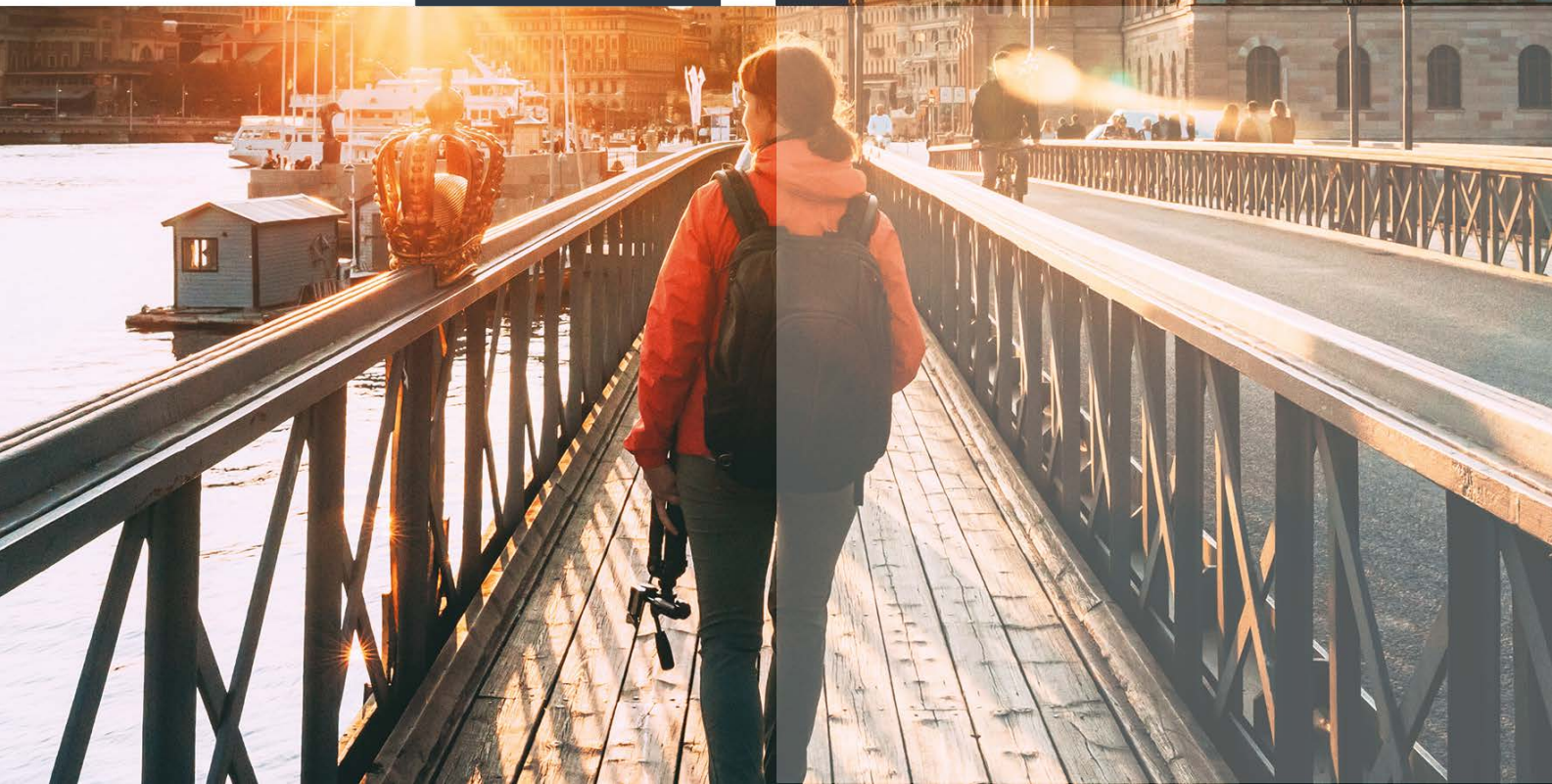


2024



Annual and Sustainability report 2024

We contribute to a well-functioning
and resilient financial system in Europe

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Reference to statutory Annual Report and Sustainability Report

Hoist Finance AB (publ), parent company of the Hoist-group, is a credit market company regulated by the Swedish Financial Supervisory Authority. Hoist Finance prepares its financial statements in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL). The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS).

The statutory Annual Report comprises pages 29–160.

The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act (ÅRL) comprises pages 122–159.

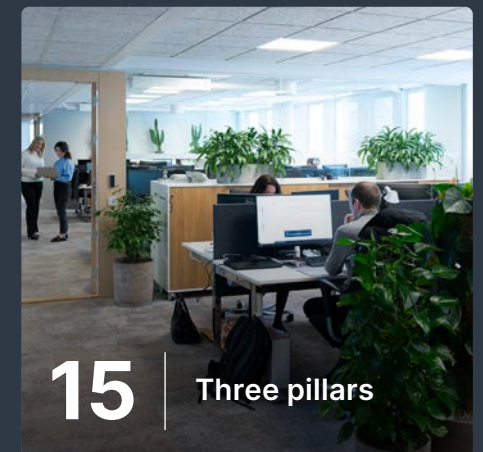
The English text is a translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.



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Year in brief

10,772 SEKm

Investment portfolio acquisitions

1,300 SEKm

Profit Before Tax

11.48%

CET1 ratio

17%

Return On Equity

Key events:

→ Total portfolio investments of SEK 10.8 billion during the year, a record level for the Group, resulting in a total investments portfolio of SEK 30.7 billion at year-end.

→ Acquired the first portfolio in Portugal, opening Hoist Finance's 13th market.

→ Continued strong collection performance at 105 per cent, reflecting a healthy book.

→ Launched savings offering in Austria and Ireland, further diversifying the deposit funding base, today offering the general public in seven European countries savings accounts.

→ Moody's Ratings upgraded Hoist Finance to Baa2, from Baa3.

→ Postponed notification as Specialised Debt Restructurer⁽¹⁾ due to regulatory uncertainty. In the meantime, Hoist Finance continue as before, executing on its strategy with focus on profitable growth.

→ Issued a total of SEK 4.2bn bonds in the Swedish primary market.

→ Two repurchase programmes completed, with a total of 3,432,391 shares repurchased. The Board of Directors proposes a dividend for 2024 of SEK 2 per share.

(1) Read more on page 12 and 13

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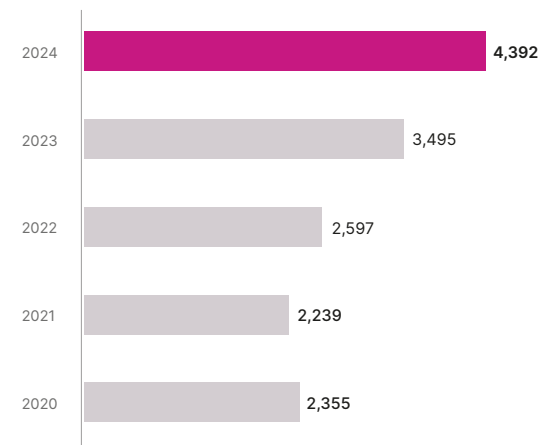
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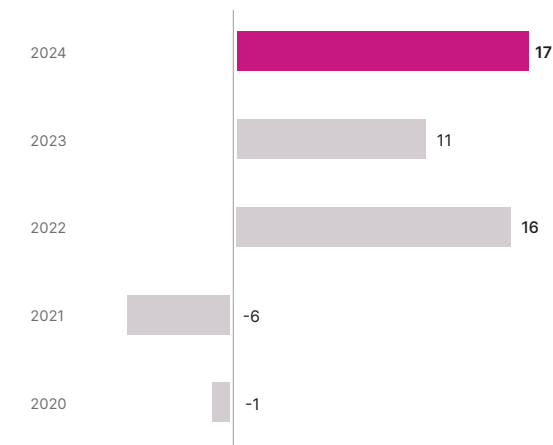
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Key ratios

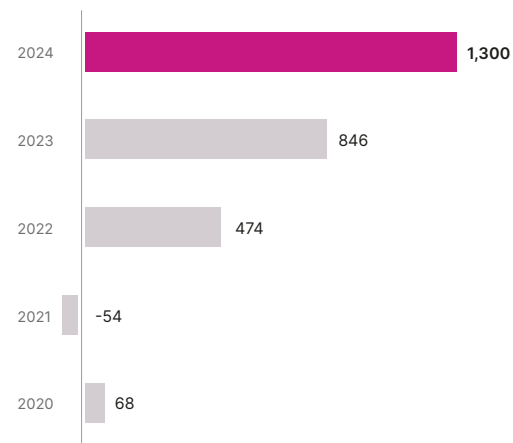
Total operating income (SEKm)



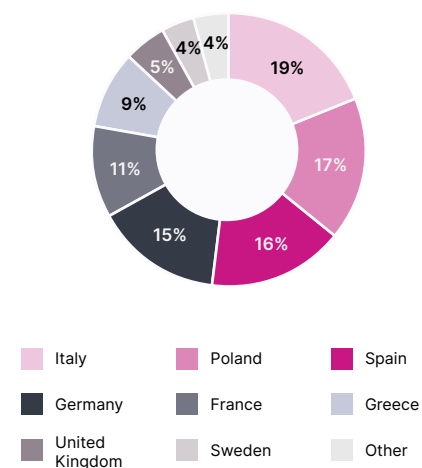
Return on Equity (%)



Profit before tax (SEKm)



Total investment portfolio split by country



SEKm	2024	2023
Total operating income	4,392	3,495
Profit/loss before tax	1,300	846
Profit/loss for the period	1,013	663
Return on equity (%)	17	11
Investment portfolio acquisitions	10,772	7,089
Diluted earnings per share (SEK)	10,07	5,72
Gross 180-month ERC ⁽¹⁾	52,495	38,574
Total investment portfolio ⁽²⁾	30,704	24,288
CET1 ratio (%)	11,48	13,89

(1) Of which co-investments SEK 1,607m

(2) For further explanations, see Definitions

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Letter from the CEO

Dear shareholders, customers, and colleagues,

Hoist Finance's business model is fundamentally simple. We acquire portfolios of non-performing loans (NPLs) from banks and financial institutions. Because these loans are past due, we are able to acquire them at a discount compared with their face value. Over time, Hoist Finance has paid on average just under ten per cent of face value for the portfolios we have acquired. We then contact the borrowers and work with them to set up repayment plans. Repayments have historically been around twice the amount we paid for the portfolios. The remaining debt amount is written off.

We create value through this type of debt restructuring, thereby contributing to a sustainable banking system in Europe. This process has been much the same since Hoist Finance was founded in 1994. A lot has changed in the meantime though: the market has grown and become more regulated, the competitive landscape has shifted, the macro situation has evolved, etc. But as long as there is debt, there will be a need for specialists who can manage and restructure debt. My job is to ensure that Hoist Finance remains strong in this market, today and in the long term.

2024 was a very active year for us, and I am proud of what the organisation delivered. One of the targets we set when we launched our efficiency programme in 2022 was to deliver net profit of SEK one billion by 2025. As we close 2024, I am pleased to note that we have achieved this target – one year earlier than planned.

During 2024 we continued to improve the efficiency of our operations, with a particular focus on Belgium, the Netherlands, the UK

and Germany. We brought back in-house previously outsourced IT operations and made strategic divestments in Spain, Italy and elsewhere. We launched operations in Portugal with our first portfolio acquisition there and strengthened our position in the Swedish market. We also established co-investment structures with strategic partners, both industrial and financial actors. These structures strengthen our transactional inflow, and hence our opportunities for growth.

Overall, we generated a return on equity – our key internal and external performance measure – of 17 per cent for the full year, meeting our target of a minimum return on equity of 15 per cent. With this stable foundation for the company, the Board is proposing a dividend of SEK 2 per share for the 2024 financial year. We also repurchased shares, through two buy-back programmes on either side of mid-year 2024, for a total amount of SEK 200 million.

Investment management

Market activity was high during the year, with large volumes for sale. Hoist Finance closed the year with a record SEK 10.8 billion in invested capital – an increase of around 50 per cent since 2023. Price and yield levels remained attractive.

We closed our first transaction in Portugal during the fourth quarter. The Portuguese market has a well-established repayment system and has for many years been an active market for investment funds, something we believe will generate good opportunities in both the primary and secondary markets in coming years.



With this stable foundation for the company, the Board is proposing a dividend of SEK 2 per share for the 2024 financial year.

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Hoist Finance is currently one of Europe's leading acquirers of NPLs. We have a well-diversified portfolio, both geographically (we are active in thirteen markets) and product-wise (we have both secured and unsecured consumer loans, as well as loans to small and medium-sized enterprises). The portfolio is also granular in terms of number of customers, with an average loan in our SEK 30 billion portfolio of SEK 73,000. This diversification and granularity creates stability and predictability over time.



Hoist Finance has a high-yielding portfolio of record-breaking size, a lean and high-performing organisation, and ample capital for continued portfolio growth.

Loan management

Our operations continue to deliver stable results. We have a repayment rate of 105 per cent for the full year, maintaining the same level as last year. Today we have a flexible operating model that enables us to handle our credit management internally as well as through third parties. This gives us an efficient cost base while also making us more agile in our investment activities, as demonstrated by this year's entry into Portugal and last year's portfolio acquisitions in Sweden.

Capital and funding

We saw continued improvement during the year in the pricing of our bonds, with the credit spread on one of Hoist Finance's newly issued three-year bonds falling more than 300 basis points between September 2023 and September 2024. We see this as confirmation that investors recognise the work we have done, and continue to do, at Hoist Finance.

As a natural consequence of our growing portfolio, we also increased our deposits from the public during the year. These increased from around SEK 20 billion to nearly 40 billion, and the number of our savings customers grew from 92,000 to 149,000. With HoistSpar, we currently offer savings accounts to customers on competitive terms in seven European countries.

New regulations

For Hoist Finance, 2024 was also marked by the new EU regulations for Specialised Debt Restructurers⁽¹⁾ (SDRs), which came into force in January 2025. We worked throughout the year to fulfil the criteria as we had interpreted them, but in November we learned that the Swedish Financial Supervisory Authority had made a slightly different interpretation of two of the criteria. The correct interpretations have now been established, which is good as we now know what we should relate to. As we have previously communicated, we intend to meet the criteria and be able to qualify as an SDR by 2026 or 2027. When we report our first quarter on 7 May this year, we will also communicate where we stand based on the criteria as of today. Becoming an SDR is important for Hoist Finance in the long term as it will give us greater independence and greater flexibility in our investment activities.

Outlook

Today, Hoist Finance has a high-yielding portfolio of a larger size than ever before, a lean and high-performing organisation, ample capital for continued portfolio growth, and a stable and secure funding base. The NPL market remains extremely active and Hoist Finance is currently a leading actor in Europe. Our financial targets and growth ambitions remain firmly in place.

In closing, I would like to join the entire Hoist Finance team in thanking all of you who have chosen to invest in our company, both on the equity and debt side. We will continue to work hard to maintain your trust.

Stockholm, March 2025

Kind regards,

Harry Vranjes,
Chief Executive Officer

(1) Read more on page 12 and 13.

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This is Hoist Finance

We contribute to a well-functioning and resilient financial system in Europe

Hoist Finance is specialised in non-performing loans. We acquire portfolios of non-performing consumer loans from banks and financial institutions across Europe. Banks and other lending institutions are not experts in restructuring and advising on non-performing loans, so they sell them to specialised players like Hoist Finance. This frees up the banks' balance sheets, enabling them to focus on new lending – a key to societal growth.

After acquiring a loan portfolio, Hoist Finance sets up sustainable repayment plans with and for the individuals and small businesses that took out the underlying loans. With our extensive experience, financial and regulatory expertise, and local presence in each European market where we acquire portfolios, we can offer broad-based support to people who are in debt situations. Our focus is always on establishing safe repayment plans in mutual agreement with each borrower.

By providing guidance and support to banks as well as borrowers, Hoist Finance contributes to a well-functioning, resilient financial system in Europe.

turing non-performing loans based on our extensive experience, specialised financial and regulatory expertise, and local presence in 13 European markets.

Partner to people in debt situations

We offer support and guidance to individual borrowers and small and medium-sized businesses that are in debt situations. With individually tailored comprehensive solutions, we help borrowers pay off their overdue debts, rebuild their credit ratings and re-establish their financial security. Day-to-day contact with borrowers is always handled locally, in the borrower's own language. We strive to be an industry leader in consumer service, ethics and compliance – with high-quality, cost-effective and long-term sustainable loan management.

Credit market company regulated by the Swedish Financial Supervisory Authority

Hoist Finance is a credit market company regulated by the Swedish Financial Supervisory Authority. We adhere to the same high regulatory standards as the commercial banks from which we acquire portfolios. Like a bank, we are organised with three lines of defence that include specialised functions in legal, finance, risk, compliance, information security and internal audit. Our balance sheet meets the strict capital and liquidity requirements imposed on banks. Due to our regulated status, we are able to take in deposits from the public, which forms the basis of our stable, cost-effective funding model.

Our role: **Specialised advisor and restructurer of non-performing loans**

Partner to banks and financial institutions

We are a partner to European banks and financial institutions that need to reduce their risk exposure. By acquiring their non-performing loans, gathered into loan portfolios, we help them free up resources for their core operations. This optimises the banks' balance sheets and reduces their cost of capital, which improves their capacity to generate new lending. We offer banks and financial institutions advisory and comprehensive solutions for restruc-



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Why invest in Hoist Finance?

The Hoist Finance share (HOFI) has been listed on Nasdaq Stockholm since 2015. Our market cap at year-end 2024 was approximately SEK 8.2 billion.

01 A long-term sustainable business model

Hoist Finance's business model is based on acquiring non-performing loan portfolios from banks and other financial institutions. When we acquire these portfolios, the loans are already fully written off and we are able to price the portfolios on that basis. We therefore acquire loan portfolios at a substantial discount compared with their nominal value. While the size of the discount depends on the underlying assets in each portfolio, the average discount is on average around 90 per cent. As long as there is credit in society, a small percentage of loans will become non-performing, which creates a long-term need for specialists in non-performing loans like Hoist Finance.

02 Experienced specialist with extensive pricing expertise

We have extensive and profound specialised expertise in terms of pricing loan portfolios. Hoist Finance has been operating for more than 25 years, and over the years we have built up a large database of credit information and other relevant data points – which we continuously build on with input from our operations. This data forms the basis for our valuation of the new portfolios we regularly acquire from banks and financial institutions.

03 Clear strategy built around risk management

We have a well-defined acquisition strategy in which we focus exclusively on portfolios of non-performing consumer loans (including small businesses) that we buy from banks and financial institutions (no SMS loans or similar). Buying well-diversified portfolios of many small loans reduces the Group's overall risk level, as we avoid large individual exposures altogether. Our portfolios are also diversified across geographic markets, asset classes and vintages. This results in a total portfolio that provides predictable, stable returns over time.

04 On track to become a leader in Europe with a focus on profitable growth

We are focused on profitability, with a target of delivering a return on equity exceeding 15 per cent. We also aim to continue to grow, with a target of achieving a 15 per cent average annual growth rate in earnings per share. Our ambition is to become Europe's leading investor in non-performing loans. With an investment portfolio of SEK 31 billion at year-end 2024, we are well on our way.

05 Low and stable funding cost

As a credit market institution regulated by the Swedish Financial Supervisory Authority, we are able to take in deposits from the public. Today, through HoistSpar, we offer some 149,000 savings customers deposits at attractive interest rates in seven European markets. Every person can save an amount up to the Swedish government deposit guarantee. Around 80 per cent of Hoist Finance's total funding is attributable to deposits from the public, which form the basis for our stable, cost-effective funding platform.

06 Governance ensures control and sound risk-taking

We manage our business with return on equity as the key ratio. The goal is not growth per se – the growth needs to be profitable. Risk management has historically been a problem for many acquirers of non-performing loan portfolios. We manage this risk by applying a well-defined strategy and a governance model based on return on equity.

07 Fulfilling an important function in society

Hoist Finance plays an important role for the effective, long-term sustainable management of non-performing loans in the European banking system. Without efficient management of non-performing loans, there is a risk of financial risks building up in the banking system. Also, without debt structuring specialists providing advice and solutions, individual borrowers with non-performing loans risks being left without support.



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Hoist Finance aims to be Europe's leading investor in and manager of portfolios of non-performing consumer loans

We invest in portfolios comprised of non-performing loans to individuals and small and medium-sized businesses. We acquire loan portfolios of secured loans (typically mortgages) as well as unsecured loans (typically credit card and consumer loans). Our investment management is centralised at the group level, while loan management activities are carried out locally in each country and adapted to local conditions. We distinguish between strategic loan management, which is always managed in-house, and operational loan management, which we manage ourselves in some countries and outsource to third parties in others. This flexible operating model allows us to maintain full control over our loan management, while providing us with an adaptable cost structure and allowing us to be more opportunistic in our portfolio acquisitions.

When we acquire non-performing loan portfolios from banks and other financial institutions, we help them reduce their risk exposures, free up resources for their core operations, and meet regulatory requirements – all of which contributes to a well-functioning financial system.

Hoist Finance is a credit market company regulated by the Swedish Financial Supervisory Authority. We are therefore required to adhere to the same high regulatory standards as the commercial banks from which we acquire portfolios, which ensures the highest level of consumer protection, risk management and control. Our balance sheet is also regulated, with regulated capital- and leverage levels.

Our business model rests on three pillars: **investment management**, purposeful **capital and liquidity management**, and **loan management**. Read more about each of these pillars on the following pages.

Creating sustainable value

In all our activities, we aim to create long-term value for all stakeholders and to manage and minimise risks (financial and operational risks as well as risks related to social responsibility, corporate governance, and climate and the environment). Work was initiated during 2024 on board-, management- and business levels to adapt our sustainability work and reporting according to the new EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).

Based on the ESG (Environment, Social, Governance) framework, Hoist Finance has largest impact in the social area. When we acquire non-performing loan portfolios from banks and other financial institutions, we help them reduce their risk exposure, free up resources for their core operations, and meet regulatory requirements – all of which contributes to a well-functioning financial system. We also support the borrowers holding the loans in our portfolios by offering guidance and advice, customising repayment plans, and providing channels and platforms based on the borrowers' needs. Our credit management aims to help every borrower to become debt-free.

Hoist Finance's governance model is based on our status as a credit market company regulated by the Swedish Financial Supervisory Authority, as well as us being a publicly listed company with additional requirements for transparency, reporting and control. In our loan management operations, we meet people with debts past due on a daily basis. Our loan management is always based on the highest ethical standards and respect for the individual.

Read more about our sustainability governance, our dual materiality assessment, and our principles for sustainability reporting, disclosures, sustainability targets and much more in our Sustainability Report on pages 122-159. Additional information on risk management is presented on pages 27-28.

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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 will be 2.3–3.3 percentage points above overall CET1 requirements specified by the Swedish Financial Supervisory Authority.



Growth

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



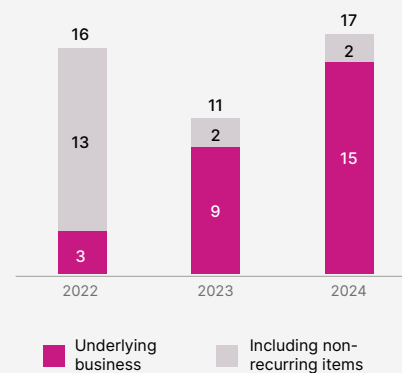
Dividend policy

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

Performance monitoring

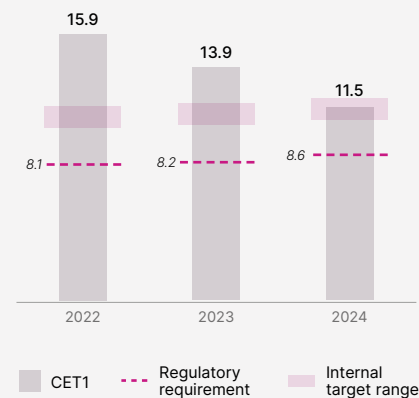
Return on equity >15%

In recent years, Hoist Finance has focused on both reducing the cost base and ensuring an efficient organisation – as well as increasing the profitability in portfolio purchases. This has created an increasingly profitable business that delivered a return on equity of 17 per cent for the full year 2024.



