



Non-Deal Investor Meeting

30 November 2022

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£583_m

LTM Cash EBITDA

61%

LTM Cash EBITDA Margin

~100%Collection performance vs Jun-22 reforecast¹¹ Collection performance for the 3 months to Sep-22 vs Jun-22 forecast

Q3 Summary

- ◆ Solid underlying financial delivery despite strong comparative LTM period:
 - ◇ Performance benefitting from deconsolidation of publicly rated ABS following sale of 51% of Junior Notes in Q3
 - ◇ Underlying Cash EBITDA flat YoY
- ◆ Positive collection performance:
 - ◇ Pleasing progress on recovery post Cyber Incident in DACH with in-month DP collections vs Dec-21 static pool back above 100%
 - ◇ Group performing in-line with Jun-22 reforecast
- ◆ Significant corporate developments:
 - ◇ Completion of Hoist UK acquisition following FCA approval
 - ◇ New ABS facility to partially fund acquisition

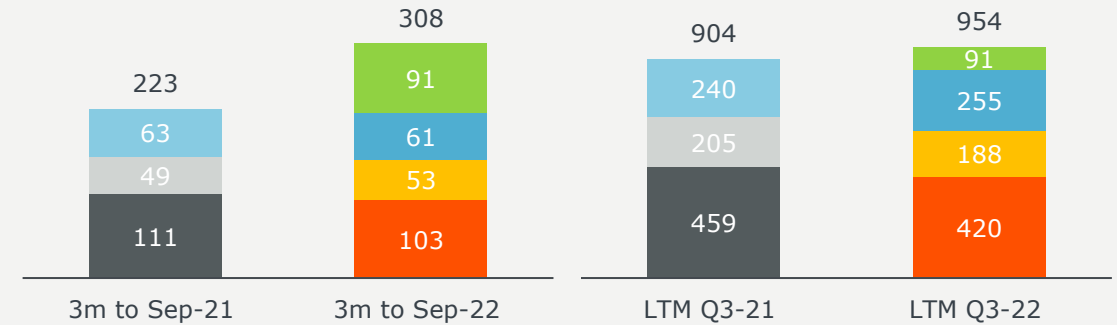
Cash Income

£954_m LTM Cash Income

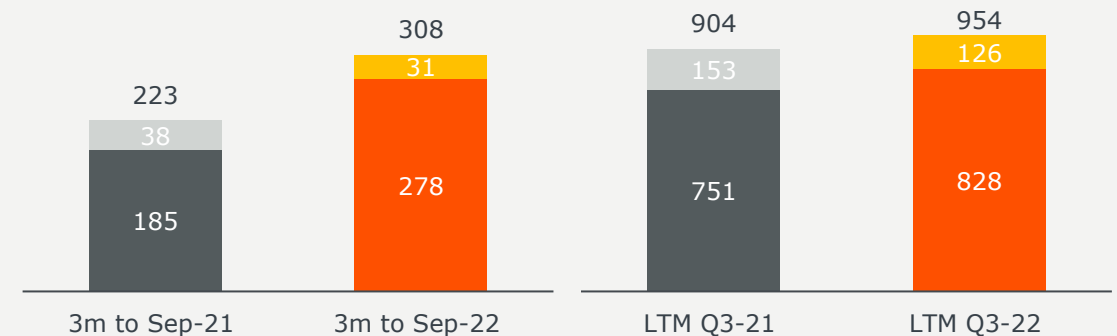
- ◆ Underlying YoY top-line performance impacted by DACH collection deferral and strong comparative UK Collection performance
- ◆ Softer UK collection performance YTD driven by reduction in collection activity volume across H1 and emerging pressure from reduced settlement values
- ◆ Wider performance benefitting from acceleration of cash flows associated with deconsolidation of publicly rated ABS structure in UK
- ◆ 3PC performance also impacted by DACH collection deferral:
 - ◇ Underlying performance continues to reflect impact of reduced handovers post COVID, especially in the Financial Services sector

■ UK
 ■ DACH
 ■ Nordics
 ■ ABS sale
 ■ DP
 ■ 3PC

Cash Income by Geography (£m)



Cash Income by Service Line (£m)



Cash EBITDA

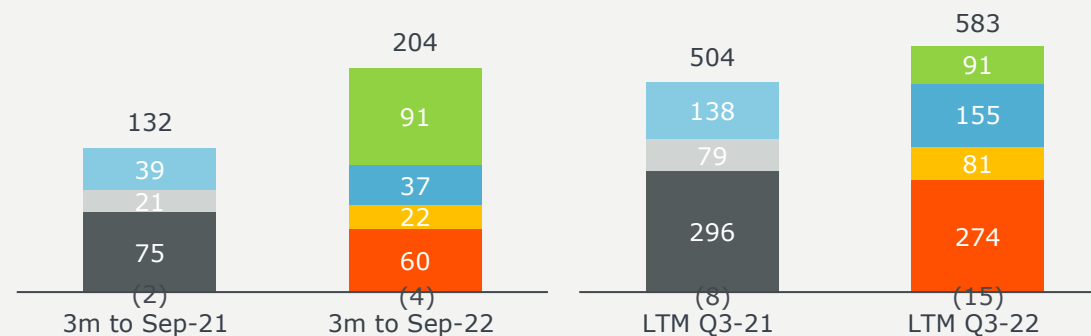
£583_m LTM Cash EBITDA

- ◆ Resilient underlying Cash EBITDA performance benefitting from margin improvement across last 24 months
- ◆ LTM view impacted from reported DACH cyber incident:
 - ◇ LTM Cash EBITDA impact of ~£17m¹ (£14m in Q2-22)
- ◆ Headline Cash EBITDA benefits from acceleration of cashflows in publicly rated ABS deconsolidation
- ◆ Margin development reflects:
 - ◇ Inflationary cost pressures becoming visible
 - ◇ Impact of up-front cost profile associated with significant LTM spend
 - ◇ Increased costs associated with collection activity in UK to drive collections

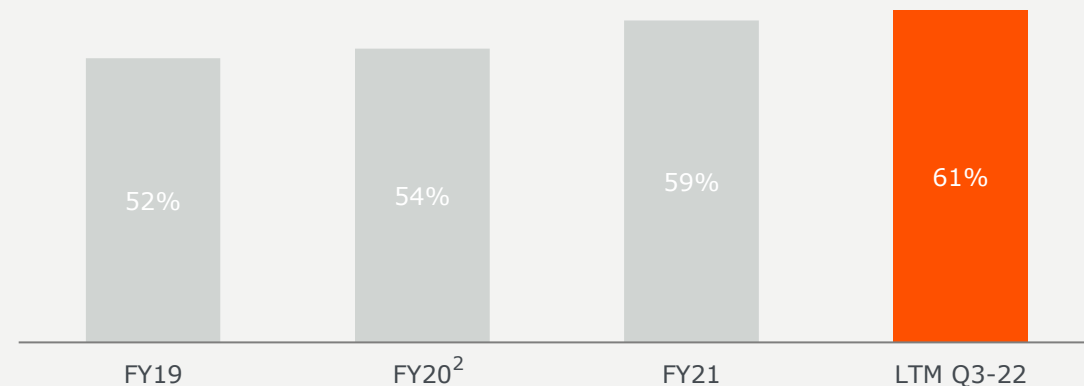
¹ When adjusting for Cyber impact in DACH; assumption that performance flat vs Q1-22.
² Underlying FY20 Cash EBITDA margin of 54% when adjusting for ~1% benefit from reduced litigation volume

