

Interim report

January – September

2017

intrum

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Third quarter 2017

- The merger with Lindorff was implemented on June 27, 2017. Accordingly, Lindorff is included in the consolidated income statement and balance sheet for the entire third quarter of 2017. Pro forma comparative figures are reported with Lindorff consolidated as of January 1, 2016. In connection with the merger, Intrum Justitia has undertaken to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. Consequently, for both the third quarter and comparative periods, these subsidiaries are reported as discontinued operations. On pages 8-12 of the interim report, the development of the merged Group is commented on a pro forma basis, calculated as if Lindorff had been included in the Group throughout the interim period and in the comparative figures.
- Consolidated net revenues for the third quarter of 2017 amounted to SEK 2,986 M (1,433). Pro forma for the third quarter of 2016, net revenues were SEK 2,623 M.
- Operating earnings amounted to SEK 977 M (506). Pro forma for the third quarter of 2016, operating earnings were SEK 541 million.
- The operating earnings of SEK 977 M include non-recurring items of SEK –60 M (pro forma in the preceding year, –26) and items affecting comparability of SEK 38 M (pro forma in the preceding year –285). Operating earnings excluding non-recurring items and items affecting comparability amounted to SEK 999 M (pro forma in the preceding year, 852).
- Net earnings for the quarter amounted to SEK 615 M (375) and earnings per share were SEK 4.68 (5.14).
- Cash flow from operating activities amounted to SEK 1,796 M (811).
- The carrying amount of purchased debt has increased by 28 percent compared with the third quarter of 2016 on a pro forma basis. The quarter's investments in purchased overdue receivables amounted to SEK 1,177 M (pro forma in the preceding year, 828). The return on purchased debt was 15 percent (pro forma in the preceding year, 16 percent).
- The quarter's net revenues for the Credit Management business area increased on a pro forma basis by 10 percent compared with the corresponding quarter last year, with an operating margin excluding NRIs of 28 percent (pro forma in the preceding year, 15 percent).
- The new Group-wide brand "Intrum" was launched during the quarter, replacing "Intrum Justitia" and "Lindorff".

Third quarter

28%

Quarterly change in pro forma book value of purchased debt

15%

Pro forma return on purchased debt for the quarter

10%

Quarterly increase in pro forma Credit Management revenue

28%

Operating margin for the quarter, excluding NRIs for Credit Management

SEK M unless otherwise indicated	July-Sept 2017	July-Sept 2016	Change %	Jan-Sept 2017	Jan-Sept 2016	Change %
Revenues	2,986	1,433	108	6,333	4,211	50
Cash EBITDA	2,005	934	115	4,010	2,635	52
EBITDA	1,139	546	109	2,165	1,498	45
EBIT	977	506	93	1,921	1,379	39
Non-recurring items (NRI's) in EBIT	-60	15		-240	5	
Non-recurring items (NRI's) in net financial items	0	0		-316	0	
Revaluations of purchased debt	1	30		35	51	
Cash EBITDA excl NRI's	2,065	919	125	4,250	2,630	62
EBITDA excl NRI's	1,199	531	126	2,405	1,493	61
EBIT excl NRI's	1,037	491	111	2,161	1,374	57
Net earnings	615	375	64	1,060	1,039	2
Earnings per share (EPS), SEK	4.68	5.14		11.38	14.25	
Cash flow from operating activities	1,796	811		3,195	2,211	
CMS service line margin excl NRI's, %	28	27		26	26	
Estimated remaining collections, ERC	40,179	16,012	151	40,179	16,012	151
Intestments in purchased debt	1,177	643	83	4,386	1,921	128
Purchased debt book value	19,053	8,059	136	19,053	8,059	136
Return on purchased debt, %	15	21		16	20	

The comparison figures in the above table refer only to Intrum Justitia, prior to the merger with Lindorff.

Comment by President and CEO Mikael Ericson

During the third quarter of 2017, we had a high level of activity to implement the merger with Lindorff. We have decided on a new brand, Intrum, and a new shared identity for the merged company. All of the management teams have been appointed and are now working to plan and implement actions to secure the value we perceive in the new company. On the whole, we are maintaining a very good pace and quality in the process of integrating the new Group. The process of divesting certain subsidiaries in accordance with commitments to the EU competition authority has continued well.

In the third quarter, Intrum developed well in terms of both investment levels and earnings, serving to confirm the competitiveness of the new company. Adjusted for non-recurring items and items affecting comparability, our operating earnings rose by 17 percent pro forma compared with the same period last year. The increase is mainly attributable to Financial Services, where we have a significant volume increase in purchased debt combined with a good return rate of 15 percent for the quarter. Investments in purchased debt rose by 42 percent in the third quarter, pro forma compared with the same period last year, with a favorable increase in investments in secured consumer receivables and receivables from small and medium-sized companies. Within Credit Management Services too, we had a good increase in income at 10 percent for the third quarter, pro forma compared to the same quarter last year, primarily from acquired units but also from positive organic growth. During the third quarter, we also made a small acquisition in Credit Management Services in the Netherlands

We are still seeing highly favorable activity in our markets, with a considerable supply of debt portfolios and opportunities for value-generating acquisitions. In early October, the ECB published further guidance for banks regarding the management of overdue loans, which we believe will contribute to good business opportunities for Intrum in the coming years. In October, we also established cooperation with one of the larger banks in Greece, where we acquired a portfolio of expired consumer receivables, providing good opportunities to develop into a strong partner for Greek banks that have a significant proportion of unsecured loans on their balance sheets. Accordingly, on the whole, we take a very positive view of the opportunities for growth over the coming years in our existing business and in new asset classes and markets. At the same time, we are committed to taking advantage of such opportunities with balanced risk-taking through our highly diversified operations and through the continued disciplined application of our investment criteria.

Within the framework of our efforts to promote a sound economy, we continued to inform various stakeholders during the quarter about the effects of late payments in society. During the quarter, we compiled Intrum's European Industry White Paper, which provides insights into how different sectors are developing in Europe and what consequences late payments have for companies in these sectors. The report is used both as a basis for discussions at customer meetings and to influence decision makers and politicians locally and in the EU. In addition, we have, for several years, partnered with Hand-in-Hand International and, in the third quarter, we extended our cooperation with this organization. Among other efforts, Hand-in-Hand International trains women in rural India to start and run their own businesses, gaining access to micro-finance, to thus be able to support their families. We are very proud of the work that Hand-in-Hand carries out and see our partnership as an important part of our endeavor to be a company leading the way towards a sounder economy.

To sum up, Intrum has developed well in the third quarter, and I have a very positive view of the Group's prospects. As the clear market leader in an industry with high growth potential, we have excellent opportunities to generate significant values for our clients, our owners and society.

Group

SEK M unless otherwise indicated	July-Sept 2017	July-Sept 2016	Change %	Jan-Sept 2017	Jan-Sept 2016	Change %
Revenues	2,986	1,433	108	6,333	4,211	50
EBIT	977	506	93	1,921	1,379	39
Cash EBITDA excl NRI's	2,065	919	125	4,250	2,630	62
EBITDA excl NRI's	1,199	531	126	2,405	1,493	61
EBIT excl NRI's	1,037	491	111	2,161	1,374	57
Net financial items	-233	-48	385	-637	-118	440
Tax	-161	-92	75	-266	-253	5
Net earnings	615	375	64	1,060	1,039	2

Revenues and operating earnings

Consolidated net revenues for the third quarter amounted to SEK 2,986 M (1,433). Consolidated operating earnings for the third quarter amounted to SEK 977 M (506). The increase in revenues and operating earnings is primarily attributable to the merger with Lindorff. The outcome in the Group's regions and service lines is accounted for in greater detail below.

Net financial items

Net financial items for the quarter amounted to SEK -233 M (-48). Net interest income for the quarter amounted to SEK -231 M (-34). Exchange rate differences have affected net financial items by SEK +56 M (-7), and other financial items by SEK -58 M (-7). Net interest and other financial items have been adversely affected by increased borrowing to finance the merger with Lindorff.

Taxes

Earnings for the quarter were charged with tax of 21.6 percent, including taxes on phased out operations. Further information regarding an assessment of future tax expense is provided in the section 'Taxation assessments'.

