

Garfunkelux Holdco 2 S.A.

2015 Annual Results

Year Ending December 31st, 2015

April 28th, 2016





By reading or reviewing the presentation that follows, you agree to be bound by the following limitations.

This presentation has been prepared by Garfunkelux Holdco 2 S.A. (the “Company”) solely for informational purposes. For the purposes of this disclaimer, the presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Company or any person on their behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation. By attending the meeting at which the presentation is made, dialing into the teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to all of the restrictions that apply with regard to the presentation and acknowledged that you understand the legal regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation.

The Company may have included certain non-IFRS financial measures in this presentation, including estimated remaining collections (“ERC”), Adjusted EBITDA, Portfolio Acquisitions, Net Debt and certain other financial measures and ratios. These measurements may not be comparable to those of other companies and may be calculated differently from similar measurements under the indentures governing the Company’s and Senior Notes due 2023 and the Company’s direct subsidiary (Garfunkelux Holdco 3 S.A.) Senior Secured Notes due 2022. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS.

Certain information contained in this presentation has not been subject to any independent audit or review. A significant portion of the information contained in this document, including all market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in this report that were taken or derived from industry publications, public documents of our competitors or other external sources. Further, our competitors may define our and their markets differently than we do. In addition, past performance of the Company is not indicative of future performance. The future performance of the Company will depend on numerous factors which are subject to uncertainty.

Certain statements contained in this document that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words “targets,” “believes,” “expects,” “aims,” “intends,” “may,” “anticipates,” “would,” “could” or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute forward-looking statements. Examples of forward-looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Company or its management or board of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of the Company. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, and the market price of the notes, could be materially adversely affected. You should not place undue reliance on these forward-looking statements. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

The presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire the Company or the Company’s securities, or an inducement to enter into investment activity in any jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is not for publication, release or distribution in any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into such jurisdiction.



James Cornell

Group CEO

- Co-founder and CEO of Lowell since 2004
- Longest serving CEO in the industry
- Previous roles: Head of Risk at Caudwell Group; Commercial Director of the B2B Division at Equifax Plc



Colin Storrar

Group CFO

- Joined Lowell in February 2013
- 15 years of Financial Services senior management
- Previous roles: CFO at HSBC First Direct; Head of HSBC Contact Centres; Financial Controller at GE Capital Bank



- This presentation captures the trading results of Metis Bidco Limited (“Lowell”) and GFKL Financial Services GmbH (“GFKL”) – the results are based on our management accounts and where appropriate, prepared in accordance with IFRS.
- The results presented herein are not intended to be a comprehensive statement of the financial or operational results for the full year 2015 of Garfunkelux Holdco 2 S.A., in part because Lowell and GFKL were acquired indirectly by Garfunkelux Holdco 2 S.A. (the ultimate parent company in the Group) at different times of the year.
- The trading results included in this presentation will not be directly comparable to the audited consolidated results of Garfunkelux Holdco 2 S.A. for the financial year ending 31st December 2015 for two principal reasons:
 - 1) The results of Garfunkelux Holdco 2 S.A. include the results of Metis Bidco Limited only from 13th October 2015 (the date that Simon Bidco (an entity within the Garfunkelux Holdco 2 S.A. group) acquired Metis Bidco Limited). Similarly, the results of GFKL Financial Services GmbH are included only from 1st July 2015 (the date that Garfunkelux Holdco 3 S.A. (the direct subsidiary of Garfunkelux Holdco 2 S.A. group) acquired GFKL Financial Services GmbH.*
 - 2) Group funding and some operational costs are held in entities above Metis Bidco Limited and GFKL Financial Services GmbH.

(Please see Appendix for an explanation of full Group structure; reconciliation of full year results to abridged acquisition accounting periods and reconciliation of Metis / Garfunkel results to the consolidated results of Garfunkelux Holdco 2 S.A.).
- To further aid comparison with prior period, we have used a constant currency of 1.38 for P&L metrics (based upon the 2015 monthly weighted average of the GBP:EUR FX rate) and 1.36 for balance sheet metrics (based upon the year-end December 2015 spot rate).

* On 30th June 2015, the Group acquired GFKL Financial Services AG through Garfunkelux Holdco 3 S.A. acquiring 100% of the shares in Garfunkel Holding GmbH



I. Highlights

II. Financial Update

III. Regulatory Update

IV. Strategic Outlook & Post Reporting Events

Full Year Highlights

Impressive, Sustainable Growth In Both Lowell & GFKL



GFKL
Forderungsmanagement



- 1** Successful year of trading for both Lowell and GFKL with strong growth reported across key income and balance sheet metrics
- 2** Portfolio acquisitions generating both attractive money multiples and returns continue to be made. **£250m** invested in Non-Performing Loans (“NPL”) in total across the financial year; up 43% YoY
- 3** 295 NPL Portfolios acquired across the Group, with a face value of **£2.8bn**. 62% of acquisitions in FS, 19% from Communications clients and 17% from Retail clients. FY16 acquisition profile supported by 37 Forward Flow agreements in place across the Group – a 28% increase YoY
- 4** 120m gross ERC of **£1.4bn**, an increase of 24% YoY, with 40% of our ERC to be received as cash collections in the first two years
- 5** Group YoY Cash EBITDA* growth of 18% to **£212m** – largely driven by higher NPL cash collections

* Cash EBITDA is defined as both Lowell’s and GFKL’s Adjusted EBITDA, each as defined in the Offering Memorandum dated 14 October 2015.