■ UK
 ■ DACH
 ■ Nordics
 ■ ABS sale
 ■ Group

Cash EBITDA (£m)



LTM Cash EBITDA Margin (%)



DP Collection Performance

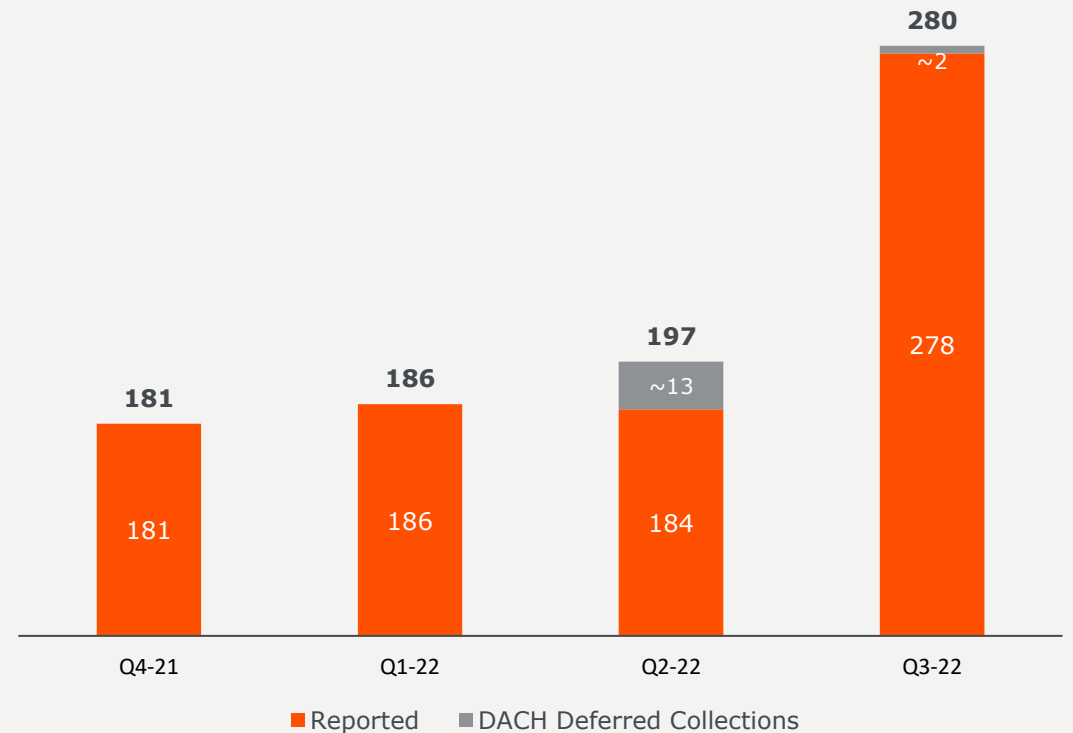
£278_m Reported Q3 DP Collections

~100% Collection performance vs Jun-22 reforecast¹

- ◆ Underlying collections growth aligned with increased levels of purchasing across LTM period
- ◆ Collections performing in-line with reforecast at Jun-22 which accounted for anticipated rephasing of collections
- ◆ UK 2022 vintage performing ahead of pricing expectation

¹ Collection performance for the 3 months to Sep-22 vs Jun-22 forecast

DP Collections by Quarter



UK Collection Performance

~100%

Collection performance in-line with Jun-22 reforecast¹

>100%

2022 vintage performing ahead of priced expectation

80%

Q3-22 Payments from sustainable payment plans

- ◆ UK continues to benefit from significant proportion of payments from payment plans:
 - ◇ Marginal softness visible in value of settlements
 - ◇ No visible change or impact to date on default rates
- ◆ UK performing in-line with reforecast curves which reflect expected rephasing of collections
- ◆ Litigation selections back at BAU levels
- ◆ 2022 vintage outperforming initial priced curves

¹ Collection performance for the 3 months to Sep-22 vs Jun-22 forecast

Purchases and ERC

£577_m LTM Purchases¹

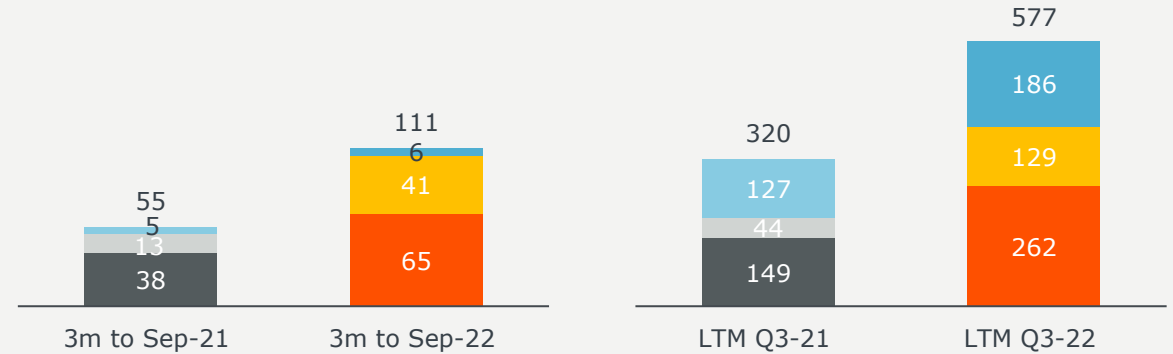
£3.8_{bn} 120m ERC

- ◆ LTM run rate has now peaked;
 - ◇ Q4 spend to be significantly lower vs prior year taking run rate below £500m
- ◆ Strong diversification of ERC with non-UK ERC representing >40% of total 120m ERC
- ◆ Signs of returns environment improving as market re-prices in light of macro developments

