Garfunkelux Holdco 2 S.A.

Q3-18 Interim Results

November 22nd, 2018

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Housekeeping

- This presentation captures the consolidated trading results of Garfunkelux Holdco 2 S.A. ("GH2") – the results are based on our management accounts and where appropriate, prepared in accordance with IFRS.
- We present cash metrics within this presentation as we believe it may enhance an investor's understanding of the Group's cash-flow generation.

Acquisition of the Carve-out Business

- On 20 March 2018, GH2 acquired 100% of the Carve-out Business.
- With regards to the accompanying unaudited interim financial statements; the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows capture the trading of the Carve-out Business for the three month period to 30 September 2018, whereas the prior year comparative captures the performance of the Extant Group only.
- As such, this presentation reports the year-on-year and quarter-on-quarter performance of the Group on a Pro Forma basis. This view has been captured to best enhance an investor's understanding of the increased scale of the Group going forward.

Restatement of prior year presentation

- Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications have no effect on the reported loss for the period.
- As a result of the adoption of IFRS 9 at 1 January 2018, an adjustment has been made to present Net portfolio write up within income for the three months to 30 September 2017. Previously, Net portfolio write up was presented within revenue and operating expenses.
- An adjustment has been made to the Consolidated Statement of Comprehensive Income for the three months ended 30 September 2017 to reclassify appropriate staff costs as Collection activity costs.

Agenda

Hosting today:
James Cornell; Group CEO, Colin Storrar; Group CFO
Matthias Gerhardt; Group Director Corporate Development, Jon Trott; Head of Investor Relations

1. Q3 in Review

Lowell

Q3-18 In Review: Growing the Business in the Right Way

"To Be The Best In Our Field. For Clients. For Consumers. Europe-wide."

Strategic Objective

Growth

Long term sustainable growth

Diversification

Provides for down-side protection

Consumer Focus

Embedding deeper consumer & client relationships

Decision Science & Data Insight

Underpins our disciplined approach to pricing & investment

Scale

- Record run rate of NPL acquisitions – building scale whilst mindful of leverage
- Multi-year IT infrastructure partnership signed to industrialise and standardise IT operating model

Diversification

- Regional and sector diversification driving origination success
- Securitisation facility established, providing increased flexibility to support continued growth of the business

Returns

- Disciplined deployment of capital at continued attractive returns

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2. Financial Performance

(Pro Forma basis)

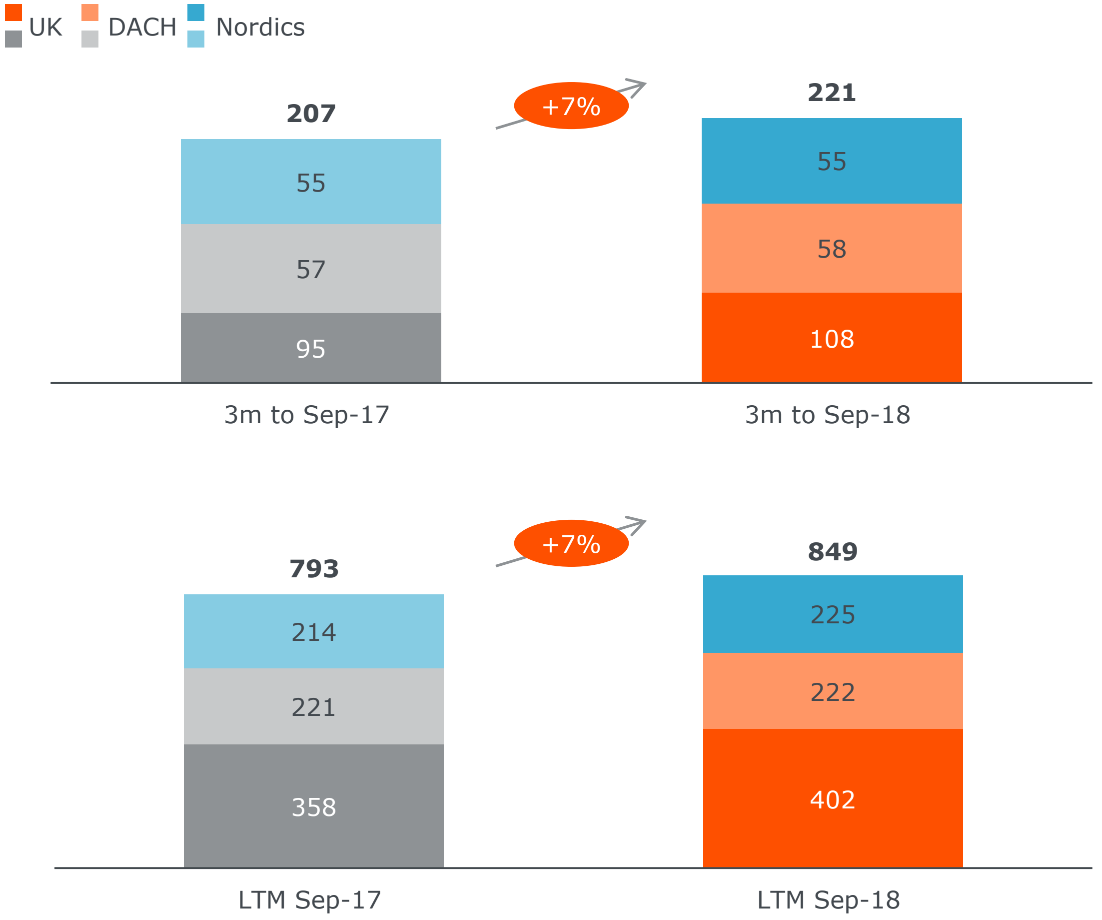
Continued Impressive Pro Forma Growth

NPL Acquisitions	£349m, 44% FF[1], LTM Sep-17	£481m, 43% FF[1], LTM Sep-18	+38%
3PC Placements	£786m, Q3-17	£668m, Q3-18	(15)%
120m ERC	£2.6bn, Sep-17	£3.0bn, Sep-18	+14%
Forecasting Accuracy[2]	£450m, Forecast	£457m, Actual	+1%
Cash Income	£793m, LTM Sep-17	£849m, LTM Sep-18	+7%
Cash EBITDA	£385m, LTM Sep-17	£422m, LTM Sep-18	+10%
Return on DP[3]	13%, LTM Sep-17	15%, LTM Sep-18	+~160bps
WACD	7.4%, Sep-17	6.3%, Sep-18	~(100)bps

