A Leading European NPL Asset Manager

Debt Investor Presentation

November 2024

Hoist Finance

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For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds.

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Agenda

Hoist Finance

An asset manager specialised in European Non-Performing Loans

- Hoist Finance, rated Baa2/stable by Moody’s, specialises in Non-Performing Loans (NPLs). We aim to become Europe's leading NPL asset manager for secured and unsecured consumer and SME debt. Our purpose is to contribute to a financially healthy and resilient Europe by supporting banks and consumers.
- We partner with European banks and financial institutions to help them reduce complexity, costs, and required capital, allowing them to focus on new financing essential for societal growth. With over 25 years of experience, we offer extensive debt restructuring solutions and operate in 11 markets across Europe.
- We are also a partner to individuals and SMEs with defaulted debt. As a specialised debt restructurer, we help resolve our customers debt situations and get them back on track financially. This is how we support financial inclusion.
- We believe that we serve our stakeholders and the wider society best by being regulated by the same, high regulatory standards as our partner banks. This is why we are a regulated credit market institute. Consequently, we are organised like a bank with three lines of defense; including legal, finance, risk, compliance, security, and internal audit group functions.
- Our portfolio, currently at SEK 29.9 bn, consists mainly of consumer debt and is highly granular and diversified across countries and maturities, ensuring stability and predictability.
- We manage our collections locally and in-house to maintain control and uphold high standards of customer care, ethics and compliance. We own all data, enabling us to continuously improve our investment processes with continuous input for our valuation models. Operational collection can be conducted inhouse or through third parties, making our model flexible.

A leading European asset manager of unsecured and secured Non-Performing consumer Loan portfolios

Banking regulated Credit Market Company, supervised by SFSA

Investment management

Capital & funding

Loan management

A healthy financial system

Hoist Finance in numbers

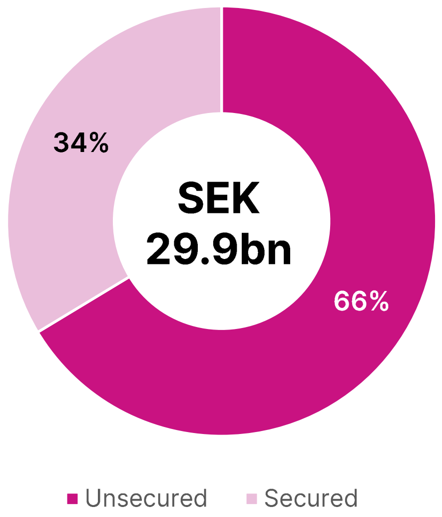
Q3 2024

+25	Years of experience	11	European markets
1,221	FTEs	18%	Return on equity YTD
29.89	SEKbn, total portfolio	4.3	SEKbn, acquired loan portfolios during Q3
Baa2/ Stable	Rating, Moody's	12.18%	CET1 ratio
18.66%	Total capital ratio	2.67	SEK, earnings per share

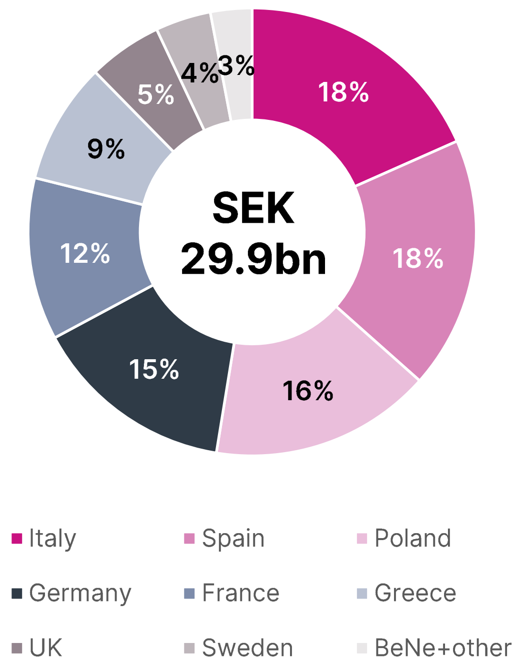
Pan-European presence

Q3 Asset class mix

Book value by asset class



Book value per market

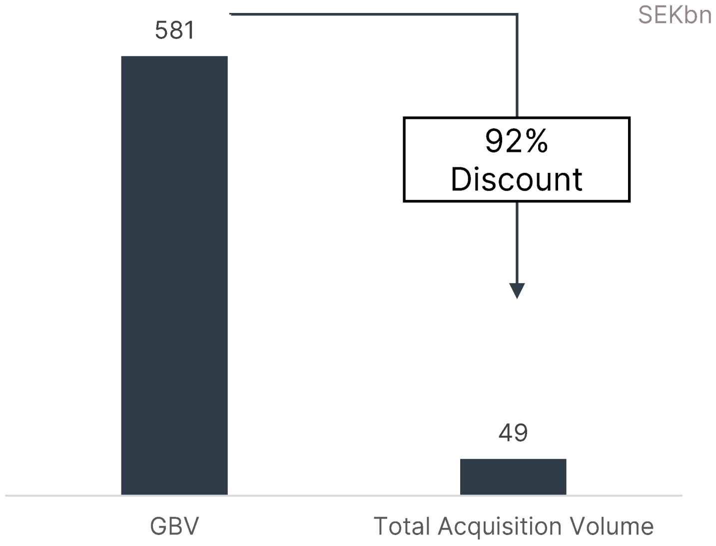


- Proactive diversification
- New market entry
- Secured assets up in quarter

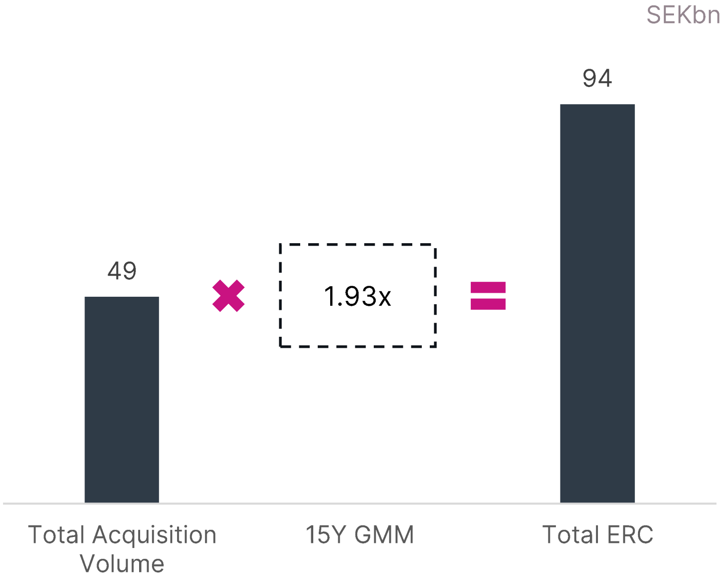
Active risk management

Hoist Finance is using pricing to de-risk portfolios to drive borrower relief and stable financial performance

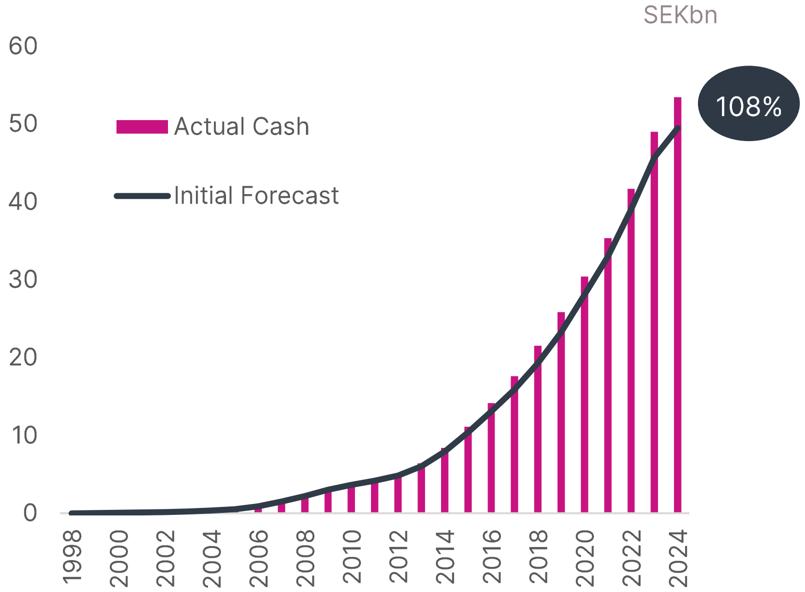
De-risking NPLs [1]



Gross Money Multiple



Stable & predictable performance



1. Graph illustrates NPLs acquisition value (Gross book value "GBV") since origination and purchase price spent by Hoist. It gives an understanding of the extent of de-risking of these assets is achieved during a transaction at arms' length.

