Bilaga 4 – De Finansiella Prognoserna (en. *the* *Financial Projections*)[[1]](#footnote-1)

# Projected consolidated statement of income[[2]](#footnote-2)

Intrum AB, et al. – Projected Consolidated Statement of Income

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fiscal Year Ending 31 December |   |   |   |   |
| (SEK in Million) | 2025 | 2026 | 2027 | 2028 |
| Servicing Income | 14,154  | 14,809  | 15,723  | 16,606  |
| Investing Income | 5,039  | 4,677  | 4,436  | 4,257  |
| Central Income | 550  | 702  | 1,233  | 1,354  |
| Total Income | 19,743  | 20,187  | 21,391  | 22,217  |
| Direct Costs | (8,953) | (8,952) | (9,383) | (9,846) |
| Indirect Costs | (5,515) | (5,401) | (5,635) | (5,856) |
| Share of Associates and JVs | 534  | 517  | 462  | 511  |
| EBIT | 5,809  | 6,352  | 6,835  | 7,026  |
| Net Financial Expense[[3]](#footnote-3) | (757) | (3,333) | (2,972) | (2,546) |
| Income Before Taxes | 5,052  | 3,019  | 3,863  | 4,481  |
| Taxes | (455) | (755) | (966) | (1,120) |
| Net Income / (Loss) for the Period | 4,598  | 2,265  | 2,898  | 3,360  |
| Net Income to Non-Controlling Interest | (338) | (359) | (373) | (385) |
| Net Income | 4,259  | 1,905  | 2,524  | 2,975  |
|  |  |  |  |  |
| Cash Income | 23,524  | 23,892  | 25,058  | 26,061  |
| Cash EBITDA | 10,404  | 10,753  | 11,158  | 11,501  |

## Notes to the Projected Consolidated Statement of Income

### Income

The Group (sv. *Koncernen*) forecasts Income derived from various sources:

* **Servicing**: Reflects servicing income streams, including variable collection commissions; fixed collection fees; debtor fees; guarantee commissions; and subscription earnings. Servicing income is expected to grow in coming years, both through organic growth and servicing of portfolios to be purchased in via co-investment structures.
* **Investing:** Reflects amounts collected on investment portfolios less (i) amortization of investment portfolios and less (ii) revaluations of investment portfolios. Investing Income and Cash EBITDA are expected to gradually decline as the Group transitions to a capital-light business model.
* **Central**: Income from Central business lines, including income from acquired businesses (eCollect, Ophelos) and other digital initiatives, such as Data Monetization.

### Direct Costs

Direct costs include portfolio amortization and expenses supporting specific income-generating activities. Direct costs have been estimated on a country-level basis.

### Indirect Costs

Indirect costs include all recurring operating expenses that are not direct costs. Indirect costs have been estimated on a country-level basis.

### Share of Associates and JVs

Share of Associates and JVs represents income from the Group’s Greek and Italian JVs, in addition to the Orange JV.

### Net Financial Expense

Net Financial Expense post-emergence is forecasted based on the Group’s proposed capital structure following implementation of the Overall Restructuring. The forecast reflects the interest expense impact arising from the issuance of a New Money facility. The Financial Projections assume that all New Money Notes (sv. *de Nya Obligationerna*) proceeds will be applied towards tenders for Exchange Notes (sv. *Utbytesobligationerna*), on a pro-rata basis, at c. 90% average price, the impact of which also impacts Net Financial Expense. The Financial Projections also assume a refinancing facility from 30 September 2027, and this is reflected in the Net Financial Expense. Net Financial Expense incorporates Cancellation of Debt Income arising from i) the reduction of Noteholder (sv. *Obligationsinnehavare*) claims in respect of the Overall Restructuring, and ii) discount captured on Exchange Notes tenders. Lastly, it incorporates transaction fees associated with the restructuring.

### Tax Expense

The Group forecasts Tax Expense based on an effective tax rate of 25% to its earnings before tax (EBT). Additionally, the 2025 tax expense reflects benefit from existing tax losses in Sweden.

