

20 June 2024

Update on Refinancing Process and Business Plan

intrum

Refinancing and Recapitalisation

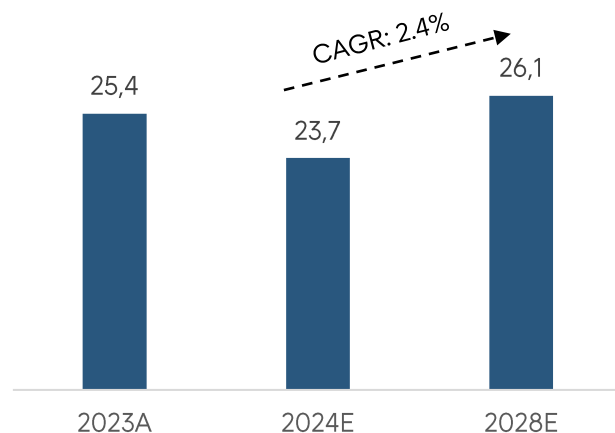
- Intrum AB (the “Company”) has recently been in negotiations with certain of its key noteholders with respect to the principal terms of a potential refinancing and recapitalisation transaction. The negotiations have resulted in the Company and certain noteholders agreeing a commercial term sheet in principle (the “Potential Transaction”)
- The Potential Transaction provides for the following treatment for existing creditors:

Secured Debt	RCF	<ul style="list-style-type: none"> • Maturity extension to at least 2028 and paydown and cancellation to €1.1bn • Enhanced security package and documentation, 1L ranking
	2024 PPN	<ul style="list-style-type: none"> • 100% repayment at maturity
	2025 Term Loan	<ul style="list-style-type: none"> • 100% repayment at maturity (or ability to refinance)
Unsecured Debt	2024 SUN / MTN	<ul style="list-style-type: none"> • 100% repayment at maturity
	2025 PPN	<ul style="list-style-type: none"> • 100% repayment at maturity (or ability to refinance)
	2025 – 2028 SUN / MTN	<ul style="list-style-type: none"> • 90% of outstanding amount reinstated into one or more instruments (the “Exchange Notes”) with the following bullet maturity profile and rates: <ul style="list-style-type: none"> • 20% in Sep-27, 7.75% coupon • 25% in Sep-28, 7.75% coupon • 25% in Sep-29, 8.50% coupon • 30% in Sep-30, 8.50% coupon • 10% equity to participating noteholders in consideration for 10% discount vs face value • Non-cash lock-up fee of 1.00% • Enhanced security package and documentation (including tightened baskets and prohibition on dividends before December 2028), 2L ranking behind the RCF and the New Money Facility • Equal treatment across different maturities and instruments • Terms structured to align with Company forward flow / business plan / M&A

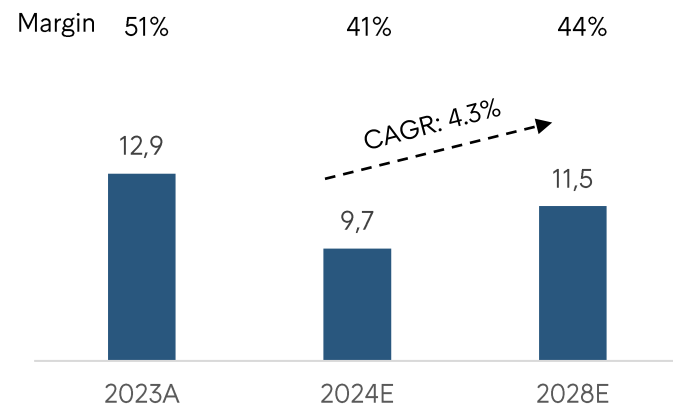
- The same noteholders will also backstop up to €400m of new money (the “New Money Facility”) to be used for discounted buybacks of the Exchange Notes. Key features: 1.5L ranking, 2.0% OID, 8.0% cash interest, and 3.0% Backstop fee, 4.0% ticking fee and a 3-year maturity
- All terms remain subject to documentation and agreement with the RCF lenders
- While the Company and its advisors are taking the necessary steps to implement the Potential Transaction, the Company is continuing to explore all available options and is in receipt of other financing proposals
- In particular, Intrum is also involved in ongoing discussions regarding an alternative transaction (the “Alternative Transaction”) with another creditor group, primarily consisting of near-dated bondholders. No agreement in principle has yet been reached with the creditor group in respect of the Alternative Transaction and the Company continues with discussions