Banking regulatory environment

Hoist Finance purpose aligned with the intent of the regulators

Regulatory action plan to tackle Non-Performing Loans in Europe

2008

Since the global financial crisis, regulators have completely redesigned the regulatory banking frameworks to ensure financial stability in Europe

2019

EU comprehensive strategy to address Non-Performing Loans including a minimum loss coverage for non-performing exposures

2024

Specialised Debt Restructurer exempted from 'Minimum loss coverage for non-performing exposures' part of 2024 Banking Package

Specialised Debt Restructurer

Strong strategic attractiveness of becoming SDR

Banking package published in Official Journal

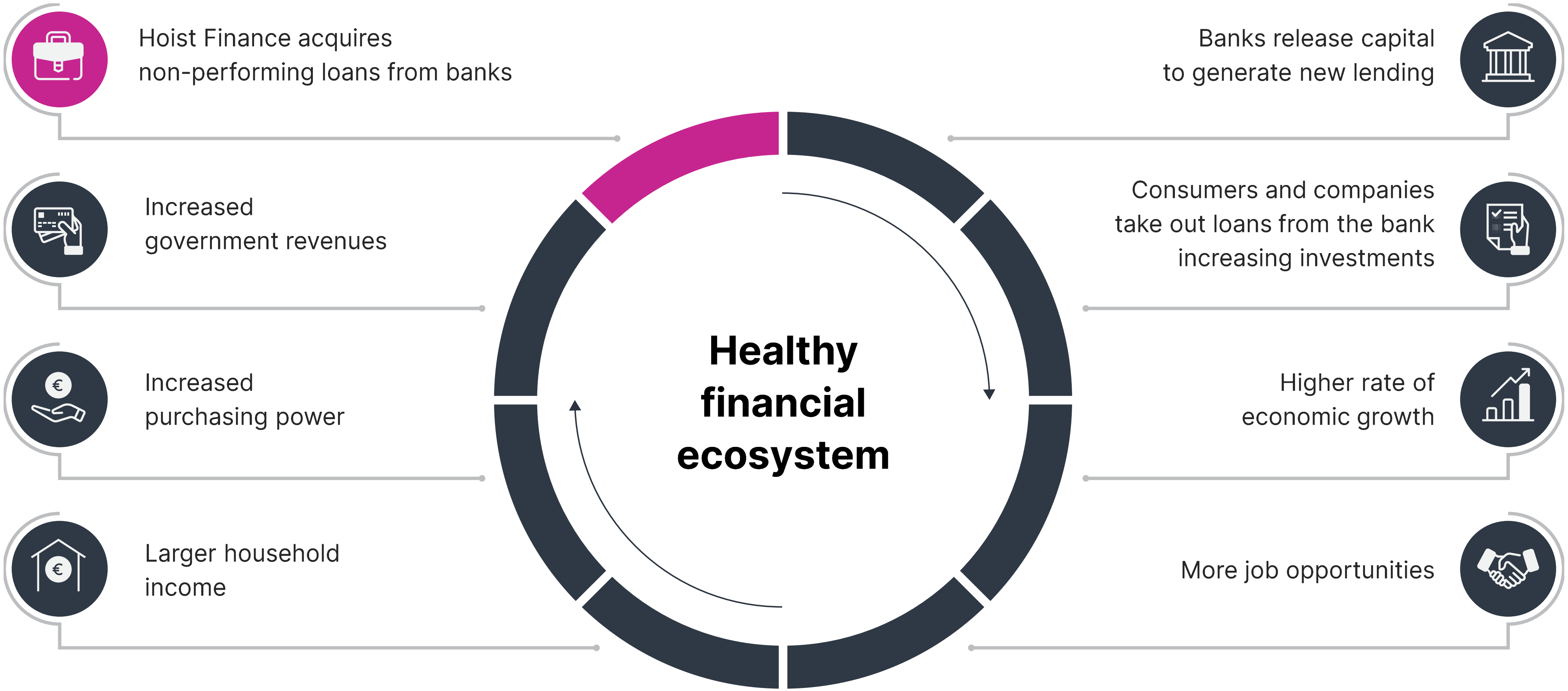
Specialised Debt Restructurer

- Designed to stimulate NPL markets
- Exemption from prudential backstop
- Enables focus on core purpose and business
- Simplified business model and full independence
- Plan to qualify as SDR by 1 January 2025

Impact of SDR requirements on Hoist Finance

	SDR Requirements	Status
1	Main activity being NPL acquisition and management	✓
2	Limited 15% own originated loans	✓
3	5% of purchased NPLs qualifies forbearance measures of the purchased NPEs	✓
4	Total assets < EUR20bn	✓
5	Ongoing NSFR > 130%	**Ongoing**
6	Sight deposits < 5% of total liabilities	✓

We contribute to a healthy financial system



Our financial targets

Profitability and return

By ensuring the right balance between growth, profitability and capital efficiency, we aim to achieve a return on equity exceeding **15** per cent.

Capital structure

Under normal conditions, the CET1 ratio should be **2.3–3.3** percentage points above overall CET1 requirements specified by the Swedish Financial Supervisory Authority.

Growth

EPS (adjusted for AT1 costs) should grow by an average annual growth rate of **15** per cent over a business cycle.

Dividend policy

Hoist Finance dividend will in the long-term correspond to **25–30** per cent of annual net profit of the group. The dividend will be determined annually, with respect to the company's capital target and the outlook for profitable growth.

Sustainability & ESG at Hoist Finance

- » Hoist Finance's sustainability strategy is integrated into our business strategy. We contribute to a stable European banking system, support individuals in debt default to come back into the financial system and promote a sound and sustainable financial situation among European households and individuals.
    - In Investment Management, we buy NPL-portfolios from European banks and financial institutions, supporting these to free-up capital, take down costs, and reduce risks. This allow the banks to focus on new lending which is key for wider societal growth.
    - In Loan Management, we in close collaboration with our customers reconstruct consumer debt in default, supporting individuals and SMEs to find a way back into the financial system.
    - In Capital and Funding, we have our savings offering, where we offer private individuals in seven European countries to opportunity save up to c. SEK 1m at competitive interest rates.
- » Our material sustainability impacts, presented on the right-hand side, are embedded into our four strategic pillars, each connected to indicators and targets that track our performance.
- » Hoist Finance conducted its first Double Materiality Assessment (DMA) in 2023, following the Corporate Sustainability Reporting Directive (CSRD) requirements and the European Sustainability Reporting Standards (ESRSs). We are also subject to information disclosures under the EU Taxonomy Regulation, the Non-Financial Reporting Directive (NFRD), Pillar 3 ESG requirements and voluntary schemes such as the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations, the GRI Standards 2021, the UN Global Compact Ten Principles, and the Sustainable Development Goals.

HoistFinance

Our four strategic pillars and material topics

SOCIAL

We contribute to an inclusive financial ecosystem

- » Financial inclusion and financial literacy
- » Enable a stable and healthy financial ecosystem for partners and society
- » Ethical and fair customer treatment
- » Enhanced customer experience
- » Vulnerable customer treatment

SOCIAL

We create a great place to work

- » Diversity, equality and inclusion
- » Fair remuneration and decent labor conditions
- » A healthy and safe workplace
- » Professional development

GOVERNANCE

We uphold the highest ethical standards

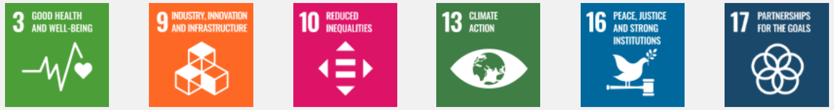
- » Business ethics and anti-corruption
- » Data protection and customer integrity
- » Cybersecurity

ENVIROMENTAL

We reduce our environmental impact

- » Reduced climate impact

Our contribution to the SDGs:



Agenda

- » Business overview
- » **Market update**
- » Financial update
- » Capital, funding and liquidity
- » The Transaction
- » Appendix

Market outlook: multiplied growth opportunities

Regulation

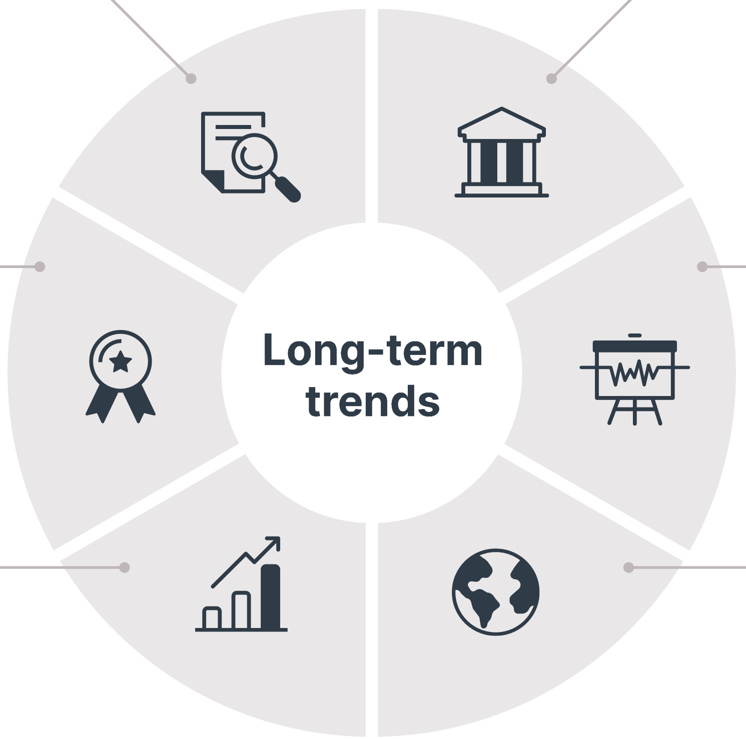
- EBA implemented a "prudential backstop" regulation for minimum loss coverage of NPLs in 2019
- NPL backstop will make it more difficult for banks to hold on to NPLs for a longer period post termination
- NPL regulation has increased (e.g. NPL directive)

