

INTRUM COMPLETES ASSET SALE TO CERBERUS, WITH NET PROCEEDS OF SEK 7.2BN TO REDUCE LEVERAGE AND PROGRESS TOWARDS A CAPITAL-LIGHT BUSINESS MODEL

Intrum AB (publ) is pleased to announce that the sale of a material portion of its investment portfolio to affiliates of Cerberus Capital Management L.P. (“Cerberus”) has completed. Intrum’s net proceeds from the sale of SEK 7.2 billion will be used in full to reduce debt.

As previously disclosed, Intrum has retained a 35 percent ownership stake in the purchasing entity and has entered into a minimum 5 year exclusive agreement to retain the servicing of the portfolio. This will result in a visible and strong servicing income stream in line with Intrum’s capital-light strategy, in addition to meaningful investing income.

Transaction highlights

- **Intrum proceeds** – Intrum’s net cash proceeds of SEK 7.2 billion will reduce leverage. The previously disclosed SEK 8.2 billion expected proceeds are lower due to a later closing date, and having received the cash proceeds from the portfolio through to closing, the total proceeds to Intrum remain the same.
- **Deleveraging** – The proceeds will be used in full to pay down debt. Intrum’s net leverage is expected to decrease to below SEK ~49 billion by the end of Q2 ‘24.
- **Servicing mandate** – Intrum will benefit from a minimum 5 year servicing agreement, which will support its capital-light strategy.
- **Impact on investment portfolio** – As a result of the transaction, Intrum’s investment portfolio is reduced to approximately SEK 24 billion. This improves upon our previously announced target of SEK 30 billion.

Strategic rationale

Intrum is focused on substantially deleveraging its balance sheet to put in place a capital structure that supports long-term sustainable growth. Closing this transaction marks a significant step towards this goal and the 5 year exclusive servicing agreement aligns with the Company’s progression towards a capital-light business model as outlined at the Capital Markets Day (“CMD”) in September 2023.

Andrés Rubio, President and CEO of Intrum, commented: “Today marks a significant milestone for Intrum. It demonstrates our relentless focus on reducing leverage and creating sustainable long-term growth. We remain committed to the strategy we outlined at our CMD last September – progressing towards a capital-light model by extracting value from our investment portfolio and growing our recurring and highly cash generative servicing revenue.

This builds on the impact of our previously announced cost cutting measures, exit from five non-core markets and reduced propriety investments. We look forward to continuing to partner with Cerberus, a leading investor in the field and one of our largest and most important clients.”

Pro forma financial impact of the transaction

- Net cash proceeds of SEK 7.2 billion will reduce leverage. The previously disclosed SEK 8.2 billion expected proceeds are lower due to a later closing date, and having received the cash proceeds from the portfolio through to closing, the total proceeds to Intrum remain the same.
- Net debt at Q1 '24 was SEK 57.5 billion, and is expected to decrease to below SEK ~49 billion by the end of Q2 '24.
- Pro forma Q1 2024 book value amounts to approximately SEK 24 billion excluding JV's.
- Completion of the transaction generates a non-cash accounting loss of SEK 1.2 billion, which consists of:
 - SEK - 0.2 billion discount to the book value of the portfolio.
 - SEK - 1.6 billion from reversal of recorded income between the economic transfer date and closing.
 - SEK + 0.2 billion reversal of tax and other balance sheet items.
 - SEK + 0.4 billion expected FX gain.
- The impact on Intrum's cash EBITDA will extend the timeline to meet the leverage target of 3.5x into 2026. Management continues to actively pursue additional measures to accelerate Intrum's aim of meeting its leverage ratio target by year-end 2025.

Further details around the impact of the transaction will be available at Intrum's Q2 24 results announcement on Thursday 18 July.

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About Intrum AB

Intrum is the industry-leading provider of Credit Management Services with a presence in 20 markets in Europe. By helping companies to get paid and support people with their late payments, Intrum leads the way to a sound economy and plays a critical role in society at large. Intrum has circa 10,000 dedicated professionals who serve around 80,000 companies across Europe. In 2023, income amounted to SEK 20.0 billion. Intrum is headquartered in Stockholm, Sweden and publicly listed on the Nasdaq Stockholm exchange. For more information, please visit **www.intrum.com**.

About Cerberus Capital Management, L.P.

Founded in 1992, Cerberus is a global leader in alternative investing with approximately USD 60 billion in assets across complementary credit, private equity, and real estate strategies. Cerberus invests across the capital structure where integrated investment platforms and proprietary operating capabilities create an edge to improve performance and drive long-term value. Cerberus' tenured teams have experience working collaboratively across asset classes, sectors, and geographies to seek strong risk-adjusted returns for our investors.

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