Business Plan 2024-2028 Highlights

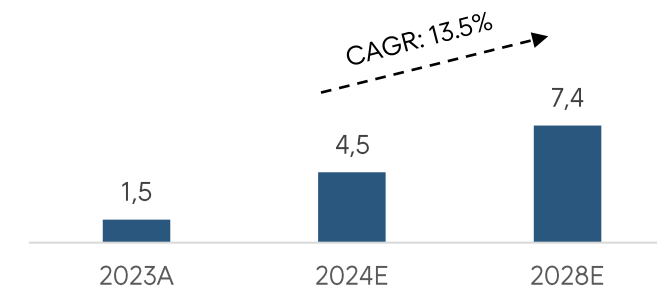
Cash Revenue (SEKbn)



Cash EBITDA (SEKbn)



CFADS (SEKbn)⁽²⁾



- Intrum has developed a Business Plan reflecting both near-term tactical measures and long-term fundamental measures to deliver on financial targets
- The Business Plan was built from a bottom's up perspective informed by detailed market study, input from country teams, and top-down assumptions on cost savings and other global initiatives
- Key pillars of the Business Plan include:
 - (1) Operational excellence – Become a tech-driven organisation and have the best operating platform in the industry;
 - (2) Client focus – Profitable growth through client centricity and more business with more clients; and
 - (3) Capital light – Value extraction of existing portfolio and pivot to become capital light

Cost Reduction Initiatives

Intrum expects to save SEK 1.5bn of costs through two phases of cost-saving initiatives by the end of 2025 and as of Q1-24, they have already achieved SEK 0.5bn of savings

Cost Savings Program – Phase One

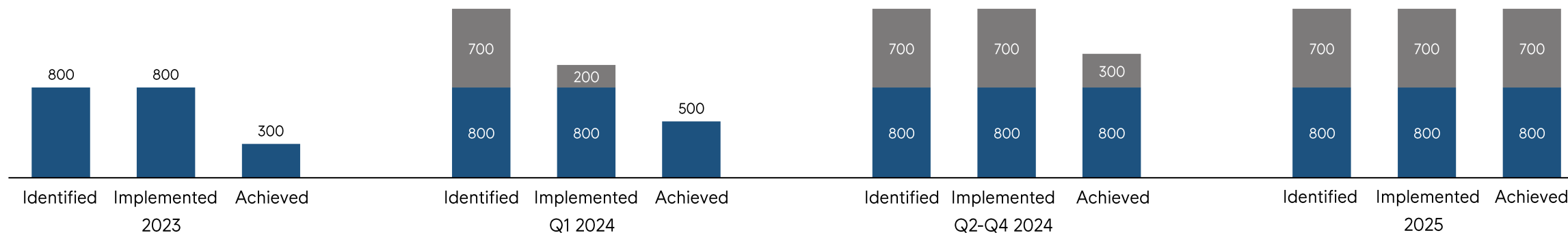
- There are four key workstreams as part of phase one of the cost savings program:
 - 1) Planned headcount reduction reducing full-time employee (“FTE”) headcount costs
 - 2) Reduction of cost related to non-FTE G&A i.e., external consultants
 - 3) Savings related to contract renegotiation and local IT projects clean-up
 - 4) Other cost-savings e.g., digitalisation of registered letters etc.
- Phase One began in Q2-23 and the Company expects to realise SEK 800m of cost-savings to Cash EBITDA by end 2024 o/w SEK 500m has been realised in the P&L by Q1-24
- The progress of the program is monitored closely by Bain (external consultant support) and management to ensure smooth progress