Availability of funding

- Euribor has increased by ~450bps since 2022 and cost of debt for NPL buyers has increased
- Hoist Finance has a competitive funding advantage with its deposit-based funding platform

Growth of the secondary market

- ~€600bn of NPLs has transferred from the primary market into the secondary market since 2014
- Typical fund life cycle is 5 years (Hoist has good relationships with funds that sell)
- There is an ongoing repositioning of numerous players to a capital light model



NPL Stock

- Gross NPL stock in Hoist Finance's markets is ~€370bn (80% of which relates to France, Italy, Germany and Spain)
- Banks continue to have elevated levels of stage 2 loans at €1,900bn

NPL Ratios (ref) & outlook

- NPL Ratio has reduced from a peak of ~7% in 2014 to a low of 1.8% in 2022
- Since 2024 NPL ratio has begun to increase (+5%), showing signs of potential stress in bank’s balance sheets

Investable market

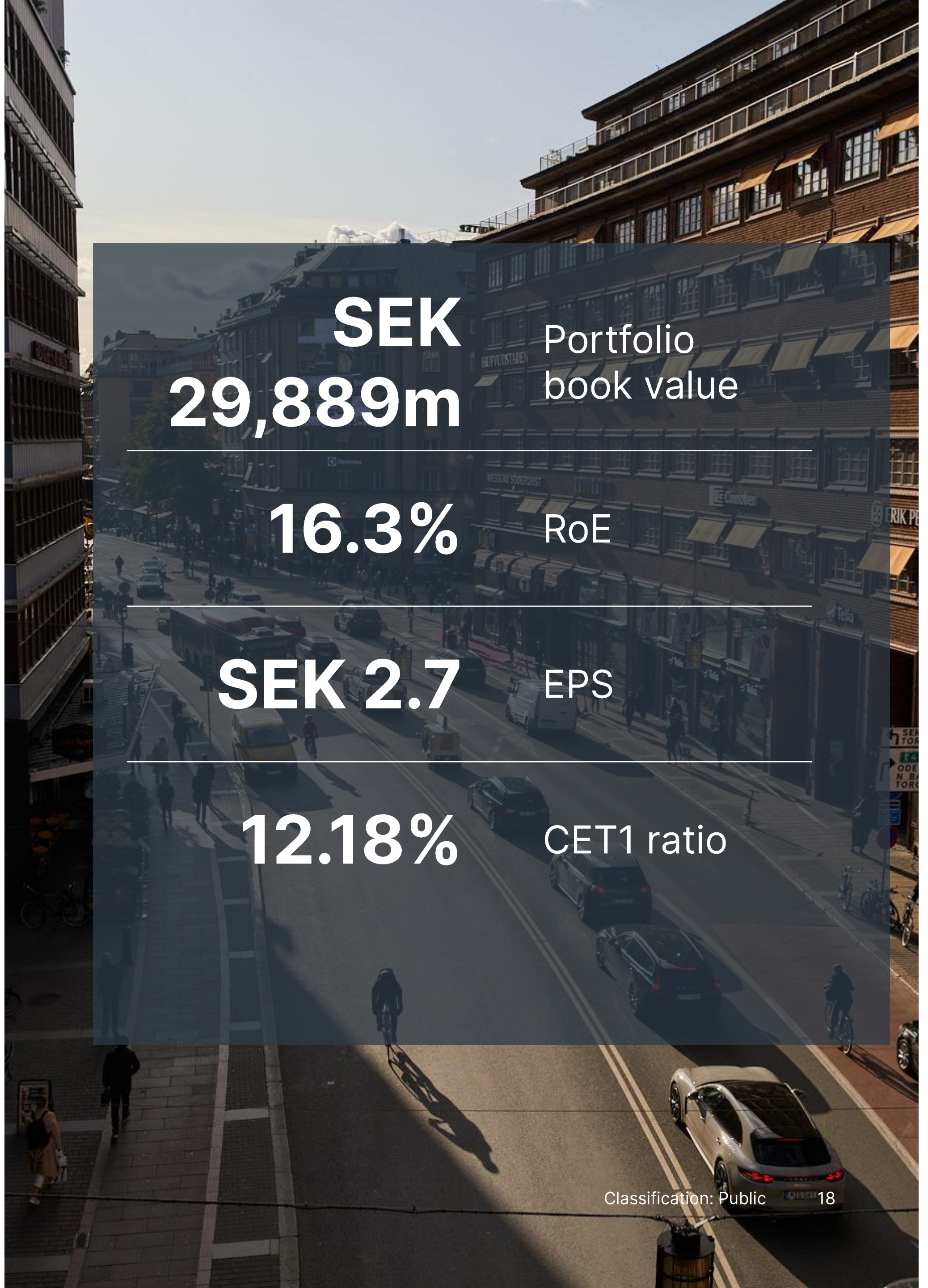
- Of the ~€370bn NPLs present in Hoist markets, 2/3 fall within our investment appetite: €79bn unsecured NPLs, €63bn secured NPLs and €110bn for SMEs NPLs
- Hoist on average invests less than 0.5% p.a. of the current investible primary NPL stock. There is ample room for Hoist to invest and grow in the current market

Reference: European Banking Authority, Risk & Data Analysis, https://www.eba.europa.eu/risk-and-data-analysis/data

Agenda

Key highlights Q3

- Profit before tax amounted to SEK 369m, compared to SEK 282m for the same quarter last year
- Return on equity amounted to 16.3 per cent, compared to 19.2 per cent in the same quarter last year
- Investments in new portfolios at SEK 4.3bn in the quarter, resulting in a total portfolio book value of SEK 29.9bn at the end of the quarter. Previous high at SEK 2.8bn in fourth quarter 2022
- Stable collection performance of 102 per cent across the markets
- Portfolio book growth of 25 per cent, driving net Interest income growth of 30 per cent
- Strong growth in profit before tax of 31 per cent, reflecting limited cost growth of 14 per cent, compared to portfolio growth of 25 per cent. On the cost-side, the comparative quarter in 2023 is excluding costs incurred for the rejuvenation programme
- Moody's Investors Service upgraded Hoist Finance to Baa2, from Baa3
- Issuance of SEK 1.45bn senior unsecured and SEK 200m senior non-preferred bonds, bringing total market issuance during the quarter to SEK 1.65bn
- Second SEK 100m share repurchase programme completed
- Strong capital and liquidity position, significantly above regulatory requirements with a CET1 ratio of 12.18 per cent



