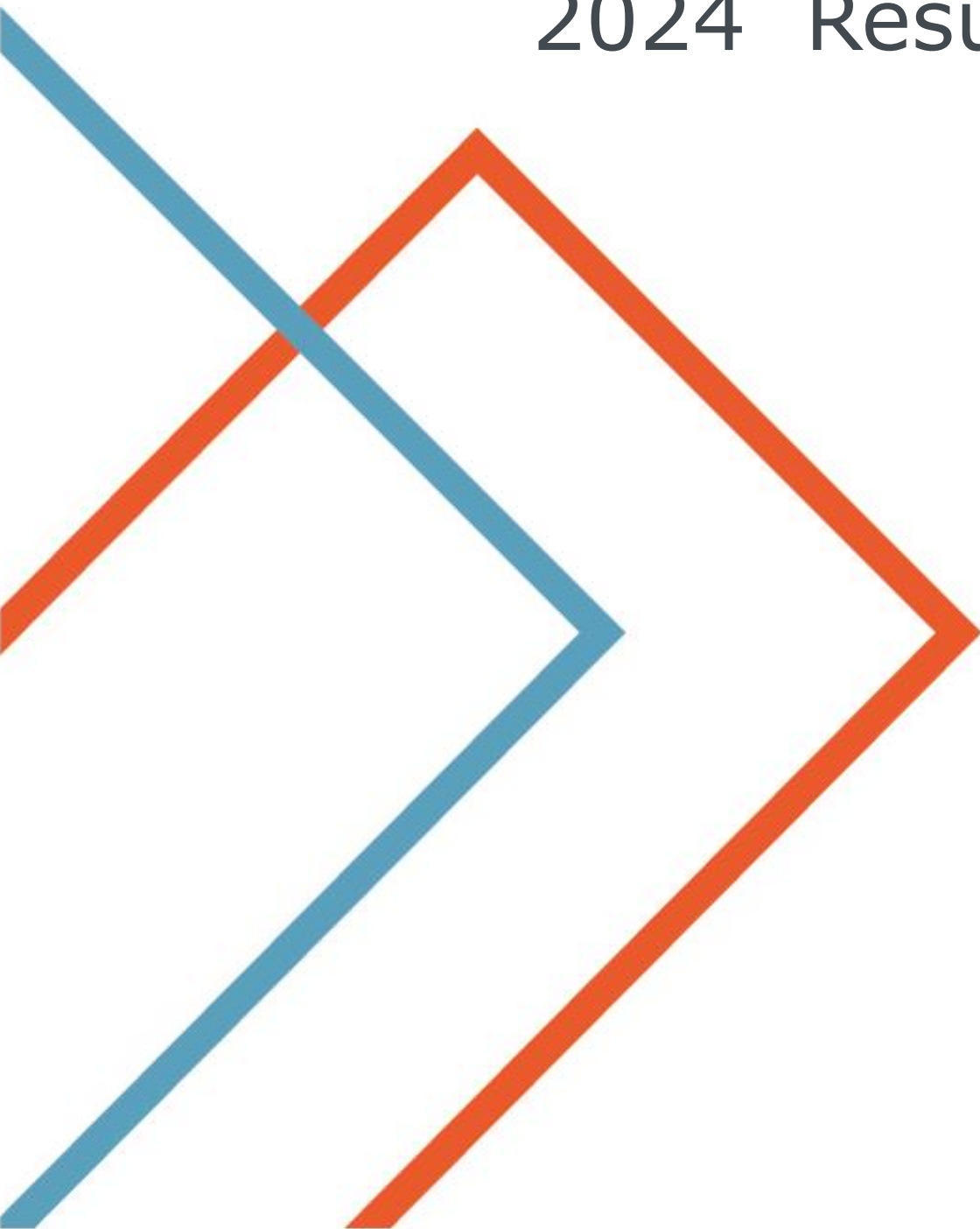


Garfunkelux Holdco 2 S.A.
QE 30 September
2024 Results



1. Highlights

- **120 Month Estimated Remaining Collections** (“ERC”) at £3,478m⁽¹⁾ as of 30 September 2024, down 15.5% since 30 September 2023.
- **Portfolio investments acquired** for the three months ending 30 September 2024 total £82.2m, an increase of £15.9m compared with the three months ending 30 September 2023.
- **Debt Purchase gross cash collections** of £178.7m in the three months ending 30 September 2024, a decrease of 9.8% on the three months ending 30 September 2023.
- **Cash income** of £218.0m in the three months ending 30 September 2024, a decrease of 6.2% compared to the three-month period ending 30 September 2023.
- **Cash EBITDA**⁽²⁾ for the three months ended 30 September 2024 of £110.2m, a 12.1% decrease on the three month period ending 30 September 2023, with Last Twelve Months (“LTM”) Cash EBITDA to 30 September 2024 of £742.0m.
- **Net debt to LTM Pro forma Cash EBITDA**⁽³⁾ is at 3.1x as at 30 September 2024.
- **Net secured debt to LTM Pro forma Cash EBITDA**⁽³⁾ is at 2.4x as at 30 September 2024.

(1) ERC reduction reflects impact of Balance Sheet Velocity (“BVM”) transactions across LTM period resulting in accelerated collections in the region of £292m. The BVM programme commenced in 2022, diversifying the Group’s sources of funding by crystallising returns earlier in their lifecycle through the acceleration of cashflows.

(2) Cash EBITDA is defined as cash collections on acquired portfolios plus service revenue, other revenue and other income less collection activity costs and other expenses (which together equal operating costs) and before exceptional items, depreciation, amortisation and impairment of non-performing loans.

(3) Pro forma LTM Cash EBITDA as quoted is defined as Group Cash EBITDA for the twelve months ended 30 September 2024, adjusted for Pro forma cost adjustments.

1. Highlights (continued)

Commenting on the results, Colin Storrar, CEO, said:

“The results continue to evidence the strength of our underlying businesses within the Group. We continue to see a strong flow of debt purchase opportunities and have managed to accelerate some of these throughout 2024 at very attractive return levels.

Our collection performance continues to outperform expectation both across frontbook and backbook and we look forward to carrying on this strong momentum.”

About Lowell:

Lowell is one of Europe’s largest credit management companies with a mission to make credit work better for all and a commitment to fair and ethical customer practices. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden. The Group employs over 3,500 people.