Cost Savings Program – Phase Two

- Since the successful implementation of phase one cost savings, the Company identified another SEK 700m of cost savings i.e., Phase Two and began implementing those in Q1-24
- Phase Two is focused on cost-cutting in Central functions, with a particular focus on indirect and non-customer facing FTE costs. The reduction of these indirect costs is not expected to impact topline growth
- Central projects have also been heavily scrutinised, and significant cuts have been made to headcount in the Central division. Some savings have been planned within the Markets, albeit these are less significant relative to the size of the division
- The Company expects to realise SEK 300m of cost savings in 2024 and the remaining SEK 400m in 2025

Realised Cost Savings to Cash EBITDA (SEKm)

■ Phase 2 ■ Phase 1



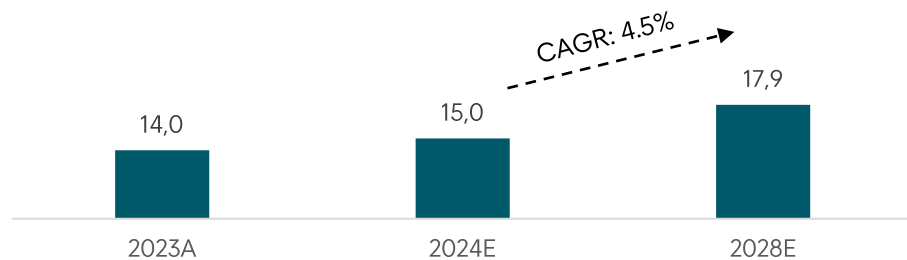
Update on Servicing

Profitable growth through client focus

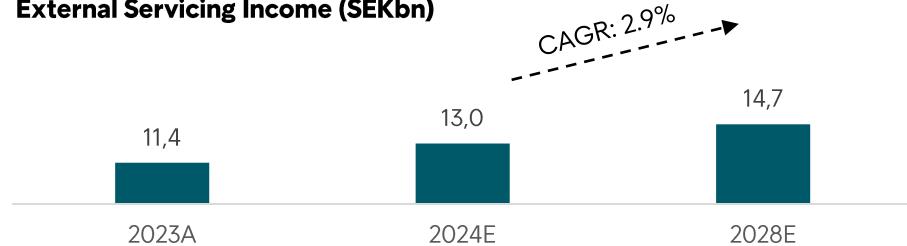
- Focus on delivering a best-in-class value offering for clients across the credit lifecycle, including (i) incorporating and rolling out new digital offerings across markets, (ii) expanding across the value chain in selected areas, (iii) developing and improving day-to-day business with existing clients and, (iv) winning new clients.
- 2023 demonstrated record levels of new signings for recurring business at SEK 1.4bn and record low churn of <0.1bn. As of June 2024, Intrum reached a new business pipeline all-time-high of SEK 2.6bn, and an overall win rate >50% on new business.
- New signings across tactical markets with SEK 0.4-0.6bn in North, Middle and South of Europe, respectively, while Servicing income grows YoY across all regions. Transactions in Spain and UK during 2023 also adds to topline development in 2024.
- The Servicing business builds on long-term client relationships, joint ventures, and securitizations. In 2023:
 - **JVs and SPVs:** ~30% of external servicing revenue.
 - **Top 50 accounts:** 40% of external servicing revenue (the majority with average relationship length of >15 years, contract length of >3 years and ~85% contract renewal rate).
- A Capital partnership strategy formed to grow Servicing business and secure new Servicing AuM while retaining the right to negotiate terms for each new portfolio and decide on co-investment.
- A more focused and performance-oriented culture was implemented for the Servicing business in 2023 with tightened internal steering, governance, and internal targets. We also introduced renewed focus on client profitability, with a company-wide cure process to address clients with unsatisfactory levels.
- As of May 2024, Servicing profitability is above last year's performance and in line with the trajectory of a committed margin of 25% by 2026. New signings also contribute with meaningfully higher margins.

