



Lowell Finans A/S

Langmarksvej 57D
8700 Horsens
Denmark

CVR no. 17 47 31 82

Annual Report and Financial Statements
For the year ended 31 December 2024

The annual report was presented and approved
at the Company's annual general meeting on
8 July 2025

.....
Morten Goldermann Engelbæk
Chairman

Lowell Finans A/S

ANNUAL REPORT 2024

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the financial statements of Lowell Finans A/S (“the company”) for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report is approved at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Horsens, 8 July 2025
Executive Board:

.....
Morten Goldermann Engelbæk

Board of Directors:

.....
Geir Inge Skålevik
Chairman

.....
Rene Lund Mejlstrup

.....
Dennis Feyling Serup

.....
Sofia Eva Olofsson

Independent auditor's report

To the shareholders of Lowell Danmark A/S

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Lowell A/S for the financial year 1. January – 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter regarding the scope of the audit

On 5 July 2024 we issued an auditor's report on the financial statement for the period 1 January – 31 December 2023 in which we included a "Disclaimer of opinion" as we were unable to obtain sufficient and appropriate audit evidence to express an opinion. Since then, management has been able to provide evidence supporting the caption and disclosures regarding 2023 figures. Restated figures are disclosed in note 4 to the financial statement.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. and for such control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

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- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of control.
- obtain an understanding of control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Fredericia, 8 July 2025

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Michael Lund Siegumfeldt
State Authorised
Public Accountant
mne28662

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Management's review

Company details

Lowell Finans A/S
Langmarksvej 57D
8700 Horsens
Denmark

Telephone: +45 76282828
Website: www.lowell.dk

CVR no: 17 47 31 82
Established: 1 December 1993
Registered office: Horsens
Financial year: 1 January – 31 December

Board of Directors

Geir Inge Skålevik, Chairman
Rene Lund Mejlstrup,
Dennis Feyling Serup
Sofia Eva Olofsson

Executive Board

Morten Goldermann Engelbæk

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27
7000 Fredericia
Denmark

Lawyer

Gorrissen Federspiel
Silkeborgvej 2
8000 Aarhus C

Operating review

Principal activities

The Company's main activities are to carry out collection and credit processing activities, bookkeeping- and billing assistance along with related activities.

Financial performance for the year

The Company's income statement for 2024 shows a profit of tDKK 213 (2023: tDKK 85). Equity in the Company's balance sheet at 31 December 2024 is tDKK 12,482 (2023: tDKK 12,269 restated).

Correction of material misstatements in prior years

The financial statements for 2023 were filed without the auditors having expressed an opinion on them. In preparing the accounts for the 2024 year revisions were made to the comparatives to address the issues identified to give a true and fair view of the Company's financial position and performance.

Refer to Note 4 for further details.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report 2024.

Financial statements 1 January - 31 December

Income statement

		2024	2023
		'000	Restated* '000
	Note		
Gross Loss		(117)	(155)
Financial income	2	404	280
Financial expenses		(14)	(16)
Profit before tax		273	109
Income tax		(60)	(24)
Profit after tax		213	85
Proposal distribution of Profit			
Retained earnings		213	85

*Prior year figures have been restated. Refer to Note 4 for further details

Financial statements 1 January - 31 December

Balance sheet

	Note	2024 ‘000	2023 Restated ‘000*
ASSETS			
Current assets			
Receivables			
Receivables from Group entities		11,630	11,558
Corporation tax assets		257	212
Other receivables		39	34
		<u>11,926</u>	<u>11,804</u>
Cash and cash equivalents		993	970
TOTAL ASSETS		<u><u>12,919</u></u>	<u><u>12,774</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		1,800	1,800
Retained earnings		10,682	10,469
Total equity		<u>12,482</u>	<u>12,269</u>
Current liabilities			
Trade payables		102	94
Payables to Group entities		327	324
Other payables		8	87
Total liabilities		<u>437</u>	<u>505</u>
TOTAL LIABILITIES AND EQUITY		<u><u>12,919</u></u>	<u><u>12,774</u></u>

*Prior year figures have been restated. Refer to Note 4 for further details

Financial statements 1 January - 31 December

Statement of changes in equity

	Share Capital ‘000	Retained earnings ‘000	Total ‘000
Equity at 1 January 2023	1,800	7,905	9,705
Impact of Prior Year Restatement*	-	2,479	2,479
Revised Equity at 1 January 2023	1,800	10,384	12,184
Transferred over the profit appropriation	-	85	85
Restated Equity at 31 December 2023	1,800	10,469	12,269
Transferred over the profit appropriation	-	213	213
Equity at 31 December 2024	1,800	10,682	12,482

*Prior year figures have been restated. Refer to Note 4 for further details

Financial statements 1 January - 31 December

Notes

1 - Accounting policies

Financial framework

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

The annual report of Lowell Finans A/S for 2024 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Presentation currency and amount

The accounts are presented in Danish currency and in whole Danish Kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish associated companies.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity

1 - Accounting policies (Continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

2 – Financial income

	2024 ‘000	2023 Restated ‘000
Intercompany Interest	407	280
Foreign exchange gain	(3)	-
	<u>404</u>	<u>280</u>

3 – Related party disclosures

Lowell Finans A/S related parties comprise the following:

Control

Lowell AS, Brynsveien 14, 0667 Oslo, Norway is the immediate parent company.