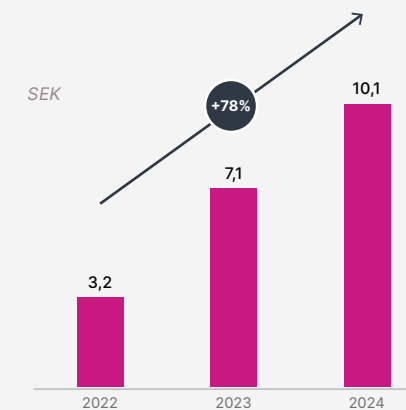
CET1-ratio 2.3-3.3 pp above regulatory CET1 requirement

Our capital position remains strong with a CET1 ratio well above regulatory requirements.



EPS annual growth rate of 15%

Earnings per share growth rates have been above the growth target over the past three years.



25-30% of group net profit to be distributed

The Board of Directors proposes a dividend of SEK 2 per share for the financial year 2024, corresponding to around 17.3 per cent of the Group's net profit.

- » SEK 2 per share gives a total dividend of SEK 174,845,212.
- » This is the first dividend proposed by the Hoist Finance Board since 2018.

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Market

The European transaction market for non-performing loans

The transaction market for Non-Performing Loans (NPLs) can be divided into the primary market, where lending banks sell portfolios of NPLs, and the secondary market, where financial actors and industrial players resell NPL portfolios.

Activity in 2024

Activity in the primary NPL market in Europe was high during 2024. Volumes have been slowly receding from the levels seen during the euro crisis (2013–15) but have recently stabilised and are expected to now gradually increase, driven not least by new EU regulations (see below). In total, the primary NPL market is worth around EUR 370 billion ¹⁾, with the majority of volumes in France, Italy, Germany and Spain.

Lending banks that report pursuant to accounting standard IFRS 9 classify, measure and write down loans for which interest payments have not been made in accordance with a predefined template. IFRS 9 is forward-looking and requires banks to also recognise expected credit losses. Loss allowances are to be made in three stages: stage one is for loans that are still performing but have, e.g., late interest payments; stage two for loans that are underperforming; and stage three for non-performing loans. Stage two loans in the European banking system increased during 2024, amounting at year-end to approximately EUR 1,900 billion ¹⁾.

Activity in the secondary NPL market is driven largely by financial investors with limited investment horizons, holdings in various securitisation structures, and industrial players seeking to sell off existing holdings. Industrial players may sell for a variety of reasons: as part of a regular strategy, due to changes in strategy, or to satisfy a need for liquidity. Due to higher interest rates, in recent years several industrial players in Europe have shifted to more capital-light business models focused on third-party servicing, resulting in less competition in the acquisition market and greater price discipline. The European secondary market was worth approximately EUR 600 billion ¹⁾ at year-end 2024.

Impact of economic cycle on NPL market

Strong economic growth	Weak economic growth
Supply of NPLs	
More lending results in larger credit stock (greater supply)	Weak economy results in less lending in general (less supply)
Lower share of overdue loans (less supply)	Increased share of non-performing loans (greater supply)
Repayment capacity	
With lower unemployment rate, borrowers maintain payment capacity (greater repayment capacity)	With higher unemployment rate, borrowers have less payment capacity (less repayment capacity)

⁽¹⁾ European Banking Authority, Risk and Data Analysis, <https://www.eba.europa.eu/risk-and-data-analysis/data>

Why do banks sell their non-performing loans?

Banks sell off their non-performing loans for a variety of reasons.



Focus on core operations

Commercial banks fulfil an important function in society by providing financing for businesses and individuals. Commercial banks are not experts in restructuring and providing guidance on non-performing loans. Helping people out of debt can take time, and often requires specialised expertise.



Manage risks

Banking operations are fundamentally about risk management. When a bank sells off an NPL portfolio, it lowers its overall risk exposure, reduces its risk-weighted assets and frees up capital. This enables the bank to issue new loans.



Strengthen profitability

All banks need to be profitable over time. Maintaining non-performing loans on the balance sheet diverts capital, which is costly from a return perspective, while also limiting new lending.

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Three types of buyers in the NPL market

Buyers in the NPL market can be divided into three types: financial investors, specialised credit management (CMS) companies, and regulated banks and financial institutions.



Financial investors

Such as private equity funds, hedge funds and credit funds – often invest in NPL portfolios for a limited time and later sell them on the secondary market to ensure a return. These investors typically use a specialised CMS company to establish contact with the borrowers. .



Specialised CMS companies

Specialised CMS companies are specialised in non-performing loans, with business models based on servicing portfolios. They may service portfolios they have acquired themselves and/or service other investors' portfolios (third-party servicing). Third-party servicers are hired by companies that offer loans and/or by investors that buy portfolios and outsource servicing.



Regulated banks and financial institutions

As from 2025, well-capitalised banks and financial institutions that are regulated by a financial supervisory authority can qualify as Specialised Debt Restructurers (SDRs). Qualification requires, among other things, that the institution is specialised in NPL management, has a well-defined organisation and governance model for NPL valuation and management, and maintains adequate capital levels and large liquidity buffers.

Activity in the primary NPL market
in Europe was high during 2024.



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Key market drivers



New regulations

EU supervisory authorities have made it a priority to prevent a future build-up of NPLs in the European banking system. The prudential backstop regulation was introduced in 2019, imposing high capital charges on banks that keep unsecured NPLs on their balance sheets for more than three years.

In order for banks to be able to sell off their non-performing loan portfolios, the European NPL transaction market needs to be active and liquid, with stable buyers to whom the banks feel confident to sell. To encourage this development, the EU has introduced a new status for regulated credit market companies that are specialised in NPLs (part of Basel III). As from January 2025, these companies can qualify to become “Specialised Debt Restructurers (SDRs)”, provided they fulfil certain criteria. Institutions that fulfil the full criteria, and notify as an SDR, are exempt from the prudential backstop regulation in terms of NPL management. SDRs can thereby keep NPLs on their balance sheets over time, without incurring additional capital charges.

Increased specialisation due to higher market rates...

In pace with the recent years’ rise in interest rates, several industrial players have reset their business models to increase focus on third-party servicing. Meanwhile, some financial investors have become more active in the NPL transaction market, having seen favourable risk-adjusted return potential compared with other investment alternatives. This increased specialisation has resulted in less and tighter competition in the NPL market.



...has also resulted in better price discipline

With higher interest rates and increased specialisation, syndicates of portfolio acquirers (e.g., industrial players and financial actors who have joined forces to bid for portfolios as a team) have become more common. This has resulted in greater price discipline in the market. Now that market rates have started to subside, we may see, over time, a return to more aggressive pricing. The increasing control and standardisation of the market may also result in a more stable and disciplined transaction market over time, from a historical perspective.

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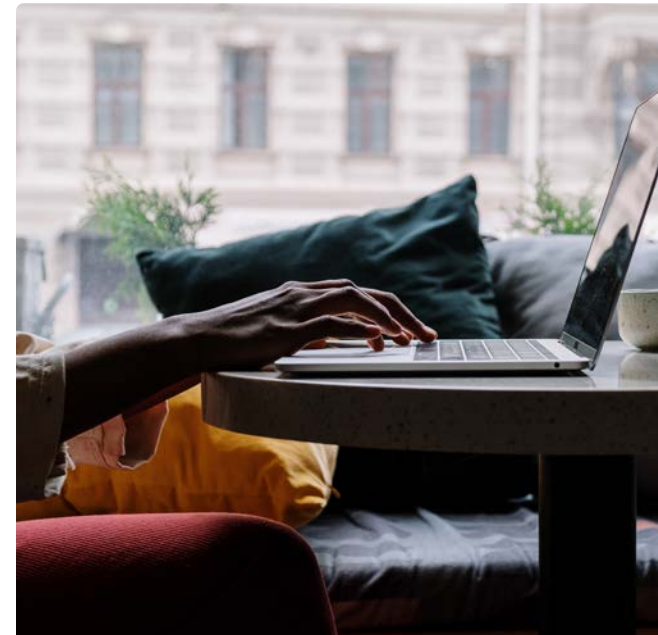
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Increased standardisation and control

The EU has implemented initiatives to increase transparency and control in the NPL market. To reduce information asymmetry between sellers and buyers, to simplify cross-country comparisons and to improve transparency, the European Banking Authority (EBA) has developed a template (the EBA NPL Data Template) that compiles information that sellers of NPL portfolios need to submit to interested buyers. Use of this template by banks and other sellers has been mandatory as from October 2023.



Greater focus on consumer protection

The EU's directive on credit servicers and credit purchasers is designed to promote the development of the NPL market while protecting borrowers' rights. The directive was meant to be enacted in national law prior to 2024, but implementation has been delayed in some member states. National legislation that has been enacted includes requirements for fair treatment of borrowers, including harassment-free communication and well-defined procedures for complaint management.



New technology, automation and robotics

New technology enables more efficient portfolio analysis and risk management. With AI and automation, large amounts of data can be analysed rapidly and efficiently, and previously unidentifiable patterns can produce insights that help better assess risks, while bringing costs down. In future, AI and robotics may also prove useful in enabling major cost savings and efficiency improvements in customer service and customer contact.



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Three pillars

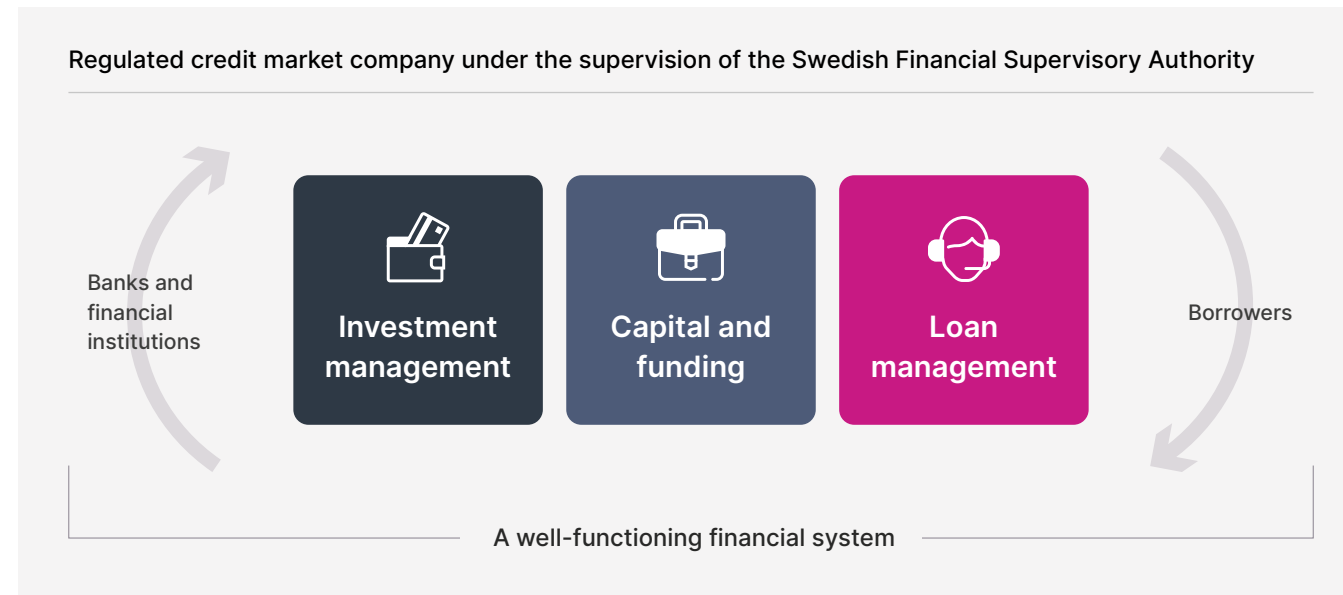
Value creation through three pillars

Hoist Finance's business can be divided into three pillars, with each pillar creating value and closely interacting through the different parts of the Group's value chain.

Investment management is where we acquire and manage loan portfolios on an ongoing basis, Capital and fundin is where we have gathered our expertise in capital, liquidity and financing – and Loan management is where we manage the ongoing contact

with borrowers. Hoist Finance also has Group-wide functions that manage and support the business. As a regulated credit market company under the supervision of the Swedish Financial Supervisory Authority, the structure is the same as that of a bank, with three lines of defence including dedicated functions for risk, compliance, data security, internal audit, etc.

Read more about our three pillars on the following pages.



Business ethics



Our corporate culture is based on our vision, mission and values and is governed by our Code of Conduct. The Code of Conduct guides us to engage in continuous and open dialogue with external stakeholders and to treat colleagues with dignity, integrity, respect and fairness.



Our corporate governance structure is fundamental in the efficient and effective governance and control of our operations and a well-balanced assignment of responsibilities, to ensure we have a systematic approach for upholding business ethics.



We have implemented a robust and centrally co-ordinated compliance-monitoring programme, which evaluates and assesses compliance with legal, regulatory and industry best practices, as well as our own stringent internal standards.

Read more about our corporate governance structure on pages 34–47 and about sustainability governance on pages 122–159.

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We strive to be their preferred partner and advisor when it comes to optimising balance sheets and restructuring non-performing loans.

Investment management

Hoist Finance invests in portfolios of secured and unsecured non-performing loans (NPLs) issued by banks and financial institutions. The underlying borrowers are either individuals or small businesses for which there is a personal guarantee or security in the company. Our investment management activities are responsible for identifying, analysing, valuing, pricing and – where relevant – selling loan portfolios.

Valuation and pricing

In all lending operations, a small proportion of loans become non-performing. A non-performing loan is a loan for which the probability of credit losses is deemed to be high, usually due to non-payment of interest.

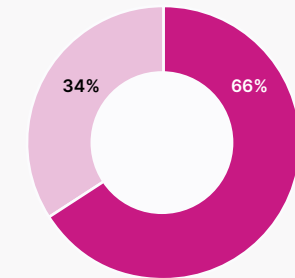
Hoist Finance is specialised in non-performing loans. When we buy NPL portfolios, the loans are already written down; the lending bank has already recognised the credit loss. We therefore acquire the loans at a significant discount compared with the loans' face value. The size of the discount depends on the type of loan and underlying assets. The discount is generally larger for unsecured loan portfolios (75–95 per cent) than for secured loan portfolios (40–75 per cent).

The valuation and pricing of loan portfolios is based on historical data and statistical models which we use to project future expected cash flows, often over a 10- or 15-year period. Hoist Finance has been in business for more than 25 years and has over time built up a large time series database from portfolio acquisitions and repayment capacity in various segments. We now have a comprehensive set of data points and tools that form the basis of our valuation analysis. This gives us a unique pricing capacity.

Our investment portfolio

Hoist Finance invests in two asset classes: unsecured consumer loans and secured consumer loans. Our total portfolio is further diversified over 13 European markets, between individual consumers and small businesses, and over time, since we buy portfolios on a regular basis over the business cycle. The portfolios we typically buy comprise a large number of underlying borrowers, with each individual loan representing a highly limited share of the total port-

Investment portfolio divided in two asset classes



Legend: ■ Secured ■ Unsecured

Characteristics

Secured	Unsecured
Borrower type	
Individuals, small and medium-sized enterprises	Individuals, small and micro-sized enterprises
Products	
Mortgage, leasing contracts, collateralised guaranteed business loans	Personal loans, credit cards, overdrafts, consumer finance loans
Purchase price by claim, % Gross book value	
25–60%	5–25%
Average book value per claim, SEK	
221,000–1,550,000	44,300–77,500
Average time to collect	
30–55 months	65–73 months

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folio. At year-end 2024 our average single loan exposure was SEK 73,000, our largest single risk exposure was SEK 61 million, and only a handful loans were over SEK 10 million. This can be compared with our total portfolio, which had a book value of SEK 31 billion at year-end 2024.

Over the past few years we have gradually replaced older, low-yielding portfolios with investments in new, higher-yielding portfolios, while also selling off all large individual exposures. As a result of this investment strategy, we now have a well-diversified portfolio with low, weighted risk and good profitability.


Secured and unsecured loans

Hoist Finance invests in two asset classes – secured and unsecured loans:



Secured loan

A loan for which the borrower pledges an asset as collateral, which reduces the level of risk as the collateral passes to the creditor in the event of default.



Unsecured loan

A loan issued and supported solely by the borrower’s creditworthiness without any underlying collateral.

Our investment organisation
 Hoist Finance’s investment management organisation is centrally managed, at Group level, by our Chief Investment Officer. The investment management team comprises valuation specialists who

collaborate closely with local country managers and their teams to manage the entire investment chain – from maintaining relationships with banks and other credit institutions and identifying potential portfolio acquisitions, through pricing and internal decision-making committees, to the regular monitoring of all portfolios. Hoist Finance also sells portfolios on a regular basis in cases where the market valuation of any individual portfolio is higher than our own. This process is also managed by the investment team.

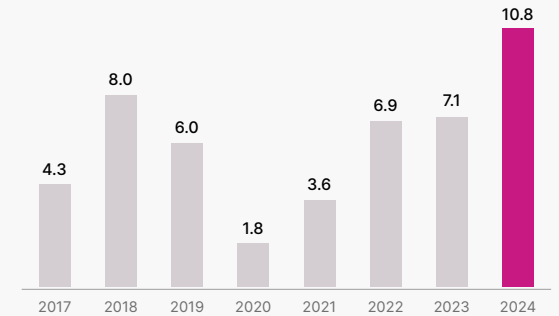
We have local investment specialists in all markets where we buy portfolios, working alongside the local loan management teams. This close collaboration between investment management and loan management is the foundation of Hoist Finance’s strong pricing capacity.

Business partners
 Hoist Finance works closely with leading banks across Europe. We strive to be their preferred partner and advisor when it comes to optimising balance sheets and restructuring non-performing loans.

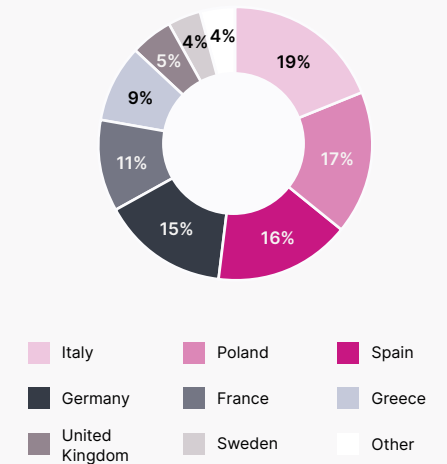
Investments during the year
 During 2024 we invested SEK 10.8 billion (7.1) and the total portfolio increased to SEK 30.7 billion at year end (24.3). Secured assets accounted for 34 per cent (30) of the total portfolio, and unsecured assets accounted for the remaining 66 per cent (70). During 2024 bilateral transactions accounted for approximately 10 per cent (15) of total share of transactions.

Active management
 We actively and regularly follow the performance of our acquired portfolios. Underperforming portfolios are identified, as are underperforming loans within a portfolio when necessary. Underperforming loans can be gathered into new portfolios or subsegments of an existing portfolio, in which case specific repayment strategy changes are developed. We can also choose to sell portfolios or portfolio subsegments.

Investment portfolio acquisitions (SEKbn)



Investment portfolio divided by country



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Interview with Fabien Klecha, Chief Investment Officer

Fabien Klecha is Hoist Finance' Chief Investment Officer (CIO). The Investment-team is responsible for sourcing, valuation, and pricing of new portfolios – as well as for the continuous portfolio management.

Hoist Finance is one of the leading NPL-investors in Europe today. What is key to continue to grow with profitability and reach the ambition of an investment portfolio of SEK 36 billion by 2026?

To manage growth effectively, we must remain disciplined. We have a clear and today well-proven strategy and high price discipline; we know what we look for in the markets and can effectively source deals on offer. Geographical expansion has been a focus area. With our flexible operating model, where we can outsource collections, we can be very opportunistic in our investments. Examples of this include this year, when we made our first investment in Portugal and last year, when we entered the Swedish market. Our portfolio is today highly diversified, across both asset classes and geographies, which supports steady and profitable growth.

Which were the main achievements of the Hoist Finance's investment team during 2024?

2024 was a record year for Hoist Finance in terms of investment levels, we invested a total of SEK 10,8 billion which is more than the Group has ever invested in a single year before. In addition, the portfolios that we acquired throughout the year have delivered strong performance, proving our strong pricing capabilities. I would also like to highlight the new investment partnerships that we have formed with co-investors during the year, which should strengthen our investment potential even further going forward.



2024 was a record year for Hoist Finance
in terms of investment levels.

How do you view the competitive situation in the European NPL-market today?

Competition in the European NPL-auctions remains high with many active players. The way I see it, competition is healthy, it challenges us and pushes us to constantly develop our models and fine-tune our processes. I believe our disciplined approach has been key to our success, as well as our flexible model where we both invest by ourselves and with strategic partners.

On transaction volumes in the European NPL-markets, we believe levels in 2025 will be similar to 2024. There is still a significant supply in the market, both in the primary and in the secondary market.

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Hoist Finance's funding is based primarily on deposits from the public via savings accounts, made possible by our status as a credit market company regulated by the Swedish Financial Supervisory Authority.

Capital and funding

Stable and competitive funding platform

Hoist Finance's funding strategy is centred on maintaining a sustainable, cost-effective and well-diversified funding structure while also maintaining a sound structural level of risk. Continuous access to funding is essential since we, as an acquisition-focused institution, often have fluctuating capital requirements. To minimise currency risks, assets and liabilities are matched in the same currency as far as possible. Diversification between various types of financing sources, currencies and financing instruments is prioritised, as is maintaining a high credit rating (we have a Baa2 rating from Moody's Ratings). Potential implications for our credit rating are considered when taking financial and business strategy decisions.

Hoist Finance's funding is based primarily on deposits from the public via savings accounts, made possible by our status as a credit market company regulated by the Swedish Financial Supervisory Authority. This is a stable, cost-effective and flexible source of funding, which we can control in real time. At year-end 2024, we had more than 149,000 savings customers in seven European countries. Each customer can save an amount up to the Swedish government deposit guarantee.

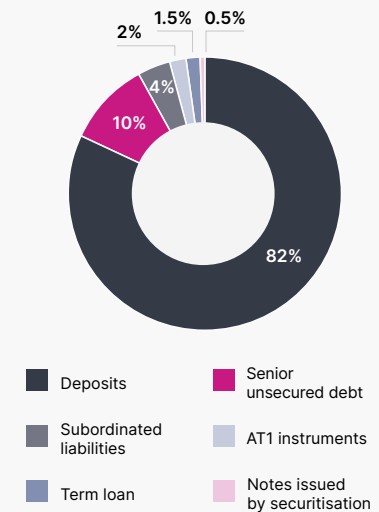
We supplement deposits from the public with capital market funding, regularly issuing various types of bonds.

In December 2024, our total interest-bearing debt amounted to SEK 47.1 billion (25.8). Deposits from the public, which accounted for 71 per cent (59) of total funding, totalled SEK 40.2 billion (20.2). Approximately 73 per cent (56) of the deposits are for fixed terms, and approximately 27 per cent (44) carry variable terms, meaning that savings customers can withdraw their deposits with three to five days' notice. Outstanding bond debt totalled SEK 7.0 billion (5.5) at year end.

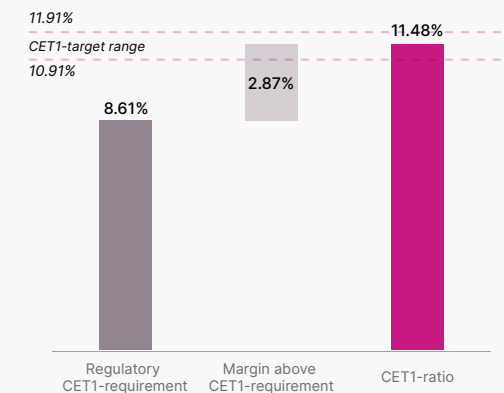
Liquidity buffer

Hoist Finance's liquidity is comprised of cash and cash equivalents invested in highly liquid covered bonds and government bonds with high credit ratings and low risk, and in bank accounts. The total liquidity buffer amounted to SEK 23,811 million (7,792) at year-end 2024. This sharp year-on-year increase was achieved in order to meet the qualification criterion for specialised debt restructurers of having a stable net funding ratio of over 130 per cent (read more on page 12 and 13).