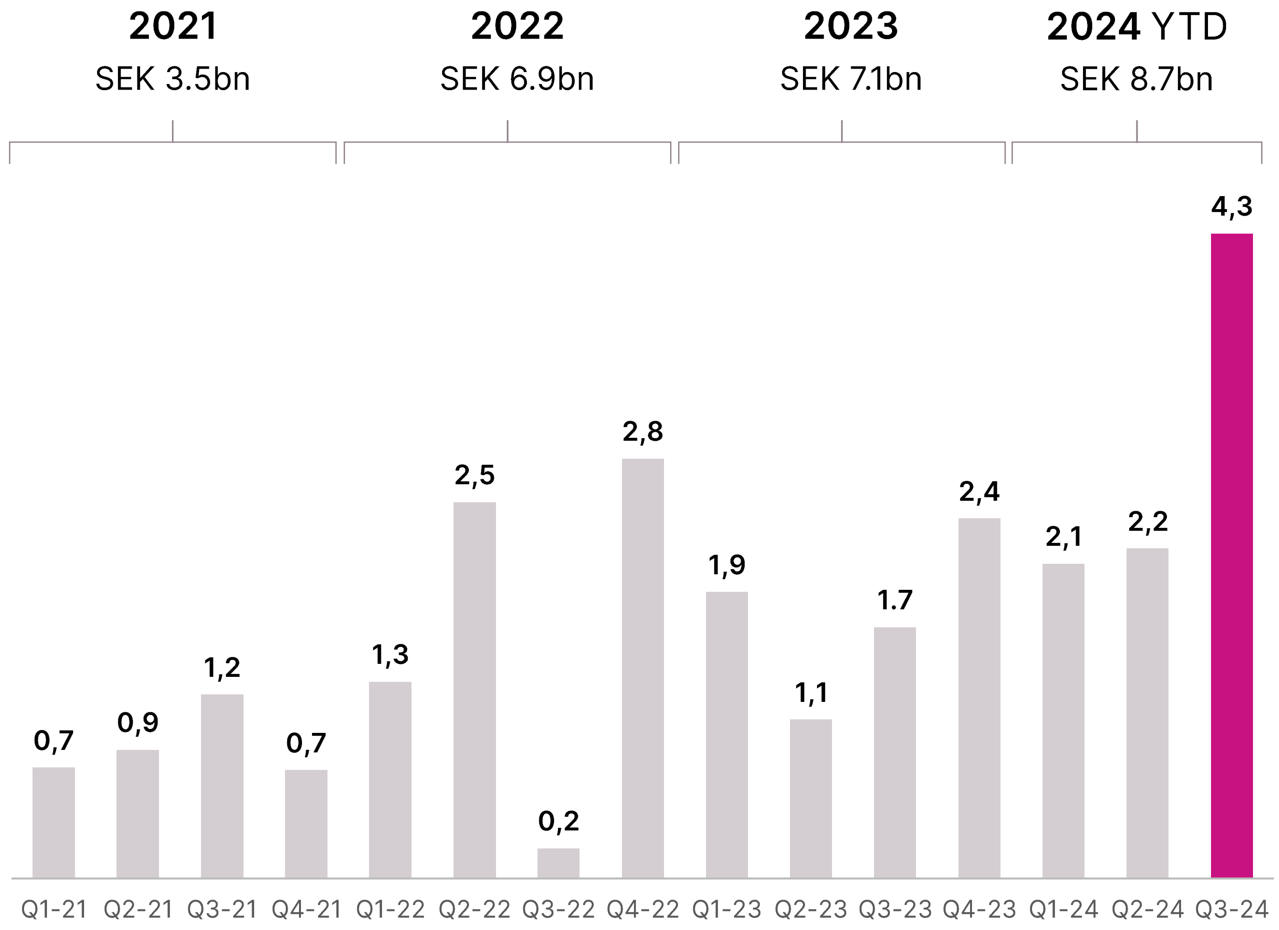
Q3 Financial summary

SEKm	Quarter 3 2024	Quarter 3 2023	Change
Interest income	1,195	900	33%
Other interest income	110	44	>100%
Interest expense	-355	-212	67%
Net interest income	**950**	**732**	**30%**
Other income (including impairments)	145	101	44%
Net result from financial transactions	-3	83	<-100%
Total operating income	**1,092**	**916**	**19%**
Total operating expenses	**-724**	**-636**	**14%**
Share of profit from joint ventures	1	59	-98%
Profit before rejuvenation	**369**	**339**	**9%**
Rejuvenation costs	0	-57	-100%
Profit before tax	**369**	**282**	**31%**
Tax	-112	-12	>100%
Net Profit	**257**	**270**	**-5%**

Key ratios	Quarter 3 2024	Quarter 3 2023	Change
Return on Equity	16%	19%	-3 pp
Portfolio acquisitions	4,340	1,675	>100%
Loan portfolios	29,889	23,834	25%

- Continued growth and repricing driving net interest income growth, outpacing portfolio growth
- Stable collection performance of 102%
- Portfolio growth of 25% vs. cost growth at 14% reflecting scale benefits and cost discipline
- Expected full-year 2024 effective tax rate of 22-24%

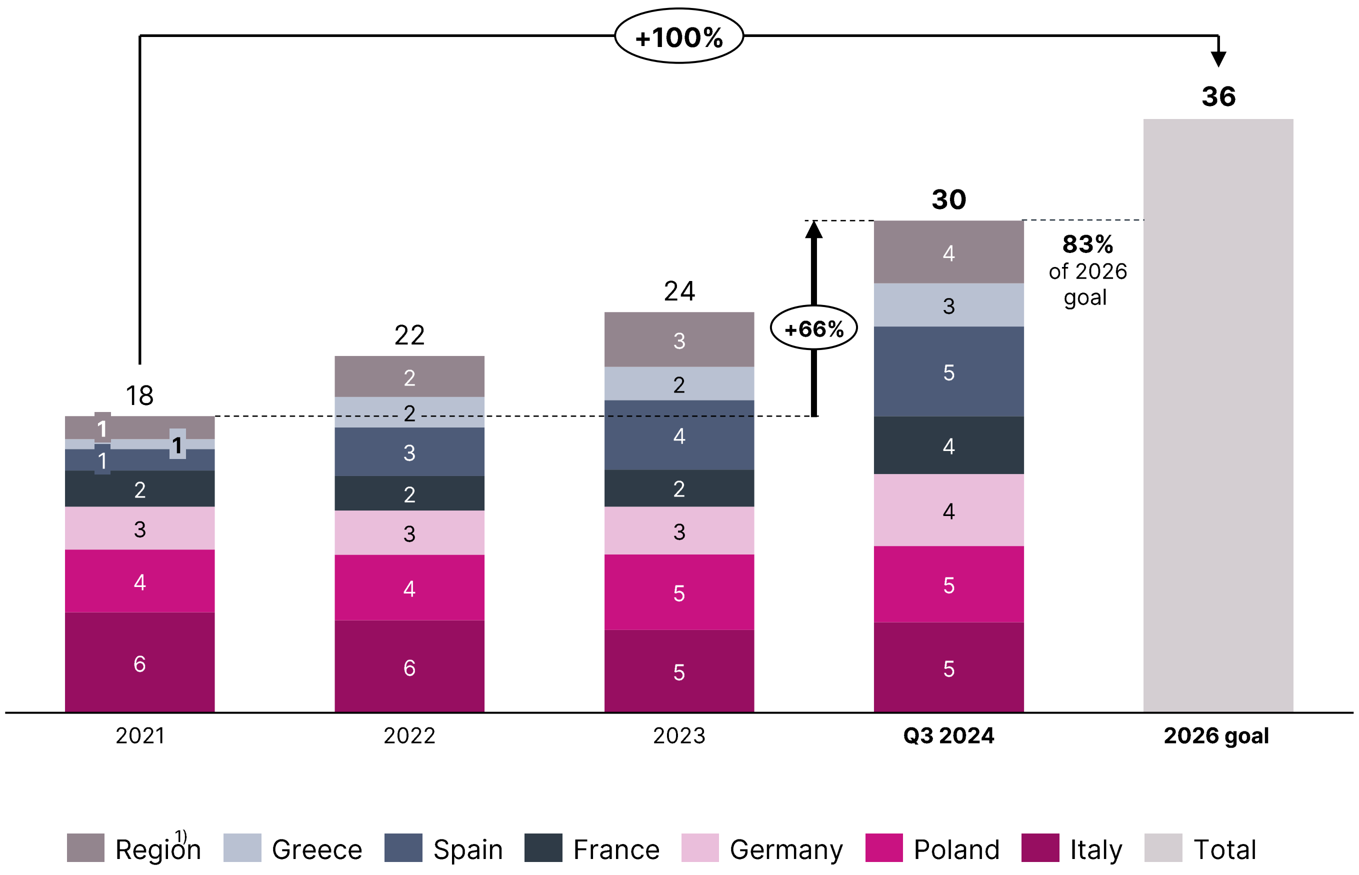
Portfolio acquisitions



- Record high acquisition volume across markets
- Attractive risk-adjusted returns
- Supportive repricing continuing
- Strong Q4 outlook