The parent undertaking of the smallest group for which consolidated financial statements are prepared is Garfunkelux Holdco 2 S.A., 488 route de Longwy, L-1940, Luxembourg. The consolidated financial statements of Garfunkelux Holdco 2 S.A. can be obtained by contacting the companies at the addresses above.

Receivables and payables to related parties are disclosed in the balance sheet and interest received from related parties is as follows:

	2024 ‘000	2023 ‘000
Related party transactions with other Group entities		
Financial income on loans to Group entities	<u>407</u>	<u>208</u>

4 – Correction of material misstatements in prior years

The Company has identified material errors related to the years 2022 and 2023. The financial statements for 2023 were filed without the auditors having expressed an opinion on them. In preparing the financial statements for 2024 revisions were made to the comparative figures to address the issues identified. The below are the changes made to the financial statement 2023:

- 1) After the 2023 financial statements were filed a review identified that intercompany interest income and management fees were incorrectly omitted from the financial statements. This has resulted in receivables being understated by mDKK0.2m and payables to Group entities being overstated by mDKK 0.4. The impact on the profit and loss is a mDKK 0.3 increase in profit.
- 2) A review of the VAT balances for 2023 identified tDKK 15 overstatement of other receivables. A recalculation of tax resulted in an additional reduction of corporate tax receivable by tDKK 26.9. The total impact of this was that profit and loss was overstated by tDKK 42.0.
- 3) A mDKK2.2 of foreign exchange gain on the Hansa Holdco loan was recognised in 2023. The loan was derecognised in Nov 2022. Retained earnings and profit were therefore understated by mDKK 2.2 in 2022 and correspondingly, profit was overstated with a similar amount in 2023. Further intercompany income of mDKK 0.3 were recognised in 2023 that related to 2022 financial year. This resulted in retained earnings and profits being understated by mDKK 0.3 in 2022. Correspondingly, profit were overstated in 2023 with a similar amount.

4 – Correction of material misstatements in prior years (Continued)

	As previously disclosed 2023	Intercompany recharges correction 1)	Correct Tax & VAT 2)	Foreign exchange correction 3)	As restated 2023
DKK'000					
Income statement – Year ended 31 December 2023					
Gross loss	(139)	(1)	(15)	-	(155)
Financial income	2,459	-	-	(2,179)	280
Financial expenses	(354)	338	-	-	(16)
Profit before tax	1,966	337	(15)	(2,179)	109
Tax on profits	3	-	(27)	-	(24)
Profit after tax	1,969	337	(42)	(2,179)	85

	As previously disclosed 2023	Intercompany recharges correction 1)	Correct Tax & VAT 2)	As restated 2023
DKK'000				
Balance Sheet – Year ended 31 December 2023				
Assets				
Receivables				
Receivables from Group entities	11,558	-	-	11,558
Other receivables	50	238	(42)	246
	<u>11,608</u>	<u>238</u>	<u>(42)</u>	<u>11,804</u>
Cash at bank and in hand	970	-	-	970
Total Assets	12,578	238	(42)	12,774
Equity				
Contributed Capital	1,800	-	-	1,800
Retained earnings	9,874	637	(42)	10,469
Total Equity	11,674	(637)	(42)	12,269
Current liabilities				
Payables to Group entities	723	(399)	-	324
Other payables	181	-	-	181
Total Liabilities	904	(399)	-	505
Total Liabilities and Equity	12,578	238	(42)	12,774

5 – Contractual obligations, contingencies etc.

Any material company or other member of the Group, which becomes a guarantor of the RCF is required (subject to agreed security principles) to grant security over certain of its material assets and (if wholly owned by another member or members of the Group) to have its shares (or equivalent ownership interests) secured in favour of the Security Agent.

Lowell Finans A/S is a guarantor in the Lowell group security pack and at 31 Dec 2024 the total RCF Facility committed to the group was EUR 455m. The total amount drawn at 31 Dec 2024 was EUR 17.0m.

Lowell Finans A/S is jointly taxed with Lowell Danmark A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.