Lowell’s unparalleled combination of data analytics, deep consumer insight and robust risk management provides clients with expert solutions in debt purchasing, third party collections and business process outsourcing. With its ethical approach to debt management, Lowell is committed to delivering the most fair and affordable outcome for each customer’s specific circumstances.

Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers’ Pension Plan.

For more information on Lowell, please visit our investor website: www.lowell.com

1. Highlights (continued)

Non-IFRS financial measures

We have included certain non-IFRS financial measures in this trading update, including **Estimated Remaining Collections** ("ERC"), **Cash EBITDA** and **Gross Money Multiples** ("GMMs").

We present ERC because it represents our expected gross cash proceeds of the purchased debt portfolios recorded on our balance sheet over the 120-month and 180-month periods. ERC is calculated as of a point in time assuming no additional purchases are made. ERC is a metric that is also often used by other companies in our industry. **We present ERC because it represents our best estimate of the undiscounted cash value of our purchased debt portfolios at any point in time, which is an important supplemental measure for our board of directors and management to assess the gross cash generation capacity of the assets backing our business.** In addition, the instruments governing our indebtedness use ERC to measure our compliance with certain covenants and, in certain circumstances, our ability to incur indebtedness. Our ERC projection, calculated by our proprietary analytical models, utilises historical portfolio collection performance data and assumptions about future collection rates. While we cannot guarantee that we will achieve such collections and while our ERC projection may not be comparable to similar metrics used by other companies in our industry, our ERC forecasts have historically proven to be somewhat conservative through all phases of the economic cycle.

We present Cash EBITDA because we believe it may enhance an investor's understanding of our underlying cash flow generation at a given point in time that can be used to service or pay down debt, pay income taxes, purchase new debt portfolios and for other uses. Cash EBITDA is defined as collections on owned portfolios plus other turnover, less collection activity costs and other expenses (which together equals servicing costs) and before exceptional items, depreciation and amortisation.