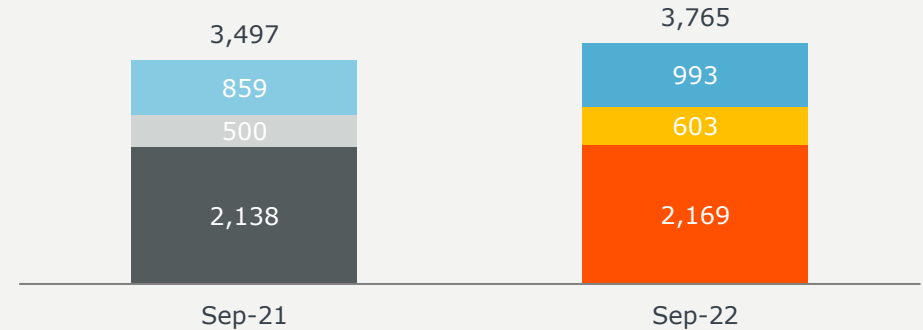
¹ Excludes ~£12m fair value portfolio acquisition, reflecting retained 49% Junior Note holding in publicly rated ABS structure which is shown in the Financial Statements

■ UK ■ DACH ■ Nordics

Purchases (£m)



120m ERC (£m)



Hoist UK Update

£485_m

180m ERC at Sep-22

>100%

Collection performance vs priced expectation

~£75_m

LTM Cash EBITDA

- ◆ Acquisition completed following FCA approval in Oct-22
- ◆ TSA negotiated with Hoist Finance AB to facilitate orderly transition to Lowell
- ◆ Migration of accounts to Lowell systems to commence in 2023
- ◆ Lowell appointed as debt administrator to unsecured UK assets acquired by Hoist Finance AB with co-invest potential
- ◆ Hoist UK to be consolidated on Lowell Balance sheet from Q4-22

New ABS Facility

+390 bps

Facility margin plus SONIA

24 months

Revolving period

- ◆ Facility further diversifies funding structure and reduces cost of funding
- ◆ Substantiates inherent value of Hoist UK backbook being acquired
- ◆ Facility includes interest rate cap, consistent with all other active ABS facilities

Note: drawn in October 2022 on completion of Hoist UK acquisition.

£170m

Additional securitisation commitment to partially fund Hoist UK acquisition

	Facility
Commitment	£170m
Margin	S+390bps
Revolving Period	24 months
Maturity	Oct-27
Advance Rate (120m ERC)	47%
Underlying Assets	All Hoist UK DP assets acquired
Amortisation Period	36 months
Utilisation at Sep-22	Nil
Use of Proceeds	Partial funding of Hoist Acquisition
Interest rate cap	✓

Deconsolidation of Publicly Rated ABS

A repeatable funding source allowing the Group to recycle capital and crystallise returns earlier in the investment cycle

£91_m Acceleration of DP cashflows

£13_m Gain vs book value of assets

£65_m Reduction in Net Debt as at Q3

- ◆ Rated securitisation provides opportunity to recycle capital from backbook earlier in investment period
- ◆ Demonstrates Lowell's strength in rehabilitating consumer accounts from non paying to generating reperforming cash flows
- ◆ Sale of 51% of Junior Notes results in the SPV being de-recognised from an accounting perspective, resulting in:
 - ◇ increased cash flow;
 - ◇ lower net debt; and
 - ◇ the crystallisation of an accounting gain vs book value
- ◆ Lowell continues to hold minority Junior Notes stake (49%) and service the portfolios
- ◆ Detailed impact across metrics shown in Appendix

Leverage and Liquidity

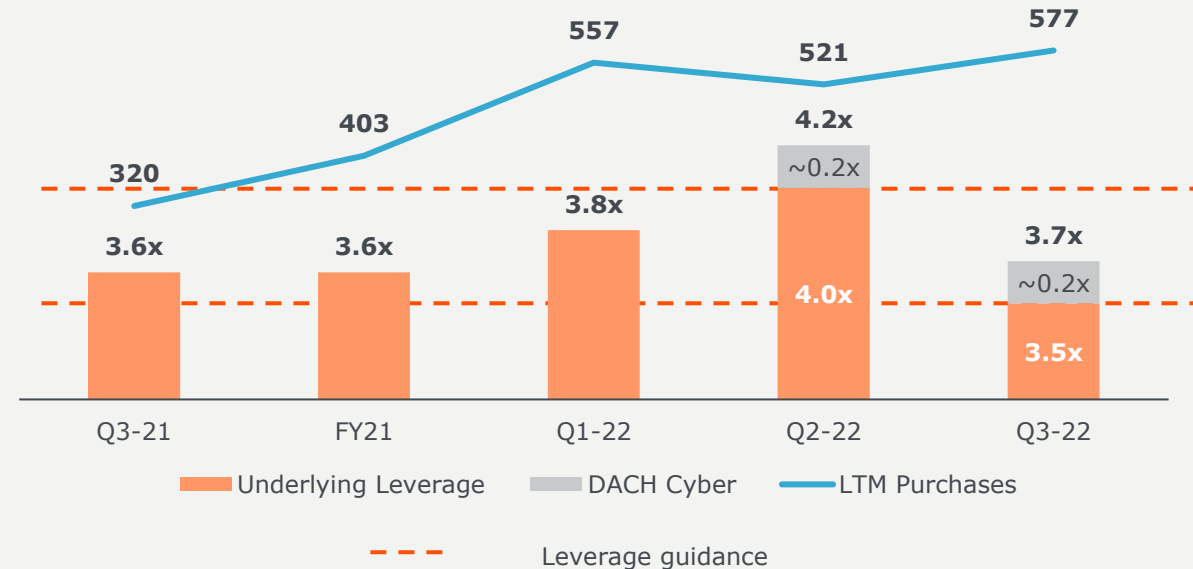
£543m Available Liquidity¹

3.7x Reported Net Leverage

3 years Nearest High Yield Bond Maturity

- ◆ Year end leverage expected to be within guided range of 4.0x – 3.5x
- ◆ Liquidity benefitting from new ABS commitment of £170m
- ◆ Guiding to purchasing levels across 2023 being more closely aligned to Replacement Rate

Leverage vs LTM Purchases (£m)



¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 30 September 2022. Includes £170m commitment agreed for new ABS facility which partially funded the Hoist UK acquisition in Oct-22