Funding sources



CET1 ratio



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CET1 ratio

At year-end 2024, Hoist Finance's Common Equity Tier 1 (CET1) ratio at Group level was 11.48 per cent (13.89). The Swedish Financial Supervisory Authority's regulatory CET1 requirement was 8.61 per cent (8.20) at the same date. Our capital position in 2024 was affected primarily by balance sheet developments and by profit contribution. 2024 profit contribution to own funds increased the CET1 ratio by 3.43 per cent (2.13), while new portfolio acquisitions reduced the CET1 ratio by a total of 3.74 per cent (3.38).

Hedging

A majority of Hoist Finance's funding consists of deposits from the public, which are tied up for up to five years, and market borrowing in shorter-term paper. This creates an interest rate risk, which we manage with derivative hedges. Similarly, as a Swedish institution with SEK as its main currency, we are exposed to currency risk because we hold assets in EUR, GBP and PLN. We work to avoid these risks as far as possible by raising funding in multiple currencies (in addition to SEK, we also have deposits in EUR, GBP and PLN). The exchange rate exposure we do have is hedged through FX derivatives.

149,000
savings customers



SEK 40 billion
in total deposit balance
(approximately)

Interview with Ellen Jörfalk, HoistSpar

Ellen Jörfalk joined Hoist Finance in 2018 and has been responsible for HoistSpar for the past three years. HoistSpar offers competitive savings accounts, making it an attractive customer offering in itself while also serving as a stable, long-term, and flexible funding source for Hoist Finance.

What were the HoistSpar team's main achievements in 2024?

2024 has been a year of significant growth for HoistSpar. After 15 years on the market, we launched in Sweden in 2009, we took several important steps forward. We expanded from four to seven national markets, increased the number of savings customers from 92,000 to 149,000, and doubled deposits from the equivalent of SEK 20.2 billion to SEK 40.2 billion.

In 2024, HoistSpar was launched in three new markets: Ireland, the Netherlands, and Austria. Why did you choose to enter these specific countries?

Hoist Finance wanted to increase its EUR-denominated funding, and we saw strong growth opportunities in these three savings markets. As Hoist Finance's balance sheet grows, deposit volumes also need to increase. By expanding into new countries, we enhance our diversification on the funding side and reduce dependence on individual markets.

Why do savers in seven European countries choose HoistSpar?

Customers choose HoistSpar because we offer attractive interest rates and secure savings accounts, with every deposit covered by the Swedish deposit guarantee scheme. We also provide an easy and seamless digital savings experience, which many customers appreciate.



2024 has been a year of significant growth for HoistSpar.

HoistSpar is an important funding source for Hoist Finance. What are the advantages of funding through public deposits?

Through HoistSpar, Hoist Finance benefits from a lower funding cost compared to capital market financing. The deposit market also offers stability and security, and across our markets, there are significant funding volumes to tap into. HoistSpar provides savings accounts with various maturities, offering flexibility.

Additionally, HoistSpar enables currency matching on the asset side – for example, when Hoist Finance acquires portfolios in Italy, it is advantageous to raise funding directly in EUR.

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We achieve a high level of efficiency in our day-to-day loan management by collecting, segmenting and comparing large amounts of data.

Loan management

Ongoing support and guidance for borrowers

Hoist Finance has a decentralised loan management organisation, with local presence in all markets where we acquire portfolios. The organisation is divided into strategic and operational loan management. In strategic management, overarching plans are established, portfolios are segmented, repayment strategies are developed, portfolios are regularly monitored, etc. Strategic loan management is always handled in-house, by our own staff, in order to maintain control and ensure a high level of thoroughgoing quality. Operational loan management involves day-to-day contact with borrowers (e.g., ringing borrowers from call centres, loan agreement review with legal teams). Operational loan management can be carried in-house and by third parties. The method we use depends on the degree of specialisation required for the specific portfolio, the asset class acquired, the level of activity in each market, etc. It is often more cost-effective to have an in-house organisation in countries where we regularly acquire portfolios, and often more profitable to bring in help as needed in countries where we buy more sporadically.

Whether loan management is handled internally or by an external party, our strategic loan management organisation actively monitors portfolio and loan performance and, if necessary, promptly adjusts repayment strategies. We achieve a high level of efficiency in our day-to-day loan management by collecting, segmenting and comparing large amounts of data, and the underlying data also provides important input to the investment team for pricing new portfolios.

Focus on safe and stable borrower-oriented repayment plans

Hoist Finance focuses on developing safe and stable repayment plans in collaboration with each borrower. The goal is for every borrower to become debt-free. All repayment arrangements are structured based on specific internal guidelines that take into account applicable legal requirements in the local market.

Developing repayment plans in collaboration with the borrower involves having regard for each individual's personal circumstances.

This often results in smaller payments over a longer period. In cases where solution-oriented tools are not effective, Hoist Finance may turn to legal and court proceedings. We always strive to resolve every claim situation in agreement with the borrower without having to resort to legal proceedings. Legal proceedings include wage garnishment, sale of collateral, bankruptcy proceedings and debt restructuring. When we do need to pursue a legal course of action, our focus is on showing full consideration and respect for the borrower's situation and being fully transparent with them throughout the process.

Respect for each individual

Borrowers with overdue loans are often in financially vulnerable situations in which fair and ethical treatment, empathy, and understanding of the individual's situation are particularly important. All employees who have contact with borrowers receive training in listening and asking relevant questions in order to understand the borrower's perspective, all with the goal of developing a realistic and reasonable repayment plan. To ensure that borrowers' rights are respected, borrowers are also provided with information and tools for filing complaints and providing feedback as needed.

Our loan management process is designed with focus on the borrower



Treat each borrower with respect and dignity.



Purposeful and polite treatment, adopting a fair and reasonable approach in all dealings with borrowers.



The goal is for borrowers to become debt-free through safe and stable repayment plans

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Data analytics and automation

Optimising contact with borrowers at each stage of the repayment cycle is key to every repayment strategy. With over 25 years' experience in NPL loan management, Hoist Finance has developed an effective strategy in which a large amount of historical data on loans and borrowers lays the foundation for a customised repayment plan for each borrower. Several automated elements are integrated into the loan management process. Each borrower's situation is regularly reviewed to ensure that the right strategy is being applied in every case.

Measuring the borrower experience

A prerequisite for delivering on our loan management strategy is that we understand and build trust with borrowers. We continuously measure how borrowers perceive the contact and support they receive from Hoist Finance. These measurements are conducted both in markets where we handle servicing ourselves, and in markets where we outsource servicing to third parties. In the 2024 survey, seven of our markets were included and the 8,495 borrowers who responded rated their experience of Hoist Finance on average as 4.25 (4.22) on a scale of 1–5.

Interview with Sarah Salmona, Managing Director, Greece

Hoist Finance has been operating in the Greek NPL-market since 2017. Sarah Salmona was appointed Managing Director for Hoist Finance Greece in 2018, and has played a key role in building-up and run the local business ever since.

Looking back on your years as Managing Director, what do you think has been crucial in building a successful and profitable business in Greece?

It has been active and intensive years indeed! A key success factor has been to build up routines and intelligence where we gather and leverage on data to drive investment- and business decisions, allowing Hoist Finance to price effectively, anticipate trends and adapt swiftly to market developments. Additionally, third-party relationship management has been crucial, we have continuously worked to fine-tune our set-up for constant improvements. We have a quite small team but collaborate closely with several outsourcing partners, which ensures operational efficiency and flexibility.

Data collection allows Hoist Finance to price efficiently, anticipate trends and adapt quickly to market developments.

Which were the main achievements for Hoist Finance in Greece during 2024?

2024 was a strong year where we delivered solid performance. We successfully acquired a large portfolio in the first quarter, which we then focused on onboarding. We have also continued our efforts to improve processes and foster a culture of innovation and collaboration. It is rewarding to see such high levels of employee engagement here in the office; I believe that a team with high satisfaction levels will be a team that performs.



Greece was the first market where Hoist Finance chose to outsource its loan management activities. Why did they choose to do so?

That is correct, Hoist Finance has outsourced operational collections in Greece since the very beginning. Greece's servicing industry is highly regulated, providing us good access to high-quality outsourcing partners. Setting up internal collection units would require significant investments and result in a higher level of running regulatory costs. Outsourcing ensures flexibility, cost efficiency and allows Hoist Finance in Greece to focus on portfolio investments and asset management. This approach has proved highly successful here and Hoist Finance today runs the same model in several other national markets.



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An attractive employer

Hoist Finance strives to be the best employer in the industry. We are proud of our entrepreneurial, open culture, and we recognise our employees as our most important asset. We focus on offering a safe and secure work environment where we have fun together, are productive, and work to achieve the same goals and vision. We want every employee to feel a sense of belonging, have their voice heard, be respected, be offered development opportunities, and enjoy a good work-life balance.

Our HR strategy

Our employees are essential to delivering on our business strategy and becoming Europe's leading NPL asset manager. To support us in achieving our goals, our HR organisation focuses on four key areas. Initiatives in each area are implemented at both the Group level and in local markets.

Hoist Finance conducts annual employee surveys that cover areas such as leadership, culture and opportunities for professional development. The survey includes a leadership index and eNPS scale, providing us with important insights for our future development.

Leadership

Guiding principle: our leaders are daring and prestigeless – with a focus to inspire, communicate, listen and lead by example.

Hoist Finance has a decentralised organisation. Leadership in each national market and within each function is crucial for ensuring understanding of our strategy and vision, standardised working practices and a common culture. We endeavour to bring our managers together on a regular basis, with monthly Executive Management Team meetings, regular local management group meetings in each market and within each central function, as well as annual management conferences for and with both levels. Focus in 2024 was on value-based leadership driven by curiosity, courage and a hands-on approach.

Culture

We operate in thirteen countries, and in many of these we have more than one office. Unifying the Group requires a strong company culture. This culture naturally has local elements, but is based on shared core values. We work on a continuous basis to strengthen our culture with initiatives on the groupwide intranet and with local activities.

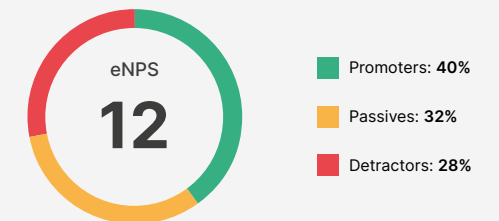
Number of employees (full-time equivalent)

2024	1,102
2023	1,280
2022	1,304

Employees Net Promoter Score (eNPS)

Feedback of employees and managers 2024

How likely are you to recommend Hoist Finance as an employer?



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Talent and expertise

Hoist Finance's identity and strategy set us apart from other market players. In combination with a growing business and an open, international organisation, this provides excellent opportunities for ambitious employees to develop and grow professionally. We focus on supporting each employee in their development with a personal development plan, which is followed up on a regular basis. We offer internal training and external training opportunities, and we prefer to fill vacancies with internal candidates whenever possible.

Data, key performance indicators and governance

We have established detailed KPIs for employee satisfaction, professional development and leadership, and we continuously measure our performance to ensure constant improvement and rapid identification and management of problems. HR is becoming increasingly regulated in Europe, and the need to collect data on job roles, areas of responsibility and remuneration levels will increase in coming years.

Interview with Katarina Meyer, Chief People Officer

Katarina Meyer has been with Hoist Finance since 2015 and took on the role of Chief People Officer in 2022. In Hoist Finance's decentralized organization, her role is about balancing group-wide initiatives with local needs and creating a coherent HR strategy that benefits the entire business.

Hoist Finance has undergone both strategic and organizational changes in recent years. How has this affected the company as an employer?

In times of change, a dedicated HR organization is needed more than ever. As part of Hoist Finance's strategic transformation, we have also reviewed our skills needs and how they will evolve moving forward. We are actively working to attract and develop talent. In our flat organization, both managers and employees are given a great deal of freedom and responsibility, which makes the organization agile and adaptable.

What does the People team do to make employees enjoy going to work?

I see it as the People team's task to create the best possible conditions for our employees to perform well and continuously grow with the organization. By consistently working on strategic HR initiatives, we create a workplace where employees feel supported, motivated, and included. A key focus recently has been finding the right balance for hybrid working. We maintain a strong presence in our offices, which we see as a positive contributor to our culture and sense of community. At the same time, we offer flexibility through remote work.



As part of Hoist Finance's strategic transformation, we have also reviewed our skills needs and how they will evolve moving forward.

You have been with Hoist Finance for nine years. Why have you chosen to stay?

It's a great place to work! We have a strong sense of community. There is a broad range of expertise, and we have colleagues in multiple countries, creating a dynamic work environment where I feel I develop every day. We also have short decision-making paths, making it easy to take initiative and bring new ideas to life. I also appreciate our mission and purpose—we play an important role in the financial ecosystem, which makes the work meaningful.

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Our share

The Hoist Finance share has been listed on Nasdaq Stockholm since 2015. The Company's market capitalisation was SEK 8,204 million based on the last price paid on 30 December 2024, which was SEK 90.30 per share.

Trading

A total of 114 million (82) Hoist Finance shares were traded in 2024 in all marketplaces, with an average daily trading volume of 453,733 (327,689) shares. Nasdaq accounted for 37.7 per cent (53.8) of the total trading in Hoist Finance shares. Hoist Finance's share price increased 143 per cent in 2024, while the total OMX Stockholm PI index increased 6 per cent. The highest price quoted during the year was SEK 103.80, on 29 October, and the lowest price was SEK 33.60, on 22 January.

Share capital

The total number of Hoist Finance shares outstanding at year-end was 90,854,997. Each share has a nominal value of SEK 0.33, and total share capital amounts to SEK 30,284,999. Hoist Finance's share capital derives from one type of share. Each share carries the same voting rights and the same right to dividends. There is no provision in Hoist Finance's Articles of Association that limits the right to transfer shares, or any voting right restrictions as to how many votes a shareholder may exercise at a shareholders' meeting. Hoist Finance issued 1,551,997 shares in 2024 and the Company held 3,432,391 own shares at year-end 2024. Hoist Finance is unaware of any agreement between shareholders that may entail restrictions on the right to transfer shares in the Company.

Hoist Finance share data 2024

		Shareholder	Share of capital and votes, %
Ticker	HOFI	Per Arwidsson with related parties	22.1
ISIN code	SE0006887063	Erik Selin	20.7
Total turnover, SEKm	7,961	Jofam	5.3
Total turnover, number of shares	113,887,098	Svea Bank AB	5.0
Daily average turnover, SEKm	31.2	Handelsbanken Fonder	4.2
Daily average turnover, number of shares	453,733	Hoist Finance AB (publ)	3.8
Average daily turnover velocity, %	0.50	Avanza Pension	3.6
Turnover calculated as per number of shares on Nasdaq, %	37.74	Dimensional Fund Advisors	2.0
Lowest price, SEK	33.60	Carnegie Fonder	1.6
Highest price, SEK	103.80	Nordnet Pensionsförsäkring	1.4

Source: Modular Finance AB.

Largest shareholders, 31 December 2024

Shareholder	Share of capital and votes, %
Per Arwidsson with related parties	22.1
Erik Selin	20.7
Jofam	5.3
Svea Bank AB	5.0
Handelsbanken Fonder	4.2
Hoist Finance AB (publ)	3.8
Avanza Pension	3.6
Dimensional Fund Advisors	2.0
Carnegie Fonder	1.6
Nordnet Pensionsförsäkring	1.4
Total 10 largest shareholders	69.8
Others	30.2
Total	100.0

Source: Modular Finance AB.

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Ownership structure

Hoist Finance had 6,504 (6,303) shareholders at year-end 2024. Approximately 17.4 per cent (13.5) of the shares were registered to foreign accounts. The 15 largest individual shareholders represented 74.3 per cent (74.1) of the share capital.

Ownership structure, 31 December 2024

No. of shares	Number of shareholders	Holding %
1 – 500	5,030	0.65
501 – 1,000	700	0.62
1,001 – 5,000	779	2.08
5,001 – 10,000	135	1.10
10,001 – 15,000	52	0.73
15,001 – 20,000	29	0.59
20,001 –	146	87.63
Breakdown unknown	0	6.59
Total	6,871	100.00

Source: Modular Finance AB.

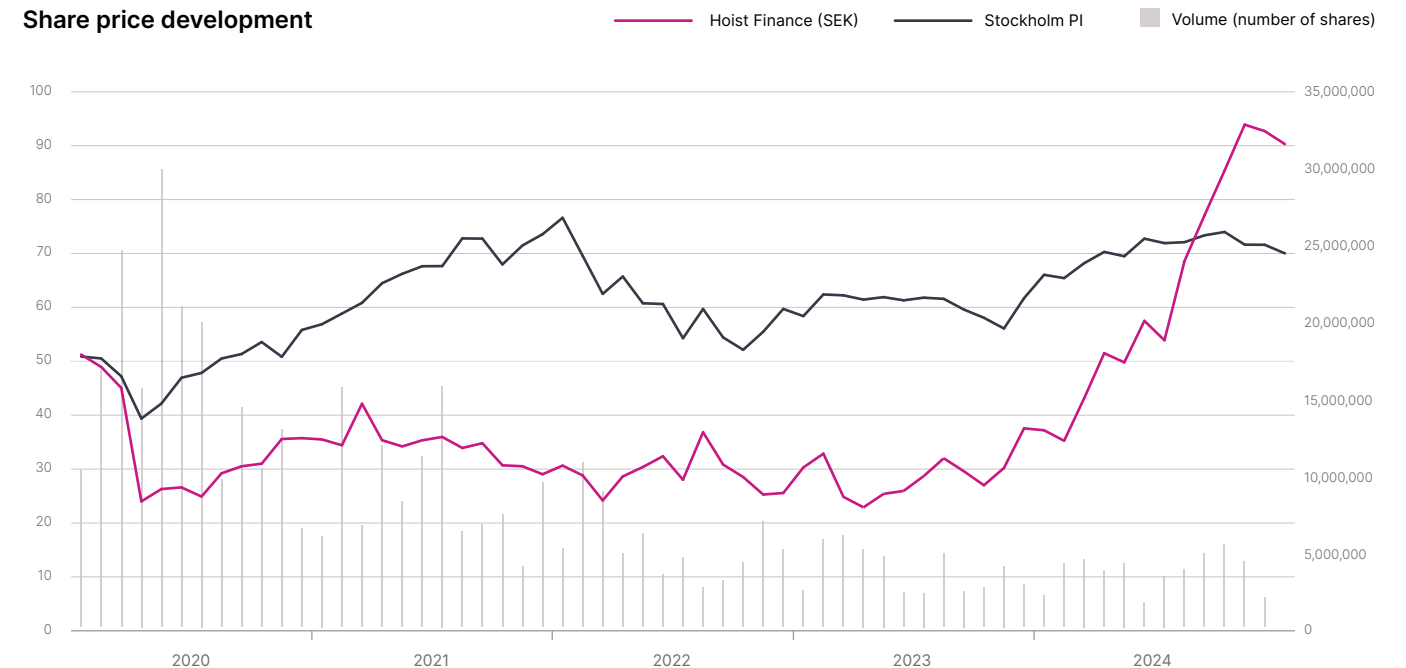
Dividend

Hoist Finance's dividend policy stipulates that the Company shall pay a dividend corresponding to 25–30 per cent of the Group's annual net profit over the long term. The dividend is to be determined annually, taking into account the Company's and Group's capital targets and the outlook for profitable growth. The Board proposes a dividend of SEK 2 per share for financial year 2024.

Share buyback programmes

The Company carried out two share buyback programmes in 2024 as authorised by the AGMs of 10 May 2023 and 7 May 2024, respectively. The buyback programmes were designed to adjust the Company's capital structure and thereby provide greater value for Hoist Finance's shareholders. The intention is to cancel the repurchased shares based on resolutions taken by future AGMs. Hoist Finance repurchased 3,432,391 shares in 2024, corresponding to a total transaction value of SEK 199,933,405.

Share price development



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Risk management

Hoist Finance's core business is to acquire and manage loan portfolios, and we are accordingly exposed to credit risk. Being a regulated credit market company under the supervision of the Swedish Financial Supervisory Authority (SFSA) places great demands for a solid understanding and management of all the risks to which the Group is, or can be presumed to be, exposed.

Risk management framework

Risk management objectives at Hoist Finance are to:

- » support the achievement of strategic and tactical business objectives,
- » increase awareness of the company's complete risk profile through the identification, analysis, measurement, control and reporting of risks,
- » facilitate and ensure efficient and effective operations, and
- » secure the company's survival by maintaining adequate and appropriate capital and liquidity levels.

This creates and maintains confidence in Hoist Finance amongst its owners and other investors, borrowers, savings customers, bank partners and financial institutions, employees and society at large. To fulfil the risk management objectives, the Board of Directors has adopted policies and strategies for the identification, measurement, mitigation, reporting and monitoring of risks in day-to-day operations, which together comprise Hoist Finance's risk management framework.

Hoist Finance's core business strategy is to generate returns through controlled exposure to credit risk in the form of acquired

loan portfolios comprised of non-performing consumer loans. In doing so, we actively and continuously take on credit risk. Other types of risk, such as operational risk and market risk, are undesirable but unavoidable in conducting our business. These risks are minimised as far as economically justifiable. Risk capacity, comprised of capital and liquidity buffers, is set in place to ensure the company's survival.

The difference between actual capital levels and regulatory minimum levels demonstrates our capacity to absorb losses before critical levels are reached. Liquidity risk capacity is the scale of the liquidity outflow Hoist Finance can accommodate without breaching regulatory minimum requirements.

The Board of Directors establishes our risk appetite within the available risk capacity. By weighing potential returns against risks, the Board decides on an appropriate risk and return level for Hoist Finance. Our risk appetite then provides the basis for business decisions and risk limits, which are applied in day-to-day business activities and in risk monitoring. Continuous monitoring performed by the Group's Risk Control function ensures we do not assume any risks that exceed the established risk appetite, risk capacity and/or risk limits.

Three lines of defence

Hoist Finance's risk management allocates roles and responsibilities in accordance with the three lines of defence model, described in the Corporate Governance Report on pages 34–47.

Risk culture

A sound risk culture is essential for maintaining effective risk management. Structured efforts are therefore taken to support and promote a sound risk culture within Hoist Finance. We define a sound risk culture as:

- » **Transparency**, where information is shared as far as possible and all communication and feedback is clear, concise and constructive,
- » **Teamwork**, where the atmosphere is open and it is easy to share and learn from experience, from successes as well as failures,
- » **Balance between risk and reward**, where all decisions and considerations take into account both the risk and probable rewards/other benefits that the decision entails and/or can be presumed to entail. We believe that constructive discussions on risk and reward are essential in all decision-making, and
- » **Effective incident management**, where incidents are identified, reported, analysed and actions taken to mitigate the risk of recurrence as far as economically justifiable, and where a sound and formative risk culture promotes learning from mistakes to continuously improve.

Promoting a balanced risk culture is a long-term and continuous endeavour that underlies everything we do. Internal rules, remuneration systems and incentives, ethical guidelines, formal educational initiatives and other governing mechanisms within the Group are designed to safeguard the risk culture. We also endeavour to continuously improve our risk culture.

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Security management

Our security management focuses on protecting our customer data and business-critical information. We have seen a dramatic increase in the number of cyberattacks against the financial sector in recent years, and the tools and approaches used by criminals are becoming more and more sophisticated. Regulatory requirements for information security in the financial industry are stringent and will be further developed in coming years.

