

These preliminary financial results for the twelve months ended December 31 2023 presented below have been derived from management accounts, are preliminary and are subject to our financial closing procedures, which have not yet been completed. While we believe these preliminary results and estimates to be reasonable, our actual results could vary from these estimates and these differences could be material. As such, you should not place undue reliance on this information and this information may not be indicative of our performance in the remainder of the financial year or any future period.

LOWELL PRELIMINARY FY23 TRADING UPDATE

Continued Financial Delivery and Collections Resilience

Lowell, a European leader in credit management services, today provides a preliminary trading update for the twelve months ended 31 December 2023.

Financial highlights

- Group collection performance at 101% of Dec-22 Static Pool expectations
- FY23 purchases of £322m at 20.4% net IRR
- Third off-balance sheet ABS completed involving UK assets with expected Cash EBTIDA benefit of ~£135m
- Selection of portfolios sold in DACH with net proceeds of ~€50m
- Strong liquidity position of ~£270m

As at 31 December 2023	Q4-23	Q4-22	Change	FY23	FY22	Change
Cash Income	£363m	£231m	+57%	£1,233m	£971m	+27%
Portfolio Acquisitions	£83m	£80m	+4%	£322m	£473m ¹	(32)%

Strong Collection Performance

Collections continued to perform strongly into the end of the year, finishing at 101% of Dec-22 static pool forecast expectations. Performance on 2023 portfolio acquisitions was also positive with performance at >100% of pricing expectation.

Such encouraging performance is supported by the underlying resilience of the Group's collection platforms, our ongoing ability to harness data advantage and our ability to work with consumers to set up sustainable plans which help them address their personal debt.

Portfolio Acquisitions

FY23 portfolio acquisitions totalled £322m at a priced net IRR of 20.4%, with deployment at levels in line with the ERC Replacement Rate and returns as guided.

Opportunities across all markets remain strong and the Group expects to deploy at similar levels across FY24 at attractive returns, representing a healthy spread vs our weighted average cost of debt.

¹ Excludes Hoist UK Acquisition

Balance Sheet Velocity

The Wolf III securitisation closed prior to the year end. The transaction was secured by a portfolio of UK assets, the majority of which were assets acquired as part of the Hoist UK acquisition in 2022. These assets held a 120m ERC of ~£225m. The Senior Notes were sized at £119m, with Lowell retaining a £14m interest. The Junior Notes were sized at £127m, pricing at 19% of the notional. Lowell retained 5% of the Junior Note for Risk Retention purposes.

This was the third successful transaction under the Off-balance sheet Securitisation Programme and the first to be a public placement on a Listed Stock Exchange. The expected impact to Cash EBITDA in Q4-23 is ~£135m. This transaction was originally anticipated for 2024 but was brought forward to Q4-23 to give liquidity certainty as the Group considers its refinancing strategy across 2024.

The Group also concluded the sale of a small pool of portfolios in Germany to a specialist European credit investor. Net proceeds from the transaction totalled ~€50m, reflecting a value in-line with the Group's book value of those assets. The transaction closed in Jan-24 and Lowell continues to service the assets on profitable terms.

Liquidity

Post the year end, Lowell has executed an extension and increase to one of its securitisation warehouse lines by a further two years and £150m respectively. This increase helps to provide continued funding and liquidity diversification for the Group. The Group's year end liquidity number stood at ~£270m.

Non-deal Investor Day

Lowell will host a series of non-deal fixed income investor meetings during an Investor Day on Thursday, 29 February 2024. Meetings will be held in person in London. The Investor Day will be an opportunity for investors to interact with the management team of Lowell once again and discuss Lowell's business and financial performance in a small group format.

Further detail of this event and how to register will be issued in a separate press release in due course.

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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. The Group employs over 3,600 people.

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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By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that the Group's or any of its affiliate's actual results of operations, financial condition and liquidity, and the development of the industries in which they operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this press release. In addition, even if the Group's or any of its affiliate's results of operations, financial condition and liquidity, and the development of the industries in which they operate, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.