Cash flow and investments

SEK M unless otherwise indicated	July-Sept 2017	July-Sept 2016	Change %	Jan-Sept 2017	Jan-Sept 2016	Change %
Cash flow from operating activities	1,796	811	121	3,195	2,211	45
Cash flow from investing activities	-1,165	-764	52	-3,630	-2,373	53
Total cash flow from operating and investing activities	631	47	1,243	-435	-162	169
Cash flow from investing activities excl liquid assets in acquired subsidiaries	-1,165	-764	52	-4,605	-2,374	94
Total cash flow from operating and investing activities excl liquid assets in acquired subsidiaries	631	47	1,243	-1,410	-163	765

Cash flow from operating activities during the third quarter amounted to SEK 1,796 M (811). The increase is attributable to increased cash flow attributable to the merger with Lindorff.

In the third quarter, cash flow from investing activities, adjusted for cash and cash equivalents, in acquired companies amounted to SEK -1,165 M, compared with SEK -764 M for the same period

last year. The increase compared with the previous year is mainly attributable to higher payments of SEK 392 M for investments in purchased debt.

Financing

SEK M unless otherwise indicated	30 Sep 2017	30 Sep 2016	Change %
Net Debt	34,290	7,052	386
Net Debt/Pro forma Cash EBITDA excl NRI's	3.9	-	
Shareholders' equity	21,899	3,673	496
Cash and cash equivalents	677	339	100

Consolidated net debt increased by approximately SEK 27 billion compared to the same period last year as a result of increased debt due to the merger with Lindorff.

Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA amounted to 3.9 on September 30, 2017. This ratio is calculated by placing current consolidated net debt at the end of the quarter in relation to pro forma cash EBITDA, including EBITDA from discontinued operations and including a calculated cash EBITDA throughout the period for larger units acquired during the period, and excluding non-recurring items (NRIs).

The merger with Lindorff was implemented on June 27, 2017 through a non-cash issue, whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares in exchange for all shares in Lock TopCo AS, the parent company of the Lindorff group. Accordingly, there are 131,541,320 shares outstanding in Intrum Justitia. The average number of shares outstanding in the third quarter of 2017 was 131,541,320 and the average number of shares outstanding during January-September 2017 was 92,946,229.

Goodwill

Consolidated goodwill amounted to SEK 25,597 M as per September 30, 2017, compared with SEK 3,120 M as per December 31, 2016. Of the increase, SEK 22,341 M is attributable to the acquisition of Lindorff, SEK 145 M to other acquisitions and SEK 9 M to exchange rate differences.

Regions

Presented below are the net revenues and operating earnings (EBIT) for the Group's geographical regions. In connection with the merger with Lindorff, the Group was organized into these new geographical regions effective from 29 June 2017, and it is not assessed to be meaningful to provide comparative figures from the previous year in accordance with the new regional structure, since the Group was not organized in that way at the time.

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	July-Sept 2017	Jan-Sept 2017
Northern Europe	996	2,070
Central & Eastern Europe	770	1,974
Western & Southern Europe	582	1,529
Spain	637	759
Total revenues from external clients	2,986	6,333

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	July-Sept 2017	Jan-Sept 2017
Northern Europe	399	727
Central & Eastern Europe	262	693
Western & Southern Europe	119	294
Spain	197	207
Total EBIT	977	1,921
Net financial items	-233	-637
Earnings before tax	744	1,284

The merger with Lindorff has affected the figures above effective from July 2017.

For comments on financial development by geographical region on a pro forma basis, see below under "Comments on pro forma financial reporting including Lindorff".

Service lines

Presented below are the net revenues and operating earnings (EBIT) for the Group's service lines.

SERVICE LINES – REVENUES

SEK M	July-Sept 2017	Juli-sept 2016	Change %	Jan-sept 2017	Jan-sept 2016	Change %	Helår 2016
Credit Management	2,155	1,001	115	4,449	2,985	49	4,144
Financial Services	1,358	705	93	3,110	2,016	54	2,849
Elimination of inter-service line revenue	-527	-273	93	-1,226	-790	55	-1,124
Total revenues	2,986	1,433	108	6,333	4,211	50	5,869

The increase in revenues is primarily attributable to the merger with Lindorff. For other comments on financial development by service line on a pro forma basis, see below under "Comments on pro forma financial reporting including Lindorff".

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	July-Sept 2017	Juli-sept 2016	Change %	Jan-sept 2017	Jan-sept 2016	Change %	Helår 2016
Credit Management	588	274	115	1,152	766	50	1,072
Financial Services	743	406	83	1,704	1,142	49	1,606
Common costs	-354	-174	103	-935	-529	77	-757
Total EBIT	977	506	93	1,921	1,379	39	1,921

The increase in earnings is primarily attributable to the merger with Lindorff. For other comments on financial development by service line on a pro forma basis, see below under "Comments on pro forma financial reporting including Lindorff".

Comments on the pro forma financial reporting including Lindorff

SEK M unless otherwise indicated	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %
Revenues	2,986	2,623	14	9,118	7,475	22
Cash EBITDA	2,005	1,669	20	5,584	4,717	18
EBITDA	1,139	1,017	12	3,232	2,826	14
EBIT	977	541	81	2,683	2,096	28
Non-recurring items (NRI's) in EBIT	-60	-26		-343	-129	
Non-recurring items (NRI's) in net financial items	0	0		-316	0	
Revaluations of purchased debt	1	20		106	56	
Cash EBITDA excl NRI's	2,065	1,695	22	5,927	4,846	22
EBITDA excl NRI's	1,199	1,043	15	3,575	2,955	21
EBIT excl NRI's	1,037	567	83	3,026	2,225	36
Net earnings	615	95	547	876	873	0
CMS growth, %	10			22		
CMS service line margin excl NRI's, %	28	15		28	24	
Estimated remaining collections, ERC	40,179	32,126	25	40,179	32,126	25
Intestments in purchased debt	1,177	828	42	4,986	2,629	90
Purchased debt book value	19,053	14,838	28	19,053	14,838	28
Return on purchased debt, %	15	16		17	17	
Net Debt/Pro forma Cash EBITDA excl NRI's	3.9	n/a		3.9	n/a	

On June 27, 2017, the merger with Lindorff was completed. The pro forma financial reporting for the merged group has been calculated as if Lindorff was included in the Group throughout the nine-month period and in the comparative figures, and is shown in the tables on pages 26-33. In connection with the merger, Intrum Justitia has undertaken to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. On a pro forma basis, therefore, all of these subsidiaries are reported as discontinued operations.

Commented below is the Group's pro forma financial development in the third quarter of 2017 based on revenues and operating earnings and development in the geographical regions and the two service lines.

Group (pro forma)

SEK M unless otherwise indicated	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %
Revenues	2,986	2,623	14	9,118	7,475	22
EBIT	977	541	81	2,683	2,096	28
Cash EBITDA excl NRI's	2,065	1,695	22	5,927	4,846	22
EBITDA excl NRI's	1,199	1,043	15	3,575	2,955	21
EBIT excl NRI's	1,037	567	83	3,026	2,225	36
Net financial items	-233	-331	-30	-1,606	-993	62
Tax	-161	-228	-29	-344	-501	-31
Net earnings	615	94	554	876	873	0

Revenues and operating earnings (pro forma)

Consolidated net revenues for the third quarter amounted to SEK 2,986 M (pro forma in the preceding year, 2,623). This was an increase on a pro forma basis of 14 percent compared with the same period last year, and was attributable to organic growth of 12 percent, acquisition effects of 3 percent, revaluations of purchased debt of -1 percent and exchange rate effects of 0 percent.

Consolidated operating earnings excluding non-recurring items in the third quarter amounted to SEK 1,037 M (pro forma in the preceding year, 567). Non-recurring items impacted operating earnings negatively by SEK -60 M (-26) in the third quarter, primarily relating to costs attributable to the merger between Intrum Justitia and Lindorff. Revaluations of purchased debt portfolios had a positive effect on operating earnings of SEK 1 M (pro forma in the preceding year, 20) in the third quarter. In the third quarter, exchange rate effects impacted operating earnings by approximately SEK 2 M compared with the preceding year.

An item affecting comparability impacted operating earnings for the quarter positively by SEK 38 M, relating to invoicing to the companies reported as discontinued operations for their share of common expenses in the first half of 2017. The amount had a positive effect on operating earnings for the Northern Europe region and on common expenses for the service lines for the quarter. The same amount of SEK 38 M negatively burdened the income statement item Earnings from discontinued operations. In the third quarter of 2016, an item affecting comparability of SEK -285 M on a pro forma basis was recognized in operating earnings for impairment in the value of customer contracts in Spain, which affected the operating earnings for Credit Management.