Cash Generation

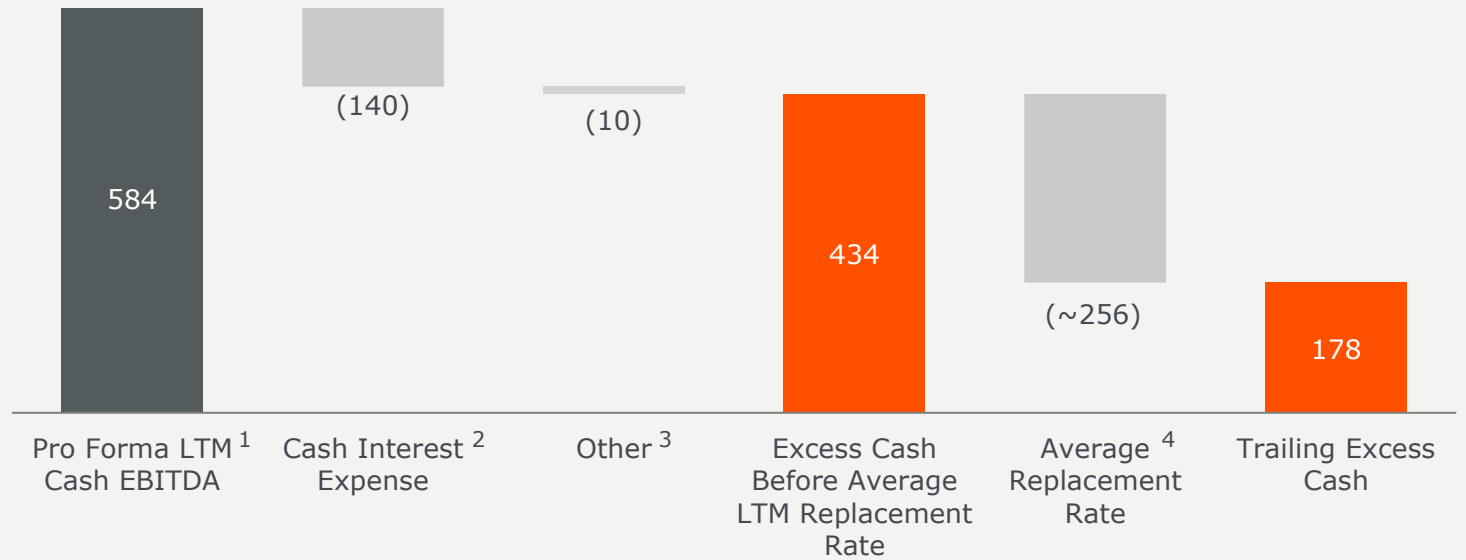
£434m

Cash generation before Portfolio Purchases

~£178m

Excess Cash generated to fund growth

Trailing Steady State Cash Flow (£m)



¹ Pro Forma Cash EBITDA includes ~£1m of Pro Forma cost adjustments. ² Cash Interest calculated as next 12 months interest on debt instruments and drawings as of 30 Sep 2022. ³ Other represents Cash tax expenses paid LTM Sep-22 (£4m) and Management's maintenance capex estimate (£6m). ⁴ Average Replacement Rate as calculated in Appendix.

~£450_m

FY22 purchasing guidance

4.0x – 3.5x

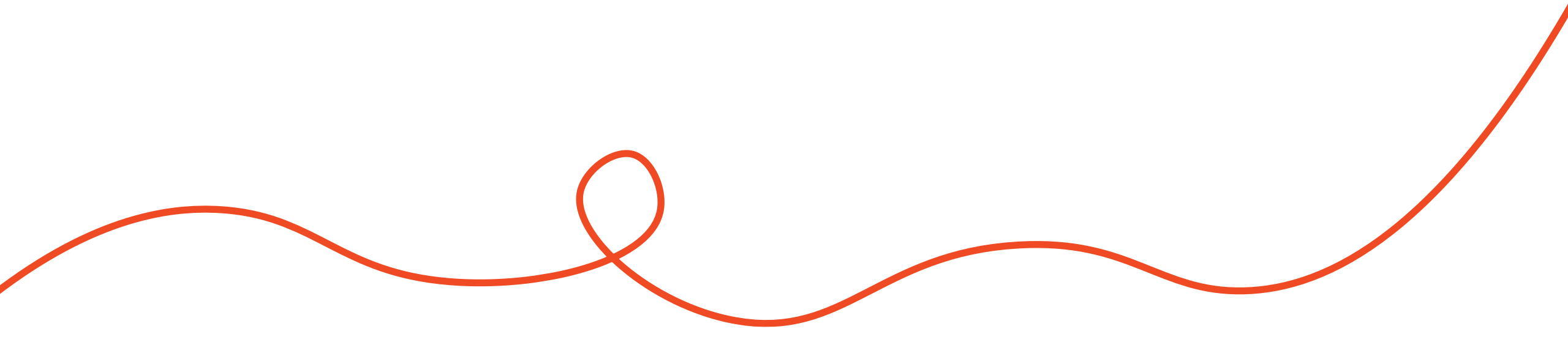
Net Leverage guidance

Financial Outlook

- ◆ Disciplined investment approach across all regions to drive profitable growth:
 - ◇ FY23 purchasing levels expected to be more closely aligned to Replacement Rate
 - ◇ Clear focus on balance sheet following strong year of capital deployment and unique Hoist UK opportunity
- ◆ Leverage expected to remain within 4.0x – 3.5x
- ◆ Macro impact being closely monitored with signs of market re-pricing underway



Appendix – Q3 2022 Presentation



ERC Profile

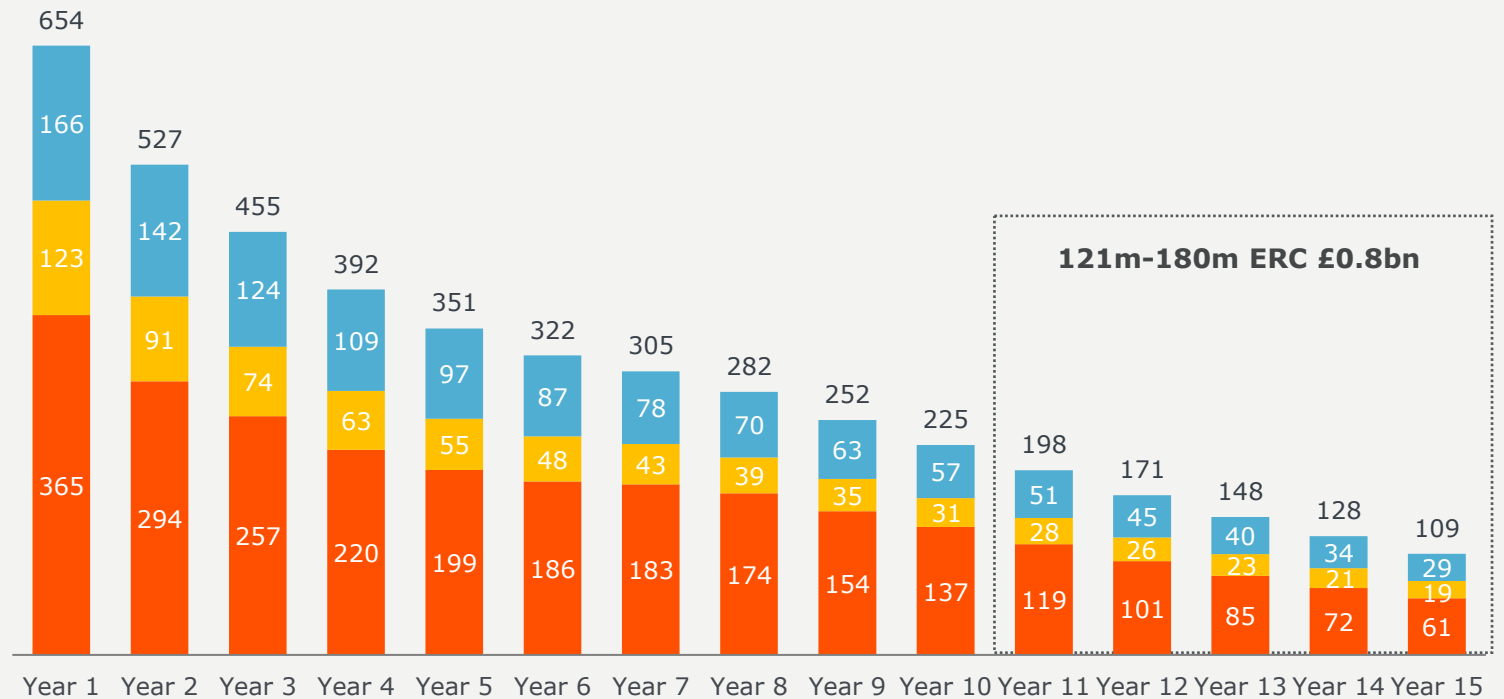
Diversified backbook formed of 20 vintages, ~4,500 portfolios and across a range of originating sectors