Our board of directors and management use Cash EBITDA to understand cash profit in a period, mindful it is neither a proxy for future periods (since it is a lagged measure which can be influenced by the volume and mix of purchases in the latter months of the reported period), nor is it an indication of run off cash generation as the current cost base is representative of our front loaded cost curves and recent purchasing activity. Cash EBITDA is not a measure calculated in accordance with IFRS and our use of the term Cash EBITDA may vary from others in our industry. For a reconciliation of Cash EBITDA to operating profit, see page 17.

We present Gross Money Multiples ("GMMs") because it represents our expected gross cash return from purchased debt portfolios. In addition, GMMs are one of a number of return metrics that we use when making pricing and investment decisions. GMMs can be reported on a rolling basis or on a static basis. On a rolling basis, GMMs are calculated as the sum of gross collections achieved to date plus our ERC as at the reporting date, divided by purchase price. All things being equal and based on this rolling definition, GMMs should improve over time as portfolios and vintages mature. On a static basis, GMMs are calculated over a static time-period – for example, a static 120m GMM will be based upon either gross collections achieved to date plus the remaining months of ERC required to get to a 120m total period or the original priced 120m collection expectations, divided by purchase price.

ERC, Cash EBITDA and GMMs and all other non-IFRS measures have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS.

2. Operating & financial review

The following table summarises key performance indicators at, and for the periods ended 30 September 2024 and 30 September 2023.

(£ in millions unless otherwise noted)	Three months ended or as at 30 September 2024	Three months ended or as at 30 September 2023
Portfolio investments acquired	82.2	66.3
3PC income	39.4	34.3
Cash income	218.0	232.4
Cash EBITDA	110.2	125.3
84-month ERC	2,938.1	3,377.9
120-month ERC	3,477.9	4,115.9
180-month ERC	4,052.2	4,897.0

2. Operating & financial review (continued)

Collections

DP Collections were £178.7m in the three months ending 30 September 2024, a decrease of £19.4m on the three-month period ending 30 September 2023.

Income

Total income of £155.5m was generated in the three months ending 30 September 2024, a decrease of £0.9m on the three-month period ending 30 September 2023.

Total income includes income from portfolio investments of £106.1m in the three months to 30 September 2024 (three months to 30 September 2023: £109.9m) and net portfolio write-up of £7.4m in the three months to 30 September 2024 (three months to 30 September 2023 net portfolio write-up: £10.3m).

Service revenue in the three months to 30 September 2024 of £39.4m included 3PC income of £38.3m (three months to 30 September 2023: Service revenue of £34.3m and 3PC income of £33.9m).

Operating expenses

Operating expenses were £130.4m for the period (three months to 30 September 2023: £130.7m), of which £65.7m were collection activity costs, (three months to 30 September 2023: £68.6m).

Finance costs

Finance costs totalled £67.8m for the three months ended 30 September 2024 and is largely consistent with the comparative period of three months to 30 September 2023 at £67.1m. Refer to note 3 for further details.

Cash flow

Net cash generated from operating activities after portfolio purchases and exceptional costs totalled £37.4m in the three months to 30 September 2024. Net cash generated from operating activities before portfolio acquisitions totalled £119.6m in the three months to 30 September 2024.

While returns achieved on an individual portfolio can vary, the business has a consistent and impressive track record of generating strong and sustainable unlevered returns on its aggregate purchased portfolios. Gross Money Multiple as of 30 September 2024 is shown below.

	UK		DACH		Nordics	
	As at 30 Sep 2024		As at 30 Sep 2024		As at 30 Sep 2024	
	Invested (£ millions)	Gross Money Multiple ⁽¹⁾	Invested (€ millions)	Gross Money Multiple ⁽¹⁾	Invested (€ millions)	Gross Money Multiple ⁽¹⁾
Total 120 month	3,122	2.5x	1,062	2.4x	1,668	2.2x

(1) GMM presented in this quarterly report only includes actuals to date and forecast collections for the next 120m, although collections will pass that period.