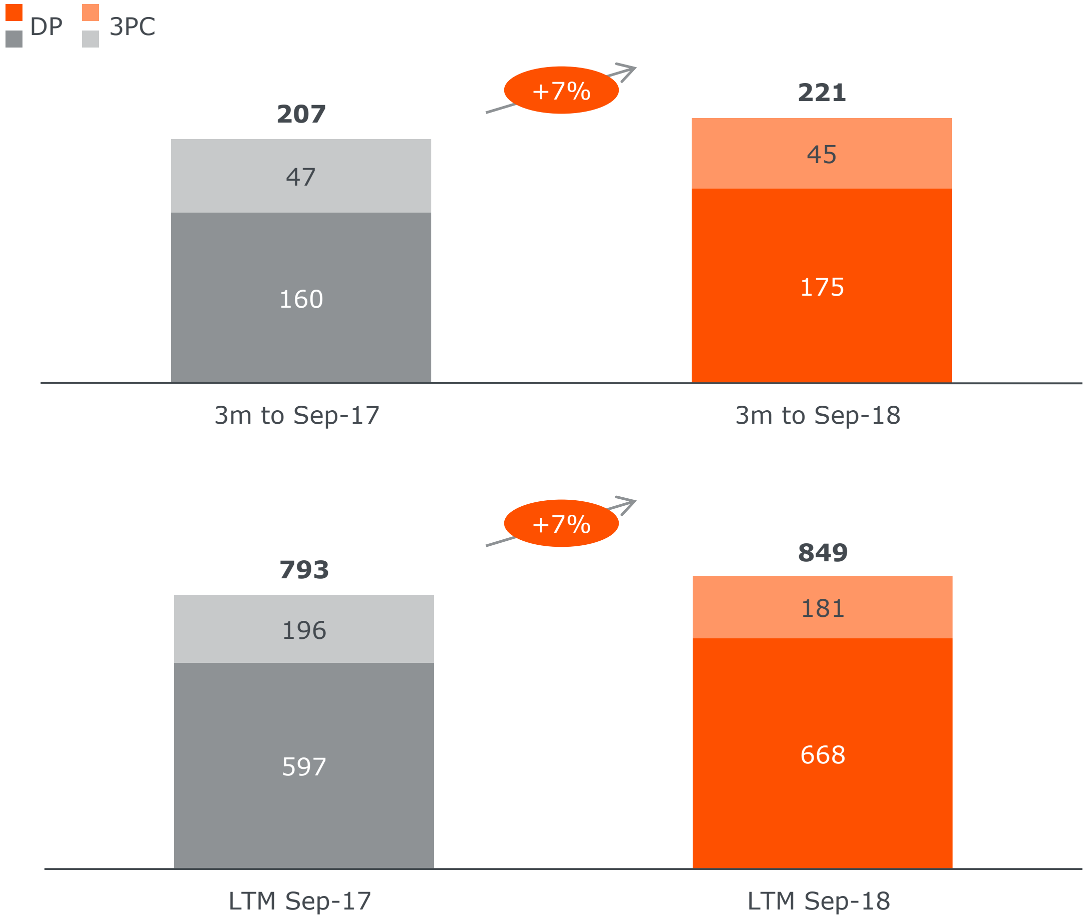
Note: Metrics presented on a Pro Forma basis unless otherwise stated [1] Forward Flow [2] Collection performance for nine months to Sep-18 vs Dec-17 static pool for UK, DACH and Nordics [3] Extant Group only

Cash Income Growth Benefiting from Diversification

Pro Forma Cash Income by Geography (£m)



Pro Forma Cash Income by Service Line (£m)



3PC in Focus: Growing the Business in the Right Way

Trends

- Servicing activities remain a core part of business model; although local market developments provide context to aspirations
- Increasing trend towards the joint offering of both servicing and debt purchase when working with strategic clients

Strategy

UK	DACH	Nordics
▪ Accounts for ~1% of Pro Forma LTM Group Cash Income ▪ Re-locating activities to Leeds; integrating with core operations ▪ Evaluation of go-to-market proposition; aligning to the requirements of key strategic clients	▪ Realised benefit of accretive flip opportunities ▪ Performance to be viewed within wider regional context and alongside its contribution to debt purchase performance ▪ New business continues to be won	▪ Success evident in new client wins ▪ Divestment of Payments business unit in line with investment case

Consequences

- Growing the business in the right way;
  - Value of strong 3PC offering alongside disciplined DP activity, fundamental to building ever closer strategic relationships
  - Divesting Payments business unit to focus on core CMS offering in Nordics in keeping with regional strategy