Portfolio book value

BV SEKbn, continued operations only



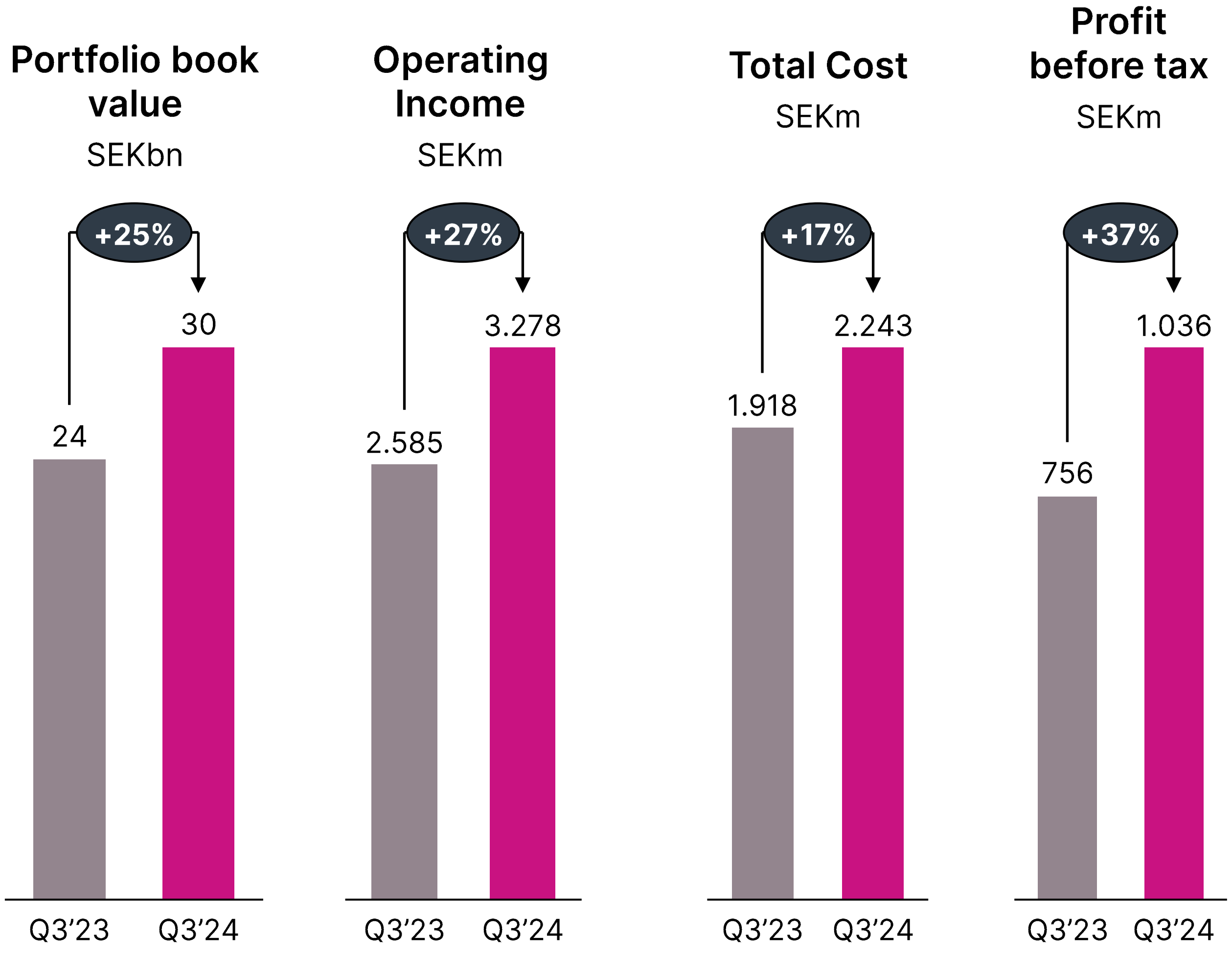
» Financial discipline and active repricing

» Diversification

» Growth on track

1) Region includes Netherlands, Belgium, UK, Sweden, Cyprus

Operating leverage development (YTD vs PY)



- Strong growth at right price and risk
- Healthy portfolio driving operating income
- Cost discipline boosting profits

** Excludes 2023 rejuvenation costs (SEK 151m)*

Agenda

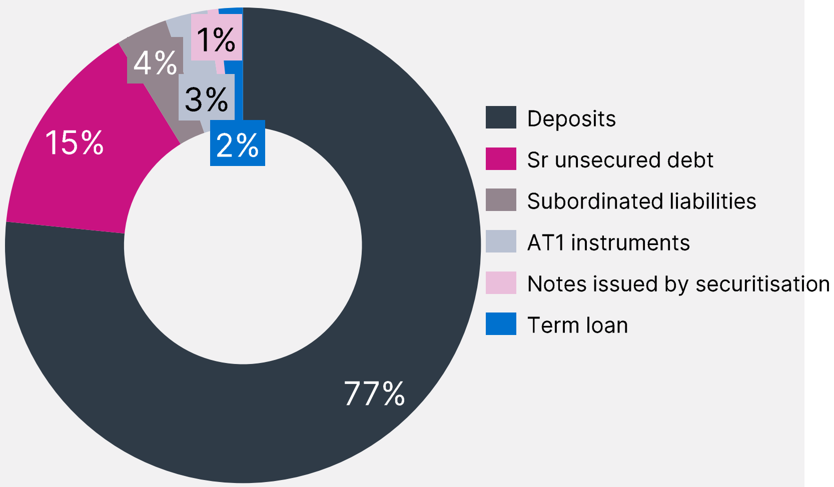
Funding

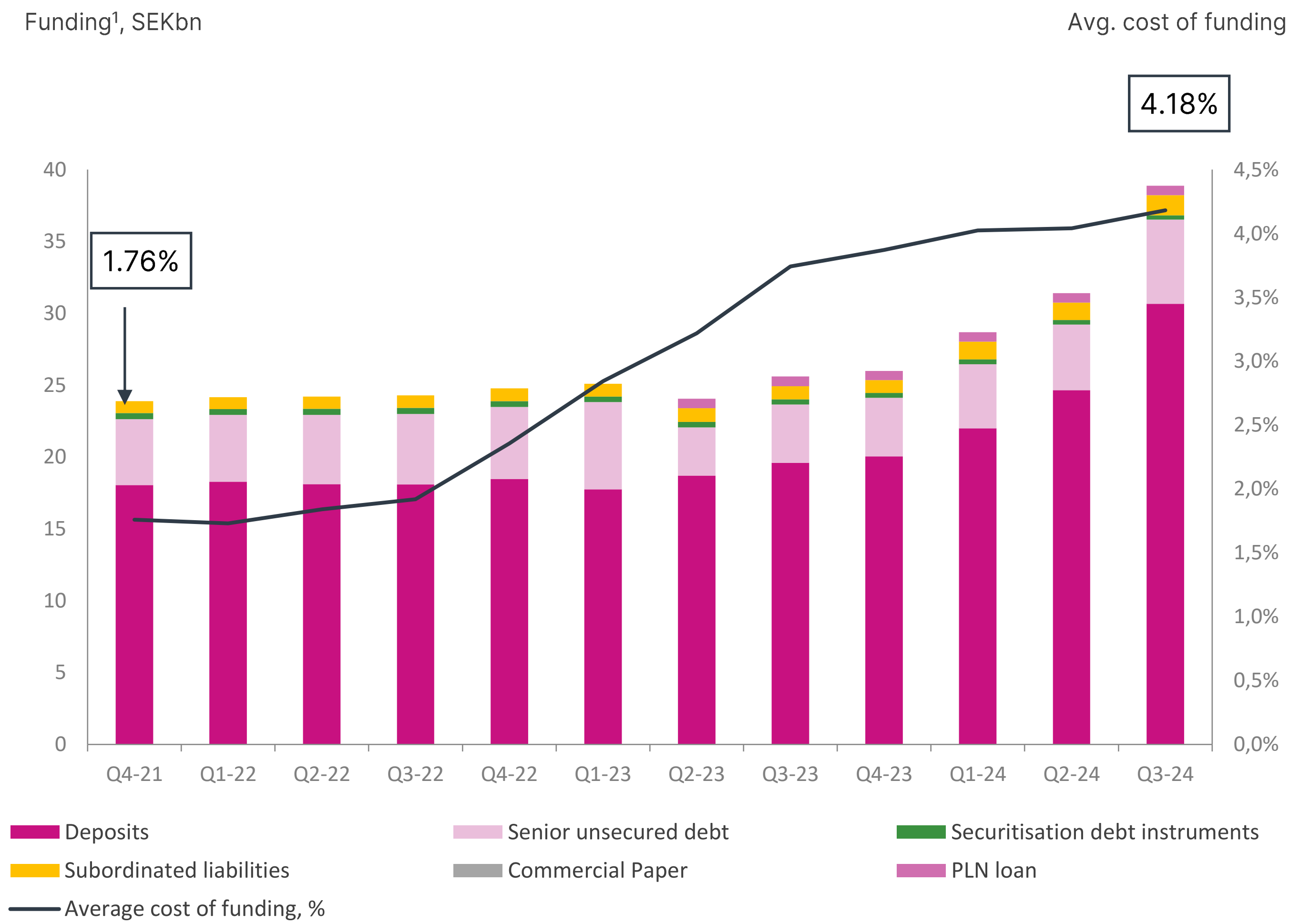
- Moody's Investors Service upgraded Hoist to Baa2, from Baa3
- Market issuance of SEK 1.65bn