Hoist Finance has implemented security measures that are regularly evaluated for effectiveness in mitigating ICT and security risks. The Board of Directors and Executive Management Team (EMT) are continuously engaged in the work with information security. KPIs in this area and follow-ups of any incidents or special projects are reported to the Board and the EMT on a quarterly basis. Security is handled in all three lines of defence, with the first layer focused on operations, the second on reviews and monitoring, and the third on internal audits. An important aspect of security management is having a high level of security awareness amongst our employees, and our people are regularly trained and tested. Besides protecting our business, our borrowers and our savings customers, we also want to contribute to a stable and secure financial market.

ESG integrated into risk management

ESG (Environmental, Social, Governance) factors refer to environmental, social and/or governance factors that may directly or indirectly pose risks. For Hoist Finance, this may include credit and operational risks. ESG factors are integrated and managed in Hoist Finance's regular risk management process. Read more in our sustainability reports on pages 122–159.

Risk exposure

The risks to which Hoist Finance is exposed can be divided into two groups: strategic risks relating to Hoist Finance in the context of its macro environment, and business-related risks which are more closely linked to Hoist Finance's financial and operational activities (see table on the right).

	Risk type	Risk profile	Risk management
Strategic risks	Competition – the risk of increased competition in acquiring loan portfolios and/or in offering savings accounts to the public could result in lower margins for Hoist Finance.	Hoist Finance operates in several European countries and is also active in a range of segments in each offer category.	Hoist Finance strives to be competitive in several geographical markets and in several subsegments to ensure a diversified risk profile.
	Regulatory framework – the risk of new regulations having a negative impact on Hoist Finance's business model and/or profitability.	As a credit market company, Hoist Finance is regulated by the Swedish FSA and subject to Swedish banking regulations. As an EU Member State, Sweden is also subject to EU-level directives and regulations.	Hoist Finance has an internal Compliance function, a Legal function, and Risk and Finance functions, all of which have extensive legal expertise. Future regulations, along with discussions on relevant regulations at the political level, are continuously monitored from a risk management perspective.
	Tax – the risk that new or substantially altered products have not been properly assessed from a VAT or income tax perspective. The risk that appropriate processes are not in place, resulting in improper management of income tax and VAT. The risk that Hoist Finance will take over unknown tax liabilities in acquired companies.	Hoist Finance operates and acquires NPL portfolios in a large number of jurisdictions in Europe. Ownership of these portfolios differs somewhat between markets; in some cases, portfolios are held in specialised structures. This creates complexity in terms of taxes.	Hoist Finance works continuously to ensure a sustainable structure and clear processes for the management of tax and VAT issues, including analysis of new tax regulations and their impact on the Group.
Business-related financial risks	Credit risk – the risk of loss due to debtors' failure to repay their debts or otherwise failing to perform as agreed.	Credit risk pertains mainly to acquired NPL portfolios and the risk that repayments on these will be lower than forecasted. Other credit risk exposures include: (i) cash deposits with banks; (ii) investments in interest-bearing instruments; and (iii) counterparty risk related to hedging FX and interest rate risk (hedging via derivative instruments).	Credit risk in acquired loan portfolios is monitored, analysed and controlled on an ongoing basis, a process driven centrally by the Group's Finance and Risk functions in close collaboration with the groupwide investment organisation and each country management team. Other credit risks are also analysed and managed by the Group's Finance and Risk functions.
	Market risk – the risk that market movements, particularly in exchange rates and interest rates, have a negative impact on the Group's outstanding positions.	Hoist Finance is exposed to currency risk due to the fact that the Group regularly purchases loan portfolios in EUR, PLN, GBP and other currencies, while the Group's reporting currency and a large part of its liabilities are in SEK. The Group is also exposed to interest rate risk as it borrows via the capital markets, and bond rates can fluctuate widely. Deposits from the public are also impacted by market interest rates. In general, the Group's assets have longer maturities than its liabilities.	Market risks are monitored and managed continuously by the Group's Treasury function. Exchange rate risk is minimised by borrowing as much as possible in the same currency in which portfolios are purchased (matching assets and liabilities in terms of currency). Both currency and interest rate risks are hedged through the purchase of currency and interest rate derivatives.
	Liquidity risk – the risk of the Group having difficulties in obtaining funding and thus being unable to fulfil payment obligations at a reasonable or expected cost.	Liquidity risk is linked primarily to deposits from the public and the risk of large withdrawals occurring at short notice. Increased requirements for funds pledged as collateral for derivative positions, and refinancing risk associated with existing market funding, could also potentially have a negative impact on liquidity.	Hoist Finance works actively to diversify its funding sources and maintains a significant liquidity reserve to cover potential liquidity situations. The majority of our funding comes from deposits from the public (nearly all of which are covered by the government deposit guarantee scheme) which, over time, has historically been a very stable source of funding.
	Operational risk – the risk of loss resulting from inadequate or failed internal processes, personnel, IT systems or from external events such as legal and compliance risk.	There are operational risks in everything we do. Typical examples in our business include problems with IT systems or data causing processes to fail or tasks to remain uncompleted. The operational risk category is expanding dramatically due to its increased connection to ESG factors such as pandemics, climate change and economic inclusion. The operational risk framework is being updated accordingly.	The operational risk framework is implemented in order to analyse, control, report and mitigate the operational risks to which Hoist Finance is exposed.

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Administration Report

Business overview

Hoist Finance AB (publ), corporate identity number 556012-8489, is the Parent Company within the Hoist Finance Group, registered in Stockholm, Sweden. Hoist Finance is a registered credit market company under the supervision of the Swedish Financial Supervisory Authority.

Hoist Finance is a leading European asset manager of non-performing loans, with loan acquisition and management operations in thirteen countries across Europe. For over 20 years, the Group's core business has been the acquisition of non-performing loans (NPLs) originated by large international banks and other financial institutions with whom Hoist Finance has strong and long-term relationships. Since 2018, the strategy has included acquisition of secured NPLs and, to some extent, acquisition of performing loans.

After purchasing an NPL portfolio, Hoist Finance's primary method of collecting from its borrowers is through sustainable payment plan agreements. Most of Hoist Finance's recovery activities for its acquired portfolios are managed through its service centres across Europe, supplemented by carefully selected external debt recovery partners. For over 20 years, the Group has focused exclusively on the acquisition of NPL portfolios. This distinguishes Hoist Finance from many of its competitors, which have evolved from being solely collection companies (i.e., collecting on behalf of a third party) and, therefore, have significantly shorter histories in acquiring claims.

The Group's long-term focus and flexible and customised product offering has allowed Hoist Finance to build up expertise in structuring and executing complex transactions.

The market

Hoist Finance's geographic focus is Europe. The Group has acquired loan portfolios in Belgium, Cyprus, France, Greece, Italy, the Netherlands, Poland, Spain, the UK, Sweden, Germany, Austria and Portugal. By selling their NPLs, banks and other originators can focus on their core business, free up capital, improve liquidity and improve key performance indicators.

The European NPL market has grown in recent years, mainly as a result of the underlying market expansion of the consumer credit market and the new capital adequacy (Basel III) regulations, as well as the regulation for minimum loss coverage for non-performing exposures ("NPL prudential backstop") that took effect in 2019. For further information on the NPL prudential backstop, see the "Development of Risks" section in the Administration Report, and Note 35 "Risk management". Hoist Finance's main competitors include debt acquisition and collection companies, integrated players offering a wide range of financial services, and specialised investors.

Group structure and ownership

Hoist Finance was listed on the Nasdaq Stockholm Mid Cap list on 25 March 2015. At 30 December 2024, the number of shares totalled 87,422,606 and the share price closed at SEK 90.30, corresponding to a market capitalisation of SEK 7,894m. See Hoist Finance's website, www.hoistfinance.com, for additional information on the share and shareholders. The Articles of Association do not include any restrictions on the negotiability of the shares and there are no other circumstances that require disclosure under Chapter 6, 2a § 3–11 of the Swedish Annual Accounts Act.

Hoist Finance together with a number of subsidiaries acquire and hold loan portfolios for the Group. Day-to-day collection operations are mostly run by local branch offices and subsidiaries. Some of these companies also provide commission-based administration services to third parties. The Polish and UK branch offices provide services within the Hoist Finance Group. Note 20 "Shares and Participations in Subsidiaries" provides details on the Hoist Finance Group and its key subsidiaries and branch offices as of 31 December 2024.

Proposed Dividend

The Board of Directors proposes that the 2025 AGM approve the distribution of a dividend of SEK 2.00 per share. The proposed total dividend amounts to SEK 174.8m calculated on the total number of issued shares as of 31 December 2024 excluding own shares.

The proposed record date for the dividend is 12 May 2025 and the dividend is expected to be paid on 15 May 2025.

Proposed appropriation of profits

According to the Parent Company's balance sheet, the following unappropriated earnings are at the disposal of the Annual General Meeting:	SEK
Share premium	1,968,774,287
Reserves	-23,233,065
Retained earnings	1,683,827,622
Profit/loss for the year	1,314,694,174
Total	4,944,063,017
The Board of Directors proposes that unappropriated earnings be distributed as follows:	SEK
Dividend to shareholders, SEK 2.00 per share	174,845,212
To be carried forward	4,769,217,805
Total	4,944,063,017

The assessment of the Board of Directors is that the proposed dividend is justifiable given the demands that are imposed due to the nature, scope and risks associated with the business and the Group's business on the size of the parent company's and the Group's equity as well as on the parent company's and the Group's balance sheets, liquidity and financial position.

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Key events during the year

- » Total portfolio investments of SEK 10.8 billion during the year, a record level for the Group, resulting in a total investments portfolio of SEK 30.7 billion at year-end.
- » Acquired the first portfolio in Portugal, opening Hoist Finance's thirteenth market.
- » Continued strong collection performance at 105 per cent, reflecting a healthy book.
- » Launched savings offering in Austria and Ireland, further diversifying the deposit funding base, today offering the general public in seven European countries savings accounts.
- » Moody's Ratings upgraded Hoist Finance to Baa2, from Baa3.
- » Issued a total of SEK 4.2bn bonds in the Swedish primary market.
- » Two repurchase programmes completed, with a total of 3,432,291 shares repurchased.
- » Postponed notification as Specialised Debt Restructurer¹⁾ due to regulatory uncertainty. In the meantime, Hoist Finance continue as before, executing on its strategy with focus on profitable growth.

Development during the financial year

Unless otherwise indicated, all comparative market, financial and operational information refers to 2023 financial year.

Operating income

Operating income totalled SEK 4,392m (3,495) during the year, an increase of 26 per cent. The change is mainly attributable to interest income from a larger loan portfolio, higher yield levels in the loan portfolios and to revenues from the larger liquidity portfolio as compared with the comparative period.

Interest income from acquired loan portfolios increased 30 per cent to SEK 4,523m (3,469) and interest expense amounted to SEK -1,428m (-829), with the increase attributable to a growing portfolio book and higher interest on deposits to meet the criteria

for SDR¹⁾ qualification. Income from interest-bearing securities at fair value, which pertain to Hoist Finance's share of co-investments recognised as notes in structured entities, totalled SEK 45m (-). Interest income from interest-bearing securities for the fourth quarter was reported at fair value through other comprehensive income, which was positively impacted by the returns on the expanding liquidity portfolio, totalled SEK 161m. Other interest income, where income from the liquidity portfolio was reported in previous quarters, totalled SEK 266m (176). Net interest income totalled SEK 3,567m (2,816).

The collection rate was 105 per cent for the year and collections against projections totalled SEK 1,144m (684). Portfolio revaluations amounted to SEK -617m (-327), of which timing effects¹⁾ of SEK -776m (-341) are due mainly to collections received earlier than expected, which can fluctuate between periods.

Net result from financial transactions totalled SEK 4m (117), of which SEK 21m is attributable to changes in the value of interest-bearing securities at fair value, which pertains to notes in structured entities. The decrease compared with last year was also driven by exchange rate fluctuations, which resulted in changes in the market value of FX hedging contracts. During the year Hoist Finance implemented hedge accounting for net investments in foreign operations for exposures in EUR, in addition to exposures in GBP and PLN for which hedge accounting has been previously implemented. The change in the fair value of the expanded liquidity portfolio was reported in other comprehensive income.

Other operating income totalled SEK 219m (102), with the increase attributable to gains from the disposal of portfolio holdings in Italy, Germany and Spain and to the sale of fixed assets in Spain.

Operating expenses

Operating expenses totalled SEK -3,099m (-2,763). The increase in operating expenses was driven by the larger total portfolio book, which increased operating income by 26 per cent and expenses by 12 per cent. Adjusted for items affecting comparability in 2023, the

cost increase is 19 per cent. Increased portfolio acquisitions during the year affected interest income from acquired loan portfolios, as well as collection costs which totalled SEK -1,279m (-1,018), of which legal collection costs totalled SEK -481m (-403). The increase in collection costs was driven by the larger portfolio as compared with last year. Legal collection costs are expected to contribute positively to earnings in coming years.

Administrative expenses increased during the period to SEK -738m (-688). Internal IT services were insourced during the year with the aim of creating future cost savings, which resulted in non-recurring expenses of SEK 30m. Project and restructuring costs were also incurred during the year, as well as costs associated with disposal of portfolio holdings in Spain totalled SEK 62m.

Net profit for the period

Net profit from participations in joint ventures amounted to SEK 7m (114). Income tax expense for the period totalled SEK -287m (-183). The effective tax rate was 22.1 per cent (21.6). The year-on-year increase is attributable, among other things, to intra-group restructuring conducted in 2024 as a result of which the Group's Polish funds are now directly owned by the Parent Company rather than via subsidiaries, and to an increased provision for tax risk attributable to an audit on transfer pricing in respect of the funds. Mitigating effects have been achieved by utilising recognised deferred tax assets related to previous years' losses in Spain and deductible foreign taxes. Net profit for the period totalled SEK 1,013m (663).

Return on shareholders' equity was 17 per cent (11) during the period.

¹⁾ See Definitions

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Balance sheet

SEK m	2024	2023	Change %
Cash and interest-bearing securities ¹⁾	24,850	8,066	>100
Portfolio book value	29,920	24,288	23
Value change of interest rate hedging items in portfolio hedging	224	239	-6
Other assets	1,940	1,430	36
Total assets	56,934	34,023	67
Deposits from the public	40,190	20,238	99
Debt securities issued	5,023	4,649	8
Subordinated debt	1,934	900	>100
Total interest-bearing liabilities	47,147	25,787	83
Other liabilities ²⁾	3,082	2,315	33
Equity	6,705	5,921	13
Total liabilities and equity	56,934	34,023	67

1) Of which SEK 784m (-) is attributable to co-investments

2) This item does not correspond to an item of the same designation in the balance sheet, but to several corresponding items

Total assets, have increased from 31 December 2023, totalled SEK 56,934m (34,023). Cash and cash equivalents and interest-bearing securities and portfolio carrying increased by SEK 16,784m to SEK 24,850m (8,066) of which SEK 784 million (-) consisted of co-investments. Portfolio book value increased by SEK 5,632m to SEK 29,920m (24,288). Other assets have increased by SEK 510m.

Total interest-bearing debt amounted to SEK 47,147m (25,787). In Sweden, deposits from the public amounted to SEK 9,882m (5,893), of which SEK 4,280m (2,054) is attributable to fixed term deposits of one to three-year duration. Deposits from the public in Germany, Netherlands, Ireland and Austria totalled SEK 27,951m (12,909), of which SEK 24,351m (9,200) is attributable to fixed term deposits of one to five-year duration. Deposits from the public in the UK totalled SEK 1,663m (1,434), of which SEK 70m (110) is attributable to fixed term deposits of one to five-year duration. Deposits from the public in Poland totalled SEK 694m (1), of which SEK 694m (1) is attributable to fixed term deposits up to one year.

As of 31 December 2024, the outstanding bond debt totalled SEK 6,957m (5,549), of which SEK 5,023m (4,649) was comprised of senior unsecured liabilities.

Other liabilities totalled SEK 3,082m (2,315). Equity totalled SEK 6,705m (5,921).

Total investment portfolio

SEK m	2024	2023	Change %
Investment portfolio acquisitions	10,772	7,089	52
of which loan portfolios	10,143	7,089	43
of which co-investments	629	-	n/a
Total investment portfolio	30,704	24,288	26
of which loan portfolios	29,920	24,288	23
of which co-investments	784	-	n/a

In 2024, the acquisition level of portfolios has increased in comparison to 2023, driven by a focused investment strategy that resulted in a larger size of investments, more bilateral transactions and a higher proportion of secured portfolios. The total acquisition volume in 2024 amounted to SEK 10,772 m (7,089). The book value of the total investment portfolio amounted to SEK 30,704 m (24,288) as of December 31, 2024, an increase of SEK 6,416m since 2023.

Cash flow

SEK m	2024	2023	Change %
Cash flow from operating activities	5,808	4,402	32
Cash flow from investing activities	-18,083	-3,617	>100
Cash flow from financing activities	20,057	572	>100
Cash flow for the year	7,782	1,357	>100

Cash flow from operating activities totalled SEK 5,808m, as compared with SEK 4,402m during the 2023 comparative period. Amortisation of acquired loan portfolios totalled SEK 5,006m (4,101). In addition, changes in other assets and liabilities amounted to SEK 363m (296).

Cash flow from investing activities totalled SEK -18,083m (-3,617), with portfolio acquisition activity totalling SEK -10,143m (-7,089). During the period, investments in the liquidity portfolio were made with SEK -14,329m (-101) and divestments corresponding to SEK 5,526m (2,361).

Cash flow from financing activities totalled SEK 20,057m (572). Net inflow from deposits from the public totalled SEK 19,028m (1,724), where the increase was mainly driven by deposits in Germany, the Dutch market, newly opened during the year, and Sweden. During the period, the inflow of debt securities issued amounted to SEK 4,209m (1,813) and re-purchases mounted to SEK -2,886m (-2,628).

Total cash flow for the period amounted to SEK 7,782m, as compared with SEK 1,357m for the 2023 comparative period.

Capital adequacy

At the end of 2024 the CET1 ratio was 11.48 per cent (13.89) for the Hoist Finance consolidated situation.

CET1 capital totalled SEK 4,313m (4,119). The risk-weighted exposure amount has increased to SEK 37,580m (29,659) since year-end. The change in the CET1 ratio since year-end was due mainly to new portfolio acquisitions, which reduced the ratio by -3.74 per cent. Other growth in the company's balance sheet further reduced the ratio by -0.68 per cent. The Group's positive results for the year and collections on existing loan portfolios contributed to an increase of 3.43 and 1.68 per cent, respectively. The ratio was reduced by -1.01 per cent due to the NPL backstop deduction.

All capital ratios meet regulatory requirements. A 22.5 per cent deduction for future dividends has been taken from consolidated profit/loss.

Total capital amounts to SEK 6,653m (6,129) and the total capital ratio is 17.70 per cent (20.66). For Parent Company the CET1 ratio was 11.67 per cent (12.98).

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Parent Company

Hoist Finance AB (publ) is a registered credit market company under the supervision of the Swedish Financial Supervisory Authority. The operating Parent Company acquires and holds loan portfolios, which are managed together with foreign branch offices. These foreign units also provide commission-based administration services to third parties. The Polish and UK branch offices provide services within the Hoist Finance Group.

The Parent Company's net interest income totalled SEK 1,574m (1,177m) during the year. The increase in net interest income is mainly attributable to higher interest rate market conditions. Interest expense increased during the year to SEK -1,353m (-750), due mainly to an increase in investments in securities. Total operating income amounted to SEK 5,948m (1,827m) and is attributable primarily to the transfer from the Cypriot subsidiary to the Parent Company of all holdings in the Polish funds. Dividends were also received from subsidiaries in Poland, Italy, Spain, Cyprus and Romania, as well as from the Polish funds (Hoist I and Hoist III).

Net result from financial transactions totalled SEK -786m (-37). This has been impacted primarily by a change in the market value of interest rate hedging contracts. Other operating income totalled SEK 186m (230) and is mainly attributable to group-wide services invoiced to subsidiaries. Total operating expenses increased somewhat year-on-year and amounted to SEK -1,724m (-1,689).

Net operating profit totalled SEK 1,280m (583), with the increase due mainly to dividends from subsidiaries. Impairment gains and losses from acquired loan portfolios of SEK -16m (89) pertain to the difference between actual and projected collections, to portfolio revaluations and to loss allowances for performing loans. Impairment losses on shares in subsidiaries during the year amounted to SEK -2,941m (-) and pertain to the Cypriot company, which reduced its equity after dividend payment. Net profit for the year totalled SEK 1,315m (599) and taxes totalled SEK -166m (-8).

At 31 December 2024, the carrying value of portfolio book value totalled SEK 12,637m (10,483). The increase is mainly attributable to an increase in acquisition volumes over last year.

Loans to subsidiaries totalled SEK 8,296m (6,936) and pertain mainly to the financing of subsidiaries' acquisitions of loan portfolios. Loans to consolidated structured entities (SPVs) amounted to SEK 1,409m (-) and pertain to fund units. Deposits from the public increased during the year to SEK 40,190m (20,238), with the increase attributable primarily to the opening of new deposit markets. Deposits from the public are now offered in Sweden, Germany, the UK, Poland, the Netherlands, Ireland and Austria.

Segment overview

Hoist Finance's organisation aims to build a strong and well-integrated company with high operational efficiency. Since 1 January 2022 the division of segments has been based on an operating model with three business lines, for the Executive Management Team's monitoring of operations. See Note 3, "Segment Reporting" for additional details.

Sustainability report

Hoist Finance has prepared a Sustainability report in accordance with the Annual Accounts Act. The Sustainability report can be found in the "Sustainability report" section, pages 122-159. The auditor's report on the statutory sustainability statement can be found on page 165.

Other disclosures

Risks and uncertainties

Global growth was stable during the year and is expected to increase somewhat in 2025. Although world trade has strengthened to some degree, geopolitical tensions and rising protectionism may negatively impact this trend. The US economy remains relatively strong in light of a stimulative fiscal policy, while developments in the Eurozone remain subdued.

For Hoist Finance, an increase in acquired loans in Europe may create more acquisition opportunities, although an economic downturn may also negatively impact returns from the existing portfolio. Income from the loan portfolios has exceeded forecast during the current year.

Hoist Finance operates a complex business within a group comprising many different entities. This results in a complicated and often difficult-to-assess tax situation, leading to increased tax risks. Hoist Finance, and particularly its tax department, continuously works to reduce these tax risks. This includes making well-informed decisions to prevent problems, making provisions for potential negative outcomes when necessary, and developing, automating, and simplifying structures and processes, preferably in consultation with relevant tax authorities. Additionally, Hoist Finance strives to achieve clarity and predictability through legal means and has actively driven legal development in our area. Some examples are cases from the Supreme Administrative Court in Sweden: HFD 2021 ref 31 regarding loss carryforwards and HFD 2022 not 23 and HFD 2024 not 4 regarding the definition of the interest concept in the Swedish Income Tax Act. The latter two cases, which highlight the complexity of the interest concept, have also been part of the background for a proposal for improved interest deduction rules for companies (SOU 2024:37) to change the definition of interest by introducing a new rule in the Income Tax Act, Chapter 24, Section 3 a.

Recovered Value Added Tax

Hoist Finance has had several cases with the Swedish Tax Agency regarding deduction of input value added tax (VAT). The parent company conducts both VAT-liable and non-VAT-liable activities, and the cases concern determining the deductible portion of input VAT. The Tax Agency has largely accepted the applied model for the years 2014, 2015, and 2017. For certain limited questions concerning the years 2013, 2014, 2015 and 2017 the Administrative Court in Stockholm announced their decisions in February 2025. For the years 2018-2020, the Tax Agency has made decisions with mainly negative outcomes (see note 33 for more information). Hoist is working on reassessments of the cases for the years 2018-2023 with the Tax Agency.

