

Year-end announcement January–December 2017

intrum

Year-end announcement 2017

Fourth quarter 2017

- Consolidated net revenues for the fourth quarter of 2017 amounted to SEK 3,101 M (1,658). Pro forma for the fourth quarter of 2016, net sales were SEK 3,028 M.
- Operating earnings amounted to SEK 807 M (542). Pro forma for the fourth quarter of 2016, operating earnings were SEK 958 million.
- The operating earnings of SEK 807 M include non-recurring items of SEK –157 M (pro forma in the preceding year, SEK –42 M) and revaluations of SEK –44 M (pro forma in the preceding year, SEK –1 M). Accordingly, operating earnings excluding non-recurring items and revaluations amounted to SEK 1,008 M (pro forma in the preceding year, 1,001).
- Net earnings for the quarter amounted to SEK 443 M (429) and earnings per share were SEK 3.37 (5.90).
- Cash flow from operating activities amounted to SEK 1,296 M (1,093).
- The reported value of portfolio investments has increased by 29 percent on a pro forma basis compared with the fourth quarter of 2016. Portfolio investments for the quarter amounted to SEK 2,784 M (pro forma in the preceding year, 2,350). The return on portfolio investments excluding non-recurring items was 15 percent (pro forma in the preceding year, 16 percent).
- On a pro forma basis, the quarter's net revenues for the Credit Management service line were unchanged compared with the corresponding quarter in the preceding year, with a service line margin excluding non-recurring items of 27 percent (pro forma in the preceding year, 32 percent).
- There was strong growth in investments in the quarter, with total acquisitions and portfolio investments of around SEK 4 billion.
- Lindorff's operations in Denmark, Estonia, Finland and Sweden, and Intrum Justitia's operations in Norway divested at attractive valuations.
- A market leading position was established on the important Italian market.
- The integration process proceeds well with realized cost synergies of around SEK 200 M annually at the end of the fourth quarter.
- The strategy for 2018-2020 was presented at the Capital markets day with clear activities and priorities underpinning new financial targets, including an EPS growth of 75 percent from 2016 to 2020.
- The Board of Directors proposes a dividend of SEK 9.50 (9.00) per share, corresponding to a total of SEK 1,250 M (651).

Fourth quarter

29%

Quarterly pro forma
change in book value
of portfolio
investments

15%

Quarterly return on
portfolio investments

27%

Operating margin for
the quarter,
excluding non-
recurring items for
Credit Management

SEK 4 billion

Quarterly
investments in
portfolios and
acquisitions

SEK 200 M

Realized cost
synergies (on an
annual basis at the
end of the quarter)

Intrum established as
the market leader in
Italy

Full-year 2017

- Consolidated net revenues for 2017 amounted to SEK 9,434 M (5,869). Pro forma, net sales amounted to SEK 12,219 M (10,503).
- Operating earnings amounted to SEK 2,728 M (1,921). Pro forma, operating earnings amounted to SEK 3,489 M (3,055).
- Pro forma operating earnings of SEK 3,489 M include non-recurring items of SEK – 499 M (pro forma in the preceding year SEK –171 M), items affecting comparability of SEK 25 M (pro forma in the preceding year SEK –285 M) and revaluations of SEK 63 M (pro forma in the preceding year, 57). Operating earnings excluding non-recurring items, items affecting comparability and revaluations amounted to SEK 3,900 M (pro forma in the preceding year, 3,454).
- Net earnings amounted to SEK 1,503 M (1,468) and earnings per share were SEK 14.62 (20.15).
- Cash flow from operating activities amounted to SEK 4,535 M (3,304).
- On a pro forma basis, the carrying amount of portfolio investments increased by 29 percent against 2016. Pro forma, the year's portfolio investments amounted to SEK 7,804 M (pro forma in the preceding year, 4,979). The return on portfolio investments excluding non-recurring items was 16 percent (pro forma in the preceding year, 16 percent).
- The year's net revenues for the Credit Management service line increased on a pro forma basis by 16 percent compared with the preceding year, with a service line margin excluding non-recurring items of 28 percent (pro forma in the preceding year, 27 percent).
- Intrum was established as the market leader in Europe through the merger with Lindorff, with a very competitive scale and reach on 24 markets. The merger has been successfully implemented in the year, including a refinancing of the new Group on very good terms, divestment of subsidiaries as required by the EU commission at an attractive valuation and launch of a new trademark and corporate identity. High pace and good quality of the integration work to realize the significant cost synergies made possible through the merger.
- Intrum entered three new markets in the year through acquisitions – the United Kingdom, Romaina and Greece. Furthermore, a market leading position was achieved in Italy through a large complementary acquisition.
- Continued good market conditions with a considerable supply of investment portfolios and opportunities for acquisitions in CMS.

The merger with Lindorff was complete on June 27, 2017. Accordingly, Lindorff is included in the consolidated income statement and balance sheet for the third and fourth quarter of 2017. Comparative figures described as "pro forma" refer to Lindorff consolidated as of January 1, 2016. In connection with the merger, Intrum Justitia has undertaken to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. Consequently, for both the quarter and comparative periods, these subsidiaries are reported as discontinued operations. On pages 9-14 of the interim report, the development of the merged Group is commented on a pro forma basis, calculated as if Lindorff had been included in the Group throughout the interim period and in the comparative figures.

Full-year

16%

Annual pro forma revenue growth

13%

Annual pro forma increase in EBIT excluding NRI's, revaluations and items affecting comparability

The merger with Lindorff successfully completed in the year

Establishment on three new markets and strengthened market position in Italy

Continued good market conditions

SEK M unless otherwise indicated	Oct-Dec 2017	Oct-Dec 2016	Change %	Full-year 2017	Full-year 2016	Change %
Revenues	3,101	1,658	87	9,434	5,869	61
Cash EBITDA	1,943	1,035	88	5,953	3,670	62
EBITDA	1,000	592	69	3,165	2,090	51
EBIT	807	542	49	2,728	1,921	42
Non-recurring items (NRI's) in EBIT	-157	5		-397	10	
Non-recurring items (NRI's) in net financial items	0	0		-316	0	
Revaluations of purchased debt	-44	-5		-3	46	
Cash EBITDA excl NRI's	2,100	1,030	104	6,351	3,660	74
EBITDA excl NRI's	1,157	587	97	3,563	2,080	71
EBIT excl NRI's	964	537	79	3,125	1,911	64
Net earnings	443	429	3	1,503	1,468	2
Earnings per share (EPS), SEK	3.37	5.90		14.62	20.15	
Estimated remaining collections, ERC	44,603	17,645	153	44,603	17,645	153
Portfolio investments	2,784	1,162	140	7,170	3,083	133
Book value portfolio investments	21,149	8,605	146	21,149	8,605	146

The comparison figures in the above table refer only to Intrum Justitia, prior to the merger with Lindorff.

Comment by President and CEO Mikael Ericson

For Intrum, 2017 was a transformative year, characterized by high activity and significant change, in which we established the company as the undisputed market leader in Europe. During the year, we completed the merger with Lindorff, thereby establishing a competitive position with an unprecedented scale and reach encompassing 24 markets, and with a uniquely balanced business model. Following the approval of the merger in June, we successfully accomplished several key milestones for the new group in the second half of the year, including refinancing the new group at a market-leading interest level and divesting certain subsidiaries at an attractive valuation. We have also introduced a new brand and corporate identity to connect and bond our employees, to strengthen the new group's common culture and to build connections with our clients. We have also appointed all of the senior executives for the new group, and they are working with great professionalism to ensure that the integration process progresses effectively.

In the fourth quarter of 2017, we had very good activity in several of our markets. There remains a high supply of purchased debt and there is also good potential for value-generating acquisitions in credit management services. During the quarter, we established ourselves as a market leader in the important Italian market and we made our first portfolio investment in Greece. Our investment rate in the fourth quarter was the highest to date, with total acquisitions and portfolio investments of approximately SEK 4 billion. At the same time, we are seeing positive results from the integration process, having already realized cost synergies, at an annual rate of about SEK 200 M towards the end of the fourth quarter.

Our financial development in 2017 altogether was favorable and in accordance with plan. Pro forma for the acquisition of Lindorff and divested units, the Group's revenues increased by 16 percent and underlying operating earnings increased by 13 percent compared with 2016. For the fourth quarter, our operating earnings, excluding revaluations and non-recurring items, were slightly higher than in the corresponding period in the preceding year. Purchased debt had a very strong growth in terms of book value and return, while credit management services reported lower margins compared to last year. Our assessment is that we have significant potential to increase both growth and margins for our service operations over the coming years, primarily through cost synergies, increased efficiency and acquisitions.

We also continued our efforts to lead the way towards a sound economy in Europe. During the quarter, we published the European Consumer Payment Report, highlighting European consumers' views on their private economy and capacity to lead a debt-free existence. The year's report reveals how many young parents are pressured to consume beyond their assets, driven by social media, e-commerce and easily accessible credit. We also continue to pursue matters involving educational needs, primarily among young consumers, with regard to private finances.

In December, we presented Intrum's strategy for the next three years, with clear priorities and goals for growth, digitization, efficiency and synergies for Lindorff from the merger. The strategy and its priorities form the starting point for our new financial targets, in which we have a well-defined plan for how to increase earnings per share by at least 75 percent by 2020 compared with 2016. After a year partly characterized by management of the merger, we now begin 2018 with even larger opportunities to work in a close partnership with our clients. With our strong competitive position and strategic plan, we have a solid platform for continued strong value generation for our clients, shareholders and employees. Accordingly, I am looking forward with confidence to strong growth for Intrum over the coming years.

Group

SEK M unless otherwise indicated	Oct-Dec 2017	Oct-Dec 2016	Change %	Full-year 2017	Full-year 2016	Change %
Revenues	3,101	1,658	87	9,434	5,869	61
EBIT	807	542	49	2,728	1,921	42
Cash EBITDA excl NRI's	2,100	1,030	104	6,351	3,660	74
EBITDA excl NRI's	1,157	587	97	3,563	2,080	71
EBIT excl NRI's	964	537	79	3,125	1,911	64
Net financial items	-336	-47	615	-973	-165	490
Tax	-123	-76	62	-389	-329	18
Net earnings	443	429	3	1,503	1,468	2

Revenues and operating earnings

Consolidated net revenues for the fourth quarter amounted to SEK 3,101 M (1,658). Consolidated operating earnings for the fourth quarter amounted to SEK 807 M (542). The increase in revenues and operating earnings is primarily attributable to the merger with Lindorff. The outcome in the Group's regions and service lines is described in greater detail below.

Net financial items

Net financial items for the quarter amounted to SEK -336 M (-47). Net interest income for the quarter amounted to SEK -265 M (-35). Exchange rate differences have affected net financial items by SEK -16 M (-6), and other financial items by SEK -55 M (-6). Net interest and other financial items have been adversely affected by increased borrowing to finance the merger with Lindorff.

Taxes

Tax of 26 percent was charged against earnings for the quarter, and the tax expense for the year therefore amounted to 22 percent of earnings before taxes. Further information regarding an assessment of future tax expenses is provided in the section 'Taxation assessments'.

Cash flow and investments

SEK M unless otherwise indicated	Oct-Dec 2017	Oct-Dec 2016	Change %	Full-year 2017	Full-year 2016	Change %
Cash flow from operating activities	1,296	1,093	19	4,535	3,304	37
Cash flow from investing activities	-3,917	-1,372	185	-7,547	-3,745	102
Total cash flow from operating and investing activities	-2,621	-279	839	-3,012	-441	583
Cash flow from investing activities excl liquid assets in acquired subsidiaries	-3,980	-1,402	184	-8,585	-3,776	127
Total cash flow from operating and investing activities excl liquid assets in acquired subsidiaries	-2,684	-309	769	-4,050	-472	758

Cash flow from operating activities during the fourth quarter amounted to SEK 1,296 M (1,093). The increase is attributable to increased cash flow attributable to the merger with Lindorff.

In the fourth quarter, cash flow from investing activities, adjusted for cash and cash equivalents, in acquired companies amounted to SEK -3,980 M, compared with SEK -1,402 M for the corresponding period in the preceding year. The increase compared with the preceding year is mainly attributable to increased disbursements of SEK 1,690 M for portfolio investments.

Financing

SEK M unless otherwise indicated	31 Dec 2017	31 Dec 2016	Change %
Net Debt	37,322	7,260	414
Net Debt/Pro forma Cash EBITDA excl NRI's	4.1	-	
Shareholders' equity	22,439	4,130	443
Cash and cash equivalents	881	396	122

Consolidated net debt increased by approximately SEK 30 billion compared to the corresponding period in the preceding year as a result of increased debt due to the merger with Lindorff.

Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA amounted to 4.1 at the end of the year. This ratio is calculated by placing current consolidated net debt at the end of the quarter in relation to pro forma cash EBITDA, including discontinued operations and including a calculated cash EBITDA throughout the period for larger units acquired during the period, and excluding non-recurring items (NRIs). Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA increased by approximately 0.2x in the fourth quarter, mainly as a result of payments for portfolio investments and acquisitions.

The merger with Lindorff was implemented on June 27, 2017 through a non-cash issue, whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares in exchange for all shares in Lock TopCo AS, the parent company of the Lindorff group. Accordingly, there are 131,541,320 shares outstanding in Intrum Justitia. The average number of shares outstanding in the fourth quarter of 2017 was 131,541,320 and the average number of shares outstanding in the full-year 2017 was 102,674,307.

Goodwill

Consolidated goodwill amounted to SEK 29,565 M as per December 31, 2017, compared with SEK 3,120 M as per December 31, 2016. Of the increase, SEK 25,126 M is attributable to the acquisition of Lindorff, SEK 1,323 M to other acquisitions and SEK -4 M to exchange rate differences.

Regions

Presented below are the net revenues and operating earnings (EBIT) for the Group's geographical regions. In connection with the merger with Lindorff, the Group was organized into these new geographical regions effective from 29 June 2017, and it is not assessed to be meaningful to provide comparative figures from the previous year in accordance with the new regional structure, since the Group was not organized in that way at the time.

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	Oct-Dec 2017	Full-year 2017
Northern Europe	942	3,012
Central & Eastern Europe	801	2,775
Western & Southern Europe	672	2,201
Spain	686	1,445
Total revenues from external clients	3,101	9,434

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	Oct-Dec 2017	Full-year 2017
Northern Europe	287	1,014
Central & Eastern Europe	138	831
Western & Southern Europe	184	478
Spain	197	404
Total EBIT	807	2,728
Net financial items	-336	-973
Earnings before tax	471	1,755

The merger with Lindorff has affected the figures above effective from July 2017.

For comments on financial development by geographical region on a pro forma basis, see below under "Comments on pro forma financial reporting including Lindorff".

Service lines

Presented below are the net revenues and operating earnings (EBIT) for the Group's service lines.

SERVICE LINES – REVENUES

SEK M	Oct-Dec 2017	Okt-dec 2016	%	Helår 2017	Helår 2016	%
Credit Management	2,251	1,159	94	6,700	4,144	62
Financial Services	1,406	833	69	4,516	2,849	59
Elimination of inter-service line revenue	-557	-334	67	-1,783	-1,124	59
Total revenues	3,101	1,658	87	9,434	5,869	61

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	Oct-Dec 2017	Okt-dec 2016	0 %	Helår 2017	Helår 2016	%
Credit Management	552	306	80	1,704	1,072	59
Financial Services	752	464	62	2,456	1,606	53
Common costs	-498	-228	118	-1,433	-757	89
Total EBIT	807	542	49	2,728	1,921	42

The increase in revenues and earnings is primarily attributable to the merger with Lindorff. For other comments on financial development by service line on a pro forma basis, see below under "Comments on pro forma financial reporting including Lindorff".

Comments on the pro forma financial reporting including Lindorff

SEK M unless otherwise indicated	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full-year 2017	Pro forma Full-year 2016	Change %
Revenues	3,101	3,028	2	12,219	10,503	16
Thereof revenues in Euro (%)	65			59		
Cash EBITDA	1,943	1,884	3	7,526	6,602	14
EBITDA	1,000	1,139	-12	4,231	3,966	7
EBIT	807	958	-16	3,489	3,055	14
Thereof EBIT in Euro (%)	68			57		
Non-recurring items (NRI's) in EBIT	-157	-42		-499	-171	
Non-recurring items (NRI's) in net financial items	0	0		-316	0	
Amortization on client relationships	-90			-362		
Revaluations of portfolio investments	-44	-1		63	57	
Cash EBITDA excl NRI's	2,100	1,926	9	8,025	6,773	18
EBITDA excl NRI's	1,157	1,181	-2	4,730	4,137	14
EBIT excl NRI's	964	1,000	-4	3,988	3,226	24
Net earnings	443	421	5	1,318	1,293	2
CMS growth, %	0			16		
CMS service line margin excl NRI's, %	27	32		28	27	
Estimated remaining collections, ERC	44,603	35,312	26	44,603	35,312	26
Portfolio investments	2,784	2,350	18	7,804	4,979	57
Book value portfolio investments	21,149	16,336	29	21,149	16,336	29
Return on portfolio investments excl NRI's, %	15	16		16	16	
Net Debt/Pro forma Cash EBITDA excl NRI's	4.1	n/a		4.1	n/a	

On June 27, 2017, the merger with Lindorff was completed. The pro forma financial reporting for the merged Group has been calculated as if Lindorff was included in the Group throughout the 12-month period and in the comparative figures, and is shown in the tables on pages 28-35. The distribution of operating earnings by region on a pro forma basis for the fourth quarter and full year for 2016, and the first two quarters of 2017, has been corrected slightly compared with the data published in connection with the third quarter of 2017.

Updated pro forma Operating earnings (EBIT) per quarter 2017 for each geographical region appears below:

REGIONS - OPERATING EARNINGS (EBIT)

SEK M	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Northern Europe	287	297	399	287
Central & Eastern Europe	254	314	262	138
Western & Southern Europe	109	69	119	184
Spain	190	185	197	197
Total EBIT	841	864	977	807

REGIONS - OPERATING EARNINGS EXCL NON-RECURRING ITEMS (NRI)

SEK M	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Northern Europe	317	381	423	310
Central & Eastern Europe	273	379	274	209
Western & Southern Europe	119	102	127	194
Spain	221	196	213	250
Total EBIT excl NRI's	930	1,058	1,037	963

In connection with the merger, Intrum has undertaken to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. On a pro forma basis, therefore, all of these subsidiaries are reported as discontinued operations.

Commented below is the Group's pro forma financial development in the fourth quarter of 2017 based on revenues and operating earnings and development in the geographical regions and the two service lines.

Group (pro forma)

SEK M unless otherwise indicated	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full-year 2017	Pro forma Full-year 2016	Change %
Revenues	3,101	3,028	2	12,219	10,503	16
EBIT	807	958	-16	3,489	3,055	14
Cash EBITDA excl NRI's	2,100	1,926	9	8,025	6,773	18
EBITDA excl NRI's	1,157	1,181	-2	4,730	4,137	14
EBIT excl NRI's	964	1,000	-4	3,988	3,226	24
Net financial items	-336	-516	-35	-1,942	-1,509	29
Tax	-123	-115	7	-467	-616	-24
Net earnings	443	421	5	1,318	1,293	2

Revenues and operating earnings (pro forma)

Consolidated net revenues for the fourth quarter amounted to SEK 3,101 M (pro forma in the preceding year, 3,028). This was an increase on a pro forma basis of 2 percent compared with the corresponding period in the preceding year, and was attributable to organic growth of 2 percent, acquisition effects of 2 percent, revaluations of purchased debt of -1 percent and exchange rate effects of -1 percent.

Consolidated operating earnings excluding non-recurring items in the fourth quarter amounted to SEK 807 M (pro forma in the preceding year, 958). Non-recurring items impacted operating earnings by SEK -157 M (-41) in the fourth quarter, primarily relating to costs attributable to the

merger between Intrum Justitia and Lindorff. Revaluations of portfolio investments in the fourth quarter affected operating earnings negatively by SEK –43 M (pro forma in the preceding year, 1). In the fourth quarter, currency effects impacted operating earnings negatively by approximately SEK –10 M compared with the preceding year.

Operating earnings excluding non-recurring items and revaluations amounted to SEK 1,008 M for the fourth quarter of 2017, compared with SEK 998 M for the same period in the preceding year on a pro forma basis. Accordingly, operating earnings, excluding non-recurring items, revaluations and currency effects increased by 2 percent for the fourth quarter compared with the corresponding period in the preceding year on a pro forma basis. Operating earnings were also charged with expenses of approximately SEK 40 M, an increase compared with the corresponding period in the preceding year, mainly due to impairments on software and amortization of client relationships from the acquisition of Lindorff.

The increase in the Group's operating earnings, adjusted for non-recurring items and revaluations, is attributable to improved earnings in the Group's Financial Services service line, while Credit Management had a negative earnings development. In the Group's regions, mainly the Western Europe and Southern Europe regions experienced a very good earnings development, while the level of earnings in the other regions was at the same level as, or slightly lower than, the corresponding period in the preceding year. Development in the Group's regions and service lines is commented in more detail below.

Net financial items (pro forma)

Net financial items for the quarter amounted to SEK –336 M (pro forma in the preceding year –516). Net interest for the quarter amounted to SEK –265 M (pro forma in the preceding year –403). Net interest has been affected negatively by increased borrowing and positively by slightly lower average interest rates compared with the corresponding period in the preceding year. Exchange rate differences are included in net financial items in the amount of SEK –16M (pro forma in the preceding year, –38) and other financial items are included in the amount of SEK –55 M (pro forma in the preceding year –75).

Regions (pro forma)

Where the text concerning Intrum's regions compares the fourth quarter of 2017 with the corresponding period in the preceding year, the comparative period refers to results on a pro forma basis.

Northern Europe

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues excluding revaluations	934	960	-3	-1	3,827	3,716	3	2
EBIT excluding revaluations and NRI's	302	342	-11	-10	1,402	1,426	-2	-3
EBIT margin excluding revaluations and NRI's, %	32	36			37	38		

Revenues, excluding revaluations and currency effects, for the fourth quarter were on a par with the preceding year. Operating earnings, excluding revaluations and currency effects, decreased compared with the corresponding period in the preceding year, mainly due to lower profitability

for Credit Management. Accordingly, the region is working with a number of activities to improve the service line's margins and cost-efficiency.

Central and Eastern Europe

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues excluding revaluations	844	838	1	-1	3,233	2,779	16	14
EBIT excluding revaluations and NRI's	252	253	-0	1	1,117	940	19	16
EBIT margin excluding revaluations and NRI's, %	30	30			35	34		

Revenues, excluding revaluations and currency effects, were on par with the corresponding period in the preceding year, while, adjusted for the sale of a portfolio in the fourth quarter of 2016, the increase was 8 percent. Operating earnings, excluding revaluations and currency effects, were also in line with the preceding year, while, adjusted for impairments for software of approximately SEK 15 M, the increase was 7 percent. During the quarter, the Group completed its first portfolio investment in Greece, and activities are in progress to enable future proprietary collection. The region also acquired a small unit in Germany, with an enterprise value of approximately EUR 2.4 M, complementing the customer offering in Credit Management in that country.

Western and Southern Europe

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues excluding revaluations	678	516	31	31	2,391	1,943	23	21
EBIT excluding revaluations and NRI's	200	134	50	50	522	421	24	23
EBIT margin excluding revaluations and NRI's, %	29	26			22	22		

Revenues and operating earnings, excluding revaluations and currency effects, increased significantly compared with the corresponding period in the preceding year, mainly due to increased portfolio investments and good collection. During the quarter, the region established a market-leading position in Italy by acquiring the country's third-largest credit management company, combined with the acquisition of a large, diversified bank portfolio, for which collection was administrated by the acquired company. The total investment for this acquisition amounted to approximately EUR 200 M. In addition, a small Credit Management company was acquired in Italy with special expertise in legal collection, further strengthening Intrum's customer offering and competitiveness in that country. See the Other acquisitions section below for more information.

Spain

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues excluding revaluations	689	715	-4	-4	2,705	2,008	35	33
EBIT excluding revaluations and NRI's	253	274	-7	-8	883	382	131	128
EBIT margin excluding revaluations and NRI's, %	37	38			33	19		

Revenues, excluding revaluations and currency effects, decreased slightly compared with the corresponding period in the preceding year. Profitability remained favorable, primarily through a strong trend in secured receivables for Credit Management. Spain had good growth in portfolio investments over the year, albeit with a limited impact on revenue and earnings, since most of the increased investments occurred late in the fourth quarter. Intrum's market position and a favorable pipeline for future investments as well as activities to reduce costs and increase the operational efficiency provide a good platform for growth in Spain.

Service lines (pro forma)

Where the text concerning Intrum's service lines compares the fourth quarter of 2017 with the corresponding period in the preceding year, the comparative period refers to results on a pro forma basis.

Credit Management

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues	2,251	2,246	0	1	8,852	7,650	16	15
Service line earnings excl NRI's	610	719	-15	-16	2,475	2,038	21	22
Service line margin excl NRI's, %	27	32			28	27		

Growth in revenues, excluding currency effects, is attributable to acquisitions and increased income for collection on the Group's own portfolios. The sales of a subsidiary in the Netherlands had a negative impact on revenues of 1 percent in the quarter, and the change in revenue from external customers was marginally negative during the quarter. The operating margin decreased compared with the corresponding period in the preceding year, due to price pressure in certain markets, higher legal collection expenses and temporarily lower revenues from collection on proprietary portfolios. Activities to improve future margin development are in line with the priorities presented at the Capital Markets Day in December 2017, including the realization of cost synergies, acquisitions, as well as initiatives for increased efficiency in collection and cost savings.

Financial Services

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Fx adj %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %	Fx adj %
Revenues	1,407	1,318	7	8	5,506	4,697	17	15
Service line earnings	752	705	7		2,957	2,561	15	
Service line earnings excl NRI's	743	639	16	15	2,946	2,483	19	20
Service line margin excl NRI's, %	53	48			54	53		
Estimated remaining collections	44,603	35,312	26		44,603	35,312	26	
Portfolio investments	2,784	2,350	18		7,804	4,979	57	
PI book value	21,149	16,336	29		21,149	16,336	29	
Return on portfolio investments excl NRI's, %	15	16			16	16		

Revenue and earnings in Financial Services continued to perform very well in the fourth quarter, and the level of investment was the highest in the Group's history to date. This development is a result of strong market conditions and a good leverage on the strengths of the merged company. Growth in investments in covered receivables and receivables from small and medium-sized companies also contributes to the positive trend, whereby such portfolios now amount to approximately 15 percent of the total book value. The return on portfolio investments amounted

to 15 percent for the quarter, while, excluding non-recurring items (NRIs), it was 16 percent – on a par with the preceding year.

Integration with Lindorff

Integration is progressing according to plan and at a good pace. Cost synergies are expected to total approximately SEK 580 M at an annual rate by the end of 2019, of which approximately SEK 200 M at an annual rate is estimated to have been reached by the end of 2017. The associated non-recurring expenses to realize the synergies are estimated at about SEK 725 M for 2017-2019, of which approximately SEK 250 M has been recognized as expenses in 2017.

Taxation assessments

Intrum Justitia's assessment is that the tax expense will, over the next few years, be around 20-25 percent of earnings before tax for each year, excluding the outcome of any tax disputes.

Parent Company

The Group's publicly listed Parent Company, Intrum Justitia AB (publ), owns the subsidiaries, provides the Group's head office functions and handles certain Group-wide development work, services and marketing.

The Parent Company reported net revenues for the year of SEK 159 M (105) and pre-tax earnings of SEK –579 M (41). The deterioration in earnings is primarily attributable to non-recurring items in operating earnings and net financial items attributable to the merger with Lindorff and the Group's new financing arrangements. The Parent Company invested SEK 26 M (0) in fixed assets during the year and had, at the end of the year, SEK 95 M (8) in cash and equivalents. The average number of employees was 57 (55).

Transactions with related parties

During the quarter, there have been no significant transactions between Intrum Justitia and other closely related companies, boards or Group management teams.

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the Group and in accordance with Chapter 9 of the Annual Accounts Act for the Parent Company. The same accounting principles and calculation methods have been applied as in the most recent Annual Report. The Group is preparing for the changes in the accounting standards concerning financial instruments and revenue from customer contracts that are to take effect in 2018, as well as the current lease, which enters into force in 2019. An overview of changes in accounting policies and the expected impact on Intrum Justitia's financial reports is presented in Note 1 of the Annual Report for 2016. See also below regarding IFRS 9 and IFRS 15.

The Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. For reasons of competition, the Group is obliged to divest Intrum Justitia's subsidiaries in Norway and Lindorff's subsidiaries in Sweden, Finland, Denmark and Estonia within a certain period following the merger with Lindorff. In accordance with IFRS 5, net earnings after tax in these companies is reported on a separate line in the consolidated income statement, Earnings for the period from discontinued operations after tax. The comparative figures for previous periods are recalculated accordingly. Assets and liabilities are reported on separate lines in the consolidated balance sheet, Assets and liabilities in operations held for sale, effective from the date on which the Group undertook to sell the companies. In accordance with IFRS 5, the comparative figures in the balance sheets are not recalculated for prior periods.

Introduction of IFRS 9 and IFRS 15

Effective from January 1, 2018, Intrum will apply IFRS 9 Financial Instruments, which includes, for example, new rules for the accounting of credit losses, portfolio investments and hedge accounting. The new rules regarding loan losses and hedge accounting have no significant effect on the Group. The new rules for portfolio investments entail Intrum continuing to report them according to an effective interest rate model, with some minor adjustments in the application. The greatest change is that, in accordance with IFRS 9, portfolios can be reported at a higher book value than the acquisition cost if estimates of future cash flows change, which differs from Intrum's current application of the corresponding rules under IAS 39. Preliminarily, the effect is that the opening balance of the book value of the Group's portfolio investments will increase by between SEK 20 M and SEK 50 M in 2018.

Effective from January 1, 2018, Intrum will also apply IFRS 15 Revenue from Contracts with Customers, which includes new rules regarding when revenues on sales are to be reported in certain cases. The new rules have no significant effect on the Group.

Significant risks and uncertainties

As a consequence of the merger with Lindorff, an analysis of the Group's risks has been provided on pages 58-83 of a document published on June 12, 2017 and that can be accessed from the Group's website:

https://www.intrum.com/globalassets/corporate/ir/ijab_investorreport_170612.pdf

The risks described include macroeconomic developments, competitive conditions, the availability of debt portfolios for purchase at attractive prices, customer concentration, the UK's exit from the EU, errors and mistakes in the debt collection process, customers' inclination to hire external debt collection agencies, regulations and legislation, possible deviations from the Group's internal rules, geographical scope, contractual risks, deviations from collection forecasts in portfolio investments, errors in the company's statistical models, the risk that customer contracts are not renewed, financing risks, dependence on the banking system, dependence on suppliers, complexity when offering new services, risks related to acquisitions, dependence on IT systems, access to public information, risks related to personal data legislation, data leakage, dependence on key personnel, difficulty in retaining and recruiting competent personnel, rising personnel costs, disputes, tax risks, revaluations of portfolio investments, increases in bankruptcies or debt restructuring among private individuals, access to documentation on

receivables, earnings variations, exchange rate risks, strategy risks, seasonality, errors in risk management, goodwill, risks involved in the merger with Lindorff, risks involved in the divestment of units, legal risks involved in the merger, difficulties in achieving expected synergies, and integration risks.

Merger with Lindorff

On June 12, 2017, the EU Commission approved the merger of Intrum Justitia and Lindorff. The approval was conditional on the divestment of Lindorff's operations in Denmark, Estonia, Finland and Sweden, and of Intrum Justitia's operations in Norway. On June 27, 2017, the merger between Intrum Justitia and Lindorff was completed and Lock TopCo AS (parent company in the Lindorff Group) with all subsidiaries has, since then, been owned by Intrum Justitia AB (publ).

The merger was effectuated through a non-cash issue whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares, with a total market value of SEK 17,332 M, in exchange for all shares in Lock TopCo AS. In connection with the issue, a prospectus was published and this is available on the company's website.

Although the preliminary acquisition analysis established by Intrum Justitia in connection with the acquisition has been adjusted as follows in connection with the annual closing, this remains a preliminary analysis.

(SEK M)	Carrying value before acquisition	PPA from June 2017		PPA from Dec 2017	
		Fair value adjustments	Fair value	Fair value adjustments	Fair value
Intangible assets	19,001	-15,248	3,753	-16,066	2,935
Database with credit information	0			261	261
Tangible assets	138		138		138
Portfolio investments	7,826		7,826		7,826
Other fixed assets	508	334	842	489	997
Current assets	1,778		1,778	-4	1,774
Cash and bank	684		684		684
Assets held for sale	5,184		5,184		5,184
Long-term liabilities	-22,940	-1,392	-24,332	-1,392	-24,332
Short-term liabilities	-2,047		-2,047		-2,047
Liabilities in operation held for sales	-3,091		-3,091		-3,091
Net assets	7,041	-16,306	-9,265	-16,712	-9,671
Acquisition value			17,332		17,332
Goodwill			26,597		27,003
Thereof in assets held for sale			4,255		1,877
Thereof in continued operations			22,342		25,126

Other acquisitions and divestments

In December CAF S.p.A (CAF) was acquired, the third-largest credit management company for unsecured claims in Italy. In connection with this, Intrum has also acquired a large, diversified investment portfolio where collection is handled by CAF. The seller of CAF and the investment portfolio that CAF administrates is a company within Lone Star Funds, a global private equity company. The total purchase consideration for CAF and the investment portfolio is

approximately EUR 200 M, on a cash and debt-free basis. CAF employs some 200 people in credit management services at three locations in Italy.

In Intrum's consolidated accounts, the acquisition is reported in accordance with the following:

(SEK M)	Carrying value before acquisition	Fair value adjustments	Fair value
Intangible assets	2	103	106
Tangible assets	4		4
Other fixed assets	0		0
Current assets	69		69
Cash and bank	63		63
Liabilities	-77	-29	-106
Net assets	62	75	137
Acquisition value			1,307
Goodwill			1,170

In the fourth quarter, Intrum also acquired smaller credit management units in Germany and Italy.

In November, it was announced that Intrum had entered an agreement with Lowell, a European company managing credit receivables, to divest Lindorff's operations in Denmark, Estonia, Finland and Sweden, and Intrum Justitia's operations in Norway, for an estimated cash amount totaling approximately EUR 700 M. Intrum's management estimates that the sale will meet the commitments made to the European Commission in connection with the approval of the merger between Intrum Justitia and Lindorff on June 12, 2017. The divestment is conditional on Lowell being approved as the buyer by the European Commission, and the transaction is subject to other customary competition and regulatory approvals. Upon approval, the transaction will be reported in Intrum's consolidated accounts, with the expected earnings from the transaction being close to zero, excluding transaction costs.

Intrum's sale of Dutch subsidiary Buckaroo BV, to BlackFin Capital Partners, was completed in the fourth quarter.

Dividend proposal

The Board of Directors of Intrum Justitia AB proposes that the Annual General Meeting distribute a dividend to the shareholders of SEK 9.50 per share (9.00), corresponding to a total of SEK 1,250 M (651).

Presentation of the year-end report

The year-end report and presentation materials are available at www.intrum.com/Investor relations. President & CEO Mikael Ericson and CFO Erik Forsberg will comment on the report at a teleconference on January 31, starting at 9:00 CET. The presentation can be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 566 426 62 (SE) or +44 20 300 898 10 (UK).

For further information, please contact

Mikael Ericson, President and CEO, tel: +46 8 546 102 02

Erik Forsberg, CFO, tel.: +46 8 546 102 02

Erik Forsberg is the contact person according to the EU Markets Abuse Regulation.

The information in this year-end report is such that Intrum Justitia AB (publ) is required to disclose pursuant to the EU Markets Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the agency of the contact person set out above on January 31, 2018 at 7:00 a.m. CET.

Financial calendar 2018

27 April 2018, Interim report for the first quarter

24 July 2018, Interim report for the second quarter

26 October, Interim report for the third quarter

The 2018 Annual General Meeting of Intrum will be held on Friday, April 27, 2018 at 3.00 p.m. CET at the company's offices at Hesselmans torg 14, Nacka, Sweden.

The interim report and other financial information are available at Intrum Justitia's website: www.intrum.com

Denna delårsrapport finns även på svenska.

Stockholm, January 31, 2018

Mikael Ericson

President and CEO

The interim report has not been reviewed by the company's auditors.

About the Intrum Group

Intrum is the industry-leading provider of Credit Management Services with a presence in 24 markets in Europe. Intrum helps companies prosper by offering solutions designed to improve cash flows and long-term profitability and by caring for their customers. To ensure that individuals and companies get the support they need to become free from debt is one important part of the company's mission. Intrum has more than 8,000 dedicated and empathetic professionals who serve around 80,000 companies across Europe. In 2017, the company generated pro forma revenues of SEK 12.2 billion. Intrum is headquartered in Stockholm, Sweden and the Intrum share is listed on the Nasdaq Stockholm exchange. For further information, please visit www.intrum.com

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	Oct-Dec 2017	Oct-Dec 2016	Full Year 2017	Full Year 2016
Revenues	3,101	1,658	9,434	5,869
Cost of sales	-1,734	-866	-5,049	-3,069
Gross earnings	1,367	792	4,385	2,800
Sales, marketing and administrative expenses	-573	-247	-1,667	-871
Participation in associated companies and joint ventures	13	-3	10	-8
Operating earnings (EBIT)	807	542	2,728	1,921
Net financial items	-336	-47	-973	-165
Earnings before tax	471	495	1,755	1,756
Tax	-123	-76	-389	-329
Net income from continuing operations	348	419	1,366	1,427
Profit from discontinued operations, net of tax	95	10	137	41
Net earnings for the period	443	429	1,503	1,468
Of which attributable to:				
Parent company's shareholders	443	427	1,501	1,458
Non-controlling interest	0	2	2	10
Net earnings for the period	443	429	1,503	1,468
Earnings per share before and after dilution				
Profit from continuing operations	2.65	5.76	13.28	20.01
Profit from discontinued operations	0.72	0.14	1.33	0.14
Total earnings per share before and after dilution	3.37	5.90	14.62	20.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Oct-Dec 2017	Oct-Dec 2016	Full Year 2017	Full Year 2016
Net income for the period	443	429	1,503	1,468
Other comprehensive income, items that will be reclassified to profit and				
Currency translation difference	113	50	226	71
Other comprehensive income, items that will not be reclassified to profit and				
Remeasurement of pension liability	-16	0	-16	27
Comprehensive income for the period	540	479	1,713	1,566
Of which attributable to:				
Parent company's shareholders	540	420	1,712	1,554
Non-controlling interest	0	5	1	12
Comprehensive income for the period	540	425	1,713	1,566

CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2017	31 Dec 2016
ASSETS		
Intangible fixed assets		
Goodwill	29,565	3,120
Capitalized expenditure for IT development and other intangibles	422	240
Client relationships	2,703	63
Total intangible fixed assets	32,690	3,423
Tangible fixed assets	245	104
Other fixed assets		
Shares in joint ventures	0	12
Other shares and participations	3	1
Portfolio investments	21,149	8,733
Deferred tax assets	692	25
Other long-term receivables	36	6
Total other fixed assets	21,880	8,777
Total fixed assets	54,815	12,304
Current Assets		
Accounts receivable	755	305
Inventory of real estate for sale	93	0
Client funds	902	588
Tax assets	347	87
Other receivables	931	557
Prepaid expenses and accrued income	737	167
Cash and cash equivalents	881	396
Total current assets	4,646	2,100
Non-current assets of disposal group held for sale	8,314	0
TOTAL ASSETS	67,775	14,404
SHAREHOLDERS' EQUITY AND LIABILITIES		
Attributable to parent company's shareholders	22,436	4,043
Attributable to non-controlling interest	3	87
Total shareholders' equity	22,439	4,130
Long-term liabilities		
Liabilities to credit institutions	2,703	1,520
Medium term note	33,052	3,706
Other long-term liabilities	374	16
Provisions for pensions	175	157
Other long-term provisions	9	0
Deferred tax liabilities	1,206	638
Total long-term liabilities	37,519	6,037
Current liabilities		
Liabilities to credit institutions	0	56
Medium term note	0	1,077
Commercial paper	2,269	1,124
Client funds payable	902	588
Accounts payable	572	140
Income tax liabilities	364	136
Advances from clients	64	46
Other current liabilities	541	325
Accrued expenses and prepaid income	1,794	718
Other short-term provisions	143	27
Total current liabilities	6,649	4,237
Non-current liabilities of disposal group held for sale	1,168	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	67,775	14,404

FAIR VALUE OF FINANCIAL INSTRUMENTS

Most of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, cash and equivalents, liabilities to credit institutions, bonds, commercial papers, accounts payable and other liabilities) are carried in the accounts at amortized cost. For these financial instruments, the carrying amount is assessed to be a good estimate of fair value. The Group also has financial assets and liabilities in the form of currency forward exchange contracts, which are carried in the accounts at fair value in the income statement. They amount to small sums.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	2017			2016		
	Attributable to Parent Company's shareholders	Non-controlling interest	Total	Attributable to Parent Company's shareholders	Non-controlling interest	Total
Opening Balance, January 1	4,043	87	4,130	3,086	80	3,166
Dividend	-651		-651	-597	-5	-602
New issue of shares	17,332		17,332			0
Acquired non-controlling interest		-85	-85			0
Comprehensive income for the year	1,712	1	1,713	1,554	12	1,566
Closing Balance, December 31	22,436	3	22,439	4,043	87	4,130

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Oct-Dec 2017	Oct-Dec 2016	Oct-Dec 2016	Full Year 2017	Full Year 2016
Cash flows from continuing operations					
Operating activities					
Operating earnings (EBIT)	807	542	542	2,728	1,921
Depreciation/amortization and impairment write-down	191	50	50	436	170
Amortization/revaluation of purchased debt	942	441	441	2,787	1,578
Other adjustment for items not included in cash flow	-7	25	25	-23	31
Interest received	-1	5	5	17	11
Interest paid and other financial expenses	-231	-51	-51	-719	-137
Income tax paid	-170	-59	-59	-453	-246
Cash flow from operating activities before changes in working capital	1,531	953	953	4,773	3,328
Changes in factoring receivables	-23	-1	-1	-62	-46
Other changes in working capital	-212	141	141	-176	22
Cash flow from operating activities	1,296	1,093	1,093	4,535	3,304
Investing activities					
Purchases of tangible and intangible fixed assets	-57	-39	-39	-172	-142
Portfolio investments in receivables and inventory of real estate	-2,858	-1,169	-1,169	-7,175	-3,357
Purchases of shares in subsidiaries and associated companies	-1,335	-194	-194	-1,506	-283
Liquid assets in acquired subsidiaries	63	30	30	1,038	31
Proceeds from divestment of subsidiaries and associated companies	236	0	0	236	0
Other cash flow from investing activities	34	0	0	32	6
Cash flow from investing activities	-3,917	-1,372	-1,372	-7,547	-3,745
Financing activities					
Borrowings and repayment of loans	2,802	331	331	4,452	1,158
Share dividend to parent company's shareholders	0	0	0	-651	-597
Dividend to non-controlling shareholders	0	0	0	0	-5
Cash flow from financing activities	2,802	331	331	3,801	556
Cash flows from continuing operations	225	52	52	789	115
Cash flows from discontinued operations	185	0	0	77	-1
Total change in liquid assets	410	52	52	866	114
Opening balance of liquid assets	864	339	339	396	265
Exchange rate differences in liquid assets	-21	5	5	-9	17
Closing balance of liquid assets	1,253	396	396	1,253	396
Thereof liquid assets in discontinued operations	372	6	6	372	6
Discontinued operations					
Cash flow from operating activities	260		18	459	70
Cash flow from investing activities	-371		-3	-607	-18
Cash flow from financing activities	296		-15	225	-53
Group total					
Cash flow from operating activities	1,600		1,111	4,994	3,374
Cash flow from investing activities	-4,288		-1,375	-8,154	-3,763
Cash flow from financing activities	3,098		316	4,026	503

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 4 2017	Quarter 3 2017	Quarter 2 2017	Quarter 1 2016	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016	Quarter 1 2015
Revenues, SEK M	3,101	2,986	1,796	1,551	1,657	1,433	1,421	1,357
Revenue growth, %	4	66	26	14	23	7	0	3
Cash EBITDA, SEK M	1,943	2,005	995	1,011	1,034	934	880	822
EBITDA, SEK M	1,000	1,139	518	509	592	546	498	456
EBIT, SEK M	807	977	476	468	543	506	457	416
Non-recurring items (NRI's) in EBIT, SEK M	-157	-60	-163	-17	5	15	-10	0
Non-recurring items (NRI's) in net financial items, SEK M	0	0	-316	0	0	0	0	0
Revaluations of portfolio investments, SEK M	-44	1	41	-1	5	-29	17	5
Cash EBITDA excl NRI's, SEK M	2,100	2,065	1,158	1,028	1,029	919	890	822
EBITDA excl NRI's, SEK M	1,157	1,199	681	526	587	531	508	456
EBIT excl NRI's, SEK M	964	1,037	639	485	538	491	467	416
Net earnings, SEK M	443	615	98	347	429	375	354	310
Earnings per share, SEK	3.37	4.68	1.32	4.77	5.90	5.14	4.85	4.26
EPS growth, %	-43	-9	-73	12	57	14	11	30
Average number of shares, '000	131,541	74,299	74,299	72,348	72,348	72,348	72,348	72,348
Number of shares outstanding at end of	131,541	131,541	131,541	72,348	72,348	72,348	72,348	72,348
Net Debt, SEK M	37,322	34,290	34,254	8,738	7,260	7,053	6,937	6,465
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M								
Credit Management	610	596	307	257	332	259	264	228
Financial Services	743	752	538	412	393	406	379	357
Common costs	-390	-311	-206	-184	-188	-174	-176	-169
Estimated remaining collections (ERC), SEK M	44,603	40,179	40,006	21,409	17,645	16,012	15,191	14,816
Return on portfolio investments, %	15	15	20	17	22	21	20	20
Portfolio investments, SEK M	2,784	1,177	835	2,374	1,162	643	545	733
Average number of employees	7,806	8,349	4,369	4,172	3,993	3,864	3,832	3,750

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017 Oct-Dec	2016 Oct-Dec	2015 Oct-Dec	2014 Oct-Dec	2013 Oct-Dec
Revenues, SEK M	3,101	1,657	1,349	1,313	1,176
Revenue growth, %	87	23	3	12	13
Cash EBITDA, SEK M	1,943	1,034	835	750	707
EBITDA, SEK M	1,000	592	421	398	370
EBIT, SEK M	807	543	380	347	331
Non-recurring items (NRI's) in EBIT, SEK M	-157	5	0	-35	0
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0
Revaluations of portfolio investments, SEK M	-44	5	-29	6	7
Cash EBITDA excl NRI's, SEK M	2,100	1,029	835	785	707
EBITDA excl NRI's, SEK M	1,157	587	421	433	370
EBIT excl NRI's, SEK M	964	538	380	382	331
Net earnings, SEK M	443	429	274	294	236
Earnings per share, SEK	3.37	5.90	3.76	3.85	3.00
EPS growth, %	-43	57	-2	28	37
Average number of shares, '000	131,541	72,348	72,561	74,797	78,547
Number of shares outstanding at end of	131,541	72,348	72,348	73,848	78,547
Net Debt, SEK M	37,322	7,260	6,026	5,635	4,328
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	610	332	262	250	202
Financial Services	743	393	330	311	270
Common costs	-390	-188	-212	-179	-141
Estimated remaining collections (ERC), SEK M	44,603	17,645	15,073	13,682	12,454
Return on portfolio investments, %	15	22	20	18	21
Portfolio investments, SEK M	2,784	1,162	1,096	472	304
Average number of employees	7,806	3,993	3,732	3,701	3,492

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year	2013 Full Year
Revenues, SEK M	9,434	5,869	5,419	4,958	4,355
Revenue growth, %	61	8	9	14	13
Cash EBITDA, SEK M	5,953	3,668	3,193	2,916	2,623
EBITDA, SEK M	3,165	2,090	1,736	1,546	1,318
EBIT, SEK M	2,728	1,921	1,577	1,382	1,168
Non-recurring items (NRI's) in EBIT, SEK M	-397	10	-54	36	0
Non-recurring items (NRI's) in net financial items, SEK M	-316	0	0	0	-13
Revaluations of portfolio investments, SEK M	-3	45	32	33	5
Cash EBITDA excl NRI's, SEK M	6,350	3,658	3,247	2,880	2,623
EBITDA excl NRI's, SEK M	3,562	2,080	1,790	1,510	1,318
EBIT excl NRI's, SEK M	3,125	1,911	1,631	1,346	1,168
Net earnings, SEK M	1,503	1,468	1,172	1,041	819
Earnings per share, SEK	14.62	20.15	15.92	13.48	10.30
EPS growth, %	-27	27	18	31	41
Dividend/proposed dividend per share, SEK		9.00	8.25	7.00	5.75
Average number of shares, '000	102,674	72,348	73,097	76,462	79,306
Number of shares outstanding at end of	131,541	72,348	72,348	73,848	78,547
Net Debt, SEK M	37,322	7,260	6,026	5,635	4,328
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	1,770	1,098	998	868	761
Financial Services	2,445	1,521	1,332	1,190	958
Common costs	-1,091	-708	-699	-712	-551
Estimated remaining collections (ERC), SEK M	44,603	17,645	15,073	13,682	12,454
Return on portfolio investments, %	16	20	20	20	21
Portfolio investments, SEK M	7,170	3,084	2,271	1,909	2,503
Average number of employees	6,293	3,865	3,738	3,694	3,427

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	Oct-Dec 2017	Oct-Dec 2016	Change %	Full-year 2017	Full-year 2016	Change %
Service line earnings portfolio investments	757	452	67	2,433	1,568	55
Average carrying value of portfolio investments	20,025	8,266	142	14,877	7,753	92
Return on portfolio investments, %	15	22		16	20	
EBIT	807	542	49	2,728	1,921	42
Depreciation	193	50	286	437	169	159
Amortization and revaluations	943	446	111	2,788	1,579	77
Cash EBITDA	1,943	1,038	87	5,953	3,669	62
EBIT	807	542	49	2,728	1,921	42
Depreciation	193	50	286	437	169	159
EBITDA	1,000	592	69	3,165	2,090	51
Cash EBITDA	1,943	1,038	87	5,953	3,669	62
Non-recurring items, NRI's	157	5	3,040	397	10	3,870
Cash EBITDA excl NRI's	2,100	1,043	101	6,350	3,679	73
EBITDA	1,000	592	69	3,165	2,090	51
Non-recurring items, NRI's	157	5	3,040	397	10	3,870
EBITDA excl NRI's	1,157	597	94	3,562	2,100	70
EBIT	807	542	49	2,728	1,921	42
Non-recurring items, NRI's	157	5	3,040	397	10	3,870
EBIT excl NRI's	964	547	76	3,125	1,931	62
Liabilities to credit institutions	2,703	1,576	72	2,703	1,576	72
Medium term note	33,052	4,783	591	33,052	4,783	591
Provisions for pensions	175	157	11	175	157	11
Commercial paper	2,269	1,124	102	2,269	1,124	102
Other interest-bearing liabilities	4	16	-75	4	16	-75
Cash and cash equivalents	-881	-396	122	-881	-396	122
Net Debt	37,322	7,260	414	37,322	7,260	414

PRO FORMA FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT - PRO FORMA INCL LINDORFF

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Revenues	3,101	3,028	12,219	10,503
Cost of sales	-1,734	-1,547	-6,582	-5,765
Gross earnings	1,367	1,482	5,637	4,738
Sales, marketing and administrative expenses	-573	-522	-2,157	-1,676
Participation in associated companies and joint ventures	13	-2	10	-8
Operating earnings (EBIT)	807	958	3,489	3,055
Net financial items	-336	-516	-1,942	-1,509
Earnings before tax	471	442	1,547	1,546
Tax	-123	-115	-467	-616
Net income from continuing operations	348	327	1,080	930
Profit from discontinued operations, net of tax	95	94	238	363
Net earnings for the period	443	421	1,318	1,293
Of which attributable to:				
Parent company's shareholders	443	419	1,316	1,282
Non-controlling interest	0	2	2	10
Net earnings for the period	443	421	1,318	1,292

CONSOLIDATED BALANCE SHEET - PRO FORMA INCL LINDORFF

SEK M	31 Dec 2017	Pro forma 31 Dec 2016
ASSETS		
Intangible fixed assets		
Goodwill	29,565	30,692
Capitalized expenditure for IT development and other intangibles	422	1,502
Client relationships	2,703	2,651
Total intangible fixed assets	32,690	34,845
Tangible fixed assets	245	240
Other fixed assets		
Shares in joint ventures	0	14
Other shares and participations	3	2
Portfolio investments	21,149	19,995
Deferred tax assets	692	731
Other long-term receivables	36	162
Total other fixed assets	21,880	20,904
Total fixed assets	54,815	55,989
Current Assets		
Accounts receivable	755	663
Inventory of real estate for sale	93	0
Client funds	902	944
Tax assets	347	183
Other receivables	931	1,275
Prepaid expenses and accrued income	737	485
Cash and cash equivalents	881	966
Total current assets	4,646	4,516
Non-current assets of disposal group held for sale	8,314	0
TOTAL ASSETS	67,775	60,505
SHAREHOLDERS' EQUITY AND LIABILITIES		
Attributable to parent company's shareholders	22,436	22,373
Attributable to non-controlling interest	3	180
Total shareholders' equity	22,439	22,553
Long-term liabilities		
Liabilities to credit institutions	2,703	5,437
Medium term note	33,052	22,989
Other long-term liabilities	374	325
Provisions for pensions	175	182
Other long-term provisions	9	94
Deferred tax liabilities	1,206	1,238
Total long-term liabilities	37,519	30,265
Current liabilities		
Liabilities to credit institutions	0	1,048
Medium term note	0	1,414
Commercial paper	2,269	1,124
Client funds payable	902	944
Accounts payable	572	450
Income tax liabilities	364	269
Advances from clients	64	46
Other current liabilities	541	1,013
Accrued expenses and prepaid income	1,794	1,151
Other short-term provisions	143	228
Total current liabilities	6,649	7,687
Non-current liabilities of disposal group held for sale	1,168	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	67,775	60,505

PRO FORMA OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Northern Europe	942	949	-1	3,869	3,726	4
Central & Eastern Europe	801	840	-5	3,246	2,825	15
Western & Southern Europe	672	518	30	2,410	1,966	23
Spain	686	721	-5	2,694	1,986	36
Total revenues from external clients	3,101	3,028	2	12,219	10,503	16

REGIONS – REVALUATIONS OF PORTFOLIO INVESTMENTS

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Northern Europe	8	-11	42	10
Central & Eastern Europe	-43	2	13	46
Western & Southern Europe	-6	2	19	23
Spain	-3	6	-11	-22
Total revaluation	-44	-1	63	57

REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Northern Europe	934	960	-3	3,827	3,716	3
Central & Eastern Europe	844	838	1	3,233	2,779	16
Western & Southern Europe	678	516	31	2,391	1,943	23
Spain	689	715	-4	2,705	2,008	35
Total revenues excluding revaluations	3,145	3,029	4	12,156	10,446	16

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Northern Europe	287	349	-18	1,261	1,403	-10
Central & Eastern Europe	138	295	-53	971	1,022	-5
Western & Southern Europe	184	82	125	483	387	25
Spain	197	234	-15	773	243	218
Total EBIT	807	958	-16	3,489	3,055	14
Net financial items	-336	-516	-35	-1,942	-1,509	29
Earnings before tax	471	442	6	1,547	1,546	0

REGIONS – NON-RECURRING ITEMS (NRI'S)

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Northern Europe	-23	18	-183	-33
Central & Eastern Europe	-71	40	-159	36
Western & Southern Europe	-10	-54	-58	-57
Spain	-53	-46	-99	-117
Total NRI's	-157	-42	-499	-171

REGIONS – EBIT EXCLUDING REVALUATIONS AND NRI'S

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Northern Europe	302	342	-11	1,402	1,426	-2
Central & Eastern Europe	252	253	-0	1,117	940	19
Western & Southern Europe	200	134	50	522	421	24
Spain	253	274	-7	883	382	131
Total EBIT excluding revaluations and NRI's	1,008	1,001	1	3,925	3,169	24

REGIONS – EBIT MARGIN EXCLUDING REVALUATIONS AND NRI'S

%	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Northern Europe	32	36	37	38
Central & Eastern Europe	30	30	35	34
Western & Southern Europe	29	26	22	22
Spain	37	38	33	19
EBIT margin excl revaluations and NRI's for the Group	32	33	32	30

REGIONS – BOOK VALUE PD INVESTMENTS

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Full Year 2017	Pro forma Full Year 2016
Northern Europe	6,607	5,825	6,607	5,825
Central & Eastern Europe	6,915	6,153	6,915	6,153
Western & Southern Europe	5,004	2,403	5,004	2,403
Spain	2,623	1,955	2,623	1,955
Total book value (excl assets held for sale)	21,149	16,336	21,149	16,336

SERVICE LINES – REVENUES

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Credit Management	2,251	2,246	0	8,852	7,650	16
Financial Services	1,407	1,318	7	5,506	4,697	17
Elimination of inter-service line revenue	-557	-537	4	-2,138	-1,844	16
Total revenues	3,101	3,027	2	12,220	10,503	16

REVENUES BY TYPE

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
External Credit Management revenues	1,694	1,709	-1	6,714	5,806	16
Collections on portfolio investments	2,301	2,034	13	8,680	7,235	20
Amortization of portfolio investments	-900	-746	21	-3,358	-2,693	25
Revaluation of portfolio investments	-43	1	-4,400	63	57	11
Other revenues from Financial Services	49	29	69	121	98	23
Total revenues	3,101	3,027	2	12,220	10,503	16

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Credit Management	552	717	-23	2,394	1,930	24
Financial Services	752	705	7	2,957	2,561	15
Common costs	-498	-464	7	-1,863	-1,436	30
Total EBIT	807	958	-16	3,489	3,055	14

SERVICE LINES – NON-RECURRING ITEMS (NRI'S)

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Credit Management	-58	-2	-81	-108
Financial Services	9	66	11	78
Common costs	-108	-105	-430	-141
Total NRI's	-157	-41	-500	-171

SERVICE LINES – SERVICE LINE EARNINGS EXCLUDING NRI'S

SEK M	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full Year 2017	Pro forma Full Year 2016	Change %
Credit Management	610	719	-15	2,475	2,038	21
Financial Services	743	639	16	2,946	2,483	19
Common costs	-390	-359	9	-1,433	-1,295	11
Total EBIT excl NRI's	964	999	-4	3,989	3,226	24

SERVICE LINES – SERVICE LINE MARGINS EXCLUDING NRI'S

%	Oct-Dec 2017	Pro forma Oct-Dec 2016	Pro forma Full Year 2017	Pro forma Full Year 2016
Credit Management	27	32	28	27
Financial Services	53	48	54	53
EBIT margin excl NRI's	31	33	33	31

RECONCILIATION OF PRO FORMA KEY FIGURES

SEK M unless otherwise indicated	Oct-Dec 2017	Pro forma Oct-Dec 2016	Change %	Pro forma Full-year 2017	Pro forma Full-year 2016	Change %
Service line earnings portfolio investments	757	694	9	2,979	2,527	18
Average carrying value of portfolio investments	20,025	15,569	29	18,743	14,910	26
Return on portfolio investments, %	15	18		16	17	
EBIT	807	958	-16	3,489	3,055	14
Depreciation	193	181	7	742	911	-19
Amortization and revaluations	943	745	27	3,295	2,636	25
Cash EBITDA	1,943	1,884	3	7,526	6,602	14
EBIT	807	958	-16	3,489	3,055	14
Depreciation	193	181	7	742	911	-19
EBITDA	1,000	1,139	-12	4,231	3,966	7
Cash EBITDA	1,943	1,884	3	7,526	6,602	14
Non-recurring items, NRI's	157	42	274	499	171	192
Cash EBITDA excl NRI's	2,100	1,926	9	8,025	6,773	18
EBITDA	1,000	1,139	-12	4,231	3,966	7
Non-recurring items, NRI's	157	42	274	499	171	192
EBITDA excl NRI's	1,157	1,181	-2	4,730	4,137	14
EBIT	807	958	-16	3,489	3,055	14
Non-recurring items, NRI's	157	42	274	499	171	192
EBIT excl NRI's	964	1,000	-4	3,988	3,226	24
Liabilities to credit institutions	2,703	6,485	-58	2,703	6,485	-58
Medium term note	33,052	24,403	35	33,052	24,403	35
Provisions for pensions	175	182	-4	175	182	-4
Commercial paper	2,269	1,124	102	2,269	1,124	102
Other interest-bearing liabilities	4	16	-75	4	16	-75
Cash and cash equivalents	-881	-966	-9	-881	-966	-9
Net Debt	37,322	31,244	19	37,322	31,244	19

PARENT COMPANY

INTRUM JUSTITIA AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Full Year 2017	Full Year 2016
Revenues	159	105
Gross earnings	159	105
Sales and marketing expenses	-36	-20
Administrative expenses	-460	-151
Operating earnings (EBIT)	-337	-66
Income from subsidiaries	368	224
Exchange rate differences on monetary items classified as expanded investment	-166	-28
Net financial items	-444	-89
Earnings before tax	-579	41
Tax	199	0
Net earnings for the period	-380	41

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Full Year 2017	Full Year 2016
Net earnings for the period	-380	41
Other comprehensive income: Change of translation reserve (fair value reserve)	47	-210
Total comprehensive income	-333	-169

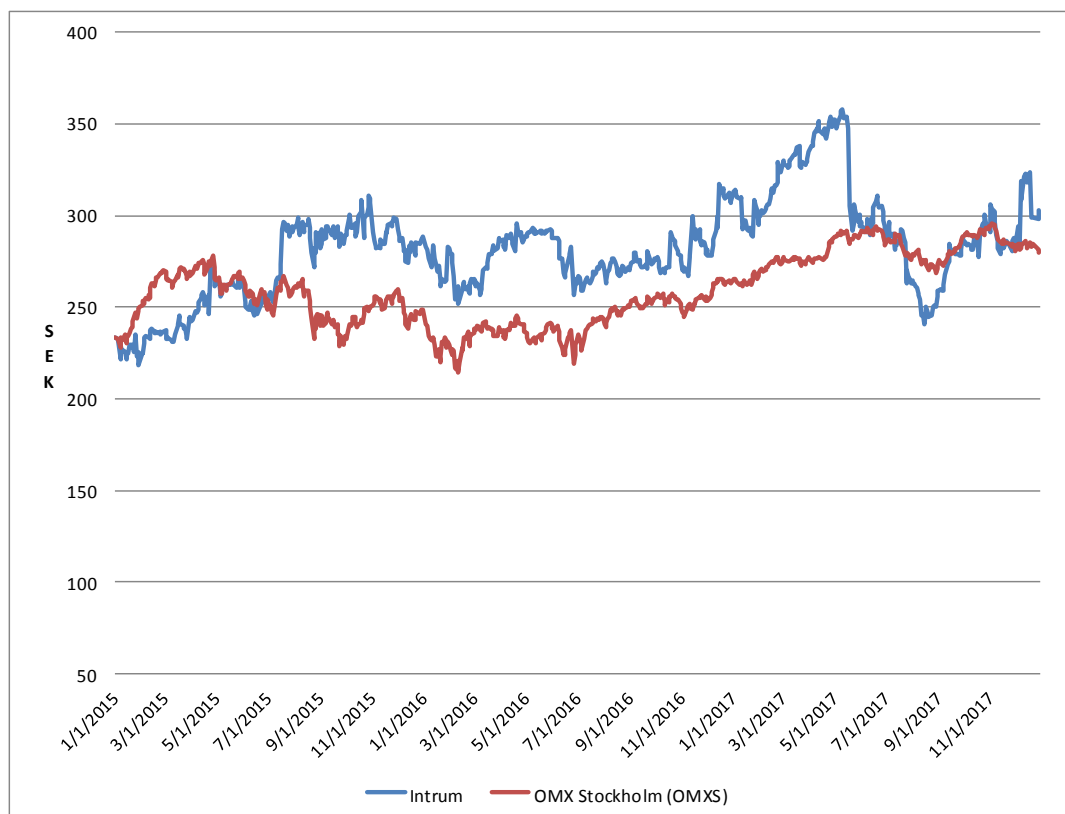
BALANCE SHEET – PARENT COMPANY

SEK M	31 Dec 2017	31 Dec 2016
ASSETS		
Fixed assets		
Intangible fixed assets	10	0
Financial fixed assets	53,541	8,333
Total fixed assets	53,551	8,333
Current assets		
Current receivables	7,365	4,629
Cash and cash equivalents	95	8
Total current assets	7,460	4,637
TOTAL ASSETS	61,011	12,970

SHAREHOLDERS' EQUITY AND LIABILITIES

Restricted equity	285	284
Unrestricted equity	17,310	963
Total shareholders' equity	17,595	1,247
Long-term liabilities	39,006	7,658
Current liabilities	4,410	4,065
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	61,011	12,970

SHARE PRICE TREND



OWNERSHIP STRUCTURE

31 December 2017	No of shares	Capital and Votes, %
Nordic Capital	57,728,956	43.9
SEB Funds	5,140,315	3.9
Handelsbanken Funds	4,282,000	3.3
Lannebo Funds	3,980,088	3.0
AMF Insurance & Funds	3,492,299	2.7
Swedbank Robur Funds	2,855,316	2.2
Jupiter Asset Management	2,639,418	2.0
Odin Funds	2,243,707	1.7
Vanguard	1,931,900	1.5
Janus Henderson Investors	1,810,000	1.4
BNP Paribas Investment Partners	1,639,110	1.2
AFA Insurance	1,638,731	1.2
NN Investment Partners	1,476,550	1.1
BlackRock	1,241,581	0.9
Baring Asset Management	1,074,845	0.8
Total, fifteen largest shareholders	93,174,816	70.8

Total number of shares: 131,541,320

Swedish ownership accounted for 26.8 percent (institutions 5.3 percentage points, mutual funds 16.9 percentage points, retail 4.6 percentage points) Source: Modular Finance Holdings and Intrum

Definitions

Result concepts, key figures and alternative indicators

Consolidated net revenues

Consolidated net revenues include external credit management income (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from portfolio investments (collected amounts less amortization and revaluations for the period) and other income from financial services (fees and net interest from financing services).

Operating earnings (EBIT)

Operating earnings consist of net revenues less operating expenses as shown in the income statement.

Operating margin

The operating margin consists of operating earnings expressed as a percentage of net revenues.

Portfolio investments – collected amounts, amortizations and revaluations

Portfolio investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognized at amortized cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Net revenues attributable to portfolio investments consist of collected amounts less amortization for the period and revaluations. The amortization represents the period's reduction in the portfolio's current value, which is attributable to collection taking place as planned. Revaluation is the period's increase or decrease in the current value of the portfolios attributable to the period's changes in forecasts of future collection.

Revenues, operating earnings and operating margin, excluding revaluations

The period's revaluations of portfolio investments are included in consolidated net revenues and operating earnings. Revaluations are performed in connection with changes in estimates of future collections, and are therefore inherently difficult to predict. They have low forecast values for future earnings trends, particularly for an individual geographical region. Consequently, Intrum Justitia also reports alternative key figures in which revenues, operating earnings and operating margin are calculated excluding purchased debt revaluations.

Organic growth

Organic growth refers to the average increase in net revenues in local currency, adjusted for revaluations of investment portfolios and the effects of acquisitions and divestments of Group companies. Organic growth is a measure of the development of the Group's existing operations that management has the ability to influence.

Service line earnings

Service line earnings relate to the operating earnings of each service line, Credit Management and Financial Services, excluding shared expenses for sales, marketing and administration.

Service line margin

The service line margin consists of service line earnings expressed as a percentage of net revenues.

Return on portfolio investments

Return on portfolio investments is the service line earnings for the period, excluding the Group's new services such as factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item portfolio investments. The ratio sets the service line's earnings in relation to the amount of capital tied up and is included in the Group's financial targets.

Net debt

Net debt is interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables.

EBITDA

Operating earnings before depreciation and amortization (EBITDA) are operating earnings after reversal of depreciation of non-current assets.

Cash EBITDA

Cash EBITDA is operating earnings after depreciation on fixed assets as well as amortization and revaluations of portfolio investments are added back.

RTM

The abbreviation RTM refers to figures on a rolling twelve-month basis.

Net debt/RTM operating earnings before depreciation and amortization (EBITDA)

This key figure refers to net debt divided by consolidated operating earnings before depreciation, amortization and impairment (EBITDA) on a rolling twelve-month basis. The key figure is included among the Group's financial targets, is an important measure for assessing the level of the Group's borrowings, and is a widely-accepted measure of financial capacity among lenders.

Currency-adjusted change

With regard to trends in revenues and operating earnings, excluding revaluations for each region, the percentage change is stated in comparison with the corresponding year-earlier period, both in terms of the change in the respective figures in SEK and in the form of a currency-adjusted change, in which the effect of changes in exchange rates has been excluded. The currency-adjusted change is a measure of the development of the Group's operations that management has the ability to influence.

Non-recurring items (NRIs)

Significant earnings items that are not included in the Group's normal recurring operations and that are not expected to return on a regular basis. Non-recurring items include restructuring costs, closure costs, reversal of restructuring or closure reservations, cost savings programs, integration costs, extraordinary projects, divestments, impairment of non-current fixed assets other than purchased debt, acquisition and divestment expenses, advisory costs for discontinued acquisition projects, costs for relocation to new office space, termination and recruitment costs

for members of Group Management and country managers, as well as external expenses for disputes and unusual agreements. Non-recurring items are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

Items affecting comparability

Significant income statement items included in the Group's regular recurring operations and which may recur in any form, but which distort the comparison between the periods.

EBIT, EBITDA and Cash EBITDA, excluding NRIs

In accordance with the above, the key figures EBIT, EBITDA and Cash EBITDA are also reported after recurring non-recurring items, NRIs.

Expected remaining collections, ERC

Estimated remaining collections are the nominal value of expected future collections on the Group's portfolio investments.

Pro forma financial reports including Lindorff

Pro forma financial reports are issued for the Group including Lindorff, as if Lindorff had been included in the Group for the entire period, as well as in the comparative figures. Pro forma earnings have been calculated by adding Intrum Justitia's and Lindorff's actual results for each period without making adjustments for the periods in which transaction costs would have been incurred if the acquisition had taken place at another time. Fair value adjustments made in the acquisition analysis on Intrum Justitia's acquisition of Lindorff are not recognized in earnings for any period, although they can be recognized as expenses in the acquired legal entity.

Portfolio investments

Investments for the period in portfolios of overdue receivables, secured or unsecured, and investments in inventory of real estate acquired in connection with investments in portfolios of receivables.

Region Northern Europe

Region Northern Europe comprises the Group's activities for external clients and debtors in Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

Region Central and Eastern Europe

Region Central and Eastern Europe comprises the Group's activities for external clients and debtors in Austria, the Czech Republic, Germany, Greece, Hungary, Poland, Romania, Slovakia and Switzerland.

Region Western and Southern Europe

Region Western & Southern Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom.

Region Spain

Region Spain comprises the Group's activities for external clients and debtors in Spain.