» Funding base stable and competitive

» Senior unsecured debt at 15% and deposits 77% of overall funding

Distribution of funding





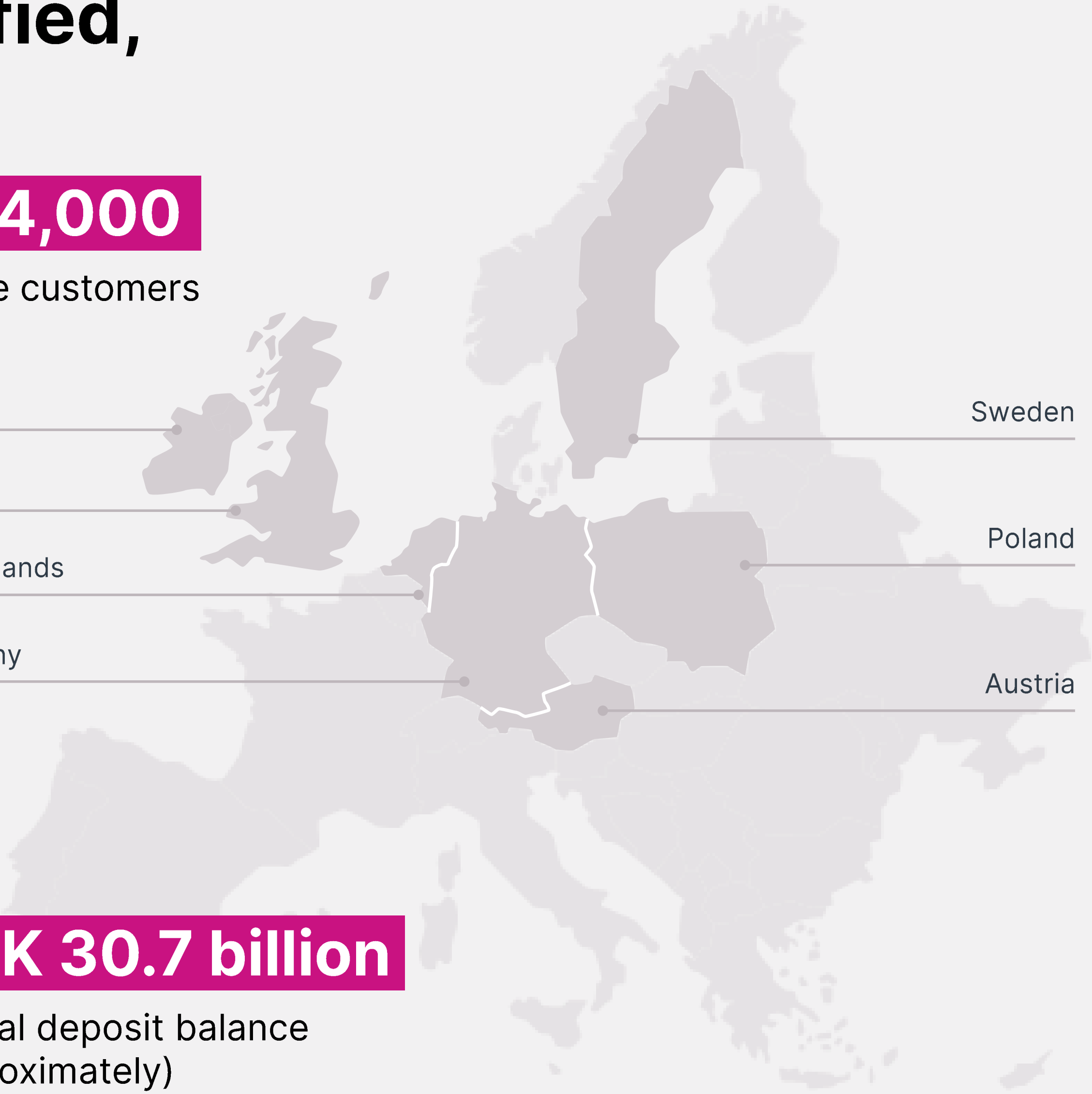
1) Excluding AT1 capital

Savings offerings & well-diversified, competitive funding

- As a regulated credit market institution under the supervision of the Swedish FSA, Hoist Finance is able to offer deposits to the general public.
- Deposit are offered under the HoistSpar brand in Sweden, Germany, the UK, Poland, the Netherlands, Ireland, and Austria since the launch in Sweden 2009.
- Bond issuances in both SEK and Euro markets in all formats, AT1, T2 & Senior Preferred
- Term bank deposit

124,000

active customers

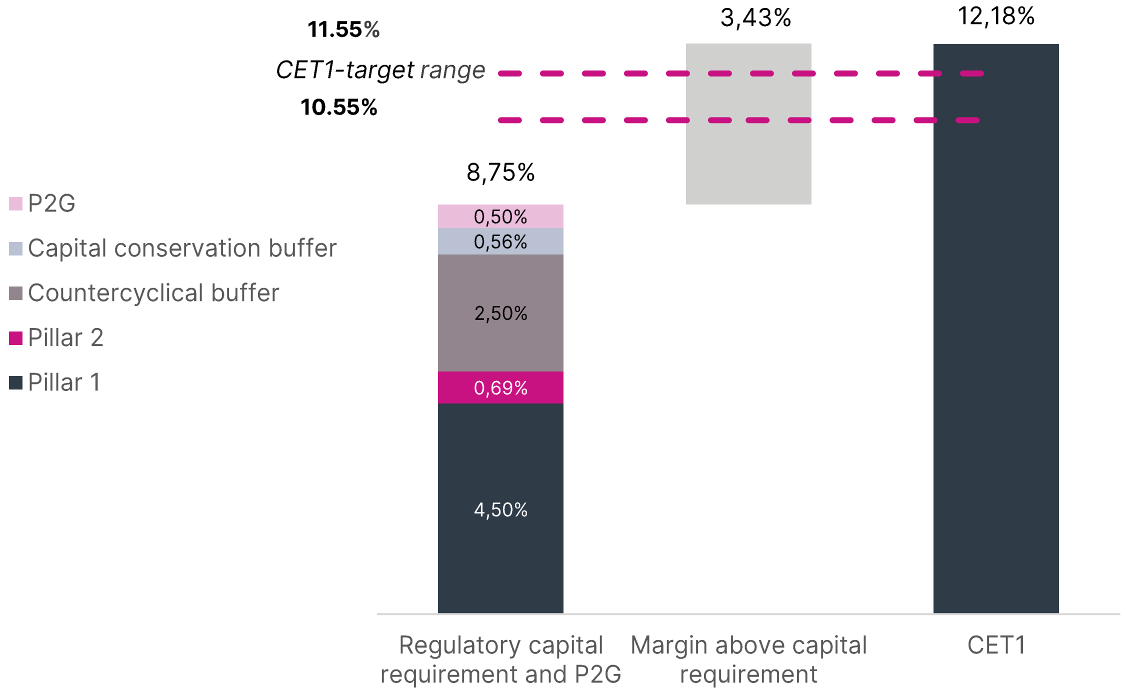


SEK 30.7 billion

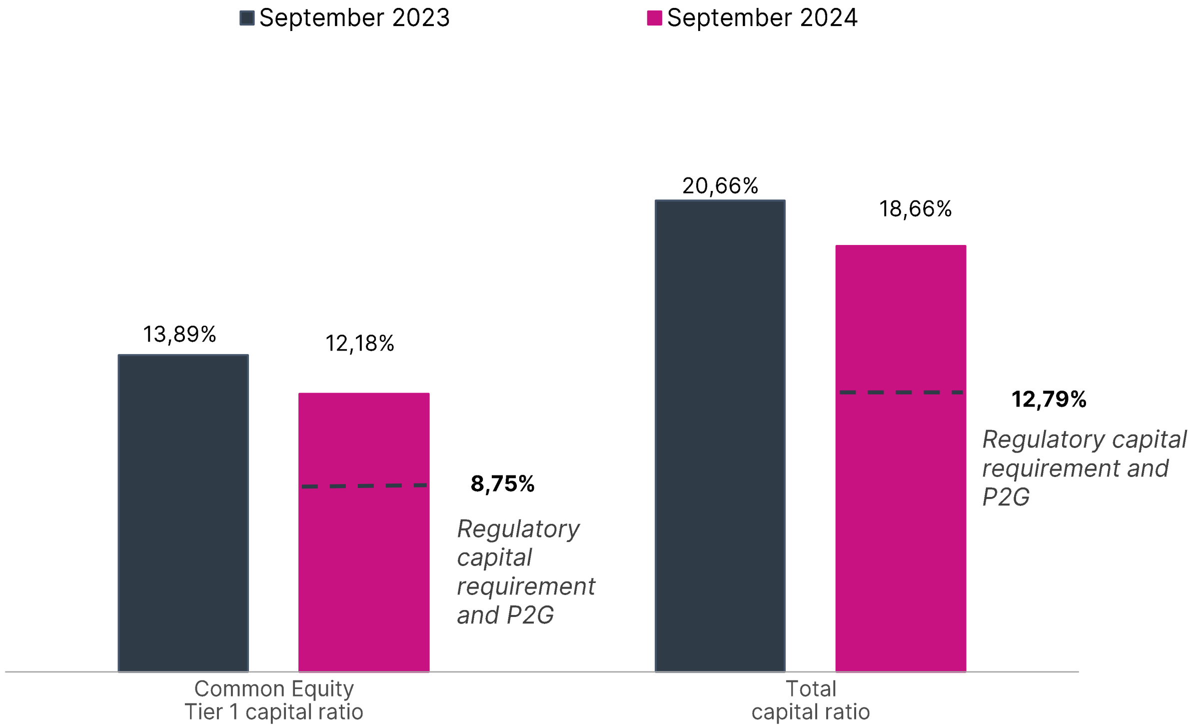
In total deposit balance (approximately)