Tax Audit in Germany

A tax audit in Germany regarding transfer pricing for the years 2017-2021 is ongoing (allocation of profits between countries and companies within the same group). The parent company has made a provision for uncertain tax positions considering the assessed effects for the years 2017-2024. It remains to be seen how the parent

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company and the German and Swedish tax authorities can agree on a correct allocation of profits between the countries.

Tax Audits in Sweden

The Swedish Tax Agency has previously conducted audits and has also raised questions regarding transfer pricing for the years 2016–2023 within the former Swedish-Cypriot-Polish structure in the group. The cases are at various stages, from ongoing questions from the Tax Agency to some cases, which the Administrative Court ruled on in February 2025, under appeal to the Administrative Court of Appeal.

The parent company has made a comprehensive assessment of the entire period and has both reserved for uncertain tax positions and reported contingent liabilities.

Development of risk

Hoist Finance's overall risk profile was stable during the year. Business activities involve various types of risk, primarily credit risk but also market risk, liquidity risk and operational risk.

Credit risk in the NPL portfolios is actively managed and monitored through a centralised risk management framework and an established investment strategy based on acquiring portfolios of granular exposures in which the credit risk has largely materialised prior to investment. The portfolios are also diversified across national markets, asset classes and time. Credit risk, measured as realised recoveries against forecast, remains low with aggregate collection performance exceeding the year's target. Credit risk in the liquidity portfolio is low, as investments are made in government, municipal and covered bonds of high credit quality. Operational risk is still deemed to be low.

Hoist Finance continuously hedges interest rate and FX risks in the short and medium term and, accordingly, market risk are low. Liquidity risk is also deemed to be low, with exposures well above risk appetite due to access to favourable borrowing rates via HoistSpar.

Remuneration to senior executives

Information on the most recently approved guidelines for remuneration for senior executives is presented in Note 9 "Personnel expenses". Pursuant to Chapter 8, Section 51 of the Swedish Companies Act, the Board is required to prepare a proposal for new guidelines when material changes to the guidelines are required, but at least every four years. The Board has elected not to propose any material changes to the guidelines prior to the May 2025 AGM and, accordingly, the guidelines adopted by the 2024 AGM remain applicable.

Report on the most important elements of the system for internal control and risk management for financial reporting

The Board's report on the most important elements of the system for internal control and risk management for financial reporting for the 2024 financial year is presented as a separate section in the Corporate Governance Report.

Subsequent events

On 20 January 2025 Hoist Finance announced that it will redeem the EUR 40m Additional Tier 1 capital notes in full on the first call date falling on 26 February 2025.

On February 28, 2025, the Administrative Court in Stockholm announced a ruling in various VAT and transfer pricing cases.

Christian Wallentin, CFO and Deputy CEO, left Hoist Finance in March 2025. Until a replacement is in place, Magnus Söderlund, Finance Director, is acting CFO.

Outlook

There is still high activity in the market for non-performing loan portfolios in Europe. Volumes in the primary market, meaning portfolios sold by the banks that originally issued the loans, are expected to increase, driven not least by the backstop regulation. Volumes in the secondary market, meaning portfolios sold on by, for example, financial and/or industrial players, are also expected to remain high.

Increased financing costs, in light of a generally higher interest rate environment in the market, have driven increased specialization among industrial players, who have increasingly moved towards focusing primarily on loan management. This has led to reduced competition in the acquisition market, which in turn has led to increased interest in acquiring non-performing loan portfolios among certain financial players. Overall, this has resulted in better price discipline in the market.

Hoist Finance is well-positioned in this competition. The company is expected to continue to benefit from diversified and stable financing, based on cost-effective deposits from the public. Hoist Finance also continuously borrows on competitive terms in the bond market and has an Investment Grade rating (Baa2) from Moody's Ratings.

Hoist Finance is well-prepared for the future. We intend to continue improving efficiency and profitability in all our markets – while also growing. With a strong focus on costs, high price discipline, and profitability focus in the investment business, and good growth opportunities, Hoist Finance looks positively towards the future.

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Corporate Governance Report

Governance structure

Hoist Finance AB (publ) (the “Company” or “Hoist Finance”) is a Swedish public limited liability company with corporate identification number 556012-8489. The Company has its registered office and headquarters in Stockholm, Sweden.

Good corporate governance aims to create efficient steering and favourable conditions for active shareholder engagement. This is achieved through a well-defined and well-balanced assignment of responsibilities between the company’s functions, with a focus on presenting accurate information to the market.

The aim of corporate governance is to ensure that the company is run as efficiently and effectively as possible in the interest of its shareholders, and that Hoist Finance complies with corporate

governance and other applicable rules and regulations. Corporate governance also aims to create order and a systematic approach for the board of Hoist Finance (the “Board”) and for management. With a clear structure and well-defined rules and procedures, the Board can ensure that management and employees are focused on developing the business and, accordingly, on creating value.

Application of the Swedish Corporate Governance Code

All companies with shares listed on Nasdaq Stockholm, regardless of market capitalisation, have been required since 1 July 2008 to apply the Swedish Corporate Governance Code. The Code is available on the website of the Swedish Corporate Governance Board. The Code is based on the “comply or explain” principle, meaning that a company’s deviation from the Code’s provisions is not deemed a breach thereof if the company explains its reason for the deviation.

Hoist Finance complied with all provisions of the Code in 2024. This Corporate Governance Report is part of the Company’s Administration Report and is reviewed by the Company’s auditors.

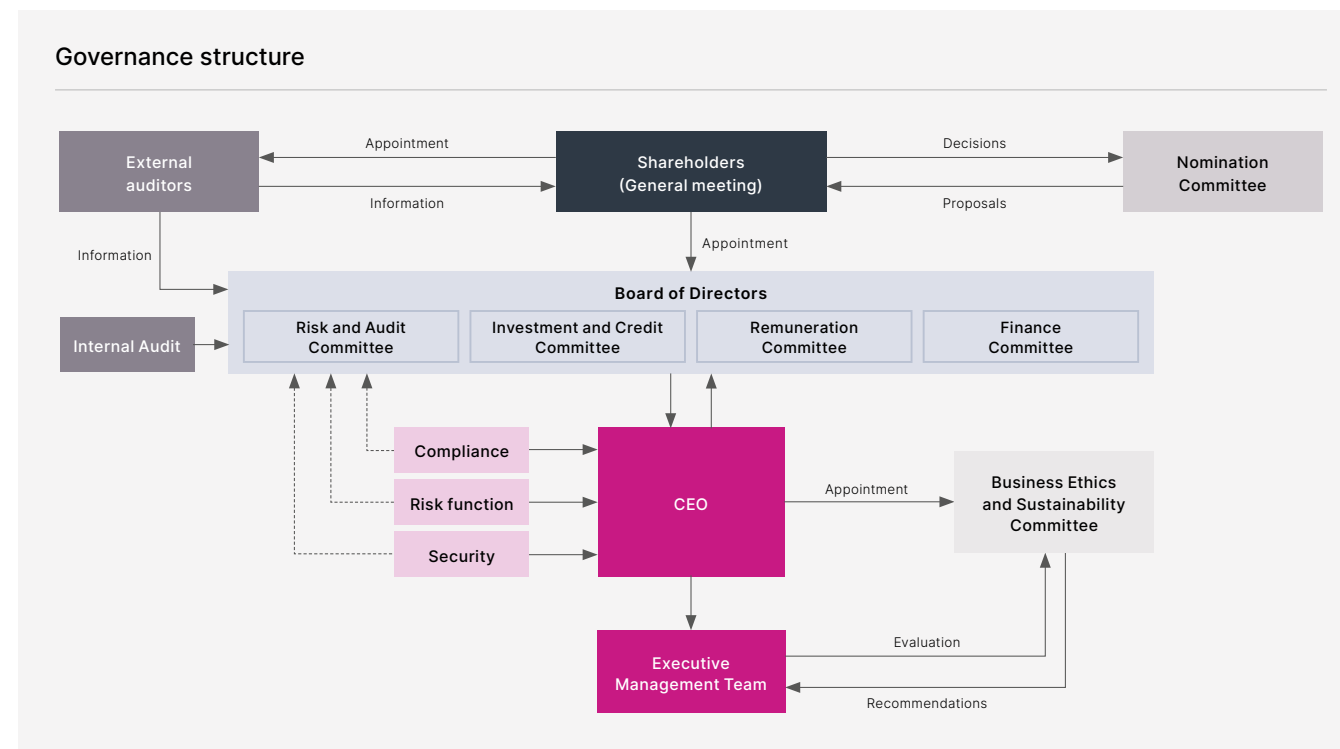
Corporate governance within the Company

Hoist Finance is subject to external and internal control systems. The external control systems, which serve as the framework for Hoist Finance’s corporate governance, are the Swedish Companies Act, Annual Accounts Act, Banking and Financing Business Act, regulations and general guidelines by the Swedish Financial Supervisory Authority as well as the European Banking Association, Nasdaq Stockholm’s Rule Book for Issuers, other relevant laws and regulations, and the Swedish Corporate Governance Code. Governance, management and control are, pursuant to Swedish corporate law, the Swedish Corporate Governance Code, and the Articles of Association, allocated between the shareholders at the Annual General Meeting (AGM), the Board and the CEO.

The internal control systems include the Company’s Articles of Association adopted by the AGM. The Board has also adopted policies and instructions that clarify the division of responsibilities within the Group.

The following are of particular importance in this context:

- » Rules of procedure for the Board
- » Instruction for the CEO
- » Policy for internal governance and control
- » Instructions for the Risk and Audit Committee
- » Instructions for the Remuneration Committee
- » Instructions for the Investment & Credit Committee
- » Instructions for the Finance Committee and
- » Order of Authorisation



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Articles of Association

The Articles of Association are adopted by the Annual General Meeting and contain basic compulsory information about the Company.

The Articles of Association specify the type of business activities the Company will carry out, limits on share capital and the number of shares and the number of Board members allowed. The Articles of Association include no special provisions for amendments there-to or for the appointment or dismissal of Board members.

The Articles of Association are available in their entirety at www.hoistfinance.com.

Shareholders

As of 31 December 2024, the total number of shares was 90,854,997 and the share capital was SEK 30,284,998.997. Each share carries one vote. The Company had 6,500 shareholders at year-end. The 15 largest shareholders held an aggregate of approx. 74 per cent of the total share capital at the end of 2024. More information can be found at www.hoistfinance.com.

Annual General Meeting

The Annual General Meeting (AGM) is the Hoist Finance Group's highest decision-making body. All shareholders have an opportunity at the AGM to influence the Company by exercising their voting rights. The Companies Act and Hoist Finance's Articles of Association include rules that govern general meetings and their agenda.

Hoist Finance's financial year runs from 1 January to 31 December. Pursuant to the Companies Act, notice must be given no earlier than six weeks prior to, and no later than four weeks prior to, the AGM. The AGM resolves on adoption of the year's balance sheet and income statement, appropriation of profits, election of Board members and auditors, remuneration to Board members and auditors and other business matters as prescribed by the Companies Act and the Articles of Association. All shareholders that are listed in the shareholders' register six banking days prior to the AGM and have provided notification of their participation during the

prescribed timeframe are entitled to participate in the AGM, either in person or by proxy, and to vote in relation to their holdings.

Every shareholder is entitled to request that a matter is addressed by the AGM. A shareholder who wishes to do so must submit a written request to the Board. The matter shall be addressed by the AGM if the request is received no later than one week before the earliest date on which notice of the meeting may be published (i.e. seven weeks prior to the AGM). Pursuant to Chapter 7, Section 32 of the Companies Act, all shareholders are entitled to ask the Board and CEO questions about matters addressed during the AGM and about the financial situation of the Company and the Group.

2024 Annual General Meeting

The most recent AGM was held on 7 May 2024 in Stockholm.

52 shareholders, representing 51.07 per cent of the shares and votes in the Company, were present at the AGM.

In accordance with recommendations from the Board and the Nomination Committee, the AGM resolved, among other things:

- » To adopt the balance sheet and income statements
- » To not distribute dividend
- » To approve the Board's remuneration report
- » To discharge Board members and the CEO from liability
- » To re-elect Board members Bengt Edholm, Camilla Philipson Watz, Christopher Rees, Rickard Westlund, Lars Wollung and Peter Zonabend. The AGM re-elected Lars Wollung as Chairman of the Board.
- » On remuneration for the Chairman of the Board and other Board members
- » To re-elect EY, represented by Daniel Eriksson, as auditor for the period until the close of the next AGM and to pay auditor's fees based on approved invoices
- » To adopt the guidelines for remuneration to senior executives
- » To adopt a long-term share investment program for senior executives and other key employees within the Group
- » To authorise the Board to issue shares
- » To authorise the Board to acquire own shares

The minutes from the 2024 AGM are available at www.hoistfinance.com.

Nomination committee

The Nomination Committee is composed of representatives of the three largest shareholders, based on shareholder statistics from Euroclear Sweden AB, as per the last banking day in August the year before the Annual General Meeting and on all other reliable ownership information that has been provided to the Company at this point of time, together with the Chairman of the Board. The Chairman of the Board is responsible for convening the Committee's first meeting. If a shareholder who is offered to become a member of the Nomination Committee declines, the offer shall instead be made to next shareholder in order of size of holding. The Committee's composition may be changed to reflect changes to the shareholder structure.

The Nomination Committee submits proposals for the election of the AGM Chairman, the Board members and Chairman of the Board, remuneration to Board members and proposals for the election of and remuneration to auditors. The Committee conducts its work in the interest of all shareholders. Instructions for the Nomination Committee and information on the options for submitting proposals to the Committee are available on the Company's website, www.hoistfinance.com.

The Nomination Committee is composed of the following members: Per Arwidsson (representing Arwidsro) Chairman of the Nomination Committee, Erik Selin (representing Erik Selin Fastigheter AB), Carl Rydin (representing Jofam) and Lars Wollung (Chairman of the Board of Hoist Finance). The Committee has held one minuted meeting ahead of the 2025 AGM and maintained regular contact between meetings.

The Nomination Committee's proposals, its report on Committee work performed in preparation for the 2025 AGM, proposed Board members and auditors are published in connection with the AGM notice.

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Board of Directors

Pursuant to the Articles of Association, Hoist Finance's Board shall be composed of at least three and no more than nine members. Members of the Board are appointed by the AGM for a one-year term. The 2024 AGM resolved to re-elect Bengt Edholm, Camilla Philipson Watz, Christopher Rees, Rickard Westlund, Lars Wollung and Peter Zonabend as Board members. The 2024 AGM re-elected Lars Wollung as Chairman of the Board.

At the end of the financial year, the Board had one female and five male members. All Board members were independent in relation to the Company's major shareholders (as defined in item 4.5 of the Swedish Corporate Governance Code), except for Peter Zonabend who is not independent in relation to Arwidsro, the Company's largest shareholder. All Board members were independent in relation to the Company and the Executive Management Team in 2024 (as defined in item 4.4 of the Swedish Corporate Governance Code), except for Lars Wollung, who was CEO of the Company from 15 March until 31 December 2022 and provided consultancy services to the Company from 7 July until 31 December 2024, and Christopher Rees who provided consultancy services to the Company from 15 April until 7 June 2024. For further information on the Board members, see the section on the Company's Board of Directors and Executive Management Team on the Company's website, www.hoistfinance.com.

See Note 9 "Personnel expenses" for details on the remuneration to the Board of Directors.

Diversity policy

The Company's Board as a whole shall have the appropriate collective expertise, experience and background in the Company's business operations to enable identification and understanding of the risks such operations entail. The objective is to have a Board composed of members with complementary experience and expertise and of varying ages, genders, geographic origins, and educational and professional backgrounds that, taken together, contribute to independent and critical reflection.

The Company's Board has adopted a Diversity Policy applicable to the Board. To achieve a diverse Board, in preparing its proposal to the AGM, the Nomination Committee takes into consideration item 4.1 of the Swedish Corporate Governance Code, the Board's Diversity Policy and the European Banking Authority's guidelines on eligibility assessments for Board members. The Company continuously evaluates the composition of the Board and believes that its composition was satisfactory in 2024.

Work of the Board

The primary task of the Board is to serve the interests of the shareholders and the Company. The Board is responsible for the Company's organisation and strategy and for appointing the CEO. The Board is also responsible for ensuring that the Group is suitably structured to enable the Company to optimally exercise its ownership responsibilities with respect to the Group subsidiaries. The Board is responsible for ensuring that the Company complies with applicable laws and regulations, the Articles of Association and the Swedish Corporate Governance Code. The Board is obliged to regularly assess the Company and the Group's financial situation and ensure that the Company's organisation is structured to enable satisfactory monitoring of its accounting, management of assets, and general financial situation.

The Board adopts financial targets for the Company, decides on the Company's strategy and business plans and ensures good internal control and risk management.

The Board's duties and working methods are regulated by the Companies Act, the Articles of Association and the Swedish Corporate Governance Code. The Banking and Financing Business Act also regulates the duties and work of the Board.

The Board has adopted written rules of procedure and instructions on internal reporting for the Board that deal with:

- » The Board's duties and responsibilities
- » Members of the Board
- » Chairman of the Board
- » Board meetings; and
- » Board Committees

Board meetings in 2024

A total of 27 minuted Board meetings were held in 2024, eight ordinary meetings, one statutory meeting and 18 extraordinary meetings. All Board members attended these meetings, except for the meeting on 15 November when Camilla Philipson Watz did not participate, and the meeting on 18 November when Bengt Edholm and Camilla Philipson Watz only participated partly. The CEO, the CFO and the Board's secretary participated in the Board meetings. A number of Company employees also participated in some of the Board meetings to report on specific matters.

The Board's work is carried out in accordance with an annual plan which is adjusted depending on the year's events and projects. The majority of ordinary Board meetings are held in conjunction with the Company's reporting; the annual accounts were addressed in February, the Annual Report and matters related to the AGM in March, the interim accounts in May, July and October, strategy in June and September and the budget and business plan for the coming year in December. As a rule, governance documentation and instructions are adopted yearly, or if needed more frequently, at Board meetings. At ordinary meetings the Board receives regular reports from its Committees and the control functions.

The matters addressed by the Board in 2024 included, among other things, organisation, strategy, investments, share repurchases, share investment program and SDR notification. The Board also held a meeting with the external auditors without the Executive Management Team in attendance.

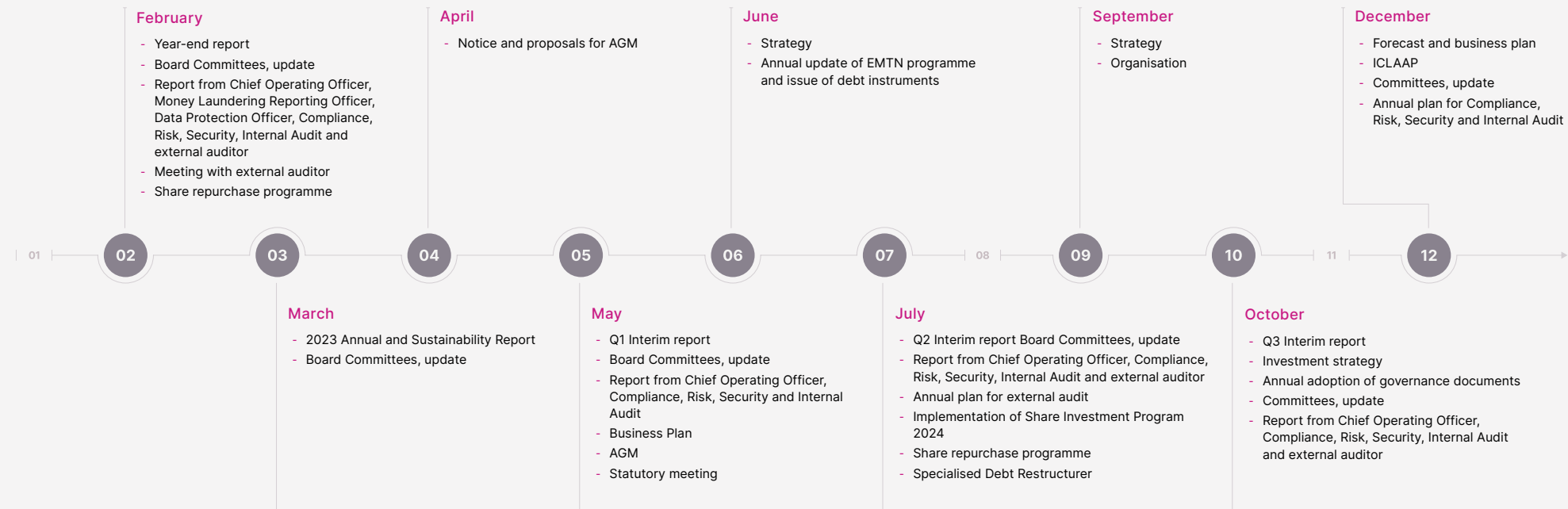
Board training

The Board received training in various subjects during 2024, including sustainability, sustainability reporting, outsourcing, digital operational resilience for the financial sector, ICT-risks, anti-money laundering and measures to prevent terrorism financing.

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Work of the Board in 2024



Board Committees

Risk and Audit Committee

The Risk and Audit Committee serves in an advisory capacity and prepares issues for consideration and decision by Hoist Finance's Board. The Risk and Audit Committee has a mandate to make decisions in matters regarding the procurement of non-audit-related services from the Company's external auditors. The Committee is responsible for monitoring and ensuring the quality of financial reporting, the effectiveness of the Company's internal control and the tasks performed by the Internal Audit, Risk Control, Compliance and Security functions. The Committee also discusses valuation matters and other assessments pertaining to the annual

accounts. The Committee is also responsible for monitoring and ensuring the quality of the Company's sustainability reporting. In matters relating to external audit, the Risk and Audit Committee is, notwithstanding the Board's responsibilities and duties, to regularly meet with and review reports from the Company's external auditors to remain informed about the focus and scope of the audit and to discuss the coordination of the external and internal audit with the external auditor. The Risk and Audit Committee is to inform the Board about audit results, the manner in which the audit contributed to the reliability of financial reporting, and the role played by the Committee in the process. The Committee is also to remain informed about the Swedish Inspectorate of Auditors' quality

control of the Company's external auditors and is responsible for the auditors' independence and impartiality and the selection procedure ahead of the choice of auditor.

The Risk and Audit Committee has at least three members appointed by the Board on an annual basis. Committee members may not be employed by the Company. One member is elected Committee Chairman. The Chairman may not be the Chairman of the Board of Hoist Finance. The Committee is required to meet at least four times per financial year. In connection with the 2024 AGM it was resolved to re-elect Christopher Rees (Chair), Camilla Philipson Watz, and Bengt Edholm as members. The CEO, CFO

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and the Company's external auditors (during certain parts of the meetings) also attend the Committee meetings. The Company's employees may be summoned to Committee meetings to provide details on specific reports or matters. The Committee Chairman continuously reports on the Committee's work to the Board. The reports include the Committee's observations, recommendations and proposals for actions and resolutions of the Board. Committee meeting minutes are kept and made available to all Board members. The Committee held six meetings in 2024, with all members in attendance.

Remuneration Committee

The Remuneration Committee's primary task is to prepare the Board's decisions on remuneration policies, remuneration and other terms of employment for Executive Management Team members and employees responsible for control functions. The Committee is to monitor and evaluate variable remuneration programmes for the Executive Management Team (both ongoing and those completed during the year), as well as the application of the remuneration guidelines for senior executives resolved by the AGM and the Group's remuneration structure and remuneration levels.

The Remuneration Committee is to have at least two members appointed by the Board on an annual basis. The chair of the Board may chair the Remuneration Committee. The other members must be independent in relation to the Company and the Company's management. The Remuneration Committee meets at least twice per financial year. In connection with the 2024 AGM it was resolved to re-elect Lars Wollung (Chairman), Bengt Edholm, Camilla Philipson Watz, and Peter Zonabend as members. The CEO and Chief People Officer also attend the Committee meetings. Company employees may be summoned to Committee meetings to provide details on specific reports or matters. The Committee Chairman continuously reports on the Committee's observations, recommendations and proposals for actions and resolutions of the Board. Remuneration Committee meeting minutes are kept and made available to Board members. The Committee held eight meetings in 2024, with all members in attendance at these meetings, except for the meeting on 18 June 2024 when Lars Wollung did not participate and the meeting on 19 June 2024 when Bengt Edholm did not participate.

