

4 November 2020

Garfunkelux Holdco 3 S.A. closes offering of £1,622,080,000 (equivalent) Senior Secured Notes and secures £600m of contributions from its parent

Garfunkelux Holdco 2 S.A. (the "Company" and, together with its subsidiaries, the "Group") has today completed the offering (the "Offering") of senior secured notes by its subsidiary, Garfunkelux Holdco 3 S.A. (the "Issuer"), as follows:

- (i) €600,000,000 floating rate senior secured notes due 2026, at an issue price of 98.500%, with a coupon of three-month EURIBOR (subject to 0% floor) plus 6.250% per annum, reset quarterly;
- (ii) €740,000,000 6.750% senior secured notes due 2025, at an issue price of 100.000%; and
- (iii) £400,000,000 7.750% senior secured notes due 2025, at an issue price of 100.000%.

The Group intends to use the proceeds from the Offering, together with contributions from its parent in a total aggregate amount of £600 million:

- (i) to fully redeem the Issuer's £565 million 8.500% senior secured notes due 2022, €365 million 7.500% senior secured notes due 2022, €415 million floating rate senior secured notes due 2023, €530 million floating rate senior secured notes due 2023 and SEK 1,280,000,000 floating rate senior secured notes due 2023;
- (ii) to fully redeem the Company's £230 million 11.000% senior notes due 2023;
- (iii) to partially repay drawings under the Group's revolving credit facility;
- (iv) for general corporate purposes, which may include future debt portfolio purchases or repayment or redemption of indebtedness; and
- (v) to pay fees and expenses in connection with the Offering and related transactions.

Colin Storrar, Group CEO, said:

"We are delighted with the support we've received from the market. With this capital structure in place, we can really drive the business forward and grow. Alongside our continued strong performance, it puts us in a great place to take advantage of growth in the NPL market. We will continue our focus on high customer standards, ensuring fair customer outcomes and helping consumers return to financial health.

"As a group, we are delivering on the targets we set in our long-term growth strategy, Lowell23. Our leverage will be at 3.6x, within our target range. We continue to perform strongly, managing costs effectively and maintaining robust

earnings. We have a new and improved platform for growth, and I am looking forward to the next phase of building Lowell.”

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The Offering is being made by means of an offering memorandum. This announcement does not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other security and shall not constitute an offer, solicitation or sale in the United States or in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful.

The Notes and the related guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons, except (i) to U.S. persons that are both “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) and “qualified purchasers” (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the “U.S. Investment Company Act”)) in transactions exempt from the registration requirements of the U.S. Securities Act in reliance on Rule 144A and (ii) outside the United States to persons who are neither U.S. persons (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) nor U.S. residents (as defined for purposes of the U.S. Investment Company Act) in offshore transactions in reliance on Regulation S. Until 40 days after the later of (i) the commencement of this Offering and (ii) the Issue Date, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A. There is no assurance that the Notes will be issued or, if issued, as to the terms under which they will be issued.

Promotion of the Notes in the United Kingdom is restricted by the Financial Services and Markets Act 2000 (the “FSMA”), and accordingly, the Notes are not being promoted to the general public in the United Kingdom. This announcement is only addressed to and directed at persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated

or caused to be communicated (all such persons together being referred to as “relevant persons”). The Notes will only be available to relevant persons and this announcement must not be acted on or relied on by anyone who is not a relevant person.

In connection with any issuance of the Notes, a stabilizing manager (or any person acting on behalf of such stabilizing manager) may engage in transactions that stabilize, maintain or otherwise affect the price of the relevant Notes. Specifically, a stabilizing manager may bid for and purchase the relevant Notes in the open markets for the purpose of pegging, fixing or maintaining the price of such Notes. A stabilizing manager may also over-allot the offering of the relevant Notes creating a syndicate short position, and may bid for and purchase relevant Notes in the open market to cover the applicable syndicate short position. In addition, a stabilizing manager may bid for and purchase relevant Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the market price of the relevant Notes above market levels that may otherwise prevail. A stabilizing manager is not required to engage in these activities, and may end these activities at any time.

Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or the United Kingdom.

Forward-looking statements

This press release includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this press release, including, without limitation, those regarding the Group’s or any of its affiliate’s future financial position and results of operations, their strategy, plans, objectives, goals and targets, future developments in the markets in which they participate or are seeking to participate or anticipated regulatory changes in the markets in which they operate or intend to operate. In some cases, these forward-looking statements can be identified by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” or “will” or the negative of such terms or other comparable terminology.

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 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.