Full Year Highlights

Foundations For Future Success



- 1 Successful first phase integration of two of the largest players in the largest two European credit markets
- 2 James Cornell appointed singular Group CEO. Kamy Niroumand appointed Chairman of the German Supervisory Board and to become a special advisor to the Group Board
- 3 Lowell's FCA application submitted in December as agreed with the FCA; decision expected by the year-end
- 4 GFKL minority shareholder squeeze-out successfully completed
- 5 Lowell Solicitors Limited went live in H2-15 and is already out performing initial expectations

Our vision ... 'to be the most successful Pan-European credit receivables management company'



Beyond Integration...

...Emphasis Upon Long Term Sustainable Value Creation



1

Laying the base and preparing for future success

2

Gaining momentum for tangible delivery

3

Maintaining momentum and continuous delivery

Leverage Data Analytics

Improve Competitiveness

Grow DP and 3PC Business

- Value Creation Plan defined – represents strategic framework for delivery with clear milestones and accountability
- Group budget and five year plan agreed with shareholders
- Group governance framework established and Group Executive created
- Integration of selected teams (i.e. Finance) progressing at pace
- Several expert workshops undertaken (e.g. Analytics, Pricing, Operations, Sales, Commercial Models)

- Strengthen market propositions in UK and Germany
- Acquire new clients with enhanced sales proposition
- Evolve Target Operating Model across the Group
- Harness best practice i.e. Decision Science / Operations
- Refine / further deliver improved methodologies and practices across the Group
- Formulate Value Creation blueprint and apply to further M&A targets

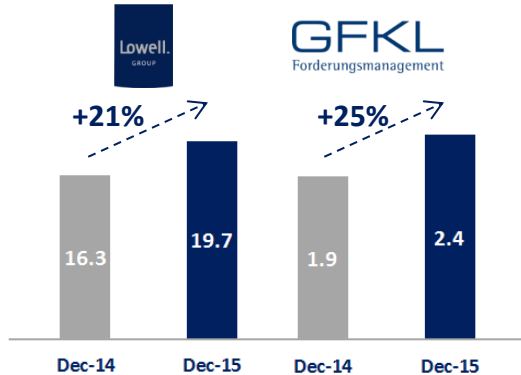
Decision Science – A Competitive Differentiator

Data Insight Evolution

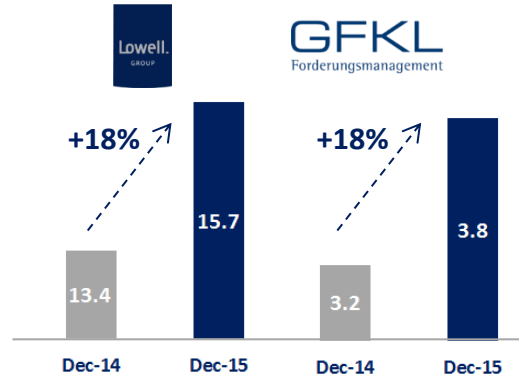


Largest & Most Diverse Data Set In Our Chosen Markets

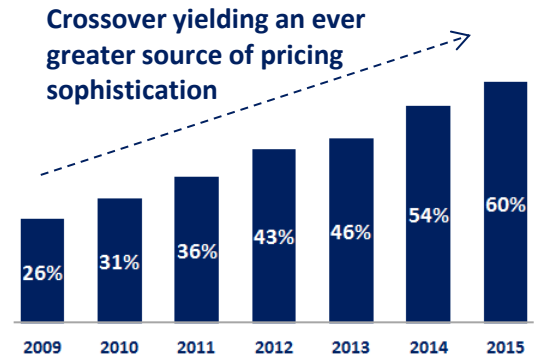
NPL Accounts Under Mgmt (m)*



Face Value of NPL Acquisitions (£/€bn)



Lowell Customer Crossover %**



Building Out Our Already Leading Decision Science Capabilities

Appointment of Christopher Trepel, PhD as CSO

Interdisciplinary team of 50 analysts, project managers and scientists

28 scorecards enhancing 5 distinct operational areas

Broad information advantages and unique data

Psychographic consumer segmentation

Consumer-level underwriting and predictive modelling

Robust testing and survey science protocols

* Referred to as 'Owned accounts,' being the total of Lowell and GFKL (22.1m) within the Garfunkelux Holdco 2 S.A. statutory accounts

** Lowell only. Defined as the percentage of customers acquired through NPL purchases in each calendar year where Lowell holds an existing relationship with the customer within its back-book



I. Highlights

II. Financial Update

III. Regulatory Update

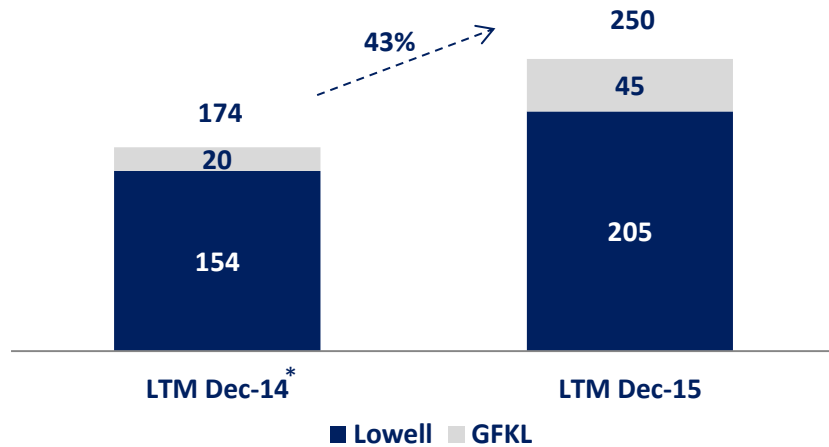
IV. Strategic Outlook & Post Reporting Events

