

Stockholm
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Press release

Intrum – Further negative adjustments of c. SEK 4.3 bn in the Italian SPV following sale of co-investor exposure to Kistefos Investment AS (“Kistefos”)

Funds managed by AB CarVal Investors, L.P (“AB CarVal”) have agreed to sell their 37.5% exposure in the jointly managed Italian SPV (“SPV”), which owns the portfolio that Intrum, together with partners, acquired in 2018, to Kistefos for a consideration of SEK 109 M. In the context of the transaction Intrum AB (publ) (“Intrum”) has entered into a new joint control co-investment agreement with Kistefos and has settled a derivative agreement with AB Carval.

As this is an arm’s length transaction between unrelated parties and therefore objective evidence, Intrum will reflect this valuation in its financial statements with regard to its 62.5% exposure in the SPV.

The required adjustments are as follows:

- Negative adjustment of the book value of the SPV recognised in Intrum’s consolidated financial statements of c. SEK 3.1 bn
- Impairment loss on related customer relationships of c. SEK 0.2 bn
- Settlement of derivative agreement with AB CarVal resulting in a loss of c. SEK 1.0 bn, recognised below the EBIT line
- As a direct consequence of the above, Intrum will also lower the SPV’s associated estimated remaining collections by c. SEK 5.4 bn, as implied by the price paid by Kistefos. No impact is expected on the senior notes

The negative adjustment is a non-cash item and will not impact Intrum’s key performance and leverage metrics as it is adjusted as an item affecting comparability.

The settlement of the derivative contract, although a cash loss, is recognised below the EBIT line and removed as a normalisation adjustment.

The above adjustments have no bearing on Intrum's other portfolio and joint venture investments as they are related to a specific arm's length transaction between unrelated parties on a single and specific secured portfolio, invested via a joint venture arrangement. Intrum is pleased with the progress made by its Italian franchise over the last 24 months, where the company has added more than SEK 90 bn of AuM, has increased the average recovery rate by 50% and has diversified client mix with 5 new client relationships among its top 10 clients. Notable client wins include a multi-year servicing agreement covering granular UtP exposures as well as an exclusive servicing mandate from a UtP fund with assets contributed by leading Italian banks.

The adjustments will be reflected in Intrum's report for the fourth quarter 2022 which will be published on 26 January 2023 as previously communicated.

Currency exchange rate: 1 EUR = 10.90 SEK.

Invitation to audiocast

Intrum invites equity and debt investors to an audiocast with Andrés Rubio, Acting President & CEO, and Michael Ladurner, CFO, on Monday 28 November at 13.00 CET. In this audiocast, Andrés Rubio and Michael Ladurner will provide further information on the above adjustments and answer questions from investors. The audiocast will be held in English.

[Link to audiocast](#)

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Intrum is the industry-leading provider of Credit Management Services with a presence in 24 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 circa 10,000 dedicated professionals who serve around 80,000 companies across Europe. In 2021, revenues amounted to SEK 17.8 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.

This information is information that Intrum AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 19.00 CET on 24 November 2022.