Garfunkelux Holdco 2 S.A.
Condensed consolidated interim statement of comprehensive income

£000	Note	3 months to 30 September 2024 (unaudited)	3 months to 30 September 2023 (unaudited)	Year ended 31 December 2023 (audited) ⁽¹⁾
Continuing operations				
Income				
Income from portfolio investments – amortised cost	4	103,551	109,950	446,148
Income from portfolio investments – fair value	5	2,586	-	-
Net portfolio write up/(down)	4	7,350	10,255	(16,492)
Portfolio fair value gain	5	1,597	1,741	5,678
Service revenue	2	39,356	34,291	143,572
Other revenue		82	160	832
Other income		1,006	73	825
Total income		155,528	156,470	580,563
Operating expenses				
Collection activity costs		(65,662)	(68,560)	(313,377)
Other expenses		(64,782)	(62,120)	(230,603)
Goodwill impairment		-	-	(283,634)
Total operating expenses		(130,444)	(130,680)	(827,614)
Operating profit/(loss)		25,084	25,790	(247,051)
Finance income		4,191	4,534	17,464
Finance costs	3	(67,817)	(67,138)	(311,325)
Loss for the period before tax		(38,542)	(36,814)	(540,912)
Tax credit		6,830	8,694	65,033
Loss for the period		(31,712)	(28,120)	(475,879)
Other comprehensive expenditure				
Items that will not be reclassified to profit or loss				
Actuarial losses on pension plans		-	-	(1,474)
Deferred tax on actuarial losses on pension plans		-	-	(24)
		-	-	(1,498)
Items that will or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		31,148	(30,193)	46,005
Other comprehensive expenditure, net of tax		31,148	(30,193)	46,005
Total comprehensive expenditure for the period		(564)	(58,313)	(431,372)

The notes on pages 11 to 17 form part of the interim financial statements.

(1) Extracted from the Group Consolidated Financial Statements for the Year Ended 31 December 2023.

Garfunkelux Holdco 2 S.A.
Condensed consolidated interim statement of financial position

£000		30 September 2024	30 September 2023	31 December 2023
	Note	(unaudited)	(unaudited)	(audited) ⁽¹⁾
Assets				
Non-current assets				
Goodwill		854,386	1,133,981	865,314
Intangible assets		97,521	111,984	99,267
Property, plant and equipment		47,718	61,242	49,527
Portfolio investments – amortised cost	4	1,176,838	1,368,054	1,129,504
Portfolio investments – fair value	5	39,464	20,435	35,457
Other financial assets		22,596	2,749	22,888
Deferred tax assets		139,811	79,452	147,963
Total non-current assets		2,378,334	2,777,897	2,349,920
Current assets				
Portfolio investments – amortised cost	4	531,272	633,652	512,367
Portfolio investments – fair value	5	-	3,353	-
Assets classified as held for sale		-	-	181,742
Trade and other receivables	6	109,777	47,715	101,398
Other financial assets		22,397	10,400	14,743
Derivatives		1,282	15,856	7,759
Assets for current tax		2,234	1,204	2,398
Cash and cash equivalents		288,058	135,208	143,083
Total current assets		955,020	847,388	963,490
Total assets		3,333,354	3,625,285	3,313,410
Equity				
Share capital		4,385	4,385	4,385
Share premium and similar premiums		1,109,586	1,109,586	1,109,586
Reserves		(113,087)	(197,273)	(136,170)
Retained deficit		(1,100,853)	(591,660)	(986,012)
Total equity		(99,969)	325,038	(8,211)
Liabilities				
Non-current liabilities				
Borrowings	8	2,626,328	2,642,504	2,461,701
Retirement benefit deficit		7,179	6,217	7,241
Provisions		6,883	5,785	7,084
Other financial liabilities		38,898	47,088	39,738
Deferred tax liabilities		29,657	26,099	30,146
Total non-current liabilities		2,708,945	2,727,693	2,545,910
Current liabilities				
Trade and other payables	7	90,931	71,171	120,135
Provisions		5,623	6,905	15,217
Borrowings	8	570,841	455,333	585,586
Other financial liabilities		32,615	17,325	35,450
Current tax liabilities		24,368	21,820	19,323
Total current liabilities		724,378	572,554	775,711
Total equity and liabilities		3,333,354	3,625,285	3,313,410

The notes on pages 11 to 17 form part of the interim financial statements.

(1) Extracted from the Group Consolidated Financial Statements for the Year Ended 31 December 2023.