NPL Portfolio Acquisition

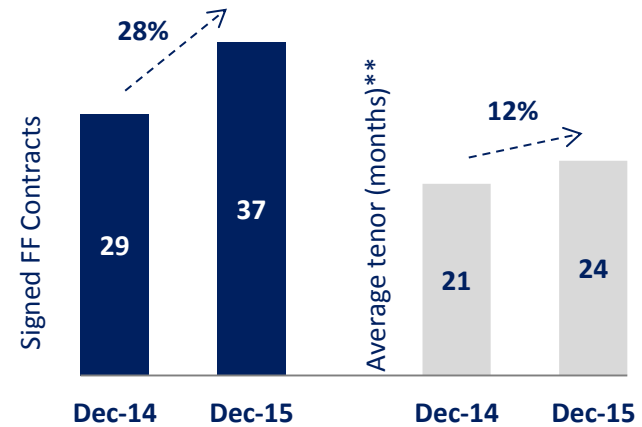
Strong Growth, Continued Diversification & Embedded Purchases



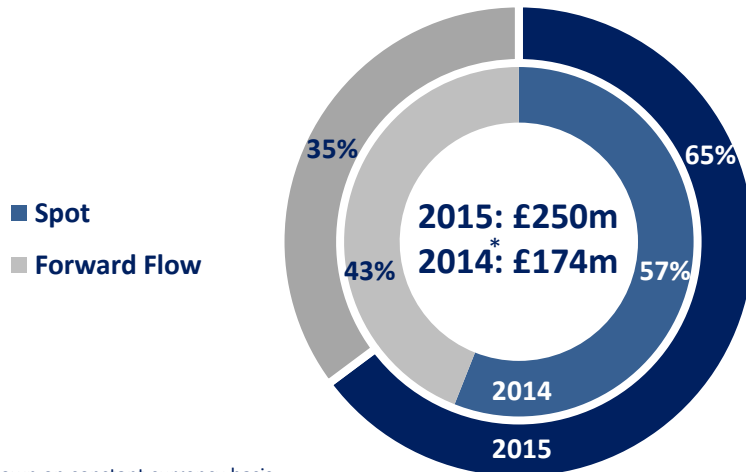
NPL Portfolio Acquisition (£m)



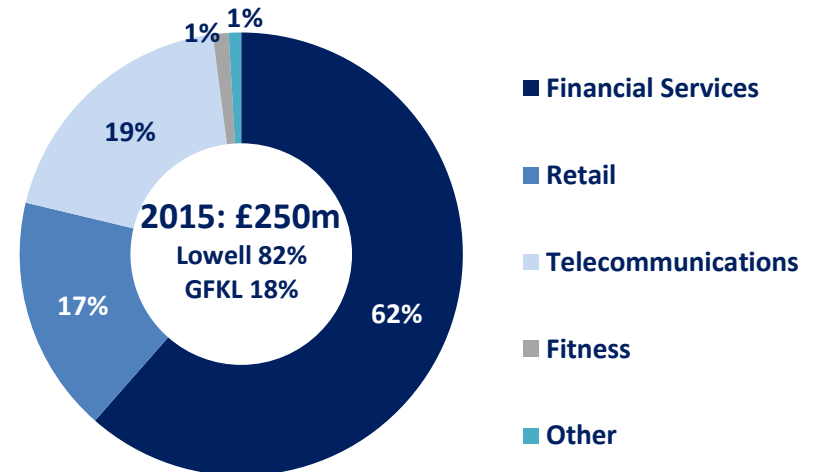
Forward Flow ("FF") Insight



Acquisition Split (%)



Acquisition Mix (%)



* Shown on constant currency basis

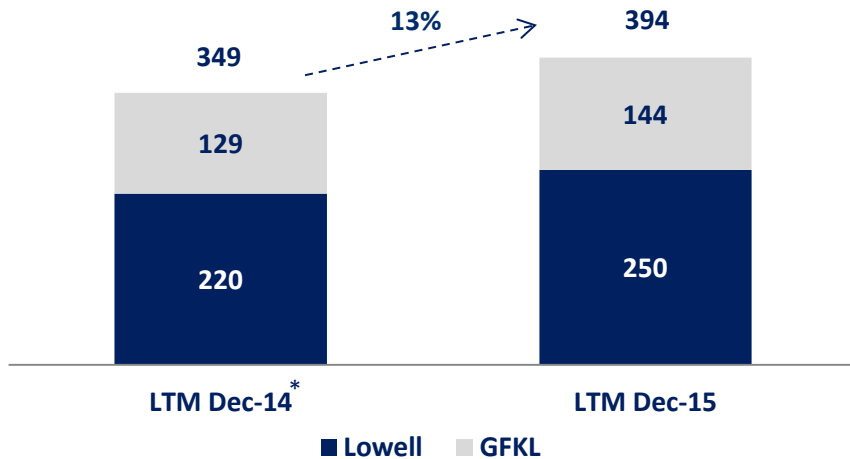
** Based on large, key GFKL clients only and for all clients for Lowell

Income Statement Highlights

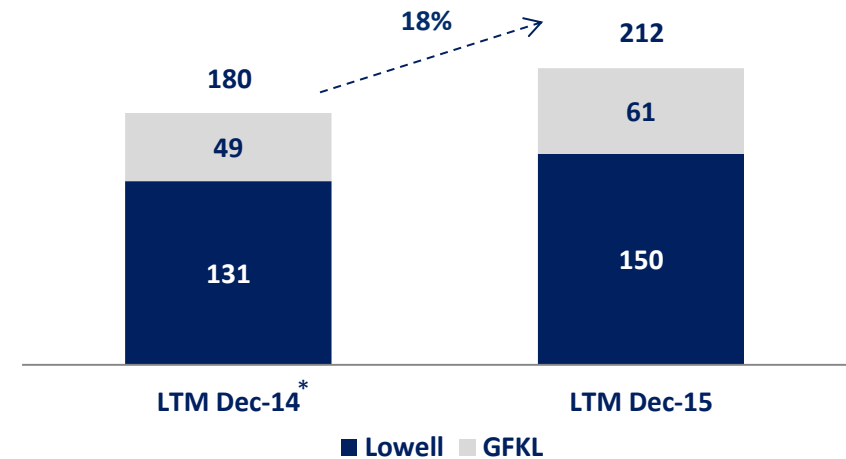
Strong Topline Growth Driving EBITDA Ahead



LTM Cash Income (£m)**



LTM Cash EBITDA (£m)***



Insight

- £45m (13%) YoY increase in Cash Income across the Group – driven by a 14% increase in Lowell and 11% in GFKL
- Largely driven by higher NPL gross cash collections, reflecting the YoY increase in NPL acquisitions across the Group
- Proportion of Non-DP cash income remains steady YoY at c.20%

Disclosure Note: LTM Dec-15 DP gross cash collections; £324m (Lowell £240m, GFKL £84m). LTM Dec-15 3PC gross cash collections; £255m (Lowell £80m, GFKL £175m)

* Shown on constant currency basis.

** Cash Income is defined as cash collections from owned assets plus cash commissions received from assets serviced.

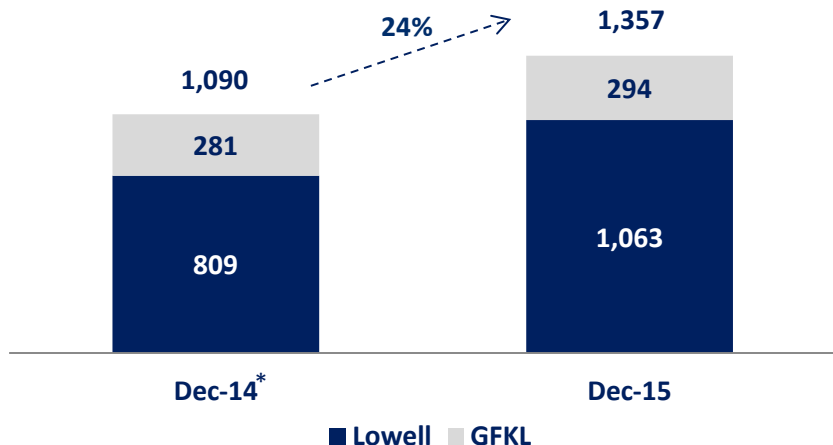
*** Cash EBITDA is defined as both Lowell's and GFKL's Adjusted EBITDA, each as defined in the Offering Memorandum dated 14 October 2015.

Balance Sheet Highlights

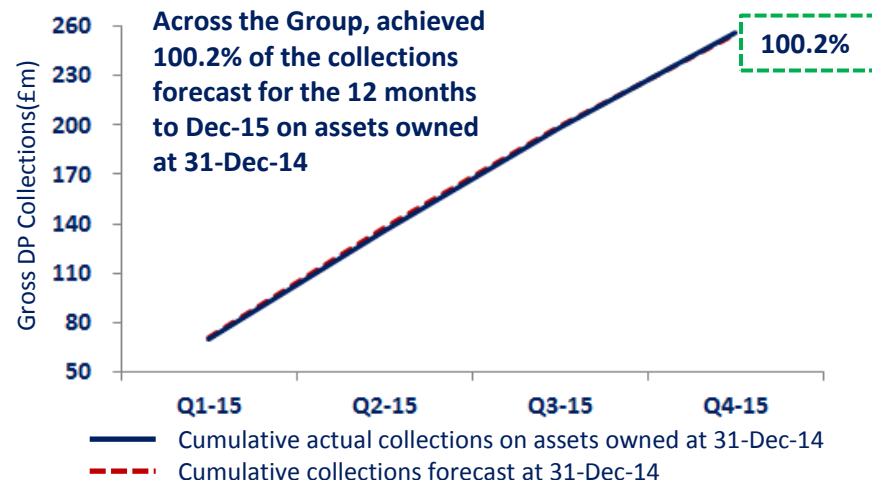
Continued Growth In ERC



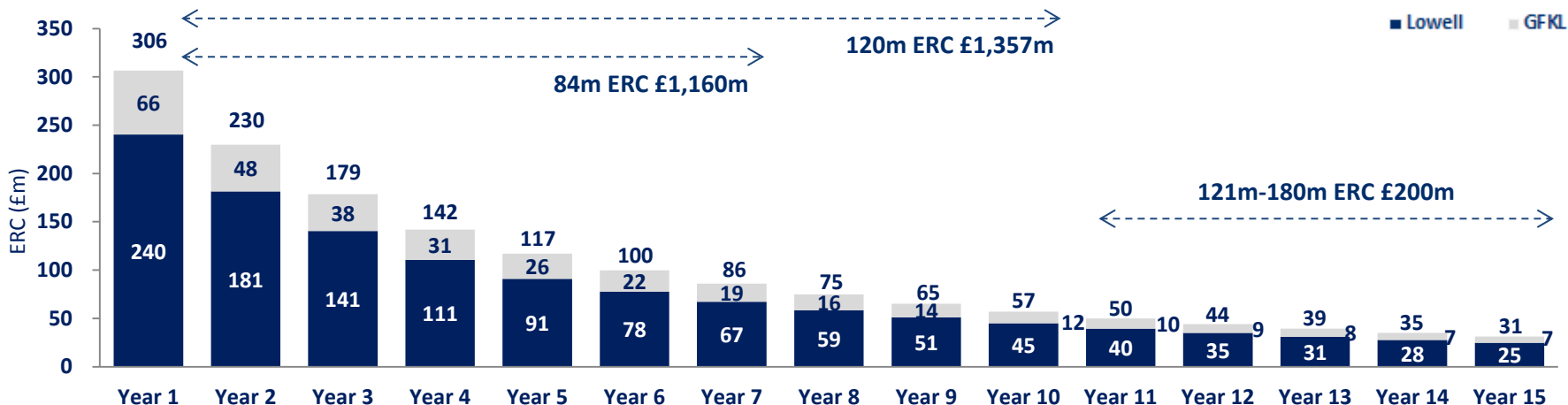
120m ERC Development (£m)