Operating earnings excluding non-recurring items and items affecting comparability amounted to SEK 999 M for the third quarter of 2017, compared with SEK 852 M for the same period in the preceding year on a pro forma basis. Operating earnings excluding non-recurring items and items affecting comparability increased by 17 percent for the third quarter compared with the same period in the preceding year on a pro forma basis. This increase is mainly attributable to improved earnings within the Group's Financial Services service line. Within the Group's regions, all regions contributed to the improved operating earnings excluding non-recurring items and items affecting comparability. Development in the Group's regions and service lines is commented in more detail below.

Net financial items (pro forma)

Net financial items for the quarter amounted to SEK –233 M (pro forma in the preceding year, –331). Net interest for the quarter amounted to SEK –231 M (pro forma in the preceding year, –378). Net interest has been affected negatively by increased borrowing and positively by slightly lower average interest rates compared with the corresponding period in the preceding year. Exchange rate differences are included in net financial items in the amount of SEK 56 M (pro forma in the preceding year 96) and other financial items are included in the amount of SEK –58 M (pro forma in the preceding year –49).

Regions (pro forma)

Where the text concerning Intrum's regions compares the third quarter of 2017 with the same period last year, the comparative period refers to results on a pro forma basis.

Northern Europe

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Fx adj %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Fx adj %
Revenues excluding revaluations	983	892	10	10	2,894	2,756	5	3
EBIT excluding revaluations and NRI's	410	343	20	20	1,102	1,085	2	0
EBIT margin excluding revaluations and NRI's, %	42	38			38	39		

Revenues excluding revaluations and currency effects increased compared to the same period last year through growth in Credit Management and increased investments in purchased debt. Operating earnings, excluding revaluations, currency effects and non-recurring items, mainly increased through increased earnings in purchased debt, partly due to certain increased collection on portfolios of secured debt. In addition, an item affecting comparability impacted operating earnings for the quarter positively by SEK 38 M, relating to invoicing to the companies reported as discontinued operations for their share of common expenses in the first half of 2017.

Central & Eastern Europe

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Fx adj %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Fx adj %
Revenues excluding revaluations	779	650	20	20	2,389	1,941	23	20
EBIT excluding revaluations and NRI's	283	224	26	25	865	688	26	23
EBIT margin excluding revaluations and NRI's, %	36	34			36	35		

Revenues excluding revaluations and currency effects increased compared with the same period last year due to increased investments in purchased debt and establishment through acquisitions in Romania. Operating earnings, excluding revaluations, currency effects and non-recurring items, increased due to higher growth with good profitability. For the larger portfolio of secured debt acquired in October 2016 and the operations established in Romania in April 2017, development remains favorable.

Western & Southern Europe

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Fx adj %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Fx adj %
Revenues excluding revaluations	578	474	22	22	1,713	1,427	20	18
EBIT excluding revaluations and NRI's	123	77	60	61	322	287	12	11
EBIT margin excluding revaluations and NRI's, %	21	16			19	20		

Revenues excluding revaluations and currency effects increased compared to the same period last year through growth in credit management, as well as increased investment in purchased debt. Operating earnings, excluding revaluations, currency effects and non-recurring items, increased, mainly due to higher volumes for purchased debt and to development during the comparative period having been relatively weak. During the quarter, a small company in Credit Management Services was acquired in the Netherlands – see below in section Other acquisitions for more information.

Spain

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Fx adj %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Fx adj %
Revenues excluding revaluations	644	586	10	10	2,016	1,293	56	54
EBIT excluding revaluations and NRI's	220	-97	-327	-327	632	108	483	483
EBIT margin excluding revaluations and NRI's, %	34	-17			31	8		

Revenues excluding revaluations and currency effects increased compared with the same period last year through growth in Credit Management Services, organically and through acquisitions. The third quarter of 2016 includes an item affecting comparability in operating earnings of SEK –285 M for impairment in the value of customer contracts. Operating earnings, excluding revaluations, currency effects, non-recurring items and items affecting comparability, increased mainly due to lower depreciation on customer contracts and lower share of Group-wide expenses.

Service lines (pro forma)

Where the text concerning Intrum's service lines compares the third quarter of 2017 with the same period last year, the comparative period refers to results on a pro forma basis.

Credit Management

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Fx adj %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Fx adj %
Revenues	2,155	1,952	10	6	6,600	5,404	22	19
Service line earnings excl NRI's	596	298	100	96	1,865	1,319	41	38
Service line margin excl NRI's, %	28	15			28	24		

Growth in revenues, excluding currency effects, is attributable to acquisitions and increased income for collection on the Group's own portfolios. Revenues from external customers is developing well with a certain degree of positive organic growth. The third quarter of 2016 includes an item affecting comparability in service line earnings of SEK –285 M for impairment in the value of client contracts. Service line earnings, excluding non-recurring items and items affecting comparability, were on a par with last year, while the corresponding service line margin decreased compared with the previous year due to certain mix effects, higher costs for legal

collection activities and price pressure in certain markets. Activities to improve future margin development are in progress.

Financial Services

SEK M	July-Sept 2017	Pro forma		Pro forma		Pro forma		
		July-Sept 2016	Change %	Fx adj %	Jan-Sept 2017	Jan-Sept 2016	Change %	Fx adj %
Revenues	1,358	1,129	20	17	4,100	3,379	21	18
Service line earnings	743	603	23	22	2,205	1,856	19	17
Service line earnings excl NRI's	752	588	28	27	2,203	1,844	19	17
Service line margin excl NRI's, %	55	52			54	55		
Estimated remaining collections	40,179	32,126	25		40,179	32,126	25	
Investments in purchased debt	1,177	828	42		4,986	2,629	90	
PD book value	19,053	14,838	28		19,053	14,838	28	
Return on purchased debt, %	15	16			17	17		

Revenues and earnings in Financial Services developed very well during the third quarter. Collection on purchased debt was good with a return on purchased debt marginally lower than in the same period last year and, adjusted for revaluations, in line with last year. Increased investment over the past 12 months has lifted the carrying amount for purchased debt by 28 percent compared to the same period last year. In the third quarter of 2017 too, investment growth was significant with an increase of 42 percent compared with the same period last year, with investments in secured debt and receivables from small and medium-sized companies having contributed positively.

Taxation assessments

The company's assessment of the tax expense over the next few years, following the acquisition of Lindorff, has yet to be completed, but will be published once available.

Parent Company

The Group's publicly listed Parent Company, Intrum Justitia AB (publ), owns the subsidiaries, provides the Group's head office functions and handles certain Group-wide development work, services and marketing.

The Parent Company reported net revenues of SEK 71 M (67) for the nine-month period and earnings before tax of SEK -836 M (-75). The deterioration in earnings is primarily attributable to non-recurring items in operating earnings and net financial items attributable to the merger with Lindorff and the Group's new financing arrangements. The Parent Company invested SEK 0 M (0) in fixed assets during the nine-month period and had, at the end of the period, SEK 3 M (16) in cash and equivalents. The average number of employees was 55 (55).

Transactions with related parties

Since the transaction on June 27, when Lindorff was acquired, a company within Nordic Capital, is the largest shareholder in Intrum Justitia. According to the agreement on the acquisition of Lindorff, each party accounts for its own transaction costs. Under the agreement with Nordic Capital, they also received a dividend of EUR 26.3 M from the Parent Company of the Lindorff Group to finance their transaction costs, as decided prior to the completion of the transaction.

The allocation of transaction costs between the parties has been taken into account when determining the ownership stake of Lindorff's shareholders in the merged company.

During the interim period, there have been no significant transactions between Intrum Justitia and other closely related companies, boards or Group management teams.

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the Group and in accordance with Chapter 9 of the Annual Accounts Act for the Parent Company. The same accounting principles and calculation methods have been applied as in the most recent Annual Report. The Group is preparing for the changes in the accounting standards concerning financial instruments and income from customer contracts that are to take effect in 2018, as well as the current lease, which enters into force in 2019. An overview of changes in accounting policies and the expected impact on Intrum Justitia's financial reports is presented in Note 1 of the Annual Report for 2016. There is currently nothing new to add in this context.

The Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. For reasons of competition, the Group is obliged to divest Intrum Justitia's subsidiaries in Norway and Lindorff's subsidiaries in Sweden, Finland, Denmark and Estonia within a certain period following the merger with Lindorff. In accordance with IFRS 5, net earnings after tax in these companies is reported on a separate line in the consolidated income statement, Earnings for the period from discontinued operations after tax. The comparative figures for previous periods are recalculated accordingly. Assets and liabilities are reported on separate lines in the consolidated balance sheet, Assets and liabilities in operations held for sale, effective from the date on which the Group undertook to sell the companies. In accordance with IFRS 5, the comparative figures in the balance sheets are not recalculated for prior periods.

