November 24 2016

LOWELL GFKL GROUP ANNOUNCES IMPRESSIVE THIRD QUARTER RESULTS

Lowell GFKL Group, a European leader in credit receivables management, today announces impressive results for its third quarter ended 30 September 2016.

Financial Highlights

- Group Cash EBITDA* of £69m for the three months to September 2016 – an increase of 34% versus the three months to September 2015
- 120 month gross Estimated Remaining Collections (ERC) of £1.7bn, an increase of 20% from September 2015 (up £274m) and 22% higher versus December 2015
- Non-Performing Loan (NPL) portfolio acquisitions of £238m in the last 12 months to September 2016, consistent with the 12 months to September 2015
- Solid pipeline of NPL portfolio acquisitions in place for Q4 giving visibility of expected purchases for the full year in excess of £250m

Operational Highlights

- Closed the acquisition of Tesch Inkasso at the end of September 2016
- Raised €230m to fund the Tesch Inkasso transaction and provide further investment capital
- Integration of all businesses is progressing well
- Focus on value creation remains paramount:
    - Sharing best practice to increase competitiveness
    - Building a strong platform for future pan-European expansion
    - Maintaining a disciplined approach to pricing and investment
- Compliance with the regulatory environments and the continuing focus on customer experience remain at the forefront of all activities

Outlook

The Group continues to perform well, with on-going opportunities to deploy capital in accretive investments. We see structural drivers for market growth in both Germany and the UK and as such the outlook for the Group remains positive.

Commenting on the results, Colin Storrar CFO said:

"I'm pleased to announce the delivery of impressive results by the Lowell GFKL Group. We have seen positive momentum during the third quarter with significant growth in both Cash EBITDA and 120 month ERC year on year. In light of our 2016 year to date performance and recent complementary acquisitions, we look to the future positively."

* Cash EBITDA for the three months to 30 September 2015 and on a last 12 months basis to 31 December 2015 is defined as both Lowell's and GFKL's Adjusted EBITDA, each as defined in the Offering Memorandum dated 14 October 2015. Cash EBITDA for the three months to 30 September 2016 and on a last 12 months basis post 31 December 2015 is 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.

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About Lowell GFKL Group:
The Lowell GFKL Group was created in October 2015 following the merger of the UK and German market leaders, the Lowell Group and the GFKL Group. This union created one of the largest credit management companies in Europe. It benefits from the backing of global investment company Permira and Ontario Teachers' Pension Plan. The Group's experience, expertise and core strengths in data analytics and operational efficiency underpin its vision to be the most reputable and trusted partner in the European credit management sector. For more information on the Group, please visit our investor website:

investors.garfunkelux.com

For information on the individual companies, please visit:

www.lowellgroup.co.uk
www.gfkl.com

Non-IFRS financial measures
We have included certain non-IFRS financial measures in this trading update, including Estimated Remaining Collections ("ERC") and Cash EBITDA.

We present ERC because it represents our expected gross cash proceeds of the purchased debt portfolios recorded on our balance sheet (the "Purchased Assets") over the 84-month, 120-month and 180-month periods. ERC is calculated as of a point in time assuming no additional purchases are made. ERC is a metric that is also often used by other companies in our industry. We present ERC because it represents our best estimate of the undiscounted cash value of our Purchased Assets at any point in time, which is an important supplemental measure for our board of directors and management to assess our performance, and underscores the cash generation capacity of the assets backing our business. In addition, the instruments governing our indebtedness use ERC to measure our compliance with certain covenants and, in certain circumstances, our ability to incur indebtedness. ERC is a projection, calculated by our proprietary analytical models, which utilise historical portfolio collection performance data and assumptions about future collection rates, and we cannot guarantee that we will achieve such collections. ERC, as computed by us, may not be comparable to similar metrics used by other companies in our industry.

We present Cash EBITDA because we believe it may enhance an investor's understanding of our profitability and cash flow generation that could be used to service or pay down debt, pay income taxes, purchase new debt portfolios and for other uses, and because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies generally. In addition to ERC, our board of directors and management also use Cash EBITDA to assess our performance. Cash EBITDA is not a measure calculated in accordance with IFRS and our use of the term Cash EBITDA may vary from others in our industry. For a reconciliation of Cash EBITDA to operating profit, see the "Reconciling the Q3 Interim Numbers to this Presentation" page within the Investor Presentation document available on the investor website.

ERC and Cash EBITDA and all the other non-IFRS measures presented have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS.