Annual and Sustainability Report 2021

Global offering
Local presence
Credit management with care

intrum

Europe 2021 – Late payments remain a problem for society

Europe has gradually been recovering in the aftermath of the pandemic in 2020, a year that will go down in history. Increasing vaccination rates and the easing of restrictions during spring and summer temporarily gave companies and consumers more freedom. However, rising infections and increasing inflation towards the end of the year cast a shadow over the economic recovery.

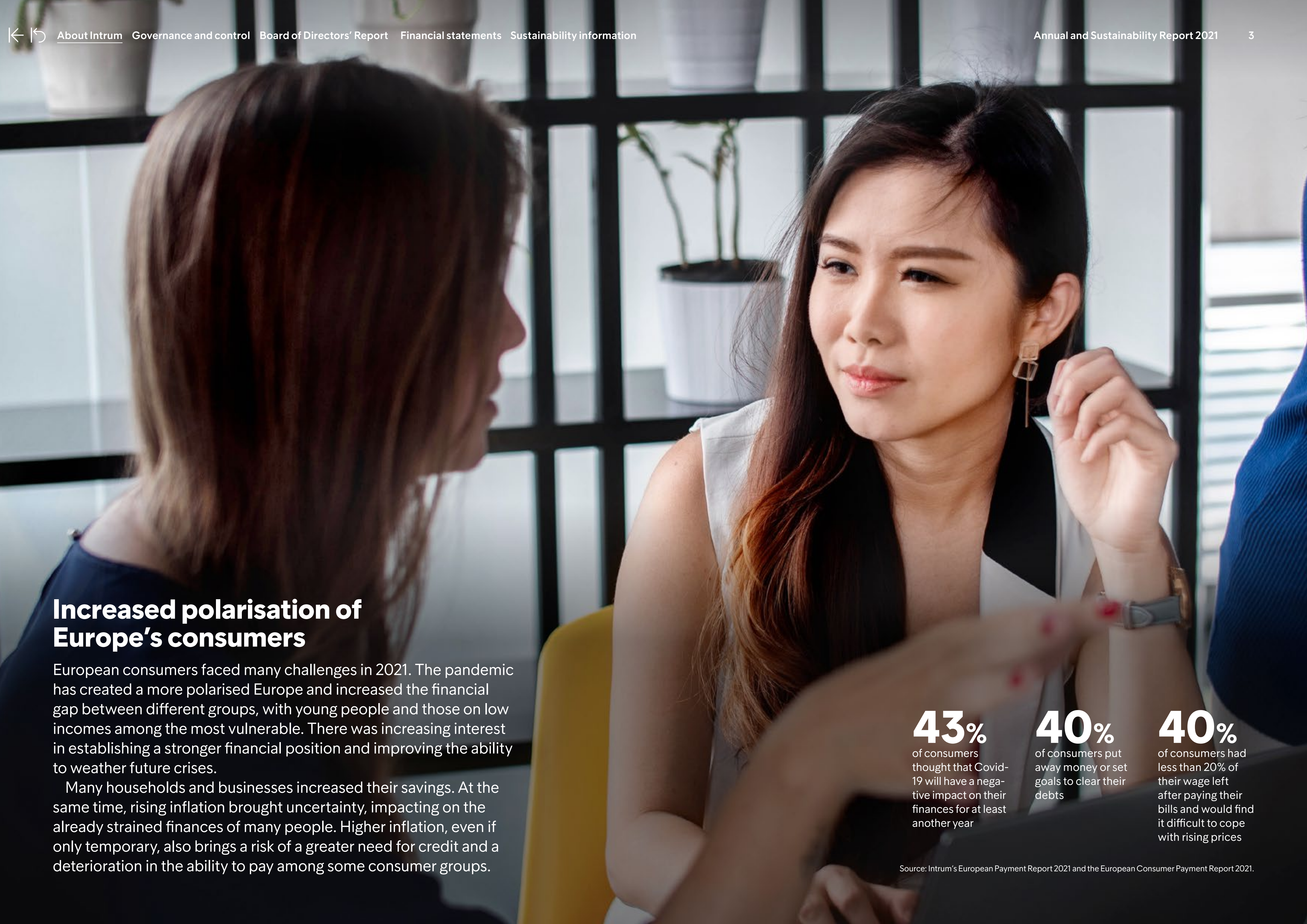
Support packages from European governments played a key role in ensuring the short-term survival of companies. Despite this, late payments are still high on the agenda. In light of the uncertain economic situation, many companies introduced stricter payment terms during the year in an attempt to strengthen cash flow and competitiveness.

15%
According to the OECD, government debt (as a percentage of GDP) in Europe increased by more than 15 percentage points during 2020

37%
of Europe's companies saw late payments as an obstacle to growth

48%
saw the liquidity problems of individuals in debt in the wake of Covid-19 as the most likely obstacle to payment

Source: Intrum's European Payment Report 2021 and the European Consumer Payment Report 2021.



Increased polarisation of Europe's consumers

European consumers faced many challenges in 2021. The pandemic has created a more polarised Europe and increased the financial gap between different groups, with young people and those on low incomes among the most vulnerable. There was increasing interest in establishing a stronger financial position and improving the ability to weather future crises.

Many households and businesses increased their savings. At the same time, rising inflation brought uncertainty, impacting on the already strained finances of many people. Higher inflation, even if only temporary, also brings a risk of a greater need for credit and a deterioration in the ability to pay among some consumer groups.

43% of consumers thought that Covid-19 will have a negative impact on their finances for at least another year

40% of consumers put away money or set goals to clear their debts

40% of consumers had less than 20% of their wage left after paying their bills and would find it difficult to cope with rising prices

Source: Intrum's European Payment Report 2021 and the European Consumer Payment Report 2021.

59% of companies were motivated to improve risk management relating to late payments

87% of the companies in our survey said that they were now prioritising cash flow and liquidity

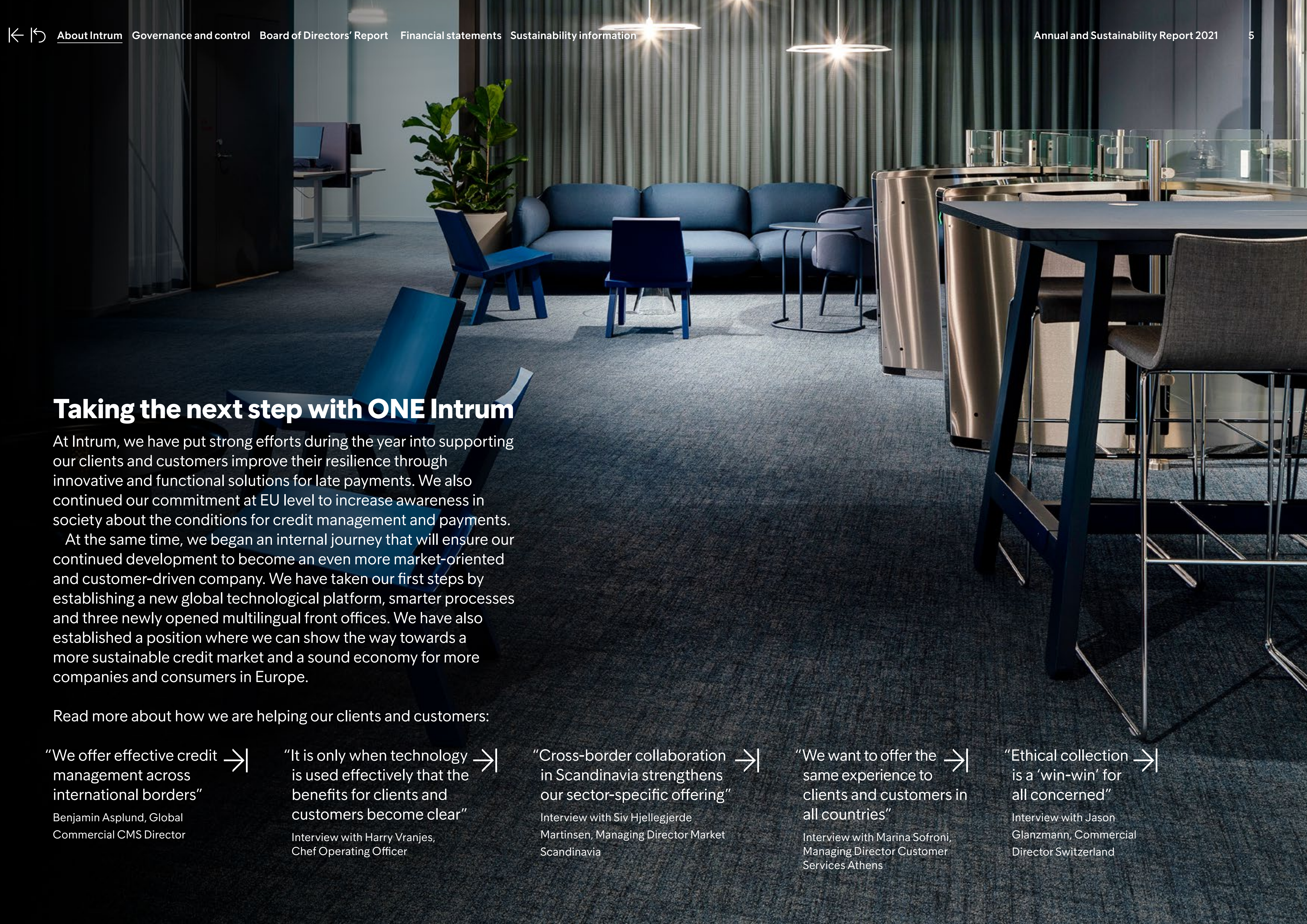
45% of European companies had more confidence in future growth in the spring than they had for many years

Pandemic drove development and improved preparedness

The pandemic has brought major consequences for individuals and companies alike. Although the year brought many companies in Europe to their knees and wiped out their profits, there were others who came through it well. One effect of the pandemic was that some businesses found new and creative solutions to help them survive.

For some sectors, the pandemic also drove growth. In retail, for example, many companies saw a strong increase in sales thanks to more online shopping. Digitisation, combined with robust credit management processes, helped many of these companies to strengthen their position. The way late payments are viewed changed gradually during the year. Risk management and preparedness improved at many companies.

Source: Intrum's European Payment Report 2021 and the European Consumer Payment Report 2021.



Taking the next step with ONE Intrum

At Intrum, we have put strong efforts during the year into supporting our clients and customers improve their resilience through innovative and functional solutions for late payments. We also continued our commitment at EU level to increase awareness in society about the conditions for credit management and payments.

At the same time, we began an internal journey that will ensure our continued development to become an even more market-oriented and customer-driven company. We have taken our first steps by establishing a new global technological platform, smarter processes and three newly opened multilingual front offices. We have also established a position where we can show the way towards a more sustainable credit market and a sound economy for more companies and consumers in Europe.

Read more about how we are helping our clients and customers:

"We offer effective credit management across international borders"

Benjamin Asplund, Global Commercial CMS Director

"It is only when technology is used effectively that the benefits for clients and customers become clear"

Interview with Harry Vranjes, Chef Operating Officer

"Cross-border collaboration in Scandinavia strengthens our sector-specific offering"

Interview with Siv Hjellegjerde Martinsen, Managing Director Market Scandinavia

"We want to offer the same experience to clients and customers in all countries"

Interview with Marina Sofroni, Managing Director Customer Services Athens

"Ethical collection is a 'win-win' for all concerned"

Interview with Jason Glanzmann, Commercial Director Switzerland

Contents

Reporting framework

This Annual and Sustainability Report includes financial data and disclosures regarding sustainability. The Sustainability Report has been prepared in accordance with the Annual Accounts Act (ÅRL) and is designed in accordance with GRI Standards Core.

The Sustainability Report also constitutes Intrum's Communication of Progress (COP) for the UN Global Compact and contains information on how Intrum contributes to the UN's Sustainable Development Goals and Agenda 2030. The Sustainability Report consists of pages 25–38 and 110–119. The Sustainability Report has been reviewed by Deloitte, whose limited assurance statement can be found on page 118.

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We help companies and individuals to find solutions for a sound economy.

Intrum in brief

Intrum's purpose is to lead the way to a sound economy. A credit market in which people and companies can efficiently provide and receive credit is a prerequisite for the business community to be able to function. The possibilities for a society and its economy to develop positively increases when companies are paid on time, as this enables them to invest, employ and grow – and when people are able to handle their payment commitments and improve their living conditions.

- **Leading player in Europe**
- **Operations in 25 countries**
- **10,000 employees**
- **250,000 daily customer contacts**
- **80,000 clients**

Our mission:
We help companies prosper by caring for their customers

Our values:
Ethics
Empathy
Dedication
Solutions

Our vision:
To be trusted and respected by everyone who provides and receives credit

2021 in figures

Total revenue, SEK M
17,789

Cash revenues, SEK M
22,215

Culture Index, 0–100
85

Operating earnings (EBIT), SEK M
6,475

Cash EBIT, SEK M
6,343

Client Satisfaction Index, 0–100
77

Earnings per share, SEK
25.88

Cash RoIC[1], %
8.9

Employee Engagement Index, 0–100
81

Co-workers at Intrum's office in Gothenburg, Sweden.

SEK M, unless otherwise indicated	2021	2020	2019
Cash revenues	22,215	21,377	20,160
Cash EBITDA	12,310	11,607	10,656
Cash EBIT	6,343	5,580	4,618
Cash RoIC, %	8.9	7.7	6.4
Net debt/Cash EBITDA	3.9	4.0	4.3
Total revenue	17,789	16,848	15,985
Operating earnings (EBIT)	6,475	4,695	2,060
Items affecting comparability	-538	-1,043	-4,148
Adjusted operating earnings	7,014	5,738	6,208
Earnings per share, SEK	25.88	15.18	-2.76
Credit Management Services			
Cash revenues	4,102	4,375	4,736
Cash EBIT	1,640	1,596	1,793
Segment cash RoIC, %	8.5	8.1	8.6
Strategic Markets			
Cash revenues	5,624	5,409	4,180
Cash EBIT	3,009	2,539	1,575
Segment cash RoIC, %	19.2	15.0	9.3
Portfolio Investments			
Cash revenues	12,490	11,593	11,406
Cash EBIT	3,561	3,190	2,817
Portfolio investments	7,004	5,012	7,324
Segment cash RoIC, %	9.8	9.0	8.4
Sustainable enterprise			
Culture Index (0–100)	85	82	80
Client Satisfaction Index (0–100)	77	75	73
Employee Engagement Index (0–100)	81	79	76
Proportion women/men on the Board of Directors, %	38/62	33/67	33/67
Proportion women/men in Group Management Team, %	20/80	27/73	18/82
Proportion women/men in the organisation as a whole, %	61/39	63/37	62/38
Total reported emissions, tCO_2e	5,510	6,866	7,277
The share			
Cash earnings per share	28.98	25.28	14.81
Dividend per share, SEK	13.5	12.0	11.0
Share price at year-end, SEK	233.4	216.8	279.4

1) Cash return on invested capital.

Events during the year

Despite the pandemic, Intrum's clients received an increasingly positive view of the future, while the business climate gradually improved.

Despite the pandemic; a gradual improvement of the business climate
Another year has been consigned to the history books where Covid-19 has been the biggest factor affecting people's lives and the entire economy. Intrum's employees continued remote working and the organisation adapted smoothly to the new hybrid model that was introduced in the second half of the year, which combined working at the office and from home. The macroeconomic environment benefited from the re-opening of society around Europe. Intrum's clients and customers were increasingly optimistic about the near future, buoyed by increased consumption and renewd belief in economic growth. At the same time, Intrum's business climate gradually improved during the year, which ended with a strong tail-wind.

ONE Intrum picks up pace
The high-priority ONE Intrum programme gained pace and, under the leadership of a dedicated programme organisation, passed several milestones along the way to becoming a truly global company, with standardised modern systems, processes and working methods to further strengthen value creation for our clients and customers. The goal is to increase the competitiveness of Intrum's offering and exploit the economies of scale from being the biggest in Europe. Case migration to the new global platform accelerated quarter on quarter and by the end of 2021, 20 per cent of the total number of cases were being managed in the new platform. Major progress was made in the expansion of new global front offices in Athens, Bucharest and Malaga and by the end of the year, these global centres were supporting 15 of Intrum's markets and handling 16 per cent of all calls with end customers.

Focus on transformation and organic growth
Following an intense first year as CEO, Anders Engdahl has put strong efforts on driving transformation and building a sustainable foundation for organic growth. The level of activity among our clients had increased by late 2021, in terms of both servicing and investment opportunities. The societal megatrends (→ read more on pages 16–20) further boost a positive development and provide good grounds for continued success and delivering on our goals presented at our capital markets day in November 2020.

Progress in sustainability work
Intrum's sustainability agenda received external recognition during the year in the form of strong ratings from Sustainalytics and Morgan Stanley Capital International (MSCI), among others. Intrum declared its support for the Task Force on Climate Related Financial Disclosures (TCFD) during the year and began reporting to the Carbon Disclosure Project (CDP). Taking responsibility for its carbon footprint, Intrum financed UN-certified projects creating positive climate value corresponding to the company's greenhouse gas emissions in 2021. Intrum also completed its first Human Rights Due Diligence in line with the UN Guiding Principles on Business and Human Rights.

Statement by the CEO

Focus on transformation and organic growth

Anders Engdahl, Intrum's President and CEO

My first full year as CEO of Intrum has been an interesting, challenging and highly stimulating one. The pandemic continued to cause uncertainty and meant we could not do things the way we used to. At Intrum, we took on this challenge together, with a commitment and determination that has left a lasting impression on me.

In 2021, we focused strongly on establishing a simpler, more digital and scalable business model through our ONE Intrum transformation programme.

In a time of uncertainty, we have implemented a large number of specific measures as part of our large-scale transformation that will ensure we are able to meet the future needs of our clients and customers. At the same time, we have taken care of day-to-day operations and continued to serve our clients and customers every day. Looking back, it is clear to me that we have done a good job, with a final spurt at the end of the year that managed to exceed expectations.

In a digitalised world, the demands on flexible processes, efficient working methods and niche expertise are high. At Intrum, we must be able to provide our clients with in-depth industry knowledge and relevant services as well as local knowledge and high quality, regardless of market. In 2021, we focused strongly on establishing a simpler, more digital and scalable business model through our ONE Intrum transformation programme. The aim is to further enhance our client offering while also taking advantage of our size and laying the foundation for continued long-term organic growth.

Economic recovery and focus on organic growth contributed to good results

During the first half year, we observed a gradually increased inflow of credit management services and as summer approached we saw the first signs of recovery. The macroeconomic situation was generally positive and various measures were implemented to open up European economies. Europeans started going on holiday again and the gradual normalisation continued throughout the autumn, in terms of both consumer and business behaviour.

Our financial trend was in line with expectations, we began to see a return to a more normal seasonal pattern and cash revenues increased by 4 per cent over the year as a whole. Our clients and customers had a more positive outlook on the near future and the demand for our services increased, thanks to both higher consumption and confidence in economic growth. Clients in the financial sector

Our main priorities, alongside serving our clients and customers in the best way possible, will be to continue to focus on the ONE Intrum transformation programme and to build up our organic growth.

also required more proactive management of their balance sheets. The trend of improved inflows of new cases is expected to continue in 2022 also in the light of increased inflation, weakened purchasing power and uncertain external factors.

The high level of commercial activity, combined with our work to improve the client offering, has produced results in the form of key new contracts across the board including sizeable servicing contracts in Spain, Italy and Greece and new partnerships with for example Svenska Handelsbanken in Sweden and Sainsbury's Bank in the UK. I am looking forward to these wins starting to positively impact revenues and profitability in the CMS segment. In general, we find that an increasing number of clients see the benefits of outsourcing the management of late payments and debt collection so that they can concentrate on their core business. This also proves that our increased focus on customer care, compliance and ethical collection practices is appreciated.

We saw a clear and broad-based recovery within Strategic Markets, which performed very strongly towards the end of 2021. The Portfolio Investments segment achieved record gross cash collections, exceeding expectations in 2021. This strong result was driven by all our markets and is testament to the strength of our operations, our ability to select and win transactions with a strong risk/return profile as well as our highly diversified portfolio composition.

Strengthened client proposition through ONE Intrum

With the ambition of fundamentally rebuilding Intrum to a technology and data driven, client oriented company which is simple, scalable, digital and organically growing, we are now pursuing our transformation program ONE Intrum. This is a comprehensive work which strengthens our competitiveness, our client offering and supports our growth ambitions and we are pleased that we so far have been able to deliver according to plan.

In order to meet our clients' customers in a more aligned and efficient way and as part of the transformation program, we are expanding our global front offices and during the year we opened new centres in Athens, Bucharest and Malaga. In December, our global front offices served 15 of Intrum's total of 25 markets and managed 16 per cent of all Intrum's calls with end customers. The team leaders continued to focus strongly on recruitments, introductions and training of new employees. This work is based on Intrum's values and our principles for ethical and sound collection practices, which are also key parts of our sustainability agenda and common corporate culture. In addition to our physical front offices, we can also connect virtually with local agents and use the latest technology to share and establish best practice throughout the organisation.

I am also very excited about the increased client value and potential that data, analytics and automation technology can further unlock when implemented across global processes and systems. We can see significant benefits from advanced analysis and an automation roadmap, which are already visible beyond the scope and timeframe of the transformation.

Contributing to more sustainable development

There are few things that are as important to us as contributing to a sound economy where companies can grow and individuals have healthy finances. We strive to be a role model in the industry and in 2021 we made great strides in our sustainability agenda. At the heart of our business is the "S" in ESG, in other words the social aspects. As part of our sustainability work, we have developed our "Treating Customers Fairly Instruction" which is based on 10 principles for ethical and sound collection and which we hope will be used as industry best practice. During autumn 2021, we completed our first human rights due diligence in line with the UN Guiding Principles on Business and Human Rights and we are now working on defining actions to address these risks, important work that will continue during 2022.

We have also moved climate change further up the agenda. We joined the Task Force on Climate Related Financial Disclosures (TCFD) during the year to help us report climate-related risks and opportunities in a transparent way and at the same time address those that are to be found within our operations. We have also started to report to the Carbon Disclosure Project (CDP), which evaluates companies' climate efforts and actions to mitigate the effects of climate change. Taking responsibility for our carbon footprint, we are also financing UN-certified projects creating positive climate value corresponding to our greenhouse gas emissions in 2021.

It is very pleasing to see that our efforts have received external recognition in the form of strong ratings from MSCI and Sustainalytics, with Intrum scoring AA and being named a leader by MSCI, while being placed among the top 5 per cent of the best companies in the world by Sustainalytics.

Intrum has been committed to the UN Global Compact since 2016. We therefore report annually how we apply the Global Compact's 10 sustainability principles, and we are constantly working to further integrate these principles into our business. We also continue to work with legislators and other bodies at European and national level to develop our industry in a sound and even more professional direction.

Russia's invasion of Ukraine and the ongoing war is a terrible humanitarian catastrophe and our thoughts go to the millions of people affected. Intrum has, as many other corporations and private individuals, contributed with financial support to UNHCR's work with supporting the many refugees who have been forced to leave their homes.

A team effort

There are plenty of signs that we are heading in the right direction. Both Intrum's client satisfaction index and employee engagement index increased for the third year in a row and are now at the highest levels we have ever seen. I am proud to be able to lead an organisation with such committed and competent team players, because it is this team that has enabled us to considerably improve all our key cash indicators, both year-on-year and in comparison with the pre-pandemic year of 2019.

I am looking forward to the coming year, even if the external factors currently are uncertain. At this point in time, we see insignificant direct effects on Intrum's business activities of the ongoing war in Ukraine, but we are of course following the developments closely.

Notwithstanding the Ukraine-crisis, we expect to see increased growth as the commercial successes of 2021 start to make a more significant contribution, together with greater leverage resulting from the ONE Intrum programme in the form of improved profitability. Intrum is very well positioned in order to continue leading the development in Europe within both credit management services and portfolio investments. Our main priorities, alongside serving our clients and customers in the best way possible, will be to continue to focus on the ONE Intrum transformation programme and to build up our organic growth.

Stockholm, March 2022

Anders Engdahl
President & CEO

Intrum's strengths

We are accelerating our transformation for continued competitiveness

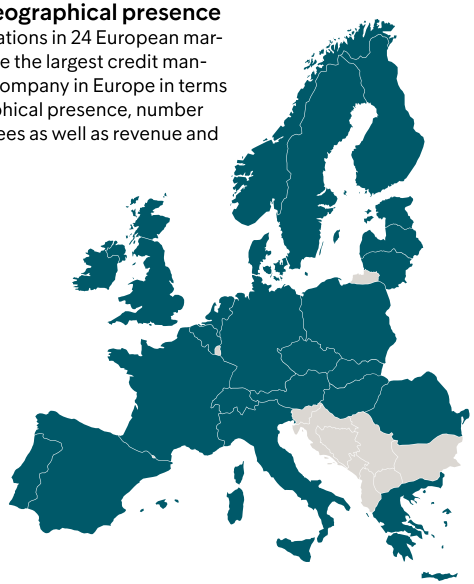
Our transformation to become ONE Intrum is progressing according to plan and our journey continues resolutely towards the milestones needed to create a solid foundation for continuing to deliver long-term sustainable and profitable organic growth.

A strong ground for progress

Market leader with integrated business model
Intrum is Europe's largest company in credit management and purchased debt. We are the largest in terms of revenues and earnings, as well as in terms of our geographical presence and number of employees. This facilitates competitive offers to our clients and, with our well-spread geographies, broad-ranged operations and exposure diversification between different asset classes, we provide a "one-stop shop" for our clients.

Broad geographical presence and strong market positions
We are established in 24 European markets (plus Brazil) and are the leading player, or among the "top-five", in all of these. Intrum covers 98 per cent of the European market for NPL portfolios, which increases our opportunities for portfolio investments. Our broad geographical presence also allows us to provide services to pan-European clients in several markets.

Broad geographical presence
With operations in 24 European markets, we are the largest credit management company in Europe in terms of geographical presence, number of employees as well as revenue and profit.



One-stop shop for our clients

Coverage	Value-added services		Product expertise			Services	
Pan-European	Information services	Invoicing and payment service	Credit Management Services	Property services	Portfolio Investments	Business process outsourcing (BPO)/ Carve-outs	Co-investments

The breadth of our operations and our integrated business model enables competitive offerings and covers our clients needs at different times.

Large and growing customer base
Today, Intrum is a priority partner with a large, growing and loyal client base that includes some of Europe's leading financial players, major listed companies and thousands of small and medium-sized companies operating in various industries and sectors. Our large scale increases our access to data and therefore our opportunities to optimise collection strategies and models of portfolio investment by means of intelligent data analytics.

Long and relevant experience
Our extensive experience and expertise in late payments and analysis of portfolios of overdue receivables gives us an advantage. This allows us to offer specialist competence as well as to take on assignments throughout the credit management chain. In this way, we are geared to meet our clients' different needs at different times.

Tried and tested capacity to deliver
Our size and diversification strengthen the resilience of our business model, which has proven particularly valuable during the global Covid-19 pandemic, when our cash flow has remained strong. Our strong underlying cash flow has contributed to a steadily increasing annual share dividend over the past 16 years.

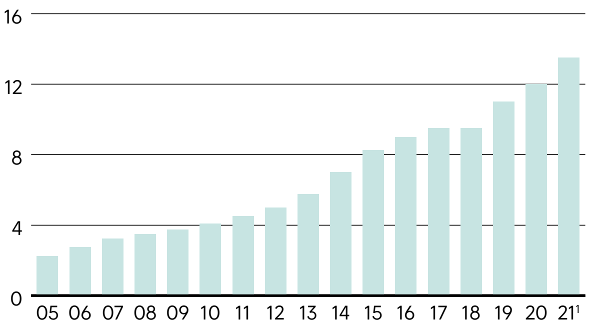
Strong sustainability position
Acting as a role model in sustainability gives us a competitive advantage. Our sustainability strategy and strategic sustainability goals are integral parts of our operations, which, alongside our financial targets, will help us continue delivering in accordance with our stakeholders' expectations. During the year, Intrum was awarded a very strong ESG rating in our industry category by Sustainalytics, confirming that we are on the right track, even though a great deal of work remains to be done.

Trends and driving forces strengthen our business
As a market-leading, long-term and professional partner, we have an important role to play in a well-functioning financial ecosystem, where companies are paid for their work and individuals settle their debts. Rapid technological development, digitisation and regulation are changing the playing field in the market. This creates considerable potential for us, provided that we adapt our operations to best meet the expectations of our stakeholders. Our purpose, to lead the way to a sound economy, constitutes a solid foundation from which to meet the demands of the external community on the credit management industry of tomorrow.

Strategic repositioning for the future
Our strengths make us well-equipped to take the next step. Our transformation into ONE Intrum is progressing according to plan and once completed, our global and scalable platform will enable us to improve our offering to clients and will contribute to long-term sustainable and profitable organic growth. The transformation programme is crucial if we are to remain the first choice for clients who trust us with managing overdue receivables with empathy and respect for each customer.

→ Read more about our transformation, our commercial successes this year and our objectives on pages 19–22.

Dividend per share, SEK



Intrum's strong underlying cash generation has underpinned a steadily increasing annual dividend over the past 15 years. Through the ONE Intrum transformation programme, we are now creating the conditions for continued profitable organic growth. 1) Proposed dividend.

"We have increased our focus on the new global analytics platform this year, which is an important part of our transformation. Data driven analytics is a priority and is vital for strengthening our position as European market leader in credit management services."

Anders Engdahl, President and CEO

"We offer effective credit management across international borders"

Benjamin Asplund, Global Commercial CMS Director

As Global Commercial CMS Director, Benjamin Asplund is responsible for our 80,000 clients. The ONE Intrum programme has opened up new opportunities with a broadened offer that appeals to multinationals.

Intrum is Europe's leading credit management company and has many different clients. What is it that multinationals are looking for?
"With operations spread across international borders, these companies are looking for a partner that can handle all their countries and regions in a single smart and cost-effective solution. This means having the capacity to handle the companies' central processes and the ability to optimise integration with internal systems and manage the companies' credit policy, reporting and monitoring. It also involves the practical work to recover outstanding payments from people in different countries, taking their situation into account, and of course, ensuring compliance with local laws and regulations."

Having an understanding of the individual company and sector-specific conditions is surely important too?
"Definitely. It is absolutely vital that we understand the company's situation and goals and also that we are familiar with the sector they operate in. Laws and regulations vary greatly between different sectors and we must have full control here. Take for example how and when communication should take place with individual mortgage or credit card customers. It has to be done the right way. We have this experience and we can help companies in different sectors and develop tailored solutions that facilitate the dialogue with customers."

Intrum can look back on over a hundred years of history. How will you manage this legacy in the current transformation process?
"Our history means that we have built up a huge knowledge bank about cultural conventions and what actually works in different countries. For example, what is considered to be an acceptable payment timeframe varies by country. This practical experience is at least as important as having specific knowledge of laws and regulations. Our broad geographical coverage means we can work with the companies' strategies for different countries."

What do clients and customers think of Intrum as a credit management company?
"In our most recent survey, our clients gave us a score of 8 out of 10 for how we meet their needs. The result of the survey also show that one of our strengths is our treatment of indebted individuals – a very important area for our clients. Here we have just started to implement a harmonised solution to measure the experience of our services with individuals. It will be a common model for all countries and means a huge strength once it is in place."

With everything that is happening now at Intrum, what is the first thing you tell new customers?
"That we have the capacity to offer a credit management solution in the 24 European countries in which Intrum operates. There are few, if any, who has the same geographical coverage. We have the knowledge, the tools and the processes and we can offer the integration of an international credit management solution. It is just much easier to work with a large partner such as Intrum. It makes things easier and more cost-effective."

Intrum is established in Poland, a market with 40 million inhabitants, where GDP per capita has grown over the past 30 years. At Intrum's office in Warsaw, we are more than 400 employees working to support our clients and customers.

Trends, driving forces and stakeholders

Trends in society provide a positive foundation for continued success

Consumer and corporate credit play a key role in a properly functioning society. Professional, long-term credit management, where customers are treated with consideration and respect, helps to keep the wheels of the economy turning.

37%

of European consumers say that their financial position is worse than it was before the pandemic.

Source: Intrum's European Consumer Payment Report 2021.

The global Covid-19 pandemic continued to have a major impact in 2021, although vaccination programmes enabled countries to ease their restrictions. The pandemic hit some sectors, such as hospitality and tourism, particularly hard. For the growing European e-commerce sector, however, the pandemic was a major boost. Many people changed their consumption habits, but expectations for the future development of e-commerce after the pandemic varies by country.

Some sections of the labour market have been negatively affected, with individuals in the industries concerned seeing a deterioration in their financial circumstances. European governments have provided various kinds of coronavirus-related support to mitigate the impact on the economy and the labour market but as the economy now recovers and consumption increases, the supply of overdue receivables is expected to increase. Overall, the need for long-term players who handle collection cases ethically and professionally is increasing in the wake of the pandemic.

Regulation increases supply of debt portfolios and drives outsourcing

79%

of European companies expect to see a negative impact on their monthly profit margin before the pandemic is over.

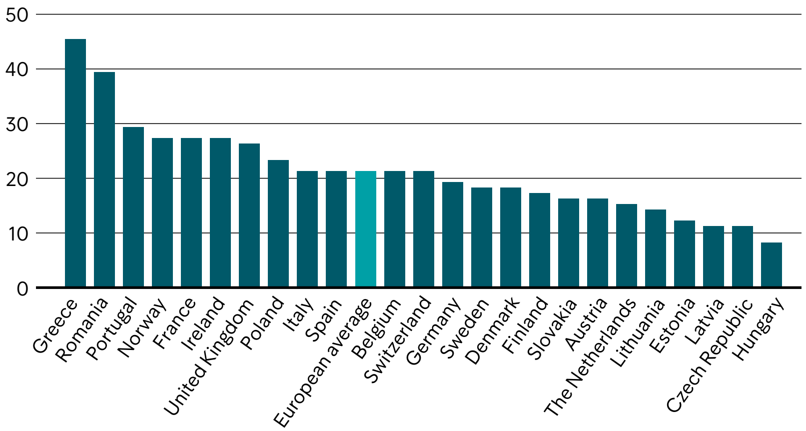
Source: Intrum's European Payment Report 2021.

Regulations continue to affect banks, which need to sell off their debt portfolios to a greater extent to reduce the risk in their balance sheets, which in turn increases the supply of debt portfolios in the market. At the same time, the vendors increasingly need to find a strong, long-term partner that treats customers with consideration and respect and so strengthens the client's brand.

Impact on Intrum and our response: As a market-leading credit management company, we have a unique capacity to meet increasing demand and new requirements from the banks. We are also one of the players invited to participate in discussions as the European Commission develops legislative proposals and regulations to build a well-functioning marketplace for overdue loans. An example of this is the upcoming EU Directive on the handling and purchase of credit (Non-Performing Loans Directive).

Risks/opportunities: As a market-leading player, we perceive highly promising opportunities to be involved in the current development of the market and steer it in a positive direction.

Consumers state that they are more likely to miss a debt payment, %



On average, 21% of consumers in Europe state that they are more likely to miss a debt payment now than at any other point they can remember. Hence late payments will probably remain a challenge for B2C companies operating in Europe. Source: Intrum's European Consumer Payment Report 2021.

Focus on the customer journey

Our clients view credit management as a strategic part of the customer journey. For this reason, they find it ever more important to have a long-term, professional partner who can help them retain their customers. The trend is for our clients to seek our support at an increasingly earlier stage, to help handle late payments.

Impact on Intrum and our response: We are tailoring our IT systems and processes to provide smooth transitions for customers when we assume management of their credit from our clients. We began systematically measuring customer satisfaction during the year, in order to find out how customers feel about the way we treat them (see page 27).

Risks/opportunities: Intrum's systems vary between countries, implying a risk that multinational companies engaging us in several geographical markets will experience greater coordination needs. For this reason, we are working to streamline our processes into a shared platform and to globalise sections of our case management. At the same time, we are endeavouring to tailor specific solutions for certain industries, e-commerce companies and small and medium-sized companies. We see great opportunities in being able to interact with customers through an efficient, global system, combined with our deep understanding and knowledge of the local conditions, as laws and regulations differ between countries, for example.

Some sections of the labour market have been negatively affected by the pandemic, with individuals in hospitality and other hard-hit industries seeing a deterioration in their financial circumstances.

Sustainable credit management

For someone in a vulnerable financial position, the way they are treated by a credit management company can make a big difference. When a debt portfolio changes owner, or when a client hires a credit management company as their representative, there is a risk that the client's reputation will be impacted unless each customer's unique situation is handled ethically and with respect throughout the process until the person has gained control of their financial situation. Accordingly, it is increasingly important for our clients to find a long-term partner who cares about their customers, to strengthen both their brand and customer loyalty.

Impact on Intrum and our response: We have worked for a long time as a pioneer in sustainable credit management and are very familiar with the various situations that may result in late or non-payment. We are guided by our values and strive to understand each individual situation as we help our customers find solutions to lift themselves out of debt. During the year, the implementation of our detailed guidelines, "Treating Customers Fairly Instruction" continued, which are applied throughout our operations so that all customers are treated in the same manner in all countries. We hope that these guidelines will provide the basis for a future industry standard, so that all customers are treated fairly, whether or not there is robust consumer legislation in place.

Risks/opportunities: Our task is to identify solutions that generate mutual value for clients and customers, solutions that help customers free themselves from debt while our clients receive payment for their goods and services. We reduce the risk of conflicts of interest by always striving to behave as a role model by being responsive to both clients and customers. We find that treating customers with respect results in a win-win situation and we are continuing to develop and set the industry standard within ethical collection. External assessments strengthen our position. During the year, Intrum was awarded a strong sustainability risk rating by Sustainalytics, confirming that we are on the right track.

40%

of European consumers say that they did not have the means to pay their bill(s), while 33% say that they simply forgot to pay.

Source: Intrum's European Consumer Payment Report 2021.

New technologies and new sector players

Rapid technological development is affecting the credit management segment and the financial sector as a whole. Artificial intelligence, robotics, machine learning and advanced analytical models enable an improved customer experience and more efficient processes. New innovations that challenge the traditional approaches go hand in hand with the emergence of new market players, primarily those in the capital market.

Impact on Intrum and our response: Technological development and new players present us with challenges, a positive force that aids our own development and requires us to make use of new technological opportunities.

Risks/opportunities: Our size brings economies of scale when financing investment in new technology. Our large scale also increases our access to data that can be used for data-driven data analytics. Our size and extensive experience also allow us to share experiences internally to improve and streamline our operations. We see new market players as bringing opportunities for us to offer our expertise and conduct shared portfolio investments. To acquire larger portfolios at attractive risk levels, Intrum has, among other measures, partnered with Greek operator Piraeus Bank to share the capital investment and return.

The digital, cashless society

Consumers and businesses alike are increasingly demanding user-friendly, smart, digital solutions. Continuous product development is required to meet the credit management needs of different clients and customers.

Like so much else in society, credit management is becoming increasingly digital and there is a general trend for companies to seek out the most innovative digital services. The consumption and payment habits of customers are also influenced by the ongoing digitisation trend. Payments are increasingly cashless and on credit. The growth of European e-commerce, which has been breaking all records as a result of the pandemic, is changing the payment habits of consumers, although behaviour varies between countries. Overall, this may bring an increased risk of more customers failing to fulfil their payment obligations. As a consequence, the credit market is flourishing, both for serious players, as well as those who are less serious.

83%

of European companies said that better management of late payments was an important strategic focus in 2021.

Source: Intrum's European Consumer Payment Report 2021.

Impact on Intrum and our response: Digitisation demands that we and others maintain leading-edge positions in developing digital systems and services, such as through digital portals that can be integrated into our client's own systems. We are careful about the types of overdue receivables that we purchase and manage. We refrain from purchasing debt portfolios from companies with operations that deliberately or inadvertently help generate or exacerbate consumers' debt problems, for example through unreasonable interest rates.

Risks/opportunities: We see opportunities in participating in the digital developments that are driving the sector forward. There is otherwise a risk that we will lose significance in relation to competitors or new players in the sector. With the number of purchases made on credit increasing, the risk of late payment also increases. We help to keep the economy going by assisting companies to secure payment from customers who for various reasons have not paid and we do our part to lift people out of debt by helping them in a responsible manner to meet their payment commitments.

More and more payments are cashless and on credit. The growing e-commerce is breaking previous records at the same time as the credit market is flourishing.

Consolidation of the sector

Increased regulation and digitisation are driving consolidation in the sector, as a certain size is required to be able to make the necessary investments and to achieve economies of scale and cost efficiency. As a result, the credit management sector, whose operators have traditionally been rooted locally, is becoming less fragmented.

Impact on Intrum and our response: We are the market leader in Europe, driving development through acquisitions, with several made in recent years. The transformation programme that we are pursuing will increase our efficiency, contribute to economies of scale and increase our ability to meet the needs of international clients in a harmonised manner across multiple markets.

Risks/opportunities: As a market leader, we are able to meet clients' needs, locally as well as across international borders, with both tailored solutions and standardised concepts. We are continuing to develop our digital platforms, including intensifying our focus on data driven analytics during the year, to ensure that we can continue to offer attractive and cost-effective digital solutions.

In Athens, home to one of our three global front offices, our employees are managing cases using the new platform.

Strategy and targets

Transformation for long-term sustainable and profitable organic growth

As our markets gradually return to normal, we are focusing on our two main strategic priorities – our transformation programme, ONE Intrum, and establishing a foundation for sustainable organic growth.

The credit management sector is developing rapidly and Covid-19 pandemic has accelerated its digital development. To remain relevant to our clients and to continue leading the industry, in 2020 we launched a transformation programme, ONE Intrum, which aims to position us as a truly global company and to cultivate the considerable opportunities in both credit management and portfolio investments that we see in the market. A well-functioning credit management market is a key element of a properly functioning economy and we want to adapt our operating model to enhance our long-term competitiveness and strengthen the value for our clients and customers. In doing so, we are establishing the foundation for continued long-term, sustainable and profitable organic growth.

A global system is of great benefit to us, but we still also tailor our offering locally, as national laws and regulations vary.

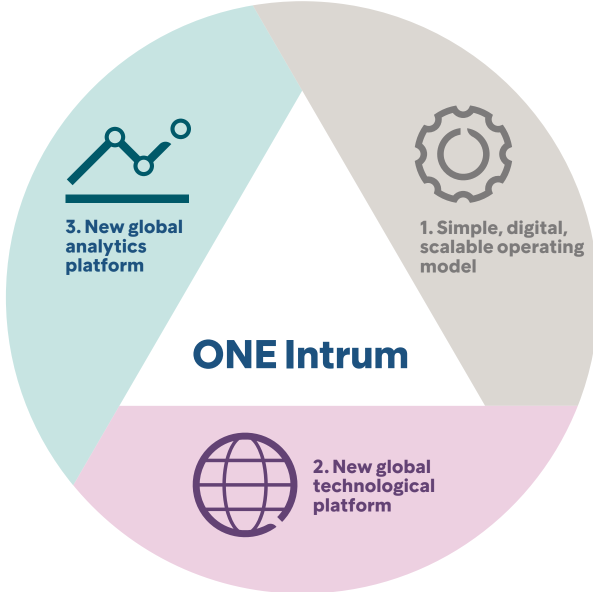
ONE Intrum – as Global as possible, as Local as needed

Up to now, we have operated as a multi-local company, which meant that we were not able to fully exploit the streamlining opportunities that our size and geographical presence provide. A key enabler for transitioning from multi-local to global is the technological environment of a shared platform, where we can realise synergies and also make our offering more relevant.

Our new operating model will be characterised by a global system and infrastructure with elements of local expertise, enabling us to build fully on our scalability, while at the same time retaining the strength provided by experts with extensive knowledge of local practices and regulations. The planned efficiency enhancements are expected to reduce costs and, above all, lead to an improved client offering and competitive prices. This also generates significant leverage as our markets now gradually recover following the Covid-19 pandemic. We will also continue to tailor our offerings locally, as national laws and regulations vary, but with a shared technological platform and common processes we can meet the changing needs of our clients. A key element of this is optimising solutions for different industries, given our diversified client base.

→ Read more on pages 25–27.

We believe that the transformation we are undergoing now will enable us to achieve organic growth with attractive returns in the future. At the same time, our strong market position and ongoing transformation are redefining the entire sector, not least through robust principles for ethical collection services and the opportunities that advanced data analytics bring.



1 Simple, digital, scalable operating model that enables a better and more relevant offering adapted to the current and future needs of our clients, their customers and society at large. A scalable model also allows us to create growth opportunities at low marginal costs in all business segments and thereby take advantage of the significant opportunities we see in credit management and portfolio investments.

2 New global technological platform that is simple and scalable in all of our countries. Increased digitisation will ensure that we can take full advantage of our size and expertise, while enabling a more relevant offering in line with demand from our clients and customers.

3 New global analytics platform that ensures data driven analytics and increased productivity.

Strategic initiatives

Activities during the year

Simple, digital, scalable operating model

- A global and digital end-to-end process in which we can more effectively allocate resources throughout the life cycle of a collection case and offer a smoother process for clients, customers and employees
- Analysis-based segmentation of customer cases for increased efficiency
- A combination of local and global back offices and service centres
- Global support functions that ensure consistency

Activities during the year:

- The expansion of our three global front offices in Athens, Bucharest and Malaga is well ahead of schedule and at year-end we covered a total of 15 countries. Our total of 220 agents contact around 12,000 customers every day. In addition to these physical front offices, we also successfully tested a concept whereby locally based agents were linked virtually with our global front offices, enabling them to benefit from best practice and the latest technology. Read more on page 33.
- Development and implementation of the detailed guidelines "Treating Customers Fairly Instruction" throughout our operations. Read more on page 35.
- Activities to build and strengthen our common corporate culture. Read more on page 29.
- A common system and harmonised working methods within Intrum's economy and finance function.

New global technological platform

- A single shared global system
- Fully digital management, through which we are able to use uniform data from standardised processes, regardless of country
- Increased self-service via digital portals and mobile solutions

Activities during the year:

- Case migration to the new global platform: At year-end, a total of approximately 8 million cases had been migrated, equivalent to 20 per cent of all Intrum cases. The pace of case migration was accelerated during the year.

New global analytics platform

- A global master data model
- A high-performance data hub processing Intrum's considerable access to data will enable faster and more in-depth result analysis
- Machine learning is implemented in all collection processes

Activities during the year:

- Recruitment of a Chief Data & Analytics Officer.
- Establishment of a Centre of Excellence in Malaga, with recruitment already begun of people experienced in advanced data analytics. The aim is to gather together a critical mass of specialists to enable us to make effective use of artificial intelligence and machine learning in our core operations.
- Definition of a new organisational structure for data governance to ensure compliance with policies as well as standardised, high-quality data sources.
- Newly formed "Analytics transformation" unit with responsibility for ensuring optimum use of advanced analytics solutions.
- Milestones in the implementation of a global master data model with automatic checkpoints.
- Successful pilot project in automated speech analysis in the UK. Pilot project also initiated in Germany.
- Review and evaluation launched of the future cloud-based infrastructure, which, among other things, will ensure that we are automatically able to test advanced models on a large scale.

Commercial successes

Case volumes, from both new and existing clients, will drive growth in revenue and profitability over time. There was a high level of commercial activity during the year, with the transformation enabling continued growth. A selection of the year's commercial successes:

- Partnership with Svenska Handelsbanken in Sweden, which complements our servicing coverage of the six largest Nordic banks.
- Sizeable servicing contract in the Strategic Markets segment in the context of a co-investment with DEVA Capital. The contract increases the assets managed in our Italian service operations.
- Agreement with a major niche bank to become their main service provider in Sweden and a similar agreement to become the main service provider of a niche bank in Norway.
- Significant servicing agreements in Spain and Italy, including a ground-breaking contract to manage a portfolio of more than EUR 1 billion of unsecured receivables
- Extensive agreement with Piraeus Bank in Greece.

Long-term value creation for our stakeholders and for us

Part of ONE Intrum is to realise efficiency gains, increasing our return on invested capital. The direct and indirect expenses associated with the programme are expected to total some SEK 1 billion, plus termination expenses of around SEK 0.6 billion. We estimate that ONE Intrum will generate annual net savings of SEK 1 billion, with full effect from 2023. The annual net savings consist primarily of reductions in expenses associated with the local operations, as these will be transferred gradually to shared service centres and previous platforms will be phased out.

The transformation programme enables us to fully realise our potential and position ourselves optimally to take advantage of the growth opportunities provided by social and market trends. Trends such as digitisation have also become stronger as a result of the global Covid-19 pandemic. By strengthening our long-term competitiveness, we will be able to continue delivering substantial value to our investors and other stakeholders.

Financial targets

In connection with the launch of our ONE Intrum transformation programme in 2020 we also updated our financial targets, which demonstrate our belief that key performance indicators which capture our underlying cash generation best reflect the value that Intrum generates:

Return
Cash RoIC

>10%

Return on Invested Capital (RoIC) shall amount to at least 10 per cent in the medium term. We expect Cash RoIC to improve over time as the positive effects of investments and the transformation programme materialise.

Growth
Average Cash EPS growth

>10% p.a.

Increased returns in growth and leverage in the business will drive recurring growth of consolidated Cash EPS and, for this reason, Intrum will target growing its Cash EPS by at least 10 per cent annually on average in the medium term.

Leverage
Net debt/Cash EBITDA

2.5–3.5

Improved returns will enable a deleveraging within the target range by the end of 2022 at the latest, as well as continued selective investments in growth.

Shareholder remuneration
Absolute annual increase

↗

Intrum's Board of Directors intends to propose an annual dividend per share to shareholders corresponding to an absolute annual increase that is in line with recurring cash earnings over time.

Strategic sustainability targets

Sustainability is integrated throughout our operations. Our sustainability strategy shall generate value for both clients and customers, as well as for society in general. We focus on three areas: enabling sustainable payments, being a trusted and respected actor, and growing by making a difference. Our strategic sustainability targets in these areas are as follows:

Culture Index

>80

The Culture Index is an internal measure reflecting the degree to which we live in line with our values. A strong, value-driven organisation and a high Culture Index, consistently amounting to at least 80 out of 100, generates mutual value for our customers, clients, employees and for our entire operations.

Client Satisfaction Index

>75

The index is measured in our annual client survey and is a gauge of how satisfied they are with our service. A Satisfaction Index exceeding 75 out of 100 strengthens the conditions for our business, so that we can continue to develop and meet expectations.

Climate footprint

-20%

The climate issue is one of the greatest challenges of our time. We measure our climate footprint within scopes 1, 2 and 3 of the Greenhouse Gas Protocol and by 2030 we aim to reduce our total emissions by at least 20% compared with 2019.

Employee Engagement Index

>80

Thriving and committed employees are an asset in terms of our ability to deliver on our targets. The Engagement Index is measured in our annual employee survey and should be above 80 out of 100. The index measures how employees experience energy and motivation, as well as clarity and targets in their day-to-day work.

Balanced gender distribution

40/60

We view diversity and inclusion as competitive advantages and a key factor in driving development. As an initial step, we are striving for a more balanced representation between women and men in senior positions and in our organisation as a whole.

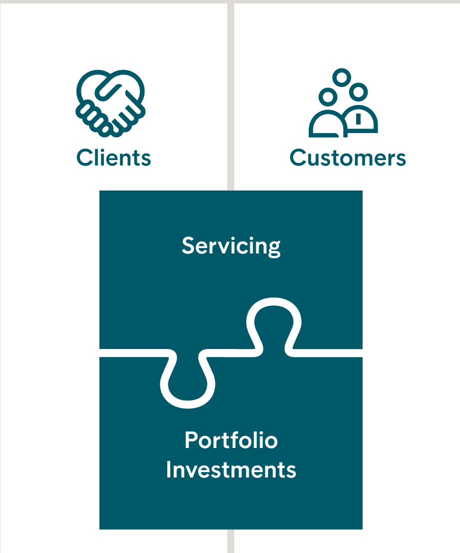
Generating sustainable value for our stakeholders

Value creation model

In 2021, we further enhanced our value creation and made significant progress in terms of our sustainability priorities and strategic objectives. Intrum's client satisfaction index and employee engagement index both increased for the third year in a row, reaching their highest levels to date.

Business model

Our services offering of credit management is based on 100 years of experience and spans a broad portfolio of solutions supporting the entire process.



Input: Financial capital
- Working capital
- Share capital
- Loans and bonds

Activities over the past year

The year 2021 was an eventful one. Together with our stakeholders, we took new steps forward on our journey as a credit management company.

Customers
Over the year, we had 250,000 daily customer contacts, offering our support in finding a sustainable instalment plan, regardless of the reason for the debt or the late payment.

Clients
Around 80,000 companies made use of our sector-adapted credit management solutions. Over the year, we commenced a transformation that means we will become an even more market-driven company.

Employees
Together with our roughly 10,000 employees, we switched over to a more digital day-to-day life to deal with the pandemic. Our new transformation programme is a new chapter in the journey we seek to offer our employees, an opportunity to grow by making a difference.

Society
To contribute to the development of a sustainable credit market, we were on site in Brussels and in direct dialogue with the EU on future legal requirements and regulations that will impact the industry.

Shareholders
Our new transformation programme strengthens our opportunities to create long-term sustainable and profitable organic growth and to generate increased value for our owners.

How we can generate value for our stakeholders

Our most material sustainability aspects play a major role in how we generate value in the long term.

- Ethical collection
- Sound economy for our clients
- Attracting and retaining talents, including employee well-being
- Reduced environmental footprint
- Diversity and inclusion
- Data security
- Anti-corruption
- Responsible selection of clients and portfolios
- Sound transactions

Outcome in 2021

The year 2021 brought both challenges and a message of strength. For more information about the past year, and about the figures below, please see pages 19–36.

Culture Index
2020 **82** 2021 **85**

Client Satisfaction Index
2020 **75** 2021 **77**

Employee Engagement Index
2020 **79** 2021 **81**

Total reported thousand tonnes CO_2e emissions
2020 **6.9** 2021 **5.5**

Dividend per share, SEK
2020 **12.0** 2021 **13.5**

Long-term value creation

Our ambition is also to contribute positively to societal challenges. Our sustainability work focuses on managing both risks and opportunities, focusing on all parts of the value chain. Based on our new sustainability strategy, we have identified three goals within the UN's Agenda 2030 where we see that we are best able to contribute as a credit management company. Read more about our contribution to the goals on pages 24–38.

5 GENDER EQUALITY — Targets: 5.5

8 DECENT WORK AND ECONOMIC GROWTH — 8.3, 8.8, 8.10

13 CLIMATE ACTION — 13.2

Goal 5 Gender equality (Intrum goal no. 5)

Goal 8 Decent Work and Economic Growth (Intrum goal no. 1, 2 and 4)

Goal 13 Climate Action (Intrum goal no. 3)

"It is only when technology is used effectively that the benefits for clients and customers become clear"

Harry Vranjes,
Chief Operating Officer,
Intrum

For Harry Vranjes, Intrum's Chief Operating Officer, the task of developing a new global technological platform is the first step on the journey towards ONE Intrum. It is only when technology is used effectively, however, that the benefits for clients and customers become clear.

What are the actual benefits of a single shared global system?
"A global technological platform may sound like a rather dull piece of the puzzle, but it is vital in order to standardise and harmonise our processes to make us more efficient and enhance our competitiveness. Technology enables us to take up leading-edge positions in developing digital systems and services, such as digital portals that can be integrated into our client's own systems or mobile self-service solutions for customers."

How big is this system project?
"Intrum currently has 55 different collection systems, which in turn are connected to other systems. The total number of systems used within our 24 European markets runs into the thousands. So this is a huge and challenging project, but it is vital for us if we are to continue to develop and offer the user-friendly digital interfaces that both clients and customers expect. We are creating a simple, scalable platform that can be used in all countries."

How will clients and customers see the difference?
"The aim of the transformation is to provide a simpler, user-friendly, digital customer journey, where people can avoid waiting in a telephone queue. Clients and customers who want fast, digital case management will hopefully notice a difference. At the same time, we are enhancing our global offering to our clients, who can now enjoy a uniform interface and standard look and feel across several markets. The system also provides opportunities for effective digital communication channels, which benefits employees by making it easier to exchange best practice between countries."

What progress has been made this year?
"By the end of 2021, 20 per cent of cases had been migrated to the new platform and we are continuing to make a gradual transition to a single global digital end-to-end collection process based on a common global infrastructure. The opening during the year of three multilingual front offices in Athens, Bucharest and Malaga, where almost 150 employees are now managing cases using the new platform on a daily basis, also represents significant progress."

Portal solutions create the conditions for both new payment methods and more channels for customers.

Our clients and customers

Scalable credit management to meet every need

ONE Intrum is about interacting with our clients and customers in an even smarter way. With global processes and scalable solutions that take advantage of the overall strength of the company, as well as industry expertise and in-depth knowledge of local conditions.

What many of our clients have in common is a need for large-scale credit management solutions that cover a broad customer base. They include banks, telecom and energy companies, as well as transport firms and e-commerce companies, to name but a few. Many clients lack in-house capacity to handle overdue receivables. As one of Europe's leading credit management companies, we operate in the space between these companies and their customers who for various reasons have been unable to pay on time.

Our service offering covers the entire value chain, from the first invoice reminder to debt collection services and our acquired debt portfolios. By helping our clients obtain payment for the goods and services they have sold, we create the conditions for stable cash flow and strong liquidity. We help to lay the foundation for profitability and long-term growth. At the same time, we work to find sustainable instalment plans for our clients' customers. Overall, our position is one that requires innovative solutions and meets the needs of both parties.

Enhanced value creation through increased digitisation

ONE Intrum and our ongoing transformation process strengthen our position with existing clients and at the same time open the door to new business on a global market. Our scalable, module-based IT platform supports the entire credit management cycle and provides full digital management with increased automation, enabling us to use uniform data from standardised processes, whatever the country. This enables our clients to benefit from flexible international integration in internal systems with portal solutions that create the conditions for both new payment methods and more channels for customers.

The portal solutions for customers are developed to create a clear and simple overview of their entire debt situation and make it possible to find a flexible solution that suits their needs. They are available on various digital platforms, creating the conditions for quick and easy case management while facilitating contact with our agents.

Increased digitisation also gives us access to more data, which in turn can provide greater insights and a better basis for the decision-making of our clients in the management of credit risks. In practice, this provides opportunities, for example, to adapt and optimise the customer journey according to need, in order to strengthen liquidity. As we develop into an even more data-driven company, so artificial intelligence, data analysis and business intelligence become parts of everyday life for both us and our clients.

Clients with changing needs

Our 80,000 clients work in various sectors, which have different needs. While banks and telecom companies, for example, want integrated credit management solutions for the entire value chain, our pan-European clients are looking for tailored global solutions. E-commerce companies, on the other hand, want plug and play solutions for rapid growth in new markets. Over a third of European companies say that late payments are still having a major impact and restricting future growth (European Payment Report). With ONE Intrum, we are taking the next step to meet the needs of all these companies.

Enabling sustainable payments

Sustainability targets 2020–2023	Outcome in 2021	Agenda 2030	The next step
• Maintain a high level in the culture index at above 80 out of 100 (80 out of 100 in 2019). • Increase the average client satisfaction index to above 75 out of 100 (73 out of 100 in 2019)	• Culture index rose from 82 to 85 out of 100. • A supplier has been procured to implement a Group-wide survey among our customers in 2021. • Client satisfaction index rose from 75 to 77 out of 100.	• Goal 8 – Decent work and economic growth • Target 8.10 Universal access to banking, insurance and financial services • Target 8.3 Promote policies to support job creation and growing enterprises	• Implement Group-wide customer survey and increase the frequency of the client survey to become even more responsive and develop our business in alignment with the expectations of our clients and customers.

Industry expertise and local knowledge based on years of experience

Our industry experts continued to develop our global portfolio of sector-specific credit management solutions during the year. Our new business model represents the next major step in enhancing the knowledge we need in our business, for example about laws and regulations, which vary between countries and industries. We know that our clients greatly value our knowledge about their sectors so we have established a number of sector teams during the year, containing experts in the fields of banking and finance, telecommunications and energy, for example.

Over our more than hundred-year history, we have also built up a deep understanding and experience of local conditions and cultural practice in various countries and regions, which is an equally important aspect of our partnership with our clients and is incorporated in the tailored solutions we develop.

We choose clients with care

As a credit management company with a strategic focus on sustainability, it is natural that we only work with companies that share our values of good business ethics. In practice, this means that we do not, for example, cooperate with companies that apply unethical lending terms, use aggressive sales methods, or charge fees or interest that do not comply with local laws or good business ethics. When acquiring debt portfolios, we review the risks and make certain that interest rates and the credit processes, for example, generally live up to our standards and requirements for ethical credit management. This process may also include us examining the entire debt portfolio to perform a detailed screening of the client's customers.

Satisfaction index shows we are doing things right

Each year, we conduct an independent survey of our clients to help us understand their perception of us as a partner and supplier of qualified credit management services. This is fundamentally about understanding how we can create added value and further develop our offering and working methods. The most recent survey was carried out in autumn 2021, with almost 2,700 respondents from 24 countries.

The results show that our Client Satisfaction Index rose from 75 to 77. Our clients appreciate our fair treatment of customers and our knowledge and expertise as a credit management company, among other things. At the same time, the survey shows that there are some areas we can develop, in relation to the reporting and follow-up of cases for example. We could also be even more proactive. Our goal is for the client satisfaction index to be consistently at 75 or above by 2023. In order to achieve this, and to fulfil all wishes and expectations, we need to analyse the results of this survey and maintain a close dialogue with our clients in our day-to-day work.

Meeting the needs of each individual

Listening to our clients is vital but we believe it is equally important to determine the level of customer satisfaction and the experience of our services among those individuals we deal with who are in debt. In 2021, we began working on a harmonised method for the systematic measurement of customer satisfaction in our markets. We will continue to implement this solution in all our markets in 2022.

Since 2017, we have also measured how well our employees feel we live up to our values – Empathy, Ethics, Dedication, Solutions – in our day-to-day work. In 2021, our Value Index reached 85/100, compared with 82 in the preceding year. This is the highest measured level so far and shows that our culture has grown even stronger during the year. Read more about our values on page 32.

85
Culture Index

Following the merger to form Intrum, new values were developed in 2017. Since 2018, we have surveyed how well our employees feel we live up to our four values – Empathy, Ethics, Dedication and Solutions – in our day-to-day work. During the year, we achieved a score of 85/100 in our culture index (80), which is the highest level to date.

Importance of sustainable solutions for our customers

Every day, we are in contact with around 250,000 people who need help handling a late payment. We know that individuals can find themselves in different degrees of debt and with varying financial circumstances. It is not uncommon for the people we talk with to be going through considerable social trials following life-changing events.

The ability to pay also varies geographically. In our annual survey of the views on payments of European consumers, 45 per cent of consumers in southern Europe said that they did not have enough money to pay on time. 24 per cent said that they had lost income because of Covid-19, which is the highest proportion in Europe. For us, it is important that we offer support in finding a sustainable payment solution, regardless of the cause of the debt or late payment.

Based on our shared values, we always aim to treat each customer with empathy and respect for their individual situation. Ethical collection services is one of our key sustainability areas.

A sustainable credit market is an important cog in a well-functioning financial ecosystem

Our service offering covers the entire value chain, from the first invoice reminder to debt collection services and our acquired debt portfolios.

	Credit Origination		Receivables management		Debt collection	
Offering	Credit information	Scoring	Invoicing	Pre-collection	Collection	Portfolio Investments

	Clients	Customers
Value proposition	• "One-stop shop" throughout the value chain • Professionalism and quality across products and geographies • Cost-efficient solutions	• Fair and respectful treatment • Enhanced customer experience – strong customer service • Digital and automated customer journey

Our values
Ethics – Empathy – Dedication – Solutions

"Cross-border collaboration strengthens our sector-specific offering"

Siv Hjellegjerde Martinsen, Managing Director Market Scandinavia at Intrum, knows that Intrum's focus on regional markets can strengthen partnerships with clients and further develop both personal and digital customer interaction so that each customer's unique situation is handled responsively.

Siv Hjellegjerde Martinsen, Managing Director Market Scandinavia

Intrum is currently merging together various national markets, with one example being Market Scandinavia. Why are you doing this?
"We operate in 24 European markets. Some of these countries share a number of common denominators, such as similarities in language, culture and industry practice. There are still national differences, of course, particularly in terms of laws and regulations, but we can see a competitive advantage from working more client-oriented across international borders."

What benefits does this bring to our clients?
"Our basic principle is that all the changes we make should make things better for our clients and customers. Greater collaboration across international borders helps us to fine tune our internal processes and also develop the services we offer. Together with our work on a new global technological platform, this creates the conditions for our clients to deal with ONE Intrum instead of many, which is particularly appealing to the growing proportion of players with international operations. Cross-border collaboration in Scandinavia also strengthens our sector-specific offering."

What is the impact on customers in those countries that are being merged into markets?
"We know that many people who are in debt feel that they need to talk to somebody. This is where it is important to speak the local language to give people a sense of security when they talk to us. For those people who would rather take care of as much as possible themselves, we are continuing to develop simple, user-friendly solutions. It should be easy for them to see an overview of their debt and they should not have to tap too many buttons in order to pay the debt, on a mobile phone for example. We are very proud that our Norwegian business has been awarded best customer service of the year in our industry category."[1]

Market Scandinavia has now been in existence since 1 August. What do the staff think?
"I see tremendous drive among our employees; there is strong commitment and even pride in the job that they do for the customers. Of course, the novelty factor may well play a part in this positive response and we are therefore making it a priority for the organisation's employees to have the opportunity to get to know one another, so that we can benefit from openness in future discussions about working methods and processes."

What are the key factors of success for employees?
"My clearest impression is that everyone, whether they have direct customer contact or are behind the scenes in IT, truly has the customer in focus and does their very best to ensure that each individual is treated with empathy and respect. I feel extremely proud of our employees whenever I listen to a customer call or walk around our contact centre. One of the reasons we are able to attract skilled employees and managers is that we can offer an international organisation with significant opportunities for development."

1) Customer service awards organised by SeeYou in association with Confex. https://kunde-serviceprisen.no/vinnerne-i-kundeservice-prisen-2021/

With over 60 nationalities and more than 30 languages spoken, Intrum is a truly international company with a global offering.

Creating value for employees

Building the employee experience of the future

ONE Intrum creates new development opportunities for our employees. During the year, we launched a project to enhance the employee experience during the ongoing transformation.

25

The year placed great demands on a rapid transition to a new way of working for our employees in 25 countries

The aim of ONE Intrum is to fully make the transition from a multi-local company to a global one. New digital working methods and standardised global processes enable us to benefit from the entire company's potential and thereby create added value for our clients and customers. Our new operating model was launched on 1 January 2022 and incorporates a global structure, as well as new teams and creative partnerships across geographical and organisational boundaries. ONE Intrum opens up new avenues and exciting development opportunities for both employees and managers.

A busy year for Human Resources

The focus of our Human Resources (HR) function during the year has been on supporting all the projects that form part of the transformation, with the work at different stages of development. To support our managers in their role as change leaders, new guidelines were drawn up for management going forward. These are designed to give our managers greater confidence in how to lead in times of uncertainty, how to maintain dialogue with employees, encourage cooperation and listen. The new guidelines support our basic leadership principles: Trust, Clarity, Change and Growth, which tie in with Intrum's values and are also designed to aid leadership in times of change. Supporting our HR managers is vital for the success of our transformation work and we also held several meetings during the year with all our HR managers together.

At the same time, the pandemic continued to affect everyday life. The new working methods established the previous year are here to stay, with a significant proportion of work now carried out remotely. In 2021, we carried out a special project to set the parameters for future hybrid working. This involves designing global and local instructions and supporting our managers in a new form of leadership. We also began reviewing our office spaces. Despite the increase in remote working, the office will continue to play a key role as a meeting place for creative work and team dynamics.

Seeing our role in the journey of change

To establish greater commitment and pride among our employees in relation to the ONE Intrum journey, we launched a new programme during the year called 'We are Intrum', which involves the entire company and aims to help every employee see an even clearer link between their role and Intrum's purpose – to lead the way towards a sound economy. The programme involved workshops and sessions with both internal and external speakers. A total of 7,200 employees took part during the year and the programme will continue in 2022.

Our program, We are Intrum, has the objective that every employee should see their role in Intrum's purpose – to lead the way to a sound economy.

Building the employee experience of the future

To create the best conditions for all our employees to contribute to the ONE Intrum journey, we also began reviewing the future employee experience. This work involved measures such as performing a skills inventory and marks the beginning of more strategic skills planning as part of the business plan. In many ways, we stand before a shift, where our digital development is increasing demand for advanced knowledge of IT and AI. The migration to our new IT platform and the transition to a new business model also bring a need for brand new categories of employee. In addition to this is language development at Intrum, a key element in establishing our global, multilingual front offices, which enable us to deal with a broad range of customers for our clients.

Enabling all our employees to grow and perform, both today and tomorrow, is vital for achieving our common business goals together. Performance management is a continuous, ongoing, business-driven process and a key element of our success. The annual development reviews play an important role, along with the continuous feedback that our managers give to our employees. This is particularly important in times of change, as requirements and expectations shift over time. In light of the rapid development in society and on the labour market, and not least the transformation journey we are on, we also support a self-learning culture. Our digital development platform includes training both online and in real life, for which employees can register voluntarily.

Growing by making a difference

Sustainability targets 2020–2023	Outcome in 2021	Agenda 2030	The next step
• Increase the Employee Engagement Index to above 80 out of 100 (79 out of 100 in 2019) • Achieve a more balanced gender distribution throughout the company (40/60), which means an increased share of women in management positions, and an increased share of men in the organisation as a whole.	• Employee Engagement Index increased from 79 to 81 out of 100. • The share of women on the Board of Directors has increased to 38% (33% in 2020). The share of women in the Group Management Team decreased from 27% in 2020 to 20% in 2021 as the team was expanded by one male member in a new role, Chief Data and Analytics Officer and as the Chief Brand and Communications Officer acting interim Chief Human Resources Officer during recruitment process. • The share of women in the organisation as a whole decreased from 63% in 2020 to 61% in 2021 and the share of men increased from 37% to 39%.	• Goal 5 – Gender equality • Target 5.5 Ensure full participation in leadership and decision-making • Goal 8 – Decent work and economic growth • Target 8.8 – Protect labour rights and promote safe working environments	• Continuation of the engagement programme 'We are Intrum'.

A multicultural company

We are in no doubt that greater diversity increases competitiveness through innovation and enhanced creativity and at the same time enables us to reflect the diversity of our stakeholders. With over 60 nationalities and more than 30 languages spoken at the company, Intrum is a multicultural operation. Together, this means that we can be more responsive to the needs of our clients and customers and are able to develop the right solutions for each new situation.

At the end of the year, the proportion of women at the company overall was 61 (63) per cent. In the Group Management Team, the proportion of women was 20 (27) per cent at year-end. This fall is the result of the expansion of the Group Management Team, with the appointment of a man in the new role of Chief Data & Analytics Officer and as the Chief Brand and Communications Officer acting interim Chief Human Resources Officer during recruitment process. Our objective, however, is to achieve a more balanced gender distribution at all levels within the company, with women making up at least 40 per cent of staff at management level by the year 2023. One part of this involves working with attitudes and appropriate applicant profiles in connection with recruitment. It is just as important, however, to offer mentoring or flexible working hours, for example.

As an employer, we do our utmost to treat all employees with respect and to afford equal development opportunities to all. Proactive efforts in diversity and inclusion are guided by our HR policy and Code of Conduct, which together provide the basis on which all employees shall have their fundamental freedoms and rights as individuals. To ensure clear anchoring at management level, diversity and inclusion are also integrated in our employee strategy and included in our leadership principles. Incidents associated with discrimination or harassment in the workplace can always be reported through our whistle-blower channel and are then handled by our Ethics Council, which assesses the cases received and undertakes the measures necessary.

Growing by making a difference

Working at the transformed Intrum means becoming part of a modern, technology-driven, leading credit management company, with great opportunities to grow and develop. In addition, every employee has an opportunity to become part of our overall purpose, to lead the way towards a sound economy, and to drive the credit management industry forward. We call it "growing by making a difference".

To follow up on our employees' well-being and commitment, a major employee survey, My Voice, is conducted annually, as well as smaller pulse measurements. The most recent major survey was conducted in spring 2021 and reflects both the transformation and the impact of the pandemic. The response rate increased to 91 per cent, compared with 87 per cent the previous year, which we see as an indication of our employees' continued commitment to the company's development.

One of the gauges we monitor in My Voice is the Employee Engagement Index, which measures the feeling of energy and motivation, combined with employees' perception of clarity and targets in their daily work. In 2021, this index rose to 81 (79). Our long-term target is to increase the

Pulse surveys an important tool in the transformation

To gauge the feeling on our journey of change, we carried out two pulse surveys during 2021. Almost 8,500 employees took part and responded to questions on everything from their understanding of the ONE Intrum vision to challenges and opportunities relating to the new operating model.

The surveys showed that the focus of all groups of respondents remained largely on the same issues during the year, albeit with a slightly greater focus on timetables, communication and clarity in the most recent survey. Our appointed change leaders highlighted, among other things, the importance of continuing to communicate the vision of ONE Intrum. The 'We are Intrum' project, which was launched during the year, is part of this ongoing work (read more on page 30). Another issue raised was the importance of taking into account local needs when implementing the new operating model. Just some of the many important viewpoints that we have incorporated into this work as it continues in 2022.

Engagement Index

index from 79 to be consistently above 80 by 2023. This year's results show improvement in many areas, including increased motivation among our employees and a greater feeling of being able to influence their own work situation and of receiving support from their immediate superior. At the same time, there are still areas for development, such as how employees view the link between their own work and our overall purpose as a company. The ONE Intrum transformation programme is one step in enhancing the experience of our employees and this work will continue in 2022.

Since 2021, we have also measured organisational factors that affect the well-being of our employees. The index score here was 77, which demonstrates, among other things, that our employees feel they have a safe working environment at Intrum and that our managers implemented adequate measures during the pandemic. At the same time, many employees feel it is difficult to influence their own work situation. This may be linked to the increased level of hybrid working during the year.

Our values help us lead the way

Thousands of our employees have together helped formulate the values we share as a company – Empathy, Ethics, Dedication and Solutions. These values guide us in all that we do, from how we work with our clients to how we respond to our end customers.

Empathy

Our day-to-day operations entail generating value for people, companies and society. Each situation is unique and has its own financial and social impact. We strive to meet people on their own terms and to treat others with dignity and respect. This applies to all – our clients, end customers and colleagues. This approach allows us to find meaning and value in what we do and to achieve our shared vision.

We listen actively and seek to understand.

We keep an open mind and are flexible.

We show patience and offer support.

Ethics

Our ethical standards and expectations extend beyond the requirements of the law. We behave as role models and consider it our responsibility, and an opportunity, to set new standards to change people's view of the credit management sector. This entails treating our clients' customers with consideration and respect under all circumstances and cooperating with companies and customers who share our values. To achieve this, we behave fairly and honestly in everything we do.

We focus on society and sustainable enterprise.

We take responsibility for our actions.

We do the right thing – living and acting according to our values and our Code of Conduct.

Dedication

Our committed employees are one of our greatest strengths. By always wanting to be a little better than we were yesterday, we bring out the best in each other. We grow as individuals and as a team to shape our company's future, thereby providing added value for our clients and their customers. Our industry is changing constantly, we are always moving forward and never cease developing.

We share knowledge across borders.

We are committed to, and responsible for, our own development.

We go that little bit further and never give up.

Solutions

What makes us stand out in the market is our capacity to identify and develop the best solutions and to create win-win situations for our clients and their customers. By being innovative and efficient, we exceed expectations and assume a role as a knowledge leader in our sector.

We focus on results, not problems.

We collaborate to provide our clients and customers with innovative solutions.

We value quality and professionalism.

"We want to offer the same experience to clients and customers in all countries"

Marina Sofroni, Managing Director Customer Services Athens

For Marina Sofroni, who runs Intrum's global front office in Athens, 2021 was an eventful year. In just one year, the office has grown from 20 to 120 agents, who today support an ever-increasing number of clients and customers in five countries.

The operations in Athens, Intrum's second global front office, began in January 2021. What is the purpose of these front offices and what do you focus on in Athens?
"We are building a global debt collection operation that uses efficient, harmonised, digital processes and an ultra-modern infrastructure with capacity on all markets. Our front offices play an extremely important role in the ONE Intrum journey. We act as an extension of local country operations. We have 120 agents here in Athens, who handle incoming and outgoing calls with customers in five countries. We handle cases from various sectors, such as telecoms, energy and banking."

How would you describe the added value for Intrum's clients?
"While the more complex cases are still handled by the local country operations, we provide debt collection processes that are available across international borders. With our modern tools, increased automation and digitisation, we are also able to benefit from economies of scale and provide more efficient processes to Intrum's clients. We strive to give both clients and customers the same experience of our services in all countries."

Agents play a key role in all front offices, as they are in direct contact with the customers and act as problem solver. What do you look for when recruiting?
"The most important thing is having a personal approach. Empathy and a solution-oriented attitude are the key to this type of business. For many people in debt, we are the light at the end of the tunnel. Language skills are another key requirement, of course, as we need employees who can support debt collection cases in the language of the relevant country and handle the diversity of our customers. At our customer centre in Athens, we speak eight languages and dialects and the number is growing."

You successfully established and developed a new operation in the middle of a pandemic. How did you manage to recruit and train agents and integrate new clients during the local lockdowns?
"It was a challenging year in many ways. We have achieved so much in such a short time, thanks to a lot of help from many of our colleagues and other parts of Intrum. We implemented a successful recruitment model and effective training of our new colleagues and even managed to introduce a hybrid working model to overcome the pandemic restrictions in Greece. It has been teamwork from day one."

The expansion of global front offices is continuing as part of the ONE Intrum journey. What will the focus be on in Athens in the future?
"We are focusing mainly on implementing the strategy in the short, medium and long term. We will continue finding and recruiting the right employees to scale up the operation. At the same time, we are working to achieve our goals and make sure our employees are happy and proud to be part of our fantastic team. I am very excited about the development we will see next year and I am particularly looking forward to continuing the excellent cooperation we have with the country operations and our other global front offices."

Greece, where Intrum is a market leader, has one of the largest markets in Europe for overdue receivables.

Creating value for society

Leading the way towards a sustainable credit market

One of our key objectives is to drive the development of our industry in a sustainable direction. For a number of years, we have been involved in the EU's upcoming directive on non-performing loans (NPL) in order to adapt the directive to our type of business and strengthen consumer protection.

Our size and our broad range of contact points give us significant opportunities to have a positive influence on the sector. It is important here to have the courage to put the person who is in debt first, take a step back and look at the reasons behind their situation. It is equally important to examine specific issues that are important for the sector as a whole, such as those relating to information security and data protection.

Leading the development of a sustainable credit market
In 2021, the introduction of the EU directive on non-performing loans (NPL) came a step closer. The directive will have a major impact and be a benchmark for the industry when it is introduced. The aim is to create better conditions for banks to handle NPLs more effectively and at the same time reduce future risks, thereby creating scope for new credit. For Intrum, as a credit management company, the NPL directive means, among other things, that a

licence and debt collection legislation will also be needed in those countries that do not require this today.

Our proactive involvement has been ongoing for several years and has focused mainly on increasing understanding about our type of business and adapting the directive to our role in the credit chain. We have highlighted issues such as stronger consumer protection and achieving harmonisation between countries despite different laws and regulations. This is an area that is still largely regulated at national level but Intrum would like to see some harmonisation, with minimum requirements on all markets. In part, the directive will mean requirements for credit managers to apply a policy ensuring that borrowers are treated fairly and diligently, taking into account their financial situation and referring borrowers to debt counselling or social services if necessary. This is something that we welcome.

Since 2021, we have been on the NPL Advisory Panel, a working group directly under the European Commission, which was set up to provide advice and expertise in the area of NPLs to the Commission and its services. The focus is on assisting in the preparation of legislative proposals and policy initiatives. At the same time, we have been working with FENCA (Federation of European National Collection Associations), our European industry organisation, to interpret the new rules together and drive the work forward.

Protecting the most vulnerable

We continued to implement our internal instruction for the handling and treatment of customers, Treating Customers Fairly (TCF), in 2021. The TCF instruction applies

Be a trusted and respected and actor

Sustainability targets 2020–2023	Outcome in 2021	Agenda 2030	The next step
• Achieve climate neutrality before 2030, cutting our total emissions by at least 20% compared with 2019.	• Our emissions decreased from 6,866 tonnes 2020 to 5,510 tonnes CO_2e 2021 after the number of offices in the report was reduced from 180 to 110.	• Goal 13 – Climate action • Target 13.2 – Integrate climate change measures into policies and planning	• Increase knowledge and engagement in the business around our climate footprint. • Continued energy efficiency of offices and reduced travel through more digital meetings.

Lithuania is one of a total of 24 European countries where Intrum has operations and which will eventually be part of the Market Baltics together with Estonia and Latvia.

to all markets in which Intrum operates. Its purpose is to ensure the fair and careful treatment of all our clients' customers. The instruction is an extension of our Code of Conduct and is also a tangible iteration of our ethical value base. It will be particularly important for the work of our front offices. The pandemic has prompted the supplementing of the instruction with additional guidelines, which, among other things, enable the extension of payment plans or the granting of payment holidays for individuals who are directly or indirectly affected by Covid-19.

Working with a focus on the best interests of the borrowers is particularly important in countries where there are no local laws and regulations in this area. In Switzerland, for example, we have taken the step to fully engage with the industry organisation, which has now implemented a Code of Conduct containing instructions on the treatment of end customers. An impartial ombudsman has also been set up to handle customer complaints. The next step is a voluntary, official certification process for credit management companies. → Read more on page 38. In 2021, we also continued to work on a version of our TCF instruction that can be used in countries where we do not have our own operations but work with business partners. Equal treatment of end customers is vital and we want to ensure that our partners and suppliers also work to this requirement.

Enhanced data protection and data processing

Our business involves processing large volumes of data for both clients and customers. We have both a legal and an ethical responsibility here to process sensitive data with respect for personal integrity and arbitrary interference with privacy.

Our data protection officers at all operating Group companies have an important job and work to ensure compliance with the General Data Protection Regulation (GDPR). To establish common practices regarding how the data protection requirements should be implemented at credit management companies, we have also been instrumental in developing a European Code of Conduct for data protection in the debt collection industry, which is now awaiting certification by the European Data Protection Board (EDPB).

The EDPB's new guidelines on supplementary measures for transfers of personal data to third countries (outside the EU) will have a major impact on all companies and authorities. In 2020, we began an analytical process regarding how to review our suppliers to map the transfer of personal data and ensure compliance with the new guidelines in all contracts. This analytical process and the implementation of the guidelines continued in 2021.

Management of business-critical risks

Money laundering is a growing problem in society and there is always a risk that companies will be used for this type of criminal activity. To address this risk, we have implemented "Know Your Client" processes in all operating Group companies. Suspicious transactions are reported regularly to the relevant financial authority. Furthermore, our customer relationship management system (CRM) contains information which is regularly checked in a separate system to ensure that we do not do business with countries, companies and individuals subject to sanctions. Our aim is to prevent Intrum from being used for money laundering by being one step ahead and implementing appropriate measures. During the year, we engaged an external partner to supply us with a system for monitoring money transfers from customers in order to identify suspicious cases.

The European Commission announced a new package of legislation during the year to combat money laundering, which includes a regulation and the establishment of a new supervisory authority in this area. We have held a dialogue with the EU for many years in order to emphasise the importance of adapting the money laundering regulations for credit managers whose starting point is based on risk. The regulations must also be applicable to companies that act in three-party relationships, unlike the banks. Bribery and corruption are another international societal problem, affecting companies and states alike. Although corruption is relatively less widespread in Europe than in some other parts of the world, we work proactively, applying a risk-based approach, to combat corruption. In autumn 2021, our managers and employees who work in risk-exposed parts of the business were given special anti-corruption training. To date, approximately 57 per cent of invited managers and employees have completed the training.

Our yearly reports provide answers on sensitive issues

Every year, we conduct two major surveys of views on payments and credit management: one of European consumers (European Consumer Payment Report) and one of European companies (European Payment Report). The reports are not only used internally and in dialogue with our clients; they are also presented regularly to EU institutions to increase their knowledge about credit management. In turn, the EU has referred to the reports in, for example, the Late Payment Directive. We see it as part of our duty as a market-leading credit management company to spread knowledge about economic development in society and the impact of the situation on Europe's consumers and companies.

Strengthening protection for human rights

To strengthen the protection of internationally recognised human rights, we carried out a special due diligence review during the year of our impact on human rights in the value chain. This work was also part of our preparations for the EU's upcoming directive on due diligence in relation to the environment and human rights, which is expected to come into force in 2023.

The results show that our business has an impact on several recognised human rights, such as the right to protection of personal data and personal integrity, as well as non-discrimination. The review also shows that we have relevant policy documents in place and that we work proactively to prevent unethical working practices. All our countries of operation hold training on our Code of Conduct and TCF instruction. We work with partners in several countries that could be called risk countries. In these countries, we are working to introduce our TCF instruction in this part of the value chain as well. In 2022, we will continue our work to prevent and manage risks relating to human rights in our operations.

The road to climate neutrality

The climate issue is one of the greatest challenges of our time and is high on our agenda. Our reported climate footprint comes mainly from business travel and energy consumption in our offices. A smaller proportion of CO_2e emissions also derives from transport using company cars. Our objective is to achieve climate neutrality before 2030 and to reduce our total greenhouse gas emissions by at least 20 per cent compared with 2019. In 2021, our total reported emissions decreased from 6,866 tonnes to 5,510 tonnes, which corresponds to about -20 per cent. Our scope 2 emissions reduced from 4,203 tonnes to 3,262 tonnes as the number of offices included in the report decreased from 180 to 110. Our scope 3 emissions from business travel decreased from 2,604 tonnes to 2,168 as a result of continued reduced travel during the pandemic. Our day-to-day climate work is managed through local action plans and includes continued measures to make our offices more energy efficient and to reduce travel by increasing the number of digital meetings.

During the year, we began reporting climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). A review shows, among other things, that our portfolio of secure assets, such as property or land, particularly in southern parts of Europe, may lie in a risk zone for forest fires and flooding because of changes in weather patterns and dry seasons. This may have a negative impact on the value of these assets and incur higher insurance premiums. There is also a reputational risk in supporting customers or buying portfolios from sectors or companies that have a significant negative climate impact. For a more complete presentation of our climate risks and other TCFD information, see page 65.

20%
Our objective is to achieve climate neutrality before 2030 and to reduce our total greenhouse gas emissions by at least 20 per cent compared with 2019.

Sustainability work with a focus on the entire value chain
Our ethical values provide a stable base from which to conduct daily sustainability work. Since 2016, we have also been a member of the UN Global Compact and have committed ourselves to supporting the implementation of the ten principles regarding human rights, labour, environment and anti-corruption in our business and in our value chain. We have also identified four goals in Agenda 2030 where our potential contribution is greatest. In addition, we have long-term strategic sustainability targets and other sustainability goals that help us to focus on our main sustainability issues in our everyday work.

All our local office operations have Compliance Officers, who coordinate everyday regulatory compliance work in line with local and global needs. Our Code of Conduct summarises our ethical rules and applies to all employees and others representing the company, including suppliers and partners. We also have internal instructions for the most important sustainability issues, such as the environment, data protection, anti-corruption and customer protection. All employees are expected to complete our digital Code of Conduct training at least every two years. This is specifically adapted to our activities and contains scenarios involving ethical dilemmas taken directly from reality. At the end of 2021, 72 per cent of our employees had completed the training. One of the things we focused on during the year was ensuring that all our new employees at our front offices understand and are able to apply both the Code of Conduct and the TCF instruction.

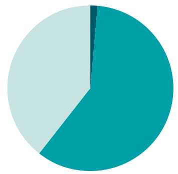
Reported breaches or incidents
Our whistle-blower function, the Code of Conduct Hotline, is provided by an independent external supplier and is available around the clock via the internet or by phone in the national language of all countries in which we operate. It is of course possible for a whistle-blower submitting a report in this way to remain anonymous. All employees and others shall feel secure in reporting incidents that violate our Code of Conduct or other internal rules. Suspected regulatory violations can also be reported to the immediate superior or another operations manager. Reported breaches or incidents are handled confidentially by our Ethics Council.

In 2021, eight reported incidents in our whistleblower channel led to further action. Four reports concerned HR-related incidents, which were addressed through dialogue, change of manager or enhanced monitoring. Two cases concerned suspected corruption and resulted in further training and monitoring and in one case to dismissal. One case related to suspected breach of competition rules. This could not be confirmed, but resulted in further training in this area. Finally, one case was reported of deficiencies in local security and these were remedied.

Read more about our sustainability governance on page 110.


Our own climate footprint comes mainly from business travel and energy consumption in our offices.

Our climate footprint, reported CO_2e[1] emissions



- Scope 1: 81 tonnes
- Scope 2: 3,262 tonnes
- Scope 3: 2,168 tonnes

Total tCO_2e emissions: 5,510[2]

Scope 1 pertains to emissions from vehicles that we own.
Scope 2 pertains to emissions from energy consumption at our offices and includes consumption of electricity, heat and cooling.
Scope 3 pertains to emissions from business travel, including by air and rail.

1) Global Warming Potential 100 (The Intergovernmental Panel on Climate Change 2014).
2) Location-based. More information is available on page 108.

"Ethical collection is a 'win-win' for all concerned"

Jason Glanzmann, Commercial Director Switzerland

Jason Glanzmann, Commercial Director at Intrum Switzerland, has been helping to drive the development of a national code of conduct to ensure that debt collection companies in Switzerland treat customers fairly.

The new national code of conduct is based on Intrum's Code of Conduct and its Treating Customers Fairly instruction. What issues does it focus on?
"Basically, it is about establishing clear guidelines for the debt collection industry in Switzerland and ensuring that we treat customers who are in debt fairly. How we communicate is a key issue, including both the timing and content of communication. Other issues include complaints handling and how we deal with the most vulnerable customers. The most important things from my perspective are transparency, integrity and fairness. I believe that as Switzerland's market-leading credit management companies, we have a responsibility to lead the industry forward."

Why was it so important to strengthen protection for customers in debt here in Switzerland?
"There are no equivalent national regulations in our sector, a situation we share with many markets. Historically, the credit management sector has had a poor reputation here. Many customers have found that the debt collection process lacks transparency and have also felt a great deal of pressure. On top of this, customer complaints have been ignored in many cases. The actions of credit management companies have a major impact on people, both in terms of their financial situation and their mental well-being."

The Swiss code of conduct came into force in December 2020. Tell us about the work you did to achieve this.
"When I was elected to our industry association in spring 2019, I asked to start working on the self-regulation of the sector. The new code of conduct sets minimum standards for the fair treatment of customers and is now binding on our 30+ member companies. We also established an independent ombudsman, where those in debt can submit complaints. It was important that the code is not just a piece of paper, but that it works in practice and makes a difference."

The next step is a certification process. Can just anyone be certified?
"The certification process is a proactive step. It was announced in September 2021 with the launch of a voluntary "fair collection" stamp. From July 2022 onwards, members of the industry association will be able to obtain certification to show that they apply the code of conduct. The initiative makes communication easier and will establish greater credibility for ethical collection. Certification is handled by an independent, trustworthy party and involves a self-assessment form, regular certification, incident-based evaluations and employee training."

What do the clients say? Do they appreciate the value of this certification?
"Their curiosity is aroused as soon as we start talking about ethical collection. They realise the value of being solution-oriented when dealing with customers and that this strengthens the relationship and increases profitability. Debt collection bills are always competing with other bills for payment and a customer is more likely to pay if they have been well treated. The code of conduct also helps finance managers to convince their internal management that outsourcing debt collection saves costs and is profitable. We know from experience that ethical collection is a win-win for all concerned and a major competitive advantage."

The share

Intrum's shares have been listed on the Nasdaq Stockholm exchange since June 2002. Since January 2014, the shares have been listed on the Nasdaq Stockholm Large Cap list of companies with a market capitalisation of more than EUR 1 billion.

Share capital

On 31 December 2021, Intrum AB's (publ) share capital amounted to SEK 2,899,805.49 distributed between 121,720,918 outstanding shares, of which 923,654 were treasury shares. Each share entitles the holder to one vote and an equal share in the company's assets and earnings.

Market capitalisation, price trend and turnover

In 2021 the price of Intrum's share increased from SEK 218.4 to SEK 233.4, an increase of 6.9 per cent, adjusted for a dividend of SEK 12.00 per share. During the same period the Stockholm Stock Exchange's index (OMXS30) rose by 27.7 per cent. The lowest price paid for the share during the year was SEK 215.5 on 20 December, and the highest was SEK 309.0 on 29 April. The price at the end of the year gave a market capitalisation for Intrum of SEK 28,410 M (26,389). Share trades were concluded on every business day of the year. An average 354,189 shares were traded per day (299,285) on the Nasdaq Stockholm Exchange. A total of 89,609,811 shares were traded during the year.

Shareholders

At the end of 2021 Intrum had 38,938 Shareholders, compared to 35,879 the year before. The 15 members of Group Management had a combined holding in Intrum of 339,033 shares and Intrum Board members held a combined total of 75,800 shares.

Shareholder communications

Intrum places considerable focus on investors and meets them and other market participants regularly to increase interest in the company and the understanding of it.

Data per share

	2021	2020	2019	2018	2017[1]
Earnings before and after dilution, SEK	25.88	15.18	-2.76	14.18	14.62
Operating cash flow, SEK	83.11	70.35	48.77	46.84	-
Shareholders' equity before and after dilution, SEK	183.33	154.28	168.12	180.26	170.59
Dividend/proposed dividend, SEK	13.5	12.0	11.0	9.5	9.5
Dividend payout, %	48	70	n/a	67	65
Share price, SEK	233.4	216.8	279.4	205.7	303.3
Yield, %	5.8	5.5	3.9	4.6	3.1
Price/sales multiple	1.6	1.6	2.3	2.0	3.3
Price/earnings multiple	8.31	12.61	n/a	13.90	20.75
Number of shares at end of year	120,797,264	120,870,918	130,941,320	131,291,320	131,541,320
Average number of shares before dilution	120,828,453	123,913,717	131,065,781	131,390,632	102,674,307
Average number of shares after dilution	120,830,000	-	-	-	-

1) Data for 2017 are based on pro forma reporting for the combined Intrum Justitia and Lindorff.

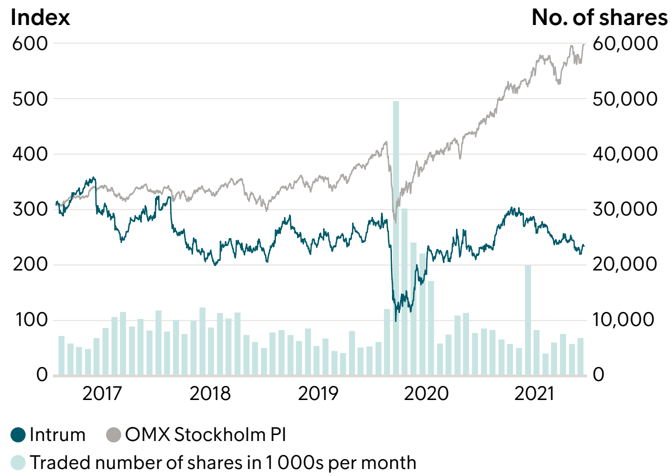
Share repurchase

Between 2013 and 2015, the company repurchased shares, but in 2016 and 2017 there were no repurchases. In 2018, 250,000 shares were repurchased and in 2019, 350,000 shares were repurchased. During an 2020 additional 10,070,402 shares were repurchased, whereof 9,820,402 shares were terminated in accordance with a decision taken by the Annual General Meeting 2020, resulting in a total of 850,000 shares constituting treasury shares at the end of the year 2020. During 2021 Intrum repurchased 140,000 shares.

Dividend policy

Intrum's Board of Directors aims to annually propose a dividend to shareholders with an absolute annual increase each year in line with medium term targets. Decisions relating to dividend proposals take into account the company's expected future revenues, financial position, capital requirements and the situation in general. For the 2021 financial year the Board is proposing a dividend of SEK 13.5 per share. The proposed record date for the dividend is 29 April 2022.

Shares traded



Ownership structure as of 31 December 2021

Total no. of shares 121,720,918	No. of shares	Equity, %
Nordic Capital through companies	47,728,956	39.2
AMF Pension & Fonder	11,574,431	9.5
Swedbank Robur Fonder	5,635,963	4.6
Handelsbanken Fonder	4,560,417	3.7
Vanguard	2,468,662	2.0
Första AP-fonden	2,444,409	2.0
C WorldWide Asset Management	2,093,411	1.7
TIAA - Teachers Advisors	1,929,366	1.6
Norges Bank	1,466,253	1.2
Robeco	1,400,000	1.2
Total, ten largest shareholders	**81,301,868**	**66.8**

Shareholdings by country

Country	No. of shares[1]	Equity, %
Sweden	92,777,595	76.2
USA	11,203,106	9.2
Denmark	2,931,147	2.4
Norway	2,132,935	1.8
Netherlands	1,659,600	1.4
Finland	1,554,172	1.3
UK	965,404	0.8
Belgium	640,018	0.5
Luxembourg	554,773	0.5
Germany	552,601	0.5
Others	1,599,306	1.3

1) Ownership distribution by country could not be identified for a total of 5,150,261 shares and has thus not been included in the table.

Changes in share capital

	Transaction	Change in share capital	Total share capital	Total number of shares	Par value per share
2001	Founding of the company	100,000	100,000	1,000	100
2001	Split 5000:1	0	100,000	5,000,000	0.02
2001	New share issue[1]	778,729.4	878,729.4	43,936,470	0.02
2002	New share issue[2]	208,216.72	1,086,946.12	54,347,306	0.02
2002	New share issue[3]	612,765.96	1,699,712.08	84,985,604	0.02
2005	Redemption[4]	-140,587.06	1,559,125.02	77,956,251	0.02
2007	Exercise of employee stock options[5]	22,672	1,581,797.02	79,089,851	0.02
2008	Exercise of employee stock options[6]	10,046.40	1,591,843.42	79,592,171	0.02
2009	Exercise of employee stock options[7]	8,049.60	1,599,893.02	79,994,651	0.02
2011	Reduction of share capital[8]	-5,000	1,594,893.02	79,774,651	0.02
2014	Cancellation of treasury shares[9]	0	1,594,893.02	77,360,944	0.02
2015	Cancellation of treasury shares[10]	0	1,594,893.02	73,421,328	0.022
2016	Cancellation of treasury shares[11]	0	1,594,893.02	72,347,726	0.022
2017	New share issue[12]	1,304,912.48	2,899,405.49	131,541,320	0.022
2020	Cancellation of treasury shares[13]	0	2,899,405.49	121,720,918	0,024

1) Directed to Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 0.02 per share as part of the legal restructuring of the Intrum Justitia Group.

2) 1,402,228 shares each to Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 4.432 per share, and 3,803,190 shares each to Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 0.02 per share.

3) 30,638,298 shares to the public and institutional investors at a subscription price of SEK 47 per share.

4) Redemption of 7,029,353 shares for a cash payment of SEK 84 per share. The procedure involved the distribution of a total of SEK 590,325,064.94 to the company's shareholders, whereby the company's share capital was reduced by SEK 140,587.06, while the share premium reserve was reduced by SEK 590,325,064.94.

5) During the period July 1 – December 31, 2007 Intrum Justitia's share capital increased from SEK 1,559,152.02 to SEK 1,581,797.02, corresponding to 1,133,600 new shares and the same number of votes, as new shares were subscribed for through the exercise of employee options.

6) During the period January 1 – December 31, 2008 Intrum Justitia's share capital increased from SEK 1,581,797.02 to SEK 1,591,843.42, corresponding to 502,320 new shares and the same number of votes, as new shares were subscribed for through the exercise of employee options.

7) During the period January 1 – December 31, 2009 Intrum Justitia's share capital increased from SEK 1,591,843.42 to SEK 1,599,893.02, corresponding to 402,480 new shares and the same number of votes, as new shares were subscribed for through the exercise of employee options.

8) The company's own holding of 250,000 shares was cancelled in 2011.

9) The company's share capital was reduced by SEK 47,674.14 through the cancellation of 2,383,707 treasury shares, while the share capital was increased through a bonus issue for the corresponding amount without any new shares being issued. Following cancellations, the company has a total of 77,360,944 shares outstanding, representing the same number of votes.

10) The company's share capital was reduced by SEK 81,220.13 through the cancellation of 3,939,616 treasury shares, while the share capital was increased through a bonus issue for the corresponding amount without any new shares being issued. Following cancellations, the company has a total of 73,421,328 shares outstanding, representing the same number of votes.

11) The company's share capital was reduced by SEK 23,322 through the cancellation of 1,073,602 treasury shares. In addition, share capital was increased through a bonus issue of the same amount without any new shares being issued. Following cancellations, the company has a total of 72,347,726 shares outstanding, representing the same number of votes.

12) The company's share capital increased by SEK 1,304,912.43 through a new share issue (non-cash issue) of 59,193,594 new shares to Lindorff's shareholders.

13) The company's share capital was reduced by SEK 233,955 through the cancellation of 9,820,402 treasury shares. In addition, share capital was increased through a bonus issue of the same amount without any new shares being issued. Following cancellations, the company has a total of 121,720,918 shares outstanding, representing the same number of votes.

Five-year summary

Income statement

SEK M	2021	2020	2019	2018	2017
Net revenues	**17,789**	**16,848**	**15,985**	**13,442**	**9,434**
Cost of goods and services sold	-9,555	-9,501	-9,807	-7,369	-5,049
Gross earnings	**8,233**	**7,347**	**6,178**	**6,073**	**4,385**
Sales, marketing and administration expenses	-2,051	-1,918	-2,597	-2,201	-1,667
Disposal of operations/Goodwill impairment	-	-	-2,700	-	-
Reversal of liability for additional purchase consideration	-	-	-	-	-
Participations in associated companies and joint ventures	293	-734	1,179	106	10
Operating earnings (EBIT)	**6,475**	**4,695**	**2,060**	**3,978**	**2,728**
Net financial items	-2,174	-2,062	-1,921	-1,363	-973
Profit before tax	**4,301**	**2,633**	**139**	**2,615**	**1,755**
Taxes	-910	-555	-424	-599	-389
Net earnings for the year from continuing operations	**3,391**	**2,078**	**-285**	**2,016**	**1,366**
Net earnings for the year from discontinued operations	-	0	0	-73	137
Net earnings for the year	**3,391**	**2,078**	**-285**	**1,943**	**1,503**
Of which, attributable to the Parent Company's shareholders	3,127	1,881	-362	1,936	1,501
Non-controlling interests	265	197	77	7	2
Net earnings for the year	**3,391**	**2,078**	**-285**	**1,943**	**1,503**

Balance sheet

SEK M	2021	2020	2019	2018	2017
Assets					
Total fixed assets	78,539	73,041	77,935	67,970	54,815
of which, portfolio investments	31,478	27,658	28,508	24,830	21,149
Total current assets	10,366	7,793	8,267	8,129	4,646
Assets in operations held for sale	0	0	0	0	8,314
Total assets	**88,905**	**80,835**	**86,202**	**76,099**	**67,775**
Shareholders' equity and liabilities					
Total shareholders' equity	24,687	21,591	24,520	25,738	22,439
Total liabilities	64,218	59,244	61,682	50,361	44,168
Liabilities in operations held for sale	0	0	0	0	1,168
Total shareholders' equity and liabilities	**88,905**	**80,835**	**86,202**	**76,099**	**67,775**

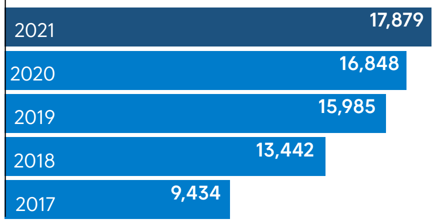
In accordance with the rules in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, discontinued operations are reported in the income statement as discontinued throughout the five-year period by recalculating comparative figures for previous years, while in the balance sheet, they are reported as assets and liabilities in operations held for sale from the date on which the decision was taken to make the divestment, without recalculating the comparative figures.

Key figures

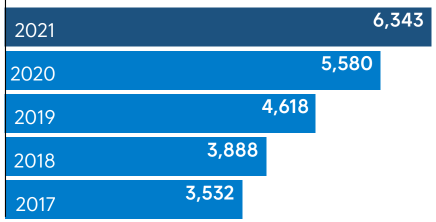
	2021	2020	2019	2018	2017
Net revenues, SEK M	17,879	16,848	15,985	13,442	9,434
Revenue growth, %	6	5	19	42	61
Cash EBITDA, SEK M	12,310	11,607	10,655	9,776	9,204
Cash EBIT, SEK M	6,343	5,580	4,618	3,888	3,532
Cash RoIC, %	8.9	7.7	6.5	6.5	6.2
EBITDA, SEK M	7,975	6,224	6,344	4,878	3,165
EBIT, SEK M	6,475	4,695	2,060	3,978	2,728
Items affecting comparability in EBIT, SEK M	-538	-1,043	-4,176	-610	-397
Revaluations of portfolio investments, SEK M	133	-33	28	88	-3
Adjusted operating earnings (EBIT), SEK M	7,014	5,738	6,208	4,500	3,128
Net earnings, SEK M	3,391	2,078	-285	1,943	1,503
Net debt, SEK M	48,277	46,951	49,105	42,122	37,322
Earnings per share, SEK	25.88	15.18	-2.76	14.18	14.62
Dividend/proposed dividend per share, SEK	13.5	12.0	11.0	9.5	9.5
Average no. of shares, thousands	120,828	123,914	131,066	131,391	102,674
No. of shares at year-end, thousands	120,797	120,871	130,941	131,291	131,541
Return on portfolio investments, %	14	9	15	14	16
Portfolio investments, SEK M	7,004	5,012	7,324	11,854	7,170
Average number of employees	9,694	9,462	8,777	7,910	6,293

For definitions see page 107

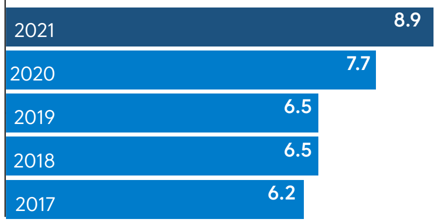
Net revenues, SEK M



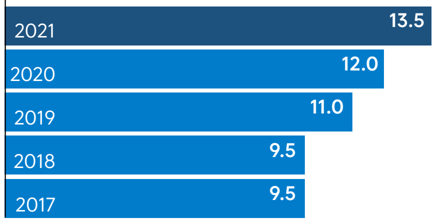
Cash EBIT, SEK M



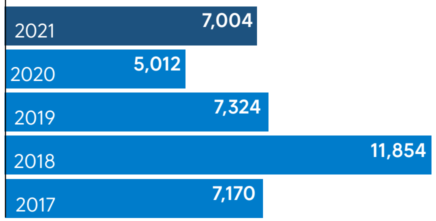
Cash RoIC, %



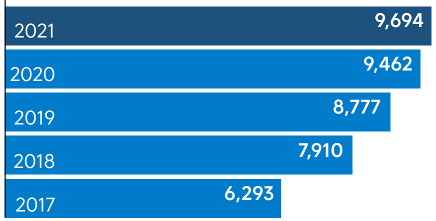
Dividend per share, SEK



Portfolio investments, SEK M



Average number of employees



Corporate Governance Report

Intrum's corporate governance serves to strengthen the confidence of customers, society and the capital markets through a clear allocation of responsibilities and well-balanced rules between owners, the Board, Group Management Team and the different control functions. Intrum AB (publ) ("Intrum") is a Swedish public company domiciled in Stockholm. The company's shares are listed on the Nasdaq Stockholm exchange.

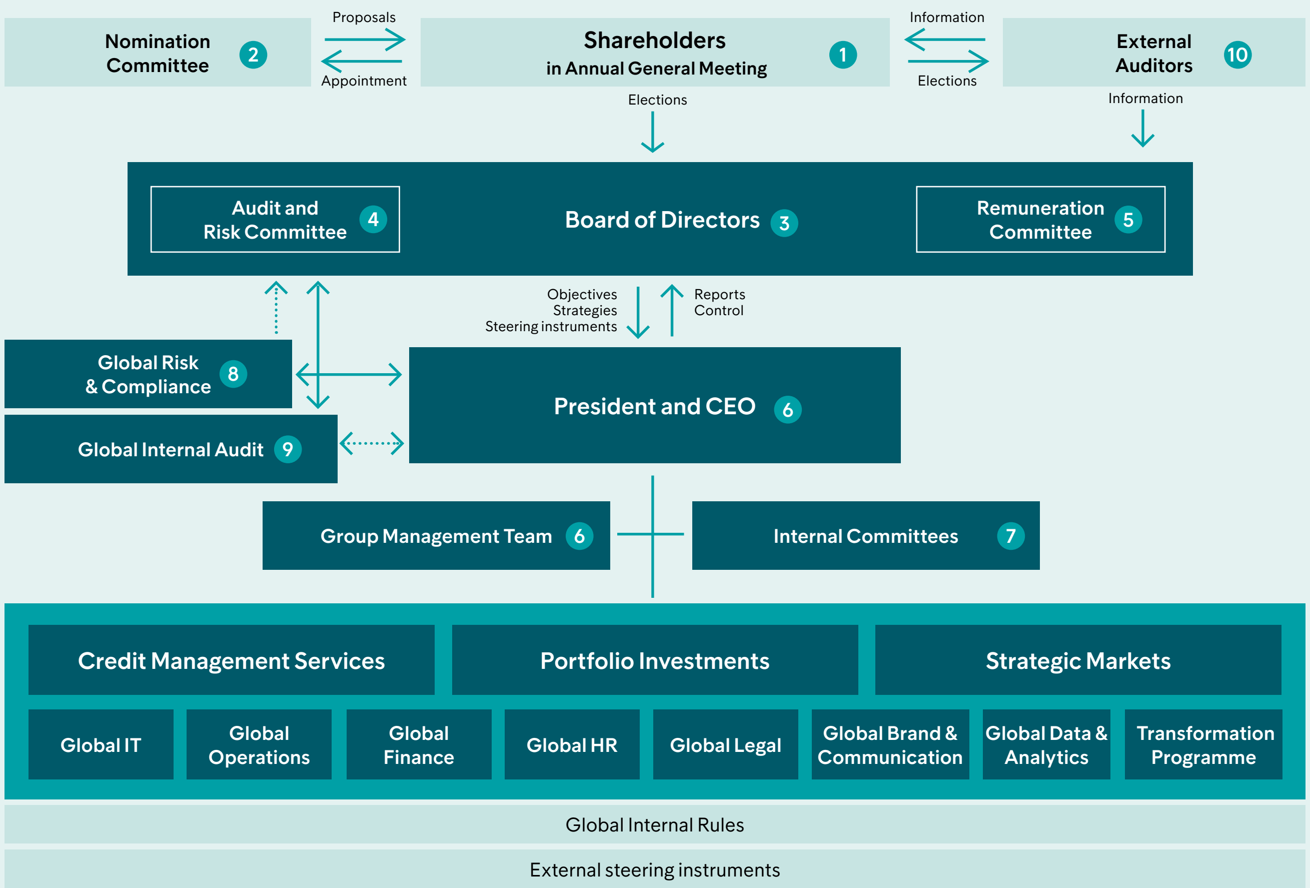
Corporate governance at Intrum
Examples of external regulations affecting governance at Intrum:

- Swedish Companies Act
- Accounting legislation and recommendations
- Nasdaq Stockholm's Rule Book for Issuers
- Euronext Dublin regulations for issuers
- Luxembourg Stock Exchange's regulations for issuers (SOL)
- Market Abuse Regulation (MAR)
- Swedish Code of Corporate Governance
- UN Global Compact

Examples of internal regulations affecting governance at Intrum:

- Articles of Association
- Rules of procedure for the Board of Directors and its committees and Instructions to the CEO
- Internal rules and guidelines, such as the Code of Conduct, resolution and delegation procedures, anti-corruption policy, environmental policy, internal control policy, etc.

Intrum corporate governance overview



This corporate governance report has been prepared in accordance with the rules of the Annual Accounts Act and the Swedish Code of Corporate Governance ("the Code") in order to describe Intrum's corporate governance during 2021. Corporate governance at Intrum comprises structures and processes for management and control of the company's operations for the purpose of creating value for the company's owners and other stakeholders.

Intrum has applied the Code effective from 1 July 2005. Intrum's corporate governance also adheres to the applicable rules in the Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Securities Council's resolutions, Intrum's Articles of Association, as well as laws, regulations and official guidelines and rules in countries where the Intrum Group operates (in some cases subject to licensing).

The Code is based on the principle of "adhere or explain", meaning that deviations from the Code are permitted if it is possible to explain why the deviation occurred. During the period to which the Annual Report pertains, Intrum has adhered to the Code in its entirety. The Code is available at www.corporategovernanceboard.se, where the Swedish model of corporate governance is also described.

Intrum's Articles of Association are available at www.intrum.com.

Shareholders 1

At the end of the year, Intrum's largest shareholder, Nordic Capital, held approximately 39.2 per cent of all shares outstanding in the company. See also page 40.

Annual General Meeting 1

The Annual General Meeting is Intrum's highest decision-making body at which the shareholders exercise their right to make decisions regarding the company's affairs. Each share corresponds to one vote. Shareholders are entitled to have matters addressed at General Meetings; they are also entitled to ask questions regarding the Group's operations at the Annual General Meeting.

The Annual General Meeting was held on 29 April 2021. Among other things, the Meeting resolved:

- to adopt the income statements and balance sheets for the company and the Group,
- to pay a dividend of SEK 12 per share in accordance with the proposal by the Board of Directors,
- to discharge the Board of Directors and the CEO from liability for the 2020 fiscal year,
- to elect the Board of Directors and a Chairman of the Board,
- to elect an auditor,
- to agree on remuneration to the Board of Directors and auditor,
- to adopt guidelines on compensation for senior executives,
- to introduce a new long-term incentive programme for 2021, and to acquire and transfer treasury shares in accordance with that programme,
- to authorise the Board of Directors to repurchase (and, under certain conditions transfer) up to 10 per cent of the company's treasury shares on Nasdaq Stockholm, and
- to make a minor amendment to the Articles of Association.

Due to the ongoing pandemic, the 2021 Annual General Meeting was held using a postal voting procedure without the physical presence of either the Board of Directors or the shareholders.

At the Annual General Meeting, 72 per cent of the shares conveying voting rights were represented.

The 2022 Annual General Meeting is scheduled for 29 April 2022.

Resolutions of the Annual General Meeting are published in a press release following the Meeting, and the minutes of the Meeting are published on the company's website.

Nomination Committee 2

The Nomination Committee is appointed in accordance with guidelines adopted by the Annual General Meeting. Besides nominating the Board members and the Chairman of the Board, the duties of the Nomination Committee include evaluating the Board and its work, proposing a Chairman for the Annual General Meeting, proposing compensation for the Board and its committees, and proposing candidates for auditors' elections and compensation for auditors.

In drafting its proposals to the 2021 Annual General Meeting, and as presented in greater detail in the Nomination Committee's reasoned opinion to the 2021 Annual General Meeting, the Nomination Committee has applied item 4.1 of the Code as its diversity policy. An assessment was also made regarding each member's capacity to dedicate sufficient time and commitment to their Board assignments. The former Deputy Chairman of the Board, Magnus Yngen, declined re-election. The Nomination Committee proposed the re-election of the other members and made the assessment that, combined, the proposed Board of Directors possessed the breadth, overall expertise and experience required with regard to the company's operations, stage of development and long-term needs. Of the Board members elected in 2021, 37.5 per cent were women (33 per cent in 2020).

The composition of the Nomination Committee ahead of the 2022 Annual General Meeting was announced on 24 September 2021: Robert Furuhjelm (appointed by Nordic Capital) (chairman), Tomas Flodén (appointed by AMF and AMF Fonder), Pia Gisgård (appointed by Swedbank Robur Fonder), Ossian Ekdahl (appointed by the First Swedish National Pension Fund) and Henrik Söderberg (appointed by C WorldWide Asset Management). The Chairman of the Board serves as a co-opted member of the Nomination Committee. The Group's CLO has served as the secretary of the Nomination Committee.

The Chairman of the Board has reported the results of the 2021 Board evaluation to the Committee, which also held individual meetings with all Board members, as well as with the CEO. Shareholders have been offered the opportunity to submit proposals to the Nomination Committee. At the time of the publication of this report, the Nomination Committee had held four minuted meetings. No compensation has been paid to the members of the Nomination Committee.

Board of Directors 3

The Board of Directors has the overarching responsibility for administering Intrum's affairs in the interests of its shareholders. In accordance with the Articles of Association, the Board of Directors shall comprise at lease five and at most nine members with at most four deputies. From the 2020 Annual General Meeting until the 2021 Annual General Meeting, the Board of Directors comprised nine members elected by the Annual General Meeting: Per E. Larsson, Hans Larsson, Andreas Näsvik, Kristoffer Melinder, Magdalena Persson, Andrés Rubio, Liv Fiksdahl, Ragnhild Wiborg and Magnus Yngen. At the 2021 Annual General Meeting, the same Board members, with the exception of Magnus Yngen, were re-elected with no deputies. Per E. Larsson was elected Chairman of the Board. There are no employee representatives on the Board of Directors. Further information about Board members, including their shareholdings, can be found on pages 48–49.

Hans Larsson, Magdalena Persson, Andrés Rubio, Liv Fiksdahl and Ragnhild Wiborg are considered independent in relation to the company and company management as well as in relation to major shareholders. Per E. Larsson, Andreas Näsvik and Kristoffer Melinder have been deemed by the Nomination Committee to be independent in relation to the company and company management but not in relation to major shareholders. The composition of the Board thereby complies with the requirements of the Code in this respect. The CEO of the company is not a member of the Board, but attends all Board meetings except when the evaluation of the Board's work and the CEO are on the agenda. The Secretary of the Board is the Group's CLO. The Board of Directors has established an Audit and Risk Committee and a Remuneration Committee.

The committees have a preparatory role to the Board and do not relieve the Board members of their duties and responsibilities. The committees are presented in more detail on the following pages.

The Board's rules of procedure

Each year, the Board of Directors reassesses and adopts rules of procedure, instructions for the committees and instructions for the CEO. The latter also includes instructions regarding financial reporting. These control documents contain instructions on the delegation of responsibilities and work between the Board, the CEO and the Board committees, as well as the forms of the company's financial reporting. The Board's rules of procedure are based on the overarching rules included in the Swedish Companies Act on the overall responsibilities of the Board and CEO and otherwise on the decision-making procedure approved by the Board. The rules of procedure also regulate other issues, including:

- number of Board meetings and decision points normally on the agenda at each meeting,
- the duties of the Chairman, the committees, the President and CEO, and their decision-making authorities, as well as a clear regulation of the issues that require a decision by the Board of Directors,
- the assessment of the Board of Directors and its work, the assessment of the CEO, and
- the forms of the Board's meetings and minutes.

Meetings of the Board

The Board meets regularly in accordance with the schedule laid down in the rules of procedure. Every Board meeting follows a predetermined agenda. The agenda and background information for each information or decision point are sent to all Directors well in advance of each meeting. Decisions by the Board are preceded by an open discussion led by the Chairman. The Board held 19 minuted meetings in 2021 (22 in the preceding year). Over the year, the Board devoted particular focus to the following issues:

- Intrum's transformation programme,
- the Group's earnings and financial position, as well as interim reporting,
- Covid-19 and the impact of the pandemic on the company, its employees and operations,
- the Group's financing,
- updates from the Group's markets and meetings with clients,
- corporate governance, risk management and internal control,
- investments and follow-up of past investments,
- sustainability,
- incentive programmes and share repurchases, and
- the assessment of the work of the Board and the assessment of the CEO.

The company's auditor attended one Board meeting during the year (as well as the majority of the meetings of the Audit and Risk Committee).

Assessment of the Board and CEO

Each year, the Board evaluates the composition of the Board and its work with the purpose of illuminating matters concerning the Board's composition, areas of focus, materials and meeting climate, as well identifying areas for improvement. The chairman has presented the results of the evaluation to the Nomination Committee. The Board of Directors evaluates the CEO on an ongoing basis and addresses the issue regularly.

Attendance at Board meetings in 2021

Per E Larsson	19/19	Magdalena Persson	17/19
Andreas Näsvik	18/19	Ragnhild Wiborg	19/19
Hans Larsson	18/19	Liv Fiksdahl	18/19
Kristoffer Melinder	17/19	Andrés Rubio	18/19

Compensation for directors

In accordance with the decision by the 2021 Annual General Meeting, fees and other compensation to the Board of Directors are payable totalling SEK 6,850,000, of which SEK 1,465,000 to the Chairman of the Board, SEK 655,000 to each of the other Board members, SEK 280,000 to the Chairman of the Audit and Risk Committee, SEK 170,000 each to the other two members of the Audit and Risk Committee and SEK 90,000 each to the two members of the Remuneration Committee. Additional compensation of SEK 20,000 for travel time is paid to Board Member Andrés Rubio for each physical Board meeting held in Sweden.

Audit and Risk Committee 4

The Audit and Risk Committee has a preparatory role and reports its work to the Board of Directors. Among other things, the duties of the Audit and Risk Committee include monitoring the Group's financial reporting and the efficacy of the Group's internal control, internal auditing and risk management with regard to the financial reporting in other regards. The Committee shall also keep itself informed regarding the audit process, consider the auditor's impartiality and assist the Nomination Committee in connection with the election of an auditor. The Committee has established guidelines for which services, other than auditing services, the company may procure from the auditor.

The Audit and Risk Committee consists of Ragnhild Wiborg (chair), Hans Larsson and Andreas Näsvik. The first two of the aforementioned individuals are considered independent in relation to the company and the company management, as well as in relation to major shareholders. Andreas Näsvik is considered to be independent in relation to the company and company management but not to major shareholders. Normally, the auditor, the company's CEO, the CFO, the Head of Internal Audit, the Chief Risk Officer and the Global Accounting and Reporting Director participate in the Committee's meetings. The latter has also acted as the Committee's secretary.

The Audit and Risk Committee met six times in 2021 (four times in 2020). All members of the Committee attended all of the meetings. The auditor attended the majority of the meetings. The issues addressed by the Committee over the year included interim reporting, risk management (incl. financial risks, operational risks and IT security), financing, regulatory compliance, aspects of internal control and reporting of portfolio investments. In addition, the Committee has considered the annual accounts and the audit procedure for the Group, recommendations regarding the election of external auditors at the Annual General Meeting, tax issues and the preparation of the Board's work to ensure the quality of the Group's financial reporting.

Remuneration Committee 5

The tasks of the Remuneration Committee include preparing the Board's decisions on matters involving remuneration principles, remuneration and other terms of employment for senior management, following up and evaluating programmes for variable remuneration for senior management, and monitoring and assessing general remuneration structures and compensation levels in the Group.

The Committee also assists the Board in drafting proposed guidelines on the remuneration of senior management that the Board presents to the Annual General Meeting, and also in monitoring and assessing the use of these guidelines. Since the 2021 Annual General Meeting, the Remuneration Committee has consisted of Per E. Larsson (chairman) and Andreas Näsvik. Both are considered to be independent in relation to the company and the company management but not to major shareholders.

The CEO and CHRO normally participate in the Committee's meetings. The latter is also the secretary of the Committee. During 2021, the Committee met five times (three meetings in the preceding year) with all Committee members present. Among other matters, work has focused on proposing targets and outcomes for incentive programmes, recruitment of new members of Group management, succession planning and preparation of a proposal for a long-term incentive programme for 2022.

Guidelines on remuneration of senior executives

The 2020 Annual General Meeting adopted the Board's proposed guidelines on the remuneration and other terms of employment of senior executives. The guidelines regulate the relationship between fixed and variable remuneration and the relationship between performance and remuneration, non-monetary benefits, issues related to pensions, dismissal and severance payments and how the Board deals with these issues. The guidelines on remuneration of senior executives applied in 2021 are described in Note 31 on pages 97–98. The Board of Directors' proposed guidelines for 2022 are reported in full in the Directors' Report on pages 57–58. For a more detailed account of salaries and remuneration for senior executives, see Note 31 on pages 97–98 . The remuneration report in accordance with the Shareholder Rights Directive is available at www.intrum.com.

Group Management 6

Intrum's Group Management Team comprises the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Investment Officer (CIO), the Chief Brand & Communications Officer (CBCO), the Chief Human Resources Officer (CHRO), the Chief Legal Officer (CLO), the Chief Operating Officer (COO), the Chief Risk Officer (CRO), the Chief Technology Officer (CTO), the Chief Transformation Program Officer (CTPO), the Chief Data & Analytics Officer (CDAO), the Managing Director (MD) CMS Secured Assets & M&A, the Managing Director (MD) CMS Sales and Service Development, the Managing Director (MD) for Italy, the Managing Director (MD) for Spain and the Managing Director (MD) for Greece.

The Group Management Team meets regularly to discuss financial targets and results, strategy issues and Group-wide guidelines. These discussions, decisions and guidelines are also part of the control of financial reporting. More information about the Group Management Team can be found on pages 50–52.

Risk and Investment Committee 7

The CEO has established a Risk and Investment Committee consisting of members of the Group Management Team, tasked with making decisions, within defined financial limits, on investment matters, primarily regarding the acquisition of portfolios of receivables. Investment decisions above a certain amount require Board approval.

Risk and Compliance 8

The company has a Risk and Compliance function that is headed by the CRO. The function is tasked with pro-actively promoting risk awareness and continuously and independently monitoring and verifying compliance among the Group's financial and operational units. The function reports on its work to the Audit and Risk Committee and the Board of Directors on a quarterly basis.

Internal Audit 9

The Group's Internal Audit constitutes an independent review function that reports directly to the Board via the Audit and Risk Committee. The role of Internal Audit is to provide independent assurance to the Board of Directors and CEO of the effectiveness of internal control, risk management and the Group's governing processes. Internal Audit also provides advice to Management and the Board of Directors regarding how the control environment can be improved and how risks in internal control can be limited. The unit reports completed reviews to the Audit Committee on a quarterly basis, with some 50 such reviews being completed over the year.

Auditor 10

At the 2021 Annual General Meeting, the accounting firm Deloitte AB was elected as the auditor of the Parent Company. Authorised Public Accountant Patrick Honeth is the Chief Auditor. The auditor was elected for the period extending until the close of the 2022 Annual General Meeting. The auditor is considered to be independent. Beyond the audit assignment, the company has also consulted Deloitte AB on matters of taxation and reporting, following approval by the Audit Committee. The scope of the remuneration paid to Deloitte AB is presented in Note 32 on page 97. As Intrum's auditor, Deloitte AB is obliged to test its independence prior to every decision when providing independent advice to Intrum alongside its auditing assignment.

Internal control

The Board is responsible for the company having sound internal control and ensuring that the company has formalised procedures to ensure adherence to established principles for financial reporting and internal control. The Board's Audit and Risk Committee monitors adherence to set guidelines for financial reporting and internal control and maintains ongoing contact with the company's auditors. The objective is to ensure that applicable laws and regulations are adhered to, that financial reporting complies with Intrum's accounting principles in accordance with IFRS and that operations are conducted in an efficient and appropriate way.

Control environment

The basis for good internal control is the control environment, which includes the values and Code of Conduct on which the Board, Management and the company's employees base their actions, but also the Group's organisation, leadership, decision-making paths, authorities and responsibilities, as well as the skills and knowledge of the employees. Intrum's governance model is based on a clear delegation and follow-up of powers and authorities, which pervades all business areas, staff units and control functions. The annual process of revising the Group's targets and strategies is a large-scale task, which includes all units and is systematically followed up. The strategy process also includes risk analyses of the operations.

Corporate governance comprises the Group's system of rules, procedures and processes by which the company management controls the operations. The implementation of the Group-wide rules at the subsidiaries is reviewed annually to ensure compliance. The Group's Code of Conduct is contained within these rules and is communicated to all employees by means of relevant training programmes. The Group's internal regulations are revised annually.

Intrum operates according to the principle of three lines of defence, where the operations, along with the support functions, form the first line of defence. These are responsible for risk management in their respective areas and report risks regularly to the second line of defence.

The second line of defence consists of the Risk and Compliance functions. These serve to support the operations in the first line of defence and provide them with training and advice. The functions are also tasked with following-up and monitoring the operations in the first line of defence. The Risk and Compliance function comprises four main areas: investment risk, operational risk, compliance risk and data security. In addition, a central anti-money laundering unit has been set up within Compliance and a Data Protection Officer appointed for the Group.

The third line of defence comprises Internal Audit, which is tasked with following up, in terms of risk, the operations in the first and second lines of defence to ensure that the company's internal control works satisfactorily and that operations are conducted efficiently. Internal Audit reports to Intrum's Board of Directors through the Audit and Risk Committee.

Risk assessment

The Group's risks are assessed and managed in coordination between the Board, the Audit and Risk Committee, Group Management and local operations. The Board of Directors and Group Management work to regularly identify and manage risks at Group level. In addition, the management of each local unit is responsible for identifying, evaluating and managing the risks associated predominantly with the local operations. Risk & Compliance assists operations in risk assessment.

The risk assessment of financial reporting serves to identify what risks may impact reporting by the Group's companies, business areas and processes. The assessment is based partly on evaluations performed by the Group's finance function, as well as the dialogue with local finance managers and the finance function's shared service centre. These assessments form the basis for the continued control and improvement of financial reporting.

Control activities

Controls are designed to ensure that the risks identified in the work described above are managed by the operations. To a large extent, the risk level determines the control activities aimed at ensuring that the Group applies a risk-based approach. In financial reporting, the controls are based on the Group's minimum requirements for internal controls in financial reporting and consist of company-wide controls, controls at transaction level and general IT controls.

The Group applies a specific decision-making process, "New Product Approval Process" (NPAP), in connection with material changes, such as acquisitions, launches of new products or services, major reorganisations or the establishment of new Group-wide systems or processes. This decision-making process is mandatory at both local and central level. Emergency and continuity plans have also been set up in all operating units within the Group. The intention is for such plans to be subject to annual assessment.

Control activities encompass operations at all subsidiaries and shared service centres and include, among other things, methods and activities to hedge assets, checks on the accuracy and reliability of internal and external financial reports, and ensuring compliance with laws and established internal rules and guidelines. As part of this process, the CEOs and finance managers of the subsidiaries report quarterly that the financial reporting has been conducted in accordance with the internal regulations or if there have been any deviations from these. These reports are reviewed and followed up by the Group's finance function. The Group finance function also conducts a number of control activities at the Group's subsidiaries to ensure that financial reporting is of good quality.

In each country where Intrum operates, local compliance and data protection officers report on compliance risks and regulatory matters to the central compliance function on a quarterly basis. Operational subsidiaries, also draw up annual compliance programmes that include both risk-based controls and supportive measures in the form of information and training on new regulations.

Information and communication

The company works continuously to improve awareness among employees of the control instruments and follow-ups that apply to financial reporting, both external and internal. Responsibilities and authorities are communicated within the Group to enable reporting and feedback from operations to Group Management and the Board's Audit and Risk Committee. The Group's internal guidelines can be accessed via the company's intranet and employees receive training on an ongoing basis. There is also cooperation within and between the different staff and finance functions, aimed at increasing coordination and opportunities to compare analyses, monitoring of accounting and business systems, and the development of various key figures.

Follow-up

Group Management exercises control through regular reviews of financial and operational performance, local meetings, and through participation in local company boards. Each month, the subsidiaries submit their monthly closing reports, which consist of income statements broken down by service line, balance sheets and key performance indicators in the Group's reporting system. The closing figures are consolidated as a monthly report to Group Management. Consolidated accounts are prepared each month for internal follow-up and analysis. The subsidiaries receive feedback from the Group on their reporting and in-depth follow-up meetings are held with each country organisation on a monthly basis.

The follow-up of the internal control with regard to financial reporting is conducted primarily by the Group Finance function and is reported to the Board's Audit and Risk Committee on a quarterly basis.

At the request of the Board, the Internal Audit function also reviews and assesses how the internal control is organised and its efficacy, as well as following up on outstanding material observations from previous audits.

Standardisation and centralisation

In 2019, a decision was made to standardise and centralise financial reporting within the Group, meaning, among other things, that the subsidiaries Intrum Global Business Services UAB in Vilnius and Intrum Customer Services Athens S.M.S.A will be the centres for financial reporting. This centralisation was completed in 2021 and work is under way to standardise financial reporting.

Board of Directors

According to Intrum's Articles of Association, the Board of Directors shall consist of no less than five and no more than nine ordinary members with no more than four deputies. All members are independent in relation to the company, its management and its major shareholders, although three of the members are, in the assessment of the Nomination Committee, not independent in relation to the principal shareholder, Nordic Capital Fund VIII.

Per E. Larsson

Chairman

Born: 1961

Elected: 2017

Education: Business Administration and Economics Uppsala University, Sweden.

Per E. Larsson has previously served at OMX AB (which owns the Stockholm Stock Exchange among others), both as CEO and as a Board Member, as well as Chairman of the Board of the Stockholm Stock Exchange. He has since held positions as CEO of Borse Dubai, been a member of the Global Managing Board at UBS, as CEO of UBS in the Middle East and North Africa, and a number of other board assignments. He is currently Chairman of the Board of Max Matthiessen and Senior Advisor and Operating Chairman for Nordic Capital Funds.

Shareholding in Intrum AB (publ): 38,500 and 640,000 call options issued by Cidron 1748 S.a.r.l (Nordic Capital).

Independent in relation to the company and its management but not to major shareholders in the company.

Liv Fiksdahl

Born: 1965

Elected: 2019

Education: Finance and management, Trondheim Business School, and executive programs at Stanford University and Massachusetts Institute of Technology.

Liv Fiksdahl is Vice President of Capgemini Invent. She has held several senior roles within DNB and has been a member of the Group Executive Management for ten years, where her most recent role was Group EVP, CIO/COO. Liv Fiksdahl is a Board Member of Posten Norge A/S, Arion Banki, Iceland.

Shareholding in Intrum AB (publ): 0

Independent of the company, its management and major shareholders.

Hans Larsson

Born: 1961

Elected: 2017

Education: M.Sc. in Business Administration and Economics, University of Uppsala.

Hans Larsson has previously held various leading positions within the Skandinaviska Enskilda Banken group. He has also served as a Board Member in Nordax Bank AB (publ) and Deputy CEO for the Lindorff Group. Current assignments include Board Member at Nordnet AB and Nordnet Bank AB, as well as Board Member at the Swedish Export Credit Corporation and Chairman of Bank Norwegian ASA. He is also the CEO and owner of Linderyd Advisory AB.

Shareholding in Intrum AB (publ): 16,000

Independent of the company, its management and major shareholders.

Kristoffer Melinder

Born: 1971

Elected: 2017

Education: M.Sc. in Economics and Business Administration, Stockholm School of Economics.

Kristoffer Melinder has previously worked with leveraged finance and M&A at JP Morgan. He has also been a Board Member in GHD Gesundheits, Fougera, Lindorff, AniCura, Greenfood, The Binding Site, Ellos, Convatec, Resurs, Dynal Biotech, KappAhl, Nycomed and Atos Medical. Current assignments include Managing Partner at Nordic Capital Advisors AB.

Shareholding in Intrum AB (publ): 0

Independent in relation to the company and its management but not to major shareholders in the company.

Andreas Näsvik

Born: 1975

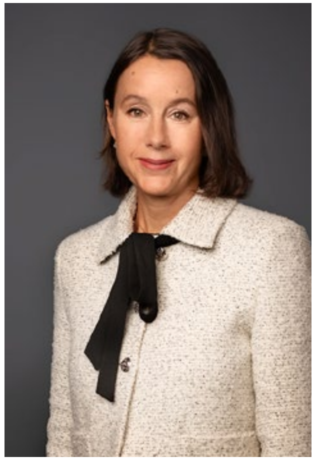
Elected: 2017

Education: M.Sc. in Economics and Business Administration, Stockholm School of Economics.

Andreas Näsvik has previously worked with corporate finance and private equity investments at Deutsche Bank and Goldman Sachs. Andreas Näsvik is currently a Board Member of Sortera, and he has previously been a Board Member of Lindorff AB, Consilium AB and Cary Group (previously Ryds Bilglas AB). He is a partner in Nordic Capital Advisors.

Shareholding in Intrum AB (publ): 0

Independent in relation to the company and its management but not to major shareholders in the company.



Magdalena Persson

Born: 1971

Elected: 2018

Education: M.Sc. in International Economics and Licentiate in Industrial Economics, Linköping University.

Magdalena Persson has been the CEO of Interflora and Sam Sari AB and has held several roles within Microsoft and WM Data. She is a Board Member of NCAB Group, Cary Group and Qarlbo AB and an advisor to EQT Partners. She has previously been Chairman of the Board of Affecto Plc, Chairman of the Board of Nexon Asia Pacific, Chairman of the Board of Iver AB and a Board Member of Aditro and Fortnox.

Shareholding in Intrum AB (publ): 1,500

Independent of the company, its management and major shareholders.

Andrés Rubio

Born: 1968

Elected: 2019

Education: Bachelor of Science in Foreign Service, Georgetown University, Washington D.C.

Andrés Rubio is currently the Managing Partner of IMAN Capital Partners Ltd, Chairman of Crealsa Investments Spain, S.A., Board Member of Blip Billboards, Board Member of Orbis Health Solutions, Advisory Board Member for Essex Lake Group and an independent member of the investment committee at Quarza Inversiones. He was previously a Senior Partner and member of the management committee of Apollo Management International LLP as well as Global Co-Head of Morgan Stanley Principal Investments. He has served as Chairman of the Board of Altamira Asset Management S.L., Vice Chairman of EVO Banco S.A. and Director of Avant Tarjeta EFC, S.A.L.

Shareholding in Intrum AB (publ): 0

Independent of the company, its management and major shareholders.

Ragnhild Wiborg

Born: 1961

Elected: 2015

Education: Bachelor's degree in Business Administration from the Stockholm School of Economics and Master's studies at Fundação Getulio Vargas, São Paulo.

Ragnhild Wiborg is Chairman of the Board of EAM Solar AS and a Board Member of Cary Group, Bank Norwegian ASA, Rana Gruber and Kistefos ASA. She was previously active in asset management as partner/CIO and Portfolio Manager at Odin Fonder and Wiborg Kapitalförvaltning. Before that, she worked at various investment banks in the Nordic region and in London.

Shareholding in Intrum AB (publ): 300

Independent of the company, its management and major shareholders.

Auditors

Deloitte AB

Patrick Honeth

Born: 1973

Chief Auditor since 2021

Patrick Honeth is an Authorised Public Accountant at Deloitte AB.

Other auditing assignments: Avida Finance, Nordnet och SBAB

Group Management

Anders Engdahl
President and CEO

Born: 1974

Anders Engdahl was appointed Chief Executive Officer (CEO) of Intrum in October 2020. Prior to that, he had been Intrum's CFO since June 2019, before which he has been the company's Chief Investment Officer and EVP of Debt Purchasing at Lindorff. He has extensive international experience in investment banking and management consulting from Morgan Stanley, Goldman Sachs, Credit Suisse and McKinsey. At Morgan Stanley he held the role of Managing Director and Head of Nordic Financial Institutions Investment Banking. Anders Engdahl holds a master's degree in Business Administration and Economics from the Stockholm School of Economics.

Shares held, personally and through closely related parties: 244,458 and 3,200,000 call options issued by Cidron 1748 S.a.r.l (Nordic Capital).

Michael Ladurner
Chief Financial Officer

Born: 1980

Michael Ladurner was appointed as Chief Financial Officer on 28 January 2021. Michael began working at Lindorff in 2016 as Investment Director for the German operations, after which he became Business Development Manager for the Portfolio Investment operations throughout Intrum from September 2017 to May 2019. After that, he was appointed as Group Strategy & Analytics Director. Michael previously worked for Bank of America Merrill Lynch in London, focusing on advising European financial institutions. He holds a B.Sc. in economics and politics from the University of Warwick (UK) and an M.Sc. in finance from EDHEC (France).

Shares held, personally and through closely related parties: 3,000.

Javier Aranguren
Chief Investment Officer

Born: 1976

Javier Aranguren took over as CIO in February 2020. He began working at Intrum in 2011 and has held several roles within Investments, including as Group Investment Director since 2018. Javier has previously held several leading positions in the financial sector at companies such as Capital One, GE Money and TDX. He holds two bachelor's degrees in business administration and law from Pontificia Comillas University (ICADE E-3).

Shares held, personally and through closely related parties: 0.

José Luis Bellosta
Managing Director Spain

Born: 1969

José Luis Bellosta joined Intrum in April 2021. Bellosta has an extensive international experience in the financial sector from Mastercard, Citigroup, Liberbank and Santander. His previous employment was as Managing Director of Aliseda, a company owned by Blackstone and Santander Group focused on management of non-performing loans and real estate assets. Mr. Bellosta has a BSc in Business administration and a MBA from Saint Louis University, Missouri (USA), and a PDD at IESE Business School (Spain).

Shares held, personally and through closely related parties: 0

Johan Brodin
Chief Technology Officer

Born: 1968

In November 2019, Johan Brodin was appointed Chief Technology Officer (CTO). Johan Brodin had previously been the Chief Risk Officer (CRO) at Intrum and, prior to joining the company in 2011, he had held the role of CRO at SBAB Bank. He previously held several positions in risk management and control at Handelsbanken, and worked as a management consultant in financial services at KPMG and Oliver Wyman. Johan Brodin holds a B.Sc. (Econ.) from the University of Örebro.

Shares held, personally and through closely related parties: 11,973.

Per Christofferson
Managing Director Credit Management Services, Secured Assets, M&A, BPOs and Markets

Born: 1968

Per Christofferson was appointed Managing Director Secured Assets, M&A, BPOs and Markets on 1 January 2020, before which he held the role as Regional Manager, when Intrum discontinued its former regional structure. Per Christofferson has also previously been responsible for Intrum's Credit Management Services and been Group Operations Director. Prior to joining Intrum in 2009, he worked in the consulting industry, including at KPMG and Acando, where he served as vice president and business area manager. Per Christofferson holds a master's degree from CWRU (Case Western Reserve University) in Cleveland, Ohio, as well as a Master of Science in Engineering from Linköping University.

Shares held, personally and through closely related parties: 31,051.

Anna Fall
Chief Brand & Communications Officer and Acting Chief Human Resources Officer

Born: 1969

Anna Fall was appointed Chief Brand & Communications Officer (CBCO) for Intrum in October 2018. She has an extensive background in the financial sector, joining the company most recently from Första AP-fonden where she held the role of communications manager. In 2004–2016, Anna Fall was Nordic marketing and communications manager for The Royal Bank of Scotland (RBS) and before that she held various roles at the property leasing company Nordisk Renting and within the construction and property group NCC. Anna Fall holds a degree in Political Science, Business Administration and Communication from Uppsala University.

Shares held, personally and through closely related parties: 2,180.

Georgios Georgakopoulos
Managing Director Greece

Born: 1969

George Georgakopoulos joined Intrum in October 2019 and became a member of Group Management in February 2020. George has had a long career in the financial sector, beginning at Barclays in London in 1995. He has also worked in Paris, and more recently in Eastern Europe and Greece. Among other positions, he has been the CEO at Bancpost in Romania and been the CEO of 4Finance. Prior to joining Intrum, he was Executive General Manager and BOD member at Piraeus Bank in Greece. George holds a degree from Athens Law School and a BA from the University of Glasgow.

Shares held, personally and through closely related parties: 1,305.

Niklas Lundquist
Chief Legal Officer

Born: 1970

Niklas Lundquist was appointed Chief Legal Officer at Intrum in 2011, after previously having held the same role at Trade doubler AB (publ). He has experience from two prominent law firms and has served in Swedish courts. Niklas Lundquist holds a law degree from Stockholm University.

Shares held, personally and through closely related parties: 4,589.

Alberto Marone
Managing Director Italy

Born: 1984

Alberto Marone assumed the position of Managing Director Intrum Italy in April 2021. He joined the Senior Management Team of Intrum Italy as Director Investment, M&A and Strategy with responsibility for investments in credit portfolios and M&A in Italy.

Alberto has an extensive background in finance, and among other appointments, he has been Director at UBS Investment Bank in London, EMEA Debt Capital Markets & Investors Solutions Group. He has extensive managerial experience in business development, strategy and post-merger integrations, distressed asset management and real estate, with significant knowledge in private equity as well as public company dynamics. He holds a Master's degree in "Banking and International Finance" from Cass Business School, City University of London.

Shares held, personally and through closely related parties: 0.

Julia Reuszner

Chief Risk Officer

Born: 1976

Julia Reuszner took up the position of Chief Risk Officer at Intrum in August 2020. She joined Intrum from the role of CEO of Pepins Group AB, which is a digital investment platform. Julia Reuszner has a broad background from both the financial sector and the e-commerce sector, and among other appointments, she has been CFO and Acting CEO of the Adlibris Group. She also has extensive experience of acquisitions and investments from her time at Adlibris, Pepins and from the private equity company Capman, where she was Investment Director. Julia Reuszner holds a master's degree in Economics and Business Administration from the Stockholm School of Economics.

Shares held, personally and through closely related parties: 1,000.

Mohammed Salloum

Chief Transformation Program Officer

Born: 1985

Mohammed Salloum took up the position of CTPO in January 2021. He joined the company in 2020 as Group Finance Director. Mohammed previously worked at McKinsey & Company, where he was Engagement Manager with a focus on strategy, transformation and finance. Mohammed has a broad financial and advisory background from companies including Hemfrid AB, Capgemini Consulting and AB Volvo. He holds a PhD in financial management and a BA in finance.

Shares held, personally and through closely related parties: 1,149.

Harry Vranjes

Chief Operating Officer

Born: 1970

Harry Vranjes was appointed Chief Operating Officer (COO) on 1 January 2020. Until the end of 2019/beginning of 2020, he was Head of Credit Management Services. Harry Vranjes joined Intrum in 2002, and between 2015 and 2017, he was Regional Manager for Western Europe. He was Chief Technology Officer (CTO) between 2008 and 2015 and prior to that he was a project manager and business developer between 2002 and 2008. Harry Vranjes previously worked as an IT management consultant at WM-Data between 1998 and 2001. Harry Vranjes holds a BA in systems science from Lund University.

Shares held, personally and through closely related parties: 13,298.

Anette Willumsen

Managing Director Credit Management Services, Sales & Service Development and Markets

Born: 1963

Anette Willumsen was appointed Managing Director CMS Sales & Service Development and Markets on 1 January 2020. In this role she is responsible for the global Sales and service development process in addition to being responsible for multiple Mature & Emerging markets. Prior to her current role, she had the role of Regional Manager Northern Europe, and she was previously Managingining Director of Lindorff Norway between 2012 and 2017 and was Acting Managing Director of Lindorff Denmark for two years. She has also been SVP of EDB Business Partner (EVRY). She holds an EMP from INSEAD and an MA in Finance and Business Administration from the Norwegian School of Economics (NHH).

Shares held, personally and through closely related parties: 63,919.

Luca Zuccoli

Chief Data and Analytics Officer

Born: 1970

Luca Zuccoli took up the position of Chief Data and Analytics Officer at Intrum in June 2021. He joined Intrum from the role of CDO of EasyJet, which is a pan-European airline. Luca Zuccoli has a broad financial, tech and advisory background, from companies including Oliver Wyman, Roland Berger and Experian. He holds an MBA from INSEAD and a Master in Science in Statistics from CMU.

Shares held, personally and through closely related parties: 0.

Signing of the Corporate Governance Report by the Board of Directors

Stockholm, 1 April 2022

Board of Directors,
Intrum AB (publ)

Auditor's report on the Corporate Governance Report

To the general meeting of the shareholders in Intrum AB (publ) corporate identity number 556607-7581

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2021-01-01 – 2021-12-31 on pages 43–52 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm April 5 2022
Deloitte AB

Patrick Honeth
Authorised Public Accountant

Board of Directors' report

The Board of Directors and the President and CEO of Intrum AB (publ) hereby submit the Annual Report and consolidated financial statements for the 2021 fiscal year.

Intrum Group

Intrum AB (publ) (corporate identity number 556607-7581) is domiciled in Stockholm and is a public limited liability company and conducts operations in accordance with the Swedish Companies Act. Intrum's operations were founded in Sweden in 1923 and have, through acquisitions and organic growth expanded to become one of Europe's leading credit management companies. The Parent Company of the Intrum Group was registered in 2001 and has been listed on the Nasdaq Stockholm exchange since June 2002. As of 31 December 2021, the share capital amounted to SEK 2,899,805 and the number of shares to 120,797,264, of which 923,654 are treasury shares. Intrum Group is present in 24 markets.

Revenues and earnings

Definitions of the performance measures applied, key financial indicators and alternative indicators are to be found on pages 96. For reconciliation of key financial indicators, see also page 106.

Revenues for 2021 increased to SEK 17,789 M (16,848). EBIT amounted to SEK 6,475 M (4,695) and net earnings for the year amounted to SEK 3,391 M (2,078), earnings per share was 25.88 (15.18). Operating earnings excluding items affecting comparability ("adjusted operating earnings (EBIT)") increased to SEK 7,014 M (5,738).

Segments

Intrum's service offering is divided into three segments: Credit Management Services, Strategic Markets and Portfolio Investments.

The Credit Management Services segment offers servicing arrangements to clients in 21 of the 24 European markets where Intrum operates with a focus on late payment and collection.

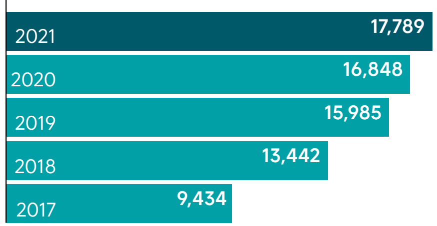
The Strategic Markets segment offers the same services in Italy, Spain and Greece.

The Portfolio Investments segment acquires portfolios of overdue receivables which we collect on our own behalf. Real estate acquisitions, primarily through the seizure of collateral for purchased covered receivables, other financing services and payment guarantees are included in the Portfolio Investments segment.

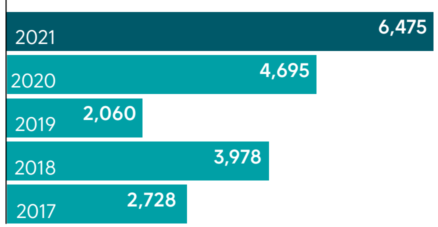
Credit Management Services

The net revenues for the segment for the year decreased to SEK 4,102 M (4,375), or by 6 per cent, compared with the preceding year, and operating earnings decreased to SEK 1,430 M (1,613). During 2021 the segment experienced continued normalisation in new case inflows with noticeable improvements across the board. Operating earnings margin showed a stable development throughout the year. Formal moratoria, with few

Revenues, SEK M



Operating earnings (EBIT), SEK M



Significant events during the year

2021 has seen significant progress on our road towards ONE Intrum. A number of achievements are collectively supporting improved services and a strengthened offering towards both our clients and customers. Looking at cash revenues and cash spend development since 2019 we are clearly seeing the impact of our size and scale as well as the ongoing Transformation program with significant operating leverage. Optimising resource allocation and focus on the modern common platforms has enabled us to increase cash revenues by 10 per cent while keeping cash spend flat between 2019 and 2021.

During the period 5 May 2021 to 7 May 2021, the company acquired 140,00 shares to secure exposures to the company's long term incentive program.

On 9 June 2021 Nordic Capital sold 10 million shares, representing 8.2 per cent of the total number of outstanding shares in Intrum AB.

On 1 July 2021, Intrum issued a three-year unsecured bond of SEK 1,500 M at STIBOR 3m +325 basis points under the Swedish MTN program. The proceeds were used to refinance a fixed-rate bond maturing in 2022. On 9 September 2021, Intrum issued a five-year unsecured bond under the Swedish MTN program of SEK 1,000 M at STIBOR 3m +330 basis points. The proceeds of this issue were used to repay outstanding amounts under Intrum's revolving credit facility.

In December 2021 Intrum won an agreement to manage the collections and recoveries functions for Sainsbury's Bank and Argos Financial Services portfolios. Under the agreement, Intrum will assume responsibility for collections and recoveries on a white label basis for loan, credit card and store card products.

On 29 December 2021, the company Intrum, together with partners, acquired in 2018, "Penelope", was restructured. Penelope was restructured and refinanced with rated longer duration senior notes. The senior notes are intended to be eligible for a state guarantee, Garanzia Cartolarizzazione Sofferenze (GACS). As part of the restructuring, Ithaca's holding in the Notes increased from 51 per cent to 95 per cent. In addition, Intrum reduced its holdings to the PPNs from 80 per cent to 62.5 per cent in Ithaca. Overall this resulted in a net valuation loss of SEK 40 M for Intrum. Intrum also entered into a derivative contract with certain funds managed or advised by CarVal Investors for a consideration of SEK 10 M, which allows it to acquire the latter's 37.5 per cent PPNs in Ithaca from 1 July 2023 to 31 December 2027 and also requires Intrum to do so once gross collections of SEK 12.8 bn have been achieved or on 31 December 2027.

exceptions, expired and conversations with clients indicate that informal payment holidays have been withdrawn. This, together with more normal consumption patterns, underpins the gradual recovery in higher value financial services new case inflows observed during the year which is set to continue into 2022.

Strategic Markets

The net revenues for the segment for the year increased to SEK 5,624 M (5,409), or by 4 per cent, compared with the preceding year, operating earnings increased to SEK 1,974 M (1,547) or by 28 per cent.

In our Strategic Markets we observed a broad-based, sharp recovery from the pandemic, also through the return of a more normal seasonality pattern with a very strong finish to 2021.

In Spain our real estate activities in particular continued to perform strongly with real estate sales of SEK 12.8 bn for the year. Our Greek operation showed continued strong performance, delivering to the original business plan despite pandemic related challenges. While Italy is still impacted by pandemic related challenges with, in particular, the efficiency of the legal system only gradually reverting towards pre-pandemic levels in the second half of 2021.

Portfolio Investments

The net revenues for the segment for the year increased to SEK 8,063 M (7,064), operating earnings increased to SEK 5,043 M (3,251).

The performance of our Portfolio Investments in 2021 has significantly outperformed expectations ending the year with a performance of 113 per cent. This result was driven by our entire footprint, a testament to the strength of our operations, our ability to select and win transactions with a strong risk/reward profile as well as our highly diversified portfolio construction. During the year we also successfully refinanced the Italian SPV, which owns the portfolio that Intrum, together with partners, acquired in 2018.

During 2021, the book value of our investments increased by 15 per cent to SEK 38.2 bn (33.3) including net revaluations and write downs of SEK 17 M (749). New portfolio investments in the year amounted to SEK 8.1 bn (5.1). The pricing environment remains attractive with a RTM money-on-money multiple (MoM) of 2.04 (2.08). Adjusted return on portfolio investment was 14 per cent (12).

Expenses

The gross profit margin for the year of 46 per cent (44) was higher than the preceding year as we begin to see the impact of the ongoing Transformation program. Earnings for the year were charged with items affecting comparability of SEK 538 M (1,043).

Amortisation/depreciation and impairment

Operating earnings for the year were burdened by depreciation/amortisation and impairment of tangible and intangible fixed assets by SEK 1,500 M (1,528), thereof impairments 0 (0). Operating earnings before depreciation/amortisation (EBITDA) amounted to SEK 7,975 M (6,224).

Net financial items

Net financial items amounted to SEK -2,174 M (-2,062) and consisted of net interest items of SEK -2,066 M (-1,744), exchange rate differences of SEK -11 M (16) and other financial items of SEK -316 M (-334). The net interest costs were negatively affected by higher interest on new debt issued in the second half of 2020.

Other financial items for the full-year include commitment fee of SEK -153 M (137) and amortisation of borrowing costs of SEK -103 M (109).

Taxes

The tax expense for the full year 2021 was SEK 910 M (555), representing 21.2 per cent of earnings before tax. The company's assessment is that the tax expense will, over the next few years, be around 20–25 per cent of earnings before tax for each year, excluding the outcome of any tax disputes.

Cash flow and investments

Cash EBITDA for the full year amounted to SEK 12,310 M (11,607), and cash flow from operating activities amounted to SEK 10,042 M (8,506). Cash flow from investing activities amounted to SEK -8,009 M (-5,443) and cash flow from financing activities to SEK 401 M (-2,569).

Share of consolidated revenues

Research and development

Intrum is not engaged in any research and development other than the development of its IT systems. The year's investments in tangible and intangible fixed assets amounted to SEK 334 M (672) and largely involved hardware and software for IT systems, primarily for production. Technical development is rapid and when correctly used, new technical solutions can enhance efficiency in the management of collection cases and the utilisation of the Group's databases. In pace with increasing demands for customer-adapted IT solutions, it is of strategic importance for Intrum to continuously be able to adapt and meet these changes in demand.

Financing

Net debt decreased by SEK 1.3 bn since the end of the preceding year. Payments have been made for the year's share dividend, as well as for investments in portfolios, subsidiaries and joint ventures.

Net debt in relation to rolling 12-month cash EBITDA amounted to 3.9 at the end of the year. In 2021, 140,000 shares were repurchased for SEK 42 M. Accordingly, the average number of shares outstanding over the year was 120,828,453 compared with 123,913,717 in the preceding year.

Goodwill

Goodwill amounted to SEK 32,758 M as at 31 December 2021, compared with SEK 31,650 M as per 31 December 2020. Of the change, SEK 5 M is attributable to new acquisitions made during the year, a negative SEK 4 M to the adjustment of the acquisition analysis and a negative SEK 1,709 M to exchange rate differences.

Sustainability

In accordance with ÅRL Chapter 6, Section 11, Intrum has chosen to prepare the statutory sustainability report as a separate report from the Board of Directors' report. The sustainability report can be found on pages 25–38 and 109–118. The Sustainability Report has been reviewed by the external auditors, whose limited assurance statement can be found on page 118.

Intrum's sustainability work is rooted in our mission of leading the way towards a sound economy. In a sound economy, companies are paid on time for the goods and services they have sold, while all people have sufficient knowledge of personal finance and credit to be able to make informed decisions. This contributes to a sound economy for society as a whole.

As the leading player in credit management, and as experts in late payment and collection, Intrum bears a great responsibility to conduct its operations sustainably and ethically, while also working pro-actively on issues of finance and excessive debt.

Group Management

On 31 December 2021, Intrum's Group Management Team comprised Anders Engdahl (President and CEO), Michael Ladurner (Chief Financial Officer), Anette Willumsen (Managing Director Credit Management Services Sales & Service Development and Markets), Harry Vranjes (Chief Operational Officer), Johan Brodin (Chief Technology Officer), Julia Reuszner (Chief Risk Officer), Alberto Marone (Managing Director Italy), Niklas Lundquist (Chief Legal Officer), Per Christofferson (Managing Director Secured Assets, M&A and Markets), Anna Fall (Chief Brand & Communications Officer and Interim Chief Human Resources Officer), Jose Luis Bellosta (Managing Director Spain), Mohammed Salloum (Chief Transformation Program Officer), Javier Aranguren (Chief Investment Officer), Georgios Georgakopoulos (Managing Director Greece) and Luca Zuccoli (Chief Data & Analytics Officer).

Karin Lagerstedt Woolford (former Chief Human Resources Officer) left Intrum and the Group Management Team during the year.

Market outlook and future prospects

Looking forward into 2022, the conducive market backdrop as well as the potential for further growth and profitability improvements, being unlocked by our ONE Intrum Transformation program, will support continued delivery towards our financial targets.

We foresee further normalisation in our CMS segment, boosted by our 2021 commercial successes, starting to meaningfully contribute and exploiting economies of scale of the ONE Intrum platform. In Strategic Markets our platforms are ready to benefit from the broad-based post pandemic opportunities we now see, with particular focus on UtP and SME exposures. In Portfolio Investments we expect performance in line with pre-pandemic averages. 2022 should also see the return of a normal seasonal pattern with relatively weaker first and third quarters and stronger second and fourth quarters.

Our two key priorities remain unchanged for 2022 – continued delivery on our ONE Intrum transformation and organic growth. Intrum is persistent in its dedication to find client and customer centric solutions for all challenges at hand and to serve all stakeholders in an empathic and ethical manner. Societal megatrends provide a positive backdrop for our continued success.

Parent Company

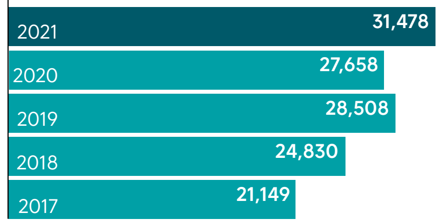
The Group's publicly listed Parent Company, Intrum AB (publ), owns the subsidiaries, provides the Group's head office functions and handles certain Group-wide development work, services and marketing.

The Parent Company reported net revenues of SEK 690 M (557) for the year and earnings before tax of SEK 216 M (524). The Parent Company invested SEK 267 M (148) in fixed assets during the year and had, at the end of the year, SEK 602 M (533) in cash and equivalents. The average number of employees was 60 (56).

The share and shareholders

At the end of the year there were 120,797,264 shares in the company, of which 923,654 were treasury holdings. All shares outstanding carry equal voting rights and an equal share in the Company's assets and earnings. At the end of the year, the company's largest shareholders were Nordic Capital (39.2 per cent of the shares outstanding), AMF Pension & Fonder (9.5), Swedbank Robur Fonder (4.6), Handelsbanken Fonder (3.7), Vanguard (2.0) and Första AP-fonden (2.0). See also the table on page 37. The Articles of Association do not contain any pre-emption clauses or other limitations on the transferability of the shares, and there are no other circumstances that the Company is obliged to disclose according to the provisions in chapter 6, section 2a, pages 3–11 of the Annual Accounts Act.

Carrying value, portfolio investments (SEK M)



Share of consolidated revenues

Board work

According to Intrum's Articles of Association, the Board of Directors shall consist of no less than five and no more than nine ordinary members with no more than four deputies. All members are elected by the Annual General Meeting. During 2021, the Board held 19 meetings (22 in the preceding year). For a description of the work of the Board of Directors, please refer to the Corporate Governance Report on pages 40–49. The Corporate Governance Report also includes details of the most important elements of the Group's systems for internal control and the preparation of financial reports on pages 43. The Corporate Governance Report is also available at the corporate website www.intrum.com.

Events after the end of the year

The Russian invasion of Ukraine is one of the most dramatic events in Europe since World War II. For us at Intrum, the safety and well-being of our employees is the top priority and fortunately we have no operations and thus no employees in neither Ukraine nor Russia. We have though taken extra measures to provide help for employees with links to Ukraine. Intrum has insignificant business exposures towards the two countries, and only through a limited number of end-customers. These small amounts of collections were immediately paused. Also, to join the European movement of protecting democracy, Intrum donated SEK 1 million to the UNHRC, The UN Refugee Agency. We are of course following the events closely and monitoring the indirect implications to understand and mitigate the effects on European economy and hence on Intrum as a business.

Resolution regarding guidelines for remuneration and other terms of employment for key executives

The Board proposes that the following guidelines for executive remuneration shall be approved by the Annual General Meeting. The proposal has been prepared by the Remuneration Committee of the Board.

The guidelines apply to the CEO and other members of Intrum's Group Management Team ("GMT"). The guidelines are forward-looking, i.e. they are applicable to agreements on remuneration, and on amendments to remuneration already agreed, entered into after adoption of the guidelines by the Annual General Meeting 2022. These guidelines do not apply to any remuneration to be separately resolved or approved by the General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, Intrum's business strategy is, to execute on its transformation and to continue to grow, and to continue to build its position as the undisputed market leader within the credit management industry. For more information regarding the company's business strategy, visions and goals, please see www.intrum.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the GMT a competitive total remuneration.

Long-term share-related incentive programmes ("LTIPs") have been implemented in the company. Such LTIPs have been adopted by the Annual General Meeting and are therefore excluded from these guidelines. The LTIP proposed by the Board to be adopted by the Annual General Meeting 2022 is excluded for the same reason, as well as similar programs to be adopted in the future. The proposed LTIP essentially corresponds to existing LTIPs. The LTIPs includes the GMT and other key employees in the company. The evaluation metrics used to assess the outcome of the LTIPs are distinctly linked to the business strategy and thereby to the company's long-term value creation.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's long-term business strategy and short-term interests, including its sustainability.

Forms of remuneration

Remuneration in the company should reflect job complexity, responsibility and performance, and it should be competitive in comparison with comparable companies within similar industries in the relevant geographies. The remuneration shall consist of the following components: annual fixed cash salary ("Base Salary"), annual variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration such as LTIPs.

Base Salary

The Base Salary is based on three cornerstones: job complexity & responsibility, performance and local market conditions. The Base Salary is subject to annual revision.

Short-Term Incentive Program

Intrum's Short-Term Incentive Program ("STIP") aims to drive, and is designed to vary with, short-term business performance, and is set for one year at a time. The evaluation metrics are individually decided for each member of the GMT, and consist of financial results (on group level or country level/s, as applicable) such as Cash EBIT and Cash Return on Invested Capital. Members of the GMT may also have a smaller portion of targets linked to operational or non-financial metrics, such as Employee Engagement Index. The Board may also decide to adjust the metric targets or apply other similar evaluation metrics if deemed appropriate.

The maximum STIP pay-out is 100 percent of the Base Salary for the CEO and the CFO. For the other members of the GMT (except for the Chief Risk Officer, who is not eligible for STIP) the normal maximum STIP pay-out is 35 to 50 percent of the Base Salary.

To which extent the evaluation metrics for awarding STIP have been satisfied is evaluated and determined when the measurement period has ended. The company's Remuneration Committee is responsible for preparing the STIP evaluation for all GMT members. The determination of the STIP outcome is then resolved by the Board in its entirety.

No deferral periods are applied in relation to STIP and the STIP agreement does not contain any clause entitling the company to reclaim STIP.

Incentive program relating Intrum's transformation program

Intrum is currently implementing a major transformation program, encompassing all parts of the organisation. The Board has implemented a specific incentive program relating to the transformation, offered to a limited number of key individuals whose contributions are crucial for the transformation's success. The program runs from 2022 until June 2024 and outcome is conditional upon specific deliveries in the transformation program.

The Board intends to offer up to eight (8) members of the GMT to participate. The maximum pay-out is 50 percent of the Base Salary.

Extraordinary arrangements

Other one-off arrangements can be made on individual level in extraordinary circumstances when deemed necessary and approved by the Board. The purpose might be in relation to recruitments, retention of top talent needed to secure successful implementation of the business strategy.

Any such arrangement need to be capped at an amount equal to two (2) times the individual's annual fixed salary.

Pension benefits and other benefits
Intrum applies a retirement age of 65 for all members of the GMT, unless otherwise follows from applicable national rules.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. VSP does not constitute pensionable income. The pension premiums for premium defined pension shall amount to not more than 35 percent of the Base Salary.

For other GMT members, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 percent of the Base Salary.

Other benefits than pension benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring), housing and company cars. For GMT members with housing benefits, such benefits may amount to no more than 20 percent of the Base Salary. For GMT members without housing benefits, such benefits may not amount to more than ten percent of the Base Salary.

Termination of employment
The notice period may not exceed twelve months if notice of termination of employment is made by the company. Base Salary during the notice period, severance pay and compensation during a non-compete period may together not exceed an amount equivalent to twenty-four months Base Salary. The notice period may not exceed six months without any right to severance pay when termination is made by the GMT member.

Remuneration for non-compete undertakings shall compensate for loss of income. The remuneration amounts to not more than 100 percent of the Base Salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and shall be paid during the time the non-compete undertaking applies, however not for more than twelve months following termination of employment.

Remuneration and employment conditions for employees
In preparation of the Board's proposal for these guidelines and when evaluating whether the guidelines and the limitations set out herein are reasonable, account has been taken regarding the remuneration and employment conditions for employees of the company. This has been done by reviewing e.g. the employees' total remuneration, the components of their remuneration and remuneration growth rate over time.

The decision-making process to determine, review and implement the guidelines
The Board has established a Remuneration Committee. The Remuneration Committee's tasks include preparing the Board's decision to propose these guidelines. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the GMT, the application of the guidelines for GMT as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and the GMT. The CEO and other members of the GMT do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration
These guidelines do not entail any significant changes in relation to the company's existing guidelines, apart from the section about a specific incentive program for the company's transformation program.

The company has not received any views from shareholders to take into consideration.

Information on remuneration resolved but not yet due and on derogations from the remuneration guidelines resolved by the Annual General Meeting 2021
Previous Annual General Meetings have resolved on guidelines for executive remuneration and other terms of employment for the period up until the next Annual General Meeting. In short, these guidelines entail that Base Salary and STIP shall be payable on conditions similar to what has been described in these guidelines. Base Salary and STIP is expensed during the financial year, and STIP is paid out after the year-end report has been adopted by the Board.

The guidelines adopted by the Annual General Meeting 2021 have been adhered to without derogation, and all previously approved remuneration that has not yet been paid out is in line with the framework set out above.

Proposed appropriation of earnings
The Board of Directors and the President propose that SEK 13.5 per share (12.0) be distributed to shareholders, corresponding to a total of SEK 1,631 M (1,450). The full dividend proposal is presented on →| page 102.

For further information on the earnings and financial position of the Parent Company and the Group, please refer to the income statements, balance sheets, summary of changes in shareholders' equity, cash flow statements and notes.

Publication of the Annual Report
This information is such that Intrum AB (publ) is required to disclose pursuant to the EU's markets abuse directive and the Securities Markets Act. The information was submitted for publication at 12.00 noon CET on 6 April 2022.

Risks and risk management

Proactive and effective risk management

Within Intrum, Risk Management shall comprise proper analysis, effective handling and continuous monitoring of significant risks in all aspects of its operations.

Our ability to prevent and manage risks is crucial for effective governance and control, and thus also for the company's opportunities to generate profitability and value. A key prerequisite for being able to manage risks in a balanced way, the risks must first be identified, reported, analysed and reviewed. In recent years, we have worked purposefully to strengthen both the organisation and the risk management process.

Intrum's risk framework

Our risk management shall support the business operations, maintain a high level of quality to ensure risks are kept under control, safeguard the company's survival and limit the volatility of Intrum's financial development. Risk control serves as protection safeguarding the company's value, where the ability to assess and manage price risks regarding new transactions, for example, combined with monitoring the development of the investment portfolio is of great importance. This builds on an ongoing internal dialogue about the risks generated by the operations and the resources necessary to counteract them.

Intrum continuously works to identify, assess, handle/mitigate- and monitor the risks to which the Group is or may be exposed. Good internal controls are important, as is a functioning and effective risk framework.

We strive to not expose ourselves to any risks not directly attributable to, or deemed necessary for, our business operations. As part of their regular work, all employees are responsible for managing the company's risks. Continuous information and training on the risks inherent in the operations form an important part of Intrum's internal processes.

We also have a documented process for risk analysis and for approving new or significantly altered products, services, markets, acquisitions, processes and IT systems and in connection with major changes in the company's organisation and operations.

Risk strategy

Intrum's risk strategy details the management and assessment of the risks to which its operations are, or may be, exposed. The strategy comprises:

- clear and documented internal procedures and controls,
- an appropriate organisational structure with clearly defined and documented roles and authorisations,
- documented decision-making procedures,
- risk assessment methods and systems support tailored to the needs, complexity and scope of the operations,
- control of the company's compliance with laws and other regulations applicable to the company's operations,
- adequate resources and skills to achieve the desired quality in both business and control activities,
- regular incident reporting in operations,
- documented and disseminated contingency and business continuity plans.

Our risk strategy follows a clear division of roles and responsibilities according to the three lines of defence model where risk management and control activities are separated and divided between business operations, risk control and compliance, and the internal audit.

Control of risk management and compliance

Our risk management follows the division of roles and responsibilities according to the three lines of defence model illustrated below. Identified risks have been classified and balanced in relation to the business objectives, after which acceptable risk levels have been established in Intrum's Risk Appetite and Strategy Policy.

Risk Appetite

Board of Directors

Responsibility
- Sets "the tone from the top"
- Establishes risk appetite and strategy

CEO
- Executes the strategy set by the Board

Audit and Risk Committee
- Internal Audit has direct report to the ARC. CRO and Compliance have dotted line reporting to the ARC.

Risk Management

1st Line: Risk Management

Governance
- Business lines, global functions
- Reports to CEO

Responsibility
- Full ownership of Day-to-Day business, e.g. Intrum´s Operational Management, also including management of risks, processes and controls.
- Risk owners with the mandate and budget to handle risks, incl. responsibility for compliance with applicable laws and internal rules.
- Ultimate decision makers on how to handle risks (e.g. by mitigating or accept the risk).
- Reports on risk management and internal control, e.g. by financial reporting.
- Conduct the business to meet the objectives of Intrum, in line with Global Internal Rules.

2nd Line: Risk Control and Compliance

Governance
- Independent from first line
- Reports to the CRO, with dotted line to the Board of Directors
- Control and monitor business operations and global functions by e.g. providing independent reports to Group Management and the Board.
- Provide recommendations only, not risk owners.

Responsibility
- Areas: compliance control, risk control of investment, information security and operational risks
- Define mandates, guidelines and limits to keep the business within the risk appetite.
- Support business and global functions e.g. by identifying and quantifying risks.
- Control and evaluate if routines and measures to minimise risks are sufficient and appropriate
- Modelling, aggregation and analysis of overall risk profile.
- Coordinators of Global Internal Rules, but not owners of all rules

3rd Line: Group Internal Audit

Governance
- Internal Audit is a group-wide function
- Reports directly to the Audit & Risk Committee
- Independent from first and second line

Responsibility
- Risk based, independent assurance on governance, risk management and control processes.
- Identifies through independent assessment strategic, operational and financial weaknesses in first and second line of defense.

External Audit

Risk appetite

Intrum's risk appetite is expressed in, among other things, policies, instructions and guidelines established for the operations. Intrum defines risk as all factors which could have a negative impact on the ability of Intrum to achieve its business objectives. Intrum's risk appetite is based on the following principles:

- To be able to pursue our strategy, the culture at Intrum shall be such that there is a built-in balance between risk-taking and value generation.
- The risk culture defines how the business operations are to act with acceptable risks, within the limit set by the Board.
- Intrum investment operations entail the greatest inherent risks with a potential impact on the cash flow statement, income statement and balance sheet. It is therefore a central concern in the area of risk, where particular emphasis is placed on both transaction management and reporting throughout the life time of any investments.
- We have no appetite for intentional or deliberate violations of regulatory requirements and we should always strive for full compliance with applicable laws and regulations.
- The risk appetite statements forms the basis for an continuous dialogue within the management regarding Intrum's decision-making processes and are integrated into these. They determines what risk levels are appropriate and how Intrum's business strategy shall be adapted to these.

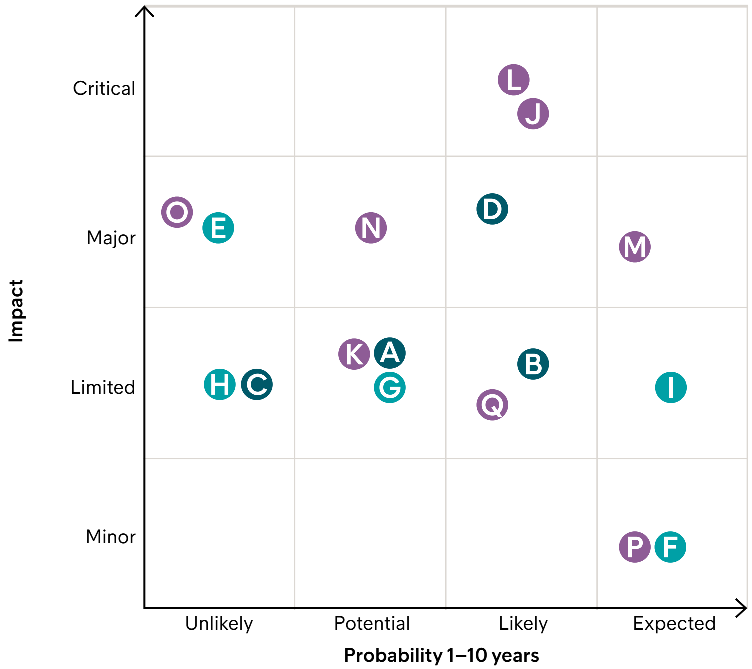
Significant risks

As a leading player in credit management and purchasing of overdue receivables, there are a number of risks that are of particular importance in safeguarding Intrum's future development and profitability. These constitute Intrum's most significant risks. The likelihood of these risks occurring and the impact they would have on Intrum are illustrated in the matrix which incorporates both financial and non-financial risks.

The risks can be divided into three general risk categories: strategic, financial and operational.

Sustainability risks are integrated into the same three risk categories as above, and are primarily related to risks associated with portfolio investments, reputational risks, information security, employees, climate and corruption.

Risk factors[1]



Strategic risks
- A Macroeconomic risk
- B Competitive risk and price pressure
- C Acquisition risk
- D Transformation risk

- E Liquidity risk
- F Currency and interest rate risk
- G Tax risk
- H Financing risk
- I Portfolio investment risk

Operational risks
- J Information security risk
- K Political and regulatory risk
- L IT security risk
- M Employee risk
- N Corruption risk
- O Reputational risk
- P Epidemic and pandemic risk
- Q Climate risk

1) The placement of the risks is interpreted per quadrant, in no particular order.

Strategic risks

Risks	Description	Management
A Macroeconomic risk	To a certain extent the credit management sector could be negatively affected by a weaker economy. However, Intrum's assessment is that, historically, it has been less affected by economic fluctuations compared with other sectors. Though this includes periods of extreme stress such as the 2007-08 Great financial crisis we are careful to stay vigilant and not grow complacent. Something which is important in the current pandemic situation where we have yet to see the long term effects on our business. On a high level, key macroeconomic indicators such as inflation, interest rates and changes in employment/unemployment may have an impact on but not limited to Intrum's current performance and outlook both with respect to its servicing offer, investment, valuation of its assets, liabilities and opportunities to defend its market position or even expand its footprint. It can also act indirectly as modifiers of the risk appetite both on the supply and demand side. Long term effects of changes to core inflation and commercial interest rates also affect both our asset and liability side have effects that directionally can be very hard to predict.	This risk is alleviated by the fact that we are diversified to 25 countries and the risk associated with individual countries therefore has a limited impact. A senior economist role is dedicated to monitoring developments. With the support of local expertise regular checks of local developments and outlook are continuously and periodically monitored, benchmarked and managed to ensure proper planning and timely response. We also monitor macro trends in each country by following up and analysing a number of macroeconomic variables to ensure we maintain a relevant to our industry point of view. Current trends in interest rate hikes and inflationary tendencies are met with closer control and tightening off investment rules and instructions to ensure stricter market discipline in times of transition of economic fundamentals. At the same time, given Intrum's strong liquidity and funding position the markets are also tracked for new or different business opportunities presented by changing macroeconomic conditions.
B Competitive risk and price pressure	Increased competition can adversely affect operations and earnings. The European credit management industry is fragmented, with thousands of companies with different orientations. The price level is an aspect of competition, but can also reflect players accepting lower return requirements, for example. This applies albeit slightly differently to both legs of our business – Servicing and Investments.	Intrum's platform for handling debt collection cases is a competitive advantage, as this gives us control over the entire process, enabling us to ensure efficient case management. By means of a large European database, we also have good opportunities to ensure pricing based on risk and to make well-founded investment decisions.

Risks	Description	Management
C Acquisition risk	Opportunities to successfully complete acquisitions are dependent on Intrum's capacity to identify and assess acquisition targets, to identify and manage risks in the acquired operations and to integrate these effectively into Intrum's existing operations. A potential acquisition may require approval from an authority or other third party.	Ahead of an acquisition, a detailed review of the acquired company, due diligence, is always performed, generally in cooperation with external consultants, with the aim of identifying risks and providing a basis for the valuation of the acquisition object. The Group also has a well-documented and standardised process for how acquisitions are to be approved, implemented and followed up. While the appetite for these types of transactions may vary over time – depending on circumstances and opportunities – Intrum can point to an extensive track record of successful acquisitions and integration of companies in numerous European countries.
D Transformation risk	Intrum is currently undergoing a transformation, in which we are globalising and standardising systems, processes and working methods alike. The purpose is to leverage on economies of scale and to work even more efficiently to meet the expectations of our customers and other stakeholders. It is important that we succeed in our implementation of the transformation, with uniform processes and within the stated time while simultaneously complying with national legislation.	We have created a structured process and appointed a Chief Transformation Program Officer to ensure that the transformation program reaches the finish line. We have also created a solid governance structure for the programme, key performance metrics which is monitored on regular basis

Financial risks

Risks	Description	Management
E Liquidity risk	Intrum is dependent on access to loan credits, both from banks and the capital market, to have liquidity available for meeting contractual obligations, both financial and strategic.	Intrum's policy is to always have liquidity available to cover our contractual financial flows and outstanding binding offers, both for corporate acquisitions and portfolio investments. Furthermore, at most 35 per cent of Intrum's outstanding debt may fall due within 12 months. In order to ensure liquidity to cover liabilities that mature for payment, Intrum sets a target that in any individual year no more debt may fall due than Intrum is able to repay with self-generated funds. Not only to retain the ability to parry short term fluctuations Intrum also has at its disposal a currently low utilised revolving credit facility.
P Currency and interest rate risk	Intrum is partly exposed to fluctuations in exchange and interest rates. These risks can affect our earnings and financing costs.	In each country, investments, revenues and most operating expenses are denominated in local currencies, and thus currency fluctuations have a relatively minor effect on operating earnings within the relevant country. Revenues and expenses in national currency are thereby hedged in a natural way, which limits transaction exposure. The translation exposure for the Group is limited through loans and currency forward transactions in foreign currencies. Intrum strives to match the fixed interest term on the debt with the Group's cash flow from purchased portfolios.
G Tax risk	Changes in tax law or practice in the area of taxation could result in financial losses or increased expenses for the company. There is also the risk of mistakes or misinterpretation with regard to tax regulations, or that the tax authorities in a particular country may not agree with the conclusion reached by Intrum on some particular matter of assessment. The risk is particularly great with regard to value added tax (VAT), since a systematic error could cause a rapid build-up of large amounts.	To meet our obligation to pay the tax amount that we are required to pay in each territory in accordance with the laws and regulations laid down in each jurisdiction, a clear internal framework is followed and regular internal checks are performed. Intrum shall not make transactions, where the main or sole purpose of which is to generate a tax advantage.
H Financing risk	Intrum's counterparties may be unable to meet their obligations towards the company. Financial assets that potentially subject the Group to credit risk include cash and cash equivalents, accounts receivable, portfolio investments, outlays on behalf of clients, derivatives and guarantees.	Cash and cash equivalents: Deposited at established banks where the risk of loss is considered remote. Accounts receivable: Most involve previously known customers whose creditworthiness is good. The receivables are both geographically and industrially diverse. Portfolio investments: See below, → and Note 34 page 98.

Risks	Description	Management
Portfolio investment risk	Intrum acquires portfolios, primarily past-due consumer receivables and takes efforts to collect on these. Unlike in conventional collection operations in which we work on behalf of clients in return for commissions and fees, in this case, all the rights and risks associated with the receivables are assumed. The risk in this business is that Intrum, at the time of acquisition, overestimates its ability to collect the amounts or underestimates the costs of collection. The maximum theoretical risk is of course that the entire claim would become worthless and have to be written off. In addition, there are risks associated with the nature of portfolios, such as the type of receivables in the portfolios and their previous owners. Today, Intrum has portfolios of receivables that are unsecured and in some countries secured, primarily in property in some countries. Concentration risk is an aspect of any portfolio investment strategy. Where Intrum invests, in which asset types, with what counter parties, how we fund, and with which co-investors all represents ways in which the total book may be skewed in an unwanted direction.	Purchased debt portfolios are usually purchased at prices significantly below the nominal value of the receivables, and Intrum retains the entire amount it collects, including interest and fees. Portfolios investments are continuously monitored and periodically revaluated to ensure that what is presented on the balance sheet is an accurate reflection of reality. See also Note 34 page 98. Our instructions require that we regularly collect information about our clients and their shareholder relationships. This means that Intrum may at times decide to refrain from doing business with counterparties deemed unsuitable. Furthermore, the investment decision process in general including the budgeting setting and investment target processes work in concert to keep the book diversified and with a mitigation plan to counter in case deviations would create or increase concentration risks. Subject to the nature of things and the state of the world, concentration risks are managed holistically and on multiple levels in the sense that e.g. limits in the ability and opportunity to diversify in a smaller market may be mitigated by a stricter approach and higher requirements in larger more active markets.

Operational risks

Intrum's definition of operational risks is based on the Basel Committee's principles for sound management of operational risks. Operational risks are related to the risk of losses incurred by inadequate or failed internal processes, people and systems, or from external events, including legal and compliance risks.

Risks	Description	Management
Information security risk	In our operations, we are dependent on a large amount of information containing personal data.	Intrum prioritises privacy and appropriate approval of access to information. The fundamental principle is that, in accordance with applicable regulations, we only process personal data for which we have legal grounds to do so and that are necessary for our operations. All operating Group companies have appointed data protection officers who assure and regularly monitor our GDPR compliance. Further guidance can also be found in Intrum's privacy and data protection instructions. Read more on page 33.
Political and regulatory risk	Political developments at the national and international level can have an impact on Intrum's operations. Through new regulations, political decisions or official action, authorities can, influence the operations in both a positive and a negative direction.	We continuously monitor regulatory developments in the countries in which we operate and cooperate pro-actively with policy makers, both at the EU and national levels. A number of units within Intrum are subject to financial supervision and are operated in accordance with specific regulations.
IT security risk	We depend on accessible and well-functioning IT systems. Interruptions and errors in business-critical systems can pose risks to the operations and our reputation. Despite measures being taken, there is also a risk of illegal infringement into our systems providing unauthorised access to information or loss of data due to malicious software. Intrum's collection of payments also creates the risk of illegal exploitation of the company's trademark (phishing).	IT security risks are managed through a combination of technical and administrative controls, such as regular checks and monitoring of systems, security training, risk assessments, centralised logging, auditing and prevention of intrusion.
Employee risk	Intrum's employees are crucial to our success. We need to attract and retain competent and motivated employees and managers and we work actively with skills development and health promotion measures so as not to risk set goals from being achieved. This requires that we look after the well-being of our employees. Dependency on key individuals also poses a risk to the business continuity.	We attach great importance to clear values, good leadership and continuous skills development. With our market-leading position, we can offer good development opportunities in different countries. We measure and monitor the employees' well-being and motivation regularly. We carry out regular development interviews among our employees, which aids good skills supply. Efforts to reduced dependence on key personnel are in progress through succession planning activities, our work with continuity and the automation of working methods. We strive to offer a competitive compensation and benefit package.

Risks	Description	Management
N Corruption risk	Attempts at corruption, bribery and money laundering may face our employees in various contexts, both internally and in relation to external stakeholders. Accordingly, there is a risk that employees will use their position of power in order to benefit themselves, or to influence decision makers. Like other companies, Intrum also risks being exploited for laundering money from criminal activities, through insufficient knowledge of our clients or through the payment transactions undertaken.	We apply zero tolerance of corruption and bribery, and this is established in our internal instructions and training. Among other things, these require that we regularly collect information about our clients and their shareholder relationships. Our regulatory compliance function works to identify, evaluate and manage risks in this area, as well as to train our organisation. All employees are asked to report suspected cases of corruption or illegal activity through Intrum's whistleblower channel, which is provided in the local language and can be reached 24 hours a day. It is also possible to submit a report anonymously.
O Reputational risk	A good reputation is crucial to being able to conduct debt collection operations in the long term and successfully. It is therefore extremely important that our customers (consumers) are always treated appropriately and helpfully. Generally, reputational risks are of great importance for the company's relationship with all stakeholders; clients, customers, employees, board members, investors, authorities and suppliers.	Our Code of Conduct plays a central role in the operations and describes the view of Intrum's role in society, our values, our relationship with our stakeholders and sustainability issues. Our Code of Conduct applies to all employees and others representing the company, including suppliers and partners. Our digital training programme on our Code of Conduct is mandatory for all Intrum employees. Suspected irregularities are reported through internal reporting channels or through the whistleblower function. The compliance function, and the authorities, regularly follow up our collection operations on our local markets to ensure good collection practices.
P Epidemic and pandemic risk	An epidemic or pandemic that has a far-reaching impact on society and business also affects Intrum, as we interact with a large number of companies and private individuals in all of our markets. In 2021, the Covid-19 pandemic has continued to impact companies and individuals all over the world.	Intrum has continuity plans for all countries in which the company operates and for all units within the company. These describe the measures that can be taken to handle possible situations where, for example, ordinary workplaces are closed or where employees' absence due to illness may affect the business. The health and safety of our employees is always the highest priority for Intrum. Intrum cooperates with the local authorities and always follows their recommendations and guidelines in its operations.
Q Climate risk	We work to minimise our negative impact on the environment in areas where we have the opportunity to make a difference. Climate change may pose a risk to Intrum's operations in the longer term. This may involve purchasing portfolios of secure assets, for example, where property values could change in climate-exposed areas, also through higher insurance premiums as well as market risks, reputational risks and risks related to new regulations such as carbon pricing.	Through Intrum's environmental instructions and Code of Conduct, we work to reduce our environmental and climate footprint. For the past two years, we have measured Intrum's climate footprint and drawn up local environmental plans to reduce this. When acquiring portfolios of secure assets, the climate is one of the aspects assessed in relation to our collateral. The risk is relatively low as our underwriting horizon is around 10-15 years and the average collateral time to sell 3-5 years or in some cases even less.

Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Climate change is one of the biggest challenges of our time. It affects everybody, and will increasingly impact the global economy over the coming years. For us as a business it is essential to keep this aspect high on our agenda. We are looking to continuously develop our work, and declared our support for the Task Force on Climate Related Financial Disclosures (TCFD) in November 2021 – an important step to address the financial implications of climate change on Intrum's operations.

Governance

Intrum's approach to risks, including risk appetite is expressed in, among other things, policies, instructions and guidelines established for the operations. Intrum defines risk as all factors which could have a negative impact on the ability of Intrum to achieve its business objectives. The risk appetite defines how the business operations are to act with acceptable risks, within the limit set by the Board. The risk appetite statements forms the basis for a continuous dialogue within the management regarding Intrum's decision-making processes and are integrated into these. They determine what risk levels are appropriate and how Intrum's business strategy shall be adapted to these. Read more about Intrum's risk appetite on page 60.

In 2021, Intrum started to identify and assess risks of climate change within our risk management process in the Sustainability Integration Committee, applying our operational risk framework and a 10 year time horizon. In 2022, we will continue the work to further incorporate climate related risks and opportunities into our procedures and reporting to management, the Board of Directors and external stakeholders.

Strategy

As a Credit Management Servicer, the potential impacts of climate change on our business are primarily acute and chronic physical risks, as well as market risks, reputation risks, and risks relating to emerging regulations. Increased likelihood and severity of wildfires and/or flooding, and changes in precipitation patterns and extreme variability in weather patterns can negatively affect the value of Intrum's assets, and cause higher insurance premiums on assets in certain locations. If Intrum isn't responsive to the increasing expectations and information needs from shareholders, clients, employees and other key stakeholders on climate mitigation and mitigation of climate risks, this could potentially impact Intrum's attractiveness as an investment object, business partner and employer. Additionally, Intrum's direct costs to operate could be impacted by emerging regulations on carbon pricing, or other regulations requiring additional internal resources due to compliance requirements of data and information. An aggregated assessment of the identified climate risks is presented in the matrix on page 64.

As a result, climate change could have an impact on Intrum's business in a longer perspective.

These risks are currently not impacting business growth or strategic objectives, but will be monitored and evaluated continuously, and mitigating actions are formulated as needed.

Risk Management

Intrum has raised the knowledge around climate-related risks with key internal stakeholders such as the Risk Function and the Sustainability Integration Committee involving key Global Function Head's. During the year, the Sustainability Integration Committee has identified and assessed the climate related risks applying the internal Operational Risk framework. We are working to increasingly incorporating climate-related risk into how we manage and oversee risks internally.

Metrics and Targets

Since 2018, Intrum has been measuring and disclosing greenhouse gas emissions and working actively to reduce our footprint. We are continuously evaluating additional climate aspects that could be relevant to include in our follow up and reporting.

By 2030, Intrum's climate target is to become climate neutral and reduce the emissions with at least 20 per cent compared to the baseline in 2019. This to be achieved by reducing the emissions that we can, primarily through reduced business travel and energy efficiency measures at our offices, and to invest the corresponding emission levels in certified projects creating a positive climate value. We are also currently evaluating how to contribute further to the transition to a climate-neutral society.

The Group Management Team and The Board of Directors regularly monitor risks and risk exposure in various reports and thereby receive continuous updates on risks. We will continue the work to incorporate climate related risks further into these procedures going forward.

Financial statements

Contents

Consolidated income statement

SEK M	Note	2021	2020
Revenues form client	4,5	10,149	10,085
Revenue on portolio investments	4,5	7,507	6,796
Positive revaluaiton on portfolio investments	5	1,789	3,145
Negative revaluaiton on portfolio investments	5	-1,656	-3,178
Total revenue	4,5	**17,789**	**16,848**
Cost of sales	5	-9,555	-9,501
Gross Earnings		**8,233**	**7,347**
Sales, marketing and administrative expenses	5	-2,051	-1,918
Participation in associated companies	14	293	-734
EBIT		**6,475**	**4,695**
Financial Income	7	22	43
Financial expenses	8	-2,185	-2,122
Net exchange gains/(losses)		-11	16
Net financial items		**-2,174**	**-2,062**
Earnings before tax		**4,301**	**2,633**
Taxes	9	-910	-555
Net earnings for the year		**3,391**	**2,078**
Of which attributable to:			
Parent company's shareholders		3,127	1,881
Non-controlling interest		265	197
Net earnings for the period		**3,391**	**2,078**
Average no of shares before dilution, '000		120,828	123,914
Average no of shares after dilution, '000		120,830	123,914
Earnings per share before dilution			
Profit from continuing operations, SEK		25.88	15.18
Total earnings per share before dilution, SEK		**25.88**	**15.18**
Total earnings per share after dilution, SEK		**25.88**	**15.18**

Consolidated statement of comprehensive income

SEK M	Note	2021	2020
Net earnings for the period		3,391	2,078
Other comprehensive earnings			
Item that will recicle to profit and loss			
Currency translation difference		1,753	-2,985
Comprehensive income for the year attributable to hedging of currency and other		-411	734
Item that will not recicle to profit and loss			
Pension liability		51	-2
Comprehensive earnings for the period		**4,785**	**-175**
Of which attributable to			
Partent company shareholders		4,446	-202
Non-controlling interest		338	27
Comprehensive earnings for the period		**4,785**	**-175**

Consolidated balance sheet

SEK M	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Intangible assets	11		
Goodwill		32,758	31,650
Capitalised expenditure for IT development and other intangibles		917	927
Client relationships		4,136	4,936
Total intangible fixed assets		**37,811**	**37,513**
Tangible fixed assets	12		
Right of use assets		756	831
Computer hardware		57	53
Investment property		0	2
other tangible fixed assets		161	156
Total tangible fixed assets		**974**	**1,042**
Other assets			
Shares and participations in joint ventures	14	6,438	5,266
Portfolio investments	15	31,478	27,658
Deferred tax assets	9	1,748	1,438
Other long-term receivables	16	90	124
Total other fixed assets		**39,754**	**34,486**
Total fixed assets		**78,539**	**73,041**
Current Assets			
Accounts receivable	17	1,299	1,184
Property holdings		315	379
Client funds		1,063	1,125
Tax assets		170	193
Other receivables	18	1,600	1,338
Prepaid expenses and accrued income	19	1,366	1,441
Cash and cash equivalents	20	4,553	2,134
Total Current Assets		**10,366**	**7,793**
TOTAL ASSETS		**88,905**	**80,835**

SEK M	Note	31 Dec 2021	31 Dec 2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to Parent Company's shareholders	22		
Share capital		3	3
Other paid-in capital		17,442	18,237
Reserves		3,328	-609
Retained earnings including net earnings for the year		925	1,045
Total shareholders' equity attributable to Parent Company's shareholders		**21,698**	**18,676**
Shareholders' equity attributable to non-controlling interests	13	2,989	2,915
Total shareholders' equity		**24,687**	**21,591**
Long-term liabilities			
Liabilities to credit institutions	26	4,060	2,081
Issued debt	26	43,693	42,606
Non-current lease liabilities		582	651
Other long-term liabilities	23	478	1,061
Provisions for pensions	24	329	381
Other long-term provisions	25	42	48
Deferred tax liabilities	9	1,103	1,110
Total long-term liabilities		**50,288**	**47,937**
Current liabilities			
Bond loans (current)	26	750	1,100
Commercial paper (current)	26	3,998	2,916
Client funds payable		1,063	1,125
Accounts payable		504	493
Income tax liabilities		1,198	926
Advances from clients	33	29	64
Current lease liabilities		223	220
Other current liabilities	20	1,930	1,515
Accrued expenses and prepaid income	27	4,225	2,924
Other short-term provisions	25	10	24
Total current liabilities		**13,930**	**11,307**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**88,905**	**80,835**

For information on the Group's pledged assets and contingent liabilities, see Note 27.

Consolidated cash flow statement

SEK M	Note	2021	2020
Cash flow from operating activities			
Operating earnings (EBIT)	4	6,475	4,695
Not included in the cash flow			
Amortisation/depreciation and impairment	5, 11, 12	1,500	1,529
Amortisation/revaluation of portfolio investments	15	4,178	4,189
Other adjustment for items not included in cash flow	4	-263	570
Interest received		22	43
Interest paid		-1,822	-1,792
Payments for other financial expenses		-213	-225
Income tax paid		-893	-969
Cash flow from operating activities before changes in working capital		**8,984**	**8,040**
Changes in factoring receivabes		-115	36
Other changes in working capital		1,172	430
Cash flow from operating activities		**10,042**	**8,506**
Investing activities			
Purchases of intangible fixed assets	11	-72	-334
Purchases of tangible fixed assets	12	-262	-338
Sale of tangible and intangible fixed assets	11,12	3	0
Portfolio investments in receivables	15	-7,038	-5,111
Property holdings		70	-24
Purchases of shares in subsidiaries and associated companies		0	-35
Other cash flow from investing activities		-710	398
Cash flow from investing activities		**-8,009**	**-5,443**

SEK M	Note	2021	2020
Financing activities			
Borrowings and repayments of loans		2,139	142
Share repurchases		-41	-1,307
Share dividend to Parent Company's shareholders		-1,451	-1,332
Share dividend to non-controlling interests		-244	-72
Cash flow from financing activities		**401**	**-2,569**
Total change in liquid assets		**2,434**	**493**
Opening balance of liquid assets		2,134	1,906
Exchange rate difference in liquid assets		-15	-265
Closing balance of liquid assets	21	**4,553**	**2,134**
Group total			
Cash flow from operating activities		10,042	8,506
Cash flow from investing activities		-8,009	-5,443
Cash flow from financing activities		401	-2,569

Consolidated statement of changes in shareholders' equity

See also Note 21.

SEK M	Number of shares outstanding	Share capital	Other paid-in capital	Reserves	Retained earnings incl. net earnings for the year	Total Shareholders' equity attributable to non-controlling interest	Non-controlling interests	Total shareholders' equity
Opening balance, January 1 2020	**130,941,320**	**3**	**18,237**	**1,472**	**1,859**	**21,570**	**2,949**	**24,519**
Comprehensive income, 2020								
Net earnings for the year					1,881	1,881	197	2,078
The year's change in translation reserve attributable to the translation of foreign operations				-2,815		-2,815	-170	-2,985
Comprehensive income for the year attributable to hedging of currency risks in foreign operations				943		943		943
Revaluations of pension liability for the year					-2	-2		-2
Income tax on other comprehensive income				-208		-208		-208
Comprehensive income for the year				**-2,081**	**1,879**	**-202**	**27**	**-175**
Transactions with Group owners in 2020								
Share dividend					-1,332	-1,332	-60	-1,392
Shares withdrawn	-9,820,402							
Share repurchases	-250,000				-1,307	-1,307		-1,307
Change in Group structure					-54	-54	-1	-55
Closing balance, 31 December 2020	**120,870,918**	**3**	**18,237**	**-609**	**1,045**	**18,676**	**2,915**	**21,591**
Opening balance, January 1 2021	**120,870,918**	**3**	**18,237**	**-609**	**1,045**	**18,676**	**2,915**	**21,591**
Comprehensive income, 2021								
Net earnings for the year					3,127	3,127	265	3,391
The year's change in translation reserve attributable to the translation of foreign operations				1,689		1,689	64	1,753
Comprehensive income for the year attributable to hedging of currency risks in foreign operations				-492		-492		-492
Revaluations of pension liability for the year					41	41	9	50
Income tax on other comprehensive income				81		81		81
Comprehensive income for the year				**1,278**	**3,168**	**4,446**	**338**	**4,785**
Transactions with Group owners in 2021								
Share dividend					-1,451	-1,451	-244	-1,696
Share repurchases	-140,000				-41	-41		-41
Share-base payment	66,346			86		86		86
Taxes related to share-base payments					-17	-17		-17
Reclassification and other movements			-795	2,572	-1,777		-20	-20
Closing balance, 31 December 2021	**120,797,264**	**3**	**17,442**	**3,328**	**925**	**21,698**	**2,989**	**24,687**

Parent Company

Income statement

SEK M	Note	2021	2020
Net revenues	5	690	557
Gross Earnings		**690**	**557**
Sales marketing and administration expenses		-1,070	-832
EBIT		**-380**	**-275**
Financial Income	7	3,137	26,671
Financial expenses	8	-2,225	-26,545
Net exchange gains/(losses)		-316	673
Earnings before tax		**596**	**799**
Profit before taxes		**216**	**524**
Taxes	9	-0	-104
Net earnings for the period		**216**	**420**

Statement of comprehensive income

SEK M	Note	2021	2020
Net earnings for the period		216	420
Other comprehensive earnings		-	-
Item that will recicle to profit and loss		-	-
Item that will not recicle to profit and loss		-	-
Comprehensive earnings for the period		**216**	**420**

Balance sheet

SEK M	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Capitalised expenditure for IT development and other intangibles	11	507	298
Total intangible fixed assets		**507**	**298**
Tangible fixed assets	12		
Right of use assets		1	1
Computer hardware		9	12
Total tangible fixed assets		**10**	**13**
Financial fixed assets			
Participations in Group companies	13	34,931	34,891
Receivables from Group companies		39,060	33,304
Total Financial fixed assets		**73,991**	**68,195**
Total fixed assets		**74,508**	**68,506**
Receivables from Group companies		1,705	70
Other receivables		78	27
Prepaid expenses and accrued income	19	170	361
Cash and cash equivalents	21	602	533
Total Current Assets		**2,554**	**991**
TOTAL ASSETS		**77,062**	**69,497**

SEK M	Note	31 Dec 2021	31 Dec 2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	22		
Share capital		3	3
Statutory reserve		783	283
Total restricted reserves		**786**	**285**
Share premium		17,442	17,442
Retained earnings		-7,446	-5,938
Net earnings for the year	13	216	419
Total non-restricted equity		**10,212**	**11,923**
Total shareholders' equity		**10,998**	**12,209**
Long-term liabilities			
Liabilities to credit institutions		4,061	2,081
Bond loans		43,693	42,606
Liabilities to Group companies		7,744	5,699
Total long-term liabilities		**55,498**	**50,386**
Current liabilities			
Bond loans (current)		750	1,100
Commercial paper (current)		3,998	2,916
Accounts payable		23	49
Liabilities to Group companies		4,951	1,654
Other current liabilities		25	36
Accrued expenses		819	1,147
Total current liabilities		**10,566**	**6,902**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**77,062**	**69,497**

For information on pledged assets and contingent liabilities, see Note 27.

Cash flow statement

SEK M	Note	2021	2020
Operating activities			
Operating earnings (EBIT)		-380	-275
Not included in the cash flow			
Amortisation/depreciation and impairment		59	32
Other adjustment for items not included in cash flow		75	0
Interest received		1,287	1,315
Interest paid		-1,901	-1,846
Payments for other financial expenses		-185	-540
Income tax paid			
Cash flow from operating activities before changes in working capital		**-1,045**	**-1,315**
Changes in working capital		1,502	872
Cash flow from operating activities		**457**	**-443**
Investing activities			
Purchases of intangible fixed assets		-266	-185
Purchases of tangible fixed assets		-0	-4
Net Purchases of shares in subsidiaries and associated companies		-68	-861
Share dividend from subsidiaries		935	1,382
Cash flow from investing activities		**602**	**333**
Financing activities			
Borrowings and repayments of loans		2,790	-503
Net loans to subsidiaries		-2,287	3,565
Share repurchases		-41	-1,306
Share dividend to Parent Company's shareholders		-1,451	-1,332
Cash flow from financing activities		**-990**	**424**
Total change in liquid assets		**69**	**313**
Opening balance of liquid assets		533	220
Exchange rate difference in liquid assets			
Closing balance of liquid assets		**602**	**533**
Group total			
Cash flow from operating activities		457	-443
Cash flow from investing activities		602	333
Cash flow from financing activities		-990	424

Statement of changes in shareholders' equity

See also Note 21.

SEK M	Number of shares outstanding	Share capital	Share premium reserve	Statutory reserve	Retained earnings	Net earnings for the year	Total shareholders' equity
Opening balance, January 1 2020	**130,941,320**	**3**	**17,442**	**282**	**-2,613**	**-687**	**14,427**
Comprehensive income, 2020							
Net earnings for the year						420	420
Comprehensive income for the year	**0**	**0**	**0**	**0**	**0**	**420**	**420**
Disposition of prior year's result					-687	687	0
Transactions with Group owners in 2020							
Share dividend					-1,332		-1,332
Shares withdrawn	-9,820,402						0
Share repurchases	-250,000				-1,307		-1,307
Closing balance, 31 December 2020	**120,870,918**	**3**	**17,442**	**282**	**-5,939**	**420**	**12,209**
Comprehensive income, 2021							
Net earnings for the year						216	216
Comprehensive income for the year	**0**	**0**	**0**	**0**	**0**	**216**	**216**
Disposition of prior year's result					420	-420	0
Development fund				501	-501		0
Transactions with Group owners in 2021							
Share dividend					-1,451		-1,451
Share repurchases	-140,000				-41		-41
Share-base payment	66,346				83		83
Taxes related to share-base payments					-17		-17
Closing balance, 31 December 2021	**120,797,264**	**3**	**17,442**	**783**	**-7,446**	**216**	**10,998**

Share capital and statutory reserve are restricted equity. Other items are non-restricted equity.

Notes

Note 1 Basis of Preparation

General

Intrum AB as a standalone entity ("the Company") is registered and domiciled in Stockholm, Sweden. The Company is listed as a large company on Nasdaq Stockholm, a stock exchange located in Sweden.

The Company and its subsidiaries (collectively, "the Group") main operation is to provide payment solutions, credit and collection services to clients. The Group mainly operates predominantly in the European market.

The financial statements are presented in Swedish Kroner ("SEK") and rounded to the nearest million.

Accounting Framework

The Groups' consolidated financial statements are prepared in compliance with:

- the Swedish Annual Accounts Act – Årsredovisningslag (1995:1554);
- the EU-adopted IFRSs, including interpretations issued by the IFRS Interpretation Committee ("IFRIC"); and
- RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board ("SFRB").

The Company's standalone financial statements are prepared using the same accounting framework as the Group's consolidated financial statements. In addition, the Company's financial statements comply with RFR 2 Accounting for Legal Entities issued by the SFRB. RFR 2 requires that the standalone financial statements should be prepared in accordance with the EU-adopted IFRSs within the framework of the Swedish Annual Accounts Act, taking into account the connection between reporting and taxation. The recommendation specifies exemptions and additions relative to IFRSs' requirements.

The financial statements are composed of the primary statements: Statement of Comprehensive Income ("SCI"), Statement of Financial Position ("SFP"), Statement of Changes in Equity ("SCE"), Statement of Cash Flows ("SCF") and accompanying notes ("the Notes") to the primary statements.

The SCI is composed of Profit and Loss ("P&L") and Other Comprehensive Income ("OCI"). The P&L is prepared based on the 'income statement classified by function' method. The SCF is prepared based on the indirect method.

Going-concern Assumption

The financial statements are prepared based on a going-concern assumption. Management has assessed the potential future cash generation of the Group, its liquidity, existing funding available and other actions which may be taken to further improve cash management and has concluded that there are no financial or other indicators that may cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months.

Note 2 Accounting Policies

Standards, Interpretations, Rules and Other Changes Adopted During 2021

IFRIC Interpretation: Attributing Benefit to Periods of Service (April 2021)

In April 2021, IFRIC issued an interpretation on IAS 19 Employee Benefits that requires an entity to attribute benefits to periods of service. The period of service starts when an entity has an obligation towards the employee until the service period when additional service does not impact timing or amount of the final benefit.

The Group prospectively adopted this interpretation with effect from 1 January 2021. This impacted the Greek subsidiary, where employees are entitled to a lumpsum payment based on their final salary (benefit formula), provided these employees were in continuous employment for 16 years.

Previously, the benefit was attributable to the full service period and the pension obligation covered all employees. As a result of the interpretation, the pension obligation and service costs will now only be computed for employees who are at least 46 years old and will complete 16 years of continuous service. This resulted in a reduction of pension obligation from SEK 110 M to SEK 41 M and reduction of service costs of SEK 38 M. Consequently, the retained earnings increased from by SEK 38 M and OCI increased by SEK 30 M, respectively.

Other Changes

During 2021, the exchange rate differences which were previously included as 'Reduction of interest paid' are now included in 'Borrowing and repayment of loans'. The comparative information in 2020 has been restated to reflect this change in 2021 financial statements.

During 2021, the amortisation method for the client servicing Assets was changed from straight-line to diminishing balance method. The diminishing balance method more accurately depicts the underlying cashflows.

Standards, Interpretations, Rules and Other Changes Effective in 2022 Onwards

Amendments to IAS 1 and IFRS Practice Statement (January & July 2020)

The IASB issued an amendment which clarifies and requires that a liability that cannot be deferred for settlement for at least 12 months from the reporting date should be classified as current liabilities. Likewise, if a liability is due within 12 months but an entity has a legal right, as at the reporting date, to extend or roll it for at least 12 months then such liabilities would be disclosed as non-current liabilities.

The amendment is effective from 1 January 2023 with an option for early adoption.

The amendment confirms the Group's existing interpretation of the standard. Therefore, the application of the amendment will not have any impact on the Group's financial statements.

Annual Improvements to IFRS 2018 – 2020 (January & July 2020)

As part of annual improvements, the IASB issued following updates:

- Amendment to IFRS 1 – a subsidiary may elect in its financial statements to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combinations in which the parent acquired the subsidiary. A similar election is available to as an associate or joint venture that uses the above-mentioned exemption.
- Amendment to IFRS 9 – an entity should only include fees that is paid or received between the borrower and the lender in application of the '10 per cent' quantitative test to fulfil derecognition of financial liabilities.
- Amendment to IFRS 16 – the amendment rectifies an illustrative example in IFRS 16 by clearly distinguishing between lease incentive and subsequent reimbursement for leasehold improvements.
- Amendment to IAS 41 – an entity can use a pre-tax discount rate to discount cash flows when measuring fair value of a biological asset.

The amendments are effective from 1 January 2022 with an option for early adoption.

The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 and IFRS Practice Statement (February 2021)

The IASB issued an amendment which requires only material accounting policies should be disclosed in financial statements. Previously, IAS 1 required all significant accounting policies to be disclosed in the financial statements.

The amendment also provide guidance to assist in applying materiality judgement. On application of this amendment, accounting policies will only be disclosed if the underlying transactions are assessed as material and vice versa. The Group will assess its accounting policies in 2022 and revise 'accounting policies' disclosure to comply with this amendment.

The amendment is effective from 1 January 2023 with an option for early adoption.

Amendments to IAS 8 (February 2021)

The IASB issued an amendment to explain the term 'accounting estimate' and also guidance to differentiate it with an 'accounting error'. Change to accounting estimates are applied prospectively.

The amendment is effective from 1 January 2023 with an option for early adoption.

The amendment is not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 12 (May 2021)

The IASB issued an amendment in reference to IFRS 16 Leases, which clarifies that a taxable temporary difference should not be recognised, at the time of the transaction, if it does not give rise to equal taxable and deductible temporary differences.

The amendment is effective from 1 January 2023 with an option for early adoption.

The amendment is not expected to have significant impact on the Group's financial statements.

Amendments to IFRS 17 and IFRS 9 (December 2021)
The IASB issued an amendment to provide guidance to entities applying IFRS 17 and IFRS 9 for the first time. The amendment provides guidance relating to comparative information which needs to restated as part of first-time application of IFRS 17.

The amendment is effective from 1 January 2023 with an option for early adoption.

The Group doesn't write any insurance business and will not be impacted by IFRS 17. The financial guarantees issued by the Group are recognised under IFRS 9.

Significant Accounting Policies Applicable to Current and Prior Year
Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Associates
Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Joint arrangement
Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint ventures which are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment if indicators exists that carrying value of the investments may not be recovered.

Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as 'transactions with equity owners in their capacity as owners' of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Foreign currency transactions
The Group applies IAS 21 Effects of Changes in Foreign Exchange Rates.

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in millions of SEK, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of the financial statements of foreign operations
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities in foreign operations, including goodwilland fair value adjustments arising on the acquisition of a foreign operation are translated at the closing rate at the balance sheet date.
- Income and expenses are translated at the average rates, which is deemed a reasonable approximation of the rates prevailing at the transaction dates.
- All resulting exchange differences are recognised directly in total comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Business Combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intangible fixed assets

Goodwill

Goodwill is measured as described above. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments

Capitalised software

Expenditures associated with maintaining software programs are expensed as incurred. Development costs attributable to the design and testing of software products under the Group's control and with anticipated future economic benefits are capitalised if the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell
- the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs include staff costs and appropriate portion of overheads. Borrowing costs are included in the cost of qualified fixed assets.

Additional expenditures for previously developed software, etc. are recognised as an asset if they increase the future economic benefits of the specific asset to which they are attributable, e.g., by improving or extending a computer program's functionality beyond its original use and estimated useful life.

IT development costs that are recognised as intangible assets are amortised using the straight-line method over their useful lives (3–5 years). Useful life is reassessed annually. The asset is recognised at cost less accumulated amortisation and impairment losses.

Client servicing assets

Client servicing assets represent the legal rights to servicing of non-performing portfolio. These assets are recognised at fair value at the acquisition date. These assets are recognised at cost less accumulated amortisation and impairment losses. These assets are amortised at diminishing balance method ranging from 10 percent to 20 percent.

Client relationships

Separately acquired client relationships and licenses are shown at historical cost. Client relationship, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Other intangible fixed assets

Other intangible fixed assets relate to other acquired rights are amortised on a straight-line basis over their estimated useful life (3–5 years). Useful life is reassessed annually. The asset is recognised at cost less accumulated amortisation and impairment losses.

Tangible fixed assets

Tangible fixed assets are recognised at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is booked on a straight-line basis over the asset's anticipated useful life (3–5 years). Useful life is reassessed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Impairment

Goodwill that has an indefinite useful life is not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Portfolio investments

Portfolio investments consist of portfolios of delinquent receivables purchased at prices significantly below the nominal receivable. In accordance with IFRS 9 they are classified as "purchased or originated credit- impaired" (POCI). Portfolio investments usually refer to receivables from private individuals and companies and are either secured and unsecured receivables. They are initially recognised at cost and subsequently measured at amortised cost. The effective interest rate of a purchased credit-impaired loan would be the discount rate that equates the present value of the expected cash flows with the purchase price of the loan. Expected cash flows are gross and include the loan amount, reminder fees, collection fees and late interest that, based on a probability assessment, are expected to be received from end customers. The initial lifetime expected credit losses (ECL) are included in the estimated cash flows when calculating the credit-adjusted effective interest rate. Cash flow projections are monitored over the course of the year and updated based on, among other things, achieved collection results, agreements reached with end-customers on instalment plans and macroeconomic information, including forecasts of economic development and unemployment in each country. Cash flow projections are made at the portfolio level assuming each portfolio to be relatively homogeneous and comprising a large number of receivables for smaller amounts. In case of portfolios comprising individual larger receivables the projections are made at the receivables level. Any subsequent changes in lifetime ECL, both positive and negative, will be recognised immediately in the income statement, even if the lifetime ECL are less than the amount of ECL that were included in the estimated cash flows on initial recognition. .

In the consolidated income statement, income from portfolio investments is recognised, in accordance with the effective interest rate method, as the collected amount less amortisation.

In case of sale of portfolios of purchased debt, sale proceeds are reported as revenue. And the net book value of the portfolios is carried at amortised cost.

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on settlement which is the date when the company becomes a party to the instrument's contractual provisions. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group could classifies its debt instruments:

- *Amortised cost:* Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- *FVPL:* Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment
The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying value of accounts receivable should reflect the contractually agreed future cash-flows from the receivables, less a provision lifetime expected credit losses, in accordance with IFRS 9 Financial Instruments. The company assess at each balance sheet date the need to provide for credit losses based on circumstances such as the receivable becoming significantly overdue or the client being in significant financial difficulty. The loss provision is based on historical data and adjusted for macroeconomic outlook. The impact of changes in the forward looking parameters are then adjusted in subsequent reporting periods. For Portfolio receivable the initial lifetime expected credit losses (ECL) are included in the estimated cash flows when calculating the credit-adjusted effective interest rate.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 34. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

Investments in foreign subsidiaries (net assets including goodwill) are to some extent hedged through loans in foreign currency or forward exchange contracts. Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Accounts receivable
Accounts receivable are recognised at their fair value which is the amount of the consideration that is unconditional, unless they contain significant financing components. The Group holds them with the objective of collecting the contractual cash flows and therefore measures them at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Property holdings
In connection with acquisitions of portfolio investments and in connection with the recovery of collateral for acquired receivables, the Group may become owners of property holdings or other physical goods. They have been acquired for the purpose of being divested within the Group's ongoing operations, and are therefore classified as inventories. These are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs costs necessary to make the sale.

Legal outlays
The Group incurs outlays for court fees, legal representation, enforcement authorities, etc., which can be charged to and collected from end-debtors. In certain cases Intrum has agreements with its clients where any expenses that cannot be collected from debtors are instead refunded by the clients. The amount that is expected to be recovered from a solvent counterparty is recognised as an asset in the balance sheet on the line Other receivables. The legal outlays are recognised at their fair value which is the amount of that can be claimed, unless they contain significant financing components. Legal outlays are subsequently measures at amortised cost using the effective interest method.

Client funds
Client funds, which are reported as assets and liabilities in the balance sheet, represent cash received on collection of a specific debt on behalf of a client and payable to the client within a specified period.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash on hand, deposits held at call with financial institutions other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Accounts payable
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Bond loan and liabilities to credit institutions
Bond loans and liability to financial institutions (the "Borrowings") are initially recognised at fair value. They are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the Borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Leasing

Assets and liabilities arising from a lease are initially measured on a present value basis. The Group applies the two recognition and measurement exceptions in IFRS16 on short-term leases, of 12 months or less, and low leases of low value assets, those with a vaue of USD 5K or less when new, and recognises the lease payments on a straight-line basis over the lease period. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index
- or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- he exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.
- Lease payments to be made under reasonably certain extension options are also included in the

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Taxes

Income taxes expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses .

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the carrying amount of assets and liabilities and their tax base. However, deferred taxes are not accounted for if they arise from the initial reporting of goodwill, the initial recognition of assets and liabilities in a transaction other than a business combination which, at the time of the transaction, does not affect either the accounting or taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax is determined by applying the tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets from deductible temporary differences and tax-loss carryforwards are only recognised if it is probable that future taxable income will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes are recognised in the stand alone and consolidated income statements unless they relate to items recognised directly in other comprehensive income or directly in equity. In this case the taxes are also recognised in other comprehensive income or directly in equity.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and an amount can be reliably estimated. Provisions are not recognised for future losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current other liabilities in the balance sheet.

Long term obligation

The Group granted certain employees long term benefits that vests over a three year period . Eligible employees may be granted up to certain percentage of their annual base salary if certain performance conditions are met at the end of the vesting period. The liabilities are presented as non-current liabilities in the balance sheet. These obligations are therefore measured as the value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

Post-employment benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Multi-employer pension plan

The Group participates in a multi-employer pension plans for specified Swedish employees. According to the SFRB, UFR 10, the Group accounts for its participation in the plan as if it were a defined contribution plan as sufficient information on its proportional share of plan assets, liabilities and costs are not available to the Group. There is no contractual agreement that states how surpluses and deficits in the plan are to be distributed among plan participants. The premium is individually calculated, depending on salary, previously vested pension and anticipated remaining term of employment. The Group pays a regular premium amount to Alecta (Swedish insurance company) which manages these multi-employer Swedish pension plans.

Share-based payments

Share-based compensation benefits are provided to employees via the Group Long Term Incentive Plan (LTIP), under which eligible employees may be granted up to certain percentage of their annual base salary, worth of fully paid ordinary shares in the Company for no cash consideration.

The fair value of shares is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted which:

- Includes any market performance conditions (e.g. to total shareholders return)

- excludes the impact of any service and non-market performance vesting conditions (e.g. EPS targets and remaining an employee of the entity over a specified time period), and
- includes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The LTIP includes a net settlement feature under which the shares necessary to settle the employee's tax obligations are withheld by the Group which transfer amount of taxes associated with a share-based payment to the tax authority on the employee's behalf.

Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

No interests were capitalised during 2021 or 2020.

Treasury shares
Where the Company purchases its own shares and holds them in treasury ('treasury shares'):

- The amount paid for the treasury shares is deducted from equity;
- No gain or loss are recognised in profit or loss on the purchase, sale, issue or cancellation of an Company's own equity instruments. The acquisition and subsequent resale of treasury shares are transactions with the Company's owners, rather than a gain or loss to the Company;
- Consideration paid or received for the purchase or sale of an entity's own equity instruments are recognised directly in equity; and
- Once treasury share are cancelled or reissued, any different is reclassified to retained earnings.

Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Revenue recognition
The Group applies IFRS 15 "Revenue from Contracts with Customers" for its revenue in the CMS segment.

Revenue, consisting of commissions and collection fees, is recognised on collection of the claim. Subscription revenue is recognised proportionately over the term of the underlying service contracts, which is usually one year.

Revenue from other services is reported when the relative performance obligation is fulfilled. Income from property sales is reported when the buyer gains access to the property.

The Group applies IFRS 9 "Financial Instruments" for its revenue in the PI segment. See the section on "portfolio investment" within note 1 "Significant accounting policies" for further details.

Financial income and expenses
Financial income and expenses consist of interest income on bank balances and receivables and interest-bearing securities, bank fees, interest expenses on loans, dividend income, exchange rate differences, realised and unrealised gains on financial investments, and derivatives used in financial operations.

Payment guarantees
The Group offers guarantees to some of the its clients which require the Group to acquire the Client's receivables at their nominal value, or a certain part thereof, if overdue more thana certain number of days stated in the agreement. The guarantee fee is recognised as revenue when the guarantees are issued. The Group also recognises a liability recognised for any expected losses on the receivables covered by the guarantees. If the receivable is eventually purchased, the purchased price, net of the liability for expected losses is recognised as portfolio investments.

Earnings per share
The Group applies IAS 33 "Earnings per Share".

Basic earnings per share is calculated by dividing net earnings attributable to the Parent Company's shareholders by the weighted average number of outstanding shares during the year, excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Segment reporting
The Group applies IFRS 8 Operating Segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group CEO has been identified as CODM.

An operating segment is a component of the Group (i) that engages in business activities from which it can earn revenue and incur expenses, (ii) whose operating results are regularly reviewed by the Group's CODM to make decisions about resources to be allocated to the segment and assess its performance, and (iii) for which descrete financial information is available.

The Group operates in three segments: CMS, Portfolio Investments (PI) and Strategic Markets (Greece, Italy, Spain and Brazil).

Parent Company's accounting principles
The Parent Company has prepared the Annual Report according to theAnnual Accounts Act (1995:1554) and recommendation RFR 2 Accountingfor Legal Entities from the Swedish Financial Reporting Board. RFR 2 means that the Parent Company, in the annual report for the legal entity, must apply all EU-approved IFRS and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between reporting and taxation. The recommendation specifies exemptions and additions relative to IFRS.

As of 2019, Intrum has made a new interpretation of the rules in RFR 2 Accounting legal entities, entailing the Parent Company's exchange rate differences attributable to the hedging of the Group's exchange rate risk in foreign operations no longer being reported under Other comprehensive income but under Net nancial items in the Parent Company's income statement. The amended interpretation with regard to the Parent Company's accounting has no impact on the consolidated nancial statements.

Differences between the Group's and Parent Company's accounting principles
The differences between the Group's and Parent Company's accounting principles are indicated below. The accounting principles for the Parent Company as stated below have been applied consistently to all periods presented in the Parent Company's nancial statements.

Subsidiaries, associated companies and joint ventures
Shares in subsidiaries, associated companies and joint ventures are recognised by the Parent Company at cost, including transaction costs less any impairment. Only dividends received are recognised as income. Credit risks in the Parent Company's receivables from subsidiaries have been considered, showing no signi cant need for impairment.

Group contributions and shareholders' contributions for legal entities
The company reports Group contributions and shareholders' contributions in accordance with statement RFR 2 of the Swedish Financial Reporting Board. Group contributions received are recognised as dividends and Group contributions paid are recognised as shareholders' contributions. Shareholders' contributions are recognised directly in the shareholders' equity of the recipient and capitalised in the shares and participating interests of the contributor, to the extent impairment is not required.

Other
The accounting rules for leasing in accordance with IFRS 16 that are applied in the consolidated accounts are also applied in the Parent Company's accounts.

Note 3 Critical Accounting Estimates and Assumptions

The preparation of financial statements in accordance to IFRS requires the use of certain critical accounting estimates and assumptions which influence the value of assets and liabilities as well as revenues and costs reported in the consolidated balance sheet and in the consolidated income statement, respectively or the disclosures included in the notes to the consolidated financial statements in relation to potential assets and liabilities existing as of the date the consolidated financial statements were authorised for issue.

Estimates are based on historical experience and other factors. The resulting accounting estimates could differ from the related actual results. Estimates are periodically reviewed and the effects of each change are reflected in the consolidated income statement in the period in which the change occurs.

The most significant accounting principles which require a higher degree of judgment from management are illustrated below.

- *Valuation of goodwill :* Goodwill is subject to an annual impairment test.

This calculation requires management's judgment based on information available within the Group and the market, as well as on past experience;

- *Portfolio investments:* the measurement of portfolio investments is based on the Group's own projection of future cash flows from the acquired portfolios which are based amount other factors on the macroeconomic environments, types of debtors and loan (e.g. secures/unsecured). Future projections are periodically reviewed and any changes in estimated cash flows are ultimately authorised by a central revaluation committee.
- *Useful lifetimes of intangible and tangible fixed assets:* The useful lives and the amortisation method of these intangible assets are assessed for appropriateness on an annual basis;
- *Valuation of deferred tax assets:* The valuation of deferred tax assets is based on forecasted results which depend upon factors that could vary over time and could have significant effects on the valuation of deferred tax assets;
- *Income taxes:* The Group is subject to different tax jurisdictions. The determination of tax liabilities for the Group requires the use of assumptions with respect to transactions whose fiscal consequences are not yet certain at the end of the reporting period. The Group recognises liabilities which could result from future inspections by the fiscal authorities on the basis of an estimate of the amounts expected to be paid to the taxation authorities. If the result of the abovementioned inspections differs from that estimated by Group management, there could be significant effects on both current and deferred taxes;
- *Provisions for risk:* The determination of the amount of the accruals requires judgment by management based on available documentation and information on potential liabilities
- *Benefit plans:* The Group participates in benefit plans in various countries. The present value of pension liabilities is determined using actuarial techniques and certain assumptions. These assumptions include the discount rate, the expected return on plan assets, the rates of future compensation increases and rates relative to mortality and resignations. Any change in the abovementioned assumptions could result in significant effects on the employee benefit liabilities;
- *Control assessment:* The Group regularly assesses control over its investee to determine whether such investees should be consolidated in the Group's financial statements. The assessment includes assessment of economic, operational and governance factors which may or may not be aligned with the legal structure of such investments. Since 2006, the Group has operations in Poland structured through investment funds to comply with the local regulation. The investments funds purchase and hold portfolio investments. The Group has control over these funds and thus the funds are consolidated in the Group's financial statements.Post-2021 restructuring, the Group continues to have joint control over the Ithaca JV and accordingly, the co-investment is not consolidated in the Group's financial statements.
- *Covid-19 Impact:* On 25 March 2020, the Group assumed that the Covid-19 would negatively affect the Group's productivity and earnings for a certain period. Consequently, the assumption was that the Group would reduce the pace of its acquisitions to raise its yield requirements on new portfolio investments. However, the Group's geographical spread, product diversification and payments largely occurring automatically via online channels, resulted in stable cash flows during the Covid-19 reporting periods.

Note 4 Information by segment

	Group	
SEK M	2021	2020
External revenues by segment		
Credit Management Services	4,102	4,375
Strategic Markets	5,624	5,409
Portfolio Investments	8,063	7,064
Total	**17,789**	**16,848**
External revenues by country		
Spain	2,806	2,471
Greece	2,617	1,861
Norway	1,647	1,212
Hungary	1,484	1,304
Italy	1,328	1,187
Finland	1,007	1,036
Germany	924	1,152
Sweden	846	1,023
France	756	737
Other countries	4,374	6,726
Total	**17,789**	**16,848**
Intra-Group revenues by segment		
Credit Management Services	1,228	1,637
Strategic Markets	247	244
Portfolio Investments	0	6
Elimination	-1,475	-1,887
Total	**0**	**0**
Segment earnings		
Credit Management Services	1,429	1,613
Strategic Markets	1,974	1,547
Portfolio Investments	5,043	3,251
Group items	1,972	-1,716
Total operating earnings	**6,475**	**4,695**
Net financial items	-2,174	-2,062
Profit before tax	**4,301**	**2,633**
Tangible and intangible fixed assets by country		
Norway	5,562	5,241
Spain	6,600	6,742
Italy	4,917	5,049
Germany	1,138	1,128
Greece	3,132	3,380
France	1,063	1,049
Finland	4,142	4,079
Other countries	12,166	11,821
Total	**38,719**	**38,489**

	Group	
SEK M	2021	2020
Investments in tangible and intangible fixed assets		
Credit Management Services	75	295
Strategic Markets	78	183
Portfolio Investments		
Group items	182	194
Total	**334**	**672**
Amortisation/depreciation		
Credit Management Services	-326	-348
Strategic Markets	-1,055	-1,092
Portfolio Investments	-11	-11
Group items	-108	-77
Total	**-1,500**	**-1,529**
Not included in cash flow		
Credit Management Services	10	-74
Strategic Markets	-313	684
Portfolio Investments	0	0
Group items	40	-40
Total	**-263**	**570**
Participations in joint ventures		
Credit Management Services	-	-
Strategic Markets	-	-
Portfolio Investments	293	-734
Group items	-	-
Total	**293**	**-734**
Total revenues by segment		
Credit Management Services	6,299	6,607
Strategic Markets	6,011	5,755
Portfolio Investments	8,063	7,064
Group eliminations	-2,584	-2,578
Total	**17,789**	**16,848**

Applied segments are Credit Management Services, Strategic Markets and Portfolio Investments. Central and joint expenses are spread across the segments in proportion to their purchasing power parity-adjusted revenues. The break-down by segments is also used for internal monitoring in the Group.

Intra-Group sales between the regions are made on commercial terms. Internal transactions between the Portfolio Investments and Credit Management service lines relate to payment on commercial terms for work carried out within Credit Management regarding handling and collection of the Group's purchased debt. Payment is made in the form of a commission that is recognised as a cost within purchased debt, but which is eliminated in the Consolidated Income Statement.

For 2021, revenues from an individual customer in the Strategic Markets segment corresponded to approximately 10% of the Group's net revenues. Interest income and expenses reported in net financial items are not reported by segment. This is not considered relevant because the distribution of financial items is dependent on Group structure and financing and is not affected by the actual performance of the segments. Nor are actual reported interest income and expenses by segment included in any internal reporting to management.

Note 5 Revenues and expenses

Revenues

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Revenues from clients				
Collection fees, commissions and debtor fees	7,656	7,789	-	-
Subscription income	53	57	-	-
Sale of properties	769	441	-	-
Income from Group companies	-		690	557
Other income	1,670	1,797	-	-
Total	**10,149**	**10,085**	**690**	**557**
Revenues on portfolio investments				
Collections	10,967	10,159	-	-
Amortisation	-4,311	-4,158	-	-
Positive revaluations in connection with changes in expectations in projections of future cash flows	1,789	3,145	-	-
Negative revaluations in connection with changes in expectations in projections of future cash flows	-1,656	-3,177	-	-
Other income	852	795	-	-
Total income from Portfolio investments	**7,640**	**6,763**	**-**	**-**
Total	**17,789**	**16,848**	**690**	**557**

Income from Portfolio investments represent collections over and above Portfolio investment amortisations. Most revenues recgonised represents point in time transactions expect for subscription income which is recognised over time, within a 12-month period.

Expenses

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Revenues from clients				
Personnel expenses	-5 300	-5 146	-250	-274
Amortisation/depreciation	-1 500	-1529	-59	-32
Expenses for properties sold	-155	-97	-	-
Impairment property inventories	-30	-21	-	-
Other	-4 621	-4 626	-760	-525
Total expenses	**-11 606**	**-11 419**	**-1 069**	**-831**

Sales, marketing and administrative expenses

	2021	2020
Administrative expenses	-1,744	-1,646
Sales expense new clients	-188	-181
Local marketing expenses	-119	-90
Total	**-2,051**	**-1,918**

Note 6 Amortisation, depreciation and impairment

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Capitalised expenditure for IT development	-258	-224	-50	-22
Client relationships	-904	-934	0	0
Other intangible fixed assets	-25	-28	-6	-6
Computer hardware	-28	-25	-3	-3
Other tangible fixed assets	-40	-55	0	0
Lease	-245	-262	0	-1
Total	**-1,500**	**-1,529**	**-59**	**-32**

Depreciation has been charged to each function as an operating expense as follows:

Costs

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Cost of sales	-1,382	-1,400	-	-
Goodwill impairment			-	-
Sales and marketing expenses	-118	-129	-59	-32
Total	**-1,500**	**-1,529**	**-59**	**-32**

Note 7 Financial income

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Interest income from Group companies	-	-	1,267	1,277
Other interest income	22	43	20	38
Exchange rate differences	-	16	-	673
Dividends from Group companies	-	-	1,046	25,324
Group contributions received from Group companies	-	-	804	32
Total	**22**	**59**	**3,137**	**27,344**

All interest income is attributable to items that are not carried at fair value in the income statement.

Note 8 Financial expenses

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Interest expenses	-2,088	-1,992	-2,158	-2,066
Interest on lease liability in accordance with IFRS 16	-37	-41	-	-
Exchange rate differences	-11	-	-316	-
Impairment shares in subsidiaries	-	-	-10	-24,049
Group contributions	-	-	-	-325
Other financial expenses	-60	-88	-57	-105
Total	**-2,196**	**-2,122**	**-2,540**	**-26,545**

All interest expenses pertain to items not carried at fair value via the income statement.

Exchange rate differences from accounts receivable and accounts payable are reported in operating earnings. The amounts were negligible.

Other financial expenses include SEK -15 M (-87) M in expenses for premature redemption of bonds and credit facility. The Parent Company's interest expenses include interest expenses to Group companies of SEK -135 M (-101).

Note 9 Taxes

The tax expense for the year breaks down as follows:

	Group	
SEK M	2021	2020
Current tax		
Tax expense attributable to net earnings for the year	-1,352	-957
Tax adjustments attributable to previous years	91	-847
Total current tax	**-1,261**	**-1,804**
Deferred tax		
Deferred tax related to temporary differences	258	1162
Deferred tax expense attributable to net previously capitalised and not capitalised tax value of tax loss carryforwards	93	87
Total deferred tax	**351**	**1,249**
Total tax expense	**-910**	**-555**

The Group has operations in more than 20 European countries, each with various tax rates. The current tax expense for the year relates mainly to income taxes in Switzerland, Spain, Greece, Hungary and Italy. The Group's Swedish companies paid no income tax for the year as they were able to utilise tax loss carryforwards from historic losses, as well as from the tax loss for the year attributable to interest expenses and exchange rate losses.

In 2020, due to a change in timing of taxable revenue on portfolios owned by a subsidiary in Switzerland, there was a substantial shift between current tax and deferred tax attributable to previous years. There is no similar effect in 2021.

Intrum AB is seated in Sweden where the nominal corporate tax rate was 20.6 percent in 2021, and 21.4 percent in 2020. The following reconciliation explains the difference between the Group's actual tax cost and the expected tax cost taking the Swedish corporate tax rate into account:

Group	2021		2020	
Reconciliation of effective tax rate	SEK M	%	SEK M	%
Profit before tax	4,301		2,633	
Income tax calculated at standard rate in Sweden, 20.6 percent (21.4 percent)	**-886**	**20,6**	**-563**	**21,4**
Effect of different tax rates in other countries	-51	1,2	242	**-9,2**
Tax effect of tax-exempt income and non-deductible expenses	171	-4,0	-65	2,5
Unrecognised tax assets pertaining to tax loss carryforwards	-176	4,1	-267	10,2
Utilised previously unrecognised tax assets regarding tax loss carryforwards	93	-2,2	87	-3,3
Effect of change in tax rates	-3	0,1	-21	0,8
Current tax adjustments attributable to previous years	91	-2,1	-847	32,2
Deferred tax adjustments attributable to previous years	-102	2,4	849	-32,3
Other	-47	1,1	30	**-1,1**
Total tax on profit for the year	**-910**	**21,2**	**-555**	**21,1**

Unrecognised tax assets regarding tax loss carryforwards relate to the negative tax effect attributable to losses in countries where no deferred tax asset is recognised because it is not probable that enough taxable surplus will arise within the foreseeable future. Utilised previously unrecognised tax assets pertaining to tax loss carryforwards relate to the positive tax effect over the year arising from the utilisation of tax loss carryforwards not previously recognised as deferred tax assets.

Deferred tax assets and liabilities

When temporary differences arise between the tax value and carrying value of assets and liabilities, a deferred tax asset or tax liability is recognised. Such temporary differences mainly arise for portfolio investments, provisions for pensions and intangible assets. The deferred tax in 2021 is impacted, in the category Other, by a SEK 415 M deferred tax asset due to fees paid to a Greek subsidiary taxed in full in 2021, but recognised as revenue over time for accounting purposes. Deferred tax assets include the value of tax loss carryforwards in the instances where they are likely to be utilised to offset taxable surpluses within the foreseeable future.

Group	2021		2020	
SEK M	Asset/ liability	Income/ expense	Asset/ liability	Income/ expense
Portfolio investments	-316	16	-332	1,206
Intangible assets	-241	-73	-168	120
Tax loss and interest carryforwards	738	92	646	-547
Provisions for pensions	37	-25	62	13
Other	427	308	119	173
Total	**645**	**317**	**328**	**966**
Recorded over OCI, FX effects and acquisitions		34		283
Total		**351**		**1,249**
Deferred tax assets	1,748		1,438	
Deferred tax liabilities	-1,103		-1,110	
Total	**645**		**328**	

The deferred tax assets and income tax liabilities are expected to be due for payment more than one year in the future. Deferred tax assets are reported in the balance sheet when it is expected to be possible to offset the tax loss carryforwards against taxable profits within the foreseeable future. Deferred tax assets and liabilities are reported net if they relate to the same tax authority or are planned to be utilised simultaneously.

The Group has tax loss carryforwards that can be utilised against future taxable earnings totalling SEK 6,271 M (3,200).

Recognised deferred tax assets related to tax loss carryforwards amounted to SEK 728 M at 31 December 2021 and include SEK 657 M in Sweden, SEK 34 M in Spain, SEK 17 M in France, SEK 9 M in the Netherlands, SEK 5 M in Austria, and SEK 5 M in the UK.

Interest and tax loss carryforwards for which no deferred tax assets are reported are SEK 3,879 M of which SEK 2,092 M is in Sweden, SEK 431 M in the UK, and SEK 334 M in Germany. These listed amounts detail the larger instances where it is believed that there is a chance that all or some of the carryforwards eventually can be utilised. Tax expenses reported in other comprehensive income during the year amounted to SEK 74 M (-208), of which SEK 81 M pertained to currency hedging and SEK -7 M pertained to revaluations of pension provisions.

Parent Company	2021		2020	
Reconciliation of Parent Company tax rate	SEK M	%	SEK M	%
Earnings after financial items	217		524	
Income tax calculated at standard tax rate 20.6 percent (21.4 percent)	**-45**	**20.6**	**-112**	**21.4**
Tax effect of non-deductible expenses	-172	79.3	-188	35.9
Tax effect of tax-exempt income	217	-99.9	296	-56.5
Derecognised loss carry forward from previous years	-0	0	-100	19.1
Total tax on net earnings for the year	**0**	**0**	**-104**	**19.9**

Tax-exempted revenue and non-deductible expenses in the Parent Company consist primarily of dividends, capital losses from divesting shares and impairment of shares. The Parent company had at 31 December 2021 accumulated tax loss and interest carryforward of SEK 1,164 M which has not been recognised as a deferred tax asset.

Note 10 Earnings per share

	Group	
SEK M	2021	2020
Net earnings for the year attributable to Parent Company's shareholders, continuing operations (SEK M)	3,127	1,881
Net earnings for the year attributable to Parent Company's shareholders, total (SEK M)	**3,127**	**1,881**
Number of shares at beginning of year	120,870,918	130,941,320
Share repurchases	-140,000	-9,820,402
Share-based payment	66,346	-250,000
Number of shares at end of year	**120,797,264**	**120,870,918**
Weighted average no. of shares during the year before dilution	120,828,453	123,913,717
Weighted average no. of shares during the year after dilution	120,830,453	123,913,717
Earnings per share before dilution:	25.88	15.18
Earnings per share after dilution:	25.88	15.18

Note 11 Intangible fixed assets

Below the roll-forward of the intangible fixed assets for 2021

	Group					Parent Company		
SEK M	Software and capitalised dev expenses	Client servicing assets	Goodwill	Tradenames	Total	Software and capitalised dev expenses	Tradenames	Total
Opening balance	**768**	**4,936**	**31,650**	**159**	**37,513**	**287**	**12**	**298**
of which								
Cost	2,584	8,037	31,650	398	45,652	391	20	411
Acc. amortisation	-1,816	-3,102	-	-239	-8,139	-104	-8	-112
Investment	254	-	-	8	262	264	2	266
Disposals	-	-1	-	-	-0	-	-	-
Translation difference	7	105	1,031	3	1,146			
Amortisation of the period	-258	-904	-	-25	-1,187	-50	-6	-56
other movement	-	-	77	-	77			
Closing balance	**771**	**4,136**	**32,758**	**146**	**37,811**	**501**	**7**	**508**
of which								
Cost	2,196	8,169	32,758	423	46,493	631	21	652
Acc. amortisation	-1,425	-4,033	-	-278	-8,682	-130	-14	-144
Closing balance	**771**	**4,136**	**32,758**	**146**	**37,811**	**501**	**7**	**507**

And 2020

	Group					Parent Company		
SEK M	Software and capitalised dev expenses	Client servicing assets	Goodwill	Tradenames	Total	Software and capitalised dev expenses	Tradenames	Total
Opening balance	**677**	**6,104**	**33,356**	**192**	**40,329**	**124**	**16**	**140**
of which								
Cost	2,415	8,426	33,356	517	47,760	206	19	225
Acc. amortisation	-1,739	-2,322	-	-326	-7,497	-82	-3	-85
Investment	340	-19	4	1	326	184	1	185
Disposals	-6	-	-3	-1	-9	-	-	0
Translation difference	-19	-212	-1,706	-7	-1,944			
Amortisation of the period	-224	-910	-0	-28	-1,163	-22	-6	-28
other movement	0	-27	-0	2	41			
Closing balance	**768**	**4,936**	**31,650**	**159**	**37,513**	**286**	**11**	**298**
of which								
Cost	2,584	8,037	31,650	398	45,652	390	20	410
Acc. amortisation	-1,816	-3,102	-	-239	-8,139	-104	-9	-113
Closing balance	**768**	**4,936**	**31,650**	**159**	**37,513**	**286**	**11**	**298**

Goodwill

Goodwill is monitored by management at the level of the Credit Management Services and Strategic Markets segments, which also constitute separate cash-generating units (CGUs).

The recoverable amount of each CGU has been verified by comparing its net assets carrying amount to its value in use which has been determined using post tax cash flow forecasts Prepared by management on the basis of historical results as well as Group's own expectations on future trends in the CMS business. The calculation is based on a detailed forecast for the years 2022–2026 and on an extrapolation for the period 2027–2029. with a growth rate decreasing over the forecast period until it reaches a perpetual growth rate of equilibrium of 1.5 percent in 2029. At the end of the eight year projected cash flow period, a terminal value was estimated in order to reflect the value of the CGUs in future years. The terminal values were calculated as a perpetuity at the same growth rate as described above and represent the present value, in the last year of the forecast, of all future perpetual cash flows. The cash flows have been discounted to present value applying the Group's weighted average cost of capital, which is estimated at 6.0 percent (6.0) per year before tax, corresponding to 4.5 percent (4.7) per year after tax.

The impairment test performed as of the balance sheet date resulted in a recoverable value greater than the carrying amount (net operating assets) of the above mentioned CGUs. In percentage terms, the surplus of the recoverable amount of the CGU over the carrying amount was equal to 133 percent and 177 percent for Credit Management Services and Strategic Markets, respectively. A reduction in the recoverable amount of the CGU to a value that equals its carrying amount would require either of the following: (i) an increase in the discount rate to approximately 8.2 percent for Credit Management services and 10.5 percent for Strategic Markets; or (ii) change in the steady state growth rate to approximately -4.5 percent for Credit Management Services and -14.5 percent for Strategic Markets. In addition, reasonable changes to the abovementioned assumptions used to determine the recoverable amount (i.e., growth rate changes of +/-0.5 percent and discount rate changes of +/-0.5 percent) would not significantly affect the impairment test results.

Client servicing assets

The customer contracts were acquired as part of a business combination in Italy, Spain and Greece. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a diminishing balance method.

Capitalised expenditures for IT developments

It mainly relates to internally developed production system used by the Group in its credit management business.

Note 12 Tangible fixed assets

Below the roll-forward of the tangible fixed assets for 2021

												Group			Parent company
SEK M	Computer hardware	Equipm, tools, fixtu	investment property	Improve-ments	Other tangi-ble assets	Total other fixed assets	ROU - Lease property	ROU - Lease IT	ROU - Lease vehicles	ROU - Lease others	Total ROU	Total fixed assets	Computer hardware	ROU - Lease vehicles	Total fixed assets
Opening balance	53	117	2	21	18	211	777	7	44	4	831	1 042	12	1	13
of which															
Cost	203	387	2	72	103	768	1 135	9	80	7	1 231	1 999	18	2	20
Acc. amortisation	-150	-270	-	-51	-85	-557	-359	-2	-36	-3	-400	-957	-6	-1	-7
Investment	30	33	-	7	1	72	136	1	11	-	148	220	0	1	1
Disposals	-1	-0	-2	-	-0	-3	-1	-0	-2	-0	-3	-7			0
historical costs	-17	-73	-2	-14	-9	-114	-49	-0	-11	-0	-61	-175			
acc. Amortisation	16	73	-	14	8	110	48	-	9	-	58	168			
Translation difference	1	2	-	1	1	5	21	-	1	-	22	27			0
Amortisation of the period	-28	-29	-	-7	-3	-68	-218	-2	-24	-1	-245	-313	-3	0	-3
Other movement	1	-	-	-	-0	1	3	-	-0	-	3	4			
Closing balance	**57**	**123**	**-**	**22**	**16**	**218**	**718**	**6**	**30**	**3**	**756**	**974**	**9**	**2**	**10**
of which															
Cost	222	356	-	62	101	742	1,256	9	81	7	1,354	2,095	18	3	21
Acc. amortisation	-166	-233	-	-40	-85	-524	-538	-3	-52	-4	-597	-1,122	-9	-1	-10
Closing balance	**57**	**123**	**-**	**22**	**16**	**218**	**718**	**6**	**30**	**3**	**756**	**974**	**9**	**2**	**10**

Below the roll-forward of the tangible fixed assets for 2020

												Group			Parent company
SEK M	Computer hardware	Equipm, tools, fixtu	investment property	Improve-ments	Other tangi-ble assets	Total other fixed assets	ROU - Lease property	ROU - Lease IT	ROU - Lease vehicles	ROU - Lease others	Total ROU	Total fixed assets	Computer hardware	ROU - Lease vehicles	Total fixed assets
Opening balance	**54**	**111**	**-**	**25**	**21**	**212**	**840**	**-**	**42**	**5**	**888**	**1 100**	**11**	**1**	**12**
of which															
Cost	301	392	-	83	114	891	1 037	-	63	7	1 108	1 998	14	2	16
Acc. amortisation	-247	-281	-	-58	-92	-679	-197	-0	-21	-2	-220	-899	-3	-1	-4
Investment	27	52	2	7	4	91	233	9	32	1	274	366	4	0	4
Disposals	-0	1	-	-0	-1	-0	-30	-	-1	-0	-31	-31			0
Translation difference	-3	-5	-0	-2	-1	-11	-42	-0	-2	-0	-45	-56			0
Amortisation of the period	-25	-42	-	-9	-4	-80	-231	-2	-27	-2	-262	-342	-3	-1	-4
Other movement	1	-0	-	-0	-1	-1	7	-	-	-	7	6			
Closing balance	**53**	**117**	**2**	**21**	**18**	**211**	**777**	**7**	**44**	**4**	**831**	**1 042**	**12**	**1**	**13**
of which															
Cost	203	387	2	72	103	768	1,135	9	80	7	1,231	1,999	18	2	20
Acc. amortisation	-150	-270	-	-51	-85	-557	-359	-2	-36	-3	-400	-957	-6	-2	-8
Closing balance	**53**	**117**	**2**	**21**	**18**	**211**	**777**	**7**	**44**	**4**	**831**	**1,042**	**12**	**1**	**13**

Note 13 Group companies

SEK M	No. of shares	2021	2020
Intrum Brasil Consultoria e Participaçoes, S.A.	1,429	66	66
Intrum A/S (Denmark)	1,302	461	461
Intrum Estonia AS	440	0	10
Intrum Finans AB	66,050,000	75	75
Intrum Oy (Finland)	14,000	1,649	1,649
Intrum Corporate SAS (France)	26,155,000	346	345
Intrum Investments Greece AE	2,024,000	21	21
Intrum Global Technologies SIA (Latvia)	2,845	0	0
Intrum BV (Netherlands)	40	377	377
Intrum Portugal Unipessoal Lda.	68,585	71	71
Intrum AG (Switzerland)	7,000	943	942
Intrum Justitia Ibérica S.A.U. (Spain)	-	0	40
Intrum Holding Spain S.A.U.	3,314,468	3,143	3,067
Intrum UK Group Ltd (United Kingdom)	88,100,002	0	0
Intrum Sverige AB	22,000	1,749	1,749
Intrum Intl AB	1,000	1,326	1,326
Intrum Austria GmbH	72,673	37	37
Intrum Spzoo (Poland)	40,000	0	0
Intrum Romania SA	39	26	26
Intrum Customer Services Bucharest S.R.L. (Romania)	50,000	1	1
Intrum Financial IFN SA (Romania)	200,000	2	2
Indif AB	11,003	80	80
Intrum Holding AB	1,000	23,885	23,880
Lock TopCo AS (Norway)	861,952,839	666	666
Intrum Customer Services Athens S.M.S.A. (Greece)	700,000	7	0
Intrum Customer Services Malaga S.L.U. (Spain)	3,600	0	0
Intrum Global Technologies Spain, S.L.U.	3,600	0	0
Intrum Investment Services Limited (Ireland)	1	0	0
Total carrying value		**34,931**	**34,891**

SEK M	2021	2020
Opening balance	34,891	34,138
Acquisition	0	23,972
Capital contributions paid	81	858
Capital contributions repaid	-	-28
IFRS 2 adjustments	9	-
Impairment of shares in subsidiaries	-10	-24,049
Divestment	-40	-
Closing balance	**34,931**	**34,891**

During 2020 year, work to simplify the Group structure continued, which led to the following changes and transactions:

Overall, the main change to Group structure, was the fact that Indif AB and it's underlying subsidiary (Intrum Holding AB) was distributed from Lock TopCo AS to being a directly owned subsidiary of Intrum AB, immediately followed by the distribution of Intrum Holding AB and it's underlying subsidiaries from Indif AB to being a directly owned subsidiary of Intrum AB. These transfers were in lieu of share dividends of SEK 23,960 M during the year, but also resulted in a write-down of Intrum AB's holding in Lock TopCo AS of SEK 23,960 M.

Acquisitions of shares in subsidiaries in 2020 refer to 49 per cent of the minority interest shares in Intrum Brasil Consultoria e Participaçoes, S.A., shares in Indif AB, Sweden and Intrum Holding AB, Sweden (both of which were acquired from Lock Topco AS), Intrum Corporate SAS (which merged with the parent company Intrum SAS, which was owned by Intrum AB) and the formation of Intrum Customer Services Bucharest SA, Romania.

Capital contributions in 2020 refer to shares in Intrum A/S, Denmark, Intrum Estonia AS, Intrum Justitia Ibérica S.A.U., Spain and Intrum International AB.

Impairment in 2020 refers to shares in Intrum Justitia Ibérica S.A.U., and Lock Topco AS, Norway.

Acquisitions of shares in subsidiaries in 2021 refer to the formation of Intrum Customer Services Malaga S.L.U., Spain and Intrum Global Technologies Spain, S.L.U., and the acquisition of Intrum Investment Services Limited, Ireland.

Capital contributions in 2021 refer to shares in Intrum Holding Spain S.A.U. and Intrum Customer Services Athens S.M.S.A., Greece, (formed at the end of 2020).

IFRS 2 adjustments in 2021 refer to issuance of shares grants. IFRS 2 requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity. IFRS2 adjustments relate to Intrum Corporate SAS, France, Intrum Holding Spain S.L.U., Intrum Holding AB, Sweden. A number of immaterial adjustments were made to a number of other subsidiaries.

Impairment in 2021 refer to in the shares in Intrum Estonia AS.

Disposals of shares in subsidiaries in 2021 refer to shares in Intrum Justitia Ibérica S.A.U., Spain (sold to Intrum Holding Spain S.L.U., before merging with Intrum Servicing Spain, S.A.U.).

The Group's Parent Company is Intrum AB (publ), domiciled in Stockholm with corporate identity number 556607-7581. The Group's subsidiaries are listed below.

	Registration number	Domicile	Share of capital	Share of control (if differs)
Subsidiaries of Intrum AB and their subsidiaries in the same country				
Austria				
Intrum Austria GmbH	FN 48800s	Vienna	100%	
Brasil				
Intrum Brasil Consultoria e Participações S.A.	29.063.190	Sao Paolo	100%	
Denmark				
Intrum A/S	DK 10613779	Copenha-gen	100%	
Estonia				
Intrum Estonia AS	10036074	Tallinn	100%	
Finland				
Intrum Oy	FI14702468	Helsinki	100%	
Intrum Rahoitus Oy	FI25086904	Helsinki	100%	
France				
Intrum Corporate SAS	B797 546 769	Rueil-Malmaison	100%	
Socogestion SAS	B414 613 539	Lyon	100%	
Intractiv SAS	B431 312 677	Lille Métropole	100%	
Greece				
Intrum investments Greece S.M.S.A.	144794101000	Athens	100%	
Intrum Customer Services Athens S.M.S.A.	157487101000	Athens	100%	
Ireland				
Intrum Investment Services Limited	700398	Dublin	100%	
Latvia				
SIA Intrum Global Technologies	40103314641	Riga	100%	
Netherlands				
Intrum B.V.	33273472	Amsterdam	100%	
Intrum Justitia Data Centre B.V.	27306188	Amsterdam	100%	
Norway				
Lock TopCo AS	913 852 508	Oslo	100%	
Poland				
Intrum Sp. z o.o.	0000108357	Warsaw	100%	
Intrum Król & Wspólnicy Kancelaria Prawna Sp. k.	0000270515	Wroclaw	99%	
Portugal				
Intrum Portugal, Unipessoal Lda	503 933 180	Lisbon	100%	
Intrum Real Estate Management Portugal, S.A.	514 167 041	Lisbon	100%	

	Registration number	Domicile	Share of capital	Share of control (if differs)
Romania				
Intrum Romania SA	18496757	Bucharest	100%	
Intrum Financial IFN SA	39041618	Bucharest	100%	
Intrum Customer Services Bucharest SRL	43497621	Bucharest	100%	
Spain				
Intrum Holding Spain, S.A.U.	A86128147	Madrid	100%	
Intrum Servicing Spain, S.A.U.	A85582377	Madrid	100%	
Intrum Spain Real Estate S.L.U.	B88174131	Madrid	100%	
Aktua Soluciones Financieras Holdings, S.L.	B86538279	Madrid	85%	
Aktua Soluciones Financieras, S.L.U.	B84983956	Madrid	100%	
Solvia Servicios Inmobilarios, S.L.	B62718549	Madrid	80%	
Intrum Customer Services Malaga S.L.U.	B01971845	Madrid	100%	
Intrum Global Technologies Spain, S.L.U.	B16910960	Madrid	100%	
Sweden				
Intrum Intl AB	556570-1181	Stockholm	100%	
Fair Pay Management AB	556239-1655	Stockholm	100%	
Intrum Invest AB	556786-4854	Varberg	100%	
Fair Pay Please AB	556259-8606	Stockholm	100%	
Intrum Finans AB	556885-5265	Stockholm	100%	
Intrum Sverige AB	556134-1248	Stockholm	100%	
Intrum Delgivningsservice AB	556397-1414	Stockholm	100%	
Intrum Shared Services AB	556992-4318	Stockholm	100%	
Indif AB	556733-9915	Stockholm	100%	
Intrum Holding AB	556723-5956	Stockholm	100%	
Switzerland				
Intrum AG	CH-020.3.020.656-9	Schwerzen-bach	100%	
Inkasso Med AG	CH-020.3.913.313-8	Schwerzen-bach	70%	
Byjuno AG	CH-020.3.921.420-2	Zug	100%	
Intrum Finance Services AG	CH-020.3.912.665-1	Schwerzen-bach	100%	

	Registration number	Domicile	Share of capital	Share of control (if differs)
United Kingdom				
Intrum UK Group Ltd	03515447	Reigate	100%	
Intrum UK Holdings 2 Ltd	01356148	Reigate	100%	
Intrum UK 2 Ltd	01918920	Reigate	100%	
Intrum UK Funding Ltd	05265651	Reigate	100%	
Intrum UK Acquisitions Ltd	05265652	Reigate	100%	
Intrum UK Holdings Ltd	04325074	Reigate	100%	
Intrum UK Ltd	03752940	Reigate	100%	
Intrum UK Finance Ltd	04140507	Reigate	100%	
Intrum UK Finance 6 Ltd	07694793	Reigate	100%	
Intrum UK Finance 7 Ltd	07694791	Reigate	100%	
Intrum UK Finance 8 Ltd	07694764	Reigate	100%	
Intrum UK Finance 9 Ltd	08149397	Reigate	100%	
Intrum UK Finance 10 Ltd	08149421	Reigate	100%	
I.N.D. Ltd	03283064	Reigate	100%	
Subsidiaries of Intrum BV and their subsidiaries in the same country				
The Czech Republic				
Intrum Czech, s.r.o.	27221971	Prague	100%	
Hungary				
Lakóingatlan-Forgalmazó Kft	01 09 268230	Budapest	100%	
Intrum ASC Kft	01 09 298952	Budapest	100%	
Intrum Zrt	01 10 044857	Budapest	100%	
Ireland				
Intrum Ireland Limited	175808	Dublin	100%	
Slovakia				
Intrum Slovakia s.r.o.	35 831 154	Bratislava	100%	
Subsidiaries of Intrum Holding Spain SAU and their subsidiaries in the same country				
Colombia				
Intrum Colombia SAS	900965120	Bogota	100%	
Greece				
Intrum Hellas A.E.D.A.D.P.	151946501000	Greece	80%	
Intrum Hellas REO Solutions SA	151869301000	Greece	80%	

	Registration number	Domicile	Share of capital	Share of control (if differs)
Subsidiaries of Intrum Intl AB and their subsidiaries in the same country				
Mauritius				
Intrum (Mauritius) Ltd	127206	Port Louis	100%	
Switzerland				
Intrum Debt Finance AG	CH-020.3.020.910-7	Zug	100%	
Intrum Debt Finance Domestic AG	CH-170.3.026.065-5	Zug	100%	
Intrum Licensing AG	CH-020.3.926.747-8	Zug	100%	
Subsidiaries of Intrum Debt Finance AG and their subsidiaries in the same country				
Luxembourg				
LDF65 S.à r.l.	B 134749	Luxembourg	100%	
IDF Luxembourg S.à r.l.	B 188281	Luxembourg	100%	
Poland				
Intrum TFI S.A.	0000228722	Warsaw	100%	
Intrum Justitia Debt Fund 1 FIZ NFS	RFI 209	Warsaw	100%	
Lindorff I NS FIZ	RFI 752	Wroclaw	100%	
Subsidiaries of Fair Pay Please AB and their subsidiaries in the same country				
Belgium				
Intrum NV	BE 0426237301	Ghent	100%	
Outsourcing Partners NV	BE 0466643442	Ghent	100%	
Subsidiaries of Intrum Sverige AB and their subsidiaries in the same country				
Luxembourg				
Intrum Luxembourg S.à r.l.	B 183336	Luxembourg	100%	
Subsidiaries of Intrum Holding AB and their subsidiaries in the same country				
Finland				
Lindorff Finland Oy	1858518-2	Helsinki	100%	
Germany				
Intrum Finanzholding Deutschland GmbH	HRB 87998	Heppen-heim	100%	
Intrum Holding Deutschland GmbH	HRB 88008	Heppen-heim	100%	
Intrum Deutschland GmbH	HRB 87484	Heppen-heim	100%	

	Registration number	Domicile	Share of capital	Share of control (if differs)
Intrum Debitoren Management GmbH	HRB 81939	Hamburg	100%	
Intrum Hanseatische Inkasso-Treuhand GmbH	HRB 52053	Hamburg	100%	
AssetGate GmbH	HRB 29415	Essen	100%	
Intrum Financial Services GmbH	HRB 4709	Darmstadt	100%	
Intrum Justitia Bankenservices GmbH	HRB 5345	Darmstadt	100%	
Intrum Information Services Deutschland GmbH	HRB 85778	Darmstadt	100%	
Ireland				
Intrum Investment No 1 Designated Activity Company	584295	Dublin	100%	
Intrum Hellas Designated Activity Company	613412	Dublin	100%	
Intrum Hellas 2 Designated Activity Company	626396	Dublin	100%	
FAR Red Investment No 2 Designated Activity Company	590912	Dublin	100%	
FAR Red Investment No 3 Designated Activity Company	590795	Dublin	100%	
Iris Hellas Investments Designated Activity Company	678559	Dublin	70%	
Cilliphili Designated Activity Company	681566	Dublin	100%	80%
Alpheus Hellas Designated Activity Company	626812	Dublin	100%	
Italy				
LSF West S.R.L.	09409950962	Milan	100%	
Intrum Italy Holding S.R.L.	08724660967	Milan	100%	
Revalue S.p.A.	09490900157	Milan	100%	
Isabel SPV S.R.L.	04614020263	Milan	100%	
Intrum Italy S.P.A.	10311000961	Milan	51%	
Intrum Italy RE Sales S.R.L.	09421851008	Rome	100%	
Alicudi SPV S.R.L.	04703580268	Conegliano Veneto (TV)	100%	
Portland Leaseco Srl	05211620264	Conegliano Veneto (TV)	100%	

	Registration number	Domicile	Share of capital	Share of control (if differs)
Evolve SPV S.R.L.[1]	05156080268	Conegliano	100%	51%
Latvia				
Intrum Latvia SIA	40203088409	Riga	100%	
Lithuania				
Intrum Lietuva UAB	304615887	Vilnius	100%	
Intrum Global Business Services, UAB	303326659	Vilnius	100%	
The Netherlands				
Intrum Nederland Holding B.V.	08178741	Amsterdam	100%	
Intrum Nederland B.V.	05025428	Amsterdam	100%	
Marjoc I B.V.	08203108	Ede	100%	
Norway				
Intrum Holding Norway AS	992 984 899	Oslo	100%	
Intrum AS	835 302 202	Oslo	100%	
Intrum Obligations AS	945 153 547	Oslo	100%	
Poland				
Intrum Global Technologies Sp. z o.o. w likwidacji	0000654943	Wroclaw	100%	
Sweden				
Intrum Holding 2 AB	556664-5460	Stockholm	100%	
Lndrff International AB	559077-1274	Stockholm	100%	

Subsidiaries of Intrum Investment DAC No 1 and their subsidiaries in the same country

Locairol ITG, S.L.U.	B87882528	Madrid	100%	
Venira ITG, S.L.U.	B88001128	Madrid	100%	

Subsidiaries of Intrum Holding 2 AB and their subsidiaries in the same country

Intrum Capital AS	958 422 830	Oslo	100%	

Branch of Intrum Oy

Intrum Oy, Sucursal en España	W0176496H	Madrid	-	

Entities without a shareholding that are consolidated on the basis of contractual controlling interest

France				
FIP I	-	-	-	100%
FIP II	-	-	-	100%

	Registration number	Domicile	Share of capital	Share of control (if differs)
Italy				
IJDF Italy S.R.L.	08438930961	Milan	-	100%
Arizona SPV S.R.L.	05182440262	Conegliano Veneto (TV)	-	100%

Entities without a shareholding that are consolidated on the basis of control by the Board

Netherlands				
Stichting Derdengelden Incasso AAB	-	-	-	67%
Stichting Derdengelden Intrum Nederland	-	-	-	100%

Companies not consolidated in the Group Accounts but included in Note 14 Shares and Participations in Joint Ventures

Ithaca Investment Designated Activity Company	636421	Dublin	0%	50%
Penelope SPV S.R.L.	4934510266	Conegliano Veneto (TV)	100%	48%
Savoy Reoco S.R.L.	4949060265	Conegliano	0%	0%
Portland SPV S.R.L.	05208480268	Conegliano	100%	29%
Evolve SPV S.R.L.[1]	05156080268	Conegliano	100%	20%
Phoenix NPL Finance Designated Activity Company	670746	Dublin	0%	30%
Vega I NPL Finance Designated Activity Company	672238	Dublin	0%	30%
Vega II NPL Finance Designated Activity Company	672239	Dublin	0%	30%
Vega III NPL Finance Designated Activity Company	672240	Dublin	0%	30%
Sunrise I NPL Finance Designated Activity Company	675770	Dublin	0%	49%
Sunrise II NPL Finance Designated Activity Company	697971	Dublin	0%	44%
Northwind Investments Holding, S.L.	B88213012	Madrid	50%	
Northwind Finco, S.L.	B88250774	Madrid	40%	
Global Zappa, S.L.U.	B88208822	Madrid	40%	

1) Evolve SPV S.R.L. (in which Far Red Investment No3 DAC subscribed for 20 percent and 50.1 percent of Notes in two portfolios respectively) is 100 percent owned by Intrum Italy Holding S.R.L. as quoteholder but control is via notes. The segregated assets held by this company and related to the 20% investment are not fully consolidated, but are recognised in the consolidated accounts according to the equity method. The segregated assets held by this company and related to the 50.1 percent investment are fully consolidated.

Subsidiaries with non-controlling interests (minority interests)

	Minority shareholding		Minority interest in equity		Minority interests in earnings		Dividend to minority shareholders	
SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Intrum Brasil Consultoria e Participaçoes, S.A[1]	-	-	-	-	-	-3	-	-
Inkasso Med AG, Schweiz[2]	30%	30%	4	4	-	1	-	-
Intrum Italy SPA[3]	49%	49%	1,904	1,925	49	43	111	-
Solvia Servicios Inmobilarios SL [4]	20%	20%	415	348	58	1	-	-
Intrum Hellas A.E.D.A.D.P.[5]	20%	20%	541	563	105	104	133	62
Intrum Hellas REO Solutions SA[6]	20%	20%	50	5	45	4	-	-
Iris Hellas Investments Designated Activity Company[7]	30%	-	-	-	-	-	-	-
Cilliphili Designated Activity Company[8]	20%	-	-	-	-	-	-	-
Evolve SPV S.R.L.[9]	49%	-	8	-	8	-	-	-
Total			**2,922**	**2,845**	**265**	**150**	**244**	**62**

1) The minority interest was purchased from Lucilla Ines Tchira and Nicolas Malagamba Otegui, (both Argentinian citisens), during 2020.
2) Ärztekasse Genossenschaft Urdorf
3) Intesa Sanpaulo SpA
4) Banco Sabadell
5) Piraeus Bank
6) Piraeus Bank
7) European Bank for Reconstruction and Development
8) Arrow Global Limited
9) Deva Investment Capital

Note 14 Associated companies and joint ventures

Set out below are the joint ventures of the Group as at 31 December 2021. The country of incorporation or registration, except for the Irish Joint venture, is also their principal place of business.

The joint venture/co-investor agreements in relation to the Joint ventures in Italy and Greece require unanimous consent from all parties for all relevant activities, therefore the proportion of ownership interest is not the same as the proportion of voting rights held.

Name of entity	Country of incorporation	Place of business	%-right to cash flow		Nature of relationship	Measurement method	Carrying amount	
			2021	2020			2021	2020
Ithaca Investment Designated Activity Company	Ireland	Italy	62.5%	80%	Joint Venture	Equity method	5 160	5 008
Northwind Investments Holdings, S.L.U.	Spain	Spain	50%	50%	Joint Venture	Equity method	218	258
Evolve Spv S.R.L.	Italy	Italy	20%	-	Joint Venture	Equity method	218	-
Portland S.R.L.	Italy	Italy	28.5%	-	Joint Venture	Equity method	255	-
Phoenix NPL Finance Designated Activity Company	Greece	Greece	30%	-	Joint Venture	Equity method	106	-
Vega I NPL Finance Designated Activity Company	Greece	Greece	30%	-	Joint Venture	Equity method	55	-
Vega II NPL Finance Designated Activity Company	Greece	Greece	30%	-	Joint Venture	Equity method	85	-
Vega III NPL Finance Designated Activity Company	Greece	Greece	30%	-	Joint Venture	Equity method	43	-
Sunrise I NPL Finance Designated Activity Company	Greece	Greece	49%	-	Joint Venture	Equity method	174	-
Sunrise II NPL Finance Designated Activity Company	Greece	Greece	44%	-	Joint Venture	Equity method	123	-

The below table reports the movements in the Investments in joint ventures in 2021 and 2020.

SEK M	2021	2020
Opening balance	5,266	6,539
Investment in Joint venture	1,002	-
Joint venture income	293	-734
Cash flow/dividend from joint venture	-252	-338
Translation difference	130	-201
Closing balance	**6 438**	**5 266**

Ithaca Investment DAC

In 2018, Intrum acquired 80 per cent of the Profit Participating Notes (PPNs) issued by Ithaca Investment DAC (Ithaca), which Intrum joint-controls with CarVal Investors. Ithaca invested in 51 percent of junior and mezzanine notes (the Notes) issued by the Italian special purpose vehicle "Penelope SPV S.R.L." (Penelope), to finance the acquisition of a portfolio of Non- performing Loans (NPLs) sold by Banca Intesa Sanpaolo (ISP), which invested in the remaining 49 percent of the Notes.

On 29 December 2021, Penelope was restructured and refinanced with rated longer duration senior notes. The senior notes are intended to be eligible for a state guarantee, Garanzia Cartolarizzazione Sofferenze (GACS).

As part of the restructuring, Ithaca's holding in the Notes increased from 51 percent to 95 percent. In addition, Intrum reduced its holdings to the PPNs from 80 percent to 62.5 percent in Ithaca. Overall this resulted in a loss of SEK 40 M for Intrum.

Intrum also entered into a derivative contract with certain funds managed or advised by CarVal Investors for a consideration of SEK 10 M, which allows it to acquire the latter's 37.5 percent PPNs in Ithaca from 1 July 2023 to 31 December 2027 and also requires Intrum to do so once gross collections of SEK 12.8 bn have been achieved or on 31 December 2027.

Evolve Spv Srl

In April 2021 an Italian bank, BPER Banca, transferred a portfolio of Non-performing loans (NPL) portfolios to a newly established SPV that financed the purchase of the portfolios by issuing notes. The Group, through an Irish DAC, Far Red 3, co-invested in the notes issued by the SPV with Deva Capitals. The Group subscribed 20 percent of the notes issued, the remaining 80 percent being subscribed by Deva Capitals investment to 80% of the notes issued. Based on the co-investor agreement, all significant financial and operating decisions have to be taken jointly by the co-investors. The Group has therefore determined that it joint-controls the SPV which is, thus, measured in the Group's consolidated financial statements using the equity method.

Greek Securitisation vehicles

In the second quarter of 2019, the Group acquired the Piraeus Bank (the "Bank")'s platform for the management of the NPLs. The Group and the Bank also entered into a Service Level Agreement ("the SLA") for the exclusive management of the NPL portfolio owned by the Bank. In 2021 the Bank has removed some NPLs, originally included in the above -mentioned SLA, from its balance sheet and transferred them to some securitisation vehicles, Phoenix, Vega I, Vega II, Vega III, Sunrise I and Sunrise II, (the "SPVs"). The Group has entered into new service level agreement with the SPVs for the management of transferred NPLs. The Group has also invested in the mezzanine and junior notes issued by the SPVs. Based on the co-investor agreement all significant financial and operating decisions have to be taken jointly by the co-investors. The Group has therefore determined that it joint-controls the SPVs which are, thus, measured in the Group's consolidated financial statements using the equity method.

The tables below provide summarises financial information for Joint ventures which the Group deems significant or were set up in 2021. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy:

	Ithaca		Evolve		Phoenix		Vega I		Vega II		Vega III		Sunrise I		Portland		Sunrise II	
SEK M	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SUMMARISED BALANCE SHEET																		
Cash and cash equivalents	1,404	1,192	29	-	384	-	113	-	376	-	177	-	559	-	143	-	33	-
Real estate assets	633	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	8,911	6,986	-	-	-	-	-	-	-	-	-	-	-	-	42	-	-	-
Total current assets	**10,948**	**8,503**	**29**	**-**	**384**	**-**	**113**	**-**	**376**	**-**	**177**	**-**	**559**	**-**	**185**	**-**	**33**	**-**
Portfolio receivable	16,522	19,881	1,062	-	8,851	-	4,367	-	7,503	-	1,610	-	24,213	-	2,217	-	12,275	-
Other long term assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non current assets	**16,522**	**19,881**	**1,062**	**-**	**8,851**	**-**	**4,367**	**-**	**7,503**	**-**	**1,610**	**-**	**24,213**	**-**	**2,217**	**-**	**12,275**	**-**
Other liabilities	1,860	1,846	24	-	108	-	43	-	85	-	33	-	77	-	40	-	4	-
Total current liabilities	**1,860**	**1,846**	**24**	**-**	**108**	**-**	**43**	**-**	**85**	**-**	**33**	**-**	**77**	**-**	**40**	**-**	**4**	**-**
Financial liabilities	24,529	26,584	981	-	8,807	-	4,267	-	7,585	-	1,622	-	24,368	-	1,467	-	12,041	-
Other long term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total non-current liabilities	**24,529**	**26,584**	**981**	**-**	**8,807**	**-**	**4,267**		**7,585**	**-**	**1,622**	**-**	**24,368**	**-**	**1,467**	**-**	**12,041**	**-**
Net assets/(liabilities)	**1,081**	**-47**	**86**	**-**	**320**	**-**	**170**	**-**	**208**	**-**	**132**	**-**	**327**	**-**	**895**	**-**	**263**	**-**
SUMMARISED PROFIT AND LOSS																		
Revenues	559	-670	163	-	135	-	68	-	165	-	83	-	177	-	91	-	49	-
Prodution expenses	-639	-566	-18	-	-64	-	-32	-	-66	-	-44	-	-115	-	-4	-	-3	-
Other expenses	-63	-25	-2	-	-54	-	-17	-	-27	-	-6	-	-45	-	-1	-	-1	-
Interest expenses	-617	-1,590	-57	-	-108	-	-43	-	-85	-	-33	-	-77	-	-10	-	-4	-
Net Income/(loss)	**-760**	**-2,851**	**86**	**-**	**-90**	**-**	**-24**	**-**	**-12**	**-**	**-0**	**-**	**-60**	**-**	**76**	**-**	**41**	**-**

Note 15 Portfolio investments

	Group	
SEK M	2021	2020
Acquisition cost, opening balance	57,617	55,880
Purchased Debt	7,028	5,012
Sale of portfolio	-24	-
Translation differences and other movements	2,106	-3,275
Accumulated acquisition cost, closing balance	**66,727**	**57,617**
Amortisation, opening balance	-29,959	-27,371
Amortisations	-4,287	-4,158
Positive revaluations of portfolio investments	1,789	3,145
Negative revaluations of portfolio investments	-1,656	-3,177
Sales and disposals	-24	-
Translation differences and other movements	-1,112	1,634
Accumulated amortisation, closing balance	**-35,249**	**-29,959**
Closing book value	**31,478**	**27,658**

Partial portfolio sales during 2021 amount to SEK 96 M and has been recognised as revenue from portfolio investments in the Group' statement of profit & loss.

Note 16 Other long-term receivables

	Group	
SEK M	2021	2020
Deposits	10	54
Loan receivables	4	5
Other	76	65
Total	**90**	**124**
Opening balances	124	183
Paid	-56	-124
Acquired	20	74
Exchange rate difference	2	-9
Carrying values	**90**	**124**

Note 17 Accounts receivable

	Group	
SEK M	2021	2020
Account receivable not overdue	940	733
Accounts receivable <30 days overdue	199	131
Accounts receivable 30–60 days overdue	32	63
Accounts receivable 61–90 days overdue	124	130
Accounts receivable >90 days overdue	115	313
Total accounts receivable	**1,410**	**1,369**
Accumulated reserve for expected credit losses, opening balance	-185	-75
Reserve for expected credit losses for the year	-71	-132
Realised client losses for the year	101	6
Withdrawals from reserve for expected credit losses for the year	47	8
Translation difference	-3	8
Accumulated impaired receivables, closing balance	**-111**	**-185**
Carrying values	**1,299**	**1,184**

No collateral has been obtained regarding accounts receivable. In some countries, it is possible to offset accounts receivable against funds collected for the same customer.

Note 18 Other receivables

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Outlays on behalf of clients	187	196		
Less: reserve for uncertainty in outlays on behalf of clients	-26	-19		
Total	**161**	**177 -**	**-**	
			-	-
Factoring	589	446	-	-
To be recovered from NetherlandsTo be recovered from Netherlands bailiffs	13	39	-	-
Prepaid pension premiums	27	52	-	-
Receivables from associated companies and joint ventures	182	179	-	-
Advance payments in connection with property auctions	32	193	-	-
Deposit	10	37	-	-
VAT	242	104	72	-
Other	345	103	6	27
Total	**1,439**	**1,161**	**78**	**27**
Carrying values	**1,600**	**1,338**	**78**	**27**

In the Netherlands, a VAT receivable arises in connection with portfolio investments. The VAT portion of the acquired receivable can be recovered from the tax authorities if it is not collected from the end-customer and is therefore recognised as a separate receivable. The portion that is expected to be recovered within 12 months is recognised as current. In the Netherlands, bailiffs are private companies and expenses for collection cases paid to them can sometimes be recovered from the bailis if their collection measures fail. When it emerges that Intrum is entitled to request that the amount be returned from the enforcement authorities, the amount is moved from Outlays on behalf of clients, to recover from enforcement authorities

Note 19 Prepaid expenses and accrued income

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Prepaid expenses and accrued expenses				
Prepaid rent	11	13	0	0
Prepaid insurance premiums	5	3	0	3
Prepaid expenses for Portfolio investments	2	0	0	0
Accrued income	1,013	958	0	0
Derivative assets (forward exchange contracts)	107	295	107	295
Other	227	172	62	64
Total	**1,366**	**1,441**	**170**	**362**

Note 20 Other current liabilites

For 2021 other current liabilites amount to SEK 1,930 M (1,515). Other currently liability includes an amount of SEK 638 M (SEK 663 M included in non-current liabilities) relating to the put/call options on Spanish subsidiaries' non-controlling interest. The call option entitles Intrum group to acquire and the put option entitles the counterparty to sell the non-controlling interest at fair value to Intrum group. The options are exercisable by either parties in 2022. The options have no pre-set expiry date and are non-transferrable to third parties.

Note 21 Liquid assets

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Cash and bank balances	4,463	1,637	602	533
Fixed deposition	0	401	0	0
Restricted bank accounts	90	96	0	0
Total	**4,553**	**2,134**	**602**	**533**

Note 22 Shareholders' equity

Share capital

According to the Articles of Association of Intrum AB (publ), the company's share capital will amount to not less than SEK 1,300,000 and not more than SEK 5,200,000. All shares are fully paid in, carry equal voting rights and share equally in the company's assets and earnings. No shares are reserved for transfer.

There are 120,797,264 shares in the company, and the share capital amounts to SEK 2,899,805. See below regarding repurchased shares.

Share repurchase

In 2020, 250,000 shares and 9,820,402 were repurchased for SEK 1.307 M and, in 2021, further 140,000 shares were repurchased for SEK 44 M and 66.346 were assigned to certain employees of the Group beneficiaries of the 2018 long term incentive plan which vested in 2021. Accordingly, the number of shares outstanding at the end of 2020 was 120,870,918 and, at the end of 2021, there were 120,797,264 shares. The average number of shares outstanding over the year was 120,828,453 (123,913,717).

Other shareholders' equity in the Group

Other paid-in capital

Refers to equity, other than share capital contributed by the owners or arising owing to the Group's shared-based payment programs and also include the share premiums paid in connection with the issuance of new issues.

Reserves

Reserves includes the translation reserve, which contains all exchange rate differences that have, since the transition to IFRS in 2004, arisen on the translation of financial statements from foreign operations as well as on long-term intra-Group receivables which are considered as permanent investment in the Group's foreign operations. Reserves also include the exchange rate gains and losses arising in the Parent Company's external loans in foreign currency, which are intended to hedge the Group's translation exposure attributable to net assets in foreign subsidiaries.

Retained earnings including net earnings for the year

Refer to earnings in the Parent Company and subsidiaries, joint ventures and associated companies. Provisions to the statutory reserve, excluding transferred share premium reserves, were previously included in this item. Accumulated revaluations of the Group's defined benefit pension provisions are also included. Dividends paid and share repurchases are deducted from the amount.

Following the balance sheet date, the Board of Directors proposed a dividend of SEK 13.5 per share (12,0), or a total estimated payout of SEK 1,631 M (1,450).

Other shareholders' equity in the Parent Company

Statutory reserve

Refers to provisions to the statutory reserve and share premium reserve prior to 2006. The statutory reserve is restricted equity and may not be reduced through distributions of earnings.

Share premium reserve

When shares are issued at a premium, the amount exceeding their quota value is transferred to the share premium reserve. Provisions to the share premium reserve as of 2006 are non-restricted equity.

Fair value reserve

Refers to unrealised exchange rate gains or losses on external loans in foreign currency, which are intended to hedge the Group's translation exposure attributable to net assets in foreign subsidiaries. The fair value reserve is non-restricted equity.

Earnings brought forward

Refer to retained earnings from the previous year less the dividend paid and share repurchases. Retained earnings are non-restricted equity.

Capital structure

The company's definition of capital corresponds to shareholders' equity including holdings without a controlling interest, which at year-end totaled SEK 25,074 M (21,963).

The measure of the company's capital structure used for control purposes is consolidated net debt in relation to pro forma rolling 12-month-adjusted cash EBITDA, which at year-end amounted to 3.9x (4.0x). This ratio is calculated by placing current consolidated net debt at the end of the year in relation to pro forma cash EBITDA, including operations being phased out and including a calculated cash EBITDA throughout the period for larger units acquired during the year, and excluding non-recurring items (NRIs). Net debt is defined as the sum of interest-bearing liabilities and pension provisions less liquid funds and interest-bearing receivables.

The Board of Directors has established financial targets for the Group, in which net debt divided by pro forma rolling 12-month-adjusted cash EBITDA, as stated above, shall be between 2.5x and 3.5x in the long term.

Note 23 Other long-term liabilities

	Group	
SEK M	2021	2020
Deferred purchase consideration	25	386
Long-term liability for portfolio investments	-	-
Long-term liability to minority shareholders	430	631
Other long-term liabilities	23	44
Total	**478**	**1,061**

Note 24 Pensions

The Group operates various pension plans, some of which are defined benefit plans and others as defined contribution plans.

Group employees in Switzerland, and certain employees in Germany, are covered by pension plans funded through assets under the management of insurance companies and are reported as defined benefit pension plans. In particular in Switzerland, the Group has an commitment to fund service pension plans funded through insurance policies based on the Swiss Life Collective BVG Foundation and in Transparenta BVG Foundation. The funded commitments currently amount to SEK 350 M (324), and the fair value of the assets under management is SEK 257 M (234), resulting in a net pension liability is SEK 93 M (91). The pension commitment is funded through insurance contracts. During the year Intrum paid SEK 26 M (41) to the plan, while disbursements to retirees amounted to SEK 36 M (41). For these pension plans, a discount rate of 0.80 per cent is applied. An increase/decrease in the discount rate by 0.5 percentage points would entail the pension liability decreasing by 8 per cent/increasing by 9 per cent

Other employees in Germany, in Norway, in France, Greece and Italy are covered by unfunded defined benefit pension plans that can be paid out as a one-time sum or as monthly payments following retirement. In particular in Greece, as further detailed in note 1 "Significant Accounting Policies", the interpretation on IAS 19 issued by IFRIC in April 2021, resulted in a reduction of the liability of approximately SEK 69 M.

In Belgium and Sweden, there are pension plans, funded through insurance.

In particular in Sweden , the Group is covered by collective agreement (Almega / Unionen / Akademikerförbunden) and is obliged to ensure collective agreed pensions and insurance for its employees. The pension plan is called ITP and made of ITP 1 which includes employees born in 1979 or later and ITP2 which covers employees born in 1978 or earlier. ITP 1 is a defined contribution plan.

According to a statement from the Swedish Financial Reporting Board, UFR 10, the ITP 2 plan is a multi-employer defined benefit plan The Group accounts for its participation in the plan as if it were a defined contribution plan as sufficient information on its proportional share of plan assets, liabilities and costs, could not be obtained by Alecta which manages the plans. There is no contractual agreement that states how surpluses and deficits in the plan are to be distributed among plan participants. The premium is individually calculated, depending on salary, previously vested pension and anticipated remaining term of employment. At year-end Alecta's surplus in the form of the collective funding ratio was 172 per cent (148). The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance obligations. Under the provisions of the ITP 2 plan, measures must be taken if the funding ratio falls below 125 per cent (for example, in connection with an increase in the price of the subscription) or exceed 150 per cent (155) (for example, in connection with a premium reduction).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

		Group
SEK M	2021	2020
Present value of fully or partly funded obligations	364	426
Fair value of plan assets	-272	-248
Deficit in the plan	**92**	**178**
Present value of unfunded obligation	236	203
Total provisions for pensions	**329**	**381**

Changes in net obligation:

		Group
SEK M	2021	2020
Opening balance	381	387
Change in accounting principles	-57	-
Expenses for employment in current year	29	33
net Interest expense	1	3
Plan amendment	-6	-
Pensions paid	-32	-30
Actuarial (gains)/losses	1	4
Exchange rate differences and other	12	-16
Closing balance	**329**	**381**

Reconciliation of fair value of assets under management:

		Group
SEK M	2021	2020
Opening balance	248	266
Contribution paid	36	26
Benefit paid	-21	-41
Interest income	1	0
Expected return on plan assets	-8	7
Exchange rate differences and other	16	-10
Closing balance	**272**	**248**

Costs for employment in the current period are reported in operating earnings. Net interest income/expense is reported under net financial items. Actuarial gains and losses as well the expected return on plan assets are included in other comprehensive income in the amount of SEK 2 M (8) before tax. The significant actuarial assumptions were as follows:

		Group
%	2021	2020
Discount rate	0.38–1.00	0.18–1.00
Pension increases	0.00–2.40	0.0–2.25
Salary increases	0.00–2.50	0.05–2.50

The Group also finances a number of defined contribution plans, Consolidated expenses for these amounted to SEK 214 M (191).

Note 25 Other provisions

		Group
SEK M	2021	2020
Opening balances	72	168
Amounts utilised during the year	-21	-88
Unutilised amounts reversed during the year	-21	-64
New provisions for the year	21	58
Translation differences	1	-2
Closing balances	**52**	**72**
Of which, long-term provisions		
Expenses for returning leased office premises to their original condition	3	2
Personnel expenses	1	3
Legal claims	34	41
Other	4	1
Total long-term provisions	**42**	**47**
Of which, short-term provisions		
Expenses for returning leased office premises to their original condition	1	3
Expenses for termination of personnel and other restructuring expenses	3	15
Consultancy (legal, tax and compliance)	6	7
Total short-term provisions	**10**	**25**
Total	**52**	**72**

Short- term provisions are expected to be settled within 12 months from of the balance sheet date. Long-term provisions are, by their nature, difficult to determine in terms of their maturity and amount. Settlement is likely in one year's time at the earliest, but not later than in 10 years' time.

Note 26 Borrowing

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Long-term liabilities				
Bank loans	4,060	2,081	4,060	2,081
Bond loan	43,693	42,606	43,693	42,606
Current liabilities				
Commercial papers	3,998	2,916	3,998	2,916
Bond loan	750	1,100	750	1100
Bank loans	-	-	-	-
Total	**52,501**	**48,703**	**52,501**	**48,703**

Intrum AB is financed through a revolving syndicated loan facility, bonds, bilateral loans and commercial papers. The loan facility is arranged with a banking consortium comprising 14 banks and applies until January 2026. The loan facility contains operations-related and financial covenants, including limits on specific financial indicators. In addition, the credit agreement includes covenants that may restrict, condition or prohibit the Group from incurring additional debt, making acquisitions, disposing of assets, making capital and finance lease expenditures, allowing assets to be encumbered, changing the scope of the Group's business and entering into a merger agreement. As of 31 December 2021, the loan framework had been utilised in the total amount of SEK 4,167 M (2,223), which can be broken down into SEK 2,300 M, NOK 1,120 M and EUR 70 M.

The unutilised portion of the facilities amounted to SEK 14,966 M (14,927). The loan carries a variable interest rate based on the interbank rate in each currency, with a margin. All operational and financial covenants were fully met in 2021.

In July 2021, Intrum issued a three-year unsecured bond of SEK 1,500 M at STIBOR 3m +325 basis points under the Swedish MTN programme. The proceeds were used to refinance the EUR 150 M fixed-rate bond maturing in 2022. In September Intrum issued a five-year unsecured bond under the Swedish MTN programme of SEK 1,000 M at STIBOR 3m +330 basis points. The proceeds of this issue were used to repay outstanding amounts under Intrum's revolving credit facility. In November a MTN of SEK 1,000 M matured and was refinanced by a drawdown on the revolving credit facility. Consequently, Intrum has outstanding bond loans for a total of SEK 44,660 M (43,780)

During 2021 commercial papers increased by SEK 1,082 M. At the end of the year, commercial papers amounted to SEK 3,998 M (2,916). The increase in commercial papers issued was used to repay outstanding amounts within Intrum's credit facility.

Change in borrowings for the year

	Group	
SEK M	2021	2020
Opening balance	48,703	50,625
Borrowings	27,295	48,721
Amortisation of loans	-23,864	-48,711
Effects of acquisitions and divestments	-663	103
Exchange rate differences	1,030	-2,035
Closing balance	**52,501**	**48,703**

Bonds outstanding as per 31 December 2021

Designation	Currency	Nominal amount (M)	SEK M	Maturity date	Interest rate for fixed-rate bonds and margin for variable-rate bonds	Market value of bond SEK M
SEK 2022 Float	SEK	750	750	2022-09-12	2,50%	751
EUR 2023 Float PP	EUR	160	1,640	2023-06-22	1,31%	1,642
SEK 2023 Float	SEK	2,900	2,900	2023-07-03	3,25%	2,915
EUR 2024 Fix	EUR	900	9,225	2024-07-15	3,13%	9,238
SEK 2024 Float	SEK	1,500	1,500	2024-10-01	3,25%	1,501
EUR 2025 Fix PP	EUR	75	769	2025-03-15	3,00%	780
EUR 2025 Fix	EUR	850	8,713	2025-08-15	4,88%	9,036
SEK 2025 Float	SEK	1,250	1,250	2025-09-12	4,60%	1,306
EUR 2026 Fix	EUR	800	8,200	2026-07-15	3,50%	8,290
SEK 2026 Float	SEK	1,000	1,000	2026-09-09	3,30%	978
EUR 2027 Fix	EUR	850	8,713	2027-09-15	3,00%	8,568
Total			**44,660**			**45,006**

Bonds with "Fix" in the denomination mature at fixed interest rates. Bonds with "Float" in the denomination mature at variable interest rates. Bonds with "PP" in the denomination refer to Private Placements.

Maturities of long-term bank borrowings

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Maturities of long-term borrowings				
Between 1 and 2 years	4,540	2,255	4,540	2,255
Between 2 and 3 years	10,725	4,505	10,725	4,505
Between 3 and 4 years	10,732	9,031	10,732	9,031
Between 4 and 5 years	13,367	10,532	13,367	10,532
More than 5 years	8,713	18,779	8,713	18,779
Total	**48,077**	**45,103**	**48,077**	**45,103**
Unused lines of credit excluding guarantee facility				
Expiring within one year	-	-	-	-
Expiring after more than one year	14,966	14,927	14,966	14,927
Total	**14,966**	**14,927**	**14,966**	**14,927**

Specification of maturity dates as per 31 December 2021

Short-term loans

SEK M	2021
Commercial Papers	4,004
Bond loan	750
Total	**4,754**

Long-term liabilities

SEK M	2023	2024	2025	2026	2027
Bond loan	4,540	10,725	10,732	9,200	8,713
Syndicated loan facility				4,167	
Unutilised portion of facility				14,966	
Total	**4,540**	**10,725**	**10,732**	**28,333**	**8,713**

Note 27 Accrued expenses and prepaid income

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Accrued social security expenses	164	179	25	30
Accrued vacation pay	208	214	15	13
Accrued bonus expense	414	433	65	115
Prepaid subscription income	1,634	58	0	0
Accrued interest	483	451	452	451
Other personnel-related expenses	292	229	23	23
Derivatives	173	443	173	443
Office - related expenses	93	148	3	2
Production costs	413	438	0	0
Other accrued expenses	349	331	62	69
Total	**4,225**	**2,924**	**819**	**1 146**

Contract liability amounting to SEK 1,602 M represents revenue collected in advance to service long-term NPLs portfolio. The Company has a right to exclusively service these NPLs up to 2065. Revenue is recognised as services are rendered. Significant revenue is expected to be recognised by 2030.

Note 28 Pledged assets, contingent assets and contingent liabilities

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Pledged assets				
Deposits	10	54	-	-
Restricted bank accounts	90	96	-	-
Intercompany loan receivable	37,018	32,354	37,018	32,164
Shares in subsidiaries	25,210	25,206	25,210	25,206
Total	**62,328**	**57,710**	**62,227**	**57,369**
Contingent assets	None	None	None	None
Contingent liabilities	-	-	-	-
Payment guarantees	74	70	-	-
Total	**74**	**70**	**-**	**-**

Pledged assets

Pledged collateral includes deposits and restricted bank balances that can be claimed by clients, suppliers or authorities in the event that Intrum were not to meet its contractual obligations. Pledged collateral also includes shares in subsidiaries within the Group pledged as collateral for the Parent Company's revolving credit facility. The reported value of pledged collateral in the table above refers to the consolidated value of the subsidiaries' net assets

Payment guarantees
The Group offers services whereby clients, against payment, obtain a guarantee from Intrum regarding the clients' receivables from their customers. This entails a risk being incurred that Intrum must compensate the customer for the guaranteed amount in the event that the invoices are not paid on time. In those cases where the guarantee comes into play, Intrum assumes the client's claim against its customer and takes over the continued handling of the case within the Portfolio Investments area of operations. At the end of the year, the total amount guaranteed was SEK 74 M (70). Intrum's risk in this business is managed through strict credit limits and analyses of the borrower's credit status. At the end of the year Intrum had allocated SEK 1 M (1) in the balance sheet to cover payments that may arise due to the guarantee.

Other
The Group is involved in several legal disputes, both disputes that are customary for an organsation as Intrum and disputes in the ordinary course of business. None of these disputes are expected to give rise to any signicant liabilities or cost.

Note 29 Average number of employees

	Group				Of which, the Parent Company			
	2021		2020		2021		2020	
	Men	Women	Men	Women	Men	Women	Men	Women
Austria	13	24	12	22	-	-	-	-
Belgium	39	55	38	55	-	-	-	-
Brazil	18	19	17	19	-	-	-	-
Czech Republic	27	52	28	55	-	-	-	-
Denmark	71	97	74	95	-	-	-	-
Estonia	4	19	4	20	-	-	-	-
Finland	133	342	138	346	-	-	-	-
France	179	405	180	391	-	-	-	-
Germany	134	275	133	271	-	-	-	-
Greece	478	650	618	416	-	-	-	-
Hungary	187	298	176	290	-	-	-	-
Ireland	28	29	29	33	-	-	-	-
Italy	321	447	327	446	-	-	-	-
Latvia	193	100	176	91	-	-	-	-
Lithuania	174	386	153	347	-	-	-	-
Luxembourg	1	0	1	-	-	-	-	-
Mauritius	32	81	28	74	-	-	-	-
Netherlands	87	69	98	74	-	-	-	-
Norway	263	342	269	364	-	-	-	-
Poland	153	232	149	219	-	-	-	-
Portugal	69	137	69	140	-	-	-	-
Romania	42	105	43	117	-	-	-	-
Slovakia	29	54	27	53	-	-	-	-
Spain	691	1,260	698	1,214	-	-	-	-
Sweden	154	227	159	237	31	28	29	28
Switzerland	94	113	97	117	-	-	-	-
United Kingdom	123	140	97	114	-	-	-	-
Total	**3,737**	**5,957**	**3,838**	**5,624**	**31**	**28**	**29**	**28**

The table above shows the average number of full time employees (FTEs). Of the Group's employees, 19 per cent are younger than 30 years old, 32 per cent are 30 - 39 years old, 30 per cent are 40 - 49 years old and 19 per cent are 50 years old or older.

	2021		2020	
	Men	Women	Men	Women
Gender distribution of senior executives				
Board of Directors	5	3	6	3
Group Management Team	12	3	10	4
Country Managers	19	3	20	3
Board members in subsidiaries	77%	23%	84%	16%

Six members of the Group Management Team are employees of the Parent Company. There is no special management team for the Parent Company.

Note 30 Salaries and remunerations

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Salaries	-4,378	-4,240	-181	-203
Social security expenses	-687	-683	-40	-46
Pension costs	-236	-224	-30	-26
Total expenses	**-5,300**	**-5,146**	**-250**	**-274**

Salaries also include remuneration in forms other than cash payments, such as a free or subsidised car, housing and meals.

For information on compensation to the Group's senior executives, see Note 30.

Note 31 Terms and conditions of employment for top management

Guidelines on remuneration and other terms of employment for top management

The Board proposes that the following guidelines for executive remuneration shall be approved by the annual general meeting. The proposal has been prepared by the Remuneration Committee of the Board.

The guidelines apply to the CEO and other members of Intrum's Group Management Team ("GMT"). The guidelines are forward-looking, i.e. they are applicable to agreements on remuneration, and on amendments to remuneration already agreed, enter into after adoption of the guidelines by the Annual General Meeting 2021. These guidelines do not apply to any remuneration to be separately resolved or approved by the General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Intrum's business strategy is, in short, to continue to grow, both in existing and new markets, and to continue to build its position as the undisputed market leader within the credit management industry. For more information regarding the company's business strategy, visions and goals, please see www.intrum.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the GMT a competitive total remuneration.

Long-term share-related incentive programmes ("LTIPs") have been implemented in the company. Such LTIPs have been adopted by the Annual General Meeting and are therefore excluded from these guidelines. The LTIP proposed by the Board to be adopted by the Annual General Meeting 2021 is excluded for the same reason, as well as similar programs to be adopted in the future. The proposed LTIP essentially corresponds to existing LTIPs. The LTIPs includes the GMT and other key employees in the company. The evaluation metrics used to assess the outcome of the LTIPs are distinctly linked to the business strategy and thereby to the company's long-term value creation.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's long-term business strategy and short-term interests, including its sustainability.

Forms of remuneration

Remuneration in the company should reflect job complexity, responsibility and performance, and it should be competitive in comparison with comparable companies within similar industries in the relevant geographies. The remuneration shall consist of the following components: annual fixed cash salary ("Base Salary"), annual variable cash remuneration ("Variable Salary Part/VSP"), pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration such as LTIPs.

Base Salary

The Base Salary is based on three cornerstones: job complexity & responsibility, performance and local market conditions. The Base Salary is subject to annual revision.

Variable Salary Part

Intrums Variable Salary Part ("VSP") aims to drive, and is designed to vary with, short-term business performance, and is set for one year at a time. The evaluation metrics are individually decided for each member of the GMT, and consist of financial results (on group level or country level/s, as applicable) such as cash EBIT, cash Return on Invested Capital Portfolio Investment Service Line Earnings, Return On Investments and Book Value Growth. Members of the GMT may also have a smaller portion of targets linked to operational or non-financial metrics, such as for instance Employee Engagement Index. The Board may also decide to adjust the metrics targets or apply other similar evaluation metrics if deemed appropriate.

The maximum VSP pay-out is 100 percent of the Base Salary for the CEO and the CFO. For the other members of the GMT (except for the Chief Risk Officer, who is not eligible for VSP) the normal maximum VSP pay-out is 35 to 50 percent of the Base Salary.

To which extent the evaluation metrics for awarding VSP have been satisfied is evaluated and determined when the measurement period has ended. The company's Remuneration Committee is responsible for preparing the VSP evaluation for all GMT members. The determination of the VSP outcome is then resolved by the Board in its entirety.

No deferral periods are applied in relation to VSP and the VSP agreement does not contain any clause entitling the company to reclaim VSP.

Extraordinary arrangements

Other one-off arrangements can be made on individual level in extraordinary circumstances when deemed necessary and approved by the Board. The purpose might be in relation to recruitments, retention of top talent needed to secure successful implementation of the business strategy.

Any such arrangement need to be capped at an amount equal to two (2) times the individual's annual fixed salary.

Pension benefits and other benefits

Intrum applies a retirement age of 65 for all members of the GMT, unless otherwise follows from applicable national rules.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. VSP does not constitute pensionable income. The pension premiums for premium defined pension shall amount to not more than 35 percent of the Base Salary.

For other GMT members, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 percent of the Base Salary.

Other benefits than pension benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring), housing and company cars. For GMT members with housing benefits, such benefits may not amount to more than 20 percent of the Base Salary. For GMT members without housing benefits, such benefits may not amount to more than ten percent of the Base Salary.

Termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Base Salary during the notice period, severance pay and compensation during a non-compete period may together not exceed an amount equivalent to twenty-four months Base Salary. The notice period may not exceed six months without any right to severance pay when termination is made by the GMT member.

Remuneration for non-compete undertakings shall compensate for loss of income. The remuneration amounts to not more than 100 percent of the Base Salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and shall be paid during the time the non-compete undertaking applies, however not for more than twelve months following termination of employment.

Remuneration and employment conditions for employees

In preparation of the Board's proposal for these guidelines and when evaluating whether the guidelines and the limitations set out herein are reasonable, account has been taken regarding the remuneration and employment conditions for employees of the company. This has been done by reviewing e.g. the employees' total remuneration, the components of their remuneration and remuneration growth rate over time.

The decision-making process to determine, review and implement the guidelines

The Board has established a Remuneration Committee. The Remuneration Committee's tasks include preparing the Board's decision to propose these guidelines. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the GMT, the application of the guidelines for GMT as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and the GMT. The CEO and other members of the GMT do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration

These guidelines do not entail any significant changes in relation to the company's existing guidelines, apart from the section about extraordinary arrangements.

The company has not received any views from shareholders to take into consideration.

Information on remuneration resolved but not yet due and on derogations from the remuneration guidelines resolved by the Annual General Meeting 2020

Previous Annual General Meetings have resolved on guidelines for executive remuneration and other terms of employment for the period up until the next

Annual General Meeting. In short, these guidelines entail that Base Salary and VSP shall be payable on conditions similar to what has been described in these guidelines. Base Salary and VSP is expensed during the financial year, and VSP is paid out after the year-end report has been adopted by the Board.

The guidelines adopted by the Annual General Meeting 2020 have been adhered to without derogation, and all previously approved remuneration that has not yet been paid out is in line with the framework set out above.

Terms of employment and remuneration of the CEO

Anders Engdahl, President and CEO, had a level of remuneration during 2021 in accordance with the Group's principles as detailed above. His fixed monthly salary as CEO has been EUR 58,333. In addition to his fixed salary, he had the opportunity to receive up to 100 percent of his annual salary within the framework of the variable salary component (VSP) and up to 150 percent of his annual salary within the framework of the 2019 long-term remuneration programme (LTI). He was offered participation in LTIP 2021 with an initial allocation of 200 percent of his fixed annual salary. In addition to his salary, the company paid pension contributions corresponding to 30 percent of his fixed annual salary. The pension policy is a defined contribution plan, and the retirement age is 65 years. He also had a company car in accordance with the Group's car policy. In the event of resignation by the employee, the period of notice is twelve months and, in the event of termination by the company, the period of notice is twelve months. In the event of termination on the part of the company, severance pay of 12 months' fixed salary is payable. The outcome of LTIP 2019 was 100 percent, corresponding to 36,561 shares in Anders Engdahl's case. The total number of shares outstanding for the CEO in LTI 2020 and 2021, which run until the end of 2022 and 2023 respectively, will be 138,946 shares if fully vested.

Terms of employment and remuneration for other members of Group Management

The remuneration and other terms of employment for other members of Group Management which were approved following the 2021 Annual General Meeting have followed the principles outlined above. This includes fixed annual salary and the opportunity to receive 0–100 percent of annual salary within the framework of the variable salary component. The long-term incentive programme for 2021 was launched in April 2021 with allocation levels in accordance with the resolution of the Annual General Meeting, that is, 35–100 percent of fixed annual salary. Pension benefits vary from country to country. In several cases, they are included in monthly salaries. All pension insurances plans are defined contribution plans, except in cases where mandatory collective agreements apply, and the retirement age is generally 65 years. Members of Group Management have company cars, in accordance with the Group's car policy. Other benefits also occur, in accordance with local practices, including subsidised meals and travel.

The notice of termination for members of Group Management Team varies from three to 12 months, regardless of whether termination is initiated by the employee or the company.

LTIP 2019 was fully vested at the end of 2021 and, in accordance with the terms of the programme, the shares must be transferred prior to the 2022 Annual General Meeting. For Group Management (excluding the President and CEO), the maximum allotment in LTIP 2019 amounts to a total of 45,189 shares. The total number of shares outstanding in LTIP 2020 and 2021 for the corresponding group amounts to 197,724 shares.

Remuneration for the year

Other senior executives in the table are defined as members of the GMT other than the CEO, see the Corporate Governance Report. In 2021, five individuals were appointed and three stepped down. At the end of 2021, there were 15 (13) other senior executives.

		Oct 17–Dec 31	Jan 1–Oct 17
SEK thousands	2021	2020	2020
President and CEO	Anders Engdahl	Anders Engdahl	Mikael Ericson
Base salary	7,103	1 786	6 116
Variable compensation	13,859	15 153	16 230
Other benefits	167	29	88
Severance pay	0	0	6 700
Pension expenses	2,130	521	2,383
Total, President and CEO	**23,259**	**17,489**	**31,516**

SEK thousands	2021	2020
Other senior executives		
Base salary	45,536	42,061
Variable compensation	27,344	28,680
Other benefits	2,026	2,063
Severance pay	4,380	-
Pension expenses	10,315	7,379
Total other senior executives	**89,601**	**80,183**

The amounts stated correspond to the full remuneration received during the period in which the individuals concerned were defined as senior executives, including vested but as yet unpaid variable remuneration for each year. This entails, for example, that the variable remuneration accrued and expensed by the company in 2021 will be disbursed in early 2022.

Board of Directors

In accordance with the Annual General Meeting's resolution, total fees paid to Board members for the year, including for committee work, amounted to SEK 6,850 thousand (7,130). The Directors have no pension benefits or severance agreements.

SEK thousands	2021	2020
Per E. Larsson, chairman	1,555	1,400
Magnus Yngen, deputy Chairman	-	815
Magdalena Persson	655	630
Hans Larsson	825	630
Kristoffer Melinder	655	630
Andreas Näsvik	915	630
Ragnhild Wiborg	935	835
Andrés Rubio	655	780
Liv Fiksdahl	655	780
Total Board fees	**6,850**	**7,130**

Board fees pertain to the period from the 2020 Annual General Meeting until the 2021 Annual General Meeting and from the 2021 Annual General Meeting until the 2022 Annual General Meeting respectively.

Note 32 Auditor's fees

	Group		Parent Company	
SEK M	2021	2020	2021	2020
Audit assignment	34	29	7	4
Audit-related advice	3	4	1	3
Tax advice	2	4	-	-
Other auditing agencies				
Audit assignment	1	2	-	-
Auditing activities other than audit assignments	2	-	-	-
Total	**42**	**38**	**8**	**7**

Note 33 Financial instruments

SEK M	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Carrying value of financial instruments					
Financial assets valued at amortised cost	1	41,088	34,521	41,431	33,933
Financial assets valued at fair value	2	118	295	107	295
Total carrying value of financial assets		**41,206**	**34,816**	**41,538**	**34,228**
Financial liabilities valued at amortised cost	3	58,857	55,604	66,064	57,288
Financial liabilities valued at fair value	2	1,218	1,536	173	443
Total carrying value of financial liabilities		**60,075**	**57,140**	**66,238**	**57,731**
On the balance sheet date, the following financial instruments amount to:					
Portfolio investments	1	31,478	27,658	-	-
Accounts receivable	1	1,299	1,184	-	-
Other receivables including accrued income	1, 2	3,876	3,840	40,936	33,695
The item includes derivatives and other assets at FV of		118	295	107	295
Cash and cash equivalents	1	4,553	2,134	602	533
Financial assets valued at amortised cost		**41,088**	**34,521**	**41,431**	**33,933**
Financial assets valued at fair value	2	118	295	107	295
Total carrying value of financial assets		**41,206**	**34,816**	**41,538**	**34,228**
Long-term bank loans	3	4,060	2,081	4,060	2,081
Bond loan	3	44,443	43,706	44,443	43,706
Commercial papers	3	3,998	2,916	3,998	2,916
Accounts payable	3	504	493	23	49
Other liabilities including accrued expenses	2, 3	7,070	7,944	13,714	8,979
The item includes derivatives of	2	173	443	173	443
Other liabilities at FV	2	1,044	1,093		
Financial liabilities valued at amortised cost		**58,857**	**55,604**	**66,064**	**57,288**
Financial liabilities valued at fair value	2	1,218	1,536	173	443
Total carrying value of financial liabilities for		**60,075**	**57,140**	**66,238**	**57,731**

1) Financial assets valued at amortised cost include portfolio investments, other long-term receivables, accounts receivable, client funds, other current receivables, accrued income, cash and cash equivalents and, for the Parent Company, also intra-Group receivables.
2) Financial assets and liabilities valued at fair value include derivative assets and liabilities, deferred considerations related to acquisitions of shares and other liabilities related to the acquisition of the minority interests in certain Spanish and Greek subsidiaries. Derivatives are measured based on valuation techniques that uses observable market data and thus fall under Level 2 in the valuation hierarchy according to IFRS 13. Deferred considerations and other liabilities are measured at fair value using non observable market data and, therefore, fall under in accordance with level 3 in the valuation hierarchy according to IFRS 13.
3) Financial liabilities valued at amortised cost include non-current and current liabilities to credit institutions, bond loans, commercial papers, client funds payable, accounts payable, advances from clients, other current liabilities, accrued expenses and, for the Parent Company, intra-Group liabilities.

Note 34 Financial risks and financial policies

Principles of financing and financial risk management

The financial risks that arise in Intrum operations are limited. Thanks to a strong cash flow, combined with little need for investment and operating capital, external capital needs in the Group's service operations are relatively low. The purchased debt operations have a greater need for capital, particularly during a growth phase.

Intrum's financing and financial risks are managed within the Group in accordance with the treasury policy established by the Board of Directors. The treasury policy contains rules for managing financial activities, delegating responsibility, measuring and identifying financial risks and limiting these risks.

Internal and external financial operations are concentrated in Group Treasury in Stockholm and Oslo. This achieves economies of scale in terms of pricing for financial transactions. Because Group Treasury can take advantage of temporary surpluses and deficits in the Group's various countries of operation, the Group's total interest expense can be minimised.

Market risk

Market risk consists of risks related to changes in exchange rates and interest rate levels.

Exchange rate risk

Exchange rate risk is the risk that fluctuations in exchange rates will negatively affect the Group's income statement, balance sheet and/or cash flows. The most important currencies for the Intrum Group, other than the Swedish krona (SEK), are the euro (EUR), the Swiss franc (CHF), the Hungarian forint (HUF) and the Norwegian krone (NOK).

The following exchange rates have been used to translate transactions in foreign currency in the financial accounts:

Currency	31 Dec 2021	31 Dec 2020	Average 2021	Average 2020
CHF	9.92	9.29	9.39	9.80
EUR	10.25	10.03	10.15	10.48
HUF	0.0278	0.0276	0.0283	0.0299
NOK	1.03	0.96	1.00	0.98

Exchange rate risk can be divided into transaction exposure and translation exposure. Transaction exposure consists of net operating and financial receipts and disbursements in different currencies. Translation exposure consists of the effects from the translation of the financial reports of foreign subsidiaries and associated companies to SEK.

Transaction exposure

In each country, all income and most operating expenses are denominated in local currencies, and thus currency fluctuations have only a limited impact on the company's operating earnings in local currency. National operations seldom have receivables and liabilities in foreign currency. Income and expenses in national currency are thereby hedged in a natural way, which limits transaction exposure. The currency exposure that arises within the operating activities is limited to the extent it pertains to international collection operations. The subsidiaries' projected flow exposure is not hedged at present. All major known currency flows are hedged on a continuous basis in the Group and the Parent Company through forward exchange contracts.

Translation exposure

Intrum operates in 25 countries. The results and financial position of subsidiaries are reported in the relevant foreign currencies and later translated into SEK for inclusion in the consolidated financial statements. Consequently, fluctuations in the SEK exchange rate affect consolidated income and earnings, as well as equity and other items in the financial statements.

The Group's revenues are distributed by currency as follows:

SEK M	2021	2020
SEK	846	1,031
EUR	11,028	10,371
CHF	888	1,120
HUF	1,484	1,304
NOK	1,647	1,212
Other currencies	1,896	1,810
Total	**17,789**	**16,848**

An appreciation of the Swedish krona of 10 percentage points on average in 2021 against EUR would thus, all else being equal, have affected revenues negatively by SEK 1,103 M, against CHF by SEK 89 M, against HUF by SEK 148 M and against NOK by SEK 165 M. In terms of net assets by currency, shareholders' equity in the Group, including non-controlling interests, is distributed as follows:

SEK M	2021	2020
SEK	5,979	11,988
EUR	27,250	23,498
- EUR hedged through foreign currency loans	-25,626	-25,907
+ EUR hedged through derivatives	7,116	6,745
CHF	662	685
- CHF hedged through derivatives	0	-106
DKK	-15	-17
- DKK hedged through derivatives	0	-67
HUF	1,211	2,881
- HUF hedged through derivatives	0	-1,930
NOK	4,011	4,003
+ NOK hedged through derivatives	157	-3,426
Other currencies	4,329	3,616
Total	**25,074**	**21,963**

All else being equal, an appreciation in the Swedish krona of 10 percentage points as per 31 December 2021 against EUR would have affected shareholders' equity in the Group negatively by SEK 874 M, negatively against CHF by SEK 66 M, positively against DKK by SEK 1 M, negatively against HUF by SEK 121 M and negatively against NOK by SEK 417 M.

Regarding the currency risk attributable to currency interest rate swaps, see the description below under Interest rate risks.

The Group hedges part of its translation exposure by means of currency hedging measures, consisting of external loans in foreign currency and derivative instruments. There is an economic relationship between the hedged balance sheet items and the hedging instruments, in which the efficiency of the hedge is tested and adjusted monthly. The effects of the translation exposure and hedging measures have opposite values (negative/positive) and are reported under Other comprehensive income. The hedging instruments amounted to SEK -27,283 M (- 31,141) at year-end. No inefficiencies were reported during the year regarding hedges of net investments in foreign operations.

Interest rate risks

Interest rate risks relate primarily to the Group's interest-bearing net debt, which amounted to SEK 48,264 M (46,951) on 31 December 2021. The loan rate is tied to the market rate.

Intrum has a strong cash flow which gives the Group the option of repaying loans or investing in portfolios. The Group's loans have a fixed interest term – currently about 33 months (44) for the entire loan portfolio.

A 1-per cent increase in market interest rates during the year would have adversely affected net financial items by approximately SEK 275 M. A five-per cent increase would have adversely affected net financial items by SEK 1,375 M.

To establish an appropriate matching of currencies in the balance sheet and thus manage the currency risk between assets and liabilities, the company uses currency interest rate swaps in which the Parent Company swaps liabilities in SEK against NOK at the same rate on both the start and maturity dates. In this way, the company can maintain the desired level of hedging of shareholders' equity per currency while also maintaining an interest rate exposure in the same currency.

Liquidity risk

Liquidity risk is the risk of a loss or higher-than-expected costs to ensure the Group's ability to fulfil its short and long-term payment obligations to outside parties.

The Group's long-term financing risk is limited by confirmed loan facilities. The Group's objective is that at least 35 per cent of total committed loans have a remaining maturity of at least three years and that not more than 35 per cent of the total have a remaining maturity of less than 12 months.

Intrum AB is financed through a revolving syndicated loan facility, bonds, bilateral loans and commercial papers. The loan facility is arranged with a banking consortium comprising 14 banks and applies until January 2026. The loan facility contains operations-related and financial covenants, including limits on specific financial indicators. In addition, the credit agreement includes covenants that may restrict, condition or prohibit the Group from incurring additional debt, making acquisitions, disposing of assets, making capital and finance lease expenditures, allowing assets to be encumbered, changing the scope of the Group's business and entering into a merger agreement. As of 31 December 2021, the loan framework had been utilised in the total amount of SEK 4,167 M (2,223), which can be broken down into SEK 2,300 M, NOK 1,120 M and EUR 70 M.

The unutilised portion of the facilities amounted to SEK 14,966 M (14,927). The loan carries a variable interest rate based on the interbank rate in each currency, with a margin. All operational and financial covenants were fully met in 2021.

In July 2021, Intrum issued a three-year unsecured bond of SEK 1,500 M at STIBOR 3m +325 basis points under the Swedish MTN programme. The proceeds were used to refinance the EUR 150 M fixed-rate bond maturing in 2022. In September Intrum issued a five-year unsecured bond under the Swedish MTN programme of SEK 1,000 M at STIBOR 3m +330 basis points. The proceeds of this issue were used to repay outstanding amounts under Intrum's revolving credit facility. In November a MTN of SEK 1,000 M matured and was refinanced by a drawdown on the revolving credit facility. Consequently, Intrum has outstanding bond loans for a total of SEK 44,660 M (43,780)

During 2021 commercial papers increased by SEK 1,082 M. At the end of the year, commercial papers amounted to SEK 3,998 M (2,916). The increase in commercial papers issued was used to repay outstanding amounts within Intrum's credit facility.

The Group's aim is that the liquidity reserve, which consists of cash, bank balances and short-term liquid investments should amount to at least SEK 100 M in addition to the unutilised portion of committed lines of credit. The Group has deposited its liquid assets with established financial institutions where the risk of loss is considered remote. The Group's finance function prepares regular liquidity forecasts with the purpose of optimising the balance between loans and liquid funds so that the net interest expense is minimised without, for that matter, incurring difficulties in meeting external commitments.

The table to the right provides an analysis of the financial liabilities of the Group and the Parent Company broken down according to the amount of time remaining until the contractual maturity date. The amounts given in the table are the contractual, undiscounted cash flows. The amounts falling due within 12 months agree with the reported amounts since the discount effect is negligible.

Financial liabilities in the balance sheet – Group

SEK M	Within 1 year	2–5 years	Later than 5 years	Total
31 Dec 2021				
Accounts payable and other liabilities	7,050			7,050
Lease liabilities	223	497	85	805
Liabilities to credit institutions		4,060		4,060
Bond loan	750	35,197	8,713	44,660
Commercial papers	3,998			3,998
Total	**12,021**	**39,754**	**8,798**	**60,573**
31 Dec 2020				
Accounts payable and other liabilities	5,259			5,259
Lease liabilities	220	520	131	871
Liabilities to credit institutions			2,081	2,081
Bond loan	1,100	26,323	16,557	43,980
Commercial papers	2,916			2,916
Total	**9,495**	**26,843**	**18,769**	**55,106**

Financial liabilities in the balance sheet – Parent Company

SEK M	Within 1 year	2–5 years	Later than 5 years	Total
31 Dec 2021				
Accounts payable and other liabilities	867			867
Liabilities to credit institutions		4,060		4,060
Bond loan	750	35,197	8,713	44,660
Commercial papers	3,998			3,998
Liabilities to Group companies	4,951	7,744		12,696
Total	**10,566**	**47,002**	**8,713**	**66,281**
31 Dec 2020				
Accounts payable and other liabilities	1,231			1,231
Liabilities to credit institutions			2,081	2,081
Bond loan	1,100	26,323	16,557	43,980
Commercial papers	2,916			2,916
Liabilities to Group companies	1,654	,5,699,		7,353
Total	**6,902**	**32,022**	**18,638**	**57,561**

Credit risks

Credit risk consists of the risk that Intrum's counterparties are unable to fulfil their obligations to the Group.

Financial assets that potentially subject the Group to credit risk include cash and cash equivalents, accounts receivable, portfolio investments, outlays on behalf of clients, derivatives and guarantees. For financial assets owned by Intrum, no collateral or other credit reinforcements have been received, with the exception of a certain portion of the Group's portfolio investments. The maximum credit exposure for each class of financial assets corresponds to the carrying amount.

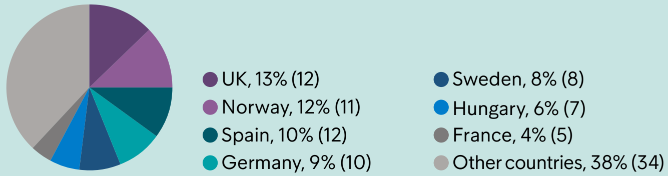
Cash and cash equivalents
The Group's cash and cash equivalents consist primarily of bank balances and other short-term financial assets with a remaining maturity of less than three months. The Group has deposited its liquid assets with established banks where the risk of loss is considered remote.

Accounts receivable
The Group's accounts receivable from clients and debtors in various industries, and are not concentrated in a specific geographical region. The Group's largest client accounts for less than two per cent of revenues. Most accounts receivable outstanding are with customers previously known to the Group and whose creditworthiness is good. For an analysis of accounts receivable by age, see Note 17.

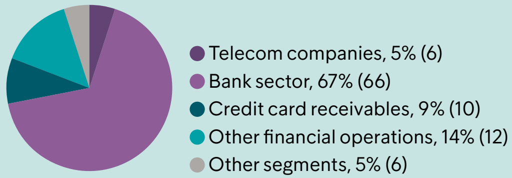
Portfolio investments
As part of its portfolio investment operations, Intrum acquires portfolios of consumer receivables and tries to collect them. Unlike its conventional collection operations where Intrum works on behalf of clients in return for commissions and fees, in this case it assumes all the rights and risks associated with the receivables. The portfolios are purchased at prices significantly below their nominal value, and Intrum retains the entire amount it collects, including interest and fees. The acquired receivables are overdue and in many cases are from debtors who are having payment problems. It is obvious, therefore, that the entire nominal amount of the receivable will not be recovered. On the other hand, the receivables are acquired at prices significantly below their nominal value. The risk in this business is that Intrum, at the time of acquisition, overestimates its ability to collect the amounts or underestimates the costs of collection. The maximum theoretical risk is of course that the entire carrying value of SEK 31,331 M (27,658) would become worthless and have to be written off. To minimise the risks in this business, prudence is exercised in purchase decisions. The focus is on small and medium-sized portfolios with relatively low average amounts, to help spread risks. The average nominal value per case is approximately SEK 24,661. Portfolios are normally acquired from customers with whom the Group has had a long-term relationship. The acquisitions have generally consisted of unsecured debt, requiring relatively less capital and significantly simplifying administration compared with collateralised receivables. Since 2016, however, Intrum has also begun to acquire portfolios with underlying collateral, usually in the form of property mortgages. Intrum places high yield requirements on the portfolios it acquires. Before every acquisition, a careful assessment is made based on a projection of future cash flows (collected amount) from the portfolio. In these calculations Intrum benefits from its extensive experience in debt collection and from the Group's scoring methods. Intrum therefore believes that it has the expertise required to evaluate these types of receivables. To enable acquisitions of larger portfolios at attractive risk levels, Intrum has, on occasion, partnered with other companies such as Pireus Bank and Ibercaja Banco to share the capital investment and return. The currency risk is attributable to the translation of the balance sheet item Portfolio investments is limited due to currency hedging using loans in the same currency as the assets, and currency forwards. A considerable proportion of the acquisitions take place through forward flow agreements – that is, Intrum may have previously agreed with a company to acquire all of that company's accounts receivable at a certain percentage of their nominal value once they are overdue by a certain number of days. In most of these agreements, however, Intrum has the opportunity to decline to acquire the receivables if, for example, their quality decreases. Risks are diversified by acquiring receivables from clients in different sectors and different countries. The Group's purchased debt portfolios include debtors in 24 countries.

The Group's total carrying amount for purchased debt is distributed as follows:

Receivables by country



Receivables by industry



Of the total carrying value on the balance sheet date, 21 per cent represents portfolio acquisitions in 2021, 13 per cent acquisitions in 2020, 15 per cent acquisitions in 2019 and 11 per cent acquisitions in 2018. The remaining 40 per cent relates to receivables acquired in or before 2017, which have therefore been past due for more than four years. In the case of a large share of the oldest receivables, Intrum has reached agreement with the debtors on payment plans.

Outlays on behalf of clients
As an element in its operations, the Group incurs outlays for court fees, legal representation, enforcement authorities, etc., which can be charged to and collected from debtors. In many cases Intrum has agreements with its clients whereby any expenses that cannot be collected from debtors are instead refunded by the client. The amount that is expected to be recovered from a solvent counterparty is recognised as an asset in the balance sheet on the line Other receivables.

Derivative contracts
The Parent Company and the Group hold forward exchange contracts to a limited extent. The credit risk in the Group's forward exchange contracts is because the counterparty generally is a large bank or financial institution that is not expected to become insolvent. On the balance sheet date, assets regarding forward exchange contracts were valued at SEK 107M (295), and liabilities at SEK 173 M (443). See Note 33 regarding the possibility of offsetting receivables and liabilities for derivative contracts.

The contracts have short maturities, typically one or more months. All outstanding forward exchange contracts are restated at fair value in the accounts, with adjustments recognised in the income statement. The purpose of these forward exchange contracts has been to minimise exchange rate differences in the Parent Company attributable to receivables and liabilities in foreign currency.

Outstanding forward exchange contracts at year end in the Parent Company and in the Group comprise the following currencies:

Currency	Local currency, buy	Hedged amount, sell
BRL	-	-6
CHF	-	-20
CZK	1,586	-50
DKK	-	-1,223
EUR	300	-27
GBP	-	-180
HUF	4,000	-35,500
NOK	215	-50
PLN	20	-62
RON	-	-122
SEK	5,743	-4,056

The Parent Company and the Group also hold currency interest rate swaps, which amount to SEK 1,457 M and that were signed in connection with the Parent Company's issue of bonds in SEK. To achieve suitable currency matching between assets and liabilities, liabilities in SEK are exchanged to NOK at the same rate on the start - and maturity date.

Payment guarantees
The Group offers services whereby clients, against payment, obtain a guarantee from Intrum regarding the clients' receivables from their customers. This entails a risk being incurred that Intrum must compensate the customer for the guaranteed amount in the event that the invoices are not paid on time. In those cases where the guarantee comes into play, Intrum assumes the client's claim against its customer and takes over the continued handling of the case within the Portfolio Investments area of operations. At the end of the year, the total amount guaranteed was SEK 81 M (70). Intrum's risk in this business is managed through strict credit limits and analyses of the borrower's credit status. At the end of the year Intrum had allocated SEK 1 M (1) in the balance sheet to cover payments that may arise due to the guarantee.

Note 35 Related Parties

In addition to associated companies and joint ventures, related parties include the Board of Directors and senior executives, according to Note 30, as well as close family members to these executives and other companies over which they can exert a significant influence.

All transactions with related parties are conducted on market terms and at arm's length.

Although the Parent Company has close relationship to its subsidiaries, see Note 13, it has no transactions with other related parties.

Over the year, the Parent Company received SEK 690 M (557) in income from sales of services to Group subsidiaries, and incurred SEK 508 M (401) in expenses attributable to services purchased from subsidiaries.

Note 36 Share-based payments

Beginning in 2018, certain key employees were granted performance shares of Intrum AB, under the Group's Long Term Incentive Plans (the "LTIPs"). The beneficiaries of the plans are granted the right to receive ordinary shares, without consideration, if certain financial targets set by the Board are achieved over a specified three-year period.

Under the LTIPs, eligible employees may be granted up to certain percentage of their annual base salary ("offered amount"), worth of fully paid ordinary shares of the Company for no cash consideration. The number of shares assigned to the participants in the plans was the offer amount divided by the weighted average price at which the Company's shares were traded on the Stockholm Stock Exchange during the 10 days up to and including the date of grant.

Plans up to 2020 are subject to performance conditions as well as service conditions.

The performance conditions used to assess the outcome of the LTIPs are distinctly linked to the business strategy and thereby to the Company's long-term value creation. These metrics are linked to the Company's Earnings Per Share ("EPS") target established by the Board.

Starting from 2021, the plans were extended to not only include senior managers but also other employees within the Group in order to maximise shareholders' returns. Under the 2021 LTIPs, participants are granted performance shares which only vest if certain Total Shareholder Return (TSR) targets, including share price growth, dividends and capital return, are met over a period of three years. Participant also were granted with restricted shares which are only subject to service conditions.

The Group treasury acquires shares from the market to transfer shares to employees on completion of vesting and performance conditions. Shares held by the Group and not yet issued to employees at the end of the reporting period are shown as treasury shares in the financial statements.

In March 2021 66,346 treasury shares were transferred to the participating employees under the 2018 LTIPs.

The roll-forward of the instrumented granted as well as their weighted average fair value is reported in the below table (amount in thousand of Sek except for number of shares and fair value):

	2021			2020		
	Units	GD FV	Amount	Units	GD FV	Amount
As at 1 January	369.504	234	86.377	238.582	228	54.432
granted during the year	228.002	255	58.141	130.922	244	31.945
forfeited during the year	-	-	-	-	-	-
Vested during the year	-128.320	234	-29.997	-	-	-
As at 31 December	**469.186**	**244**	**114.521**	**369.504**	**234**	**86.377**

The fair value of the Restricted shares has been calculated to SEK 263 using the Black-Scholes formula given the following assumptions:

- Share price of SEK 263,62 using closing price of Intrum share at 29 April 2021 (SEK 303.50) less discounted value of dividends 2021-2023 SEK 39.88
- Volatility 49% (3 year historic share price volatility from 29 April 2021)
- Risk free rate of return 0% (Swedish 5 year government bond 0.02% as of 29 April 2021)
- Dividend yield 0%
- Time horizon 3 years

The fair value of the performance shares has been calculated to SEK 255 using Monte-Carlo simulations (10000 simulations) given the following assumptions:

- Share price of SEK 263,62 using closing price of Intrum share at 29 April 2021 (SEK 303.50) less discounted value of dividends 2021-2023 SEK 39.88
- Share price of SEK 192.65 for performance measurement basis using volume weighted share price of Intrum share during the period 29 January 2021 to 25 February 2021 (SEK
- 232.53) less discounted value of dividends 2021-2023 SEK 39.88
- Volatility 49% (3 year historic share price volatility from 29 April 2021)
- Risk free rate of return 0% (Swedish 5 year government bond 0.02% as of 29 April 2021)
- Dividend yield 0%
- Time horizon 3 years
- Minimum level corresponding to 5% share price CAGR SEK 223 (0% payout), target level corresponding to 14% share price CAGR SEK 285 (100% payout), maximum level
- corresponding to 24% share price CAGR SEK 367 (150% payout)

The Group is responsible to withhold an amount equal to employees' tax obligations associated with the share awards under local tax laws. The tax withheld is paid to the respective tax authorities on behalf of the respective employees.

The performance shares granted under the LTIPs include a net settlement feature under which the shares necessary to settle the employee's tax obligations are withheld.

The Group is settling the share grant on a net basis by withholding the number of shares with a fair value equal to the monetary value of the employee's tax obligation and only granting the remaining shares on completion of the vesting period. An amount of SEK 17,3 M was withheld and paid to the respective tax authorities in relation to the performance shares granted in March 2021 (2020 – nil).

The cumulative expense recognised for the plans at the end of 2021 is SEK 85,6 M, of which SEK 26,3 M related to the 2018 plan, SEK 28,1 M related to the 2019 plan, SEK 13,8 M related to the 2020 plan and SEK 17,4 M related to the 2021 plan.

Not 37 Events after the end of the year

The 24 February 2022 Russia invaded Ukraine. For us at Intrum, the safety and well-being of our employees is the top priority and fortunately we have no operations and thus no employees in neither Ukraine nor Russia. We have though taken extra measures to provide help for employees with links to the invaded area. Intrum has insignificant business exposures towards the two countries, and only through a limited number of end-customers. These small amounts of collections were immediately paused.

Not 38 Approval Date

The Board of Directors have reviewed and approved the Annual and sustainability report as per 2022-04-01.

Proposed appropriation of earnings

The Parent Company's distributable funds are at the disposal of the Board of Directors as follows:

SEK	
Share premium reserve	17,441,835,284
Retained earnings	-7,446,350,120
Net earnings for the year	216,493,301
Total	**10,211,978,465**

The Board of Director propose that the earnings be distributed as follows[1]:

SEK	
Dividend, 120,854,201 shares x SEK 13.5	1,631,531,714
Balance carried forward	8,580,446,751
Total	**10,211,978,465**

1) The total amount of the dividend payment and the amount carried forward as distributable retained earnings after the dividend pay-out, will be adjusted based on the amount of treasury shares held by Intrum at the record date for the dividend payment.

The Board of Directors' complete statement motivating the proposed disposition of earnings for the 2021 fiscal year will be presented in a separate document prior to the 2021 Annual General Meeting. It concludes, among other things, that the proposed dividend is in line with the Company's dividend policy and that the Board, having considered the nature, scope and risks of the Company's operations, as well as the Company's and the Group's consolidation requirements, liquidity and financial position in general, has found no indications that the proposed dividend is unjustified.

The Board of Directors and the President certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual accounts and consolidated accounts give a true and fair view of the financial position and results of the Parent Company and the Group. The Board of Directors' Report for the Parent Company and the Group gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group, and describes significant risks and uncertainties that the Parent Company and the companies in the Group face.

The annual and consolidated accounts were approved for publication by the Board of Directors and the President on 26 March 2022 and are proposed for approval by the Annual General Meeting on 29 April 2022.

Stockholm, 1 April 2022

Anders Engdahl
President and CEO

Per E. Larsson
Chairman of the Board

Hans Larsson
Board member

Kristoffer Melinder
Board member

Andreas Näsvik
Board member

Magdalena Persson
Board member

Liv Fiksdahl
Board member

Andrés Rubio
Board member

Ragnhild Wiborg
Board member

Our audit report regarding this Annual Report was submitted on 5 April 2022.

Deloitte AB

Patrick Honeth
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Intrum AB (publ)
Corporate Identification Number: 556607-7581

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of Intrum AB (publ) for the financial year 2021. The annual accounts and consolidated accounts of the company are included on pages 54-105 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of the shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section.

We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information

The audit of the annual accounts and consolidated accounts for the financial year 2020 was performed by another auditor who submitted an audit report, dated 29 April 2021, with unmodified opinions in the Report on the annual and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue Recognition of Credit Management Services

Description of Risk

Revenue from credit management services, recognised as revenue from clients in the Group's income statement, are generated from a number of different revenue streams, including, but not limited to, debt collection services, credit optimisation services, e-commerce services, payment services, accounts receivable services, financial services and collateral services. For 2021, revenue from credit management services amounted to SEK 10,149 million.

The majority of these revenue streams are characterised by a large amount of transactions, which, in turn, is dependent on robust internal processes and controls as well as a well-functioning IT-environment.

Taking the high volume transaction environment into account, as well as the significance of the item for the Group's financial performance and cash flow for the year, we have assessed that revenue recognition from credit management services constitute a key audit matter in the audit.

The Group's accounting principles for revenue recognition from credit management services is presented in note 2. A specification of the item, including a breakdown of main revenue streams and segments, can be found in note 4 and 5.

Our Audit Procedures

Out audit procedures included, but were not limited to:

- Evaluation of processes and controls associated with revenue from credit management services, including, but not limited to, compliance with contractual terms, revenue recognition, invoicing, and associated critical IT-systems and applications.
- Substantive testing on a sample basis of revenue associated with credit management services vis-á-vis contractual terms, invoices and amounts paid.
- Analytical review of items associated with revenue from credit management services.
- Assessment of compliance with guiding principles and adequate disclosures for revenue from credit management services in accordance with IFRS.

Valuation of Goodwill

Description of Risk

Goodwill arising from business combinations constitutes a significant item in the Group's balance sheet and amounted to SEK 32,758 million as of 31 December 2021.

The item is tested for impairment on a regular basis, at least annualy, based on the Group's two cash-generating units.

The recoverable amount of each cash-generating unit is measured by comparing the carrying amount of net assets to its value in use, which, in turn, is based on an assessment of forecasted cash flows from credit management services from each cash-generating unit discounted by the weighted average cost of capital.

Taking the surrounding elements of estimates, judgements and assumptions associated with the valuation model's key input data into account, as well as the significance of the item for the Group's financial position, we have assessed that goodwill constitute a key audit matter in the audit.

The Group's accounting principles for goodwill is presented in note 2. Critical estimates, judgements and assumptions are disclosed in note 3. A specification of the item, including a breakdown of cash-generating units and reflections from the most recent impairment test performed, can be found in note 11.

Our Audit Procedures

Out audit procedures included, but were not limited to:

- Evaluation of processes associated with goodwill, including, but not limited to, budgeting, forecasts of cash flows from credit management services and tests of impairments.
- Assessment of the Group's cash-generating units.
- Involvement of valuation specialists in order to assess and challenge the valuation model applied in connection with the Group's impairment test, including evaluation of underpinning estimates, judgements and assumptions associated the the valuation model's key input data in terms of cash flows from credit management services and the weighted average cost of capital used as discount rate vis-á-vis independent financial market data and historical performance.
- Analytical review of the sensitivity of estimates, judgements and assumptions as well as the headroom that the Group's impairment test resulted in between the carrying amount of net assets and its value in use.
- Assessment of compliance with guiding principles and adequate disclosures for goodwill in accordance with IFRS.

Accounting of Credit Impaired Financial Assets

Description of Risk

A significant part of the Group's business consist of investments in credit impaired financial assets, recognised as portfolio investments or via shares in joint ventures in the Group's balance sheet. As of 31 December 2021, the Group's portfolio investments amounted to SEK 31,478 million, whereas the Group's shares in joint ventures amounted to SEK 6,438 million.

The Group applies a centralised accounting model for credit impaired financial assets that builds on the effective interest rate method, where the carrying value of each investment corresponds to the present value of all projected future gross cash flows discounted by the internal rate of return determined in connection with the acquisition of underlying assets.

Movements in the carrying value of credit impaired financial assets recognised as portfolio investments are recognised directly in the Group's income statement, either as amortisations or as a revaluation effect, whereas movements in the carrying value of credit impaired financial assets recognised via joint ventures are recognised indirectly as a share of profit and loss from joint ventures calculated via the equity method.

Taking the surrounding elements of estimates, judgements and assumptions into account, as well as the significance of the investments for the Group's financial position, financial performance and cash flow for the year, we have assessed that accounting of credit impaired financial assets constitute a key audit matter in the audit.

The Group's accounting principles for portfolio investments and shares in joint ventures are presented in note 2. Critical estimates, judgements and assumptions are disclosed in note 3. A specification of the item, including revenue and expenses from portfolio investments, can be found in note 4, 5 and 15. The corresponding specification for shares in joint ventures can be found in note 14.

Our Audit Procedures

Out audit procedures included, but were not limited to:

- Evaluation of processes and controls associated with credit impaired financial assets, including, but not limited to, internal governance, underwriting, investments, accounting, valuations and exits, and associated critical IT-systems and applications.
- Reperformance test of systematic monitoring activities carried out of actual gross cash flows in order to assess the reasonableness for forecasted (estimated) gross cash flows of acquired credit impaired financial assets.
- Reconciliation of carrying amounts vis-á-vis underlying investment data in associated IT-systems and applications.
- Substantive testing on a sample basis of factors used in connection with the calculation of the discount rate (purchase price and forecasted future gross cash flows) and of changes reported in the income statement in the form of amortisations and revaluation effects.
- Analytical review of items associated with investments in credit impaired financial assets.
- Involvement of valuation specialists in order to assess and challenge underpinning estimates, judgements and assumptions applied in connection with calculation of forecasted future gross cash flows.
- Assessment of compliance with guiding principles and adequate disclosures for credit impaired financial assets in accordance with IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-53 and 106-120. Other information also includes the remuneration report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors (SIA) website: revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Intrum AB (publ) for the financial year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section.

We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the aufit of the administration is available on the Swedish Inspectorate of Auditors (SIA) website: revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The Auditor's Examination of the ESEF Report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for Intrum AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report a77fc83b0fb1d419f2491239a5f425ebc99cc985712e6358ef584c9b2db117fa has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' Responsibility section.

We are independent of Intrum AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to obtain reasonable assurance whether the ESEF report is, in all material respects, prepared in a format that meets the requirements of Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the ESEF report, i.e., if the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also includes an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Deloitte AB, 556271-5309, was appointed auditor of Intrum AB (publ) by the general meeting of the shareholders on 29 April 2021 and has been the company's auditor since 29 April 2021.

Stockholm 5 April 2022
Deloitte AB

Signature on Swedish Original

Patrick Honeth
Authorised Public Accountant

Reconciliation of key financial metrics

SEK M	2021	2020
External servicing revenues	9,726	9,784
Gross cash collections	11,818	10,957
Other Portfolio Investments segment revenues	423	298
Cash flow from joint ventures	248	338
Cash revenues	**22,215**	**21,377**
Portfolio amortisation	-4,311	-4,158
Portfolio revaluations	133	-33
Adjustment cash flow from joint ventures	-248	-338
Total revenues	**17,789**	**16,848**
Items affecting comparability in sales		
Positive revaluations portfolio investments	1,789	3,145
Negative revaluations portfolio investments	-1,656	-3,178
Items affecting comparability, portfolio depreciation		150
Total items affecting comparability in sales	**133**	**117**
Items affecting comparability in operating earnings		
Positive revaluations portfolio investments	1,789	3,145
Negative revaluations portfolio investments	-1,656	-3,178
Transaction costs for M&A	0	-1
Items affecting comparability joint ventures	-288	-1,040
Items affecting comparability depreciation and amortisations	-179	0
Transformation program	-73	0
Other items affecting comparability	-132	-119
Items affecting comparability portfolio amortisations	0	150
Total items affecting comparability in operating earnings	**-538**	**-1,043**
Items affecting comparability by earnings statement line		
Positive revaluations of portfolio investments	1,789	3,145
Negative revaluations portfolio investments	-1,656	-3,178
Cost of sales	-299	30
Sales, marketing and administration costs	-84	0
Items affecting comparability joint ventures	-288	-1,040
Total items affecting comparability in operating earnings	**-538**	**-1,043**

SEK M	2021	2020
Other items affecting comparability by segment		
Credit Management Services	-17	0
Strategic Markets	-251	-106
Portfolio Investments	-185	-944
Common costs	-85	7
Total other items affecting comparability	**-538**	**-1,043**
Adjusted revenues		
Revenues	17,789	16,848
Items affecting comparability	-133	-117
Adjusted revenues	**17,656**	**16,731**
Adjusted EBIT		
EBIT	6,475	4,695
Items affecting comparability	538	1,043
Total adjusted EBIT	**7,014**	**5,738**
Portfolio Investments segment earnings excluding items affecting comparability		
Portfolio Investments segment earnings	4,938	3,167
Items affecting comparability for investments	185	944
Portfolio Investments segment earnings excluding items affecting comparability	**5,122**	**4,111**
Average carrying value		
Average carrying value receivables	29,423	28,277
Average carrying value joint ventures	5,893	6,456
Average carrying value real estate	354	405
Total average carrying value	**35,670**	**35,138**
Return including items affecting comparability	**14**	**9**
Return excluding items affecting comparability	**14**	**12**
Adjusted earnings per share		
Net earnings for the period attributable to parent company's shareholders	3,127	1,881
Items affecting comparability attributable to the parent company's shareholders adjusted for tax	361	808
Average number of outstanding shares	121	124
Adjusted earnings per share, SEK	**28.86**	**21.70**

SEK M	2021	2020
Cash EBITDA		
EBIT	6,475	4,696
Depreciation and amortisation	1,500	1,528
Portfolio amortisation	4,310	4,158
Portfolio revaluations	-133	33
Adjustment earnings from joint ventures	-293	735
Adjustment cash flow from joint ventures	248	338
Items affecting comparability excluding portfolio revaluations	490	1,010
Items affecting comparability joint ventures	-288	-1,040
Items affecting comparability portfolio amortisations	0	150
Cash EBITDA	**12,310**	**11,607**
Replenishment capex	-5,654	-5,355
Other capex	-314	-672
Cash EBIT	**6,343**	**5,580**
Cash financial items	-2,013	-1,974
Cash tax normalised	-828	-474
Recurring consolidated cash earnings	**3,502**	**3,133**
Average number of shares outstanding	121	124
Cash EPS	**28.98**	**25.28**
Average invested capital	71,044	72,442
Cash RoIC, %	**8.9**	**7.7**
Net debt		
Liabilities to credit institutions	4,060	2,081
Bond loans	44,443	43,706
Provisions for pensions	329	381
Commercial paper	3,998	2,916
Cash and cash equivalents	-4,553	-2,134
Net debt at end of period	**48,277**	**46,951**
Net debt/Full year cash EBITDA	**3.9**	**4.0**

Definitions

Result concepts, key figures and alternative indicators

Acquired growth
Growth in cash revenues related to mergers and acquisitions of Group companies.

Adjusted earnings per share
Net earnings for the period attributable to parent company's shareholders adjusted for IACs attributable to the parent company's shareholders and the corresponding tax amount divided by average number of outstanding shares for the period.

Adjusted revenues
Revenues excluding portfolio revaluations and other items affecting comparability.

Adjusted operating earnings (EBIT)
Adjusted operating earnings (EBIT) is operating earnings excluding revaluations of portfolio investments and other items affecting comparability.

Adjusted operating margin
Adjusted operating earnings (EBIT) in relation to adjusted revenues.

Adjusted segment earnings
Adjusted segment earnings is segment earnings excluding revaluations of portfolio investments and other items affecting comparability.

Amortisation percentage
Amortisation on portfolio investments during the period, as a percentage of collections.

Cash EBIT
Cash EBITDA less replenishment capex and other capex.

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

Cash EPS
Cash EBIT minus cash net financial items and cash net tax normalised divided by the average number of outstanding shares.

Cash return on invested capital (RoIC)
Annualised cash EBIT divided by average invested capital for the period. Average invested capital calculated using quarterly opening and closing balances for the relevant period. Year to date and RTM is calculated using the opening and closing balances of the quarters in the period.

Cash revenues
Revenues excluding non-cash revenues such as portfolio amortisation and earnings from joint ventures.

Cash tax normalised
Earnings tax paid adjusted for non recurring items.

Cash flow from joint ventures
The cash flow received by Intrum in form of distributions and dividends from investments in non-consolidated joint ventures.

EBITDA
EBITDA is defined as operating earnings (EBIT) adding back deprecation and amortisations of tangible and intangible assets.

Exchange rates
Growth in cash revenues related to the effects of changes in exchange rates.

External revenues
Revenues from Intrum's external clients and revenues generated from Real Estate Owned assets (REO).

Internal revenues
Predominantly related to revenues paid by the Portfolio Investment segment to Credit Management Services and Strategic Markets segments for collection activities made on the behalf of Intrum's own portfolios.

Items affecting comparability
Significant non-cash items (other than normal accruals), restructuring costs and other non-recurring items are not included in the Group's normal recurring operations. These items are not expected to return on a regular basis and thus are excluded from the financial metrics. These may include but are not limited to revaluations of portfolio investments, restructuring costs, closure costs, reversal of restructuring or closure reservations, cost savings programmes, integration costs, extraordinary projects, divestments, impairment of non-current fixed assets other than portfolio investments, 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. Items affecting comparability are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

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

Net debt/cash EBITDA
This key figure refers to net debt divided by Cash EBITDA on a rolling 12-month basis. The key figure is included among the Group's financial targets, it is an important measure for assessing the level of the Group's borrowings and is a widely accepted measure of financial capacity among lenders. This key figure is calculated in accordance with the definitions stated in the terms of the Group's revolving syndicated loan facility, which means, among other things, that participations in non-consolidated joint ventures is only included to the extent that earnings are distributed to Intrum and that operations acquired during the period are included on a pro forma-basis throughout the 12-month period.

Operating earnings (EBIT)
Operating earnings consist of revenues less operating expenses as shown in the income statement.

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

Operating margin, segment
The operating margin, segment consists of service line earnings expressed as a percentage of revenues.

Other capex
Investments made to maintain and grow the business. For example, IT and tangible assets.

Portfolio investments – collected amounts, amortisations and revaluations
Portfolio investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognised at amortised cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Revenues attributable to portfolio investments consist of collected amounts less amortisation for the period and revaluations. The amortisation 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.

Total portfolio investments made
The investments for the period in portfolios of overdue receivables, with and without collateral, investments in real estate and in joint ventures whose operations entail investing in portfolios of receivables and properties.

Replenishment capex
The estimated portfolio investments required to maintain the ERC in a steady state. Calculated by dividing the in quarter gross cash collections by the RTM MoM multiple.

REO
Real estate owned.

Return on portfolio investments
Return on portfolio investments is the service line earnings for the period, excluding operations in factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item purchased debt. 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. During the year, the definition of average book value for the full year was adjusted to be based on the average of the quarters instead of the opening and closing book value for the full year.

Revenues
Consolidated revenues include external servicing earnings (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription earnings, etc.), earnings from portfolio investments operations (collected amounts less amortisation and revaluations for the period) and other earnings from financial services (fees and net interest from financing services).

RTM
Rolling Twelve Months, RTM, refers to figures on a last 12-month basis.

RTM MoM multiple
The average quarterly underwriting money-on-money multiple for the past 12 months. Calculated by dividing the lifetime ERC of acquired portfolios with the purchase price of the portfolios.

Segment earnings
Segment earnings relate to the operating earnings of each segment, Credit Management Services, Strategic Markets, Portfolio Investments and Group items.

Sustainability

Contents

Note

H1 About the Sustainability Report

Accounting principles
This Annual and Sustainability Report integrates financial data with sustainability information. The Sustainability Report has been prepared in accordance with the Annual Accounts Act (ÅRL) and is designed in accordance with the Global Reporting Initiative (GRI) Standards, Core level. The report also constitutes Intrum's Communication of Progress (COP) at the Active level for the UN Global Compact and contains information on how Intrum contributes to the UN's Sustainable Development Goals and Agenda 2030. The Sustainability Report covers the period from 1 January 2021 to 31 December 2021. The preceding Sustainability Report was published on 6 April 2021.

The report includes disclosures regarding our view on sustainability, value creation and risks associated with issues related to the environment, social conditions, labor, respect for human rights and anti-corruption. The sustainability report has been limited assured by Intrum's auditors, see page 119 for the auditors report. The report encompasses Intrum AB (publ) and our operations in 25 markets (see Note 13, pages 85–88).

Significant changes since the preceding reporting period
A Sustainability Report was prepared in accordance with the reporting requirements in the Annual Accounts Act for the first time in 2017. The Sustainability Report was then prepared as an appendix to the Annual Report and thus constituted a separate report according to the Annual Accounts Act and the UN Global Compact's Communication of Progress. Intrum's first full calendar year following the merger of Intrum Justitia and Lindorff was 2018. In connection with this, the Sustainability Report was integrated into the Annual Report and, since then, follows the GRI Standards guidelines at the Core accounting level. From 2020 to 2021, the number of offices included in the report has decreased from 180 to 110. The KPI H7.2 Responsible selection of clients and portfolios has been discontinued and will be reformulated for future reporting. Due to a technical error regarding data for district heating and district cooling, the climate data has been recalculated and adjusted for the period 2019-2020.

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H2 Sustainability governance

The strategic focus of Intrum's sustainability work is approved by the Board of Directors, which is also the highest decision-making body in sustainability governance. The Group Management Team presents the strategy to the Board. The Group's sustainability work is conducted through the Chief Brand and Communications Officer who is part of the Group Management Team. The company's Sustainability Integration Committee (SIC) is responsible for simplifying the coordination and integration of the work in the Group as a whole and for integrating sustainability into day-to-day business operations. The Committee is chaired by the Chief Communications Officer and the Global Sustainability Director and, in addition to these, the Committee includes representatives from our Credit Management and Portfolio Investments service lines, HR, Risk and Compliance, Finance, and two Country Managing Directors. In 2021, the focus was on human rights due diligence, preparation for the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD), and the implementation of the sustainability strategy, including measures.

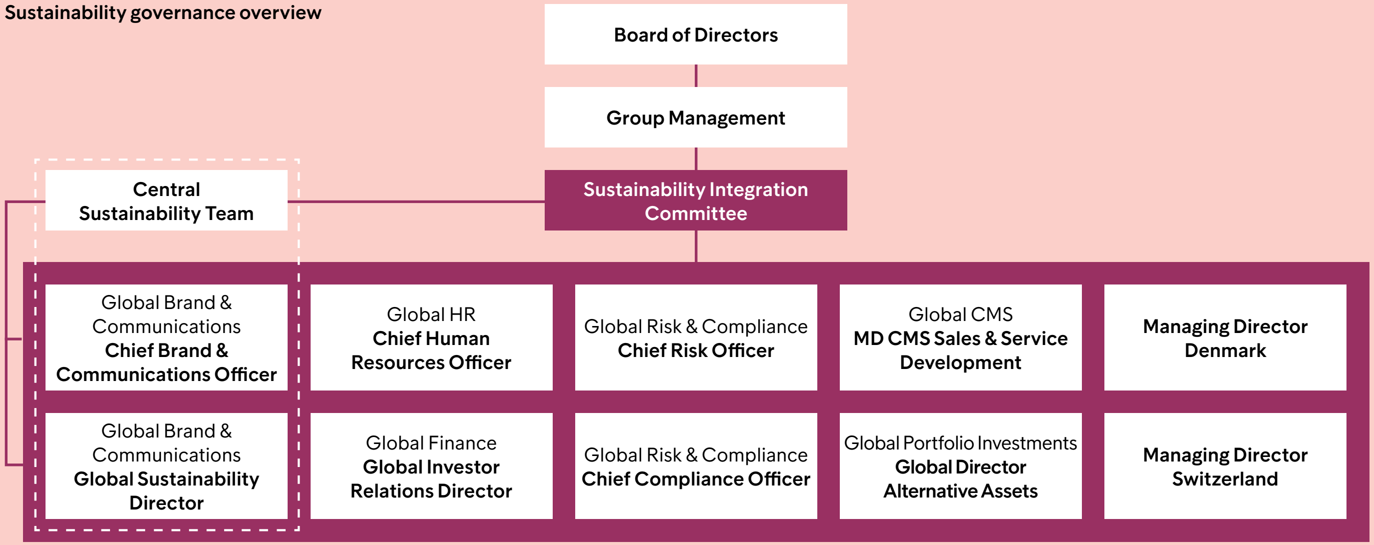
Our purpose, values, mission and vision lay the foundation for our sustainability work alongside Intrum's Code of Conduct and related internal instructions. The Code of Conduct covers our employees, partners and suppliers. Other governance documents of significance for our sustainability work include our environmental instructions, HR instructions, integrity and data protection instructions, sales instruction and instructions on anti-money laundering and financing of terrorism.

Intrum's management model is based on a clear delegation and follow-up of powers and authorities, which pervades all business areas, staff units and control functions. More information on our governance model and control of compliance with our internal instructions can be found in the Corporate Governance Report on pages 43-47.

Framework for sustainability work
To contribute to a global responsibility with regard to sustainability, Intrum has since 2016, been a signatory of the UN's Global Compact business initiative and its ten principles on human rights, labor rights, the environment and anti-corruption. These are implemented through our internal instructions and our Code of Conduct, which also governs our work in the area of sustainability. We also support Agenda 2030 and the UN's Sustainable Development Goals.

During the year, we performed human rights due diligence in line with the UN Guiding Principles on Business and Human Rights and we began reporting in accordance with TCFD.

Sustainability governance overview



H3 Stakeholder engagement

Our key stakeholders are those who are influenced by our operations to a substantial extent and who play a significant role in our operations – customers, clients, employees, shareholders and society.

We have daily interactions with our stakeholders in various contexts. Through continuous dialogues, we can be responsive to their expectations and develop our operations in line with those expectations. The interaction with them occurs in a variety of ways, including through individual conversations, broader discussions, surveys and questionnaires.

In addition to the interaction in the day-to-day operations, we conduct targeted sustainability dialogues to deepen our understanding of our impact on stakeholders. In 2019, we conducted in-depth interviews with a selection of our largest shareholders, corresponding to more than 60 per cent of the total shareholder base, regarding their expectations of our sustainability work today and in the future. In 2021, we held stakeholder dialogues with representatives from the European Consumer Debt Network and with internal stakeholders, focusing on human rights.

The results of these conversations and dialogues form the basis of our materiality analysis and have played a significant role in setting our sustainability agenda. We view stakeholder dialogues as a rewarding element in our operations, as they facilitate development in the desired direction and strengthens how we generate value as a company.

Intrum's Stakeholder dialogue

Stakeholder	Examples of interactions	Examples of material issues	Addressing questions
The customers are our clients' customers, individuals and sometimes companies in debt who we encounter in our day-to-day operations and whose cases we take on when they pay late or fail to pay.	Annual focus groups, regular customer surveys, daily contact through our website, e-mail, telephone and letters.	A personal approach, that we show empathy and are able to identify individually tailored solutions, that we provide user-friendly tools and offer favourable accessibility.	Our daily work is guided by our values. Our Code of Conduct incorporates our values and guides us in our daily work. In 2020, new principles were developed regarding our ethical treatment of customers during the current pandemic.
Our clients are companies in various sectors whom we help secure payment. Clients span all scales of companies, from multinational corporations to small and medium-sized companies.	Annual client satisfaction survey, annual interviews, the annually-produced European Payment Report, as well as daily contact through our website and by e-mail and telephone.	Liquidity, our treatment of their customers, that we are part of the customer journey, that we are a professional partner offering user-friendly and customised solutions.	An annual survey of our clients facilitates our continued development. Our daily work is guided by our values. Our Code of Conduct incorporates our values and guides us in our daily work.
Society is a broad stakeholder group including citizens and policy makers, consumers and companies, authorities and organisations, to name just a few.	Regular cooperation with the bodies of the European Union, regular cooperation with local decision-makers, regular financial education initiatives.	A well-functioning credit market for creditors and borrowers, that we help individuals become debt-free thereby improving their circumstances, that we contribute to a sound economy for companies with a responsible and ethical approach.	Two annual surveys, the European Payment Report involving more than 10,000 companies and the European Consumer Payment Report involving more than 24,000 consumers. These surveys provide insights that we also share with others. We also collaborate with decision-makers at different levels to foster regulatory development in a desirable direction.
Our existing and potential shareholders	Discussions with shareholders, quarterly reporting including road shows, meetings with shareholders including the Annual General Meeting.	Ethical treatment of customers, responsible selection of clients and debt portfolios, anti-corruption and a reduced climate footprint, our work with sustainability related risks.	Development of relevant governance documents, integration of sustainability-related risks into the risk management process. In 2021, work continued to identify our climate-related risks in accordance with TCFD's framework.
In the 25 markets in which we operate, Intrum has approximately 10,000 employees in total.	The annual MyVoice employee survey, the Workplace internal communications platform with daily interactions, ongoing interactions and discussions.	Well-being, workplace environment and health, diversity and inclusion, skills supply, development opportunities and to work at a sustainable company.	An annual employee survey, global and local handling of the results of the employee survey by the teams.

H4 Materiality analysis

In 2020, we further developed our materiality analysis and prioritisation of the material aspects identified with the help of stakeholder dialogues. The work was handled within our Sustainability Integration Committee (SIC). Our 13 material sustainability aspects are presented in the graph below. Presented in the upper right-hand corner under the 'Focus' category are the highest-priority sustainability aspects for the near future. In the upper left-hand corner under 'Meet expectations' are the aspects where we need to work to ensure that we meet our stakeholders' expectations of us. In the lower left-hand corner under 'Maintain' are the aspects that are on our agenda but that do not currently require additional resources. Finally, in the lower right-hand corner under 'Develop' are the aspects of importance for our future development and in which we can have an impact, but are not considered essential for our stakeholders.

The updating of the materiality analysis from the previous year means that the issues of 'Diversity and inclusion', 'Sound finances for our clients' and 'Reduced environmental footprint' have been moved from 'Meet expectations' to 'Focus' in the graph. The issue 'Responsible selection of clients and portfolios' has moved from 'Focus' to 'Meet expectations'. The issue 'Sound transactions' has moved from 'Maintain' to 'Meet expectations'.

Stakeholder influence

Meet expectations
- Responsible selection of clients and portfolios
- Anti-corruption
- Data security
- Sound transactions

Focus
- Attracting and retaining talents, including employee well-being
- Ethical collection by treating customers fairly
- Reduced environmental footprint
- Diversity and inclusion
- Sound economy for our clients

Maintain
- Responsible value chain and partnerships
- Favourable payment terms between companies
- Relations with decision makers and organisations

Develop
- Increase financial literacy in society

Social, environmental and financial impact

Areas of focus and material sustainability issues

Promote sustainable payments
- Ethical collection by treating customers fairly
- Responsible selection of clients and portfolios
- Sound economy for our clients
- Favourable payment terms between companies
- Sound transactions
- Increased financial literacy in society

Respected and highly trusted actor
- Anti-corruption
- Reduced environmental footprint
- Responsible value chain and partnerships
- Data security
- Relations with decision makers and organisations

Growing by making a difference
- Attracting and retaining talents, including employee well-being.
- Diversity and inclusion

H5 Sustainability targets and outcomes 2021

During the year, our materiality analysis and our priorities within the sustainability agenda were further developed. As a result, we launched our sustainability strategy for 2020–2023 at our capital markets day in November 2020. The five aspects of sustainability in focus for our strategy are ethical collection, sound finances for our clients, well-being among our employees, diversity and inclusion, and reduced environmental footprint. The new strategy has also led to new focus areas within the UN's 2030 agenda.

Strategic sustainability targets

Focus area	Strategic sustainability targets 2020–2023	Outcome in 2021
Enable sustainable payments	Maintain a high level in the Culture Index at above 80/100 (80/100 2019)	85/100
	Increase the average Client Satisfaction Index to above 75/100 (73/100 2019)	77/100
Grow by making a difference	Increase the Engagement Index among our employees to above 80/100 (76/100 2019)	81/100
	Achieve a more balanced gender distribution throughout the company (40/60%)	Board of Directors: Women 38%, Men 62%. Group Management: Women 20%, Men 80% Entire organisation: Women 61%, Men 39%
Be a respected and highly trusted actor	To achieve climate neutrality by 2030 and to reduce our total greenhouse gas emissions by at least 20% compared with 2019	In 2021, our total reported emissions decreased from 6,866 tonnes to 5,510 tonnes which corresponds to about -20%

H6 Agenda 2030

In connection with the prioritised sustainability aspects being revised in the sustainability strategy for 2020–2023, we have also identified new goals within the UN's agenda 2030 where we perceive that we have potential to contribute through our work. We have identified three sustainable development goals, as well as five targets to which we have the opportunity to make a positive contribution through our sustainability strategy and activities.

Intrum Agenda 2030

Focus area	Goals and targets where we have the greatest opportunities to contribute		Examples of activities
Enable sustainable payments	Goal 8 – Decent work and economic growth	Target 8.10 Universal access to banking, insurance and financial services	We focus strongly on the ethical treatment of our customers, and on helping our customers find their way back to sound personal finances.
		Target 8.3 Promote policies to support job creation and growing enterprises	By helping our clients get paid for the goods and services they have sold, we enable development for companies of all sizes and sectors.
Growing by making a difference	Goal 5 – Gender equality	Target 5.5 Ensure full participation in leadership and decision-making	We see gender equality as an asset, and focus on increasing the balance between men and women throughout our organisation and in leading positions.
	Goal 8 – Decent work and economic growth	Target 8.8 – Protect labour rights and promote safe working environments	The well-being of our employees is important to us and, through our annual employee survey, we are able to identify areas for development so that our employees shall have a favourable working environment.
Be a trusted and respected and actor	Goal 13 – Climate action	Target 13.2 – Integrate measures against climate change into policy and planning	By placing the environment and climate high on the agenda, with clear goals and plans of action, we contribute to combating climate change.

H7 Material sustainability issues and sustainability data

H7.1 Ethical collection by treating customers fairly

We attach great importance to treating our customers with empathy and respect for their individual circumstances. This applies both to how we communicate with customers, but also how we handle cases. For us, this is a basic precondition for our clients to entrust us with their most important asset – their customers.

We are guided by our values Empathy, Ethics, Dedication and Solutions. Our Code of Conduct incorporates our values that guide us in our daily work and in the treatment of both customers and our other stakeholders. We have also formalised principles on our approach to customers in our internal instruction "treating customers fairly".

Work is under way to begin measuring customer satisfaction in a uniform manner in our markets.

Since developing our values in 2017, our annual employee survey measures the extent to which our employees feel that we live up to our values, which is captured in our value index. In the latest survey, we reached 85 in our value index which is the highest measured level so far. The employee survey is conducted among all employees and had an 91 per cent response rate, which was slightly higher compared with the previous year (87).

By helping customers find a solution to get out of debt, we help them back to sound personal finances. Every year, we measure the total number of debt cases where we have helped our customers to find a solution to settle the case. Starting 2020 we also measure the number of customers that we have helped to become debt free.

Key internal governance documents
Code of Conduct
Treating customers fairly

Company-specific key performance indicator – Ethical collection

	2021	2020	2019
Valuation Index (0–100)	85	82	80
[1]Number of debt cases finally settled (millions)	10.1	14.8	9.7
[1]Number of customers that became debt free (millions)	4.2	6.2	n/a

1) The definitions of the KPIs 'Number of debt cases finally settled' and 'Number of customers that became debt free' have been adjusted with a new definition of which cases are included and excluded, so the outcome for 2021 cannot be compared with previous years.

H7.2 Responsible selection of clients and portfolios

For us, it is important to collaborate with clients who share our values of good business ethics. Our clients and portfolios form the core of our value chain, and we therefore select our clients and portfolios with care. In practice, this means that we opt out of clients or portfolios whose invoices have no legal basis, that apply unethical lending terms or offensive sales methods, or are not considered ethical for other reasons.

Our sales instruction stipulate the criteria for how we choose our clients and portfolios. Before we commence a collaboration with a client, a due diligence is performed in accordance with these criteria. From 2019, we monitor the proportion that has been approved after review in our client register system.

Key internal governance documents
Code of Conduct
Sales instruction

H7.3 Sound finances for our clients

The core of our operations entails helping companies get paid for the goods and services they have sold. We offer our clients a long-term partner facilitating development and growth. We strive to offer our clients favourable service and to provide user-friendly solutions.

Our daily work is guided by our values of Empathy, Ethics, Dedication and Solutions. Our Code of Conduct incorporates the values that guide our daily work and how we treat clients and other stakeholders alike.

To understand how we can develop our approach, an independent survey is conducted each year to derive a Satisfaction Index. According to the latest survey, which was conducted in the autumn of 2021, the Index amounted to 77, which was the highest measured level since 2017.

By helping our clients get paid for their goods and services by acting as agents or by buying portfolios, we contribute financial value to them. We monitor this financial value, that is, how much money we have collected on behalf of our clients through our credit management services, as well as the value of the portfolios we have purchased from clients and thus released from their balance sheets.

Key internal governance documents
Code of Conduct

Company-specific key performance indicators – Sound finances for our clients

	2021	2020	2019
Client Satisfaction Index (0–100)	77	75	73
Financial value generated for our clients (SEK billion)	75	77	67

H7.4 Sound transactions

Money laundering is a growing problem in society and, as a financial sector player that handles payments, we risk being negatively impacted. We regularly review transactions conducted within our operations, and suspicious transactions are reported to the relevant authorities.

Key internal governance documents
Instructions for anti-money laundering, terrorist financing, and sanctions

Company-specific key performance indicators – Sound transactions

	2021	2020	2019
Number of cases reviewed	2,269	1,614	1,046
Number of cases reported	19	7	10

H7.5 Increased financial awareness in society

Over-indebtedness involves those who find they experience recurring problems with not being able to pay for the goods and services they have purchased. In certain countries and among certain groups of people, knowledge about personal finances and the consequences of paying on credit is low, and many would like to learn more about these issues at a young age. We see it as an opportunity and our responsibility to help raise the level of awareness regarding sound finances by actively sharing our knowledge within the framework of our daily activities and through targeted educational initiatives.

We conduct a number of different educational initiatives in our markets. There has been limited activity during the year because of Covid-19.

Key internal governing documents
Code of Conduct

Company-specific key performance indicator – Educational initiatives

Country	Description
Norway	We provide financial support and collaborate with the Norwegian Red Cross in an initiative in which we educate people who have left prison about personal finance.
Spain	Held workshops for students designed to increase their knowledge of personal finance.
Sweden	Spendido is an interactive digital tool for upper-secondary school students and their teachers in Sweden, through which they can learn about issues related to credit and indebtedness.
Hungary	In 2017 we launched the annual competition "Zsebpénzügyes (Pocket-money)" for upper-secondary school students, in which they can test their knowledge on financial education and personal finance.

H7.6 Favourable payment terms between companies

We know that late payments have negative consequences for companies. Through our payment times to suppliers, we have a direct impact, and we also work pro-actively to indirectly shorten payment times for companies, thus contributing to their development and growth. This is achieved through various activities with the objective of shortening payment times for companies.

Key internal governance documents
Code of Conduct

H7.7 Diversity and inclusion

It is our conviction that increased diversity makes us more competitive. With operations in 25 countries and with employees speaking 35 languages, we are proud to be a multicultural company. As an employer, we do our utmost to treat all employees with respect and to afford equal development opportunities to all. All information on employees is based on total number of employees.

Key internal governance documents
Code of Conduct
HR instruction

GRI 102-8 Information on employees and other workers
Total number employees by employment contract and gender

Gender	Permanent	Temporary	Total
Women	5,582	301	5,883
Men	3,624	139	3,763

Gender	Full time	Part time	Total
Women	4,951	932	5,883
Men	3,554	209	3,764

GRI 405-1 Diversity among Board of Directors, management and employees

	2021	2020	2019
Gender distribution, management group[1]			
Women	20%	27%	18%
Men	80%	73%	82%
Gender distribution, Board of Directors			
Women	38%	33%	33%
Men	62%	67%	67%
Gender distribution, employees			
Women	61%	63%	62%
Men	39%	37%	38%

Distribution of manager positions with regard to gender and age

Age Group	Gender	Share
<30	Female	1,9%
<30	Male	1,6%
30–39	Female	14,5%
30–39	Male	15,2%
40–49	Female	22,5%
40–49	Male	21,0%
50+	Female	9,7%
50+	Male	13,7%
Total		**100,0%**

1) Chief Brand and Communications Officer acting interim Chief Human Resources Officer during recruitment process.

Company-specific key performance indicator – Languages spoken
We speak 35 different languages in which we can serve our customers and clients in the 25 markets in which we operate.

Albanian	Dutch	Greek	Macedonian	Russian
Arabic	English	Hungarian	Mandarin	Serbian
Armenian	Estonian	Icelandic	Norwegian	Serbo-Croatian
Bosnian	Finnish	Italian	Persian	Slovakian
Catalan	Flemish	Kurdish	Polish	Spanish
Czech	French	Latvian	Portuguese	Swedish
Danish	German	Lithuanian	Romanian	Turkish

H7.8 Attract and retain talented individuals, including employee well-being

Our capacity to attract and retain talent goes hand in hand with our employees' well-being. To attract talented individuals and develop them within the company, we foster internal mobility and work actively to illuminate internal career paths. It is crucial that our employees be afforded sufficient resources, knowledge and opportunities to perform their duties, and we work continuously to ensure that we meet the needs of each individual in this regard. All employees working with us must be able to enjoy their fundamental freedoms and rights.

Key internal governance documents
Code of Conduct
HR instruction

GRI 401-1 New employee hires and employee turnover

	2021	2020	2019
Number of new hires	2,310	2,096	3,634
Employee turnover	22%	21%	26%

New hires

	Total
Age group	
<30	1,028
30–39	648
40–49	418
50+	215
Total	2,310
Gender	
Women	1,393
Men	917
Total	2,310

Employee turnover

	Total
Age group	
<30	918
30–39	686
40–49	439
50+	271
Total	**2,314**
Gender	
Women	1,430
Men	882
Total	**2,314**

GRI 102-41 Collective agreements

	2021	2020	2019
Proportion of employees covered by collective agreements	51.7%	46%	>60%

Company-specific key performance indicators – Well-being among employees

	2021	2020	2019
Employee engagement Index (0–100)	81	79	76
Sick leave	5%	6%	7%

H7.9 Anti-corruption

As a player in 25 markets, we are, like other companies, exposed to corruption risks in our markets. For us, applying zero tolerance of corruption is a matter of course, and our Code of Conduct and instructions against bribery and corruption guide our employees and others representing the Company in how we should act to manage this risk.

We conduct an annual assessment of corruption risks throughout our operations, including with regard to the following categories: risks linked to clients in each sector, geographical risks, internal risks, implementation risks. At an overarching level, the risks are classified as moderate. No significant risks have been identified, but a high level of risk has been identified in relation to our operations in Brazil – and, due to geographical risks, to outsourced activities and external partners outside Europe.

Key internal governance documents
Instructions against corruption and bribes
Code of Conduct

GRI 205-3 Confirmed incidents of corruption and actions taken

	2021	2020	2019
Confirmed incidents of corruption and actions taken	0	0	0

GRI 205-1 Operations assessed for risks related to corruption

	2021	2020	2019
Percentage of operations assessed for risks related to corruption	100%	100%	100%

Company-specific key performance indicator – Whistle-blower channel

	2021	2020	2019
Number of cases in the whistleblower channel "Code of Conduct Hotline" that have resulted in action being taken	8	3	2

In 2021, eight reported incidents in our whistleblower channel led to further action. Four reports concerned HR-related incidents, which were addressed through dialogue, change of manager or enhanced monitoring. Two cases concerned suspected corruption and resulted in further training and monitoring and in one case to dismissal. One case related to suspected breach of competition rules. This could not be confirmed, but resulted in further training in this area. Finally, one case was reported of deficiencies in local security and these were remedied.

H7.10 Data security

Given the large amounts of data on customers and clients that we handle, data security and data management represent one of our most important sustainability issues. We have both a legal and an ethical responsibility to handle sensitive data in a manner guaranteeing respect for personal privacy, and paying due consideration to the human right of freedom from arbitrary interference with privacy. Incorrect use of sensitive details or loss of data, could cause great harm to the individuals affected, as well as to clients and to us as a company.

Key internal governance documents
Information security instruction
Privacy Policy
Privacy Governance

GRI 418-1 Documented complaints regarding breaches of privacy protection and loss of customer data

	2021	2020	2019
Number of documented complaints regarding breaches of privacy protection/ loss of customer data	24	40	9

In 2021, 24 new investigations were initiated by supervisory authorities. Of these investigations, one of them was initiated due to a personal data breach that Intrum notified the data protection authority about, and 23 due to customer complaints. Of these 24 investigations, 6 have been closed without further comments by the supervisory authority. During the year 2021, an administrative fine of approximately 2,800 Euros was also issued due to violations of the principle of data minimisation and the principle of lawfulness (insufficient legal basis). An investigation was launched in 2020 after a customer complained to the supervisory authority about how Intrum handled his personal data (telephone number). The supervisory authority judged that Intrum used the wrong legal basis (contractual basis) when processing his personal data for the purpose of debt collection. The legal basis for collecting a telephone number from a third party is that Intrum has a legitimate interest in contacting a debtor by telephone for the purpose of debt collection. Intrum, however, may only use the telephone number after the debtor has given his or her consent. As Intrum did not collect the consent in time (22 months), Intrum should have stopped the processing and deleted the telephone number.

H7.11 Relations with decision makers and organisations

Both nationally and internationally, we are engaged in dialogues with legislators, authorities and organisations within our sector. We consider participating actively in the debate on current issues in the sector and helping develop new credit management regulations as one of our most important tasks as a good corporate citizen. In this way, we are driving the future development of our industry in a sustainable direction.

Key internal governance documents
Code of Conduct

Company-specific key performance indicator – Activities for maintaining relationships with decision-makers

Country	Description
Belgium	We were involved in the founding of the "Socrem" special interest group, which seeks to unite the credit management sector and collaborate with its stakeholders to shape the credit management sector in a more sustainable direction. We have also actively participated in lobbying decision-makers and other stakeholders in connection with a new bill from the Belgian government in which we advocated opportunities for voluntary repayment plans to avoid collection processes through legal bodies.
Denmark	Member of the industry association Dansk Inkasso, which in recent years has increased its political activity. Chair of the industry organisation's legal forum and provide opinions on future legislation.
Finland	Chair of the association of credit management companies in Finland and consulted by officials and municipalities on new legislative initiatives.
France	Cooperation with members of parliament and the council of ministers and participation in various consultations on legislation.
Greece	Active member of an industry organisation and in continuous dialogue with local decision-makers regarding draft legislation, for example.
Lativa	Member of a financial association, industry association and the chamber of commerce and, through these, participate in discussions, provide feedback and opinions on various legislative initiatives and issues affecting the industry.
Lithuania	Member of the Association of Lithuanian Banks, the Lithuanian debt collection association and the Swedish Chamber of Commerce in Lithuania and participate regularly in a range of discussions and provide industry feedback and opinions on various legislative initiatives and issues.
Poland	Cooperate with local industry representatives and authorities.
Romania	We are a member of the AMCC sector association (the Romanian Credit Management Association). Through this commitment, we maintain a relationship and dialogue with local decision-makers.
Switzerland	We have a leading role in the local sector organisation and have, through this, worked for the development of a Code of Conduct for the industry.
Slovakia	Members of the ASINS industry organisation (association of Slovakian credit management companies), which, among other things, cooperates with the Ministry of Finance.
Spain	We are members of a national sector organisation, in which our market Managing Director is the chairman. We are conducting activities within several initiatives to promote the development of legislation in the sector, as Spain's credit management market is unregulated. The organisation has, for example, launched an ethics code to promote ethical collection.
Sweden	We are active members of the Swedish Financial Supervisory Authority's network "enjoy your finances" the purpose of which is to contribute to increased knowledge about personal finances in Sweden. Member of the Swedish collection sector association "Svensk Inkasso", and thereby consulted on various sector-specific bills.
UK	We are collaborating closely with decision-makers at various levels, for example through membership in several trade unions relevant to the sector. We serves on the board of the member organisation "The Money Advice Liaison Group" which collaborates with organisations to improve the circumstances of individuals in debt. We are also a member of the trade organisation "Lending Standards Board".
Czech Republic	We are members of a local sector organisation.
Germany	We are active members of several sector organisations, chambers of commerce and expert panels.
Hungary	We cooperate closely with decision-makers at various levels, through regular contact with, among others, the central bank and the Ministry of Justice. We are also a member of the national sector organisation.
Austria	We are a member of the collection trade association (IVÖ) and thereby involved in lobbying.

H7.12 Reduced environmental footprint

Climate change is one of the greatest challenges of our time. Business and industry can play an important role in reducing the environmental and climate impact, and we consider it our responsibility to minimise our impact where we have the opportunity. Our impact on the environment occurs primarily through our business travel and the energy supply to our offices.

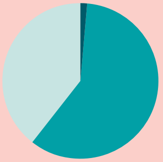
In 2018, we began measuring the climate and environmental footprints of our operations within scopes 1, 2 and 3 of the Greenhouse Gas Protocol. Over the year, we developed the process through a digital data collection platform.

Key internal governance documents
Environmental instruction
Travel Policy
Instructions for company cars
Code of Conduct

Data for calculating our greenhouse gas emissions in scopes 1, 2 and 3 have been collected from the offices that have been part of the Group for at least six months of the year. Data has been collected through own measuring systems, invoices and, to a limited extent, from estimates based on average national data and data from previous years and months. The emission factors used to calculate carbon dioxide equivalents have been obtained from fuel suppliers, the Swedish Environmental Protection Agency, the Association of Issuing Bodies (AIB), the Department of Environment, Food and Rural Affairs (DEFRA), the WWF and the Green House Gas (GHG) Protocol.

In 2021, our total reported emissions decreased from 6,866 tonnes to 5,510 tonnes, which corresponds to about -20%. Our scope 2 emissions reduced from 4,203 tonnes to 3,262 tonnes as the number of offices included in the report decreased from 180 to 110. Our scope 3 emissions from business travel decreased from 2,604 tonnes to 2,168 as a result of continued reduced travel during the pandemic.

Our climate footprint, reported CO_2e[1] emissions



Scope 1: 81 tonnes
Scope 2: 3,262 tonnes
Scope 3: 2,168 tonnes

Total tCO_2e emissions: 5,510 [2]

Scope 1 pertains to emissions from cars that we own.
Scope 2 pertains to emissions from energy consumption at our offices and includes consumption of electricity, heating and cooling.
Scope 3 pertains to emissions from business travel, including by air and rail.

1) Global Warming Potential 100 (The Intergovernmental Panel on Climate Change 2014).
2) The Scope 2 emissions are reported with location based method.

GRI 305-1, 305-2 and 305-3 Emissions (tCO_2e)

	2021	2020	2019
Scope 1	81	59	174
Scope 2	3,262	4,203	2,284
Scope 3	2,168	2,604	4,819
Total	**5,510**	**7,277**	**6,866**

H7.13 Responsible value chain and partnerships

For us, it is important to work with companies that share our values of good business ethics. In addition to our clients and portfolios, which are the core of our supply chain, this also applies to the purchases we make for our offices, when we purchase services and, in particular, to the partner networks we work with to serve our clients globally.

Key internal governance documents
Code of Conduct
Purchasing Policy

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H9 EU taxonomy

We have performed an inventory of our activities in relation to the activities described in the EU Taxonomy Climate Delegated Act in order to identify potential activities that are subject to reporting requirements under the EU Taxonomy Regulation. Based on the inventory of Intrum's activities, 0% of the Group's revenues were associated with Taxonomy-eligible economic activities.

As Intrum's business does not meet the requirements for classification as a financial company, asset manager, credit institution, insurance company or other sectors according to the wording and activities in the Taxonomy Regulation, Intrum's business comes under the category of non-financial company. As Intrum has not identified any of the economic activities to be eligible, capital expenditure ("CAPEX") or operating expenses ("OPEX") cannot be linked to such activities. Intrum works actively to reduce its greenhouse gas emissions, however, CAPEX and OPEX associated with such measures are not considered material in relation to the total OPEX and CAPEX. Hence, the proportion of taxonomy eligible CAPEX and OPEX, rounded to the nearest percentage, is 0%

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Auditor's Limited Assurance Report on Sustainability Report and statement regarding the Statutory Sustainability Report

To Intrum AB (publ), corporate identity number 556607-7581

Introduction
We have been engaged by the Board of Directors and the Management of Intrum AB (publ) to undertake a limited assurance engagement of Intrum AB's Sustainability Report for the year 2021. The Company has defined the scope of the Sustainability Report on page 6 and the Statutory Sustainability Report on page 117.

Responsibilities of the Board of Directors and the Executive Management
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 110 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Intrum AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm 5 April 2022

Deloitte AB

Patrick Honeth
Authorised Public Accountant

Adrian Fintling
Expert Member of FAR

Information for shareholders

Annual General Meeting
The Annual General Meeting (AGM) of Intrum AB (publ) will be held on Friday 29 April 2022 at Filmstaden Sickla, Marcusplatsen 19, Nacka. Notification is made through an advertisement placed in Swedish national daily newspaper Svenska Dagbladet and in Post- och Inrikes Tidningar (official Swedish gazette). The notice and other information in preparation for the Annual General Meeting are also available at www.intrum.com.

Dividend
For the 2021 fiscal year, the Board proposes to the Annual General Meeting that a dividend of SEK 13.50 (12.0) per share be paid.

Financial information 2021

Annual General Meeting 2022	29 April
Interim report January–March	29 April
Interim report January–June	21 July
Interim report January–September	20 October

Additional information from Intrum
Financial reports are published in Swedish and English and can be ordered from Intrum AB, Communications Department, SE-105 24 Stockholm or via ir@intrum.com. The reports and other information from the Company are published on the Group's website www.intrum.com. Communications with shareholders, analysts and the media are a priority area. Intrum's earnings and operations are presented to analysts and investors in Stockholm after each interim report. In addition to these contacts, representatives of the Company meet existing and potential shareholders on other occasions, for example at one-on-one meetings and at share savings gatherings. Please visit our website, www.intrum.com, which, in addition to a broad presentation of the Group, offers an in-depth investor relations section with analysis tools and more.

Shareholder contact
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