PRELIMINARY OVERVIEW OF COMPANY REORGANISATION

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Company reorganisation

Intrum AB (the "**Company**") filed for company reorganisation at Stockholm District Court on 8 January 2025 and the application was granted by decision of the district court on the same day. At the same time, the district court appointed me as administrator of the Company.

Below is a preliminary overview of the Company's company reorganisation. The above will be discussed at the creditors' meeting on 24 January 2025, which I have informed all creditors of as of 15 January 2025 in my notification pursuant to Chapter 2, Section 14 of the Company Reorganisation Act.

The Company's application for company reorganisation, which is extensive and detailed, has been attached to my notification pursuant to Chapter 2, Section 14 of the Company Reorganisation Act. In order not to burden the district court with various repetitions and extensive material, this overview of the company reorganisation has therefore been deliberately chosen to be kept at a general and summary level.

General information about Company and the Intrum Group

A brief overview of the Intrum Group and its activities

The history of the Intrum Group (the "**Group**") dates back to 1923. The current brand was launched in 2017 following an acquisition of the credit management company Lindorff AB and the subsequent merger of the two groups' businesses. Since its inception, the Group's business has grown both organically and through acquisitions. The Group's operational activities are mainly carried out through subsidiaries in Europe. For a full overview of the Group, see Appendix 1.

The Group's activities consist of two main business areas in the form of investing activities ("**Investing**") and more traditional credit management/collection services in relation to customers ("**Servicing**").

Investing activities consist of Group companies acquiring various types of receivables (primarily unsecured) for collection on their own account. Under this activity, certain Group companies own (directly or indirectly) real properties that are intended to be resold, either (i) as part of the Group's debt collection activities or (ii) as a pure investment strategy. The property ownership and related exposure is concentrated in Spain and Hungary.

Through its Servicing business, the Group provides credit management services with a focus on late payments and debt collection for customers who outsource their debt collection management. In addition to, and usually in combination with, debt collection services, the Group provides alternative solutions and offers customers a wide range of value-added services for loans and receivables that are not yet due and various other services.

The group has around 80,000 customers, 9,664 employees (Q3 2024) and consists of 134 companies operating in 20 countries.

As stated in the Company's application for company reorganisation and as set out below, the Group's customers and the Group's business are not affected by the Company's company reorganisation.

General information about the Company

The company is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm since June 2002 and on Nasdaq Stockholm's Large Cap list since 2014. As of 30 November 2024, the Company's three largest shareholders were Nordic Capital with a shareholding of 29.02 percent, AMF Pension & Fonder with a holding of 5.75 percent and Avanza Pension, which controls 3.19 percent of the shares and votes. As the Company is listed on Nasdaq Stockholm, the remaining shares are spread among a large number of other shareholders.

The company's Board of Directors consists of Magnus Lindquist (Chairman), Michel van der Bel, Debra Davies, Geeta Gopalan, Andreas Näsvik, Philip Thomas and Ragnhild Wiborg.

The Group's head office is located at Riddargatan in Stockholm and the Company had 76 employees as of 25 November 2024.

The Company's activities consist of the usual functions of a listed parent company, which include acting as the employer of the Company's President and CEO, Andrés Rubio, raising external capital and on-lending significant amounts to other entities in the Group and guaranteeing indebtedness and certain other obligations of other entities in the Group. In addition, the Company carries out certain group-wide development work and provides marketing for the Group. The Company also has a central function in the Group as it provides customary group-wide management services. In addition, the Company is the holder of the central accounts in the Group's cash pool arrangements and is also a party to various agreements regarding hedging, etc. The Company's earnings mainly consist of the Company selling services to the subsidiaries, which pay a management fee for these.

General information on ongoing Chapter 11 proceedings in the US and the approved reorganisation plan

On 15 November 2024, the Company, together with its subsidiary Intrum AB of Texas LLC, filed for voluntary proceedings under Chapter 11 Bankruptcy Code of the United States at the Bankruptcy Court for the Southern District of Texas. The proceedings are being handled jointly for practical reasons.

The Chapter 11 proceedings have been prepared (so-called prepack) and have been preceded by the Company, after extensive negotiations, entering into an agreement on a comprehensive recapitalization and reorganisation of the Group (the "**Recapitalization**") with a majority of noteholders and lenders (the "**Lock-up Agreement**").

In brief and in substance, the Lock-up Agreement (as finalized) provides for new funds of approximately EUR 526 million to be provided to the Group through the issuance of new secured notes (the "**New Money Notes**"), with the proceeds of the issuance to be used to repurchase certain existing debt. In addition, existing notes maturing after 2024 shall be exchanged for newly issued secured notes with extended maturity dates at a discount of 10% on the nominal value (the "**Exchange Notes**"). The noteholders will also receive shares in the Company. Furthermore, the Lock-up Agreement states that the maturity of the RCF will be extended. An enhanced security package will also be provided to the relevant creditors.

The Recapitalization also entails a reorganisation of the Group, including the transfer of the Company's assets and liabilities to newly formed subsidiaries (the "**Hive Down**") which will assume the Company's obligations under the RCF and also issue the New Money Notes and the Exchange Notes. In the new group structure, the Company will only constitute a listed group parent company.