Servicing Business Plan 2024-2028 Highlights

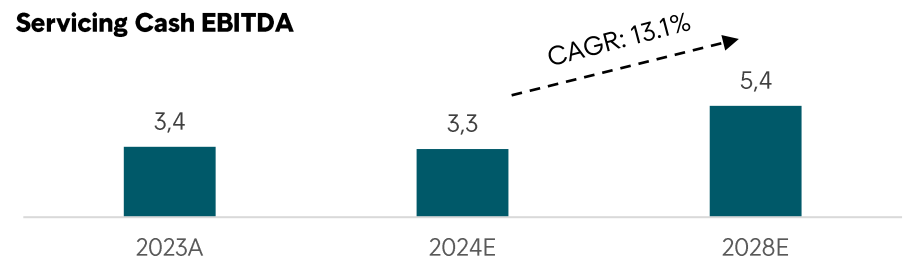
Servicing Cash Income (SEKbn)



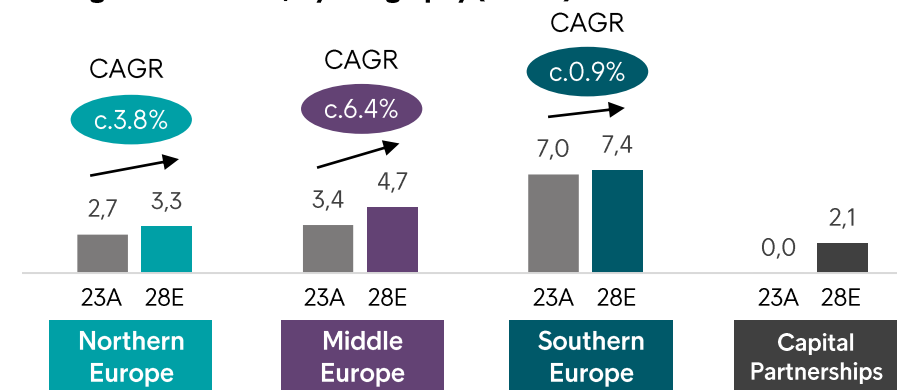
External Servicing Income (SEKbn)



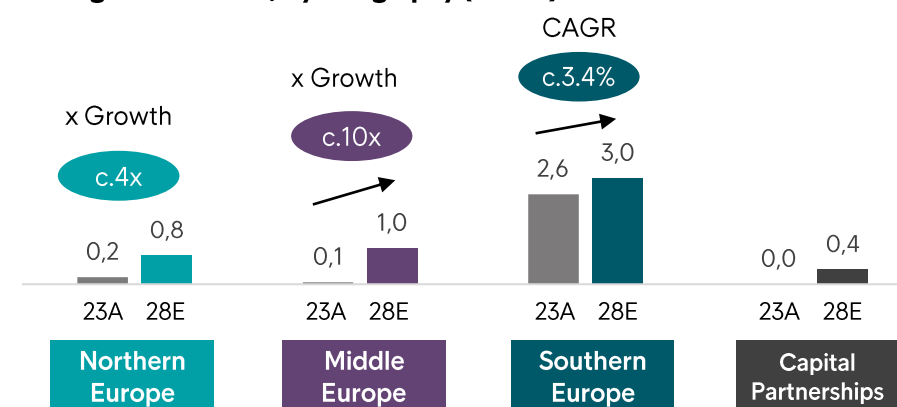
Servicing Cash EBITDA



Servicing Cash Revenue, By Geography (SEKbn)



Servicing Cash EBITDA, By Geography (SEKbn)



- Servicing income is expected to grow significantly in coming years, mainly through organic growth with contribution from M&A carried out in 2023 (Haya in Spain and Arrow in UK)
- Servicing growth will be driven by Northern and Middle Europe over the medium term while we will maintain the high performance in Southern Europe in the near-term

