

Lowell Finans AS

Interim Accounts for Q3 2025

**Interim Accounts
Income Statement
Statement of Financial Position
Equity Statement
Notes**

Lowell Finans AS**Income Statement**

	Note	Q3 2025	Q3 2024	YTD SEP 2025	YTD SEP 2024	2024 Total
Interest income and similar income						
Interest income calculated according to the effective interest method of lending to and receivables on customers		28 130 699	19 988 283	77 509 499	67 477 485	84 419 357
Interest income on loans to and receivables on credit institutions		-	-	-	-	2 070 403
<i>Total interest income and similar income</i>		<u>28 130 699</u>	<u>19 988 283</u>	<u>77 509 499</u>	<u>67 477 485</u>	<u>86 489 760</u>
Interest and similar costs						
<i>Net Interest Income</i>	4	<u>(6 192 283)</u>	<u>6 271 824</u>	<u>15 105 930</u>	<u>21 843 199</u>	<u>28 849 722</u>
		<u>34 322 982</u>	<u>13 716 459</u>	<u>62 403 569</u>	<u>45 634 286</u>	<u>57 640 038</u>
Net change in value and (losses)/gains on loans and receivables						
		5 187 377	97 031	3 757 852	2 920 214	(25 821 245)
Operating expenses						
		10 956 949	13 031 312	34 550 871	33 141 730	61 971 985
<i>Profit before tax</i>		<u>28 553 410</u>	<u>782 178</u>	<u>31 610 550</u>	<u>15 412 769</u>	<u>(30 153 192)</u>
Income tax		(672 571)	172 079	-	3 390 809	6 203 761
Profit after tax		<u>29 225 981</u>	<u>610 099</u>	<u>31 610 550</u>	<u>12 021 960</u>	<u>(36 356 953)</u>
Information about:						
Group contributions made (net after tax)		29 225 981	610 099	31 610 550	12 021 960	(36 356 953)
Other equity transferred		29 225 981	610 099	31 610 550	12 021 960	(36 356 953)
Total allocations		<u>29 225 981</u>	<u>610 099</u>	<u>31 610 550</u>	<u>12 021 960</u>	<u>(36 356 953)</u>

*Prior year figures have been restated. Refer to Note 12 for further details

Lowell Finans AS

Statement of Financial Position

	Note	Q3 2025	Q3 2024	YTD SEP 2025	YTD SEP 2024	2024 Total
ASSETS						
Loans to and receivables on credit institutions and finance companies						
Cash and cash equivalents				33 233 026	42 608 110	48 810 434
Lending to and receivables on customers						
Portfolio investments - amortised cost				580 502 103	638 674 617	594 935 618
Other assets						
Deferred Tax assets				-	2 752 248	-
Other receivables				-	11 494 753	202 500
Total other assets				-	14 247 002	202 500
TOTAL ASSETS				613 735 129	695 529 729	643 948 552
LIABILITIES						
Other debts - Debt Intercompany						
				251 628 924	259 216 263	316 014 638
Accruals						
Accounts payable				57 531	-	-
Other provisions				4 778 217	50 037 464	2 274 007
				4 835 748	50 037 464	2 274 007
TOTAL LIABILITIES				256 464 672	309 253 727	318 288 645
EQUITY						
Invested equity						
Share capital	2			148 000 000	148 000 000	148 000 000
Share Premiums	2			107 000 000	107 000 000	107 000 000
Other invested equity	2			7 644 000	7 644 000	7 644 000
Total equity attributable to shareholders				262 644 000	262 644 000	262 644 000
Retained earnings						
Retained earnings, inc current period profit				94 626 457	123 632 002	63 015 907
Total retained earnings	2			94 626 457	123 632 002	63 015 907
TOTAL EQUITY				357 270 457	386 276 002	325 659 907
TOTAL LIABILITIES AND EQUITY				613 735 129	695 529 729	643 948 552

Lowell Finans AS**Movements in Equity**

	Share Capital	Premiums	Other deposited fund	Retained Earnings	Total
Equity 31.12.2023	148 000 000	107 000 000	7 644 000	111 610 043	374 254 043
Prior year restatements				(12 237 183)	(12 237 183)
Equity 31.12.2023 Restated	148 000 000	107 000 000	7 644 000	99 372 860	362 016 860
Group contributions	-	-	-	(36 356 953)	(36 356 953)
Loss after tax	-	-	-		
Equity 31.12.2024	148 000 000	107 000 000	7 644 000	63 015 907	325 659 907
Profit after tax Q3				31 610 550	31 610 550
Equity 30.09.2025	148 000 000	107 000 000	7 644 000	94 626 457	357 270 457

LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q3 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

	30.09.2025	31.12.2024	30.09.2024
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	99 372 860	111 610 043
Profit for the period	31 610 550	(36 356 953)	12 021 960
Total Equity	357 270 457	325 659 907	386 276 003
Interim profit that cannot be included in net core capit	(31 610 551)	-	(12 021 960)
Deduction for deferred tax assets	-	-	(2 952 330)
Deduction for backstop (minimum write-down)	(265 749)	(272 867)	(302 388)
Total deductions from CET1 capital	(31 876 300)	(272 867)	(15 276 678)
Calculation basis per risk category	30.09.2025	31.12.2024	30.09.2024
Credit risk	898 399 760	967 047 372	1 088 236 627
Bank deposits	6 646 606	9 762 087	8 787 495
Purchased portfolios	870 753 155	892 403 427	974 470 725
Off balance sheet items		0	0
Contracted forward flow	21 000 000	55 366 433	93 000 000
Other engagements	0	9 515 425	11 978 407
Operational risk	128 295 533	136 085 930	136 085 930
Total calculation basis	1 026 695 293	1 103 133 302	2 312 559 184
CET1 capital ratio	30.09.2025	31.12.2024	30.09.2024
Surplus of core capital	325 394 159	325 387 040	370 999 324
CET1 capital ratio as a percentage	31,69 %	29,50 %	30,30 %
Common Equity Tier 1 capital adequacy	30.09.2025	31.12.2024	30.09.2024
Surplus of core capital	263 792 441	259 199 042	297 539 971
Common Equity Tier 1 capital ratio	31,69 %	29,50 %	30,30 %
Own funds	30.09.2025	31.12.2024	30.09.2024
Excess of own funds	243 258 536	237 136 376	2 730 653 519
Own funds as a percentage	31,69 %	29,50 %	30,30 %
Non-leveraged core capital	30.09.2025	31.12.2024	30.09.2024
Core capital	325 394 159	325 387 040	370 999 324
Exposure Goals	627 735 131	690 172 432	767 563 034
Non-leveraged Tier 1 capital ratio	51,84 %	47,15 %	48,33 %

LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q3 2025

Note 3 - PURCHASED PORTFOLIO OF OUTSTANDING RECEIVABLES

	30.09.2025	31.12.2024	30.09.2024
Portfolio of outstanding receivables 01.01	594 935 618	638 674 617	672 602 036
Purchased portfolio of outstanding receivables	15 778 663	54 892 678	17 703 610
Recognition of income according to the effective interest rate metho	77 509 499	84 419 357	67 477 485
Change in value of the company's portfolios	3 757 852	(25 821 245)	2 920 214
Payments on purchased portfolios	(111 479 529)	(157 229 789)	(122 028 728)
Portfolio of outstanding receivables 31.12	580 502 103	594 935 618	638 674 617

100% of outstanding receivables are overdue claims

Value purchased portfolio of outstanding receivables	580 502 103	594 935 618	638 674 617
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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

	30.09.2025	31.12.2024	30.09.2024
Long-term loan from other group companies	172 084 380	254 504 069	259 504 069
Other debt owed to/(from) other group companies	79 544 544	61 510 569	-287 806
Debt to group companies	251 628 924	316 014 638	259 216 263
Accounts payable	57 531	0	0
Other provisions	4 778 217	2 274 007	50 037 464
	256 464 672	318 288 645	309 253 727

Related party	30.09.2025	31.12.2024	30.09.2024
Related party transactions with other group entities			
Purchase of services from affiliated companies	29 120 458	30 184 747	25 489 672
Financial expenses on loan from group entities	15 103 504	28 849 636	21 651 243
	44 223 962	59 034 383	47 140 915

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.

A year to date correction of previously overstated interest costs was recognised in Q3, resulting in an overall interest income balance.

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 - Restatement of comparative figures

In the quarterly financial statements for 2024, operating expenses were presented under a single line item labeled "Operating costs." In the 2025 quarterly financial statements, the prior year figures have been restated to separately disclose "Interest cost" and "Operating costs" to enhance transparency and align with the current period's presentation. This reclassification has no impact on previously reported total expenses, profit or loss, or equity.