Static Pool Performance



Value Embedded In Existing Book (£m)



Disclosure Note: 84m gross ERC related to the 2015 vintage of £337m (Lowell £291m, GFKL £46m). GMM (84m ERC basis) related to the 2015 vintage of 1.6x for Lowell & 2.2x for GFKL

* Shown on constant currency basis

Balance Sheet Highlights

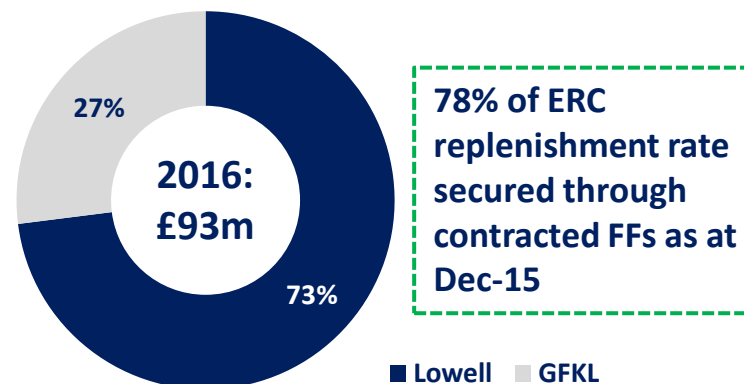
ERC Replenishment Rate In Context



ERC Replenishment Rate



FY16 Contracted Forward Flows (£m)



Market Dynamics

- Diversified forward flow agreements in place across the Group;

	FS	Retail	Comms	Other	Total
Lowell	5	3	4	1	13
GFKL	7	2	4	11	24

- Germany and the UK are the largest European consumer credit markets;
 - Annual growth rate in the stock of UK consumer credit rose to 9.3% in Feb-16, with outstanding credit card debt growing by 6.7%*
 - OC&C forecast the face value of German consumer credit to be outsourced or sold to grow by 4% p.a.

* Bank Of England statistics as quoted in 'The Sunday Times' article dated 17th April 2016

Net Debt & Leverage

Strong Liquidity & Cash Generation



Group Key Leverage Metrics (£m)

Bond Principal

€365m Senior Secured Notes 7.5%	269
£565m Senior Secured Notes 8.5%	565
£230m Senior Notes 11%	230

RCF Drawings*

GBP Drawn RCF	10
---------------	----

Cash

Cash in Garfunkelux Holdco 2 S.A.	(107)
-----------------------------------	-------

Net Debt as at 31-Dec-2015	967
-----------------------------------	------------

Lowell 120m Gross ERC	1,063
-----------------------	-------

GFKL 180m Gross ERC	336
---------------------	-----

Group Gross ERC as at 31-Dec-2015	1,399
--	--------------

Net Debt / Gross ERC	69.1%
-----------------------------	--------------

LTM Cash EBITDA***	212
---------------------------	------------

Net Debt / LTM Cash EBITDA***	4.6x
--------------------------------------	-------------

* A Letter of Credit of c.£8m is in place as part of the minority shareholders squeeze out, reducing the RCF available to draw by an equivalent figure

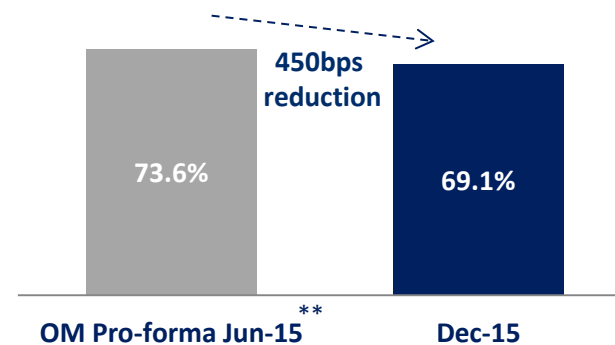
** Based upon the combined figures of Lowell & GFKL, combined prior to the initial acquisition of Lowell and the related financing

*** Cash EBITDA is defined as both Lowell's and GFKL's Adjusted EBITDA, each as defined in the Offering Memorandum dated 14 October 2015.