According to the Lock-up Agreement, the Recapitalization can be implemented through a reorganisation plan in a Chapter 11 proceeding, a reorganisation plan in a Swedish company reorganisation or a combination of these. According to the Company, the reasons for initiating the Chapter 11 proceedings prior to the Swedish company reorganisation are, in short, that the Recapitalization involves cross-border measures, that a majority of the debt instruments are governed by foreign law and that Chapter 11 is a proven procedure for the reorganisation of international groups and, in addition, a procedure that is familiar to many of the Company's creditors.

On 31 December 2024, a reorganisation plan was approved by the court in the Chapter 11 proceedings (the "**Chapter 11 Plan**"). In summary, the Chapter 11 Plan constitutes an implementation of the Recapitalization. However, an established reorganisation plan in a Swedish company reorganisation is a vital part of the implementation of the Recapitalisation in Sweden.

The Company's finances

The Company's financial year is equal to the calendar year. In 2023 and 2022, the Company's revenue amounted to approximately SEK 1.6 billion and approximately SEK 900 million, respectively, and the result before tax was a profit of approximately SEK 59 million and a loss of SEK 2.3 billion, respectively. During the previous financial year up to and including September 30, 2024, the Company's total revenue amounted to approximately SEK 828 million with a preliminary profit before tax of approximately SEK 2.9 billion.

At Group level, total revenues amounted to approximately SEK 19.9 billion and SEK 19.1 billion in 2023 and 2022, respectively. For the same periods, net profit before tax was positive by approximately SEK 840 million and negative by approximately SEK 3.3 billion, respectively. In 2024, the Group's revenue as of 30 September 2024 amounted to SEK 13.2 billion and the result before tax was a loss of approximately SEK 1 billion.

The Company's most recently prepared annual report for the financial year 2023 is attached, see Appendix 2. Furthermore, the most recently prepared interim report for the third quarter of 2024 is attached, which, with adjustments as set out below, constitutes a preliminary summary of the Company's assets and liabilities, see Appendix 3. It is noted that the interim report for the fourth quarter of 2024 is being prepared and will be presented on January 30, 2025.

According to the Company's consolidated interim report for the third quarter of 2024, the book value of the Group's assets and liabilities as of 30 September 2024 amounted to approximately SEK 78.9 billion and SEK 63.3 billion, respectively.

As of 30 September 2024, the Company had assets of approximately SEK 88.3 billion and liabilities of approximately SEK 79.6 billion. In summary, the Company's assets and liabilities as of 30 September 2024 consisted of the following.

The Company's assets consist mainly of fixed assets with a book value of approximately SEK 85.3 billion, of which financial fixed assets account for approximately SEK 84.8 billion. Intangible fixed assets are listed up to SEK 493 million and tangible fixed assets have a book value of approximately SEK 37 million.

In addition, as of 30 September 2024, the Company has short-term receivables of approximately SEK 854 million and cash and cash equivalents of approximately SEK 2.1 billion.

The Company's short-term liabilities amount to approximately SEK 18.5 billion. Long-term liabilities primarily consist of three types of debt instruments in the form of (i) the RCF, (ii) a senior term loan facility (the "**Term Loan**"), and (iii) nine bond loans. The Company's liabilities as of 12 December 2024 (excluding accrued interest and other fees) under said debt instruments are shown in the table below.

Facility	**Outstanding principal as of 12 December 2024**
RCF	**SEK 11.2 billion and NOK 1.1 billion**
The Term Loan	**EUR 90 million**
Notes (aggregate)	**SEK 37.8 billion**
(2025 Eurobonds)	(EUR 803 million)
(2026 Eurobonds)	(EUR 800 million)
(2027 Eurobonds)	(EUR 828 million)
(2028 Eurobonds)	(EUR 450 million)
(PPNs)	(EUR 75 million)
(2025 MTNs)	(SEK 1.1 billion)
	(SEK 400 million)
	(SEK 1.25 billion)
(2026 MTNs)	(SEK 1 billion)
In total	**SEK 51.1 billion**

The RCF and the Term Loan are secured by a comprehensive security package including, inter alia, pledges over shares in subsidiaries etc. In light of the bankruptcy valuation presented during the Chapter 11 proceedings, the Company's obligations under both the RCF and the Term Loan are deemed to be covered by the value of the collateral.

It is noted that only the Company's financial liabilities, including the liabilities as set out in the table above, are intended to be affected by a reorganisation plan. Furthermore, the Company has chosen not to utilize the state wage guarantee. In view of the above, the Company's other liabilities are not described in detail at this stage.

The Company is currently able to pay its upcoming current obligations. However, the Company's view is that the underlying business is currently not performing sufficiently for the Company to be able to settle/refinance the debt instruments as they fall due for payment outside the framework of a formal company reorganisation.

The cause of the Company's financial problems

In recent years, the credit management industry has been negatively affected by high inflation, higher interest rates, lower growth and a general deterioration in access to capital markets as a result of the general economic situation. European central banks successively raised key interest rates sharply to combat high inflation, with a cut in key rates only in June 2024. In summary, the above has led to a significant increase in credit risk in recent years.