### Non-controlling Interest

Non-controlling Interest reflects the proportionate share of Net Income attributable to the minority interest holder in subsidiaries that are (i) consolidated, but (ii) not fully held by the Group.

### Cash Income

“Cash Income” is defined as Total Income plus portfolio amortisations.

### Cash EBITDA

“Cash EBITDA” is defined as adjusted operating earnings (EBIT) adding back depreciation and amortisations and portfolio amortisations. In addition, the EBIT contribution from joint ventures is replaced by the actual cash contribution from the joint venture.

Cash EBITDA is a key measure of the Group’s operational performance. Management, including the chief operating decision-maker(s), use Cash EBITDA consistently for several purposes, including internal reporting, the evaluation of business objectives, opportunities and performance, and monitoring net leverage development.

# Projected consolidated statement of cash flows[[4]](#footnote-4)

Intrum AB, et al. – Projected Consolidated Statement of Cash Flows

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fiscal Year Ending 31 December |   |   |   |   |
| (SEK in Million) | 2025 | 2026 | 2027 | 2028 |
| EBIT | 5,809  | 6,352  | 6,835  | 7,026  |
| (+) Amortization / Depreciation and Impairment | 1,348  | 1,214  | 1,117  | 1,141  |
| (-) Share of Associates and Joint Ventures | (534) | (517) | (462) | (511) |
| (+) Payments from JVs | 330  | 382  | 477  | 797  |
| (-) Income Taxes Paid | (850) | (636) | (1,057) | (1,352) |
| Cash Flows from Operating Activities | 6,103  | 6,794  | 6,911  | 7,102  |
|  |  |  |  |  |
| Acquistion of Portfolio Investments | (2,000) | (2,000) | (2,000) | (2,000) |
| (+) Amortization of Portfolio Investments | 3,451  | 3,322  | 3,190  | 3,047  |
| (-) Acquistion of Intangible Assets | (297) | (620) | (264) | (260) |
| (-) Acquistion of Property, Plant and Equipment | (98) | (98) | (98) | (98) |
| Cash Flows from Investing Activities | 1,056  | 605  | 828  | 689  |
|  |  |  |  |  |
| Proceeds / (Repayment) from Borrowings | (2,230) | (3,577) | (4,256) | (4,720) |
| (-) Proceeds / (Repayment) of Other Financial Liabilities | (151) | (151) | (151) | (151) |
| (-) Finance Expense Paid[[5]](#footnote-5) | (4,584) | (3,333) | (2,972) | (2,546) |
| (-) Dividends Paid to Non-Controlling Interest | (330) | (338) | (359) | (373) |
| Cash Flows from Financing Activities | (7,295) | (7,399) | (7,739) | (7,790) |
| Net Change in Cash | (135) | 0  | 0  | 0  |
|  |  |  |  |  |
| Cash, BoP | 2,978  | 2,843  | 2,843  | 2,843  |
| Cash, EoP | 2,843  | 2,843  | 2,843  | 2,843  |

## Notes to the Projected Consolidated Statement of Cash Flows

### EBIT

See Notes to the Projected Consolidated Statement of Income.

### Amortization / Depreciation and Impairment

Amortization / Depreciation and Impairment reflects the anticipated amortization / depreciation and impairment of all Group assets other than Portfolio Investments. These assets include property, plant, and equipment, capitalized software costs, client servicing assets, and licences.

### Share of Associates and JVs

Share of Associates and JVs represents income from the Group’s Greek and Italian JVs, in addition to the Orange JV.

### Payments from JVs

Reflects cash received from the Group’s Greek and Italian JVs, in addition to the Orange JV.

### Income Taxes Paid

The Group forecasts Taxes Paid based on the tax expense from the prior year as the primary variable. To develop a reliable estimate, the relationship between cash tax for year n and the tax expense for year n-1 was analysed over the period from 2020 to 2023. This analysis identified a coefficient in the range of 1.3 to 1.4 as a reasonable factor for estimation. For prudence, the coefficient is rounded upwards and applied to project Taxes Paid.