Garfunkelux Holdco 2 S.A.
Condensed consolidated interim statement of changes in equity

£000	Share capital	Share premium & similar premiums	Capital Reserve	Translation Reserve	Valuation Reserve	Retained deficit	Total
Balance at 1 July 2023 (unaudited)	4,385	1,109,586	(8,291)	(160,857)	2,068	(563,540)	383,351
Loss for the period	-	-	-	-	-	(28,120)	(28,120)
Exchange differences	-	-	-	(30,193)	-	-	(30,193)
Total comprehensive Expenditure	-	-	-	(30,193)	-	(28,120)	(58,313)
Balance at 30 September 2023 (unaudited)	4,385	1,109,586	(8,291)	(191,050)	2,068	(591,660)	325,038
Loss for the period	-	-	-	-	-	(394,352)	(394,352)
Actuarial gain on pension	-	-	-	-	(1,474)	-	(1,474)
Deferred tax on pension	-	-	-	-	(24)	-	(24)
Exchange differences	-	-	-	62,601	-	-	62,601
Total comprehensive income / (expenditure)	-	-	-	62,601	(1,498)	(394,352)	(333,249)
Balance at 31 December 2023 (audited) <small>(1)</small>	4,385	1,109,586	(8,291)	(128,449)	570	(986,012)	(8,211)
Loss for the period	-	-	-	-	-	(83,129)	(83,129)
Exchange differences	-	-	-	(8,065)	-	-	(8,065)
Total comprehensive income / (expenditure)	-	-	-	(8,065)	-	(83,129)	(91,194)
Balance at 31 June 2024 (unaudited)	4,385	1,109,586	(8,291)	(136,514)	570	(1,069,141)	(99,405)
Loss for the period	-	-	-	-	-	(31,712)	(31,712)
Exchange differences	-	-	-	31,148	-	-	31,148
Total comprehensive income / (expenditure)	-	-	-	31,148	-	(31,712)	(564)
Balance at 30 September 2024 (unaudited)	4,385	1,109,586	(8,291)	(105,366)	570	(1,100,853)	(99,969)

The notes on pages 11 to 17 form part of the interim financial statements.

(1) Extracted from the Group Consolidated Financial Statements for the Year Ended 31 December 2023.

Garfunkelux Holdco 2 S.A.
Condensed consolidated interim statement of cash flows

£000	Note	3 months to 30 September 2024 (unaudited)	3 months to 30 September 2023 (unaudited)	Year ended 31 December 2023 (audited) ⁽¹⁾
Net cash generated from operating activities	9	37,413	16,383	438,978
Investing activities				
Purchase from property, plant and equipment		(4,452)	(4,361)	(10,483)
Purchase of intangible assets		(15,070)	(4,338)	(37,367)
Net cash used in investing activities		(19,522)	(8,699)	(47,850)
Financing activities				
Purchase of senior secured notes		-	(16,920)	-
Proceeds from loans and borrowings		-	56,150	2,057,030
Repayment of borrowings		(11,270)	(73,154)	(2,209,574)
Payment of lease liabilities		(1,253)	(2,260)	(8,774)
Derivative settlement		-	-	(428)
Interest paid		(37,424)	(32,162)	(218,252)
Net cash used in financing activities		(49,947)	(68,346)	(379,998)
Net (decrease)/increase in cash and cash equivalents		(32,056)	(60,662)	11,130
Cash and cash equivalents at beginning of period		322,290	195,471	133,499
Effect of movements in exchange rates on cash held		(2,176)	399	(1,546)
Cash and cash equivalents at end of period		288,058	135,208	143,083

The notes on pages 11 to 17 form part of the interim financial statements.

(1) Extracted from the Group Consolidated Financial Statements for the Year Ended 31 December 2023.

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

1. Accounting policies

General information and basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IAS 34 Interim Financial Reporting. These interim financial statements have been prepared on a historical cost basis except for derivative financial instruments, certain portfolio investments that have been measured at fair value and assets held for sale that have been measured at the lower of their carrying value and fair value less costs to sell.

The accounting principles applied by the Group and the Company are essentially unchanged compared with the 2023 Consolidated Financial Statements.

This report should be read with the audited financial statements for the year ended 31 December 2023.

Basis of consolidation

The Group interim financial statements consolidate the interim financial statements of Garfunkelux Holdco 2 S.A. ("the Company") and its subsidiaries (together "the Group") for the three-month period ending 30 September 2024.