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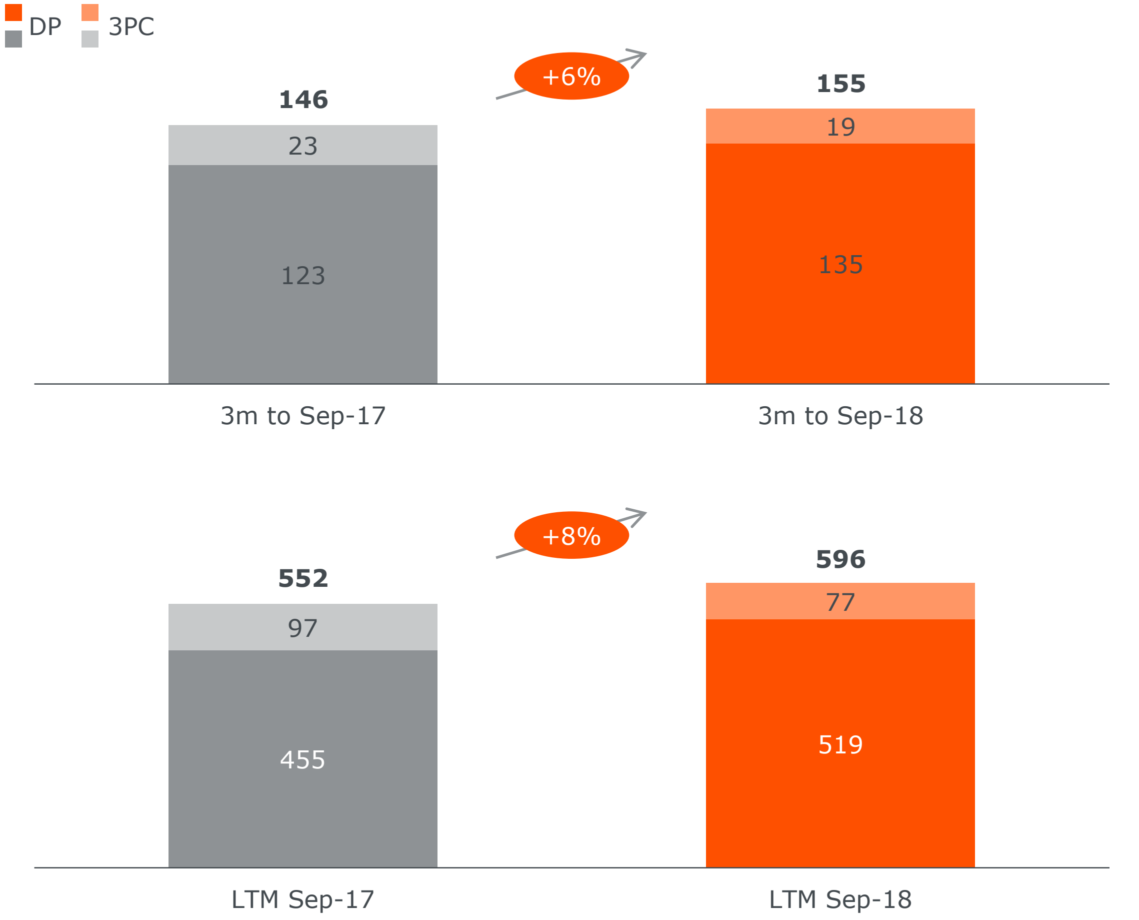
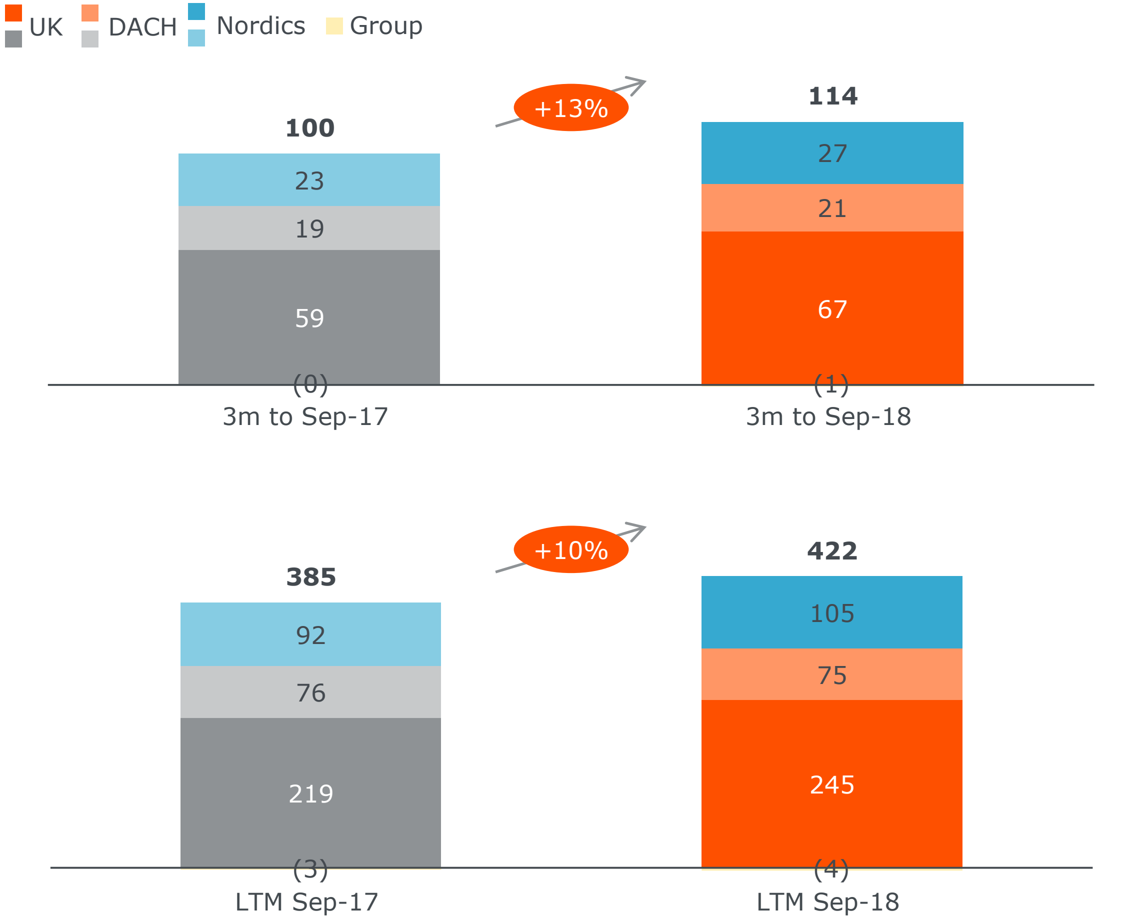
Continued Earnings Growth

Pro Forma Gross Profit (£m)



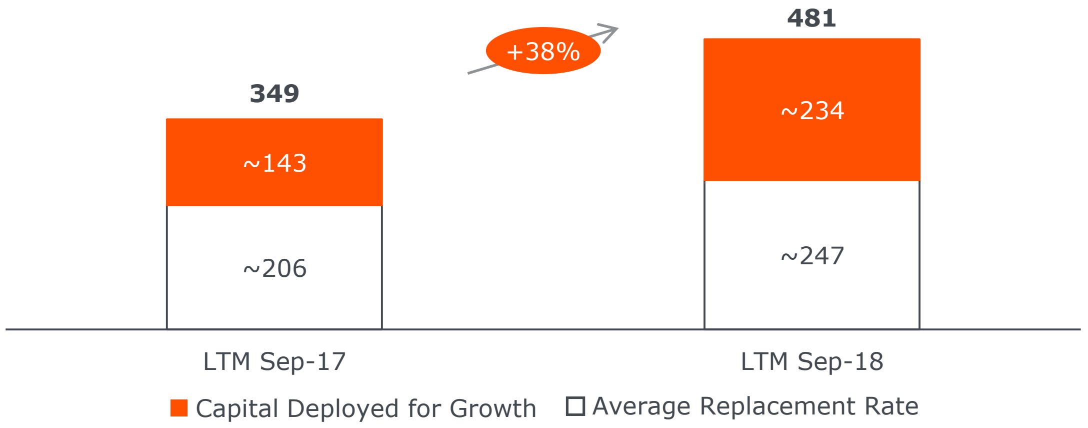
Pro Forma Cash EBITDA (£m)



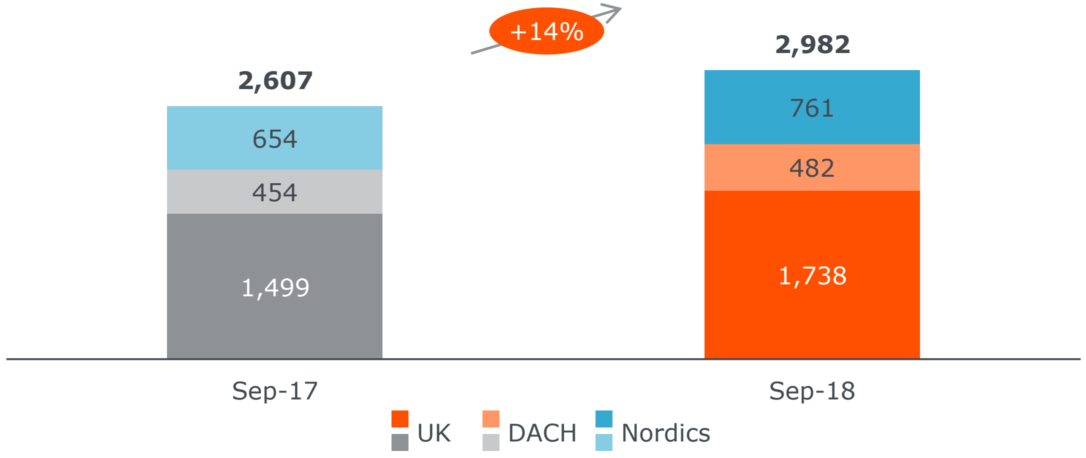
Note: Gross Profit calculated as Cash Income less Collection Activity Costs excluding Lawyer Service activity, less the amounts captured within Collection Activity Costs related to Non-recurring Costs / Exceptional Items (net of exceptional income)