Significant risks and uncertainties

As a consequence of the merger with Lindorff, an updated analysis of the Group's risks has been published on pages 58-83 of a document published on June 12, 2017 and that can be accessed from the Group's website:

https://www.intrum.com/globalassets/corporate/ir/ijab_investorreport_170612.pdf

The risks described include macroeconomic developments, competitive conditions, the availability of debt portfolios for purchase at attractive prices, customer concentration, the UK's exit from the EU, errors and mistakes in the debt collection process, customers' inclination to hire external debt collection agencies, regulations and legislation, possible deviations from the Group's internal rules, geographical scope, contractual risks, deviations from collection forecasts in purchased debt portfolios, errors in the company's statistical models, the risk that customer contracts are not renewed, financing risks, dependence on the banking system, dependence on suppliers, complexity when offering new services, risks related to acquisitions, dependence on IT systems, access to public information, risks related to personal data legislation, data leakage, dependence on key personnel, difficulty in retaining and recruiting competent personnel, rising personnel costs, disputes, tax risks, revaluations of purchased debt, increases in bankruptcies or debt restructuring among private individuals, access to documentation on receivables, earnings variations, exchange rate risks, strategy risks, seasonality, errors in risk management, goodwill,

risks involved in the merger with Lindorff, risks involved in the divestment of units, legal risks involved in the merger, difficulties in achieving expected synergies, and integration risks.

Merger with Lindorff

On June 12, 2017, the EU Commission approved the merger of Intrum Justitia and Lindorff. The approval was conditional on the divestment of Lindorff's operations in Denmark, Estonia, Finland and Sweden, and of Intrum Justitia's operations in Norway. On June 27, 2017, the merger between Intrum Justitia and Lindorff was completed and Lock TopCo AS (parent company in the Lindorff Group) with all subsidiaries has, since then, been owned by Intrum Justitia AB (publ).

The merger was effectuated through a non-cash issue whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares, with a total market value of SEK 17,332 M, in exchange for all shares in Lock TopCo AS. In connection with the issue, a prospectus was published and this is available on the company's website.

The preliminary acquisition analysis prepared by Intrum Justitia in connection with the acquisition is contained in the interim report for the period January-June 2017 and has not changed, although it may be adjusted in upcoming quarters, given that the acquisition is large and complex.

Other acquisitions

In September, Mirus International BV, a small credit management services company in the Netherlands, was acquired for a partial conditional purchase consideration of up to approximately EUR 5 M.

During the first quarter, the acquisition of 1st Credit was completed. This is a medium-sized company active in purchased debt in the UK. The preliminary acquisition analysis is shown in the interim report for January-March 2017 and has not been changed during the second quarter.

During the first quarter, a small credit management company in France, Intractiv Wide Development SAS, was also acquired, as described in the interim report for January-March 2017.

In April, the acquisition of Top Factoring, one of the leading purchased debt companies in Romania, was completed, as described in the interim report for January-June 2017.

Events after the end of the period

In October, an agreement was reached to acquire a debt portfolio from Eurobank, one of the four Greek banks deemed to be system-critical for the Greek economy, for a total investment of approximately SEK 0.4 billion. The portfolio consists of well-diversified unsecured consumer loans. Collection of the receivables in the portfolio will be handled by FPS, a specialized company belonging to the seller. However, Intrum has the opportunity to replace this with alternative service capacity in the future. The holding will be reported in the Central and Eastern European region.

Presentation of the interim report

The year-end report and presentation materials are available at [www.intrum.com/Investor relations](http://www.intrum.com/Investor%20relations). President & CEO Mikael Ericson and CFO Erik Forsberg will comment on the report at a teleconference on October 18, starting at 9:00 CET. The presentation can be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 8 566 427 00 (SE) or +44 20 300 898 07 (UK).

For further information, please contact

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Erik Forsberg, CFO, tel.: +46 8 546 102 02

This information is such that Intrum Justitia AB (publ) is required to disclose pursuant to the EU's markets abuse directive and the Securities Markets Act. The information was released for publication on October 18, 2017 at 7.00 a.m. CET.

Financial calendar 2017

7 December 2017, Capital Markets Day in Stockholm

January 31, 2018, Year-end report 2017

27 April 2018, Interim report for the first quarter

24 July 2018, Interim report for the second quarter

26 October, Interim report for the third quarter

The 2018 Annual General Meeting of Intrum will be held on Friday, April 27, 2018 at 3.00 p.m. CET at the company's offices at Hesselmans torg 14, Nacka, Sweden.

The interim report and other financial information are available at Intrum's website: www.intrum.com

Denna delårsrapport finns även på svenska.

Stockholm, October 18, 2017

Mikael Ericson

President and CEO

About the Intrum Group

Intrum is the industry-leading provider of Credit Management Services with a presence in 23 markets in Europe. Intrum helps companies prosper by offering solutions designed to improve cash flows and long-term profitability and by caring for their customers. To ensure that individuals and companies get the support they need to become free from debt is one important part of the company's mission. Intrum has more than 8,000 dedicated and empathetic professionals who serve more than 100,000 companies across Europe. In the 12 months ending March 2017, pro-forma income amounted to SEK 12.9 billion. Intrum is headquartered in Stockholm, Sweden and the Intrum share is listed on the Nasdaq Stockholm exchange. For further information, please visit www.intrum.com

Review report

To the Board of Directors of Intrum Justitia AB (publ), corporate identity number 556607-7581.

Introduction

We have performed a general review of the interim financial report for Intrum Justitia AB (publ) for the period January-September 2017. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the *International Standard on Review Engagements ISRE 2410*, Review of Interim Financial Information. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has another focus and is substantially less in scope than an audit conducted in accordance with the ISA International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Other information

The financial pro forma information in the interim report has not been subject to our review.

Stockholm, October 18, 2017

Ernst & Young AB

Jesper Nilsson

Authorized Public Accountant

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Full Year 2016
Revenues	2,986	1,433	6,333	4,211	5,869
Cost of sales	-1,588	-720	-3,315	-2,203	-3,069
Gross earnings	1,398	713	3,018	2,008	2,800
Sales, marketing and administrative expenses	-420	-205	-1,094	-624	-871
Participation in associated companies and joint ventures	-1	-2	-3	-5	-8
Operating earnings (EBIT)	977	506	1,921	1,379	1,921
Net financial items	-233	-48	-637	-118	-165
Earnings before tax	744	458	1,284	1,261	1,756
Tax	-161	-92	-266	-253	-329
Net income from continuing operations	583	366	1,018	1,008	1,427
Profit from discontinued operations, net of tax	32	9	42	31	41
Net earnings for the period	615	375	1,060	1,039	1,468
Of which attributable to:					
Parent company's shareholders	615	372	1,058	1,031	1,458
Non-controlling interest	0	3	2	8	10
Net earnings for the period	615	375	1,060	1,039	1,468
Earnings per share before and after dilution					
Profit from continuing operations	4.43	5.02	10.93	14.14	19.59
Profit from discontinued operations	0.24	0.12	0.45	0.11	0.57
Total earnings per share before and after dilution	4.68	5.14	11.38	14.25	20.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Full Year 2016
Net income for the period	615	375	1,060	1,039	1,468
Other comprehensive income, items that will be reclassified to profit and					
Currency translation difference	86	50	113	70	71
Other comprehensive income, items that will not be reclassified to profit and					
Remeasurement of pension liability	0	0	0	0	27
Comprehensive income for the period	701	425	1,173	1,109	1,566
Of which attributable to:					
Parent company's shareholders	702	420	1,172	1,098	1,554
Non-controlling interest	-1	5	1	11	12
Comprehensive income for the period	701	425	1,173	1,109	1,566