In the past, the Group has grown through investments in loan portfolio receivables and businesses financed through the incurrence of financial liabilities in the Company. Acquired businesses in Spain and the UK in particular have not generated sufficient earnings and returns for the underlying companies in the Group to service the significant financial liabilities raised in the Company as it falls due. The situation described above, with high interest rates and inflation, has further complicated the Group's situation.

The Company and the Group have taken action in response to the above and are now focusing on streamlining existing operations through, for example, digitalization, rather than on acquisitions. In 2023, a cost-saving program of approximately SEK 800 million was implemented, followed by a further initiative to manage costs totaling approximately SEK 1.5 billion. The said cost-saving program has been completed by the end of 2024 and is expected to reach full effect in the first half of 2025. It is noted that the number of employees in the Group has been reduced by 1,000 (i.e. a reduction of around 10%) in 2024. Furthermore, operations in Brazil, Romania, Bulgaria and the Baltics have been divested as well as a Finnish platform. The Board of Directors and management also decided to propose that no dividend be paid to shareholders in 2024.

Furthermore, as part of the above strategy, in January 2024, the Company sold a portfolio of assets to affiliates of Cerberus Capital Management L.P. ("**Cerberus**") for approximately 98% of book value (the "**Back-book Sale**"). Approximately SEK 7.2 billion of the net proceeds from said sale were applied for the prepayment and cancellation of an equivalent amount of the RCF. However, markets reacted negatively to the announcement of the Back-book Sale as the asset disposed of was profitable.

On 25 January 2024, the Group announced its results for the fourth quarter of 2023. As a result, the Company's share price dropped significantly and the Company's debt instruments started trading at a significant discount. The Company's share price fell by 50 percent from SEK 70 to SEK 35 on 7 February 2024 and to SEK 14 on 19 March 2024.

The continued decline in the share price was partly due to successive downgrades of the Company's credit ratings by credit rating agencies.

With the current capital structure, the Company will be faced with approximately SEK 36.3 billion in debt obligations that fall due for payment in 2025 and 2026 alone. If there is no recapitalization of the Company's debt instruments, the assessment is that the Company will lack sufficient liquid funds to cover these debt obligations and a refinancing is not considered realistic at present.

Measures during the reorganisation to ensure business viability and profit forecast

The Company intends, in consultation with the undersigned, to finalize the Company's proposal for a reorganisation plan as soon as possible. It is noted that through the Lock-up Agreement, the Company has obtained significant participation in the Recapitalization.

The Company, in consultation with its financial advisor Houlihan Lokey, UK Limited ("**Houlihan Lokey**"), has analyzed its ability to meet its obligations following the completion of the company reorganisation implementing the Recapitalization. As part of this analysis, the Company has prepared consolidated financial performance forecasts for the financial years 2025-2028, see Appendix 4. The Company is dependent on the operations of underlying group companies. When assessing the viability of the Company's operations, it is therefore relevant to consider the financial viability of the Group as a whole.

As set out in the projections in Appendix 4, the implementation of the Recapitalization is expected to secure a sustainable capital structure for the Company and the Group which is expected to generate profits from the financial year 2025 onwards. This will ensure that the Group, including the Company, generate sufficient cash to manage its liabilities as they fall due. The projections thus show that the Company and the Group are viable in the long-term following the completion of the Recapitalization.

It is crucial for the long-term viability of the Company that the Recapitalization can be implemented through the Chapter 11 process and a Swedish company reorganisation. The implementation of both procedures, with confirmed reorganisation plans, will, according to forecasts prepared by Houlihan Lokey, secure the viability of the business and thus prevent the Company from becoming insolvent in the future. It should be noted that a final decision on the confirmation of a reorganisation plan in a Swedish company reorganisation is one of the conditions for completing the Chapter 11 process.

Financing during the reorganisation

The Company currently uses its cash and the cash flow from the Group's activities, which are distributed within the Group through a cash pool system, to finance its working capital requirements and capital expenditure and for other general corporate purposes. The Company, with the assistance of Houlihan Lokey, has prepared a cash flow forecast and budget for its liquidity needs during the company reorganisation.

This forecast shows that the Company is expected to maintain sufficient liquidity throughout the company reorganisation if it is allowed to remain part of the Group's cash pool system (including access to overdraft facilities) and that the cash flow and overdraft facilities will be sufficient to finance the ongoing operations and maintain the liquidity of the Company during the company reorganisation.

Overview of how to reach a settlement with affected parties and financing thereof, etc.

The Company will provide affected parties with a proposal for a reorganisation plan containing a debt settlement.

The detailed terms of the reorganisation plan will be determined during the reorganisation. The reorganisation plan will, to the extent necessary, be financed through the Recapitalization and otherwise through the Group's underlying operations.

The viability of the business will be ensured through a confirmed reorganisation plan, the implementation of the Recapitalization and the continued implementation of the current strategy.

Stockholm, 23 January 2025

Mikael Kubu

Appendices:

1. Group structure chart
2. Annual report for the financial year 2023
3. Interim report July-September 2024
4. Profit forecast 2025-2028