Building Scale Whilst Mindful of Leverage

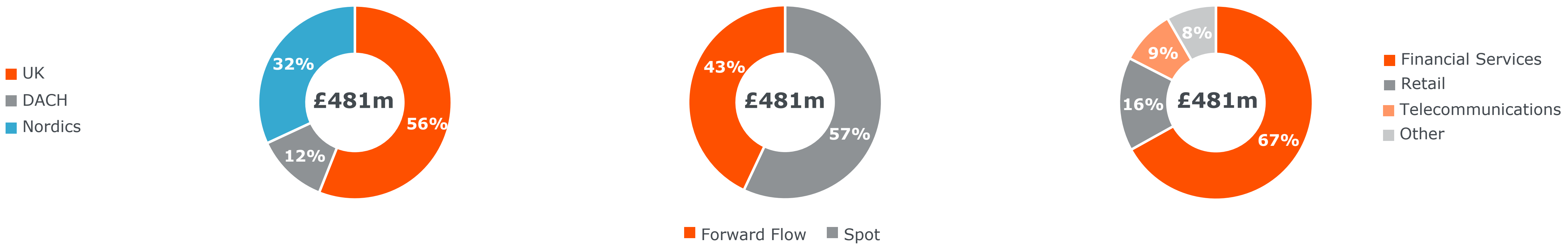
LTM Pro Forma Portfolio Acquisitions (£m)



Pro Forma 120m ERC (£m)

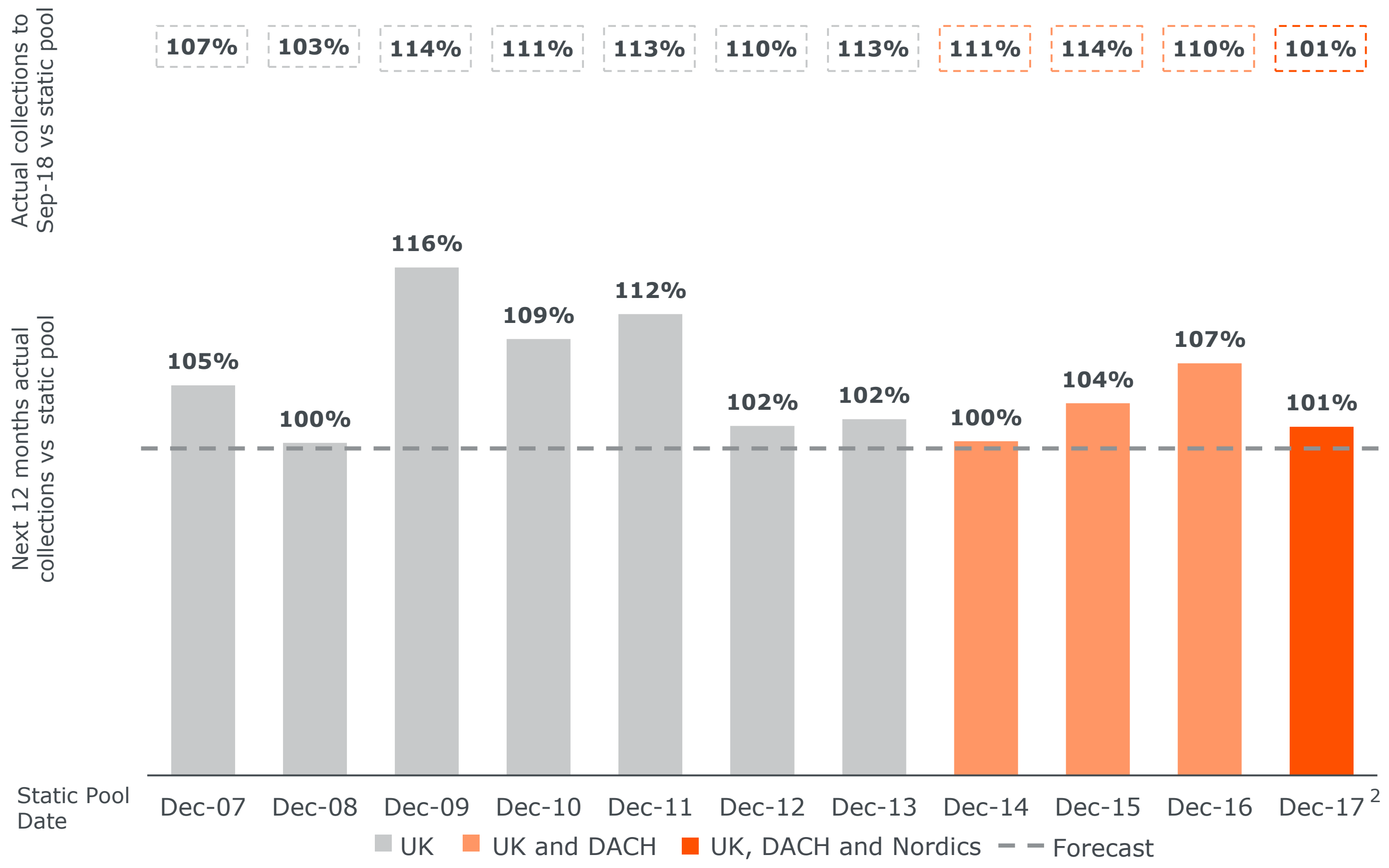


LTM Pro Forma Acquisition Mix (£m)

