortised cost	32,031	33,196
Inventory	20,771	21,758
Total current assets	172,598	185,282
Total Assets	354,622	398,363
Liabilities		
Non-current liabilities		
Borrowings	468,573	-
Secured loan notes	8,332	9,019
Total non-current liabilities	476,905	9,019
Current liabilities		
Borrowings	6,519	407,635
Secured loan notes	847	562
Trade and other payables	9,032	21,730
Tax provisions	1,688	1,688
Total current liabilities	18,086	431,615
Total Liabilities	494,991	440,634
Equity		
Share capital	1,250	1,250
Retained earnings	(141,619)	(43,521)
Total equity	(140,369)	(42,271)
Total equity and liabilities	354,622	398,363

Consolidated Statement of Cash Flows (Unaudited)

	Quarter ended 31 March 2024	Quarter ended 31 March 2023
	EUR '000	EUR '000
Cash flows from operating activities		
Loss before tax	(97,891)	(1,626)
Adjustments for:	-	-
Interest income from purchased loan portfolios	(4,849)	(7,937)
Interest income from purchased loan notes	(191)	(212)
Interest income from joint ventures	(2,601)	(3,075)
Fair value movement of investment in joint ventures at FVPL	24,713	(4,414)
Impairment losses	1,478	-
Finance costs	13,081	8,700
Exceptional items - restructuring costs	37,268	-
Unrealised foreign currency gain	(1,893)	(1,132)
Share of profit in joint venture accounted for using equity method	23,262	-
	(7,623)	(9,696)
Operating cash flows before movements in working capital		
Change in trade and other receivables	16,087	17,931
Change in trade and other payables	(12,698)	(4,988)
	(4,234)	3,247
Cash used in operating activities before collections and purchases		
Taxes paid	(551)	(319)
Collections in the period - sale of inventory	1,764	1,469
Collections in the period - loans	15,086	11,628
Collections in the period - joint ventures	2,063	2,976
Acquisition of purchased loan notes	-	(312)
Acquisition of joint ventures	(22,549)	(4,300)
	(8,421)	14,389
Net cash (used in)/generated from operating activities		
Cash flows from financing activities		
Proceeds from borrowings	39,516	1,137
Repayment of borrowings	(2,282)	(13,696)
Senior Secured Notes issued	24,019	-
Repayment of secured loan notes	(357)	(245)
Finance costs paid	(7,167)	-
Exceptional items - restructuring costs paid	(35,311)	(6,646)
	18,418	(19,450)
Net cash generated from/(used in) financing activities		
Net movements in cash and cash equivalents	9,997	(5,061)
Cash and cash equivalents at the beginning of the period	22,635	18,806
	32,632	13,745
Cash and cash equivalents at the end of the period		

Consolidated Statement of Changes in Equity (Unaudited)

	Share Capital	Retained Earnings	Total Equity
	EUR '000	EUR '000	EUR '000
Balance as at 1 January 2024	1,250	(43,521)	(42,271)
Comprehensive loss for the period	-	(98,098)	(98,098)
Balance as at 31 March 2024	1,250	(141,619)	(140,369)

Comparative figures from 1 January to 31 March 2023

	Share Capital	Retained Earnings	Total Equity
	EUR '000	EUR '000	EUR '000
Balance as at 1 January 2023	1,250	9,649	10,899
Comprehensive loss for the period	-	(1,665)	(1,665)
Balance as at 31 March 2023	1,250	7,984	9,234

Reconciliation of Core collections to Normalised EBITDA (Unaudited)

	Quarter ended 31 March 2024	Quarter ended 31 March 2023
	EUR '000	EUR '000
Core Collections in the year	18,913	16,073
Other income	905	1,240
Operating expenses	(8,113)	(9,804)
Net foreign currency movements	(1,755)	(1,055)
Impairment loss	1,478	-
Cash collected on behalf of secured loan noteholders	(604)	(223)
Adjusted EBITDA	10,824	6,231
Less: Assets disposals	-	-
Normalised Adjusted EBITDA	10,824	6,231