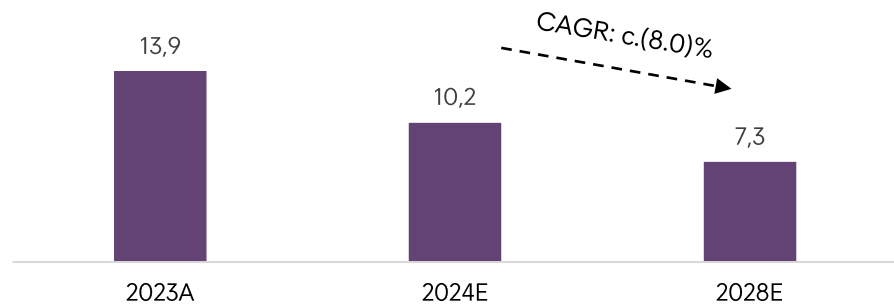
Update on Investing Portfolio

Value extraction and pivot to capital-light

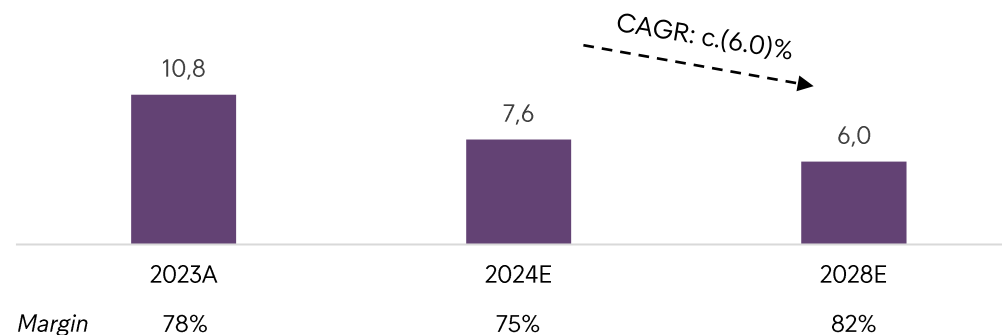
- Shift towards a capital light business model with target of approximately SEK 2 bn of new portfolio acquisitions per annum, significantly lower than previous years
- Leverage Intrum granular origination, underwriting and management capabilities at Investing, by attracting third-party capital to co-invest with Intrum. Becoming an investment manager will increase the servicing income and create new income streams like AuM and origination fees to Intrum
- Investment opportunities pursued across Intrum's footprint, with a larger focus on opportunistic unsecured NPL acquisitions
- New NPL directive being implemented across EU and increasing the compliance requirements to be a Credit Management servicer or purchaser, with Intrum's experience and bank-style government in place, Intrum is well positioned to support European banks manage their NPLs
- Target IRRs of 15%, in line with achieved IRR on current book the last years
- Back book transaction signed with Cerberus (Book Value SEK 11.5 bn) represents an important step towards becoming more capital light as it meaningfully exceeds the previously indicated asset disposals of SEK 6 bn presented at the CMD. As a result of the transaction, Intrum proprietary book will be reduced in excess of the BV target of SEK 30 bn set in the Capital Market Day
- Focus on value extraction from existing remaining Intrum book, that continues to show resilience and deliver collections in line or better than active and original forecast

Investing Business Plan 2024-2028 Highlights

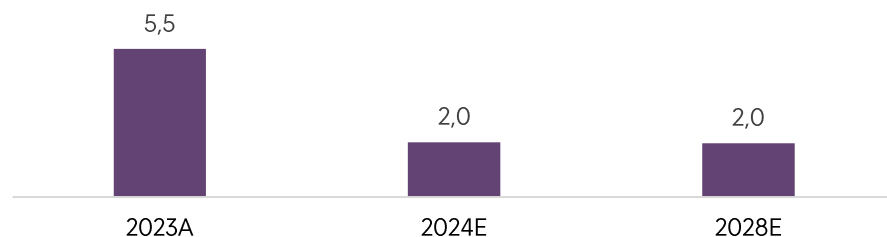
Cash Revenue (SEKbn)