Investment & Credit Committee

The Investment & Credit Committee is both a preparatory and a decision-making committee. Its responsibilities include evaluating and approving standard portfolio acquisitions valued at EUR 60m or more and portfolio acquisitions not considered to be standard and valued at EUR 25m or more. The Committee is also responsible for evaluating and approving financing of co-investment structures. The Investment & Credit Committee is further involved in the process of potential revaluations of loan portfolios. The Investment & Credit Committee is to have at least three members appointed by the Board on an annual basis. The Committee meets at least four times per financial year and whenever a Committee decision or recommendation is required as per the Company's Investment Instruction or Credit Instruction. In connection with the 2024 AGM it was resolved to re-elect Christopher Rees (Chairman), Lars Wollung and Rickard Westlund as members.

The CEO, CFO, Chief Investment Officer, Chief Risk Officer and the relevant Investment Manager and Country manager shall normally attend the meetings of the Committee. Other Company employees may be summoned to Committee meetings to provide details on investment data. The Committee Chairman regularly reports to the Board on the matters presented to or decided on at Committee meetings. Committee meeting minutes are kept and made available to all Board members. The Committee held 20 meetings in 2024 with all members in attendance.

The company also has an investment and credit committee composed of certain company employees. This Committee has decision making power regarding standard investments with a value below MEUR 60 and non-standard investments with a value below MEUR 25.

Finance Committee

The Finance Committee's primary task is to assist the Board in its work related to finance matters and to prepare the Board's finance decisions. Such matters include inter alia regular reviews of capital allocation, composition of the liability side of the balance sheet, regulatory capital optimization, co-investments and other finance partnerships.

The Finance Committee is to have at least three members appointed by the Board on an annual basis. One member is elected Committee Chairman. The Finance Committee meets at least six times per financial year. In connection with the 2024 AGM it was resolved to re-elect Bengt Edholm (Chairman), Christopher Rees and Lars Wollung as members. The Company's employees may be summoned to Committee meetings to provide details on specific reports or issues.

The Committee Chairman continuously reports on the Committee's observations, recommendations and proposals for actions and resolutions made of the Board. Committee meeting minutes are kept and made available to all Board members. The Committee held six meetings in 2024 with all members in attendance.

Chairman of the Board

In connection with the 2024 AGM it was resolved to re-elect Lars Wollung as Chairman of the Board.

The Chairman of the Board leads the Board's work, oversees the fulfilment of its duties and has a specific responsibility for ensuring that the Board's work is well-organised, efficiently run and aligned with operational developments. The Chairman of the Board verifies that Board decisions are effectively executed, ensures that the Board's work is evaluated annually and that the Nomination Committee is informed of the evaluation results.

The Chairman's particular duties are to:

- » In consultation with the CEO, decide which matters that are to be considered by the Board, prepare meeting agendas and issue meeting notices when needed
- » Organise and lead the Board's work, while overseeing that the Board addresses those matters that rest with the Board pursuant to law, the Articles of Association and the Swedish Corporate Governance Code
- » Serve as the Board's spokesperson towards Hoist Finance's shareholders; and
- » Ensure that the CEO provides sufficient information for Board decisions and oversee that Board decisions are executed.

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Board evaluation

In accordance with the Board's rules of procedure, the Chairman of the Board initiates an annual evaluation of the Board's performance. For the 2024 evaluation, all Board members were able to give their views via a digital evaluation platform, on matters including working methods, Board meetings, work performed by the Board and management during the year, and Board and management structure. The purpose of the evaluation is to gain an understanding of the Board members' views on the Board's performance and the measures that can be taken to make the Board's work more efficient. The purpose is also to gain an understanding of the type of matters the Board believes should be given more attention and the areas that may require additional Board expertise. The result of the evaluation was shared with the Board members and the Nomination Committee.

CEO and Executive Management Team

The CEO is appointed by the Board and runs the business in accordance with instructions adopted by the Board. The CEO is responsible for the Company and the Group's day-to-day administration pursuant to the Companies Act. The CEO also works with the Chairman of the Board to decide on matters that will be addressed at the Board meetings. The Board adopts instructions for the CEO each year and evaluates the CEO's duties on a regular basis.

Harry Vranjes is the Company's CEO since 1 January 2023. For additional information on the CEO and the CEO's shareholding, see the section on the Company's Board and Executive Management Team on the Company's website www.hoistfinance.com.

For the purpose of managing the operations, the CEO consults with the Executive Management Team on matters of major importance or of importance as to principles. The Executive Management Team meets regularly and under the structure set by the CEO. In addition to the CEO, the Executive Management Team is composed of members appointed by the CEO. The Executive Management Team's role is among other things to prepare and implement strategies, manage matters related to corporate governance, the organisation and sustainability, and monitor the Company's financial performance.

The Asset and Liability Committee ("ALCO") is also at the CEO's disposal for the purpose of managing the operations. The Committee is composed of the CFO (Chair), CEO, Head of Investment and Head of Treasury. The Head of Group Accounting, Head of Tax and Chief Risk Officer are non-voting members. ALCO is inter alia responsible for deciding on the conditions including interest rate levels for all funding, deciding on hedging strategies for market and financial risks, deciding the duration, size and liquidity of the liquidity portfolio and deciding on prerequisites, terms and conditions that are expected to have a material impact on the Group's (i) funding structure, costs and risk metrics, (ii) liquidity risk metrics, and (iii) rating in relation to establishing new securitisation transactions and secured funding transactions.

The CEO is responsible for ensuring that Board members receive information and essential decision-making material, and for presenting reports and proposals at Board meetings on matters dealt with by the Company. The CEO keeps the Board and Chairman updated on the Company and the Group's financial position and performance. The CEO's work is evaluated by the Board on a continuous basis.

The CEO's main duties include:

- » Assuming responsibility for the financial reporting by ensuring that it is carried out in accordance with applicable law and that assets are managed prudently
- » Managing and coordinating Group companies in accordance with the Board's guidelines and instructions; and
- » Ensuring that Board resolutions are executed and keeping the Board updated on the performance of the Company and the Group's operations, earnings and financial position.

Executive Management Team

For information on the Executive Management Team, see the section on the Company's Board and Executive Management Team and the Company's website, www.hoistfinance.com.

See Note 9 "Personnel expenses" for details on the remuneration of the CEO and Executive Management Team.

Important guidelines

The Company's ethical guidelines, composed of an umbrella document and several ancillary documents, are designed to be applied by both employees and business partners. The umbrella document specifies fundamental values and principles and provides information on some of the ancillary documents. All employees receive continuous training on ethical issues, and training statistics are monitored monthly.

The Company has a programme aimed at preventing money laundering and terrorist financing in place. The programme is continuously updated and includes inter alia ways of working, IT systems, policies, education and reporting routines.

Auditors

The 2024 AGM re-elected registered public accounting firm EY AB as the Company's auditor for the period until the close of the next AGM. Authorised Public Accountant Daniel Eriksson is Auditor in Charge.

Financial reporting

The Board is responsible for ensuring that the Company's organisation is structured in a way that enables its financial situation to be satisfactorily monitored, and that financial statements, such as interim reports and annual accounts, are prepared in accordance with applicable law, accounting standards and other requirements. Interim reports are initially handled by the Risk and Audit Committee and are then approved by the Board as a whole. The Board of Directors ensures the quality of financial reporting through its Risk and Audit Committee. The Board and the Risk and Audit Committee address not only the Group's financial statements and material accounting matters, but also matters concerning internal control, compliance, significant uncertainty in carrying amounts, events after the balance sheet date, changes in estimates and assessments, and other conditions affecting the quality of the financial statements. The CEO is responsible for ensuring that the Company's accounting is prepared in compliance with applicable law and that assets are managed prudently. The Company and the Group prepare accounts each month. The Board and the Executive

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Management Team continuously receive information on the Company's and the Group's financial situation.

To safeguard financial reporting within the Group, monthly reports are issued directly to a joint intergroup accounting system that includes quality controls. Detailed analyses and reconciliations are performed in connection with the periodic reporting. The consolidation process also includes a number of specific reconciliation controls. Hoist Finance has developed internal accounting and reporting guidelines, the Hoist Finance Financial Framework.

Internal reports

The Board monitors the Group's financial performance, ensures the quality of financial reporting and internal control, and follows up and evaluates the operations on a regular basis. Internal reports, such as consolidated financial statements, are regularly prepared and submitted to the Board. An income statement, balance sheet and investment budget are prepared for each financial year and are generally adopted at the ordinary Board meeting held in December.

Guidelines for remuneration to senior executives, etc.

Guidelines for remuneration to senior executives were adopted by the 2024 AGM. Remuneration to senior executives shall be on market terms and may consist of the following components; fixed cash salary, variable cash remuneration, pension benefits and other benefits. The remuneration in Hoist Finance shall encourage senior executives to promote the Company's business strategy, long-term interests and sustainability and a behaviour in line with the Company's ethical Code of conduct and values. The remuneration shall also be structured to enable Hoist Finance to attract, retain and motivate employees who have the requisite skills. The remuneration shall encourage good performance, prudent behaviour and risktaking aligned with customer and shareholder expectations. Hoist Finance's business strategy, long-term interests and sustainability work are described on the Company's website, www.hoistfinance.com.

Variable cash remuneration for senior executives shall not exceed 100 per cent of the fixed annual cash salary. Variable remuneration is based on various financial and non-financial criteria, and

is linked to the performance of the Hoist Finance Group and the relevant business unit respectively, and to individual targets. It is hence distinctly linked to the business strategy and thereby to the Company's long-term value creation, including its sustainability.

Variable remuneration takes into account the risks involved in the Company's operations and is proportional to the Group's earning capacity, capital requirements, profit/loss and financial position. The payment of variable remuneration must not undermine the Group's long-term interests and is contingent upon the recipient's compliance with internal rules and procedures. Variable remuneration is not paid to a senior executive who has participated in or been responsible for any action resulting in significant financial loss for the Group or the relevant business unit.

For senior executives, payment of 51 per cent of the variable remuneration is deferred for a period of at least three years. Variable remuneration, including deferred remuneration, is only paid to the extent warranted by the Group's financial situation and the performance of the Group and the relevant business unit, and the senior executive's achievements.

Pension and insurance are offered pursuant to national laws, regulations and market practices and are structured as collective agreements, company-specific plans or a combination of the two. Hoist Finance has defined-contribution pension plans. The Remuneration guidelines and information on salaries and other remuneration to senior executives are presented in Note 9 "Personnel expenses".

Internal control over financial reporting

Internal governance and control

The internal governance and control process is governed by law and regulations and is supervised by the Board. In Sweden, where the Company has its registered office, internal governance and control are regulated primarily by the Companies Act, Banking and Financing Business Act, the Swedish Financial Supervisory Authority's regulations and guidelines, the Corporate Governance Code and stock exchange regulations.

Hoist Finance has an internal governance and control framework aimed at creating the environment necessary to enable the entire

organisation to promote effective, high quality corporate governance by providing clear definitions, assignments of roles and responsibilities and Group-wide tools and procedures.

Hoist Finance applies the Committee of Sponsoring Organizations model (the COSO model) for internal control over financial reporting. COSO focuses on developing a framework that can be used directly by a Company's management team to evaluate and improve risk management in three inter-related areas; enterprise risk management (ERM), internal control and fraud deterrence.

Roles and responsibilities

The Board is ultimately responsible for limiting and overseeing Hoist Finance's risk exposure. The Board and the Risk and Audit Committee are responsible for establishing the main rules and guidelines for internal control.

The Risk and Audit Committee assists the Board by continuously monitoring the risks that may affect financial reporting and by adopting manuals, policies and accounting policies. The Risk and Audit Committee interacts directly with the external auditors. The CEO is responsible for the effective design and implementation of internal control within the Group. Local management is responsible for the design, implementation and correct application at a local level.

Hoist Finance's roles and responsibilities with respect to internal control and risk management are structured in three lines of defence. These three lines of defence jointly form the internal control framework, which is designed to develop and maintain systems that ensure:

- » Effective and efficient business operations
- » Satisfactory risk control
- » Business management
- » Reliable reporting of financial and non-financial information (internally and externally); and
- » Compliance with laws, regulations, supervisory authority requirements and internal policies and procedures.

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Areas of responsibility

Risk Control function

The Risk Control function is responsible for providing relevant and independent analyses, advice and expert opinions on the Company's risks. It is also responsible for the ongoing evaluation and development of the Company's risk management framework to ensure its functionality. This involves:

- » Verifying that all material risks that the Company is exposed to are identified, analysed and managed by the appropriate functions.
- » Identifying and reporting on risks arising from deficiencies in the Company's risk management. Providing recommendations for correcting deficiencies and thereby avoiding or minimising these risks in the future.
- » Providing information, analyses and advice on the Company's risks to the Board and CEO on a regular basis.
- » Providing all relevant information that may constitute decision-making material when the Company develops or changes its risk strategy and risk appetite, as well as evaluating proposed risk strategies and providing recommendations before decisions are made.
- » Evaluating whether company proposals or decisions that may give rise to a significant increase in risk are compatible with the Company's risk appetite.
- » Identifying, verifying and reporting risks of error in the Company's estimates and assumptions that form the basis of the financial statements.
- » Evaluating risks prior to company decisions on new or substantially changed products, services, markets, processes or IT systems and in the event of major changes to the Company's operations and organisation, and evaluating the anticipated impact on the Company's aggregate risk.

Compliance function

The Compliance function is responsible for supporting the Company's compliance with all legal, regulatory and other requirements for its licensed operations. This involves:

- » Identifying risks of the Company failing to comply with its legal, regulatory and other duties with respect to its licensed operations, and monitoring and verifying that these risks are managed by the relevant functions.

- » Overseeing and monitoring compliance with laws, regulations and other rules, as well as with relevant internal regulations.
- » Reviewing and evaluating the functionality and effectiveness of the Company's procedures on a regular basis.
- » Providing recommendations to relevant persons based on the function's findings.
- » Providing advice and support to the Company's personnel, CEO and Board regarding the laws, regulations and other rules applicable to the licensed operations, and regarding internal regulations.
- » Informing and training relevant persons regarding new or amended regulations.
- » Verifying that new or substantial changes to products, services, markets, processes and IT systems and major changes to the Company's operations and organisation comply with legal, regulatory and other requirements applicable to the Company's licensed operations (for example via the "New Product Approval Process" or the "Change management process").
- » Advising and reporting to the CEO and the Board on a regular basis.

Security function

The Company's Security function is organised as a control function. The Chief Information Security Officer is responsible for ensuring that security and ICT risks are identified, monitored, managed and reported.

The Security function is supporting the entire Group in managing security and ICT risks and is continuously reporting to the CEO, the Board and the Risk and Audit Committee.

Internal Audit function

The Internal Audit function is responsible for ensuring the independent review and supervision of work performed by the first and second lines of defence. Accordingly, the Internal Audit function follows an updated, risk-based audit plan adopted by the Board, under which it reviews and regularly evaluates:

- » Whether the Company's organisation, governance processes, IT systems, models and procedures are appropriate and effective.

- » Whether the Company's internal control is appropriate and effective and whether the operations are conducted in accordance with the Company's internal regulations.
- » Whether the Company's internal regulations are adequate and consistent with laws, regulations and other rules.
- » The reliability of the Company's financial reporting, including off-balance sheet commitments.
- » The reliability and quality of the work performed within the Company's various control functions.
- » The Company's risk management based on the adopted risk strategy and risk appetite.

The Internal Audit function also provides recommendations to relevant persons based on the function's findings, monitors whether the measures are subsequently implemented, and reports to the Board on a regular basis.

Three lines of defence for risk management and internal control

1st line of defence

The first line of defence is comprised of the business organisation, which is responsible for conducting operations in accordance with the adopted risk exposure, internal control framework and the rules and regulations applicable to Hoist Finance. The first line of defence has a well-functioning governance structure and effective processes to identify, measure, assess, monitor, minimise and report risks.

2nd line of defence

The second line of defence is comprised of the Risk Control function, the Compliance function and the Security function, independent units that monitor and control Hoist Finance's risks and report independently of each other to the CEO and the Board.

3rd line of defence

The third line of defence is the Internal Audit function that conducts independent audits and reviews and provides the Board with evaluations of Hoist Finance's internal control and risk management processes. The Internal Audit function reports to the Board.

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Internal control process

The Board of Directors has ultimate responsibility for ensuring that internal control operates efficiently. The internal control and risk management systems for financial reporting are designed to achieve reasonable assurance regarding the reliability of external financial reporting and to ensure that the financial statements are prepared in compliance with generally accepted accounting policies, applicable laws and regulations and other requirements for listed companies.

Hoist Finance's internal control process follows the COSO model, which is based on the following components

- » Control environment
- » Risk assessment
- » Control activities
- » Information & Communication; and
- » Monitoring

The control environment is the foundation of the Company's system for internal control of financial reporting. The control environment is primarily based on the corporate culture and the values that have been established by the Board of Directors and the Executive Management Team, as well as the organisational structure with distinct authorities and responsibilities. Policies and instructions are documented and evaluated continuously. These steering documents, and well-conceived process descriptions, are made available to the relevant personnel.

The risk assessment includes processes for identifying, analysing and evaluating risks arising in financial reporting. This component assesses and prioritises the areas that each business area believes to be the most relevant in the Company, based on a risk analysis. This risk analysis takes into account both the probability and consequence of a risk materialising. The risk analysis is conducted regularly at Group level to identify and create an understanding of the risks arising in the Group, in terms of both materiality and complexity. The risk analysis is then used as the starting point for determining the areas that are to be assigned priority and how the risks in these areas are to be limited and managed.

Control activities are the activities designed to limit the risks and ensure the reliability of the Company's organisation. The main purpose of the control activities, which can be of both a manual and automated character, is to uncover and prevent errors and thereby assure the quality of financial reporting. Examples of control activities include authorisation manuals, payment instructions, payment vouchers, reconciliations, business performance reviews, general IT controls and division of responsibilities. Control activities exist at both subsidiary and Group level.

Information & Communication is both an internal tool to strengthen the internal control environment and a process to ensure that correct information is identified, collected and communicated in a manner and within a timeframe that allows the organisation to carry out its duties. Policies and instructions have been adopted and the Company's financial manual, Hoist Finance Financial Framework, includes instructions and guidance for accounting and financial reporting. The policies, instructions and financial manual are updated continuously and are available to the entire organisation. Regular meetings are also held with accounting staff and local Heads of Finance to provide information on new or updated rules and regulations applicable to Hoist Finance, and on internal control responsibility. The Group's intranet is another important communication channel. The Board also receives information regarding risk management, internal controls and financial reporting from the control functions and the Risk and Audit Committee. A Communication Policy has been created to ensure that the information disclosed externally is correct and complete. The Company has further established a Disclosure Committee which makes decisions regarding disclosure of information to the capital market.

Monitoring occurs at all levels in the Group. The Company regularly evaluates the internal control of financial reporting. Work on the internal control is reported to the Board of Directors and the Risk and Audit Committee. This reporting forms the foundation for the Board's evaluation and assessment of the efficiency of the internal control of financial reporting and also constitutes a basis for decisions about potential improvement measures. The Company has

an incident reporting procedure in place, under which incidents are reported and analysed and actions taken to reduce risks as far as is economically justifiable. The Company also has an internal whistleblowing procedure through which employees can report suspicions of improprieties in the organisation. Such reporting can be done anonymously.

Financial reporting competencies

The quality of financial reporting is largely controlled by the organisation's expertise in accounting matters and the way in which the Finance, Accounting and Treasury functions are staffed and organised. The CEO and the Finance function are involved in ongoing financial reporting and therefore have insight into the preparation of financial information. The Finance function is organised and staffed based on the need to ensure that the Group maintains high accounting standards and complies with accounting laws, regulations and standards. The CEO and the Finance function work actively to ensure that the Group has employees with the necessary expertise in all key positions and that there are procedures in place to ensure that employees have the requisite knowledge and skills.

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Board of Directors



Lars Wollung

Chair of the board, Board member since 2022

Born: 1961

Education: Civil engineer at KTH Royal Institute of Technology and Master of Science in Economics at Stockholm School of Economics.

Internal assignments Chair of the Board, Investment & Credit Committee (member), Remuneration Committee (chair), Finance Committee (member).

Other significant external assignments: Chair of the Board of Implema.

Previous experience (selection): Senior advisor to EQT and Litorina, board member and CEO of Intrum, CEO of Acando, consultant at McKinsey, board member of Nordea, TF Bank, Bluestep Bank, Tieto, Sigma and Connecta and chair of the board for IFS and RaySearch Laboratories.

Shareholding⁽¹⁾: 750,000 shares.

Not independent in relation to the Company and management.



Bengt Edholm

Board member since 2022

Born: 1956

Education: Master of Science in Economics, Uppsala University.

Internal assignments: Board member, Risk and Audit Committee (member), Remuneration Committee (member) Finance Committee (chair).

Other significant external assignments: Board member of Norion Bank and Chair of the Risk and Compliance Committee.

Previous experience (selection): Head of Group Treasury at Handelsbanken, Head of Treasury at Stadshypotek, Bond Trader/Portfolio Manager at Nordea and Danske Bank.

Shareholding⁽¹⁾: 18,341 shares.

Independent in relation to the company and management and to major shareholders.



Camilla Philipson Watz

Board member since 2022

Born: 1975

Education: LL.M, Stockholm University.

Internal assignments Board member, Risk and Audit Committee (member), Remuneration Committee (member).

Other significant external assignments: Chief Legal & Governance Officer at Resurs Bank AB.

Previous experience (selection): Chief Legal Officer at Borgo AB, board member of Lea Bank, Legal Counsel at Nordnet Bank and Handelsbanken, Legal Counsellor at the Swedish Financial Supervisory Authority, Senior Legal Adviser at The Swedish Post and Telecom Authority and Legal Officer at the Swedish Government Offices.

Shareholding⁽¹⁾: 0 shares.

Independent in relation to the company and management and to major shareholders.

(1) Shareholding as per 14 March 2025

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Christopher Rees

Board member since 2022

Born: 1972

Education: Master of Science in Accounting and Finance and Bachelors of Science in Economics at London School of Economics.

Internal assignments: Board member, Investment & Credit Committee (chair), Risk and Audit Committee (chair), Finance Committee (member).

Other significant external assignments:

Board member and chairman of the Risk and Audit Committee of Enity Bank Group and Co-founder and Partner at Belvere Group.

Previous experience (selection): includes Nordea Bank - incl. Group CFO and Head of Finance and Treasury and Deputy Head of Wholesale Banking and Head of Markets, Barclays Bank - incl. Managing Director & Co-head of Debt Capital Markets and Risk Solutions Group for EMEA, board member of Greenery International Ltd, board member of Econnext GmbH, Morgan Stanley - incl. Executive Director & Head of European Liability Management and Restructuring, Merrill Lynch - within the Strategic Solutions Group.

Shareholding⁽¹⁾: 20,000 shares.

Independent in relation to the company and management and to major shareholders.



Rickard Westlund

Board member since 2022

Born: 1966

Education: Master of Science in Economics, Örebro University.

Internal assignments: Board member, Investment & Credit Committee (member).

Other significant external assignments:

CEO of Aros Kapital AB and chair of the board for Inretrn AB.

Previous experience (selection): CEO of Ropo Capital (2023), CEO of Ludvig & Co, Regional Managing Director at Intrum, Head of Capital at Lindorff, CEO of Aktiv Kapital Sverige, and Swedbank in different positions, latest Head of Private and Corporate Market.

Shareholding⁽¹⁾: 19,794 shares.

Independent in relation to the company and management and to major shareholders.



Peter Zonabend

Board member since 2021

Born: 1980

Education: LL.M at Stockholm University, EMLE at Université Paul Cézanne Aix-Marseille III, bachelor's degree in Business and Economics at Stockholm University and DU EAED at Université Paul Cézanne Aix-Marseille III.

