

# **Lowell Finans AS**

## **Interim Accounts for Q1 2025**

**Interim Accounts  
Income Statement  
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Notes**

**Lowell Finans AS****Income Statement**

	<b>Q1 2025</b>	<b>Q1 2024 (Restated)*</b>	<b>2024 Total</b>
<b>Interest income and similar income</b>			
Interest income calculated according to the effective interest method of lending to and receivables on customers	26 123 690	26 375 504	84 419 357
Interest income on loans to and receivables on credit institutions	-		2 070 403
<b>Total interest income and similar income</b>	<u>26 123 690</u>	<u>26 375 504</u>	<u>86 489 760</u>
Interest and similar costs	5 768 716	7 999 095	28 849 722
<b>Net Interest Income</b>	<u>20 354 974</u>	<u>18 376 409</u>	<u>57 640 038</u>
Net change in value and (losses)/gains on receivables	190 558	2 565 584	(25 821 245)
Operating expenses	14 333 948	8 189 123	61 971 985
<b>Profit before tax</b>	<u>6 211 584</u>	<u>12 752 870</u>	<u>(30 153 192)</u>
Income tax	-	-	6 203 761
<b>Profit after tax</b>	<u>6 211 584</u>	<u>12 752 870</u>	<u>(36 356 953)</u>
Information about:			
Group contributions made (net after tax)			
Other equity transferred	6 211 584	12 752 870	(36 356 953)
<b>Total allocations</b>	<u>6 211 584</u>	<u>12 752 870</u>	<u>(36 356 953)</u>

\*See note 6 for details of prior period restatements

## Lowell Finans AS

### Statement of Financial Position

	YTD Q1 2025	YTD Q1 2024	2024 Total
<b>ASSETS</b>			
<b>Loans to and receivables on credit institutions and finance companies</b>			
Cash and cash equivalents	55 569 280	8 017 666	48 810 434
<b>Lending to and receivables on customers</b>			
Portfolio investments - amortised cost	585 268 436	664 780 172	594 935 618
<b>Other assets</b>			
Deferred Tax assets	-	2 752 248	-
Other receivables	120 793	44 049 109	202 500
<i>Total other assets</i>	<u>120 793</u>	<u>46 801 358</u>	<u>202 500</u>
<b>TOTAL ASSETS</b>	<u><u>640 958 509</u></u>	<u><u>719 599 195</u></u>	<u><u>643 948 552</u></u>
<b>LIABILITIES</b>			
Other debts - Debt Intercompany	304 909 297	296 484 446	316 014 638
<b>Accruals</b>			
Other provisions	4 177 721	36 107 838	2 274 007
	<u>4 177 721</u>	<u>36 107 838</u>	<u>2 274 007</u>
<b>TOTAL LIABILITIES</b>	<u><u>309 087 018</u></u>	<u><u>332 592 283</u></u>	<u><u>318 288 645</u></u>
<b>EQUITY</b>			
<b>Invested equity</b>			
Share capital	148 000 000	148 000 000	148 000 000
Share Premiums	107 000 000	107 000 000	107 000 000
Other invested equity	7 644 000	7 644 000	7 644 000
<i>Total equity attributable to shareholders</i>	<u>262 644 000</u>	<u>262 644 000</u>	<u>262 644 000</u>
<b>Retained earnings</b>			
Retained earnings, inc current period profit	69 227 491	124 362 912	63 015 907
<i>Total retained earnings</i>	<u>69 227 491</u>	<u>124 362 912</u>	<u>63 015 907</u>
<b>TOTAL EQUITY</b>	<u><u>331 871 491</u></u>	<u><u>387 006 912</u></u>	<u><u>325 659 907</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>640 958 509</u></u>	<u><u>719 599 195</u></u>	<u><u>643 948 552</u></u>