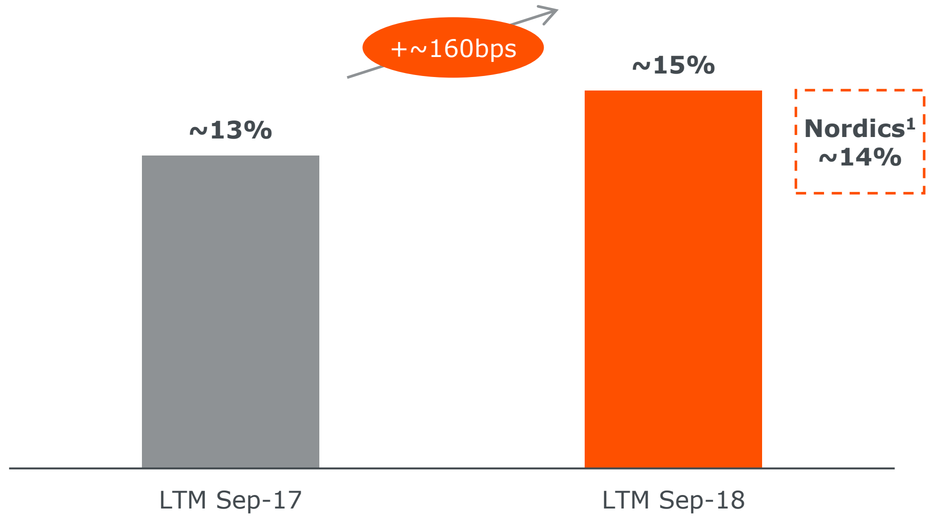


Consistent Forecasting Accuracy and Attractive Back-book Returns

Collections continuing to outperform forecasts…



…with back-book assets yielding increasing net returns



Note: Net Return on Debt Purchase Back-book calculated as Income from portfolio investments, less attributable Collection Activity Costs (as defined in the Gross Profit calculation), divided by the average of the opening and closing Portfolio investments balance sheet values for the period. [1]Nordics calculated on the same basis, annualising Q2-18 and Q3-18 reported numbers. [2]Actual collections for the nine month period only to Sep-18

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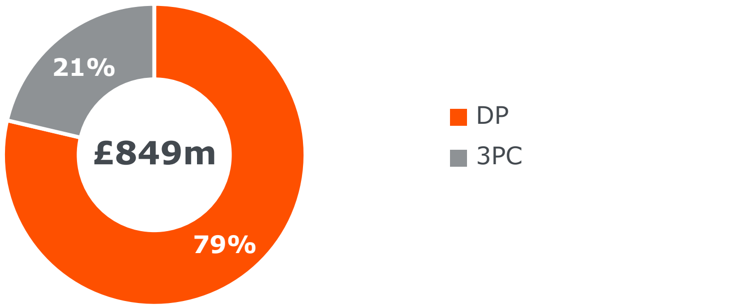
Regional Performance

Our Regional Performance

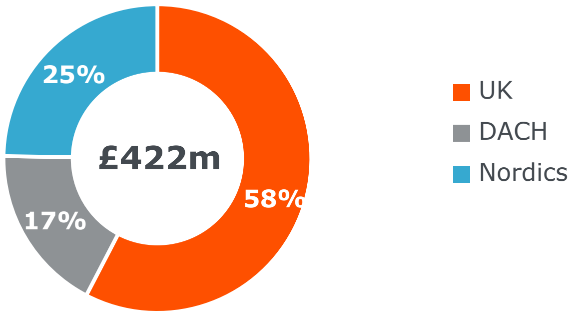
Geographies	£m	LTM Sep-17	LTM Sep-18	Var%
UK	Acquisitions	219	270	+23%
	Cash Income	358	402	+12%
	Cash EBITDA	219	245	+12%
	120m ERC	1,499	1,738	+16%
DACH	Acquisitions	52	58	+12%
	Cash Income	221	222	0%
	Cash EBITDA	76	75	(2)%
	120m ERC	454	482	+6%
Nordics	Acquisitions	78	154	+98%
	Cash Income	214	225	+5%
	Cash EBITDA	92	105	+15%
	120m ERC	654	761	+16%

Our Diversified Business as at Sep-18

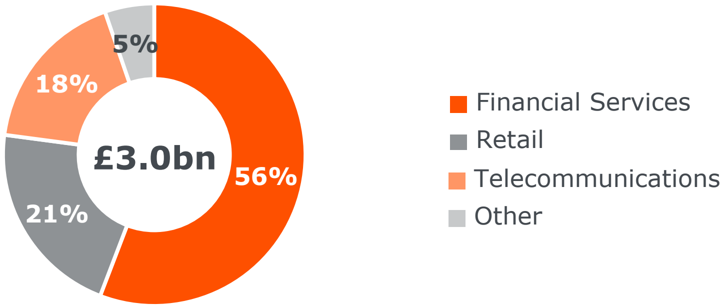
Cash Income



Cash EBITDA



120m ERC



3. Funding Update

Funding: A Clear Strategy with Successful Implementation

Our Long-Term Funding Strategy

- **Increase** funding flexibility
- **Diversify** sources of funding;
  - Long-term bond funding
  - Revolving Credit Facility ("RCF")
  - Asset Backed Senior Facilities
- **Optimise** the Group's capital structure
  - Maturity profile
  - FX profile
- **Reduce** WACD

Delivering Our Strategy

Securitisation

- Entered new £255m UK securitisation facility in November 2018
- Follows reinvigoration of an existing securitisation vehicle in DACH in September 2017

Increase in RCF Commitments to €455m

- As announced at Q1-18 results
- Increase in funding flexibility to support growth of the business
- Follows on from successful Consent Solicitation in May 2017

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Securitisation Reflects Strength of Platform

Overview

- Lowell has entered into a £255m non-recourse asset backed senior facility, through its 100% indirectly owned subsidiary, Lowell Receivables Financing 1 Limited
- The assets backing the facility consist of an arbitrary selection of non-paying UK portfolio assets across various sectors
- Securitised assets represent ~20% of the 84m ERC of the Pro Forma Group[1]

Strategic Rationale

- Further diversifies our funding structure
- Enhances our ability and flexibility to manage our capital structure and grow the business
- Reduces dependency on high yield and RCF funding
- Substantiates inherent value of the back-book

Summary Terms	
Size	£255m
Underlying Assets	Arbitrary selection of non-paying UK portfolio assets
Advance Rate	50% on 84m ERC
Margin	2.75% over 1m LIBOR
Maturity	4 years amortising
Use of Proceeds	Refinancing of existing RCF drawings

[1] Pro Forma Group 84m ERC of £2,511m as at 30 September 2018

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Leverage and Liquidity Remain a Focus of Management

£m	Sep-18
Senior Secured Net Debt	1,986
Net Debt	2,238
LTM Cash EBITDA	**428[1]**
Senior Secured Net Debt / LTM Cash EBITDA	4.6x
Net Debt / LTM Cash EBITDA	**5.2x**

- Reduction in leverage to 5.2x, down from 5.3x
- Group remains well capitalised;
  - Material underlying cash generation from operations[2] of £93m in the quarter; and
  - Cash on balance sheet of £54m[3] and £172m[4] available to draw on RCF
- Securitisation proceeds to be used to repay RCF drawings in Q4-18;
  - Available RCF capacity of ~£375m following draw-down

[1] Pro Forma LTM Cash EBITDA includes Pro Forma cost adjustments. [2] Cash generated from operating activities before portfolio acquisitions. [3] Unrestricted cash on balance sheet as at Sep-18. [4] Calculated as €200m, plus 7.9% of the Group's 84m ERC, less amounts drawn as at Sep-18

4. Outlook

A Resilient Business Model for Long-term Growth and Returns

Wider Context

- Though a pan-European business, Lowell does not trade cross-border – it is neither an importer or exporter of goods or services within the EU
- The Group sits within a stable regulatory landscape