### Acquisition of Portfolio Investments

Portfolio Investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. As part of a strategic shift towards a capital-light business model, the Group has set a lower target for spending on Portfolio Investments than in previous years.

### Amortization of Portfolio Investments

Portfolio Investments are recognised at amortised cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Amortization represents the period’s reduction in the portfolio’s current value, which is attributable to collection taking place as planned.

### Acquisition of Intangible Assets

Reflects investment in capitalized software costs, client servicing assets, goodwill, and licences.

### Acquisition of Property, Plant and Equipment

Reflects investment in all tangible assets aside from Portfolio Investments, including property, plant, and equipment.

### Proceeds / (Repayment) on Debt

Issuances and repayments on debt are forecasted based on the Group’s proposed capital structure following implementation of the Overall Restructuring. Both proceeds from New Money issuance and cash outlays for Reinstated Notes tenders are incorporated; their combined net impact on this item is nil. The Financial Projections also assume that, from 1 January 2025 onwards, cash in excess of USD 273 million (or EUR 250 million)[[6]](#footnote-6) is applied to temporally reduce the drawn amount of the revolving credit facility, which is reflected in the Projected Consolidated Statement of Cash Flows and Financial Position.

### Proceeds / (Repayment) of Other Financial Liabilities

Reflects lease repayments associated with capitalized leases, which are excluded from net income in accordance with IFRS**.**

### Finance Expense Paid

Finance Expense Paid is forecasted based on the Group’s proposed capital structure following implementation of the Overall Restructuring. The forecast reflects interest expense impact arising from the issuance of a New Money Notes facility. The Financial Projections assume that all New Money Notes proceeds will be applied towards tenders for Exchange Notes, on a pro-rata basis, at c. 90% average price, the impact of which also impacts Net Financial Expense. The Financial Projections also assume a refinancing facility from 30 September 2027, and this is reflected in the Net Financial Expense. Lastly, it incorporates transaction fees associated with the restructuring.

### Dividends Paid to Non-Controlling Interest

Reflects dividends paid to minority interest holders in subsidiaries that are (i) consolidated, but (ii) not fully held by the Group.