Capital position

Q3 2024 Capitalisation



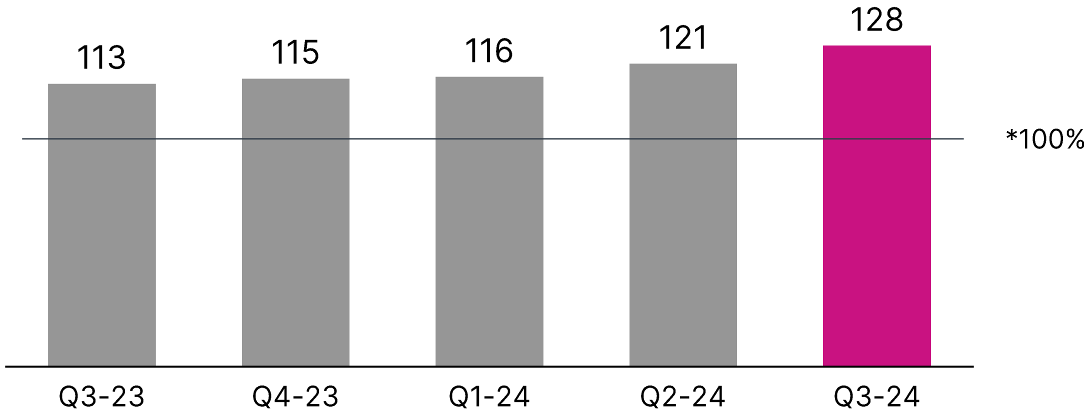
Capital ratios, %



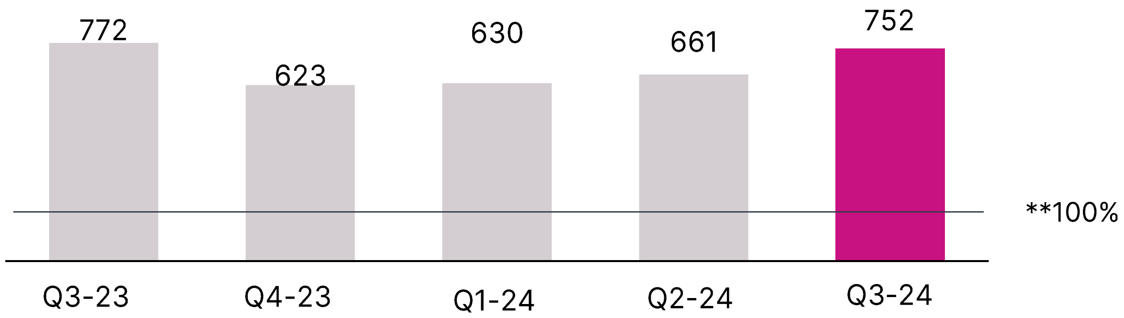
Liquidity overview

Strong build-up of liquidity to qualify to become a Specialised Debt Restructurer (“SDR”)

NSFR, %

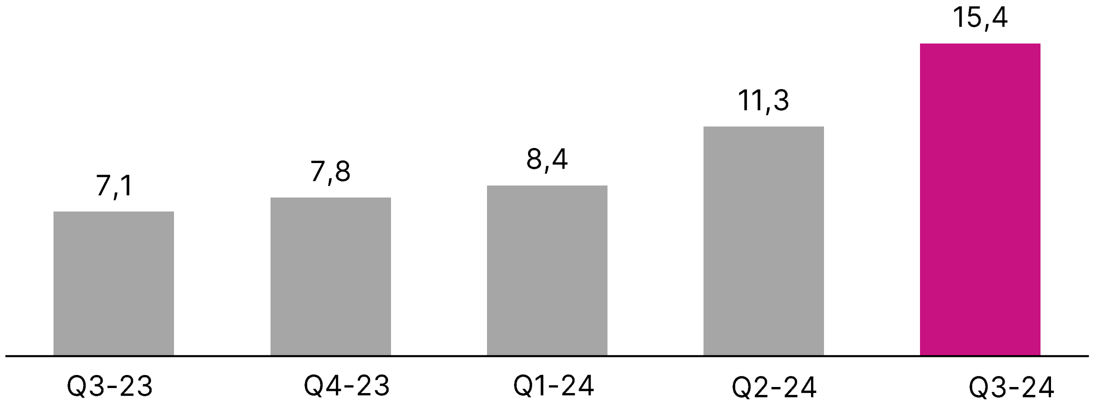


LCR, %



*NSFR regulatory limit 100%,
**LCR regulatory limit 100%

Liquidity reserve, SEKbn



Comments

- Liquidity portfolio more than doubled last twelve months
- Net stable funding increase in line with plan to meet SDR requirements of 130% NFSR ratio
- Liquidity coverage ratio exceptionally strong

Agenda

Transaction overview

Issuer	Hoist Finance AB (publ)
Instrument	Senior Non-Preferred
Exp. Issue Rating	Moody's: Ba1
Currency	SEK
Volume	Exp. SEK 600m
Use of Proceeds	General corporate purposes
Tenor	4.25y
Coupon	3m Stibor + [•]bps
Denomination	SEK 1.25m
Substitution & Variation	MREL Disqualification Event
Redemption	Applicable upon the occurrence of MREL Disqualification Event
Events of Default	Applicable as per Condition 10.2 of the Programme
Documentation	Issued under the Issuer’s EUR 1bn EMTN programme
Listing	Euronext Dublin
Joint Lead Managers	Carnegie Investment Bank AB & Nordea Bank Abp

Moody's Advanced Loss Given Failure (LGF) notching

Moody's LGF in a nutshell

The methodology that **adjusts the rating** based on the **expected credit loss at default** (also called Loss Given Failure)

Simplified and general principle:

» The more subordinated debt an issuer has outstanding, the **lower the credit loss at default** given a greater cushion of loss-absorbing instruments

» **The larger your debt quantum** within a debt ranking, **the lower the credit loss** at default

» Credit loss is **measured** at default on **% of outstanding debt class**

Rationale

» **Senior Non-Preferred debt** is relevant for Hoist **from a credit rating perspective**

» Moody's Issuer and Senior Unsecured ratings are **dependent on the layering of our capital structure** (in Moody's Loss Given Failure analysis)

» In order to **achieve the Baa2 rating** level for the Issuer and Senior Unsecured rating, the level of **subordinated capital need to meet a certain threshold** set by Moody's

Application on Hoist

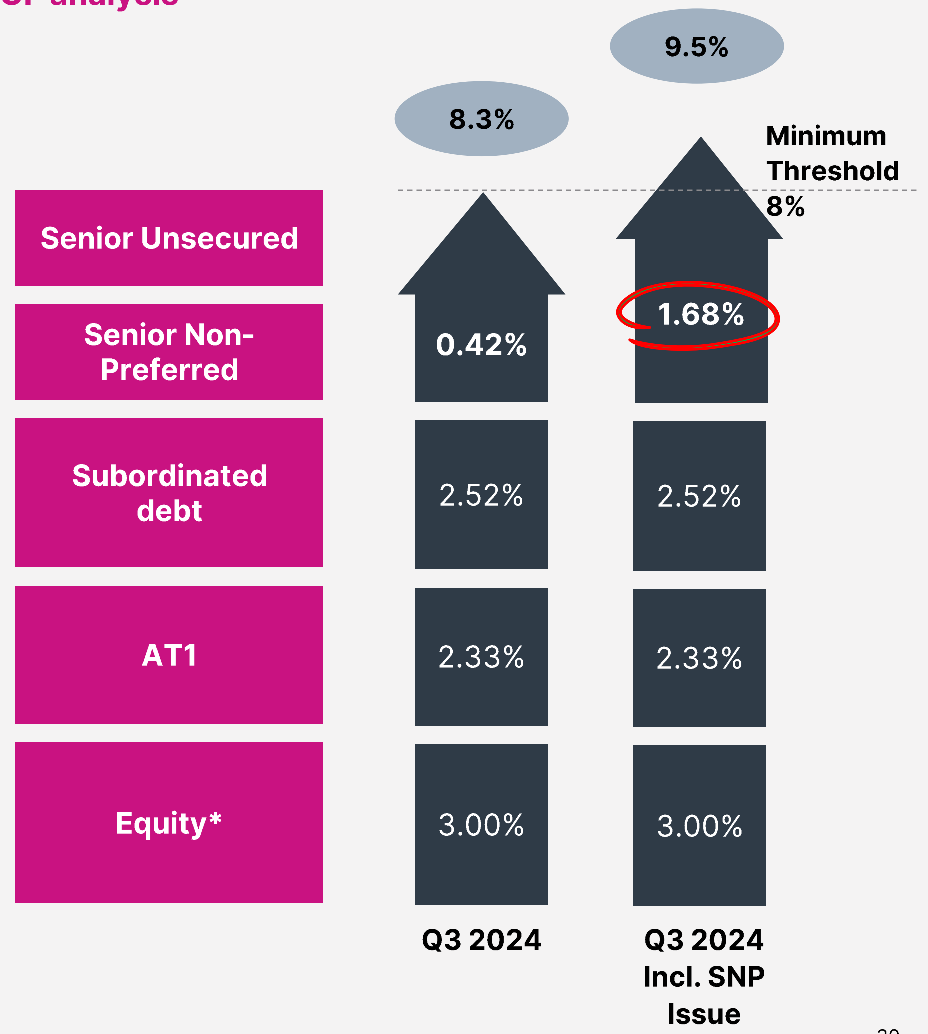
» Currently, the **subordinated capital** comprise **equity**, **AT1, Tier 2** and **Senior Non-Preferred, totalling an 8.3% buffer**