Macro Resilience

- The Group has a demonstrable track record of accurate forecasting and strong collections performance through economic cycles, notably the 2008-2010 financial crisis
- Economic downturns can stimulate purchasing and servicing opportunities for the Group

Diversification

- Lowell remains well diversified across geographies, clients, originating sectors and its capital structure
- Lowell has balanced currency and debt diversification (EUR, GBP, SEK; RCF, ABL, HYB)

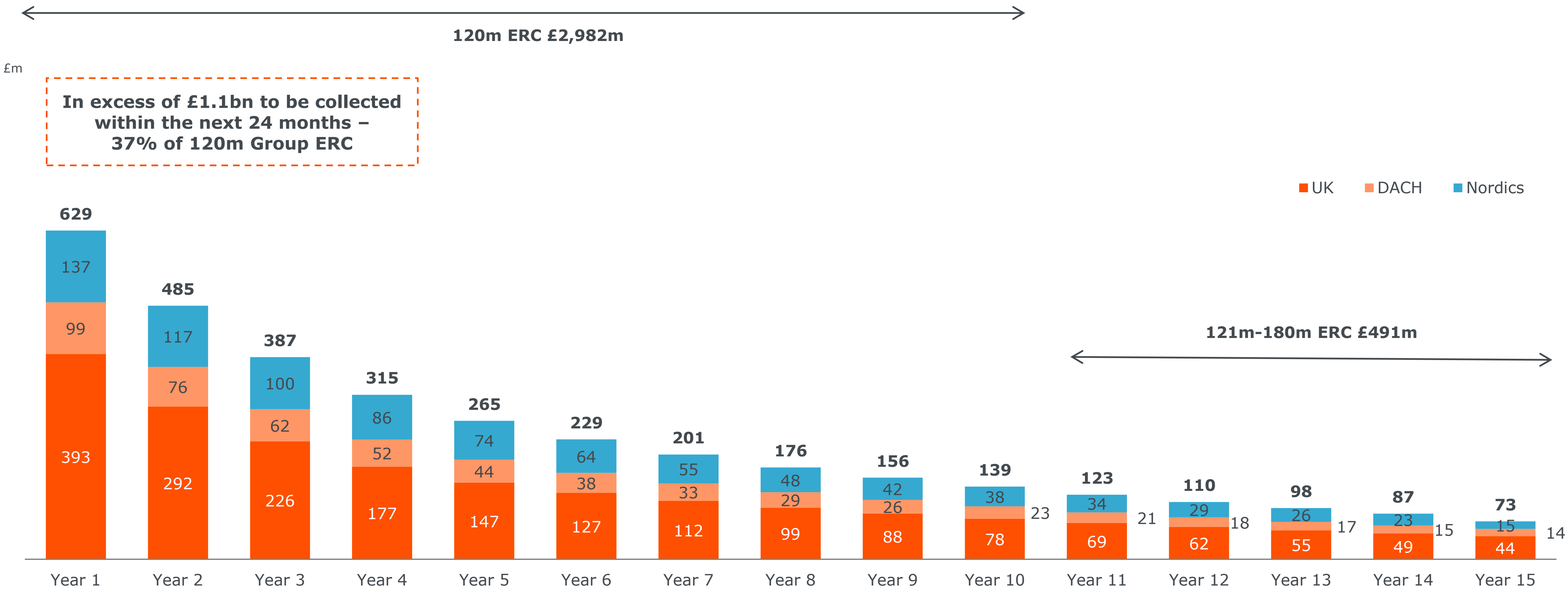
Well Positioned for Future Success

Outlook

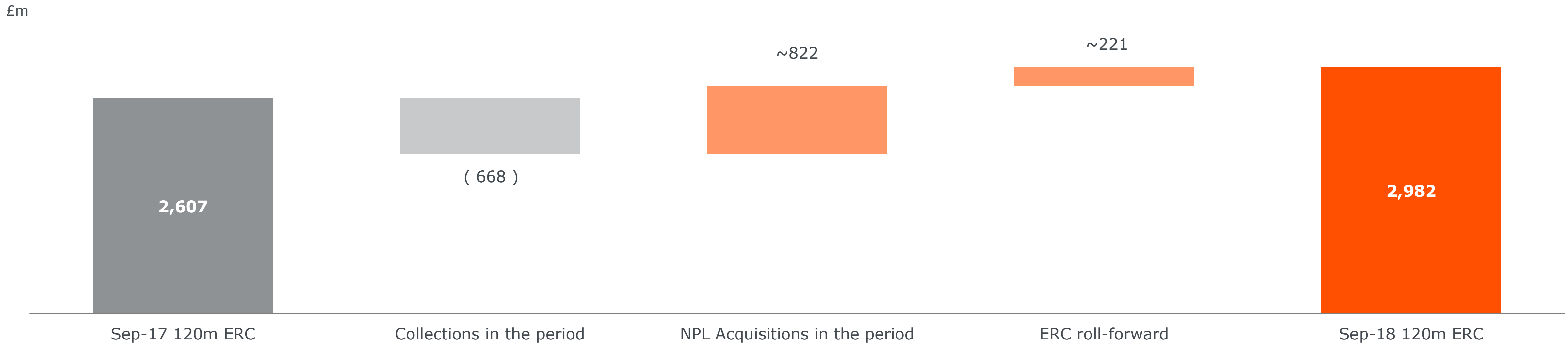
- Healthy consumer credit growth across Lowell's core markets will continue to provide long term CMS opportunities
- Stable and consistent returns expected reflective of opportunities in the market
- Lowell continues to invest strategically, for the long-term good of the business
- Nordic integration progressing well with further areas of additional value creation identified
- Continued drive across the Group to realise benefits from improved insight, greater innovation and closer, more embedded client and customer relationships

Appendix

Group ERC Profile



Pro Forma 120m ERC Roll-Forward



- NPL Acquisitions amount based upon LTM Sep-18 purchases grossed up to 120m ERC based on respective priced 120m GMMs
- ERC roll-forward takes into account:
  - Mechanical nature of revaluation (roll-in of value present in the tail)
  - Over-or under-performance versus collections expectations leading to an uplift or reduction in estimated cash-flows
  - Movement in FX rates

