Press Release
25 June 2025

Recapitalisation Update

Lowell Successfully Completes Comprehensive Recapitalisation Transaction

Lowell, a European leader in credit management services, has completed a comprehensive recapitalisation transaction to underpin long-term sustainable growth

Garfunkelux Holdco 3 S.A., (a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg (the "**Issuer**", and together with its subsidiaries, the "**Group**") is pleased to announce that it has successfully implemented its comprehensive recapitalisation transaction with its largest creditors, including the unanimous support of its revolving credit facilities lenders (the "**RCF**") and more than 96% of the holders of its three series of notes due 2025, 2025 and 2026 (the "**Notes**").

The comprehensive recapitalisation transaction will significantly strengthen the Group's balance sheet and allow the Group to accelerate the deployment of its growth strategy.

Key transaction highlights

1. Three-year extension of the Notes and RCF maturity dates[1];

2. Significant deleveraging of the operating group by repaying £200,000,000 Notes and RCF and reinstating a portion of the existing Notes into new subordinated €292,000,000 10.5% Holdco PIK Notes due 1 May 2030 issued by Garfunkelux Holdco 4 S.A., a new holding company;

3. Reinstatement of the remaining Notes into €967,562,961 9.5% Senior Secured Notes due 1 November 2028 and €466,931,106 E+7.446% Senior Secured Floating Rate Notes due 1 May 2029 (together the "**New Opco Notes**");

4. Amendment and restatement of the existing super senior RCF into two super senior facilities consisting of a £50,000,000 revolving facility and a €355,516,000 term facility due 1 August 2028[1]; and

5. Issuance of €250,000,000 9.0% New Money Notes due 1 September 2028 ranking senior to the New Opco Notes and junior to the amended RCF proceeds of which shall be used for the purposes of debt management, including potentially one or multiple tender offers to purchase New Opco Notes, and result in positive to neutral impact on the Group's leverage.

Strengthened platform for strategic execution

This recapitalisation transaction is aligned with the delivery of the Group's long-term strategy. With no near-term refinancing pressures, the business is well positioned to continue deploying capital into attractive portfolio opportunities. These investments are expected to deliver returns significantly in excess of the business's cost of capital.

Operational initiatives to accelerate cash flow and optimise performance will continue at pace. The revised capital structure provides clarity for all stakeholders and strengthens

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[1] RCF maturity springing to 1 May 2028 in the event certain covenants are not met by that date.

the business' ability to maintain performance through cycles, while retaining full control over its strategic options.

With a robust operational performance and renewed balance sheet strength, Lowell is well-positioned to execute against its strategy and deliver sustainable value creation for all stakeholders.

Balance sheet management

Lowell has also taken steps to strengthen its wider capital structure with some key developments across its securitisations and Balance Sheet Velocity Programme.

In Mar-25 ABS Facility 2 commitments were increased to £425m and its maturity extended to June 2030. The facility has a margin of 4.50% plus SONIA and is revolving until Jun-27. Drawings on this facility were £405m as at Mar-25.

In Jun-25 ABS Facility 3 was renegotiated to a £65m commitment with maturity in Jun-29. The facility has a margin of 4.25% plus SONIA and is revolving until Jun-27. The facility is currently £50m drawn.

Lowell has also re-acquired the balance of Wolf I Junior Notes in issue (51%) at a cost of £5m which resulted in an additional £35m of 120m ERC being brought back on balance sheet. As the Wolf I Noteholders are fully repaid on this transaction, all collections on these assets are now due to Lowell.

Lowell is also pleased to announce that it in Jun-25 it successfully completed its fourth Wolf transaction as part of its Balance Sheet Velocity Programme. Key components of this trade include:

- £242m gross proceeds
- £142m net proceeds after accounting for:
  - £86m full repayment of ABS Facility 1 to release assets for use in this transaction; and
  - £12m associated with the securitisation notes retained by Lowell (5% of both Senior and Junior Notes)
- Margin of 3.90% plus SONIA, with facility expected to amortise in line with collection forecast on underlying assets
- The accounting treatment is yet to be finalised but it is currently accounted for as an on-balance sheet structure.

Further detail will be provided as part of the Q2-25 results in August.

Commenting on today's announcement, Colin Storrar, Group Chief Executive Officer, said:

"This transaction marks an important strategic milestone for Lowell. We have significantly reduced our debt and extended our maturities. The terms secured in this refinancing reflect the credibility we've built through consistent performance and disciplined execution. It sends a clear signal to the market about the confidence investors have in our strategy, business model and leadership team.
We are now operating from a position of greater strength, with enhanced optionality to pursue growth, continue investing in our future and deliver long-term value."

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Contacts

Investor Relations enquiries:
Shaun Sawyer
Group Director of FP&A and Corporate Development
Email: investors@lowellgroup.co.uk

Media enquiries:
Woolf Thomson Jones
Communications Support UK
Telephone: +44 7376 392 693
Email: lowell@nepean.co.uk

About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all and a commitment to fair and ethical customer practices. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden.

Lowell's unparalleled combination of data analytics, deep consumer insight and robust risk management provides clients with expert solutions in debt purchasing, third party collections and business process outsourcing. With its ethical approach to debt management, Lowell is committed to delivering the most fair and affordable outcome for each customer's specific circumstances.

Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers' Pension Plan.

For more information on Lowell, please visit our investor website: www.lowell.com

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