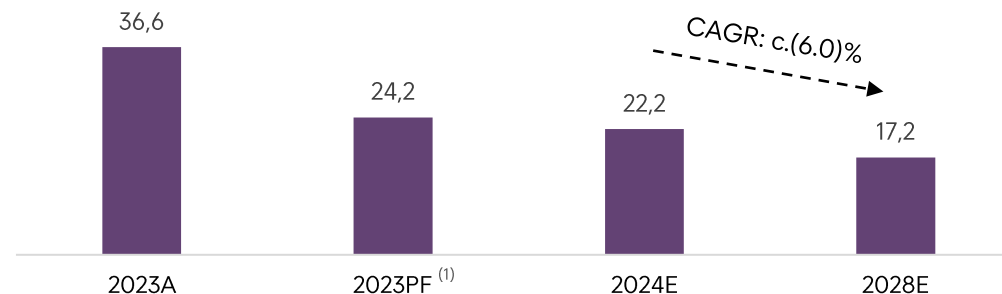
Cash EBITDA (SEKbn)



Annual NPL Purchases



Portfolio Book Value (SEKbn)

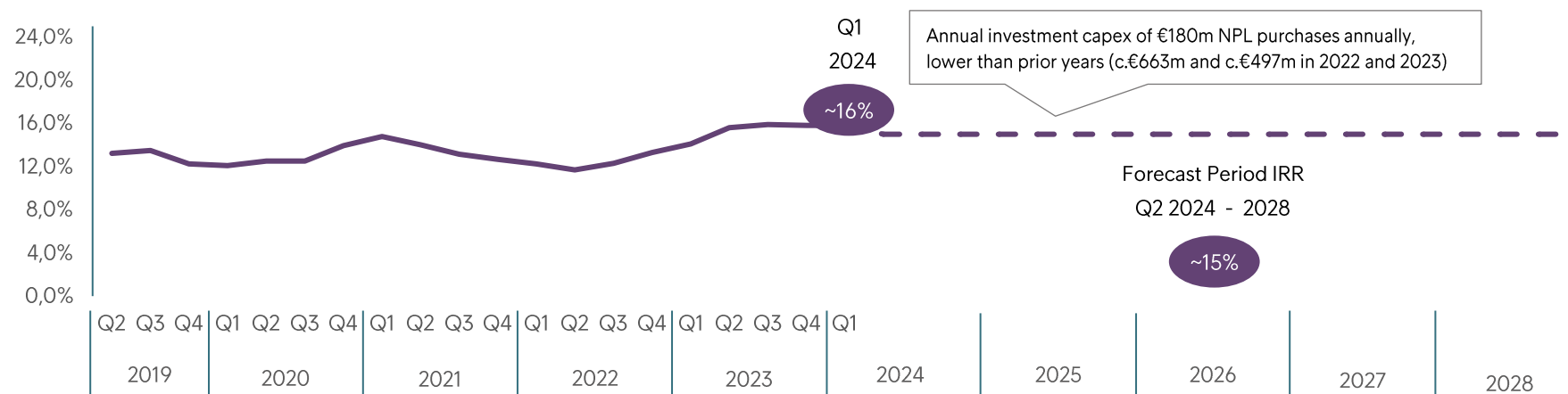


- Cash Revenue and Cash EBITDA expected to decline in 2024E due to the Investment Portfolio sale to Cerberus ("Project Orange")
- Capex deployed assumed to be below replenishment capex will see the book value decrease over time
- From 2025 onward, collections are expected to gradually decline as the Company transitions to a capital-light business model

Market environment for new vintages and forward flows

Forecast NPL generation supported by contractual forward flow agreements; Business Plan assumes conservative Underwriting IRR

Underwriting IRR



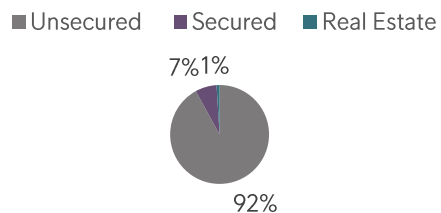
Key Forward Flow ("FF") Agreements⁽¹⁾

Client	2024 FF capex (€k)	2025 FF capex (€k)
Client 1	1,607	179
Client 2	1,198	1,198
Client 3	931	103
Client 4	1,581	351
Client 5	4,614	513
Client 6	751	751
Client 7	1,155	-
Client 8	3,360	1,120
Client 9	9,882	-
Total	25,078	4,215