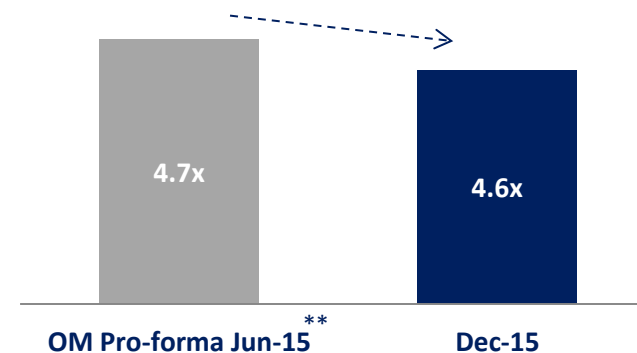
Liquidity Available

- As at Dec-15, **£225m** of available funding to support future growth activities
- Comprising £107m of cash and RCF available to draw of £118m

Net Debt / Gross ERC



Net Debt / LTM Cash EBITDA**





I. Highlights

II. Financial Update

III. Regulatory Update

IV. Strategic Outlook & Post Reporting Events



- Anticipating minimal to no changes within Germany; within the UK, submitted our FCA application in December as agreed with the regulator
- FCA decision is likely to take some time given overall submission volumes
- Note the industry wide positive sentiment that the FCAs recent approval of Cabot's application provides
- We view the regulatory censures in the US as a move towards a more principles-based regulatory framework with fair customer outcomes at the heart of this, aligning towards the FCAs approach in the UK
- On 5 April, the FCA published their 2016/2017 Business Plan setting out their plan and areas of focus for the next 12 months. Their approach continues to be risk based and work prioritised on the areas which they believe pose the highest risk to their objectives. As a result they have set out seven priority themes; Pensions, Financial Crime and Anti- Money Laundering, Wholesale Financial Markets, Advice, Innovation & Technology, Firms' Governance & Culture and Treatment of Existing Customers
- Final version of the EU General Data Protection Regulation has been agreed and published by the European Council – with implementation in 2018
- Representation on key trading bodies across Germany and the UK: Anke Blietz, Board Member of BDIU in Germany and Sara De Tute, Board Member of the CSA in the UK

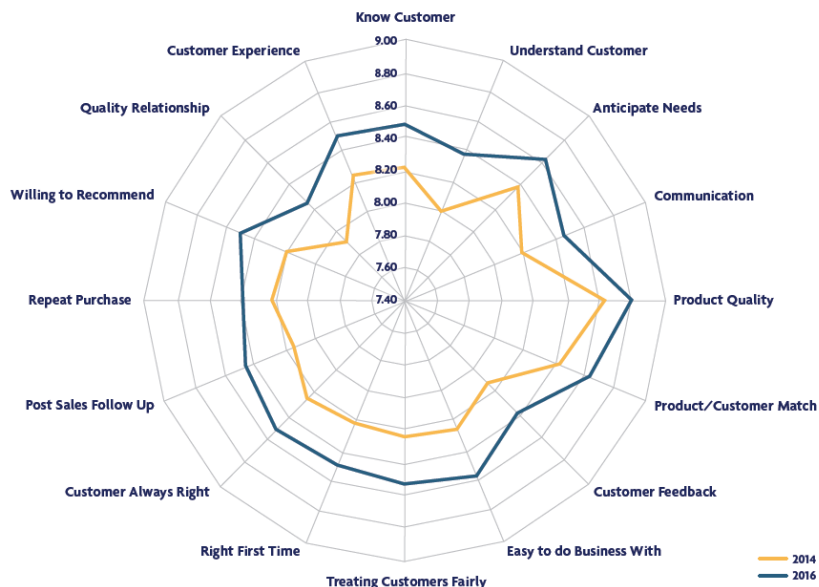
Customer Centric Collections

Balancing The How & The What



'Exceptional' Rating From Investor in Customers*

- Lowell has improved on its 'Exceptional' rating from Investor in Customers
- Customer Net Promoter Score (NPS) increasing from +38 to +39
- In practice, our customers rated us more highly for;
 - how easy it is to do business with us
 - how straight forward and clear our communications are
 - overall customer experience and satisfaction



* Investor in Customers - the UK's leading customer experience consultancy

A Virtuous Cycle Of Delivery...

Strong rapport & deeper relationships with customers

Better interaction through a FAIR culture

...with customer centric collections at the heart of what we do...

Growing data asset allows for more sophisticated customer insight

Long-term sustainable payment plans, together with even lower default rates

FOCUSED
BE BETTER | BE FAIR
Keep our customers at the heart of everything we do

ACCESSIBLE
BE BETTER | BE FAIR
Make it easy for our customers; be approachable, helpful and clear

INFORMED
BE BETTER | BE FAIR
Understand each customer's circumstances; agree solutions and keep them up to date

REASONABLE
BE BETTER | BE FAIR
Deliver on our commitments; deliver fair outcomes for our customers



I. Highlights

II. Financial Update

III. Regulatory Update

IV. Strategic Outlook & Post Reporting Events



- Continue the strong progress made to date on the integration and cross-sharing of best practices
- Focus on value creation remains paramount;
 - Sharing best practice to increase our competitiveness
 - Building a strong platform for future Pan-European expansion
 - Maintaining a disciplined approach to pricing and investment
- Clear structural drivers for market growth exist in both Germany and the UK;
 - Consumer credit continues to grow in both markets
 - Increasing regulation likely to increase banks' propensity to sell
- Continuing to extend our value proposition to our clients by developing our one stop shop offering in all countries we operate within
- Integration of Inkasso Service and delivery of significant market synergies across the German speaking region
- Overall outlook remains positive

Acquisition Of Inkasso Service

Strategically Sensible M&A



- Acquisition of 100% of IS Group Management GmbH signed on 26th April 2016 for an enterprise value consideration of €23m; closing expected end of May subject to anti-trust approvals
- IS Group Management GmbH trades as IS Inkasso Service and provides;
 - Risk management
 - Receivables management services
 - Debt collection services
- Market leader in Austria with a smaller but growing business in Switzerland and the fast growing markets of Eastern Europe
- Acquisition follows Group strategy and has a strong industrial logic;
 - IS adds the Group's third leadership position in its third market
 - Austria represents a market with a different maturity to those in which the Group currently operates and can subsequently offer significant growth prospects
 - IS is a 100% 3PC business with strong cash conversion
 - Offers revenue led growth synergies as we respond to GFKL client requests to be served across the entire German speaking region
- Acquisition presents minimal integration distraction
- Acquisition expected to be earnings accretive in FY16