Internal assignments: Board member, Remuneration Committee (member).

Other significant external assignments: CEO of Arwidsro Fastighets AB and chair of the board for Vivesto AB.

Previous experience (selection): CEO of Victoria Investments Holding Ltd, Fylgia law firm and Björn Rosengren law firm. Board assignments within Hövding Sverige AB, HQ AB, TCER AB and CBD Solutions AB.

Shareholding⁽¹⁾: 61,000 shares.

Not Independent in relation to major shareholders.

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Executive Management Team



Harry Vranjes

Chief Executive Officer
 Hoist Finance employee since 2023

Born: 1970

Education: Studies in Computer Science and Business at Lund's University (Sweden).

Previous experience: Over 20 years of experience from the loan management industry and IT in various roles at Intrum, i.a. Chief Operating Officer, Regional Managing Director Western Europe and Chief Technology Officer. Consultant at WM-Data (now part of CGI) and Meteorit (now part of Sigma).

Shareholding¹⁾: 679,667 shares in total whereof 549,667 shares under the share investment program 2024.



Christian Wallentin

Chief Financial Officer And Deputy CEO
 Hoist Finance employee 2021-2025

Education: MSc Economics and Business Administration, Stockholm School of Economics (Sweden), CEMS Master, International Management, ESADE.

Previous experience: More than 20 years of financial services industry experience in various strategic and leadership roles, i.a. CFO (including responsibility of operations) at Luminor Group (the merged Baltic banking operations of Nordea and DNB), Head of Group Corporate Development at Nordea, Investment Manager at Permira and Corporate Finance Advisor at Goldman Sachs.

Shareholding¹⁾: 367,167 shares in total whereof 307,167 shares under the share investment program 2024.



Fabien Klecha

Chief Investment Officer
 Hoist Finance employee since 2012

Education: Bachelor's degree in Business Administration, Università Commerciale L. Bocconi (Italy), Master's degree in Management (Entrepreneurs major), HEC Paris (France).

Previous experience: Previous positions in Hoist Finance as Head of Secured Assets Business Line, Chief Sales Officer, Country Manager in France and Investment Manager. Experience in M&A at Rothschild & Co (Paris) and Lazard Frères (Milan), as well as entrepreneurship in AgroGeneration (part of the Private Equity fund Gravitation).

Shareholding¹⁾: 307,167 shares under the share investment program 2024.



Katarina Meyer

Chief People Officer
 Hoist Finance employee since 2016

Education: Studies in Communication and Media at independent community college. Human Resources Management through various studies such as Labour Law, Talent Acquisition, Leadership Development and Communication.

Previous experience: 30+ years of experience from a broad spectrum of sectors, with competencies such as Talent Management, Employer Branding, Culture and GDPR for HR. Previously in various HR roles including Hoist Finance Head of People Sweden, HR Consultant at Boardtalk and Senior HR Business Partner at SunGard.

Shareholding¹⁾: 4,300 shares.



Pontus Ericson

Chief Legal Officer
 Hoist Finance employee since 2024

Education: Master of Laws, Stockholm University.

Previous experience: Extensive experience in various legal roles, including Vice President Group Legal at DLL Group, Chief Legal Officer at DLL Nordics, General Counsel at Anyfin AB and Associate at Glimstedt Lawfirm.

Shareholding¹⁾: 0 shares.

(1) Shareholding as per 14 March 2025

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Enok Hanssen

Regional Managing Director
Hoist Finance employee since 2023

Education: Executive MBA from Copenhagen Business School, Studies in Political Science at the University of Gothenburg, Bachelor's degree in Business Administration from the School of Business, Economics and Law at the University of Gothenburg.

Previous experience: Over 20 years of experience within consumer finance, NPLs and payments. Previous roles include Chief Commercial Officer for Morrow Bank in Norway, Managing Director for Intrum Italy, and Chief Operating Officer for Buckaroo in the Netherlands.

Shareholding⁽¹⁾: 64,666 shares under the share investment program 2024.



Jonas Hild

Chief Risk Officer
Hoist Finance employee since 2022

Education: Msc in Economics and Statistics, Stockholm University.

Previous experience: More than 20 years in the financial sector in various roles. Before Hoist at Swedish Financial Supervisory Authority (Finansinspektionen) as Head of market and liquidity risks within Bank. Also, more than 15 years of banking experience at Nordea such as Senior Audit Manager at Group Internal Audit, Head of Risk Control at Group Treasury.

Shareholding⁽¹⁾: 1,000 shares.



Cecilia Stråle

Chief Compliance Officer
Hoist Finance employee since 2020

Education: Master of Laws, University of Uppsala.

Previous experience: Close to 20 years experience in various legal and compliance roles; Nordic Head of Compliance at American Express, Senior Associate at Mannheimer Swartling law firm (member of the Swedish Bar Association), legal counsel Ericsson.

Shareholding⁽¹⁾: 6,140 shares.



Mihails Mihailovs

Chief Operating Officer
Hoist Finance employee since 2023

Education: Bachelor of Computer Science, Transport and Telecommunications Institute, Riga, Latvia.

Previous experience: 20 years of experience in technology and loan management in various roles within Exigen Group, Accenture and Intrum where he held Regional IT Director and IT Transformation Director positions.

Shareholding⁽¹⁾: 64,666 shares under the share investment program 2024.



Karin Tyche

Chief Investor Relations and Communications Officer
Hoist Finance employee since 2024

Education: MSc, Stockholm University.

Previous experience: Various roles in Swedbank AB (publ), both Capital Markets / Investment Banking and Communications / Investor Relations.

Shareholding⁽¹⁾: 110 shares.

(1) Shareholding as per 14 March 2025

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Makram Chebli

Managing Director France
Hoist Finance employee since 2013

Education: Bachelor's degree in economics, Université Saint Joseph (Lebanon), master's degree in management, HEC Paris (France).

Previous experience: More than 19 years of financial services industry experience, including Head of Acquisitions for Hoist Finance France, Consultant at Stanwell Consulting and Exton Consulting (Paris) as well as M&A in the FIG team at Lehman Brothers (London).

Shareholding⁽¹⁾: 72,166 shares in total whereof 64,666 shares under the share investment program 2024.



Sarah Salmona

Managing Director Greece
Hoist Finance employee since 2017

Education: BSc in Business Administration, Athens University of Economics and Business (Greece), MSc in Strategic Human Resources Management, ALBA Graduate Business School (Greece).

Previous experience: Previous position in Hoist Finance as Deputy Country Manager Greece. Over 20 years of experience in financial services, i.a. Transaction Services Senior Manager at EY Greece, CFO at a Real Estate Fund Manager in South eastern Europe, internal auditor at Steel company listed on the Athens Stock Market, as well as auditor in PwC, Greece.

Shareholding⁽¹⁾: 0 shares.



Mateusz Poznański

Managing Director Poland
Hoist Finance employee since 2020

Education: MSc of Digital Management, Kozminski University Warsaw (Poland), BSc of Marketing and Management Economic School Poznan (Poland), Management education, Economic University of Wroclaw (Poland) / INSEAD (France).

Previous experience: More than 25 years of experience from the financial sector in Poland in various strategic and leadership roles, including the position of Vice President of the Management Board at Alior Bank S.A., Executive Director at ING Bank Poland, Vice-Chairman Supervisory Board at the Polish Payment Standard (BLIK) and Visa Executive Committee Poland, as well as Director of the Sales Department at Credit Agricole Poland.

Shareholding⁽¹⁾: 69,666 shares in total whereof 64,666 shares under the share investment program 2024.



Andrea Giovanelli

Managing Director Italy
Hoist Finance employee since 2023

Education: Graduation in Economy and Management, University of Turin, Chartered Accountant, University of Turin, Diplome d'Etudes Approfondis in Financial Strategy, Ecole Supérieure De Commerce De Lyon.

Previous experience: In doValue since June 2018, after a remarkable experience both in Corporate Finance and in Restructuring, which started in Mediobanca, HSBC e Capitalia, and consolidated in Unicredit as Head of Restructuring since 2008. Founder and CEO of Pillarstone and Head of Restructuring & Debt Advisory Services di Deloitte Italy.

Shareholding⁽¹⁾: 74,666 shares in total whereof 64,666 shares under the share investment program 2024.

Changes in the Executive Management Team

Christian Wallentin, CFO and Deputy CEO, left Hoist Finance in March 2025. Until a permanent solution is in place, **Magnus Söderlund**, Finance Director, is acting CFO.

Sofia Buhlin, Interim Chief Communications officer, was part of the Group Executive Management between 1 June 2023 and 8 February 2024.

Johan Wigh, Interim Chief Legal Officer, left Hoist Finance on 28 January 2024 and was succeeded by **Pontus Ericson** as Chief Legal Officer on 29 January 2024.

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Consolidated income statement

SEK m	Not	2024	2023
Interest income acquired loan portfolios calculated using the effective interest rate method	4	4,523	3,469
Interest income on interest-bearing securities measured at fair value	4	45	–
Interest income on interest-bearing securities measured at fair value over OCI calculated using the effective interest rate method	4	161	–
Other interest income ¹⁾	4	266	176
Interest expense	4	–1,428	–829
Net interest income	4	3,567	2,816
Impairment gains and losses	5	527	357
Fee and commission income	6	75	103
Net result from financial transactions	7	4	117
Derecognition gains and losses	7	174	43
Other operating income	8	45	59
Total operating income		4,392	3,495
Personnel expenses	9	–983	–961
Collection costs	10	–1,279	–1,018
Other administrative expenses	10	–738	–688
Depreciation and amortisation of tangible and intangible assets	22,23, 24, 25	–99	–96
Total operating expenses		–3,099	–2,763
Net operating profit/loss		1,293	732
Share of profit from joint ventures	11	7	114
Profit/loss before tax		1,300	846
Income tax expense	13	–287	–183
Net profit/loss		1,013	663
<i>Profit/loss attributable to:</i>			
Owners of Hoist Finance AB (publ)		879	511
Additional Tier 1 capital holders		134	152
Other non-controlling interest		0	–
Basic earnings per share, SEK	15	10.07	5.72
Diluted earnings per share, SEK		10.07	5.72

1) Of which interest income calculated using the effective interest method amount to SEK 64.7m (48.5).

Condensed consolidated statement of comprehensive income

SEK m	Not	2024	2023
Net profit/loss for the period		1,013	663
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of defined benefit pension plan		–1	1
Total items that will not be reclassified to profit or loss		–1	1
<i>Items that may be reclassified subsequently to profit or loss</i>			
<i>Currency translation difference</i>			
Currency translation differences		340	264
Tax on currency translation differences		0	–
<i>Hedging of net investment in foreign operations</i>			
Valuation gains/losses		–363	–528
Tax on valuation gains/losses		75	109
Transferred to the income statement		–2	37
Tax on transfers to the income statement		0	–8
<i>Fair value through other comprehensive income</i>			
Valuation gains/losses		–37	–
Tax on valuation gains/losses		8	–
Total items that may be reclassified subsequently to profit or loss		21	–126
Other comprehensive income for the period		20	–125
Total comprehensive income for the period		1,033	538
<i>Profit/loss attributable to:</i>			
Owners of Hoist Finance AB (publ)		899	386
Additional Tier 1 capital holderS		134	152
Other non-controlling interest		0	–

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Consolidated balance sheet

SEK m	Not	2024	2023	OB 2023	SEK m	Not	2024	2023	OB 2023
ASSETS					LIABILITIES AND EQUITY				
Cash		0	0	0	Liabilities				
Treasury bills and Treasury bonds	16, 18	9,837	2,675	2,789	Deposits from the public	16, 18, 31	40,190	20,238	18,581
Lending to credit institutions	16, 18	4,344	3,535	2,358	Debt securities issued	16, 18, 31	5,023	4,649	5,595
Lending to the public	16, 18	0	0	1	Tax liabilities		224	122	107
Portfolio book value	16, 18, 19	29,920	24,288	21,624	Other liabilities	17, 25, 28	1,961	1,758	1,158
Value change of interest-hedged items in portfolio hedging	7	224	239	9	Deffered tax liabilities	13	117	84	114
Bonds and other securities	16, 18	10,669	1,856	4,094	Accrued expenses and deferred income	29	642	297	329
Shares and participations in joint ventures	11	6	5	188	Provisions	30	138	54	47
Shares and participations in other companies		74	–	–	Subordinated debts	16, 18, 31	1,934	900	903
Intangible assets	22	216	242	297	Total liabilities		50,229	28,102	26,834
Tangible assets	23, 25	113	88	128	Equity	32			
Seized assets	24	155	87	93	Additional Tier 1 capital holders		1,109	1,109	1,106
Other assets	17, 26	972	808	694	Share capital		30	30	30
Deferred tax assets	13	119	71	116	Other contributed equity		2,160	2,275	2,275
Prepaid expenses and accrued income	27	285	129	108	Reserves		–423	–444	–318
Total assets		56,934	34,023	32,499	Retained earnings including profit/loss for the period		3,829	2,951	2,573
					Total equity		6,705	5,921	5,666
					Total liabilities and equity		56,934	34,023	32,499

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Consolidated statement of changes in equity

SEK m	Equity attributable to shareholders of Hoist Finance AB (publ)							Total	Additional Tier 1 capital holders	ther noncontrolling interest	Total equity
	Share capital	Other contributed equity	Revaluation reserve	Hedge reserve fund	Translation reserve	Retained earnings including profit/loss for the period					
Opening balance 1 jan 2024	30	2,275	–	–1,077	633	2,951	4,812	1,109	–	5,921	
Comprehensive income for the period											
Profit/loss for the period						879	879	134	0	1,013	
Other comprehensive income			–29	–290	340	–1	20			20	
Total comprehensive income for the period			–29	–290	340	878	899	134	0	1,033	
Transactions reported directly in equity											
Interest paid on Additional Tier 1 capital								–134		–134	
Repurchase of shares ¹⁾	0	–201					–201			–201	
New issuance of shares ¹⁾		86					86			86	
Total transactions reported directly in equity	0	–115					–115	–134		–249	
Closing balance 31 Dec 2024	30	2,160	–29	–1,367	973	3,829	5,596	1,109	0	6,705	

1) For more information, see not 32 Equity and note 15 Earnings per share.

SEK m	Equity attributable to shareholders of Hoist Finance AB (publ)							Total	Additional Tier 1 capital holders	Total equity
	Share capital	Other contributed equity	Hedge reserve	Translation reserve	Retained earnings including profit/loss for the period					
Opening balance 1 Jan 2023 ¹⁾	30	2,275	–687	369	2,573	4,560	1,106	5,666		
Comprehensive income for the period										
Profit/loss for the period					511	511	152	663		
Other comprehensive income			–390	264	1	–125		–125		
Total comprehensive income for the period			–390	264	512	386	152	538		
Transactions reported directly in equity										
Additional Tier 1 capital instrument ²⁾							700	700		
Called Additional Tier 1 capital instrument ²⁾						–128	–128	–829		
Transaction cost Tier 1 capital instrument						–13	5	–8		
Interest paid on capital contribution							–152	–152		
Acquisition agreement for treasury shares ³⁾					8	8		8		
Tax effect on items reported directly in equity					3	3	–1	2		
Share-based payments ⁴⁾					–4	–4		–4		
Total transactions reported directly in equity					–134	–134	–149	–283		
Closing balance 31 Dec 2023	30	2,275	–1,077	633	2,951	4,812	1,109	5,921		

1) Opening balance has been corrected by SEK –78 million, for more information see note 14. 2) Issued amount of SEK 700m, called amount of EUR 70m with a FX-effect of SEK 128m. 3) Called swap, issued 2020 to secure the delivery of treasury shares in the LTIP programme 4) For more information on share-based payments, see Hoist Finance Annual report 2022.

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Condensed consolidated cash flow statement

SEK m	Not	2024	2023
OPERATING ACTIVITIES			
Profit/loss before tax		1,300	846
– of which, paid-in interest		4,996	3,649
– of which, interest paid		-1,130	-678
Adjustment for other items not included in cash flow	34	-827	-775
Realised result from divestment of shares and participations in joint ventures		0	4
Income tax paid/received		-34	-70
Amortisations on acquired loan portfolios		5,006	4,101
Increase/Decrease in other assets and liabilities		363	296
Cash flow from operating activities		5,808	4,402
INVESTING ACTIVITIES			
Acquired loan portfolios		-10,143	-7,089
Divested loan portfolios		1,031	884
Investments in bonds and other securities		-14,329	-101
Divestments of bonds and other securities		5,526	2,361
Cash flow from investing activities		-168	328
Cash flow from investing activities		-18,083	-3,617

SEK m	Not	2024	2023
FINANCING ACTIVITIES			
Deposits from the public		19,028	1,724
Settlement of net lending attributable to discontinued operations		4,209	1,813
Debt securities issued		-2,886	-2,628
Repurchase and repayment of Debt securities issued		-	692
Additional Tier 1 capital		-	-829
Interest paid on Additional Tier 1 capital		-134	-152
Repurchase of shares		-201	-
New share issue		86	-
Amortisation of lease liabilities		-45	-48
Cash flow from financing activities	34	20,057	572
Cash flow for the period		7,782	1,357
Cash at beginning of the period		5,938	4,809
Translation difference		221	-228
Cash at end of the period ²⁾		13,941	5,938

2) Cash and cash equivalents in cash flow statement

SEK m	2024	2023
Cash	0	0
Treasury bills and Treasury bonds	9,837	2,675
Lending to credit institutions	4,344	3,535
excl. lending to credit institutions in securitisation vehicles	-240	-272
Total cash and cash equivalents in cash flow statement	13,941	5,938

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Parent Company condensed income statement

SEK m	Not	2024	2023
Interest income	4	2,927	1,927
Interest expense	4	-1,353	-750
Net interest income	4	1,574	1,177
Fee and commission income		4,974	457
Net result from financial transactions	7	-786	-37
Other operating income	6, 8	186	230
Total operating income		5,948	1,827
Personnel expenses	9	-543	-588
Other administrative expenses	10	-1,135	-1,055
Depreciation and amortisation of tangible and intangible assets	22, 23	-46	-46
Total operating expenses		-1,724	-1,689
Profit before credit losses		4,224	138
Impairment gains and losses on acquired loan portfolios	5	-16	89
Amortisation of other financial fixed assets		-2,941	-
Share of profit from joint ventures	11	13	356
Profit/loss before tax		1,280	583
Appropriations	12	201	24
Taxes	13	-166	-8
Net profit/loss		1,315	599

Parent company condensed statement of comprehensive income

SEK m	Not	2024	2023
Net profit/loss		1,315	599
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation difference, foreign operations		0	3
Instruments measured at fair value through other comprehensive income		-37	-
Tax attributable to items that may be reclassified to profit or loss		8	-
Total items that may be reclassified subsequently to profit or loss		-29	3
Other comprehensive income for the year		-29	3
Total comprehensive income for the year		1,285	602
<i>Profit/loss attributable to:</i>			
Owners of Hoist Finance AB (publ)		1,152	450
Additional Tier 1 capital holders		134	152

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Parent Company condensed balance sheet

SEK m	Not	2024	2023	SEK m	Not	2024	2023
ASSETS				LIABILITIES AND EQUITY			
Cash		–	–	Liabilities			
Treasury bills and Treasury bonds	16, 18	9,837	2,675	Deposits from the public	16, 18, 31	40,190	20,238
Lending to credit institutions	16, 18	3,597	2,678	Debt securities issued	16, 18, 31	4,675	4,101
Portfolio book value	16, 18, 19	12,637	10,483	Tax liabilities		207	111
Value change in interest-hedged items in portfolio hedge	7	132	163	Other liabilities	17, 27	1,863	1,361
Receivables, Group companies		8,296	6,936	Deferred tax liabilities	13	0	0
Bonds and other securities	16, 18	12,078	1,856	Accrued expenses and deferred income	29	292	136
Shares in subsidiaries	20	7,752	6,547	Provisions	17, 30	95	44
Shares and participations in joint ventures		0	0	Subordinated debts	16, 18, 31	1,934	900
Shares in other companies		74	–	Total liabilities and provisions		49,256	26,891
Intangible assets	22	32	70	Untaxed reserves	12	–	201
Tangible assets	23	9	9	Equity	32		
Other assets	16, 17, 26	778	618	<i>Restricted equity</i>			
Deferred tax assets	13	64	67	Share Capital		30	30
Prepaid expenses and accrued income	27	70	52	Statutory reserve		13	13
Total assets		55,356	32,154	Revaluation reserve		1	3
				Development expenditure fund		2	2
				Total restricted equity		46	48
				<i>Fritt eget kapital</i>			
				Additional Tier 1 capital holders		1,109	1,109
				Share premium		1,969	1,883
				Reserves		–23	6
				Retained earning		1,684	1,417
				Profit for the year		1,315	599
				Total unrestricted equity		6,054	5,014
				Total equity		6,100	5,062
				Total liabilities and equity		55,356	32,154

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Parent Company statement of changes in equity

SEK m	RESTRICTED EQUITY				NON-RESTRICTED EQUITY					Total equity
	Share capital	Statutory reserves	Revaluation reserve	Development expenditure fund	Additional Tier 1 capital holders	Share premium	Reserves	Retained earnings	Profit for the year	
Opening balance 1 Jan 2024	30	13	3	2	1,109	1,883	6	1,417	599	5,062
Transfer of previous year's net profit/loss								599	-599	0
Total comprehensive income for the year									1,315	1,315
Profit/loss for the year									1,315	1,315
Other comprehensive income							-29			-29
Total comprehensive income for the year	0	0	0	0	0	0	-29	0	1,315	1,286
Transactions reported directly in equity										
Transfer between restricted and non-restricted equity				0				0		0
New issuance of shares ¹⁾	0					86				86
Repurchase of shares ¹⁾								-201		-201
Interest paid on Additional Tier 1 capital								-134		-134
Portfolio revaluation reserve								2		2
Tax effect on items reported directly in equity								0		0
Total transactions reported directly in equity	0	0	-2	0	0	86	0	-333	0	-249
Closing balance 31 Dec 2024	30	13	1	2	1,109	1,969	-23	1,684	1,315	6,100

1) See note 32 Equity and note 15 Earnings per share for more information.