  » This compares to Moody's **minimum threshold of 8%**

  » **Senior Non-Preferred** is also included in the **subordinated capital by Moody's** when calculating the Issuer and Senior Unsecured ratings, **despite Hoist not having been assigned MREL requirements as it is not designated as a systemically important financial institution**

» **The planned SEK 600m Senior Non-Preferred will generate a solid headroom (9.5 % based on Q3 2024 numbers)**

Share of subordinated capital to total banking assets In Moody's LGF analysis



*Stressed level according to Moody's methodology

Hoist Finance's key credit highlights

HoistFinance

1. A leading European NPL asset manager, specialised in non-performing consumer- and SME loans, building on more than 25 years of market experience and data gathering
2. Regulated status as a credit market institution requires sound capitalisation and strong liquidity, while allowing for access to cheap retail deposit-funding as well as diverse wholesale funding
3. Highly diversified portfolio
4. Active presence on 11 markets across Europe with a proven track record of strategically entering new markets. Benefitting from strong relationships with Europe's largest international banks and credit funds, active on the primary- and secondary NPL-market
5. Rating of Baa2/Stable makes Hoist Finance the only investment grade rated issuer in the NPL sector
6. Huge market opportunity combined with supportive underlying market trends
7. Obtaining status as an SDR will further consolidate Hoist Finance's competitive edge in the NPL industry, where being exempt from the backstop regulation would give us full independence and a simpler and more cost-efficient business model

Agenda

Hoist Finance

Moody’s Advanced Loss Given Failure (LGF) notching

The SNP issue is fully intended to protect Hoist’s Baa2 Issuer (Deposit) and Senior Unsecured ratings from Moody’s

Elaborations on Moody’s ALGF

» LGF considers the **priority structure of the banks’ financing** and function as a basis for ratings determination

» Ratings can be notched up from the **underlying credit assessment (BCA)**, depending on the **share of debt and subordinated liabilities**

» **LGF assumes a failure of the bank by applying a standardised stress test** to the liability structure, including standardised assumed haircut to deposits, and a cap on remaining equity

» The **greater the share of debt and equity subordinated** to a given instrument class, the **greater the protection offered to that instrument**, and the lower its expected loss (**see matrix**)

Considerations for Hoist

» The share of instruments subordinated to the Issuer/deposit and Sr. Uns. debt (**8.3%),** were adequate for the **3-notch uplift to Baa2** Q3 2024

» The planned issue of SNP debt of SEK 600m, will **increase the cushion to 1.5 percentage points** (based on Q3 2024 numbers), as the share of **subordinated debt instruments increases to 9.5%**

» **This creates a solid headroom while catering for a growing asset base going forward**

SEKm

	Q3’24 LGD assessment					Q3’24 LGD assessment incl. SEK 600m SNP				
	Q3’24	% of TBA	At failure	% At failure		Q3’24	% of TBA	At failure	% At failure	
Other Liabilities	6 286	13,2%	9 393	19,7%		6 286	13,2%	9 393	19,7%	
Deposits	31 066	65,2%	27 959	58,7%		31 066	65,2%	27 959	58,7%	
Preferred Deposits 90%	23 300	48,9%	22 135	46,5%		23 300	48,9%	22 135	46,5%	
Junior Deposits 10%	7 767	16,3%	5 825	12,2%		7 767	16,3%	5 825	12,2%	
Sr. Unsecured Debt	6 338	13,3%	6 338	13,3%		6 338	13,3%	6 338	13,3%	
Junior Sr. Unsecured Debt	200	0,4%	200	0,4%	8.3%	800	1,7%	800	1,7%	9.5%
Dated Subordinated Debt	1201	2,5%	1201	2,5%		1201	2,5%	1201	2,5%	
Junior Subordinated Debt	0	0,0%	0	0,0%		0	0,0%	0	0,0%	
Preference Shares (AT1)	1 109	2,3%	1 109	2,3%		1 109	2,3%	1 109	2,3%	
Equity (assumed at 3%)	1 429	3,0%	1 429	3,0%		1 429	3,0%	1 429	3,0%	
Tangible Banking Assets (TBA)	**47 629**	**100,0%**	**47 629**	**100,0%**		**47 629**	**100,0%**	**47 629**	**100,0%**	

	Instrument & Volume Subordination	Subordinated	Notching /Rating	Instrument & Volume Subordination	Subordinated	Notching
Deposit	33.8%	A 8.3%	+3 / Baa3	35.1%	B 9.5%	+3 /Baa3
Senior Unsecured	33.8%	8.3%	+3 / Baa3	35.1%	9.5%	+3 / Baa3

Notching for Issuer & Sr. Uns Ratings

Instrument’s share of total increasing

Share of subordinated capital to instrument	Subordination / TBA*	Specific instrument volume + subordinated liabilties/ TBA*						
	Multiple of assumed loss rate of 8%	≥0<0.5x	≥0.5-<1%	≥1x-<1.25x	≥1.25-<1.5x	≥1.5-<1.75x	≥1.75-<2x	>2x
		≥0-<4%	≥4%-<8%	≥8%-<10%	≥10%-<12%	≥12%-<14%	≥14%-<16%	>16%
	≥0-<4%	-1	-1	0	0	1	1	2
	≥4%-<8%		0	0	1	1	2	2
	≥8%-<10%			1	1	2	2	3 A
	≥10%-<12%				2	2	3	3 B
	>12%					3	3	3

Specialised Debt Restructurer

Specialised Debt Restructurer regulatory text – new article 36(5) CRR

For the sole purpose of calculating the applicable amount of insufficient coverage for non-performing exposures in accordance with paragraph 1, point (m) of this Article, by way of derogation from Article 47c and after having notified the competent authority, the applicable amount of insufficient coverage for non-performing exposures purchased by a specialised debt restructurer shall be zero.

The derogation set out in this subparagraph shall apply on an individual basis and, in case of groups in which all institutions qualify as specialised debt restructurers, on a consolidated basis.

For the purposes of this paragraph, "specialised debt restructurer" means an institution that, during the preceding financial year, complied with all the following conditions on both an individual and consolidated basis:

- *a. the main activity of the institution is the purchase, management and restructuring of non-performing exposures in accordance with a clear and effective internal decision process implemented by its management body;*
- *b. the accounting value measured without taking into account any credit risk adjustments of its own originated loans does not exceed 15% of its total assets;*
- *c. at least 5% of the accounting value measured without taking into account any credit risk adjustments' of its own originated loans constitutes a total or partial refinancing, or the adjustment of relevant terms, of the purchased non-performing exposures that qualifies as a forbearance measure in accordance with Article 47b of this Regulation;*
- *d. the total assets of the institution do not exceed EUR 20 billion;*
- *e. the institution maintains, on an ongoing basis, a net stable funding ratio of at least 130%;*
- *f. the sight deposits of the institution do not exceed 5% of total liabilities of the institution.*

The specialised debt restructurer shall without undue delay notify the competent authority if one or more of the conditions are no longer met. Competent authorities shall notify EBA at least on an annual basis of the application of this subparagraph by institutions under their supervision.

The EBA shall establish, maintain, and publish a list of specialised debt restructurers. The EBA shall monitor the activity of specialised debt restructurers, and shall report by 2028, to the Commission on the results of such monitoring and, where appropriate, shall advise the Commission as to whether the conditions to qualify as "specialised debt restructurer" are sufficiently risk-based, appropriate in view of favouring the secondary market for non-performing loans and assess if additional conditions are necessary."

Clear benefits of SDRs for the NPL markets broadly and specifically for the Hoist Finance business model

Key benefits for secondary NPL markets

- » Specialised debt restructurer seen as stable, predictable and well-considered addition to the buy-side in secondary NPL markets being a natural banking partner and buyer of NPLs from the originating banks
- » Banking regulated entity
- » Stability of market participants
- » Improved market functioning and increased competitiveness
- » Support backstop regulation/ help maintain low levels of NPLs in the mainstream EU banking system

Key benefits to Hoist Finance business model

- » Recognition of value to society leading to increased clarity in Hoist's ongoing business operations
- » Enables Hoist Finance to focus on its core purpose and business
- » Hoist will no longer be hit by negative effects on CET1 capital from the backstop regulation
- » Enables Hoist Finance to leverage more complex structures (i.e. co-investment and securitisation structures with associated initial and operating costs) only when strategic

Thank you!

HoistFinance