

INTRUM SIGNS PARTNERSHIP WITH CERBERUS REPRESENTING SIGNIFICANT MILESTONE IN EXECUTION OF ‘CAPITAL LIGHT’ STRATEGY

Intrum AB (“Intrum”) is pleased to announce that it has signed a term sheet regarding an Investment Agreement with an affiliate of Cerberus Capital Management, L.P. (“Cerberus”) for future investments in consumer unsecured non-performing loan portfolios. This agreement allows Intrum to scale its investment activity without increasing its debt, providing servicing revenues and additional portfolio management revenues, in line with its ‘capital-light’ strategy.

Intrum and Cerberus will seek to jointly invest up to EUR 1bn annually depending on market conditions. Cerberus will provide 70% of the capital and Intrum will provide 30%, with Intrum's level of investment subject to downward adjustment under certain conditions. The agreement covers all countries within Intrum's geographical footprint over the next three years for consumer unsecured portfolios.

Under the terms of the agreement, both parties will originate, jointly review and agree on which investments to make.

Intrum and Cerberus have also agreed to exclusively negotiate final definitive documentation, which is expected to be completed by YE2024. Intrum and Cerberus have already begun pursuing joint investments and will do so concurrent with the finalisation of definitive documentation.

Cerberus is a global leader in alternative investments, one of the largest NPL investors globally and is one of Intrum's largest clients. Earlier this month, Intrum announced the completion of a sale to affiliates of Cerberus of a material portion of its back book investment portfolio, raising net proceeds of SEK 7.2 billion, which will be used in full to reduce debt, with Intrum retaining a minimum 5-year exclusive agreement to retain the servicing of that portfolio.

Servicing income and additional fees

Intrum is expected to service nearly all investments under the agreement, with selected exceptions, and will be paid market-based servicing fees.

In addition to the servicing fees, and in line with Intrum's strategy set out in its September 2023 Capital Markets Day, Intrum will also earn additional fees, comprised of execution, portfolio management and performance fees.

Andrés Rubio, President & Chief Executive Officer, Intrum:

“This partnership is an important milestone in the delivery of our capital light strategy. It enables Intrum to scale our investment activity without increasing our debt, while benefiting from incremental servicing revenues. The additional fees mark an important step towards establishing Intrum as a leading investment manager in consumer credit, in line with the strategy set out at our Capital Markets Day. We are delighted to once again combine our expertise with a valued investor like Cerberus to further solidify our market-leading position and deliver on long term, sustainable growth”.

For more information, please contact:

Emil Folkesson, Interim CFO and Investor Relations Director:
ir@intrum.com

Media inquiries:

Brunswick Group
Azadeh Varzi / Imran Jina
+44 (0) 20 7404 5959

Hedda Söderström
+46 (8) 410 32 180

intrum@brunswickgroup.com

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.

This information is information that Intrum is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-07-16 07:00 CEST.