

These preliminary financial results for the three months ended June 30 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 QUARTER 2 2023 TRADING UPDATE

Strong collections performance demonstrating operational resilience coupled with disciplined capital deployment at increased returns

Lowell, a European leader in credit management services, today provides a preliminary trading update for the quarter ending 30 June 2023 and the corresponding LTM period.

Financial highlights

- Group DP collections at 100% YTD vs Dec-22 static pool with UK collections performing at 103%
- £173m capital deployed YTD on portfolio acquisitions, on track to deploy ~£350m at 20% blended net IRR for the FY23 vintage
- Second off-balance sheet securitisation completed in the quarter generating ~£55m of accelerated cashflows and liquidity

As at 30 June 2023	Q2-23	Change	H1-23	Change	LTM Jun-23	Change
Cash Income	£296m	+39%	£634m	+47%	£1,173m	+35%
Portfolio Acquisitions	£81m	(14)%	£173m	(39)%	£364m ¹	(30)%

Collections continue to perform strongly

Collections have continued to perform strongly demonstrating the operational resilience of the business with performance against the Dec-22 static pool at 100%. Consistent with our Q1 update, UK collections are running ahead of Dec-22 static pool forecast at 103%. Strong performance in the UK has been achieved despite tough macroeconomic conditions, helped by 80% of monthly collections coming from payment plans. The resilience of these arrangements, with low default rates which continue to be stable, owes much to our customer engagement, understanding of circumstances and arrangement of affordable monthly amounts.

Regional performance remains strong with the Nordics DP collections performing in line with static pool expectations and operational activity in DACH continuing to recover collections which were deferred during last year's cyber incident, improving static pool performance month on month.

¹ Excludes Hoist UK Acquisition

Portfolio Acquisitions

The business has continued to deploy capital at a run-rate reflecting its full year 2023 guidance of ~£350m.

In Q2-23 portfolios acquired totalled £81m bringing the total for the H1-23 to £173m. This represents the Group's conscious decision to reduce the level of deployment compared to the elevated level last year, bringing spend closer to ERC Replacement Rate as it focusses on balance sheet management and the self-funding of growth. This does not reflect any reduction in market volumes which continue to be strong across all regions.

As noted in the full year call the return levels at which the capital is being deployed has grown by over 400bps with the current year vintage expected to be priced at a blended unlevered net IRR of 20%. This represents a spread of >12% over our current weighted average cost of debt. Performance on FY23 portfolios is currently in line with pricing expectations.

Balance Sheet Velocity

The second off-balance sheet ABS was completed in the quarter generating ~£55m of advanced collections and cash to reinvest in new portfolio acquisitions. This transaction, which utilised portfolios in Denmark, demonstrates the repeatability of this funding model, broadening the range of investors in the business.

Together with the Swedish portfolio sale in the first quarter, this represents a sustainable level of increased balance sheet velocity which would be expected to continue in future years at similar levels.

Liquidity and Leverage

Liquidity at the end of the quarter was £209m, comprising cash on balance sheet, available undrawn RCF capacity and amounts available under our securitisation facilities. This is in line with expectations and reflects the timing of cash outflows such as interest payments in Q2.

We expect liquidity to continue to improve across the year, supported by strong cash generation, capital deployment more closely aligned to the ERC replacement rate level and balance sheet activity.

Pro forma leverage at the end of the quarter was ~3.2x continuing to reduce in line with the guidance of bringing leverage below 3.0x by the middle of next year.

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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.