

Pollen Street Group Limited Q4 Trading Update

Pollen Street Group Limited (“Pollen Street” or the “Group”) today issues its trading update for the quarter ended 31 December 2023.

Highlights

- Fundraising is progressing well across Private Equity and Private Credit.
 - Fundraising for the Private Equity strategy has been strong having secured commitments in excess of £1.3 billion since 30 June 2023 across the Continuation Vehicle and Fund V
 - We are approaching first close for Private Credit fund IV ahead of plan and have recently closed a £225 million separately managed account (“SMA”) under the Credit Strategy to support strong momentum in AuM throughout 2024
- Deployment is also strong with Fee-Paying AuM closing the period at £3.4 billion, up 36 per cent from £2.5 billion as at 31 December 2022
- The Investment Company returns remain robust with stable credit performance and rising yields

Asset Manager

The Private Equity and Private Credit strategies are performing well. Private Equity fundraising is progressing well with commitments of approximately half the target secured, and we remain confident in reaching the full €1 billion. In Private Credit, we have recently closed a £225 million SMA and expect to hold the first close of Private Credit fund IV in the first half of 2024, giving clear line of sight to Credit AuM growth across 2024. The AuM on an investor commitment basis as at 31 December 2023 was £4.2 billion, up 24 per cent from £3.4 billion as at 31 December 2022. We expect this momentum to continue. We are also seeing attractive deployment opportunities across both strategies, bringing Fee-Paying AuM to £3.4 billion as at 31 December 2023, which results in Average Fee-Paying AuM of £2.9 billion for the year.

Investment Company

The Return on Net Investment Assets was consistent for Q4 resulting in 8.8 per cent return for 2023. The return was driven by a strong risk-adjusted yield of 11.3 per cent in 2023, up from 9.4 per cent in 2022, an increase of 2 per cent, reflecting the re-pricing of facilities into the higher interest rate environment.

We have committed over £120 million of the Investment Company's balance sheet into Pollen Street managed funds to support the fundraising efforts of the Asset Manager. We have also created capacity for a commitment into the first close of Private Credit fund IV. This has resulted in Net Debt to Tangible Equity reducing to 54 per cent as at 31 December 2023 compared to 69 per cent as at 31 December 2022.

Performance remains strong, benefitting from the senior secured strategy, even amidst a changing macroeconomic environment. The portfolio remains well positioned with a good pipeline of opportunities.

About Pollen Street Group Limited

Pollen Street is an alternative asset manager dedicated to investing with the financial and business services sectors across both Private Equity and Private Credit strategies. The business was founded in 2013 and has consistently delivered top tier returns alongside growing AuM.

Pollen Street benefits from a complementary set of asset management activities focused on managing third-party AuM (the “Asset Manager”) and on-balance sheet investments (the “Investment Company”).

The Asset Manager raises capital from top tier investors and deploys it into its Private Equity and Private Credit strategies. The strong recurring revenues from this business enable delivery of scalable growth.

The Investment Company invests in the strategies of the Group delivering attractive risk adjusted returns. Today the portfolio is a well-diversified pool of primarily senior asset-backed credit assets generating strong returns at conservative loan to value ratios (“LTVs”). The portfolio consists of both direct investments and investments in funds managed by Pollen Street.

POLN is listed on the London Stock Exchange (ticker symbol: POLN). Further details are available at www.pollenstreetgroup.com.

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