

Lowell Finans A/S

Langmarksvej 57D
8700 Horsens
Denmark

CVR no. 17 47 31 82

Annual report for the period 1 January - 31 December 2023

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

5 July 2024

Morten Goldermann Engelbæk

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lowell Finans A/S for the financial year 1 January – 31 December 2023.

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 at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

Horsens, 5 July 2024

Executive Board:

Morten Goldermann Engelbæk

Board of Directors:

Geir Inge Skålevik
Chairman

Rene Lund Mejlstrup

Lene Strengelsrud

Sofia Eva Olofsson

Independent auditor's report

To the shareholders of Lowell Finans A/S

Disclaimer of opinion

We have audited the financial statements of Lowell Finans A/S for the financial year 1 January – 31 December 2023 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.

We do not express an opinion on the financial statements. Because of the significance of the matters described in the "Basis for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In our opinion, the general meeting should not approve the financial statements.

Basis for disclaimer of opinion

The company has been unable to provide sufficient documentation that supports the bookkeeping records provided to us concerning multiple captions in the income statement and balance sheet with the most significant being "Receivables from group entities" of DKK 11.558 thousand and "Payables to group entities" of DKK 723 thousand.

We have not been able to obtain sufficient appropriate audit evidence in another way. As a result of these matters, we were unable to determine whether any adjustments were necessary and their possible impact on the income statement, balance sheet and statement of changes in equity.

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 internal 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standard on Auditing (ISAs) and the additional requirements applicable in Denmark. Because of the significance of the matter(s) described in the "Basis for disclaimer of opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Statement on the Management's review

As stated in the "Basis for disclaimer of opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we do not make a statement on the Management's review.

Fredericia, 5 July 2024

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

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
Lene Strengelsrud
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

Management's review

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.

Profit/loss for the year

The Company's income statement for 2023 shows a profit of DKK 1,969 as against loss of DKK 1,040 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 11,673 as against DKK 9,705 at 31 December 2022.

Lowell Finans A/S expects operating profit on a similar level in 2024.

Comments to the Auditors disclaimer of opinion

The Board is aware there are still further intercompany recharges to be booked into this entity and as a result, the Gross profit of the Company is likely to change, as well as the Receivables from Group Entities and Payables to Group Entities balances and associated notes. This work is due to be completed by the Finance Department in July and a further set of financial statements will be issued in August with these balances updated.

Events after the balance sheet date

No events materially affecting the assessment of the Annual report have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

DKK'000	Note	<u>2023</u>	<u>2022</u>
Gross profit/loss		-139	-532
Financial income	2	2,459	17
Financial expenses	3	<u>-354</u>	<u>-795</u>
Profit before tax		1,966	-1,310
Tax on profit for the year	4	<u>3</u>	<u>270</u>
Profit for the year		<u><u>1,969</u></u>	<u><u>-1,040</u></u>
Proposal distributrion of Profit			
Reatained earnings		<u><u>1,969</u></u>	<u><u>-1,040</u></u>

Financial statements 1 January - 31 December

Balance sheet

DKK'000	Note	<u>2023</u>	<u>2022</u>
ASSETS			
Current assets			
Receivables			
Receivables from group entities		11,558	7,163
Other receivables		50	44
		<u>11,608</u>	<u>7,207</u>
Cash at bank and in hand		<u>970</u>	<u>12,184</u>
Total current assets		<u>12,578</u>	<u>19,391</u>
TOTAL ASSETS		<u><u>12,578</u></u>	<u><u>19,391</u></u>

Financial statements 1 January - 31 December

Balance sheet

DKK'000	Note	<u>2023</u>	<u>2022</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,800	1,800
Retained earnings		9,874	7,905
Total equity		<u>11,674</u>	<u>9,705</u>
Liabilities			
Non-current liabilities			
Payables to group entities	5	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
Current liabilities			
Payables to group entities	5	723	9,642
Other payables		181	44
		<u>904</u>	<u>9,686</u>
Total liabilities		<u>904</u>	<u>9,686</u>
TOTAL EQUITY AND LIABILITIES		<u><u>12,578</u></u>	<u><u>1</u></u>

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	1,800	7,905	9,705
Transferred over the profit appropriation	0	1,969	1,969
Equity at 31 December 2023	<u>1,800</u>	<u>9,874</u>	<u>11,674</u>

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of Lowell Finans A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Foreign currency translation

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 statements 1 January - 31 December

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1 Accounting policies (continued)

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.

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January - 31 December

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1 Accounting policies (continued)

Liabilities

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 carryforwards, 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.

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Financial statements 1 January - 31 December

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DKK'000	<u>2023</u>	<u>2022</u>
2 Financial income		
Other financial income	2,459	17
	<u>2,459</u>	<u>17</u>
3 Financial expenses		
Interest paid to group entities	337	783
Other financial costs	17	12
	<u>354</u>	<u>795</u>
7 Tax on profit/loss for the year		
Current tax for the year	-3	-270
Deferred tax for the year	0	0
	<u>-3</u>	<u>-270</u>
5 Non-current liabilities other than provisions		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt obligations fall due on the following order:		
Payables to group enterprises		
Between 1 and 5 years	0	0
Other short-term debt to group enterprises	723	9,642
	<u>723</u>	<u>9,642</u>

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DKK'000	<u>2023</u>	<u>2022</u>
6 Contractual obligations, contingencies, etc.		
Charges and security		
Guarantee in accordance with the Danish Act on debt collecting business	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>

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 2023 the total RCF Facility committed to the group was EUR 455m. The total amount drawn at 31 Dec 2023 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.

7 Related party disclosures

Lowell Finans A/S related parties comprise the following:

Control

Lowell AS, Brynsveien 14, 0667 Oslo, Norway.

Lowell AS holds the majority of the contributed capital in the Company.

Lowell Finans A/S is part of the consolidated financial statements of Lowell AS, Oslo, and the consolidated financial statements of Garfunkelux Holdco 2 S.A., 488 route de Longwy, L-1940, Luxembourg, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Lowell AS and the consolidated financial statements of Garfunkelux Holdco 2 S.A. can be obtained by contacting the companies at the addresses above.