# Projected Consolidated Statement of Financial Position[[7]](#footnote-7)

Intrum AB, et al. – Projected Consolidated Statement of Financial Position

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Fiscal Year Ending 31 December |   |   |   |   |  |
| (SEK in Million) | 2024 | 2025 | 2026 | 2027 | 2028 |
| Assets |   |   |   |   |   |
| Intangible Assets | 40,077  | 39,349  | 39,046  | 38,460  | 37,923  |
| Portfolio Investments | 23,221  | 21,770  | 20,448  | 19,258  | 18,211  |
| Investment in Joint Ventures | 2,324  | 2,528  | 2,663  | 2,649  | 2,363  |
| Property, Plant and Equipment | 259  | 270  | 290  | 316  | 270  |
| Right of Use Assets | 587  | 502  | 440  | 396  | 347  |
| Deferred Tax Assets | 2,078  | 2,078  | 2,078  | 2,078  | 2,078  |
| Other Financial Assets | 192  | 192  | 192  | 192  | 192  |
| Non-Current Assets | 68,739  | 66,690  | 65,157  | 63,348  | 61,383  |
| Property Holdings | 317  | 317  | 317  | 317  | 317  |
| Tax Receivable | 814  | 814  | 814  | 814  | 814  |
| Derivatives | 90  | 90  | 90  | 90  | 90  |
| Receivables and Other Operating Assets | 4,594  | 4,594  | 4,594  | 4,594  | 4,594  |
| Fiduciary Assets | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  |
| Cash and Equivalents | 2,978  | 2,843  | 2,843  | 2,843  | 2,843  |
| Current Assets | 10,093  | 9,958  | 9,958  | 9,958  | 9,958  |
| Total Assets | 78,833  | 76,648  | 75,116  | 73,306  | 71,341  |
|  |  |  |  |  |  |
| Liabilities & Equity |   |   |   |   |   |
| Net Pension Benefit Liability | 138  | 138  | 138  | 138  | 138  |
| Borrowings | 37,118  | 44,922  | 29,857  | 18,782  | 25,485  |
| Other Financial Liability | 2,596  | 2,596  | 2,596  | 2,596  | 2,596  |
| Provisions | 130  | 130  | 130  | 130  | 130  |
| Deferred Tax Liability | 1,226  | 831  | 949  | 858  | 626  |
| Lease Liability | 467  | 467  | 467  | 467  | 467  |
| Non-Current Liabilities | 41,675  | 49,084  | 34,137  | 22,971  | 29,442  |
| Borrowings | 13,862  | 0  | 11,488  | 18,307  | 6,884  |
| Tax Payable | 414  | 414  | 414  | 414  | 414  |
| Payables and Other Operating Liabilities | 6,080  | 6,080  | 6,080  | 6,080  | 6,080  |
| Derivatives | 219  | 219  | 219  | 219  | 219  |
| Fiduciary Liabilities | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  |
| Provisions | 220  | 220  | 220  | 220  | 220  |
| Lease Liability | 169  | 169  | 169  | 169  | 169  |
| Current Liabilities | 22,264  | 8,402  | 19,890  | 26,708  | 15,285  |
| Total Liabilities | 63,938  | 57,485  | 54,027  | 49,679  | 44,727  |
|  |  |  |  |  |  |
| Equity Attributable to Parent Company | 12,775  | 17,035  | 18,940  | 21,464  | 24,440  |
| Noncontrolling Interest | 2,119  | 2,128  | 2,149  | 2,163  | 2,174  |
| Equity | 14,894  | 19,162  | 21,089  | 23,627  | 26,614  |
| Total Liabilities & Equity | 78,833  | 76,648  | 75,116  | 73,306  | 71,341  |

## Notes to the Projected Consolidated Statement of Financial Position

### Intangible Assets

Reflects capitalized software costs, client servicing assets, goodwill, and licences. Client servicing assets and capitalized software are expected to decline over time as amortization and impairment exceeds new net investment. Goodwill increases when deferred purchase payments are made in respect of the eCollect and Ophelos acquisitions.

### Portfolio Investments

Portfolio Investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. The balance sheet amount is a function of expected collections and purchases. The evolution over time is a function of the assumptions on new investments and collections on / amortization of existing portfolios.

### JV and Associate Investments

Reflects the book value of the Group’s JVs and Associates. The assets held by the JVs and Associates relate to investment portfolios originated across the Group’s European footprint. For each JV and Associate, the Group forecasts changes to Book Value by netting anticipated earnings (which increase Book Value) and anticipated cash dividends (which decrease Book Value). Given that the JVs and Associates are in run-off, the Group also regularly assesses the recoverable amount of each vehicle. If the Book Value exceeds the recoverable amount, an impairment is recognised to ensure the Book Value reflects the reduced future economic benefits anticipated. The Group assumes no further investment will be made into these JV and Associate vehicles.

### Property, Plant & Equipment

Reflects various fixed assets, including computer hardware, equipment, tools, fixtures, and property improvements. The Group forecasts a stable level of PP&E investment based on historical needs. The Group forecasts depreciation on a country-level based on historical relationships with total costs.

### Other Non-Current Assets

Reflects various items including right-of-use lease assets, deferred tax assets, deposits, and loan receivables. Right-of-use lease assets are measured at cost, reflecting the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives receive, direct and restoration costs. The Group forecasts limited movement in the value of the other sub-items.

### Receivables and Other Operating Assets

Reflects accounts receivable, prepaid expenses and accrued income, and other receivables. Expected to remain flat during the Financial Projections period.