£3.8bn 120m ERC

£4.5bn 180m ERC

UK DACH Nordics

(£m)



Historic Collection Performance

■ UK ■ UK and DACH ■ UK, DACH and Nordics - - Forecast

Cumulative collection performance to Sep-22 vs static pool

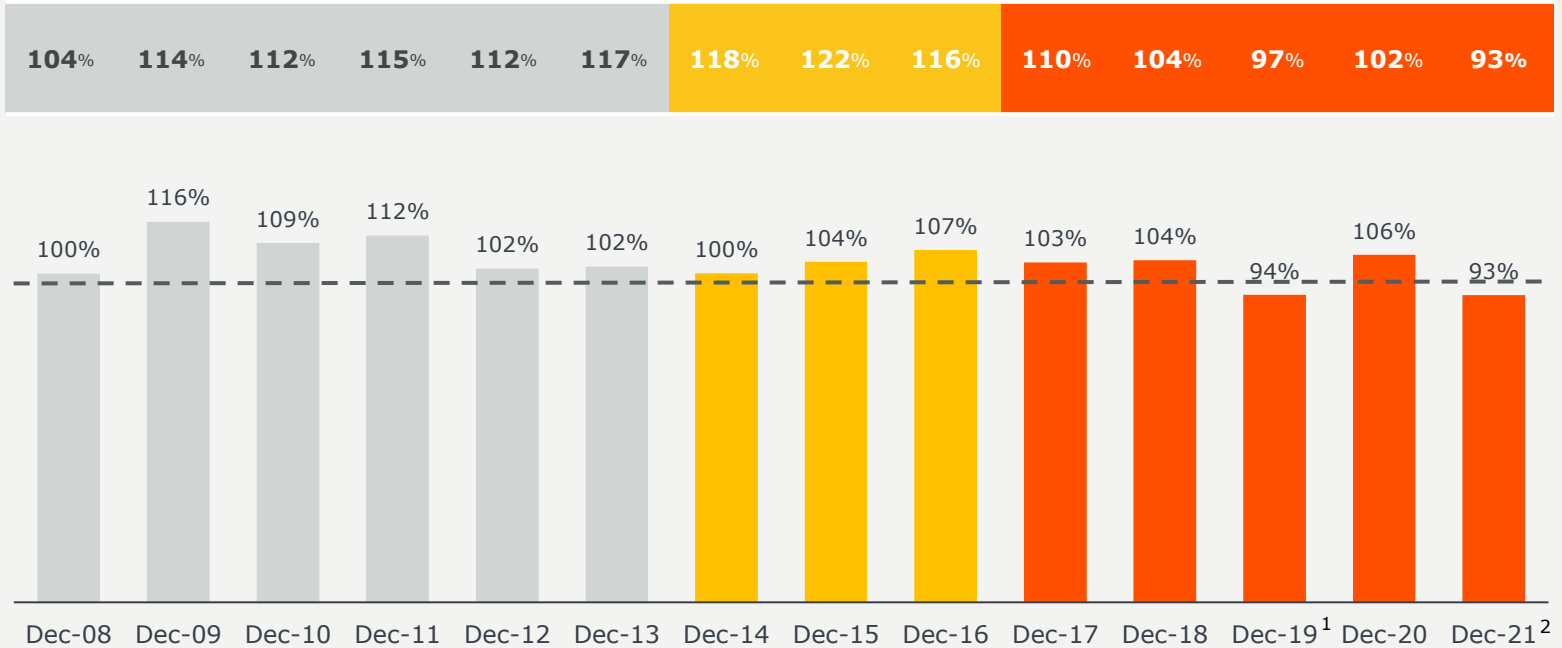
Next 12 months actual collections vs static pool