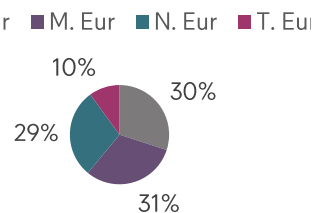
- From 2019-2023, the value of stage 2 loans on European bank balance sheets has doubled
- The increased supply of stage 2 loans provides a good leading indicator of coming NPLs generation. This provides the Company with good opportunities to purchase NPL portfolios at competitive rates
- Intrum will seek for opportunistic investments across our footprint in the coming years
- New NPL directive being implemented across EU and increasing the compliance requirements to be a Credit Management servicer or purchaser, with Intrum's experience and bank-style government in place, Intrum is well positioned to support European banks manage their NPLs.
- In Q1 2024, the Company has increased net underwriting IRRs for new vintages (c.16%) compared to prior years (c.14% in 2022) due to increased NPL supply in the market
- The Company already has forward flow agreements in place worth c.€29m, primarily comprising UK portfolios but also across Sweden, the Netherlands and others

Estimated Remaining Collections (ERC)

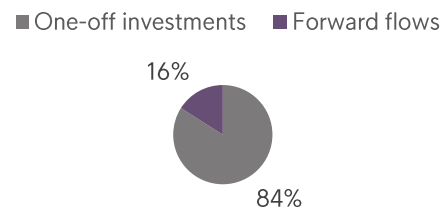
ERC by Asset Class



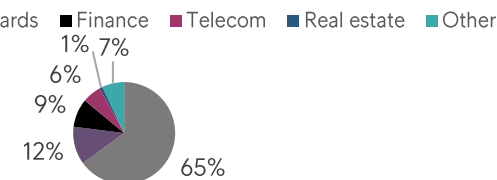
ERC by Geography



ERC by Investment Type

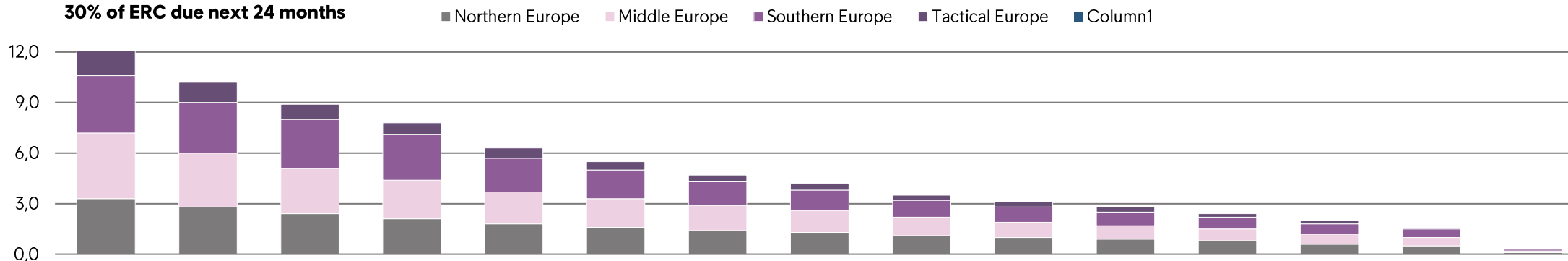


ERC by Industry



15-year ERC of SEK 75.4 bn

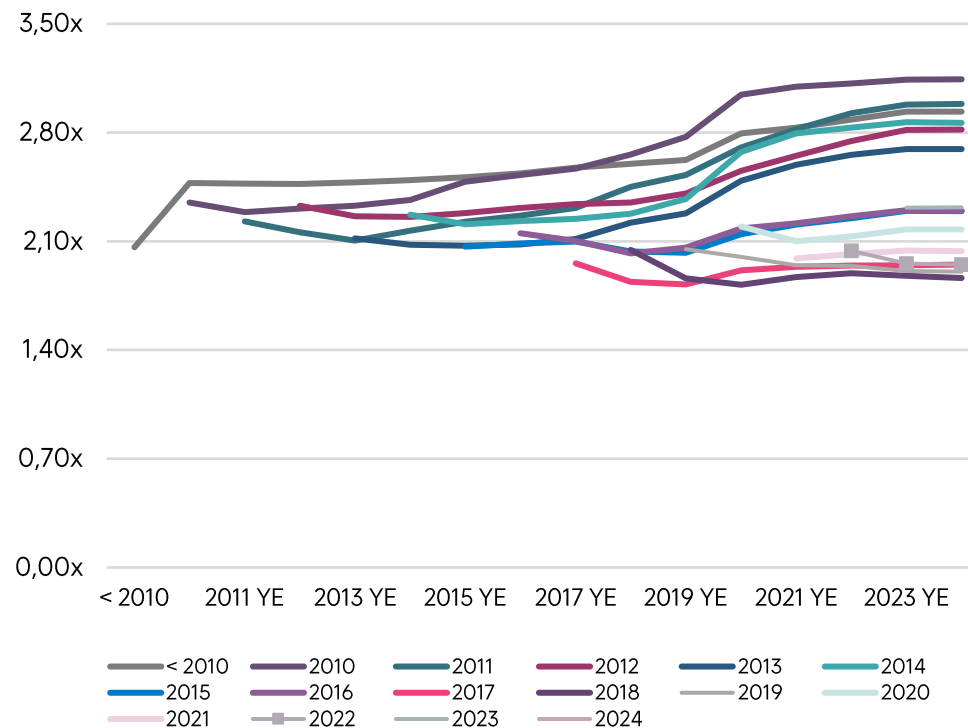
30% of ERC due next 24 months



Unsecured portfolio vintages

Unsecured books, SEK M	Purchase price	Collections to date	Remaining ERC	Total estimated collections	Total realised collections	Total money-on-money multiple
	A	B	C	B + C	B / (B + C)	B + (C / A)
<2010	8,719	23,699	1,887	25,587	92.6%	2.93x