### Fiduciary Assets

Reflects cash received on collection of a specific debt on behalf of a client and payable to the client within a speci­fied period. Expected to remain flat during the Financial Projections period.

### Cash

The Group forecasts total cash and equivalents of USD 286m on 1 January 2025. Cash flow generation for the second half of 2024 is based on forecasted assumptions similar to the ones outlined in the notes to these Financial Projections. The Financial Projections also assume that, from 1 January 2025 onwards, cash in excess of USD 273 million (or EUR 250 million)[[8]](#footnote-8) is applied to temporally reduce the drawn amount of the revolving credit facility, which is reflected in the Projected Consolidated Statement of Cash Flows and Financial Position.

### Other Current Assets

Reflects property holdings, tax receivables, and derivative assets. Expected to remain flat during the Financial Projections period.

### Non-Current Borrowings

Reflects all financial debt (excluding leases) due after the upcoming year. From time-to-time, the Group forecasts incremental debt issuances, primarily to refinance large maturities. These facilities are assumed to be long-term, maturing after the projection period.

### Other Non-Current Liabilities

Reflects various items including deferred tax liabilities, lease liabilities, provisions for legal claims, net pension benefit liabilities, deferred purchase consideration, and long-term liabilities to minority shareholders. Lease liabilities are initially measured on a present value basis. Subsequently, payments are allocated between principal (which reduces the lease liabilities) and finance cost. The finance cost is charged to the Consolidated Statement of Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Changes to deferred tax liabilities are forecasted by netting taxes paid (reported on the Consolidated Statement of Cash Flows) from tax expense (reported on the Consolidated Statement of Income).

The Group forecasts limited changes in value of the other sub-items.

### Current Borrowings

Reflects all financial debt (excluding leases) due within the upcoming year. The Group’sRCF is treated as current only within one year of final maturity.

### Payables and Other Operating Liabilities

Reflects various items, including prepaid subscription income, accrued interest, accrued bonus expense, accrued vacation pay, and accrued social security expenses. Expected to remain flat during the Financial Projections period.

### Fiduciary Liabilities

Reflects cash received on collection of a specific debt on behalf of a client and payable to the client within a speci­fied period. Expected to remain flat during the Financial Projections period.

### Other Current Liabilities

Includes various items such as: corporate tax payable, short-term provisions related to the cost-saving program, forward foreign exchange contracts and short-term property lease liabilities. Expected to remain flat during the Financial Projections period.

1. The Financial Projections are based on a number of assumptions, including that the Effective Date for the Chapter 11 Proceedings will be 31 March 2025 and that Intrum and its subsidiary Intrum AB of Texas will continue to conduct operations substantially similar to its current businesses, including the shifting of strategy towards a capital light business model (described in the Application) and without substantive changes to its geographic presence. [↑](#footnote-ref-1)
2. FX Rates Applied (14 October 2024): EUR/USD: 1.090; SEK/USD: 0.096; SEK/EUR: 0.088. [↑](#footnote-ref-2)
3. Net Financial Expense in 2025 includes the impact of the Overall Restructuring (sv. *Rekapitaliseringstransaktionen*) in terms of debt cancellation, expected tenders and fees. [↑](#footnote-ref-3)
4. FX Rates Applied (14 October 2024): EUR/USD: 1.090; SEK/USD: 0.096; SEK/EUR: 0.088. [↑](#footnote-ref-4)
5. Finance Expense Paid in 2025 includes payment of financing fees and advisor costs related to the Overall Restructuring. [↑](#footnote-ref-5)
6. Please note this figure has been used for the purpose of the Financial Projections and does not reflect what the Group considers to be its minimum cash requirement to run the business. [↑](#footnote-ref-6)
7. FX Rates Applied (14 October 2024): EUR/USD: 1.090; SEK/USD: 0.096; SEK/EUR: 0.088. [↑](#footnote-ref-7)
8. Please note this figure has been used for the purpose of the Financial Projections and does not reflect what Intrum considers to be its minimum cash requirement to run the business. [↑](#footnote-ref-8)