

Lowell to acquire Hoist Finance UK as expansion into Financial Services collections continues

- **Significant expansion, particularly in the banking subsector, in line with Lowell's growth strategy**
- **Adds over 2m customer accounts and materially boosts data insight**
- **Lowell issues first European Rated Loan ABS as it continues to diversify sources of funding**

Lowell Group ("Lowell"), one of Europe's leading credit management services providers, has today announced the acquisition of Hoist Finance UK. The transaction includes the operations of Hoist Finance UK and its entire unsecured non-performing loan portfolio, comprising of over 2 million consumer accounts, with approximately £585m 180 month Estimated Remaining Collections as at December 2021. The loan portfolio is almost exclusively in the credit card and personal loan sector.

The acquisition continues Lowell's growth trajectory as well as delivering targeted, strategic expansion into the UK financial services sector, specifically banking. Lowell will also benefit from improved data insight from the financial services market, materially speeding up pricing and analysis whilst reducing investment risk.

The transaction is valued at £370m on an enterprise value basis as at 31 December 2021 which accounts for £340m of net debt. Completion is subject to the approval of the Financial Conduct Authority and is expected Q3 2022. Lowell expects to maintain leverage within its guided range of 3.5-4.0x upon completion of the transaction.

Colin Storrar, Lowell Group CEO, said: "Hoist Finance is a strong UK market player and its platform, experience, data and portfolio will bring much added value to the Lowell Group. This transaction also demonstrates our ambition, cementing our place as one of the largest UK and European credit services providers across all principal sectors. This is a continuation of our growth trajectory and supports the delivery of the strategic goals we set ourselves."

Lowell also today announces the issuance of the first European Rated Loan ABS. The new securitisation, via Wolf Receivables Financing Plc, comprises 357,000 reperforming customer accounts with c£180m 120m ERC. The securitisation will raise proceeds of £100m via the issuance of Senior Notes at a coupon of S+325bps. Lowell will initially hold 100% of the Junior Notes and will continue to service the securitisation. Lowell's core strength is to work with consumers to generate affordable and sustainable payment arrangements. This new securitisation is a clear demonstration of Lowell's strength in rehabilitating consumer accounts from non-paying to generating stable reperforming cash flows which support investment grade ABS senior notes.

The acquisition of Hoist Finance UK will be funded via a combination of proceeds from the new securitisation, strong operating cash flow and existing committed funding sources.

Jamie Wilson, Lowell Chief Financial Officer, said: "These two transactions deliver against our stated goals, continuing to grow our business and diversify our revenues and balance sheet. It builds sustainability into the business and positions us for future growth. It is always good to have established a new product in the process and we have shown with the ABS that we continue to innovate and further diversify our sources of funding."

Lowell will release its FY21 results on 27 April 2022. Details can be found here <https://bit.ly/3LPDS6E>

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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 4,000 people, including 1,500 in the UK.

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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