

## PRESS RELEASE

Intrum Justitia AB (publ) Corporate identity no.:556607-7581

# Financial and other information related to the intended combination of Intrum Justitia and Lindorff published by Intrum Justitia

In connection with its announced combination with Lindorff, Intrum Justitia has made available certain financial and other information concerning Intrum Justitia, Lindorff and the combined group. [Link to the full investor report.](#)

### Report Highlights

Highlights of this report include the following:

#### *Pro forma revenue, EBITDA, Adjusted EBITDA and ERC for the combined group<sup>(1)</sup>*

The following table presents financial and other information for Intrum Justitia and Lindorff on a combined basis (the “**Combined Group**”) after giving *pro forma* effect to the combination as if it occurred on January 1, 2016.

	For the three months ended March 31, 2017	For the twelve months ended March 31, 2017
	(SEK in millions)	
	(unaudited)	
Net revenue.....	3,311	12,856
<i>of which CMS</i> .....	2,397	9,220
<i>of which Financial Services</i> .....	1,502	5,934
<i>of which eliminations</i> .....	-589	-2,298
Pro Forma EBITDA <sup>(2)</sup> .....	1,209	4,990
Pro Forma Adjusted EBITDA <sup>(3)</sup> .....	2,071	8,261
ERC .....	46,704	46,704

### Gross cash-on-cash multiples for Intrum Justitia

The following table presents gross cash-on-cash multiples for Intrum Justitia’s purchased debt for the purchased debt vintages indicated.

<u>Vintage</u>	<u>Gross cash-on-cash multiple<sup>(4)</sup></u>
before 2008 .....	2.69
2008 .....	2.42
2009 .....	2.20
2010 .....	2.87
2011 .....	2.37
2012 .....	1.95
2013 .....	2.35
2014 .....	2.38
2015 .....	2.15
2016 .....	2.24
2017 (Q1) .....	1.93

### Estimated impact of remedies

As announced on May 18, 2017, Nordic Capital Fund VIII, currently the indirect majority shareholder of Lindorff, and the other parties to the intended combination of Intrum Justitia and Lindorff proposed divestment of Lindorff’s entire business in Denmark, Estonia, Finland and Sweden as well as Intrum Justitia’s entire business in Norway (collectively, the “**Carveout Business**”) to address potential competition concerns identified by the European Commission.

The following table presents estimates of the contribution that the Carveout Business would have made to certain key performance indicators of the Combined Group as of and for the twelve months ended March 31, 2017 after giving *pro forma* effect to the combination.

	<u>For the twelve months ended March 31, 2017</u>
	<i>(% of Combined Group)</i>
Net revenue .....	14
<i>of which CMS</i> .....	17
<i>of which Financial Services</i> .....	12
Pro Forma EBITDA .....	13
Pro Forma Adjusted EBITDA .....	14
ERC .....	17

*Any estimates regarding the effect of divestment of the Carveout Business are subject to significant uncertainties and limitations. These estimates and the accounting records upon which they are based have not been audited or reviewed by the independent auditors of Intrum Justitia or Lindorff nor have they been prepared in accordance with IFRS or any other generally accepted accounting standards. The estimates have been provided with respect to certain limited income statement items and operating data and accordingly do not include any information that would usually be included in financial statements prepared in accordance with IFRS. None of Intrum Justitia, Lindorff or either of their respective independent auditors have undertaken a comprehensive analysis of the financial results or position of the Carveout Business as a separate entity or the contribution of the Carveout Business or any component thereof to the financial results or position of Intrum Justitia, Lindorff or the Combined Group as of and for the twelve months ended March 31, 2017 or any other date. Furthermore, these estimates are based on information derived from the management accounts or internal information systems, as the case may be, of Intrum Justitia and Lindorff as of and for the twelve months ended March 31, 2017 and the actual financial impact of divesting the Carveout Business at the time of its sale may differ materially from estimates of this impact based on these sources. In addition, there can be no assurance that this proposal to the European Commission will be accepted, and they may require additional or alternative requirements as a condition of approval of the combination.*

**For more information, please contact:**

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**About Intrum Justitia:**

Intrum Justitia offers comprehensive services, including purchase of receivables, designed to measurably improve clients' cash flows and long-term profitability. Founded in 1923, Intrum Justitia has some 4,200 employees in 21 markets. Consolidated revenues amounted to SEK 6.1 billion in 2016. Intrum Justitia AB is listed on Nasdaq Stockholm since 2002. For further information, please visit [www.intrum.com](http://www.intrum.com)