Appendix

Business Model

Illustrative Economics



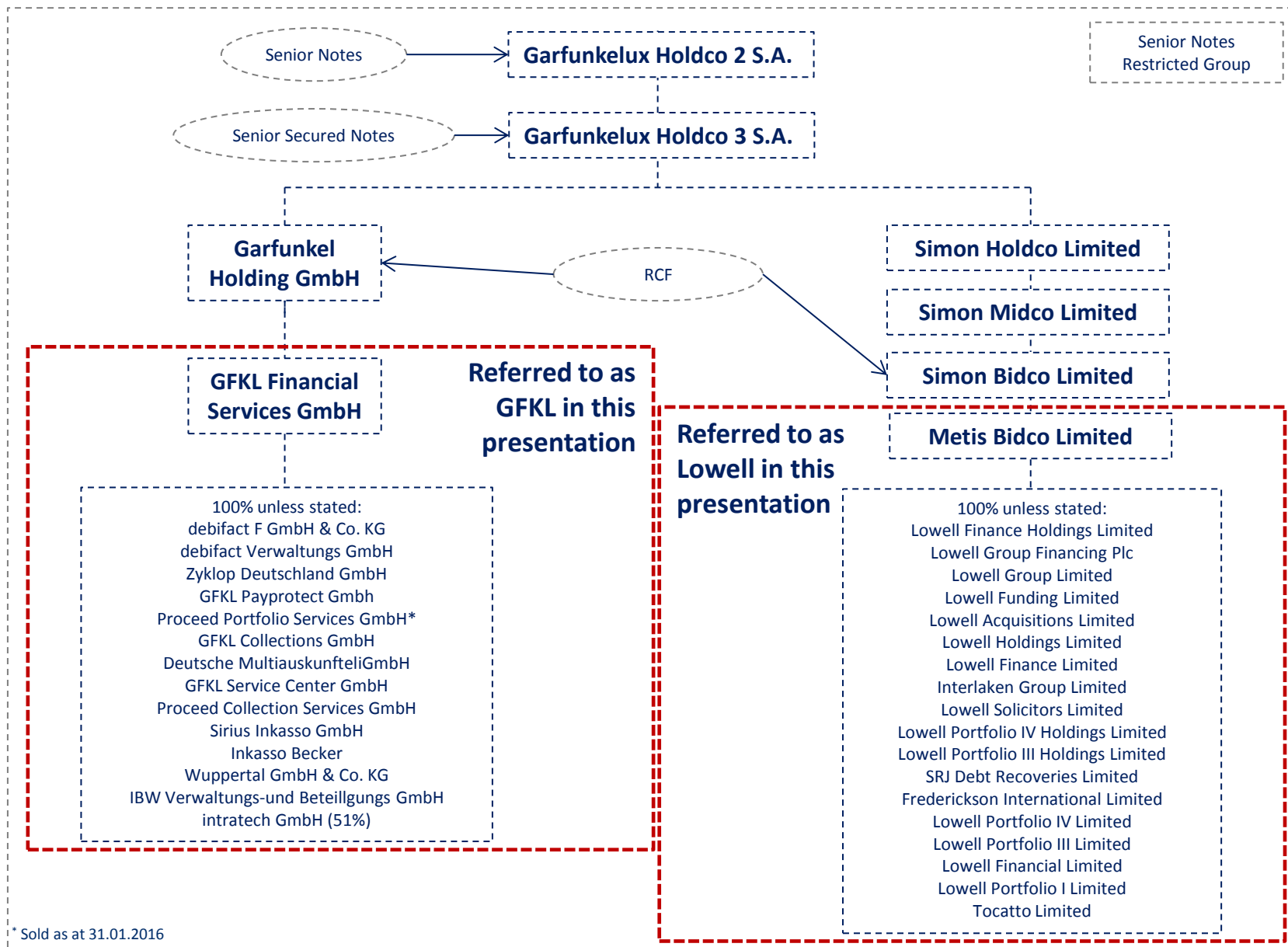
NPL Portfolios (Since inception to 31-Dec-2015)	Lowell £m	GFKL €m
Principal Value of Purchased Debt	15,730	3,779
Total Price Paid (as % of principal value)	6%	10%
Portfolio Purchase Price	987	359
Gross Collections	1,273	721
Gross ERC (120m)	1,063	398
Gross Money Multiple (120m basis)	2.4x	3.1x

3PC (LTM to 31-Dec-2015)	Lowell £m	GFKL €m
Third-party Debt Under Management*	349	10,119
Collections	80	241
Revenue	10	83**
Revenue (as a % of collections)	12%	34%

* As at 31-Dec-15

** 3PC Revenue only (excludes Dunning Lawyer)

Group Structure



* Sold as at 31.01.2016



Revolving Credit facility (RCF)