93%

Cumulative Collection Performance vs Dec-21 Static Pool²

~100%

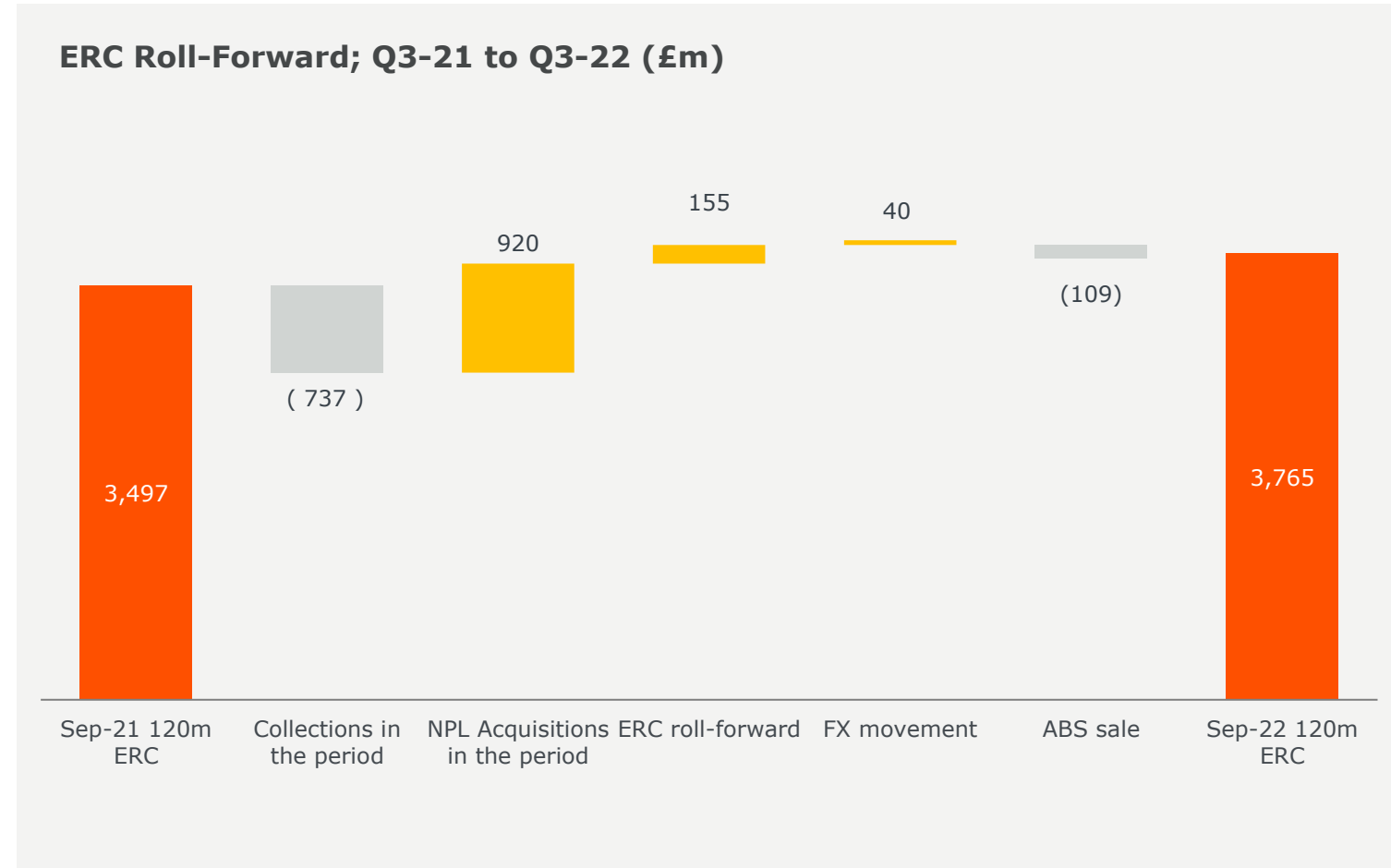
Collection performance in line with Jun-22 reforecast³



Note: Collection Performance metrics exclude asset sales where applicable. ¹ Group collection performance below 100% as a result of actions taken in UK to pause litigation and limit outbound dialling across Q2-20. ² Actual collection performance for the 9 months to Sep-22 vs Dec-21 static pool. ³ Collection performance for the 3 months to Sep-22 vs Jun-22 reforecast

120m ERC Roll-Forward

- ◆ NPL Acquisitions in the period: purchases in the period grossed up to 120m ERC based on respective priced 120m GMMs
- ◆ ERC roll-forward takes into account:
 - ◇ Mechanical nature of revaluation (roll-in of value present in the tail)
 - ◇ Change in collections expectations leading to an uplift or reduction in estimated cash-flows
- ◇ ABS sale reflects net ERC sold as part of deconsolidation following sale of 51% of Junior Notes



Reconciliations to the Financial Statements

Reported Income to Cash Income (£m)

Q3-22	Group Total
Income from Portfolio Investments	105
<i>Add Portfolio Amortisation</i>	173
DP Cash Income	278
Service Revenue	31
<i>Less Lawyer Service Income</i>	(0)
3PC Cash Income	31
A Total Cash Income	308

Reported Costs to Normalised Costs (£m)

Q3-22	Group Total
Collection Activity Costs	69
<i>Less Lawyer Service Costs</i>	(0)
<i>Less Non recurring costs</i>	(0)
B Normalised Collection Activity Costs	69

Gross Profit Calculation (£m)

Q3-22	Group Total
A Cash Income	308
B Collection Activity Costs	(69)
C Gross Profit	240
C/A Gross Profit Margin	78%

Other Expenses (£m)

Q3-22	Group Total
Other Expenses	48
<i>Less Depreciation, Amortisation & Impairment</i>	(10)
<i>Less Non recurring costs</i>	(2)
Normalised Other Expenses	36

Pro Forma Cash EBITDA Reconciliation

Cash EBITDA (£m)		
	LTM Sep-22	LTM Sep-21
UK	274	296
DACH	81	79
Nordics	155	138
Deconsolidation of publicly rated ABS	91	-
Group Costs ¹	(18)	(8)
Group Cash EBITDA	583	504
Pro Forma Cost Adjustments ²	1	5
Pro Forma Cash EBITDA	584	509

¹ Group cost increase reflects recategorization of central related costs to Group category.. ² Pro Forma cost adjustments represent adjustments made to reflect the full run rate benefits of changes enacted.

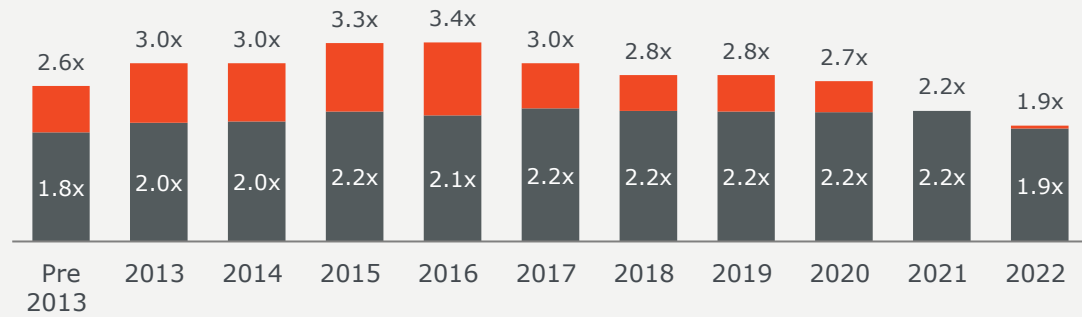
Deconsolidation of Publicly Rated ABS - Summary of Accounting Impact

Accounting Treatment Summary (£m)