CONSOLIDATED BALANCE SHEET

SEK M	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Intangible fixed assets			
Goodwill	25,597	2,909	3,120
Capitalized expenditure for IT development and other intangibles	1,270	242	240
Client relationships	2,400	59	63
Total intangible fixed assets	29,267	3,210	3,423
Tangible fixed assets	236	108	104
Other fixed assets			
Shares in joint ventures	18	10	12
Other shares and participations	3	0	1
Purchased debt	19,054	8,059	8,733
Deferred tax assets	647	47	25
Other long-term receivables	33	5	6
Total other fixed assets	19,755	8,121	8,777
Total fixed assets	49,258	11,439	12,304
Current Assets			
Accounts receivable	596	266	305
Inventory of real estate for sale	42	0	0
Client funds	817	654	588
Tax assets	282	100	87
Other receivables	857	657	557
Prepaid expenses and accrued income	606	176	167
Cash and cash equivalents	677	339	396
Total current assets	3,877	2,192	2,100
Non-current assets of disposal group held for sale	9,920	0	0
TOTAL ASSETS	63,055	13,631	14,404
SHAREHOLDERS' EQUITY AND LIABILITIES			
Attributable to parent company's shareholders	21,896	3,587	4,043
Attributable to non-controlling interest	3	86	87
Total shareholders' equity	21,899	3,673	4,130
Long-term liabilities			
Liabilities to credit institutions	1,189	1,528	1,520
Medium term note	32,516	3,726	3,706
Other long-term liabilities	301	3	16
Provisions for pensions	164	185	157
Other long-term provisions	22	3	0
Deferred tax liabilities	1,255	530	638
Total long-term liabilities	35,447	5,975	6,037
Current liabilities			
Liabilities to credit institutions	64	42	56
Medium term note	0	1,083	1,077
Commercial paper	1,030	825	1,124
Client funds payable	817	654	588
Accounts payable	473	112	140
Income tax liabilities	317	253	136
Advances from clients	45	15	46
Other current liabilities	763	300	325
Accrued expenses and prepaid income	1,325	699	718
Other short-term provisions	90	0	27
Total current liabilities	4,924	3,983	4,237
Non-current liabilities of disposal group held for sale	785	0	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	63,055	13,631	14,404

FAIR VALUE OF FINANCIAL INSTRUMENTS

Most of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, cash and equivalents, liabilities to credit institutions, bonds, commercial papers, accounts payable and other liabilities) are carried in the accounts at amortized cost. For these financial instruments, the carrying amount is assessed to be a good estimate of fair value. The Group also has financial assets and liabilities in the form of currency forward exchange contracts, which are carried in the accounts at fair value in the income statement. They amount to small sums.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	2017			2016		
	Attributable to Parent Company's shareholders	Non-controlling interest	Total	Attributable to Parent Company's shareholders	Non-controlling interest	Total
Opening Balance, January 1	4,043	87	4,130	3,086	80	3,166
Dividend	-651		-651	-597	-5	-602
New issue of shares	17,332		17,332			0
Acquired non-controlling interest		-85	-85			0
Comprehensive income for the year	1,172	1	1,173	1,098	11	1,109
Closing Balance, September 30	21,896	3	21,899	3,587	86	3,673

CONSOLIDATED CASH FLOW STATEMENT

SEK M	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Full Year 2016
Cash flows from continuing operations					
Operating activities					
Operating earnings (EBIT)	977	506	1,921	1,379	1,921
Depreciation/amortization and impairment write-down	163	40	245	120	170
Amortization/revaluation of purchased debt	866	389	1,845	1,137	1,578
Other adjustment for items not included in cash flow	0	2	-16	6	31
Interest received	2	2	18	6	11
Interest paid and other financial expenses	-127	-10	-488	-86	-137
Income tax paid	-97	-33	-283	-187	-246
Cash flow from operating activities before changes in working capital	1,784	896	3,242	2,375	3,328
Changes in factoring receivables	7	-25	-39	-45	-46
Other changes in working capital	5	-60	-8	-119	22
Cash flow from operating activities	1,796	811	3,195	2,211	3,304
Investing activities					
Purchases of tangible and intangible fixed assets	-38	-33	-115	-103	-142
Investments in purchased debt	-1,124	-732	-4,317	-2,188	-3,357
Purchases of shares in subsidiaries and associated companies	-2	-1	-171	-89	-283
Liquid assets in acquired subsidiaries	0	0	975	1	31
Other cash flow from investing activities	-1	2	-2	6	6
Cash flow from investing activities	-1,165	-764	-3,630	-2,373	-3,745
Financing activities					
Borrowings and repayment of loans	-638	-275	1,650	827	1,158
Share dividend to parent company's shareholders	-651	0	-651	-597	-597
Share dividend to non-controlling interest	0	0	0	-5	-5
Cash flow from financing activities	-1,289	-275	999	225	556
Cash flows from continuing operations	-658	-228	564	63	115
Cash flows from discontinued operations	-107	1	-108	-1	-1
Total change in liquid assets	-765	-227	456	62	114
Opening balance of liquid assets	1,617	557	396	265	265
Exchange rate differences in liquid assets	12	9	12	12	17
Closing balance of liquid assets	864	339	864	339	396
Thereof liquid assets in discontinued operations	187	6	187	6	6
Discontinued operations					
Cash flow from operating activities	189	27	199	52	70
Cash flow from investing activities	-230	-4	-236	-15	-18
Cash flow from financing activities	-66	-22	-71	-38	-53
Group total					
Cash flow from operating activities	1,985	838	3,394	2,263	3,374
Cash flow from investing activities	-1,395	-768	-3,866	-2,388	-3,763
Cash flow from financing activities	-1,355	-297	928	187	503

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 3 2017	Quarter 2 2017	Quarter 1 2017	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016	Quarter 1 2016	Quarter 4 2015
Revenues, SEK M	2,986	1,796	1,551	1,657	1,433	1,421	1,357	1,349
Revenue growth, %	66	26	14	23	7	0	3	3
Cash EBITDA, SEK M	2,005	995	1,011	1,034	934	880	822	846
EBITDA, SEK M	1,139	518	509	592	546	498	456	421
EBIT, SEK M	977	476	468	543	506	457	416	380
Non-recurring items (NRI's) in EBIT, SEK M	-60	-163	-17	5	15	-10	0	-26
Non-recurring items (NRI's) in net financial items, SEK M	0	-316	0	0	0	0	0	-13
Revaluations of Purchased Debt, SEK M	1	41	-1	5	-29	17	5	-40
Cash EBITDA excl NRI's, SEK M	2,065	1,158	1,028	1,029	919	890	822	872
EBITDA excl NRI's, SEK M	1,199	681	526	587	531	508	456	447
EBIT excl NRI's, SEK M	1,037	639	485	538	491	467	416	406
Net earnings, SEK M	615	98	347	429	375	354	310	274
Earnings per share, SEK	4.68	1.32	4.77	5.90	5.14	4.85	4.26	3.76
EPS growth, %	-9	-73	12	57	14	11	30	-2
Average number of shares, '000	74,299	74,299	72,348	72,348	72,348	72,348	72,348	72,348
Number of shares outstanding at end of period, '000	131,541	131,541	72,348	72,348	72,348	72,348	72,348	72,348
Net Debt, SEK M	34,290	34,254	8,738	7,260	7,053	6,937	6,465	6,026
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M								
Credit Management	596	307	257	332	259	264	228	272
Financial Services	752	538	412	393	406	379	357	330
Common costs	-311	-206	-184	-188	-174	-176	-169	-196
Estimated remaining collections (ERC), SEK M	40,179	40,006	21,409	17,645	16,012	15,191	14,816	15,073
Return on purchased debt, %	15	20	17	22	21	20	20	19
Investments in purchased debt, SEK M	1,177	835	2,374	1,162	643	545	733	1,096
Average number of employees	8,349	4,369	4,172	3,993	3,864	3,832	3,750	3,732

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017 July-Sept	2016 July-Sept	2015 July-Sept	2014 July-Sept	2013 July-Sept
Revenues, SEK M	2,986	1,433	1,334	1,250	1,088
Revenue growth, %	108	7	7	15	13
Cash EBITDA, SEK M	2,005	934	824	773	697
EBITDA, SEK M	1,139	546	478	440	361
EBIT, SEK M	977	506	437	402	325
Non-recurring items (NRI's) in EBIT, SEK M	-60	15	-31	0	0
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0
Revaluations of Purchased Debt, SEK M	1	-29	28	14	-2
Cash EBITDA excl NRI's, SEK M	2,065	919	855	773	697
EBITDA excl NRI's, SEK M	1,199	531	509	440	361
EBIT excl NRI's, SEK M	1,037	491	468	402	325
Net earnings, SEK M	615	375	330	311	222
Earnings per share, SEK	5	5.14	4.51	4.09	2.79
EPS growth, %	-9	14	10	46	26
Average number of shares, '000	74,299	72,348	72,885	75,885	79,203
Number of shares outstanding at end of period, '000	131,541	72,348	72,693	75,428	78,547
Net Debt, SEK M	34,290	7,053	5,815	5,215	4,500
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	596	259	266	237	208
Financial Services	752	406	354	285	233
Common costs	-311	-174	-152	-120	-116
Estimated remaining collections (ERC), SEK M	40,179	16,012	13,784	13,724	11,943
Return on purchased debt, %	15	21	20	21	19
Investments in purchased debt, SEK M	1,177	643	315	261	697
Average number of employees	8,349	3,864	3,734	3,748	3,479