**About Lindorff:**

Lindorff has been in the business of helping people manage credit for over 100 years. Its headquarters are located in Oslo, Norway, the same city as Eynar Lindorff founded the company back in 1898. Today it has 4,400 people in 12 countries across Europe helping customers back to a life of sustainable spending. Nordic Capital Fund VIII is a majority shareholder in the company which offers services within debt collection and debt purchase as well as payment and invoicing services. In 2016 Lindorff generated EUR 647 million in net revenue (2015 EUR 534 million). For further information, please visit [www.lindorff.com](http://www.lindorff.com)

**Presentation of Pro Forma Financial Information and Non-IFRS Financial Measures**

*The unaudited pro forma financial information of the Combined Group presented above has been included to describe a hypothetical situation. It has been prepared for illustrative purposes only, does not include all of the information required for financial statements under*

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*IFRS and may not necessarily reflect the actual results of operations that would have been achieved if the combination of Intrum Justitia and Lindorff had actually been completed on January 1, 2016 or the results Intrum Justitia will achieve for any future period. This unaudited pro forma financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, applicable EU regulations or any generally accepted accounting standards.*

*The non-IFRS financial measures presented herein are not recognized measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of our business and operations. In particular, the non-IFRS financial measures should not be viewed as substitutes for revenue, other income, results from operating activities (EBIT), profit/(loss) for the period, cash flows from operating activities at period end or other income statement or cash flow items computed in accordance with IFRS. The non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available to meet our cash requirements and may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. Pro Forma EBITDA and Pro Forma Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for, an analysis of our results as reported under IFRS. Some of these limitations are:*

- they do not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;*
- they do not reflect changes in, or cash requirements for, working capital needs;*
- they do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on debt; and*
- although depreciation, amortization and impairment are non-cash charges, the assets being depreciated and amortized will generally need to be replaced in the future and EBITDA and Adjusted EBITDA, Adjusted EBITDA (excluding NRIs), Pro Forma Adjusted EBITDA and Pro Forma Further Adjusted EBITDA do not reflect any cash requirements that would be required for such replacements.*

*We have presented these non-IFRS measures because we consider them to be important supplemental measures of our performance and believe that they are widely used by investors comparing performance between companies. Since not all companies compute these or other non-IFRS financial measures in the same way, the manner in which our management has chosen to compute the non-IFRS financial measures presented herein may not be comparable with similarly defined terms used by other companies.*

### **Cautionary Statement**

*This press release is for information purposes only and does not constitute a prospectus or any offer to sell or the solicitation of an offer to buy any security in the United States of America or in any other jurisdiction. This announcement does not constitute and shall not, in any circumstances, constitute a public offering nor an invitation to the public in connection with any offer within the meaning of the Directive 2010/73/EU of the Parliament and Council of November 4, 2003 as implemented by the Member States of the European Economic Area.*

### **Forward Looking Statements**

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*This press release may include “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements can be identified by the use of forward looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding Nordic Capital Fund VIII, Intrum Justitia, Lindorff or their respective affiliates’ intentions, beliefs or current expectations concerning, among other things, Intrum Justitia, Lindorff or their respective affiliates’ results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which they operate. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that Intrum Justitia, Lindorff or their respective affiliates’ actual results of operations, financial condition and liquidity, and the development of the industry in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if Intrum Justitia, Lindorff or their respective affiliates’ results of operations, financial condition and liquidity, and the development of the industry in which Intrum Justitia or Lindorff operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. Given these risks and uncertainties, you should not rely on forward looking statements as a prediction of actual results.*

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- (1) Full reconciliation tables for the selected *pro forma* financial and other information for the Combined Group are included in the full report which is accessible through the link provided above.
  - (2) Pro Forma EBITDA is defined as profit or loss for the period before taxes, net financial items and depreciation and amortization of non-financial assets, after giving *pro forma* effect to the Transactions as if they had occurred on January 1, 2016, further adjusted to eliminate the impact of certain non-recurring items
  - (3) *Pro Forma* Adjusted EBITDA is defined as the *pro forma* profit and loss of the Combined Group for the period before taxes, net financial items, depreciation and amortization of non-financial assets and amortization and revaluation of purchased debt, further adjusted to eliminate the impact of certain non-recurring items after giving *pro forma* effect to the Transactions as if they had occurred on January 1, 2016.
  - (4) Gross cash-on-cash multiple means the actual gross collections to date, plus the ERC as of the same date divided by the total amount paid for the portfolio at the date of purchase.
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