

## **Lowell Finans AS**

# **Interim Accounts for Q2 2025**

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

## Lowell Finans AS

### Income Statement

	Note	Q2 2025	Q2 2024	YTD JUN 2025	YTD JUN 2024	2024 Total
<b>Interest income and similar income</b>						
Interest income calculated according to the effective interest method of lending to and receivables on customers		23 255 110	21 113 698	49 378 800	47 489 202	84 419 357
Interest income on loans to and receivables on credit institutions						2 070 403
<i>Total interest income and similar income</i>		23 255 110	21 113 698	49 378 800	47 489 202	86 489 760
<b>Interest and similar costs</b>		15 529 497	15 571 375	21 298 213	15 571 375	28 849 722
<i>Net Interest Income</i>		7 725 613	5 542 323	28 080 587	31 917 827	57 640 038
<b>Net change in value and (losses)/gains on loans and receivables</b>		(1 620 083)	257 599	(1 429 525)	2 823 183	(25 821 245)
<b>Operating expenses</b>		9 259 974	12 111 323	23 593 922	20 110 419	61 971 985
<i>Profit before tax</i>		(3 154 444)	(6 311 401)	3 057 140	14 630 591	(30 153 192)
Income tax		(693 977)	(4 970 393)	672 571	3 218 730	6 203 761
<b>Profit after tax</b>		<u>(2 460 467)</u>	<u>(1 341 009)</u>	<u>2 384 569</u>	<u>11 411 861</u>	<u>(36 356 953)</u>
Information about:						
Group contributions made (net after tax)						
Other equity transferred		(2 460 467)	(1 341 009)	2 384 569	11 411 861	(36 356 953)
Total allocations		(2 460 467)	(1 341 009)	2 384 569	11 411 861	(36 356 953)

\*Prior year figures have been restated. Refer to Note 6 for further details

## Lowell Finans AS

### Statement of Financial Position

	Note	YTD JUN 2025	YTD JUN 2024	2024Total
<b>ASSETS</b>				
<b>Loans to and receivables on credit institutions and finance companies</b>				
Cash and cash equivalents		34 981 760	43 937 478	48 810 434
<b>Lending to and receivables on customers</b>				
Portfolio investments - amortised cost		573 858 484	649 647 150	594 935 618
<b>Other assets</b>				
Deferred Tax assets			2 752 248	
Other receivables		50 321	9 226 159	202 500
<i>Total other assets</i>		50 321	11 978 407	202 500
<b>TOTAL ASSETS</b>		608 890 565	705 563 034	643 948 552
<b>LIABILITIES</b>				
Other debts - Debt Intercompany		273 500 062	279 216 263	316 014 638
<b>Accruals</b>				
Other provisions		7 346 330	40 680 868	2 274 007
		7 346 027	40 680 868	2 274 007
<b>TOTAL LIABILITIES</b>		280 846 089	319 897 131	318 288 645
<b>EQUITY</b>				
<b>Invested equity</b>				
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
<i>Total equity attributable to shareholders</i>		262 644 000	262 644 000	262 644 000
<b>Retained earnings</b>				
Retained earnings, inc current period profit		65 400 476	123 021 903	63 015 907
<i>Total retained earnings</i>	2	65 400 476	123 021 903	63 015 907
<b>TOTAL EQUITY</b>		328 044 476	385 665 903	325 659 907
<b>TOTAL LIABILITIES AND EQUITY</b>		608 890 565	705 563 034	643 948 552

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

	Share Capital	Premiums	VI, II CI deposited	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><u>Equity 31.12.2023 Restated</u></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 H1				2 384 569	2 384 569
<b>Equity 30.06.2025</b>	<b>148 000 000</b>	<b>107 000 000</b>	<b>7 644 000</b>	<b>65 400 476</b>	<b>328 044 476</b>

**LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q2 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**

	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
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	2 384 569	(36 356 953)	11 411 861
<b>Total Equity</b>	<b>328 044 476</b>	<b>325 659 907</b>	<b>385 665 904</b>
Interim profit that cannot be included in net core capit	(2 384 569)		(11 411 861)
Deduction for deferred tax assets	-		(2 952 330)
Deduction for backstop (minimum write-down)	(272 163)	(272 567)	(302 388)
<b>Total deductions from CET1 capital</b>	<b>(2 656 732)</b>	<b>(272 567)</b>	<b>(14 666 579)</b>
<b>Calculation basis per risk category</b>	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
Credit risk	932 496 625	967 047 372	1 088 236 627
Bank deposits	11 113 856	9 762 087	8 787 495
Purchased portfolios	877 902 654	892 403 427	974 470 725
Off balance sheet items	0	0	0
Contracted forward flow	43429794	55 366 433	93 000 000
Other engagements	50321	9 515 425	11 978 407
Operational risk	128295533	136 085 930	136 085 930
<b>Total calculation basis</b>	<b>1 060 792 158</b>	<b>1103 133302</b>	<b>2 312 559 184</b>
<b>CET1 capital ratio</b>	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
Surplus of core capital	325 387 745	325 387 040	370 999 324
CET1 capital ratio as a percentage	277 652 098	275 746 042	315 904 809
	30,67 %	29,50 %	30,30 %
<b>Common Equity Tier 1 capital adequacy</b>	<b>325 387 745</b>	<b>325 387 040</b>	<b>370 999 324</b>
Surplus of core capital	261 740 216	259 199 042	297 539 971
Common Equity Tier 1 capital ratio	30,67 %	29,50 %	30,30 %
<b>Own funds</b>	<b>325 387 745</b>	<b>325 387 040</b>	<b>370 999 324</b>
Excess of own funds	240 524 372	237 136 376	273 053 519
Own funds as a percentage	30,67 %	29,50 %	30,30 %
<b>Non-leveraged core capital</b>			
Core capital	325 387 745	325 387 040	370 999 324
Exposure Goals	669 841 233	690 172 432	767 563 034
Non-leveraged Tier 1 capital ratio	48,58 %	47,15 %	30,30 %

**LOWELL FINANS AS - NOTES INTERIM ACCOUNTS Q2 2025****Note 3 - PURCHASED PORTFOLIO OF OUTSTANDING RECEIVABLES**

	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
Portfolio of outstanding receivables O1.01	594 935 618	672 602 036	672 602 036
Purchased portfolio of outstanding receivables	6 476 166	20 965 259	
Recognition of income according to the effective interest rate methc	49 378 800	84 419 357	47 489 202
Change in value of the company's portfolios	(1 429 525)	(25 821 245)	2 823 183
<u>Payments on purchase_d portfolios</u>	<u>(75 502 575)</u>	<u>(157 229 789)</u>	<u>(73 267 271)</u>
<b>Portfolio of outstanding_ receivables 31.12</b>	<b>573 858 484</b>	<b>594 935 618</b>	<b>649 647 150</b>

100% of outstanding receivables are overdue claims

<b>Value purchased portfolio of outstanding receivables</b>	<b>573 858 484</b>	<b>594 935 618</b>	<b>649 647 150</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>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
Debt to group companies	273 500 062	316 014 638	279 216 263
Other provisions	7 346 330	2 274 007	0
<b>Total debt to companies in the same group</b>	<b>280 846 392</b>	<b>318 288 645</b>	<b>279 216 263</b>

<b>Related party</b>	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
<b>Related party transactions with other group entities</b>			
Purchase of services from affiliated companies	4 522 544	30 184 747	19 054 124
Financial expenses on loan from group entities	21 295 788	28 849 636	15 379 419
	<b>25 818 331</b>	<b>59 034 383</b>	<b>34 433 543</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 - 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.