2. Service revenue

£000	3 months to 30 September 2024 (unaudited)	3 months to 30 September 2023 (unaudited)	Year ended 31 December 2023 (audited)
3PC income	38,348	33,896	143,572
Other service revenue	1,008	395	-
	39,356	34,291	143,572

3. Finance costs

£000	3 months to 30 September 2024 (unaudited)	3 months to 30 September 2023 (unaudited)	Year ended 31 December 2023 (audited)
Interest payable on the Senior Secured Notes	32,332	33,207	132,868
Fees payable on financing structures	-	3,586	14,449
Interest and fees payable on Revolving credit facility	7,998	4,223	28,106
Interest payable on shareholder loan	14,278	13,021	52,644
Net loss on derivative financial instruments designated as FVTPL	-	1,931	8,388
Net foreign exchange loss	203	-	17,610
Interest payable on securitisation	9,235	10,005	50,537
Other interest payable	3,163	422	4,092
Interest expense from lease liabilities	608	743	2,631
	67,817	67,138	311,325

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

4. Portfolio investments – amortised cost

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
Non-current			
Portfolio investments – amortised cost	1,171,178	1,368,054	1,125,764
Portfolio investments – Asset Backed Security	5,660	-	3,740
Total	1,176,838	1,368,054	1,129,504
Current			
Portfolio investments – amortised cost	531,272	633,652	510,131
Portfolio investments – Asset Backed Security	-	-	2,236
Total	531,272	633,652	512,367
Total portfolio investments – amortised cost	1,708,110	2,001,706	1,641,871

The movements in amortised cost portfolios were as follows:

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
At start of the period	1,681,631	2,008,671	2,172,883
Portfolios acquired during the period	82,190	66,345	326,581
Collections in the period	(173,499)	(198,125)	(1,092,466)
Income from portfolio investments	101,704	109,950	446,148
Net portfolio write up/(down)	7,350	10,255	(16,492)
Net foreign exchange movement	3,074	4,610	(19,017)
Reclassification of portfolio investments from amortised cost to assets held for sale	-	-	(181,742)
At end of the period	1,702,450	2,001,706	1,635,895

The movements in amortised cost Asset Backed Security (ABS) investments were as follows:

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
At start of period	5,976	-	-
ABS acquired during the period	-	-	5,959
Income from ABS investment	1,847	-	17
Collections in the period	(2,163)	-	-
At end of period	5,660	-	5,976

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

5. Portfolio investments – fair value

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
Non-current			
Portfolio investments – fair value through PL (FVTPL)	31,657	20,435	27,207
Portfolio investments – fair value through OCI (FVOCI)	7,807	-	8,250
Current			
Portfolio investments – fair value through PL (FVTPL)	-	3,353	-
Total	39,464	23,788	35,457

The movements in fair value acquired portfolio investments were as follows:

Fair value through P&L:

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
At start of period	30,060	22,343	12,958
Portfolios acquired during the period	-	-	37,584
Collections in the period	-	(296)	(513)
Fair value gain	1,597	1,741	5,678
Foreign exchange movement	-	-	-
Disposals during the period	-	-	(28,500)
At end of period	31,657	23,788	27,207

Fair value through OCI:

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
At start of period	8,250	-	-
Portfolios acquired during the period	-	-	8,228
Income from FVOCI instrument	2,586	-	22
Collections in the period	(3,029)	-	-
At end of period	7,807	-	8,250

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

6. Trade and other receivables

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
Trade receivables	52,111	17,388	43,583
Prepayments and accrued income	15,933	13,533	11,357
Other receivables	38,442	15,453	42,774
Tax receivable	3,291	1,341	3,684
	109,777	47,715	101,398

7. Trade and other payables

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
Trade payables	21,342	6,740	14,195
Other taxes and social security	4,028	3,278	4,202
Accruals and deferred income	43,980	30,137	58,449
Other payables	21,581	31,016	43,289
	90,931	71,171	120,135