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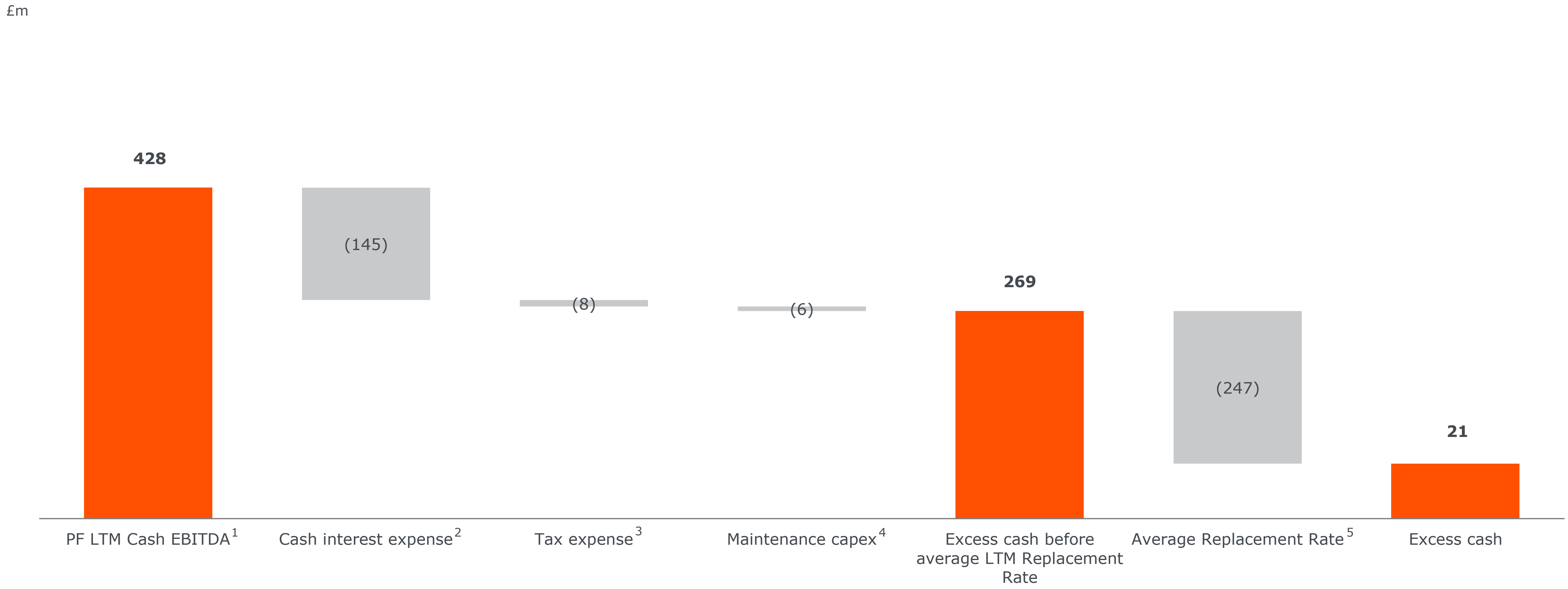
Free Cash Flow Generation of the Pro Forma Group



[1] Pro Forma LTM Cash EBITDA includes Pro Forma cost adjustments. [2] Cash Interest calculated as next 12 months interest on debt instruments and drawings as at 30 Sep 2018. [3] Tax expense calculated as cash tax expense during Q2-18 and Q3-18, annualised to provide a 12 month view. [4] Management Pro Forma Group estimate for Maintenance CapEx, as disclosed in Jan-18 OM. [5] Average Replacement Rate as calculated in Appendix

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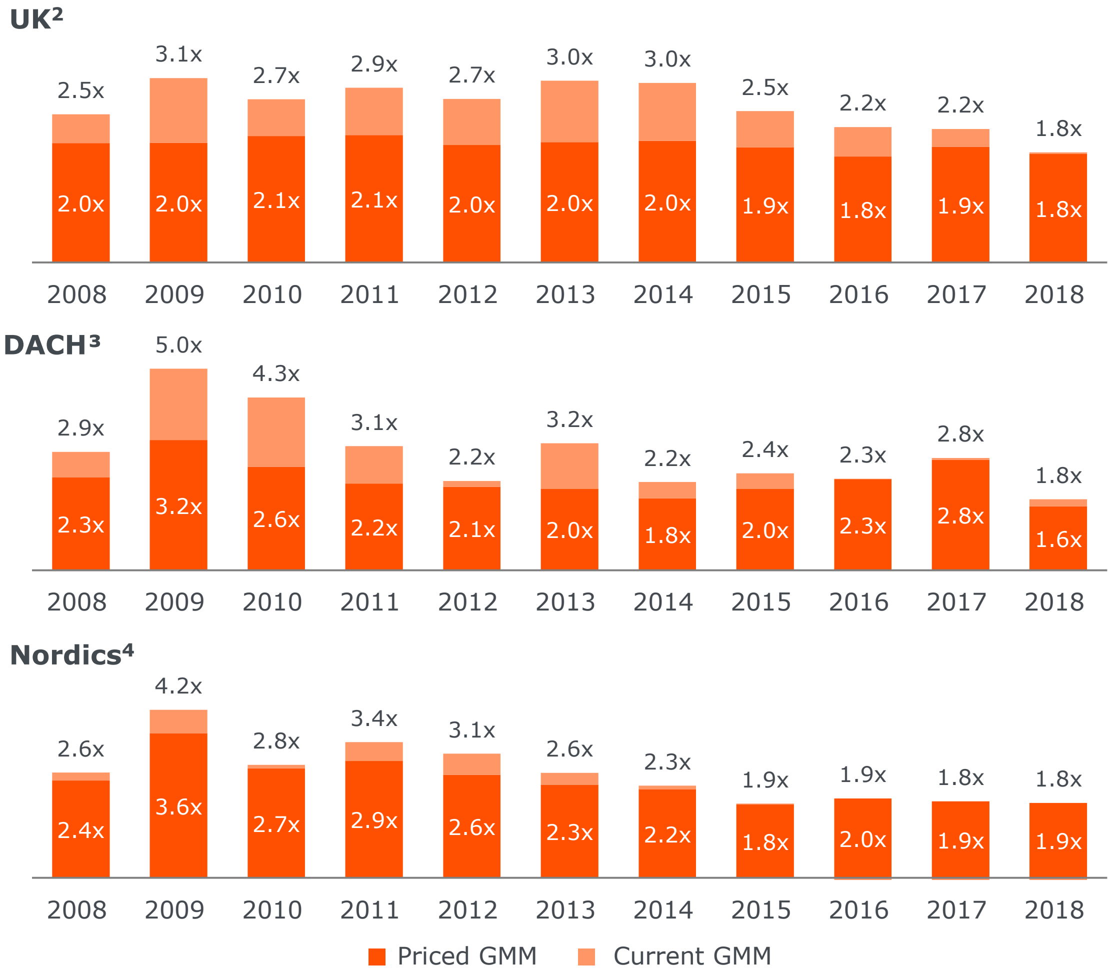
Backbook Performance

Portfolio Performance By Vintage (£m)

	Portfolio Acquisitions[1]			Portfolio Maturity
Vintage	**UK**	**DACH**	**Nordics**	
2004	16	7	16	14 years
2005	32	2	105	13 years
2006	41	12	15	12 years
2007	57	49	10	11 years
2008	62	7	25	10 years
2009	63	64	14	9 years
2010	61	14	110	8 years
2011	74	10	23	7 years
2012	111	22	26	6 years
2013	111	26	42	5 years
2014	154	41	61	4 years
2015	205	37	93	3 years
2016	229	78	37	2 years
2017	213	43	131	1 year
2018	187	46	85	< 1 year
Total	**1,615**	**457**	**791**	

