

Pollen Street plc Q3 trading update

Pollen Street plc ("Pollen Street" or "the Group") today issues its trading update for the three months ended 30 September 2022 ("Q3").

Lindsey McMurray, Chief Executive of Pollen Street commented: "*Pollen Street has continued to grow over Q3 with AuM under the credit strategy increasing at a rate of 30% to 40% per annum over the year to date. AuM for the Group closed the period at £3.3bn. As we look ahead we are confident in a resilient outlook for our newly combined entity and that we will continue to see growth in line with guidance.*"

Highlights

- Pollen Street plc is a listed alternative asset manager combining a fast-growing and purpose-led private capital investment manager with complementary balance sheet activities focusing on high quality, asset-backed senior secured lending
- The Group was formed from the combination of Honeycomb Investment Trust plc and Pollen Street Capital Holdings limited, which completed on 30 September 2022
- Headline AUM on an investor commitment basis was £3.3bn as at 30 September 2022, growing in line with guidance previously issued
- Despite the uncertain macro-economic environment, Pollen Street is well positioned for the opportunity to continue growing and delivering returns for shareholders

Assets under management

Pollen Street increased AuM to £3.3bn as at 30 September 2022, on an investor commitment basis¹. The growth is driven by capital raising under the credit strategy, with AuM for credit growing at a rate of 30% to 40% per annum, in line with technical guidance issued for 2022. The Private Equity business has not been in active fundraising in 2022 whilst Flagship PE IV is deployed, but progress continues towards the launch of Flagship PE V in 2023. The momentum in deployment has continued with the average fee-paying AUM² over the first 9 months increasing to £2.2bn.

¹AuM on an investor commitment basis calculated as investor commitments for active private equity funds, invested cost for other private equity funds, total assets for the on-balance sheet assets and investor commitments for private credit funds

² Average Fee Paying AuM is calculated as the average of the opening and closing investor commitments for active fee-paying private equity funds, invested cost for other fee-paying private equity funds, total assets for the on-balance sheet assets and net invested amount for fee-paying private credit funds

Investment asset performance

The balance sheet asset portfolio has continued its performance in line with historic trends:

- Pollen Street plc delivered a return on Net Investment Assets³ of 2.0% for the quarter which is equivalent to 7.8% per annum
- The asset portfolio is performing well with risk-adjusted yield of 9.5% per annum, reflecting the benefit of the senior secured strategy
- The portfolio is well positioned for interest rate rises with the investment portfolio benefiting from more floating-rate assets than floating-rate liabilities

³Net Investment Assets is calculated as investment assets on the balance sheet plus surplus cash, net of debt

Well-positioned for the macro-economic environment

We recognise the challenging environment, however our strategies are well-positioned and have demonstrated strength and resilience in periods of significant change. We are steadily building investor relationships and AuM across the asset management business in line with our medium-term guidance and our balance sheet assets are well positioned to withstand significant macro stress. The uncertain environment is also presenting opportunities with higher returns at prudent loan to value ("LTV") ratios.

About Pollen Street plc

Pollen Street plc is an asset management company that benefits from a complementary set of investment management activities and balance sheet activities.

Pollen Street was founded in 2013 and is an independent, alternative investment management company dedicated to investing in the financial and business services sectors. Pollen Street has extensive experience investing in both credit and private equity strategies and has a strong and consistent track record of delivering top-tier returns.

The on-balance sheet investment portfolio invests in high-quality, diversified and low-risk asset-based direct lending investments, with potential to generate high-income returns, together with strong capital preservation.

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

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