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

8. Borrowings

£000	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 December 2023 (audited)
Non-current			
Unsecured borrowing at amortised cost			
Shareholder loan owed to Garfunkelux Holdco 1 S.à r.l.	641,489	584,823	598,969
Total unsecured	641,489	584,823	598,969
Secured borrowing at amortised cost			
Senior Secured Notes	1,622,105	1,657,007	1,662,453
Prepaid costs on secured borrowings	(5,266)	(12,543)	(10,561)
Securitisation loans	368,000	413,217	210,840
Total secured	1,984,839	2,057,681	1,862,732
Total borrowings due for settlement after 12 months	2,626,328	2,642,504	2,461,701
Current			
Unsecured borrowing at amortised cost			
Other interest payable	-	283	6,276
Total unsecured	-	283	6,276
Secured borrowing at amortised cost			
Interest on Senior Secured Notes	41,640	42,943	22,568
Prepaid costs on secured borrowings	(5,680)	(7,801)	(7,916)
Revolving credit facility	371,152	342,808	377,666
Securitisation loans	163,729	77,100	186,992
Total secured	570,841	455,050	579,310
Total borrowings due for settlement before 12 months	570,841	455,333	585,586
Total borrowings	3,197,169	3,097,837	3,047,287

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

9. Note to the statement of cashflows

£000	Note	3 months to 30 September 2024 (unaudited)	3 months to 30 September 2023 (unaudited)	Year ended 31 December 2023 (audited) ⁽¹⁾
Loss for the period before tax		(38,542)	(36,814)	(540,912)
Adjustments for:				
Income on portfolio investments – amortised cost	4	(103,551)	(109,950)	(446,110)
Income on portfolio investments – fair value	5	(2,586)	-	-
Net portfolio write (up)/down	4	(7,350)	(10,255)	16,492
Portfolio fair value gain	5	(1,597)	(1,741)	(5,678)
Collections on portfolio investments – amortised cost	4	175,662	198,125	1,092,466
Collections on portfolio investments – fair value	5	3,029	296	513
Depreciation and amortisation		12,165	12,290	43,260
Impairment of goodwill and right of use asset		-	-	288,652
Loss on disposal of PPE and intangible assets		-	-	34,550
Finance income		(4,191)	(4,534)	(17,464)
Finance costs	3	67,817	67,138	311,325
Unrealised (gain)/loss from foreign exchange		(3,074)	(6,145)	57,925
Decrease/(Increase) in trade and other receivables		3,289	18,788	(14,158)
Decrease in trade and other payables		(15,586)	(35,940)	(106,112)
Movement in other net assets		34,118	(8,970)	84,275
Cash generated by operating activities before portfolio acquisitions		119,603	82,288	799,024
Portfolios acquired ⁽²⁾		(82,190)	(66,258)	(352,838)
Income taxes repaid/(paid)		-	353	(7,208)
Net cash generated by operating activities		37,413	16,383	438,978

(1) Extracted from the Group Consolidated Financial Statements for the Year Ended 31 December 2023.

(2) Portfolios acquired represents the amount paid for portfolio purchases in the period, considering timing differences.

Garfunkelux Holdco 2 S.A.
Notes to the condensed consolidated interim financial statements

Cash EBITDA Walks

The three walks below show reconciliations from the IFRS balances in the accounts to the Group's Cash EBITDA number and are unaudited.

Profit to Cash EBITDA

**3 months to 30
September
2024
£000**

Loss for the period	(31,712)
Net finance costs	63,626
Taxation credit	(6,830)
Operating profit	25,084
Net portfolio write-up	(7,350)
Portfolio fair value gain	(1,597)
Portfolio amortisation	72,554
Non-recurring costs / exceptional items, net of exceptional income	9,311
Depreciation and amortisation	12,165
Cash EBITDA	110,167

Cash collections to Cash EBITDA

**3 months to 30
September
2024
£000**

Cash collections	178,691
Other income	40,444
Operating expenses	(130,444)
Non-recurring costs / exceptional items, net of exceptional income	9,311
Depreciation and amortisation	12,165
Cash EBITDA	110,167

Net cash flow to Cash EBITDA

**3 months to 30
September
2024
£000**

(Decrease)/Increase in cash in the period	(32,056)
Repayment of borrowings	11,270
Portfolios acquired	82,190
Interest paid	37,424
Capital expenditure and other financial investment	19,522
Other cashflows (incl. working capital changes)	(18,747)
Payment of lease liabilities	1,253
Cash flow before interest, portfolio purchases, tax expenses and capital expenditure	100,856
Non-recurring costs / exceptional items, net of exceptional income	9,311
Cash EBITDA	110,167