**Lowell Finans AS****Movements in Equity**

	Share Capital	Premiums	Other deposited EK	Retained Earnings	Total
<b>Equity 31.12.2023</b>	<b>148 000 000</b>	<b>107 000 000</b>	<b>7 644 000</b>	<b>111 610 043</b>	<b>374 254 043</b>
Prior year restatements				(12 237 183)	(12 237 183)
<b>Equity 31.12.2023 Restated</b>	<b>148 000 000</b>	<b>107 000 000</b>	<b>7 644 000</b>	<b>99 372 860</b>	<b>362 016 860</b>
Group contributions	-	-	-		-
Loss after tax	-	-	-	(36 356 953)	(36 356 953)
<b>Equity 31.12.2024</b>	<b>148 000 000</b>	<b>107 000 000</b>	<b>7 644 000</b>	<b>63 015 907</b>	<b>325 659 907</b>
Profit after tax Q1				6 211 584	6 211 584
<b>Equity 31.03.2025</b>	<b>148 000 000</b>	<b>107 000 000</b>	<b>7 644 000</b>	<b>69 227 491</b>	<b>331 871 491</b>

## LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q1 2025

### NOTE 1 - ACCOUNTING POLICIES

The interim financial statements use the same principles as the annual accounts, and are prepared in accordance with the Regulation on Annual accounts for banks, finance companies and parent companies for such companies, of 16.12.1998 no. 1240, as well as the provisions of the Accounting Act in general. The company uses section 1-4, item b, of the Regulations, which means that the company uses IFRS with the Additions and simplifications that follow from the Regulations

The company has also chosen to make use of the following transitional rule pursuant to section 9-2 of the Regulations:

No cash flow statement has been prepared in the interim financial statements.

The purchased portfolio of outstanding receivables consists of purchased non-performing receivables. Each portfolio is accounted for by acquisition at fair value with the addition of direct transaction expenses. Subsequent measurement takes place at amortised cost with the application of an effective interest method.

In addition, the interim financial statements have been prepared in accordance with the Financial Statements Regulation and IAS 34.

The interim financial statements have not been audited.

### Note 2 - Capital Adequacy

	31.03.25	31.03.24	31.12.24
Share capital	148 000 000	148 000 000	148 000 000
Premium	107 000 000	107 000 000	107 000 000
Paid-in equity	7 644 000	7 644 000	7 644 000
Retained equity	63 015 907	111 610 042	99 372 860
Profit for the period	6 211 584	12 752 870	(36 356 953)
<b>Total Equity</b>	<b>331 871 491</b>	<b>387 006 912</b>	<b>325 659 907</b>
Interim profit that cannot be included in net core capital	(6 211 584)	(12 752 870)	-
Deduction for deferred tax assets	-	(2 952 330)	-
Deduction for backstop (minimum write-down)	(272 163)	(302 388)	(272 567)
<b>Total deductions from CET1 capital</b>	<b>(6 483 747)</b>	<b>(16 007 588)</b>	<b>(272 567)</b>
<b>Calculation basis per risk category</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Credit risk	956 569 423	1 069 394 876	967 047 372
Bank deposits	11 113 856	1 603 533	9 762 087
Purchased portfolios	877 902 654	997 170 258	892 403 427
Contracted forward flow	55 366 433	70 621 085	55 366 433
Other engagements	12 186 480	0	9 515 425
Operational risk	128 295 533	136 085 930	136 085 930
<b>Total calculation basis</b>	<b>1 084 864 956</b>	<b>1 205 480 806</b>	<b>1 103 133 302</b>
<b>CET1 capital ratio</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Surplus of core capital	325 387 745	370 999 324	325 387 040
CET1 capital ratio as a percentage	29,99%	30,78%	29,50%
<b>Common Equity Tier 1 capital adequacy</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Surplus of core capital	325 387 745	370 999 324	325 387 040
Common Equity Tier 1 capital ratio	260 295 848	298 670 476	259 199 042
	29,99%	30,78%	29,50%
<b>Own funds</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Excess of own funds	325 387 745	370 999 324	325 387 040
Own funds as a percentage	238 598 549	274 560 860	237 136 376
	29,99%	30,78%	29,50%
<b>Non-leveraged core capital</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Core capital	325 387 745	370 999 324	325 387 040
Exposure Goals	689 935 151	719 878 561	690 172 432
Non-leveraged Tier 1 capital ratio	47,16%	51,54%	47,15%

**LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q1 2025****Note 3 - PURCHASED PORTFOLIO OF OUTSTANDING RECEIVABLES**

	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Portfolio of outstanding receivables 01.01	594 935 618	672 602 036	664 780 172
Purchased portfolio of outstanding receivables	4 040 363	-	28 787 123
Recognition of income according to the effective interest rate method	26 123 690	26 375 504	84 419 357
Change in value of the company's portfolios	190 558	2 565 584	(25 821 245)
Payments on purchased portfolios	(40 021 793)	(36 762 952)	(157 229 789)
<b>Portfolio of outstanding receivables 31.12</b>	<b>585 268 436</b>	<b>664 780 172</b>	<b>594 935 618</b>

100% of outstanding receivables are overdue claims

<b>Value purchased portfolio of outstanding receivables</b>	<b>585 268 436</b>	<b>594 935 618</b>	<b>664 780 172</b>
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**Principles for calculating valuation**

The financial statements have been prepared in accordance with IFRS 9. The company's portfolio of receivables consists of non-performing claims that are initially assessed at amortised cost. The amortized cost is calculated by discounting expected cash flows over the expected maturity of the individual portfolio using the effective interest rate method. The portfolio is assessed on an ongoing basis based on expected cash flows and value adjustments are recognised quarterly.

**NOTE 4 – BALANCES WITH COMPANIES IN THE SAME GROUP / OTHER LIABILITIES**

<b>Debt – Intercompany</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Debt to group companies	304 909 297	296 484 446	316 014 638

<b>Related party transactions with other group entities</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Purchase of services from affiliated companies	9 594 332	8 062 457	30 184 747
Financial expenses on loan from group entities	5 766 290	7 999 095	28 849 636
	<b>15 360 622</b>	<b>16 061 552</b>	<b>59 034 383</b>

Receivables from and payables to related parties are disclosed in the balance sheet. Interest paid to related parties during the year is disclosed in the income statement.

**Note 5 - Other Information**

The credit risk can be affected by the company's debtors not being able to meet their credit obligations. It is expected that the ability to pay of some groups of debtors may be weakened, among other things as a result of increased interest rates, increased inflation and rising energy and commodity prices.

**Note 6 - Prior Year Restatements**

The Q1 2024 figures previously reported had some errors in the disclosure in the statement of financial performance. These have been restated to allow comparison with the Q1 2025 figures. The restatements are:

Interest expense on intercompany loans was incorrectly disclosed in the P&L as other operating expenses. The mNOK 8.0 was reclassified to the interest and other cost line. This has a nil impact on the net P&L and balance sheet

Operating expense on were disclosed in the P&L as tax on profit from continuing operations. The mNOK 8.2 was reclassified to the operating expenses line. This has a nil impact on the net P&L and balance sheet

	<b>As previously disclosed</b>	<b>Reclassify interest expense</b>	<b>Reclassify operating expense</b>	<b>As restated</b>
<b>Total interest income and similar income</b>	26 375 504			26 375 504
<b>Interest and similar costs</b>	-	7 999 095		7 999 095
<i>Net Interest Income</i>	26 375 504	(7 999 095)	-	18 376 409
<b>Net change in value and (losses)/gains on loans and receivables</b>	2 565 584			2 565 584
<b>Operating expenses</b>	7 999 095	(7 999 095)	8 189 123	8 189 123
<i>Profit before tax</i>	20 941 993	-	(8 189 123)	12 752 870
Income tax	8 189 123		(8 189 123)	-
<b>Profit after tax</b>	<b>12 752 870</b>	<b>-</b>	<b>-</b>	<b>12 752 870</b>