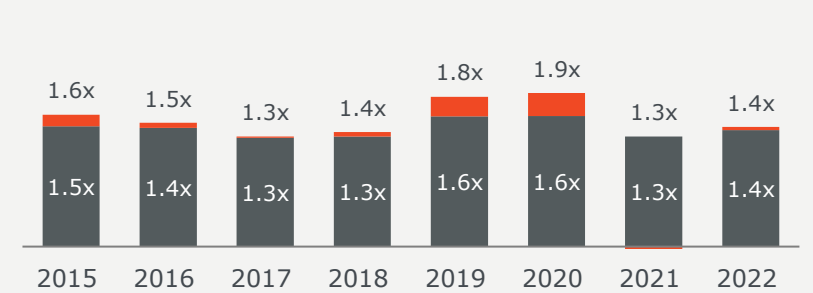
	Impact	£m
Income Statement		
Net-portfolio write Up	Revaluation of assets prior to sale reflecting gain vs book value	13
Balance Sheet		
Portfolio investments	Deconsolidation of portfolios held in ABS structure	(76)
Portfolio investments	Recognition of Fair Value portfolio to reflect ongoing 49% Junior Note ownership	12
Borrowings	Deconsolidation of debt	(65)
KPIs		
Cash Income and DP Collections	Cashflow recognised as acceleration of collections	91
ERC	Net impact of the removal of ERC associated with portfolios held in ABS structure and the recognition of ERC associated with the Fair Value portfolio recognised	(109)

120m GMMs Per Vintage

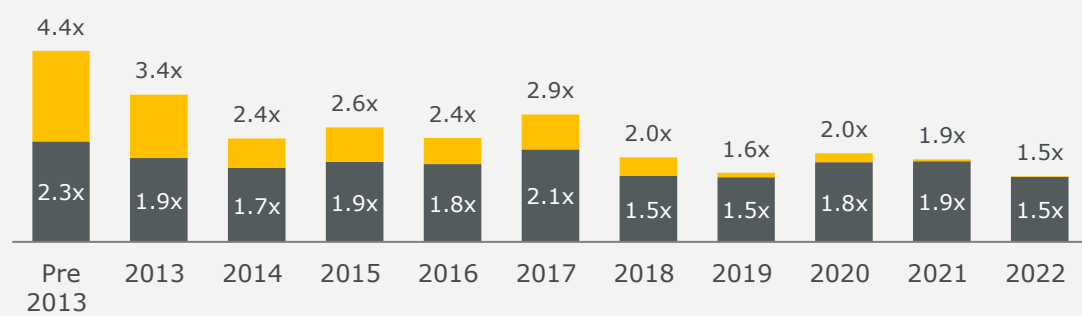
UK Non-Paying¹



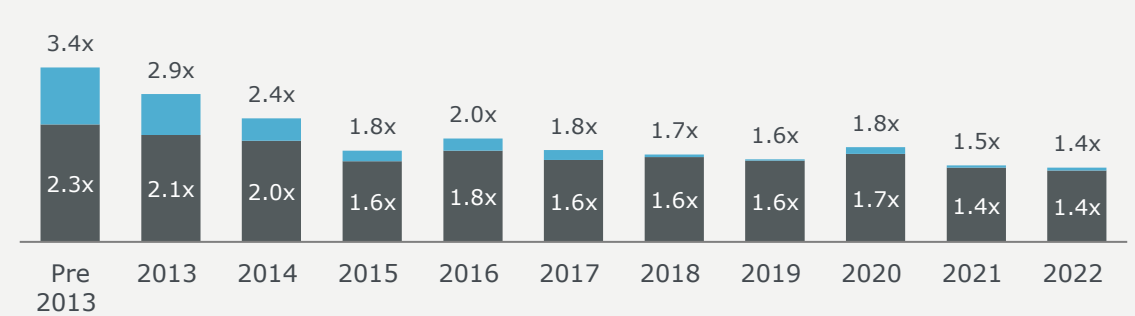
UK Paying¹



DACH



Nordics



Note: Current GMM is calculated using actual collections to Jun-22 plus ERC across the next 120m for all regions. Priced GMM is calculated using the priced collection expectation over the initial 120m for all regions.
¹ UK Paying: These portfolios are determined at the point of acquisition based on the proportion of accounts within that portfolio which are set up on a payment plan. UK Non-Paying GMMs pre-2015 reflect total UK GMMs (Paying and Non-Paying, where applicable).

Calculation of Group 120m ERC Replacement Rate

£m	Sep-22
120m ERC	3,765
Year 1 Collections	654
Roll-forward (Year 11 Collections)	198
Collections to replace	456
2021 vintage GMM	1.8x
2022 vintage GMM	1.6x
Blended GMM ¹	1.7x
Replacement Rate as calculated at Sep-22	264
Replacement Rate as calculated at Sep-21	249
Average LTM Replacement Rate²	256

GMM Weighted Average Calculation (£m)

2021 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	169	45	189	403
% of total purchases	42%	11%	47%	100%
Actual 120m GMM	1.9x	1.9x	1.4x	
Weighted Average				1.8x
2022 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	197	101	87	385
% of total purchases	51%	26%	23%	100%
Actual 120m GMM	1.8x	1.5x	1.4x	
Weighted Average				1.6x
Blended GMM				1.7x

¹ Blended GMM represents the average 120m GMM for 2021 and 2022 vintages, across the UK, DACH and Nordics as at Sep-22.

² Average Replacement Rate is an average of the Replacement Rate as calculated at Sep-22 and the Replacement Rate as calculated at Sep-21.

Leverage and Liquidity

£543_m Available Liquidity¹

£m	Sep-22
RCF Capacity	403
Amounts Drawn	(155)
Securitisation Availability ²	181
Cash	113
Available Liquidity	543

£m	Sep-22
Net Debt	2,132
Pro Forma LTM Cash EBITDA	584
Net Debt / LTM Cash EBITDA	3.7x
Senior Secured Net Debt / LTM Cash EBITDA	3.0x

3.7_x Net Leverage³

¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 30 September 2022. Includes £170m commitment agreed for new ABS facility which partially funded the Hoist UK acquisition in Oct-22. ² Amounts available across ABS Facility 1, Facility 2 and Facility 3 as at Sep-22. ³ Calculated as Net Debt to LTM Pro Forma Cash EBITDA.