CONSOLIDATED FIVE-YEAR OVERVIEW

	2016 Full Year	2015 Full Year	2014 Full Year	2013 Full Year	2012 Full Year
Revenues, SEK M	5,869	5,419	4,958	4,355	3,841
Revenue growth, %	8	9	14	13	2
Cash EBITDA, SEK M	3,668	3,193	2,916	2,623	2,179
EBITDA, SEK M	2,090	1,736	1,546	1,318	1,024
EBIT, SEK M	1,921	1,577	1,382	1,168	846
Non-recurring items (NRI's) in EBIT, SEK M	10	-54	36	0	-17
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	-13	0
Revaluations of Purchased Debt, SEK M	45	32	33	5	-85
Cash EBITDA excl NRI's, SEK M	3,658	3,247	2,880	2,623	2,196
EBITDA excl NRI's, SEK M	2,080	1,790	1,510	1,318	1,041
EBIT excl NRI's, SEK M	1,911	1,631	1,346	1,168	863
Net earnings, SEK M	1,468	1,172	1,041	819	584
Earnings per share, SEK	20.15	15.92	13.48	10.30	7.32
EPS growth, %	27	18	31	41	6
Dividend per share, SEK	9.00	8.25	7.00	5.75	5.00
Average number of shares, '000	72,348	73,097	76,462	79,306	79,745
Number of shares outstanding at end of period, '000	72,348	72,348	73,848	78,547	79,745
Net Debt, SEK M	7,260	6,026	5,635	4,328	3,261
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	1,098	998	868	761	773
Financial Services	1,521	1,332	1,190	958	593
Common costs	-708	-699	-712	-551	-503
Estimated remaining collections (ERC), SEK M	17,645	15,073	13,682	12,454	9,717
Return on purchased debt, %	20	20	20	21	17
Investments in purchased debt, SEK M	3,084	2,271	1,909	2,503	2,110
Average number of employees	3,865	3,738	3,694	3,427	3,369

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	July-Sept 2017	July-Sept 2016	Change %	Jan-Sept 2017	Jan-Sept 2016	Change %
Service line earnings purchased debt	732	398	84	1,676	1,116	50
Average carrying value of purchased debt	18,900	7,405	155	13,894	7,414	87
Return on purchased debt, %	15	21		16	20	
EBIT	977	506	93	1,921	1,379	39
Depreciation	162	40	305	244	119	105
Amortization and revaluations	866	388	123	1,845	1,137	62
Cash EBITDA	2,005	934	115	4,010	2,635	52
EBIT	977	506	93	1,921	1,379	39
Depreciation	162	40	305	244	119	105
EBITDA	1,139	546	109	2,165	1,498	45
Cash EBITDA	2,005	934	115	4,010	2,635	52
Non-recurring items, NRI's	60	-15	-500	240	-5	-4,900
Cash EBITDA excl NRI's	2,065	919	125	4,250	2,630	62
EBITDA	1,139	546	109	2,165	1,498	45
Non-recurring items, NRI's	60	-15	-500	240	-5	-4,900
EBITDA excl NRI's	1,199	531	126	2,405	1,493	61
EBIT	977	506	93	1,921	1,379	39
Non-recurring items, NRI's	60	-15	-500	240	-5	-4,900
EBIT excl NRI's	1,037	491	111	2,161	1,374	57
Liabilities to credit institutions	1,253	1,570	-20	1,253	1,570	-20
Medium term note	32,516	4,809	576	32,516	4,809	576
Provisions for pensions	164	185	-11	164	185	-11
Commercial paper	1,030	825	25	1,030	825	25
Other interest-bearing liabilities	4	2	100	4	2	100
Cash and cash equivalents	-677	-339	100	-677	-339	100
Net Debt	34,290	7,052	386	34,290	7,052	386

PRO FORMA FINANCIAL REPORTS

PRO FORMA CONSOLIDATED INCOME STATEMENT - GROUP INCLUDING LINDORFF

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016
Revenues	2,986	2,623	9,118	7,475
Cost of sales	-1,588	-1,688	-4,848	-4,218
Gross earnings	1,398	935	4,270	3,257
Sales, marketing and administrative expenses	-420	-392	-1,584	-1,154
Participation in associated companies and joint ventures	-1	-2	-3	-5
Operating earnings (EBIT)	977	541	2,683	2,098
Net financial items	-233	-331	-1,606	-993
Earnings before tax	744	210	1,077	1,105
Tax	-161	-228	-344	-501
Net income from continuing operations	583	-18	733	604
Profit from discontinued operations, net of tax	32	113	143	269
Net earnings for the period	615	95	876	873
Of which attributable to:				
Parent company's shareholders	615	91	873	864
Non-controlling interest	0	3	2	8
Net earnings for the period	615	94	875	872

PRO FORMA CONSOLIDATED BALANCE SHEET - GROUP INCL LINDORFF

SEK M	30 Sep 2017	Pro forma	
		30 Sep 2016	31 Dec 2016
ASSETS			
Intangible fixed assets			
Goodwill	25,597	30,505	30,692
Capitalized expenditure for IT development and other intangibles	1,270	1,498	1,502
Client relationships	2,400	2,680	2,651
Total intangible fixed assets	29,267	34,683	34,845
Tangible fixed assets	236	246	240
Other fixed assets			
Shares in joint ventures	18	10	14
Other shares and participations	3	1	2
Purchased debt	19,054	18,483	19,995
Deferred tax assets	647	692	731
Other long-term receivables	33	105	162
Total other fixed assets	19,755	19,291	20,904
Total fixed assets	49,258	54,220	55,989
Current Assets			
Accounts receivable	596	555	663
Inventory of real estate for sale	42	0	0
Client funds	817	957	944
Tax assets	282	215	183
Other receivables	857	1,668	1,275
Prepaid expenses and accrued income	606	465	485
Cash and cash equivalents	677	967	966
Total current assets	3,877	4,827	4,516
Non-current assets of disposal group held for sale	9,920	0	0
TOTAL ASSETS	63,055	59,047	60,505
SHAREHOLDERS' EQUITY AND LIABILITIES			
Attributable to parent company's shareholders	21,896	22,274	22,373
Attributable to non-controlling interest	3	181	180
Total shareholders' equity	21,899	22,455	22,553
Long-term liabilities			
Liabilities to credit institutions	1,189	3,181	5,437
Medium term note	32,516	23,086	22,989
Other long-term liabilities	301	204	325
Provisions for pensions	164	258	182
Other long-term provisions	22	286	94
Deferred tax liabilities	1,255	1,083	1,238
Total long-term liabilities	35,447	28,098	30,265
Current liabilities			
Liabilities to credit institutions	64	2,937	1,048
Medium term note	0	1,240	1,414
Commercial paper	1,030	825	1,124
Client funds payable	817	957	944
Accounts payable	473	333	450
Income tax liabilities	317	456	269
Advances from clients	45	15	46
Other current liabilities	763	613	1,013
Accrued expenses and prepaid income	1,325	1,118	1,151
Other short-term provisions	90	0	228
Total current liabilities	4,924	8,494	7,687
Non-current liabilities of disposal group held for sale	785	0	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	63,055	59,047	60,505

PRO FORMA OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Northern Europe	996	912	9	2,927	2,777	5	3,726
Central & Eastern Europe	770	645	19	2,445	1,985	23	2,825
Western & Southern Europe	582	479	22	1,738	1,448	20	1,966
Spain	637	587	9	2,008	1,265	59	1,986
Total revenues from external clients	2,986	2,623	14	9,119	7,475	22	10,503

REGIONS – INTERCOMPANY REVENUES

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Northern Europe	94	65	45	259	203	28	268
Central & Eastern Europe	125	98	28	352	301	17	422
Western & Southern Europe	87	52	67	252	140	80	199
Spain	16	12	33	55	35	57	67
Eliminations	-322	-227	42	-918	-679	35	-956
Total intercompany revenues	0	0		0	0		0

REGIONS – REVALUATIONS OF PURCHASED DEBT

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Pro forma Full Year 2016
Northern Europe	13	20	33	21	10
Central & Eastern Europe	-9	-5	56	44	46
Western & Southern Europe	4	5	25	21	23
Spain	-7	1	-8	-28	-22
Total revaluation	1	20	106	56	57

REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Northern Europe	983	892	10	2,894	2,756	5	3,716
Central & Eastern Europe	779	650	20	2,389	1,941	23	2,779
Western & Southern Europe	578	474	22	1,713	1,427	20	1,943
Spain	644	586	10	2,016	1,293	56	2,008
Total revenues excluding revaluations	2,985	2,603	15	9,013	7,419	21	10,446

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Northern Europe	399	355	12	975	1,054	-8	1,435
Central & Eastern Europe	262	218	20	833	727	14	1,012
Western & Southern Europe	119	97	23	299	305	-2	381
Spain	197	-130	-252	577	9	6,311	226
Total EBIT	977	541	81	2,683	2,096	28	3,054
Net financial items	-233	-331	-30	-1,606	-993	62	-1,509
Earnings before tax	744	210	255	1,077	1,103	-2	1,545

REGIONS – NON-RECURRING ITEMS (NRI'S)

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Pro forma Full Year 2016
Northern Europe	-24	-7	-160	-51	-60
Central & Eastern Europe	-12	0	-88	-4	44
Western & Southern Europe	-8	15	-48	-3	-52
Spain	-16	-34	-47	-71	-103
Total NRI's	-60	-26	-343	-129	-171

REGIONS – EBIT EXCLUDING REVALUATIONS AND NRI'S

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Northern Europe	410	343	20	1,102	1,085	2	1,485
Central & Eastern Europe	283	224	26	865	688	26	922
Western & Southern Europe	123	77	60	322	287	12	410
Spain	220	-97	-327	632	108	483	351
Total EBIT excluding revaluations and NRI's	1,036	547	90	2,920	2,168	35	3,168

REGIONS – EBIT MARGIN EXCLUDING REVALUATIONS AND NRI'S

%	July-Sept 2017	Pro forma July-Sept 2016		Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016		Pro forma Full Year 2016
Northern Europe	42	38		38	39		40
Central & Eastern Europe	36	34		36	35		33
Western & Southern Europe	21	16		19	20		21
Spain	34	-17		31	8		17
EBIT margin excl revaluations and NRI's for the Group	35	21		32	29		30

SERVICE LINES – REVENUES

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Credit Management	2,155	1,952	10	6,600	5,404	22	7,650
Financial Services	1,358	1,129	20	4,100	3,379	21	4,697
Elimination of inter-service line revenue	-527	-458	15	-1,581	-1,307	21	-1,844
Total revenues	2,986	2,623	14	9,119	7,475	22	10,503

REVENUES BY TYPE

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
External Credit Management revenues	1,628	1,494	9	5,019	4,097	23	5,806
Collections on purchased debt	2,202	1,757	25	6,380	5,201	23	7,235
Amortization of purchased debt	-867	-672	29	-2,458	-1,947	26	-2,693
Revaluation of purchased debt	1	20	-95	106	56	89	57
Other revenues from Financial Services	22	24	-8	72	69	5	98
Total revenues	2,986	2,623	14	9,119	7,475	22	10,503

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Credit Management	588	263	124	1,842	1,213	52	1,930
Financial Services	743	603	23	2,205	1,856	19	2,561
Common costs	-354	-325	9	-1,364	-973	40	-1,437
Total EBIT	977	541	81	2,683	2,096	28	3,054

SERVICE LINES – NON-RECURRING ITEMS (NRI'S)

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Pro forma Full Year 2016
Credit Management	-8	-35	-23	-106	-108
Financial Services	-9	15	2	12	78
Common costs	-43	-7	-322	-36	-141
Total NRI's	-60	-26	-343	-129	-171

SERVICE LINES – SERVICE LINE EARNINGS EXCLUDING NRI'S

SEK M	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %	Pro forma Full Year 2016
Credit Management	596	298	100	1,865	1,319	41	2,038
Financial Services	752	588	28	2,203	1,844	19	2,483
Common costs	-311	-318	-2	-1,042	-937	11	-1,296
Total EBIT excl NRI's	1,037	567	83	3,026	2,225	36	3,225

SERVICE LINES – SERVICE LINE MARGINS EXCLUDING NRI'S

%	July-Sept 2017	Pro forma July-Sept 2016	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Pro forma Full Year 2016
Credit Management	28	15	28	24	27
Financial Services	55	52	54	55	54
EBIT margin excl NRI's	35	22	33	30	31

RECONCILIATION OF PRO FORMA KEY FIGURES

SEK M unless otherwise indicated	July-Sept 2017	Pro forma July-Sept 2016	Change %	Pro forma Jan-Sept 2017	Pro forma Jan-Sept 2016	Change %
Service line earnings purchased debt	732	596	23	2,222	1,833	21
Average carrying value of purchased debt	18,900	14,634	29	17,694	14,032	26
Return on purchased debt, %	15	16		17	17	
EBIT	977	541	81	2,683	2,096	28
Depreciation	162	476	-66	549	730	-25
Amortization and revaluations	866	652	33	2,352	1,891	24
Cash EBITDA	2,005	1,669	20	5,584	4,717	18
EBIT	977	541	81	2,683	2,096	28
Depreciation	162	476	-66	549	730	-25
EBITDA	1,139	1,017	12	3,232	2,826	14
Cash EBITDA	2,005	1,669	20	5,584	4,717	18
Non-recurring items, NRI's	60	26	131	343	129	166
Cash EBITDA excl NRI's	2,065	1,695	22	5,927	4,846	22
EBITDA	1,139	1,017	12	3,232	2,826	14
Non-recurring items, NRI's	60	26	131	343	129	166
EBITDA excl NRI's	1,199	1,043	15	3,575	2,955	21
EBIT	977	541	81	2,683	2,096	28
Non-recurring items, NRI's	60	26	131	343	129	166
EBIT excl NRI's	1,037	567	83	3,026	2,225	36
Liabilities to credit institutions	1,253	6,118	-80	1,253	6,118	-80
Medium term note	32,516	24,326	34	32,516	24,326	34
Provisions for pensions	164	258	-36	164	258	-36
Commercial paper	1,030	825	25	1,030	825	25
Other interest-bearing liabilities	4	2	100	4	2	100
Cash and cash equivalents	-677	-967	-30	-677	-967	-30
Net Debt	34,290	30,562	12	34,290	30,562	12

PARENT COMPANY

INTRUM JUSTITIA AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Jan-Sept 2017	Jan-Sept 2016	Full Year 2016
Revenues	71	67	105
Gross earnings	71	67	105
Sales and marketing expenses	-20	-14	-20
Administrative expenses	-323	-88	-151
Operating earnings (EBIT)	-272	-35	-66
Income from subsidiaries	56	0	224
Exchange rate differences on monetary items classified as expanded investment	-247	18	-28
Net financial items	-373	-58	-89
Earnings before tax	-836	-75	41
Tax	0	0	0
Net earnings for the period	-836	-75	41

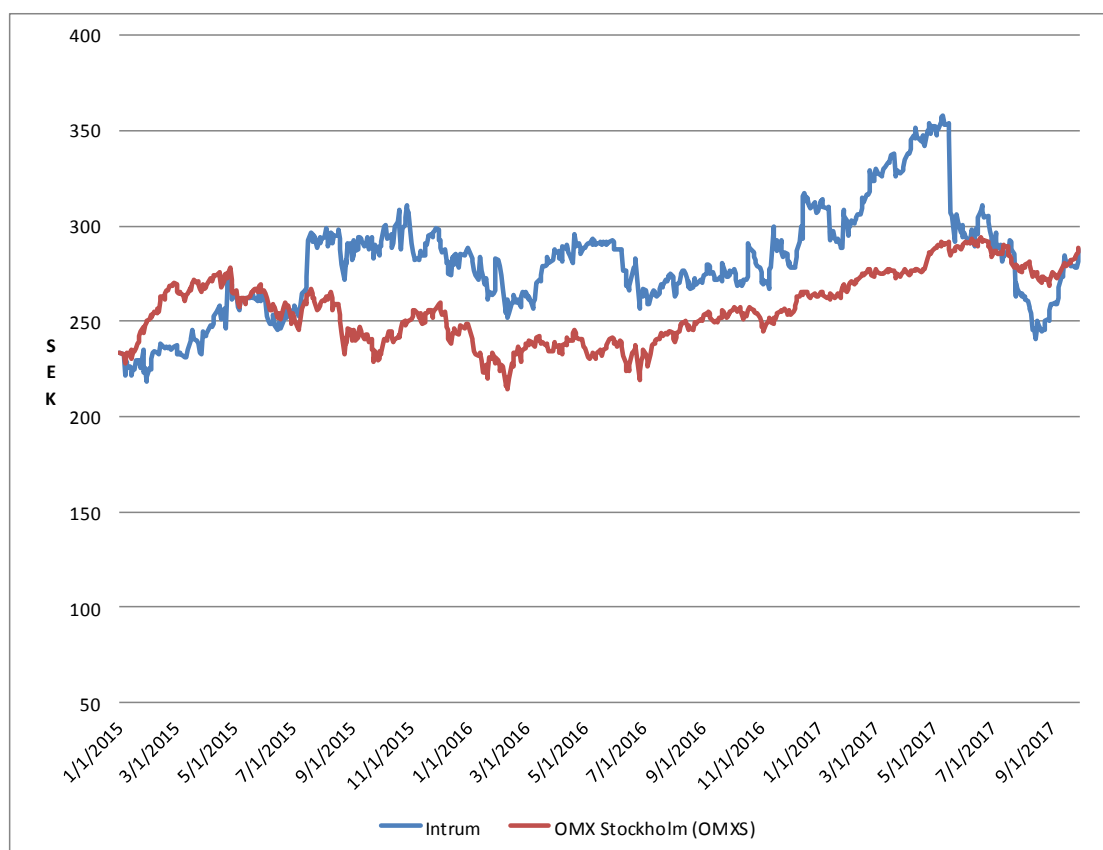
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Jan-Sept 2017	Jan-Sept 2016	Full Year 2016
Net earnings for the period	-836	-75	41
Other comprehensive income: Change of translation reserve (fair value reserve)	295	-295	-210
Total comprehensive income	-541	-370	-169