GMM Per Vintage – Pricing vs Current (rolling)[5]



[1] 2004-2015 portfolio acquisitions as reported in the September 2016 Offering Memorandum, 2016-2018 based on disclosed purchases in calendar year
[2] UK based on 120m ERC. GMM at pricing based on initial 120m only priced collection expectation
[3] DACH based on 180m ERC. GMM at pricing based on initial 180m only priced collection expectation
[4] Nordic based on 180m ERC. GMM at pricing based on initial 180m only priced collection expectation
[5] Current GMM is calculated using actual collections to Sep-18, plus ERC across the next 120m (UK) and 180m (DACH and Nordics)

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Calculation Of Group ERC Replacement Rate Using Static GMM

A prudent calculation on the basis of static GMMs and the use of our most recent vintages being most representative of the current purchasing environment

Group (£m)

		Sep-18
	Group ERC[1]	3,192
	Year 1 Collections	629
	Roll-forward *(UK – YR11, DACH and Nordics – YR16)*	91
A	Collections to replace	538
	2017 vintage Static GMM	2.1x
	2018 vintage Static GMM	1.8x
B	Blended Static GMM[2]	1.9x
A/B	Sep-18 Replacement Rate	277
	Sep-17 Replacement Rate	218
	Average LTM Replacement Rate[3]	247

GMM Weighted Average Calculation

2017 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	213	43	131	387
% of total purchases	*55%*	*11%*	*34%*	*100%*
Actual Static GMM	2.1x	2.8x	1.8x	
Weighted Average				**2.1x**

2018 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	187	46	85	318
% of total purchases	*59%*	*15%*	*27%*	*100%*
Actual Static GMM	1.8x	1.8x	1.8x	
Weighted Average				**1.8x**
Blended Static GMM				**1.9x**

[1] Group ERC represents 120m for UK, 180m for DACH and Nordics where applicable. [2] Blended GMM represents the weighted average static GMM for 2017 and 2018 vintages, across the UK, DACH and Nordics as at Sep-18.
[3] Average Replacement Rate is an average of the Replacement Rate as calculated at Sep-17 and the Replacement Rate as calculated at Sep-18.

IFRS 9 – Changes to the SCI

As a result of the adoption of IFRS 9 on 1 January 2018, an adjustment has been made to present Net portfolio write up within Total income for the three months to 30 September 2017. Previously, Net portfolio write up was presented within Revenue and Operating expenses

£000	Q3-17 Under IAS 39	Q3-17 IFRS 9 Transition	Q3-17 Under IFRS 9
Income			
Income from portfolio investments	63,620	-	63,620
Portfolio write up	27,447	(27,447)	-
Net portfolio write up	-	27,114	27,114
Portfolio fair value release	(641)	-	(641)
Service revenue	40,342	-	40,342
Other revenue	874	-	874
Other income	2,686	-	2,686
Total income	**134,328**	**(333)**	**133,995**
Total operating expenses	**(102,206)**	**333**	**(101,873)**
Operating profit	**32,122**	**-**	**32,122**

Net Debt and Borrowings as at 30 September 2018

Net Debt (£m)

Bond Principal	
£565m Senior Secured Notes 8.5%	565
€365m Senior Secured Notes 7.5%	324
€415m Senior Secured Notes EURIBOR +3.5%	368
€530m Senior Secured Notes EURIBOR +4.5%	470
SEK1,280m Senior Secured Notes STIBOR +4.75%	110
£230m Senior Notes 11%	230
RCF Drawings and Other	
GBP Drawn RCF	98
EUR Drawn RCF	106
EUR Other[1]	21
Cash[2]	
Cash	54
Senior Secured Net Debt	**1,986**
Net Debt	**2,238**
Gross Debt	**2,292**

Bonds

Currency	Issue	Security	Maturity	Coupon	Issuer
GBP m	565	Senior secured notes	Nov-22	8.50%	GH3
EUR m	365	Senior secured notes	Aug-22	7.50%	GH3
EUR m	415	Senior secured notes	Sep-23	EURIBOR +3.50%	GH3
EUR m	530	Senior secured notes	Sep-23	EURIBOR +4.50%	GH3
SEK m	1,280	Senior secured notes	Sep-23	STIBOR +4.75%	GH3
GBP m	230	Senior notes	Nov-23	11.00%	GH2

Revolving Credit Facility (RCF)

Currency	Committed Amount	Security	Maturity	Interest	Margin
EUR m	455	Super Senior Secured	31-Dec-21	LIBOR / EURIBOR	3.50%

[1] Includes £21m drawn under existing securitisation facilities. [2] Excludes restricted cash.

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Glossary

3PC	-	Third Party Collection
ABL	-	Asset Backed Loan
Acquisitions	-	The purchases of NPLs
AuM	-	Assets under Management
Cash EBITDA	-	Defined as collections on owned portfolios plus other turnover, less collection activity costs and other expenses (which together equals servicing costs) and before exceptional items, depreciation and amortisation
Cash Income	-	Total income for the period adding back portfolio amortisation and portfolio fair value release and deducting net portfolio write-up, lawyer service revenue, other revenue (less payment services income) and other income
CMS	-	Credit Management Services
DACH	-	Germany, Austria and Switzerland
DP	-	Debt Purchase
EBITDA	-	Defined as operating profit plus depreciation and amortisation, non-recurring costs and exceptional items (net of exceptional income) and portfolio fair value adjustment (where applicable)
ERC	-	Estimated Remaining Collections over 84, 120 or 180 months
EURIBOR	-	Euro Interbank Offer Rate
Extant Group	-	The group prior to completion of the acquisition of the Carve-out Business from Intrum
FRN	-	Floating Rate Notes
GMM	-	'Gross money multiple', being the expected collections on a portfolio or particular vintage, divided by its respective purchase price. Reported on either a 'static' or 'current' basis
HYB	-	High-yield Bond
IFRS	-	International Financial Reporting Standards
LIBOR	-	London Interbank Offer Rate
Net Debt	-	Senior Secured Notes bond principal plus Senior Notes bond principal plus RCF drawn amounts plus securitisation drawn amounts less cash
Nordics	-	For the purpose of the presentation include Sweden, Denmark, Norway, Finland and Estonia
NPL	-	Non Performing Loans
Pro Forma Group	-	The combined group following the acquisition of the Carve-out Business from Intrum
Replacement Rate	-	The estimated amount of purchases to maintain current Group ERC
RCF	-	Revolving Credit Facility
STIBOR	-	Stockholm Interbank Offer Rate
WACD	-	Weighted average cost of debt

Upcoming Events

Results	Investor Relation Activity
▪ FY18 Results – April 2019 ▪ Q1-19 Results – May 2019	▪ Barclays – Lowell Group Investor Roundtable, London – 23 November 2018

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