Net Debt and Borrowings at 30 September 2022

Net Debt

Bond Principal	£m
£440m Senior Secured Notes 7.75%	440
€795m Senior Secured Notes 6.75%	704
€630m Senior Secured Notes EURIBOR +6.25%	558
RCF Drawings and Other	
GBP Drawn RCF	-
EUR Drawn RCF	155
ABS – Facility 1	164
ABS – Facility 2	225
ABS – Facility 3	-
DACH Securitisation	-
Cash	
Cash	113
Senior Secured Net Debt	1,743
Net Debt	2,132
Gross Debt	2,245

Bonds

Currency	Issue	Security	Maturity	Coupon
GBP m	440	Senior secured notes	Nov-25	7.75%
EUR m	795	Senior secured notes	Nov-25	6.75%
EUR m	630	Senior secured notes	May-26	EURIBOR +6.25%

Revolving Credit Facility (RCF) and Securitisation Facilities

Currency	Committed Amount	Security	Maturity	Interest	Margin
EUR m	455	Super Senior Secured RCF	Aug-25	SONIA / EURIBOR	3.00%
GBP m	175	Asset Backed Loan – Facility 1	Jul-25	SONIA	3.35%
GBP m	225	Asset Backed Loan – Facility 2	Jan-27	SONIA	3.50%
GBP m	170	Asset Backed Loan – Facility 3	Oct-27	SONIA	3.90%



Appendix – ABS Deconsolidation



Deconsolidation of Publicly Rated ABS

A repeatable funding source allowing the Group to recycle capital and crystallise returns earlier in the investment cycle

£91_m

Acceleration of DP cashflows

£13_m

Gain vs book value of assets

£65_m

Reduction in Net Debt as at Q3

- ◆ Rated securitisation provides opportunity to recycle capital from backbook earlier in investment period
- ◆ Demonstrates Lowell's strength in rehabilitating consumer accounts from non paying to generating reperforming cash flows
- ◆ Sale of 51% of Junior Notes results in the SPV being de-recognised from an accounting perspective, resulting in:
 - ◇ increased cash flow;
 - ◇ lower net debt; and
 - ◇ an accounting gain vs book value
- ◆ Lowell continues to hold minority Junior Notes stake (49%) and service the portfolios

Deconsolidation of Publicly Rated ABS

Transaction Summary

Q2-22

- ◆ Announcement of ABS on a pool of reperforming assets
- ◆ Structure is publicly rated by DBRS and Scope. Senior Note investment grade rated at 'A'
- ◆ £100m advanced against £180m of 120m ERC and amortisation commenced

Q3-22

- ◆ Announcement of sale of 51% of Junior notes held in the structure resulting in the transfer of control in the SPV holding the securitised assets from Lowell
- ◆ Deconsolidation required of SPV and all associated assets
- ◆ Recognition of 49% Junior Note holding as a Fair Value asset
- ◆ Lowell recognises servicing income as servicer for the SPV

Transaction Rationale

- ◆ Opportunity to **diversify sources of funding** for the Group
- ◆ A **cash backed process** which crystallises the return on a pool of assets **earlier in the investment lifecycle**
- ◆ Retaining minority interest through 49% Junior Note holding in the structure provides opportunity to benefit from collections in the tail of the asset
- ◆ Showcases business model and Lowell USP very clearly by taking non-paying accounts and **turning them into attractive paying cashflows** to a broader pool of investors
- ◆ Acceleration of cashflow allows Lowell to **turn balance sheet faster** and use capital to repeat process; **driving value and growth** at a faster rate

Transaction KPIs

Cash Inflows

- ◆ Q2 - £100m from initial ABS
- ◆ Q3 - £10m from 51% Junior Note sale (plus £3m of deferred income)
- ◆ Sep-22 – Servicing fee at 5%

Cash Outflows

- ◆ Q2 & Q3 – £35m Senior Amortisation

Transaction

- ◆ Total implied advance rate to 120m ERC of ~61%
- ◆ Gain on sale vs book value ~£13m

Deconsolidation of Publicly Rated ABS - Summary of Accounting Impact

Accounting Treatment Summary (£m)

	Impact	£m
Income Statement		
Net-portfolio write Up	Revaluation of assets prior to sale reflecting gain vs book value	13
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ERC	Net impact of the removal of ERC associated with portfolios held in ABS structure and the recognition of ERC associated with the Fair Value portfolio recognised	(109)

Deconsolidation of Publicly Rated ABS - Reconciliations

Transaction Walk (£m)	£m	Notes
Initial ABS Advance	100	Amount advanced on initial ABS commencement to Lowell
Amortisation to Aug-22	(35)	Amount repaid on ABS facility as at date of deconsolidation
51% Junior Note sale (cash)	10	Cash received from 51% Junior Note sale
51% Junior Note sale (deferred income element)	3	Deferred Income to be received from 51% Junior Note sale
49% Junior Note implied value	12	Value of Lowell's 49% Junior Note holding
Value recognised upon deconsolidation (A)	91	Acceleration of value recognised in Cash Income
Book value of asset	76	Book value of assets held in SPV at Aug-22
Aug-22 Yield	2	Aug-22 yield applied on monthly opening balance
Final Book Value deconsolidated (B)	78	Reduction in Portfolio Investments on Lowell balance sheet
Gain on deconsolidation vs book value of assets (A – B)	13	Gain recognised on deconsolidation and reported within Net Portfolio Write-up
120m ERC Impact (£m)		
	£m	Notes
Removal of assets held in deconsolidated SPV	(144)	Gross Collections expected in next 10 years from assets held in ABS SPV
Recognition of 49% Junior Note Holding as a Fair Value asset	35	Gross Collections expected in next 10 years from 49% Junior Note Holding
Net Impact	(109)	Net Reduction in Lowell Q3-22 ERC

Glossary

3PC	-	Third Party Collection
ABS	-	Asset backed securitisation
Acquisitions	-	The purchases of NPLs
Cash EBITDA	-	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
Cash Income	-	Total income for the period adding back portfolio amortisation and portfolio fair value release and deducting net portfolio write-up, lawyer service revenue, other revenue (less payment services income) and other income
DACH	-	Germany, Austria and Switzerland
DP	-	Debt Purchase
EBITDA	-	Defined as operating profit plus depreciation and amortisation, non-recurring costs and exceptional items (net of exceptional income) and portfolio fair value adjustment (where applicable)
ERC	-	Estimated Remaining Collections over 84, 120 or 180 months
EURIBOR	-	Euro Interbank Offer Rate
GMM	-	'Gross money multiple', being the expected collections on a portfolio or particular vintage, divided by its respective purchase price. Reported on either a 'static' or 'current' basis

Gross Profit	-	Gross Profit calculated as Cash Income less Collection Activity Costs excluding Lawyer Service activity, less the amounts captured within Collection Activity Costs related to Non-recurring Costs / Exceptional Items (net of exceptional income)
IFRS	-	International Financial Reporting Standards
Net Debt	-	Senior Secured Notes bond principal plus Senior Notes bond principal plus RCF drawn amounts plus securitisation drawn amounts less cash
Nordics	-	For the purpose of the presentation include Sweden, Denmark, Norway and Finland
NPL	-	Non Performing Loans
RCF	-	Revolving Credit Facility
Replacement Rate	-	The estimated amount of purchases to maintain current Group ERC
SASB	-	Sustainability Accounting Standards Board
SONIA	-	Sterling overnight index average
Static GMM	-	'Gross money multiple' reported on a 'static' basis, being the collections to date and the expected collections on a portfolio or particular vintage, together restricted to 120 or 180 months, divided by its respective purchase price