BALANCE SHEET – PARENT COMPANY

SEK M	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Fixed assets			
Financial fixed assets	52,224	7,630	8,333
Total fixed assets	52,224	7,630	8,333
Current assets			
Current receivables	5,025	4,530	4,629
Cash and cash equivalents	3	16	8
Total current assets	5,028	4,546	4,637
TOTAL ASSETS	57,252	12,176	12,970
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	284	284	284
Unrestricted equity	17,103	761	963
Total shareholders' equity	17,387	1,045	1,247
Long-term liabilities	37,124	7,509	7,658
Current liabilities	2,741	3,622	4,065
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	57,252	12,176	12,970

SHARE PRICE TREND



OWNERSHIP STRUCTURE

30 September 2017	No of shares	Capital and Votes, %
Nordic Capital	57,728,956	43.9
SEB Funds	5,528,540	4.2
Lannebo Funds	4,392,017	3.3
Swedbank Robur Funds	3,443,196	2.6
AMF Insurance & Funds	3,362,105	2.6
Jupiter Asset Management	2,356,418	1.8
Odin Funds	2,243,707	1.7
Henderson Global Investors	1,810,000	1.4
Vanguard	1,640,618	1.2
BNP Paribas Investment Partners	1,448,526	1.1
AFA Insurance	1,383,250	1.1
Handelsbanken Funds	1,356,760	1.0
Columbia Threadneedle	1,314,228	1.0
TIAA - Teachers Advisors	1,266,920	1.0
BlackRock	1,252,900	1.0
Total, fifteen largest shareholders	90,528,141	68.8

Total number of shares: 131,541,320

Swedish ownership accounted for 26.6 percent (institutions 5.5 percentage points, mutual funds 16.5 percentage points, retail 4.6 percentage points) Source: Modular Finance Holdings and Intrum

Definitions

Result concepts, key figures and alternative indicators

Consolidated net revenues

Consolidated net revenues include external credit management income (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from purchased debt operations (collected amounts less amortization and revaluations for the period) and other income from financial services (fees and net interest from financing services).

Operating earnings (EBIT)

Operating earnings consist of net revenues less operating expenses as shown in the income statement.

Operating margin

The operating margin consists of operating earnings expressed as a percentage of net revenues.

Purchased debt – collected amounts, amortizations and revaluations

Purchased debt consists of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognized at amortized cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Net revenues attributable to purchased debt consist of collected amounts less amortization for the period and revaluations. The amortization represents the period's reduction in the portfolio's current value, which is attributable to collection taking place as planned. Revaluation is the period's increase or decrease in the current value of the portfolios attributable to the period's changes in forecasts of future collection.

Revenues, operating earnings and operating margin, excluding revaluations

The period's revaluations of purchased debt are included in consolidated net revenues and operating earnings. Revaluations are performed in connection with changes in estimates of future collections, and are therefore inherently difficult to predict. They have low forecast values for future earnings trends, particularly for an individual geographical region. Consequently, Intrum Justitia also reports alternative key figures in which revenues, operating earnings and operating margin are calculated excluding purchased debt revaluations.

Organic growth

Organic growth refers to the average increase in net revenues in local currency, adjusted for revaluations of purchased debt portfolios and the effects of acquisitions and divestments of Group companies. Organic growth is a measure of the development of the Group's existing operations that management has the ability to influence.

Service line earnings

Service line earnings relate to the operating earnings of each business line, Credit Management and Financial Services, excluding shared expenses for sales, marketing and administration.

Service line margin

The operating margin consists of service line earnings expressed as a percentage of net revenues.

Return on purchased debt

Return on purchased debt is the service line earnings for the period, excluding the Group's new services such as factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item purchased debt. The ratio sets the service line's earnings in relation to the amount of capital tied up and is included in the Group's financial targets.

Net debt

Net debt is interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables.

EBITDA

Operating earnings before depreciation and amortization (EBITDA) are operating earnings after reversal of depreciation of non-current assets except purchased debt.

CASH EBITDA

Cash EBITDA is operating earnings after depreciation on fixed assets as well as amortization and revaluations of purchased debt are added back.

RTM

The abbreviation RTM refers to figures on a rolling twelve-month basis.

Net debt/RTM operating earnings before depreciation and amortization (EBITDA)

This key figure refers to net debt divided by consolidated operating earnings before depreciation, amortization and impairment (EBITDA) on a rolling 12-month basis. The key figure is included among the Group's financial targets, is an important measure for assessing the level of the Group's borrowings, and is a widely-accepted measure of financial capacity among lenders.

Currency-adjusted change

With regard to trends in revenues and operating earnings, excluding revaluations for each region, the percentage change is stated in comparison with the corresponding year-earlier period, both in terms of the change in the respective figures in SEK and in the form of a currency-adjusted change, in which the effect of changes in exchange rates has been excluded. The currency-adjusted change is a measure of the development of the Group's operations that management has the ability to influence.

Non-recurring items (NRIs)

Significant profit and loss items that are not included in the Group's normal recurring operations and that are not expected to return on a regular basis. Non-recurring items include restructuring costs, closure costs, reversal of restructuring or closure reservations, cost savings programs, integration costs, extraordinary projects, divestments, impairment of non-current fixed assets other than purchased debt, acquisition and divestment expenses, advisory costs for discontinued acquisition projects, costs for relocation to new office space, termination and recruitment costs for members of Group Management and country managers, as well as external expenses for

disputes and unusual agreements. Non-recurring items are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

Items affecting comparability

Significant profit and loss items included in the Group's regular recurring operations and which may recur in some form, but which distort the comparison between the periods.

EBIT, EBITDA AND cash EBITDA, excluding NRIs

In accordance with the above, the key figures EBIT, EBITDA and Cash EBITDA are also reported after recurring non-recurring items, NRIs.

Expected remaining collections, ERC

Estimated remaining collections are the nominal value of expected future collections on the Group's purchased debt portfolios.

PRO FORMA FINANCIAL REPORTS INCLUDING LINDORFF

Pro forma financial reports are issued for the Group including Lindorff, as if Lindorff had been included in the Group for the entire period, as well as in the comparative figures. Pro forma earnings have been calculated by adding Intrum Justitia's and Lindorff's actual results for each period without making adjustments for the periods in which transaction costs would have been incurred if the acquisition had taken place at another time. Fair value adjustments made in the acquisition analysis on Intrum Justitia's acquisition of Lindorff are not recognized in earnings for any period, although they can be recognized as expenses in the acquired legal entity.

Region Northern Europe

Region Northern Europe comprised the Group's activities for external clients and debtors in Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

Region Central & Eastern Europe

Region Central & Eastern Europe comprises the Group's activities for external clients and debtors in Austria, the Czech Republic, Germany, Hungary, Poland, Romania, Slovakia and Switzerland.

Region Western & Southern Europe

Region Western & Southern Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom.

Region Spain

Region Spain comprises the Group's activities for external clients and debtors in Spain.