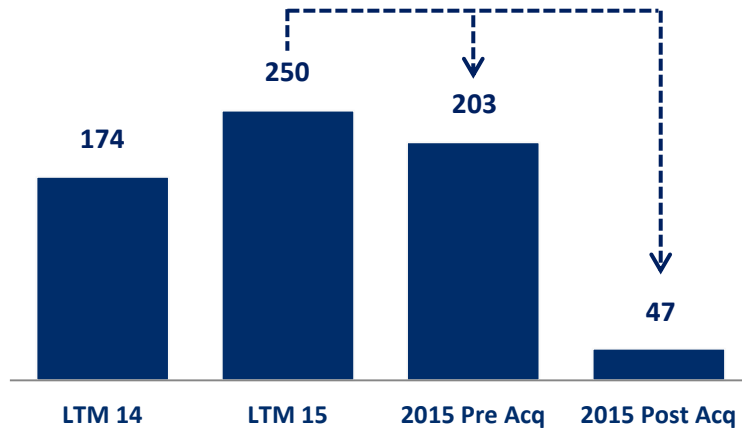
Currency	Committed Amount	Security	Maturity	Interest	Margin	Participants
EUR m	200	Super Senior Secured	31-Dec-21	LIBOR / EURIBOR	3.50%	Citibank, Credit Suisse, Goldman Sachs, ING Bank, JPMorgan, NIBC, HSBC

Bonds

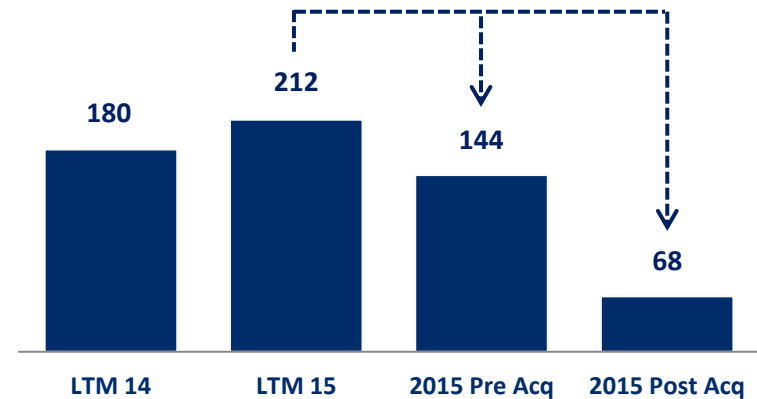
Currency	Issue	Security	Maturity	Coupon	Issuer
EUR M	365	Senior Secured Notes	01-Aug-22	7.50%	GH3
GBP M	565	Senior Secured Notes	01-Nov-22	8.50%	GH3
GBP M	230	Senior Notes	01-Nov-23	11.00%	GH2



NPL Portfolio Acquisition (£m)



LTM CASH EBITDA (£m)



The results for 2014 & 2015 in the body of this presentation will not be directly comparable to the figures reported in the statutory accounts of Garfunkelux Holdco 2 S.A.

The Garfunkelux Holdco 2 S.A. consolidated financial statements incorporate the results for Lowell & GFKL only from the point of acquisition, i.e. from the following dates:

- Lowell – 13th October 2015
- GFKL – 1st July 2015

Garfunkelux Holdco 2 S.A.



Reconciling The Statutory Accounts To This Presentation

	£m	
Lowell + GFKL Cash EBITDA LTM Dec-15	212	
<i>Reconciliation adjustments to derive Operating Profit;</i>		
Conversion from Cash Income to L&R Revenue	(102)	
Add Depreciation & Amortization	(5)	
Add-back Exceptionals	(13)	
Lowell + GFKL Operating profit LTM Dec-15	92	
<i>Timing adjustments to derive 'stub period' Operating profit;</i>		
Lowell (2.5 months)	(50)	
GFKL (6 months)	(16)	
<i>Add Operating profit of entities between GH2 & Lowell/GFKL;</i>		
Simon entities / Garfunkel Holding / GH2 / GH3 Operating profit	(26)	-----> Comprises;
Garfunkelux Holdco 2 S.A. Operating profit for the period	0	<ul style="list-style-type: none"> ▪ £12m of Lowell acquisition costs ▪ £8m of GFKL acquisition costs ▪ £2m of Purchase Price Allocation amortization ▪ £3m one-off exceptional costs
Interest income	3	
Finance costs	(77)	
Other financial expenses	0	
Garfunkelux Holdco 2 S.A. Loss before tax for the period	(74)	
Tax	5	
Garfunkelux Holdco 2 S.A. Loss for the period	(69)	

Disclosure Note: There exists no material differences if we were to consolidate the accounts at the Garfunkelux Holdco 3 S.A. level versus the consolidated accounts of Garfunkelux Holdco 2 S.A.



Definitions:

Acquisitions – Purchases of Non-Performing Loans (“NPLs”)

Cash EBITDA – Defined as both Lowell’s & GFKL’s Adjusted EBITDA, each as defined in the Offering Memorandum dated 14 October 2015. Lowell’s Cash EBITDA defined as operating profit, plus depreciation & amortization, FV movement in NPLs, exceptional items/income and portfolio amortization, each as defined in the Offering Memorandum dated 14 October 2015. GFKL’s Cash EBITDA defined as normalised EBITDA plus portfolio amortization plus NPL revaluations, each as defined in the Offering Memorandum dated 14 October 2015

Cash Income – Cash collections from owned assets plus cash commissions received from assets serviced

ERC – Estimated Remaining Collections over 84, 120 or 180 months

Gross Money Multiple (GMM) – Total estimated collections, being actual collections to date plus gross 120m ERC (Lowell) or gross 180m ERC (GFKL), divided by the portfolio purchase price. Shown by vintage.

Net Debt – Bond principal plus RCF drawn amounts less Cash

Static Pool Performance – Comparison of actual collections versus forecast collections as at 31 December 2014 on assets owned at that point

Abbreviations:

3PC – Third Party Collections

CAGR – Compounded Annual Growth Rate

EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation

FCA – Financial Conduct Authority

FTE – Full-time equivalent employees

LSL – Lowell Solicitors Limited

LTM – Last Twelve Months

VCP – Value Creation Programme