2010	1,940	5,270	829	6,100	86.4%	3.14x
2011	2,660	6,828	1,108	7,937	86.0%	2.98x
2012	3,670	8,736	1,607	10,342	84.5%	2.82x
2013	3,532	7,972	1,542	9,514	83.8%	2.69x
2014	3,811	8,686	2,224	10,910	79.6%	2.86x
2015	4,945	8,304	3,041	11,345	73.2%	2.29x
2016	4,550	7,505	2,939	10,445	71.9%	2.3x
2017	7,010	9,892	3,770	13,662	72.4%	1.95x
2018	5,999	6,779	4,394	11,174	60.7%	1.86x
2019	7,265	7,465	6,375	13,840	53.9%	1.91x
2020	4,910	4,995	5,690	10,685	46.7%	2.18x
2021	6,217	4,413	8,246	12,660	34.9%	2.04x
2022	6,983	3,577	10,041	13,618	26.3%	1.95x
2023	5,045	1,585	10,116	11,701	13.5%	2.32x
2024	372	28	861	889	3.1%	2.39x
Total	77,628	115,734	64,672	180,406	64.2%	2.32x

Constant currency vintage evolution for unsecured books



- Historical collection performance of 106% vs. original forecast

- **Gross money-on-money multiple:** Gross money-on-money multiple means the actual gross collections to date, plus ERC as of the same date divided by the total amount paid for the portfolio at the date of purchase. Based on unaudited data

Portfolio joint ventures

Portfolio	Geography	Investment share (Intrum), %	Investment (Intrum), SEK M	Cash received to date (Intrum), SEK M	Current ERC (Intrum), SEK M
Savoy	Italy	59%	5,027	830	519
Portland	Italy	29%	234	62	391
Cierzo	Spain	40%	230	38	0
Winter	Italy	20%	200	79	258
Sunrise 1	Greece	49%	189	296	0
Phoenix	Greece	30%	121	137	39
Sunrise 2	Greece	49%	98	122	15
Vega 1	Greece	30%	59	47	34
Vega 2	Greece	30%	66	101	69
Vega 3	Greece	30%	41	40	0
Sunrise III	Greece	44%	73	49	87
Total			6,338	1,800	1,412

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