SEK m	RESTRICTED EQUITY				NON-RESTRICTED EQUITY					Total equity
	Share capital	Statutory reserves	Revaluation reserve	Development expenditure fund	Additional Tier 1 capital holders	Share premium	Reserves	Retained earnings	Profit for the year	
Opening balance 1 Jan 2023	30	13	6	3	1,106	1,883	3	1,452	246	4,742
Transfer of previous year's net profit/loss								246	-246	0
Total comprehensive income for the year									599	599
Profit/loss for the year									599	599
Other comprehensive income							3			3
Total comprehensive income for the year	0	0	0	0	0	0	3	0	599	602
Transactions reported directly in equity										
Transfer between restricted and non-restricted equity				-1				1		0
Additional Tier 1 capital instrument					700					700
Called Additional Tier 1 capital instrument					-701			-128		-829
Transaction cost Tier 1 capital instrument					5			-13		-8
Interest paid on Additional Tier 1 capital								-152		-152
Acquisition agreement for treasury shares								8		8
Share-based payments								-4		-4
Portfolio revaluation reserve								3		0
Tax effect on items reported directly in equity								3		2
Total transactions reported directly in equity	0	0	-3	-1	3	0	0	-282	0	-282
Closing balance 31 Dec 2023	30	13	3	2	1,109	1,883	6	1,417	599	5,062

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Parent Company cash flow statement

SEK m	Note	2024	2023	SEK m	Note	2024	2023
OPERATING ACTIVITIES				FINANCING ACTIVITIES			
Profit/loss before tax		1,280	583	Deposits from the public		19,028	1,135
– of which, paid-in interest		2,928	1,947	New share issue		86	–
– of which, interest paid		–1,048	–676	Repurchase of shares		–201	–
Adjustment for other items not included in cash flow				Debt securities issued		4,880	2,145
Depreciation and amortisation on tangible and intangible assets		46	46	Repurchase and repayment of Debt securities issued		–3,420	–2,545
Impairment of shares in subsidiaries		2,941	–	Interest paid on Additional Tier 1 capital		–134	–204
Unrealised component of net income from financial transactions		234	277	Cash flow from financing activities		20,239	531
Instrument värderade till verkligt värde via övrigt totalresultat		–29	–	Cash flow for the period		7,604	1,446
Impairment gains and losses		16	–90	Cash at beginning of the period		5,337	4,142
Increase/decrease in accrued interest income and interest expense		306	94	Translation difference		198	–251
Increase/decrease in provisions		51	8	Cash at end of the period ¹⁾		13,139	5,337
Derecognition gains and losses		1	–	1) Cash and cash equivalents in cash flow statement			
Other items		0	3	Cash		0	0
Adjustment for items included in investing activities				Treasury bills and Treasury bonds		9,837	2,675
Dividend subsidiary		–4,974	–457	Lending to credit institutions		3,597	2,678
Realised profit from divestment of shares and participations in joint ventures		–13	–356	Liabilities to Group companies, group account		–295	–16
Income tax paid		–34	–66	Total cash and cash equivalents in cash flow statement		13,139	5,337
Amortisations on acquired loan portfolios		2,238	1,997				
Increase/decrease in other assets and liabilities		312	571				
Cash flow from operating activities		2,375	2,610				
INVESTING ACTIVITIES							
Acquired loan portfolios		–5,143	–2,320				
Divested loan portfolios		1,098	–550				
Loans to Group companies		–2,133	–1,535				
Repaid loans, Group companies		1,084	1,459				
Investments in bonds and other securities		–15,738	–				
Divestments of bonds and other securities		5,526	1,430				
Dividend received from subsidiaries		4,974	457				
Other cash flows from investing activities		–4,678	–636				
Cash flow from investing activities		–15,010	–1,695				

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Note 1 Accounting principles

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1. Corporate information

The Annual Report is issued as of 31 December 2024 by Hoist Finance AB (publ), CIN 556012-8489, the Parent Company of the Hoist Finance Group ("Hoist Finance"). The parent company is a Swedish public limited company, registered in Stockholm, Sweden.

The address of the head office is Box 7848, 103 99 Stockholm. The Group is licensed and Supervised by the Swedish Financial Supervisory Authority.

The consolidated accounts for financial year 2024 were approved by the Board of Directors on 20 March 2025 and will be presented for adoption at the Annual General Meeting on 8 May 2025.

2. Statement of compliance Accounting principles of the Group

The consolidated accounts for Hoist Finance AB (publ) were prepared in accordance with the international Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and interpretations issued by the IFRS Interpretation committee as adopted by the EU. The Annual Report was prepared in accordance with (1995: 1559) the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and guidelines on annual accounts in credit institutions and securities companies (FFFS 2008:25) including applicable amendments, and the Swedish Financial Reporting Board's recommendations RFR 1 "Supplementary Accounting Rules for Groups".

Accounting principles of the Parent Company are presented in section 14.

3. Changed accounting principles

Hedge accounting and net investments

During first quarter 2024 Hoist Finance implemented hedge accounting for net investments in foreign operations for currency exposure in EUR, in addition to what had been previously implemented for GBP and PLN.

Minority interests

Minority interests in the earnings of consolidated companies are presented on a separate line in the consolidated income statement, in cases where the share in profits exceeds SEK 1,000, and in the note regarding equity.

Change in liquidity portfolio business model

During third quarter 2024, Hoist Finance changed its business model for the liquidity portfolio in accordance with IFRS 9. Accordingly, bonds and treasury bills for the liquidity portfolio are classified at fair value in other comprehensive income as from 1 October 2024.

The reason for the change in business model was that Hoist now holds financial assets to maturity in its liquidity portfolio together with holding assets that are sold to meet the portfolio's objectives, which are to meet regulatory requirements and to generate the highest possible returns. The change was implemented prospectively and no earlier periods have been restated. These assets are subject to impairment testing. Interest income, exchange rate effects and credit losses are recognised in the income statement, while unrealised changes in value are recognised in other comprehensive income and are reclassified to the income statement upon sale.

Correction of errors in previous periods

During fourth quarter 2024, errors were corrected for previous periods as regards variable returns for co-investors in SPV Marathon and for deferred tax. Comparative figures have been adjusted. See Note 14 for further information.

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4. New standards, amendments and interpretations that have not yet been applied

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) have issued standards, amendments to standards, and interpretations applicable for 2025 or later, which have been endorsed by the EU.

The following have not been applied by Hoist Finance in its 2024 Annual Report.

IFRS 18 Presentation and disclosure in financial statements

The International Accounting Standards Board (IASB) published a new standard in April 2024: IFRS 18 Presentation and disclosure in financial statements. This standard replaces IAS 1 and migrates certain IAS 1 requirements to IAS 18. IFRS 18 requires companies to present new subtotals and new categories of income and expenses in the income statement and requires disclosure of specific management-defined performance measures.

IFRS 18 and its subsequent amendments, to be applied as from 1 January 2027, have not yet been adopted by the EU. The work of implementing the new standard and assessing its effect on the Group will begin during 2025/2026.

Amendments to the classification and measurement of financial instruments and disclosure requirements (IFRS 9 and IFRS 7)

In May 2024, the International Accounting Standards Board (IASB) published amendments to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. The amendments clarify existing requirements regarding recognition and derecognition of financial assets and liabilities, clarify the characteristics of non-recourse financial assets, and specify new disclosure requirements for contractually linked financial instruments. The amendments to IFRS 9 and IFRS 7 are to be applied as from 1 January 2026 and have not yet been adopted by the EU. The work of implementing the new amendments will begin during 2025.

5. Critical judgements and estimates

As described in Note 19 "Portfolio book value", the recognition of acquired non-performing loans is based on the Group's own forecast of future cash flows from acquired portfolios. Although the Group's cash flow forecasts have historically been reasonably accurate, future deviations cannot be ruled out. The Group applies internal rules and a formalised decision-making process for the adjustment of previously adopted cash flow forecasts. The internal rules are based on a 15-year period. The effective interest rate for credit-impaired portfolios is based on the initial cash flow forecast specified at acquisition date. While other macroeconomic factors such as inflation and higher interest rates have not had any impact on Hoist Finance's estimates and assessments to date, developments are being closely monitored to evaluate whether such factors may result in a decrease of our customers' ability to amortise their debt in the future, and how this may affect the valuation of our loan portfolios.

Detailed information on these estimates and assumptions is included in Note 35 "Risk Management".

Measurement of performing loans

The Company also acquires performing loans, for which both effective interest rate and cash flow are subject to the contractual obligations defined at acquisition. The effective interest rate here is based on initial expected cash flows as per the customer contract, discounted by the purchase price. Cash flows are regularly adjusted as receivables are paid or customer terms and conditions are renegotiated.

The measurement of the expected credit loss (ECL) for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses).

A number of assessments are required in applying the accounting requirements for measuring ECL, such as:

- » Determining criteria for significant increase in credit risk
- » Choosing appropriate models and assumptions for ECL measurement
- » Establishing the number and relative weightings of forward-looking scenarios for each market

Detailed information on these estimates and assumptions is included in Note 35 "Risk Management".

Measurement of deferred tax assets

Deferred tax assets pertaining to loss carry-forwards or other future tax deductions are reported to the extent it is deemed probable that they may be offset against future tax surplus. Carrying values for deferred tax assets at each balance sheet date are presented in Note 13 "Tax".

Measurement and impairment testing of goodwill

Assessments are required to identify the cash-generating units. In the annual impairment test, the value in use of the cash generating units is calculated by discounting estimated future cash flows. Cash flow forecasts are based on an assessment of future collections, portfolio acquisitions, and cost accounting and revenue recognition. Additional details on impairment testing for goodwill are presented in Note 22 "Intangible Assets".

Provisions

Assessments are required to determine whether existing legal or informal obligations exist and to calculate the probability, timing and amount of outflows. Claims arising from civil proceedings and official matters require a higher degree of assessment than other types of provisions.

Additional Tier 1 capital

Hoist Finance's Additional Tier 1 capital (AT1 capital) comprises depreciable perpetual debt instruments. Hoist Finance has no obligation to pay cash or other financial assets to the holders of the instruments. In other words, Hoist Finance has a unilateral and unconditional right to choose not to make payments. Therefore, AT1 capital does not comprise a financial liability, and is instead recognised as equity.

Structured entities and investment entities

A structured entity is an entity formed to achieve a limited and well-defined purpose and for which voting rights are not the decisive factor in determining whether control exists.

When Hoist Finance assesses whether or not to consolidate structured entities, an analysis is conducted to determine whether control exists. Under IFRS 10, control exists when the investor is exposed to, or has rights to, variable returns from its involvement in

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the investment object and can influence returns by exerting influence over the investment object.

Consolidated structured entities

Hoist Finance conducts parts of its business through Special Purpose Vehicles (SPVs) in Italy. These companies acquire credit-impaired portfolios and issue bonds to investors, secured by the acquired assets. A securitisation programme is set up for each SPV, with pre-determined criteria that are part of the companies' initial design.

HF Collections DAC (a Designated Activity Company in Ireland), which holds a loan portfolio, was incorporated into the Group during 2024, as Hoist Finance AB is deemed to have control based on its handling of key decisions that have the greatest impact on the loan portfolio's returns and is exposed to variable returns.

An investment entity ("compartment") was also established in Portugal, in Orthonave STC S.A. (a Sociedade de Titularização de Créditos, or STC), and incorporated into the Group. Hoist Finance is deemed to have control over the Portuguese investment entity, as it handles key decisions that have the greatest impact on the loan portfolios' returns and is exposed to variable returns. The Portuguese investment entity also holds a 5 per cent minority interest.

Unconsolidated structured entities

During 2024, Hoist Finance invested in structured entities in which Hoist Finance holds notes together with third parties. The structured entity in turn owns loan portfolios. The assessment of control, which evaluates whether Hoist is exposed to or has rights to variable returns from its involvement in the investment object and can influence returns through its power over the investment object, found that Hoist does not hold control. Accordingly, these notes are recognised at fair value through profit or loss and included in line item "Bonds and other securities". Interest income is recognised in line item "Interest income from interest-bearing securities at fair value". These investments are referred to as co-investments in the running text and presented along with loan portfolios as Host Finance's investment portfolio.

6. Financial assets and liabilities

Recognition in and derecognition from the balance sheet

A financial asset or liability is recognised in the balance sheet when the company becomes a party to the contractual provisions of the

instrument. A receivable is recognised in the balance sheet when the counterparty is contractually liable to pay, even if an invoice has not been sent. Loan receivables, deposits, issued securities and subordinated debt are recognised in the balance sheet at the settlement date. A spot purchase or sale of financial assets is recognised in and derecognised from the statement of financial position on the trade date. A financial asset is derecognised from the balance sheet when the contractual right to receive cash flows from the financial asset expires or when the financial asset is transferred and the company simultaneously transfers substantially all of the risks and rewards of ownership of the financial asset. A financial liability or portion thereof is derecognised when the obligation is discharged or otherwise extinguished. An exchange between the company and an existing lender, or an existing borrower of debt instruments with essentially different terms and conditions, is recognised as an extinguishment of the old financial liability or asset, respectively, and recognised as a new financial instrument. Financial assets and liabilities are offset and the net amount recognised in the balance sheet only when there is a legal right to offset the amounts and an intention to settle the items net or to concurrently realise the asset and settle the liability.

With regard to "Portfolio book value", changes in instalment agreements do not comprise grounds for derecognition from the balance sheet or for recognition of modifications of loan receivables.

Debtor instalment agreements are completed on a regular basis for receivables in "Portfolio book value" and in some countries, the instalment agreements are established through legal processes pursuant to insolvency rules. Changes in expected cash flows as a result of instalment agreements have an impact on the portfolios' amortised cost and are recognised in profit or loss as "Impairment gains and losses".

Impact on earnings arising from derecognition upon, e.g., the write-off or sale of financial assets valued at amortised costs are reported in the income statement as "Gain/Loss on derecognition of financial assets" within "Net result from financial transactions".

Classification and measurement

Classification of financial assets

Financial assets are classified based on the company's business model for managing financial assets and the characteristics of the contractual cash flows generated from the financial asset.

The Group has financial assets classified at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Classification of financial liabilities

Financial liabilities are classified at amortised cost, except for derivative liabilities, which are classified at fair value through profit or loss. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial assets and liabilities at amortised cost

Portfolio book value

"Portfolio book value" comprises loan receivables, some of which are credit-impaired receivables acquired at a price significantly below the nominal claim and some of which are performing loans. The portfolios are held within the framework of a business model focused on holding the receivables in order to collect contractual cash flows comprised of principal payments and interest payments on outstanding principal.

Measurement methods

The amortised cost is the amount at which the financial asset or liability was measured at initial recognition, adjusted by amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance. The effective interest rate is the rate that exactly discounts the expected cash flows (including transaction costs) to the gross carrying amount of financial assets. For purchased performing loan portfolios, the calculation of the effective interest rate does not take into consideration expected credit losses. When Hoist Finance revises estimates of future cash flows on acquired credit-impaired loans, the carrying amount of the financial asset is adjusted to reflect the new estimate discounted using the effective interest rate determined at initial recognition. Any changes are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

The financial assets recognised at fair value through other comprehensive income comprise treasury bills and treasury bonds, as well as bonds and other securities held in Hoist Finance's liquidity portfolio. These assets are held pursuant to a business model focused on realising the assets through receipt of contractual cash flows, as well as through divestment. Accordingly, the assets are measured

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at fair value through other comprehensive income on a continuous basis, with accumulated unrealised changes in value recognised in the fair value reserve. Interest income is recognised in net interest income in the income statement. When an asset in this category is sold, the previously unrealised profit/loss is reclassified from other comprehensive income to profit/loss, where it is recognised in line item “Net result from financial transactions”. At initial recognition the assets are recognised at fair value plus transaction cost.

Financial assets and liabilities at fair value through profit or loss

Financial instruments are initially recognised at fair value plus transaction costs, with the exception of derivatives and instruments from the “Financial assets at fair value through profit or loss” category, which are recognised at fair value in profit or loss. These are recognised at fair value exclusive of transaction costs.

The financial assets recognised by the Group at fair value through profit or loss (FVTPL) are derivatives with positive values where hedge accounting is not applied, as well as “Treasury bills and treasury bonds” and “Bonds and other securities”. With the exception of derivatives and interest-bearing securities (notes in SPVs) attributable to Hoist’s co-investments, financial assets recognised at FVTPL are managed pursuant to a fair-value-based business model primarily aimed at providing liquidity for the acquisition of loan portfolios. The financial liabilities recognised at FVTPL are derivatives with negative values to which hedge accounting does not apply. Derivatives are initially recognised at fair value at the date the derivative is contracted and are subsequently measured at fair value at the end of each reporting period. Changes in fair value are recognised in “Net result from financial transactions”.

Fair value measurement

The fair value of financial instruments traded on an active market (level 1) is determined for financial assets based on the current bid price. Assets measured at fair value in the balance sheet and traded on an active market comprise investments in “Treasury bills and treasury bonds” and “Bonds and other securities”. Financial instruments that are not traded on an active market but which can be measured using other valuation methods, with observable market information as input (level 2), are comprised of currency hedges and interest derivatives. Financial instruments with little or no market activity are measured at fair value using unobservable

inputs (level 3) and comprise holdings of notes in SPVs held jointly with third parties.

In cases where assets and liabilities have conflicting market risks, the mid-price is used to determine fair value. See Note 16 “Financial instruments”.

Interest income

Interest income for credit-impaired loans is calculated by applying the credit-adjusted effective interest rate to the loan’s carrying value. For performing loans, interest income is calculated as the effective interest rate times the loan’s gross value before loss allowance, except for stage 3, where the effective interest rate is applied to the net carrying amount.

Impairment

Hoist Finance assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instrument assets carried at amortised cost. Loss allowances for ECLs are recognised at each reporting date, where the measurement of ECL reflects:

- » An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- » Reasonable and supportable information on current and future macroeconomic and non-macroeconomic conditions.

For acquired performing loans, IFRS 9 outlines a model for impairment based on the changes in credit quality since initial recognition, as summarised below:

- » All financial assets that are not credit-impaired at initial recognition are classified as stage 1 and Hoist Finance continuously monitors their credit risk.
- » Stage 2 financial assets are those which have experienced a trigger event for a significant increase in credit risk but are not yet deemed to be credit-impaired. Note 33 “Risk Management” describes the criteria for triggering a significant increase in credit risk.
- » Stage 3 financial assets are those which are credit-impaired. Note 33 “Risk management” describes the criteria for a financial asset to be considered credit-impaired or in default.

Financial instruments in Stage 1 have their ECLs measured at an amount equal to the portion of lifetime expected credit losses that

result from default events in the next 12 months. Instruments in Stages 2 and 3 have their ECLs measured based on expected credit losses on a lifetime basis. The ECL modelling techniques utilised by Hoist Finance are described in the notes.

Write-offs

For acquired loan portfolios, Hoist Finance will, in whole or in part, derecognise assets where there is no reasonable expectation of recovery. Indicators of when there is no reasonable expectation of recovery include: (i) ceasing of enforcement activities; (ii) realisation of collateral; (iii) days past due and days since last payment was received (not used in isolation); and (iv) sudden change of debtor status indicating inability to meet any portion of its contractual obligations.

Unidentified revenue and payments

The Group receives large volumes of payments from borrowers. In cases where the sender’s reference information is missing or incorrect, it is difficult to assign the payment to the correct account. Payments are also sometimes received on closed accounts. In such instances, a reasonable search is conducted and an attempt is made to contact the payment sender. Unidentified payments are treated as “other liabilities”. The amounts are recognised as revenue pursuant to a predefined time frame.

Other financial assets at amortised cost

Other financial assets at amortised cost encompasses “Lending to credit institutions”, as well as accounts receivable and other financial assets reported under “Other assets” (excluding derivatives with positive values). The assets are held within the framework of a business model with the objective of holding assets to collect contractual cash flows comprising repayments of capital and interest on the capital outstanding. On initial recognition, accounts receivable are recognised at the transaction price and other financial assets are recognised at fair value exclusive of transaction costs. Thereafter, the effective interest method is used to measure amortised cost. The items provide the basis for the loss allowance for expected credit losses (ECLs). The loss allowance for accounts receivable is calculated using the simplified approach. The ECL allowance is prepared on initial recognition and on subsequent balance sheet dates, and takes into consideration the remaining term of the receivable.

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The loss allowance for “Lending to credit institutions” and other financial assets is based on allocation of the assets in three different stages that reflect changes in credit risk. On initial recognition, the asset is allocated to Stage 1 and, on initial recognition and on subsequent balance sheet dates, a loss allowance is reported for the next 12 months. If the credit risk for the financial asset has increased significantly since initial recognition, the asset is allocated to Stage 2 and the loss allowance is calculated for the entire remainder of the term. Interest income under the effective interest method for financial assets in Stages 1 and 2 is calculated on the gross carrying amount. While a loss allowance continues to be calculated for the entire remainder of the term for Stage 3 credit-impaired assets, interest income according to the effective interest method is calculated on the amortised cost, i.e., after taking into account the loss allowance. Should the credit risk decline, the asset can once again be allocated to Stage 1 or 2. The allocation criteria for the various stages are determined by the Group.

The recognised balance sheet items comprise the net of gross amounts and the loss allowance. Consequently, no separate provision for the loss allowance is reported in the balance sheet. Changes in the loss allowance are recognised under “Impairment gains and losses” in profit or loss.

Repossessed assets

Repossessed assets are assets taken over to protect a claim. Hoist Finance may waive a loan receivable and instead repossess the asset that served as collateral for the loan. Repossessed assets may consist of financial assets, properties and other tangible assets. Repossessed assets are recognised on the same line item in the balance sheet as similar assets that have been acquired otherwise. Repossessed assets comprised of tangible assets are recognised as inventories in accordance with IAS 2 and are measured at fair value at initial recognition. The fair value at initial recognition becomes the acquisition value or amortised cost, depending on what is applicable. Subsequently repossessed assets are measured according to type of asset, with the exception of impairment on tangible repossessed assets which is reported as “Gains/losses from tangible and intangible assets” rather than as “Depreciation and amortisation of tangible and intangible assets”. The purpose is to better reflect the similar character of impairment of assets that are taken over to protect claims on counterparties and credit losses.

Financial liabilities

The Group’s financial liabilities are comprised of “Debt securities issued”, “Subordinated debts” and other financial liabilities.

Financial liabilities are initially recognised at fair value, including transaction costs directly attributable to the acquisition or issue of the debt instrument. Subsequent to acquisition, they are recognised at amortised cost pursuant to the effective interest method. Financial liabilities valued at fair value through profit or loss include such financial liabilities held for trading (derivatives).

Modification of financial assets and liabilities

For acquired loans and financial liabilities, Hoist Finance does on occasion renegotiate or otherwise modify a loan’s contractual cash flows. When this happens, Hoist Finance assesses whether or not the new terms are substantially different from the original terms. In doing so, Hoist Finance considers factors including:

- » Change in interest rate or the denomination of the currency of the loan
- » Extension of the loan term or changes in payment plan
- » Schedule insertion of collateral or other security or credit enhancements that affect the credit risk associated with the loan.

If the terms are substantially different, Hoist Finance derecognises the original financial asset/liability and recognises a new asset/liability at fair value according to the new contractual terms, and recalculates a new effective interest rate. The difference in gross carrying amount is recognised in “Derecognition gains and losses”.

If the terms are deemed as not substantially different the modification does not result in derecognition, and Hoist Finance recalculates the gross carrying amount based on the revised cash flows of the financial asset/liability and recognises a modification gain or loss in profit or loss in “Net result from financial transactions”.

The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate determined by Hoist Finance at initial recognition.

A modification of contractual cash flows for acquired loans is considered a default trigger if the modification reduces the financial obligation towards Hoist Finance by more than 1 per cent. This

implies that these loans will be considered credit-impaired and consequently classified in Stage 3, where loss allowance is recognised on a lifetime basis.

7. Hedge accounting

The Group applies hedge accounting in accordance with IFRS 9 and IAS 39

Derivatives are used to economically hedge (with the aim of neutralising) the potential risks of interest rate and foreign exchange exposures that the Group is exposed to.

The Group applies hedge accounting pursuant to IFRS 9 when currency derivatives or foreign currency liabilities hedge a net investment in a foreign operation. The Group also applies EU’s carve-out version of IAS 39 Financial Instruments: Recognition and measurement when it comes to portfolio hedging of fair value in respect of interest rate risk for the Groups unsecured credit portfolios.

When hedge accounting for net investment in a foreign operation is applied, the change in fair value of the hedging instrument is recognised in other comprehensive income and accumulated (along with the translation effect of the net investments) in the translation reserve. The ineffective portion is recognised directly in the income statement under the item “Net result of financial transactions”. When portfolio hedge of interest rate risk is applied the change in fair value of the hedging instrument is accounted for in P/L, together with the change in fair value of the hedged item (which in this case consists of NPL-portfolios). These effects are accounted for in “Net result from financial transactions”, in which the ineffective part of the hedge is accounted for as well.

For other derivatives for which hedge accounting is not applied, changes in fair value are recognised under the item “Net result of financial transactions”. For qualitative disclosures regarding the Group’s management of market risk, see Note 35 “Risk management”. Quantitative disclosures of the Group’s derivative instruments for hedging purposes are presented in Note 17 “Derivative instruments”.

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8. Intangible assets

Intangible assets are identifiable, non-monetary assets that lack physical substance and are under Hoist Finance's control.

Capitalised expenses for IT development

Expenditures for IT development and maintenance are normally expensed as incurred. However, expenditures for software development that can be attributed to identifiable assets where the Group has significant influence and expected economic value are capitalised. Incremental value from previously developed software is also recognised as an asset if it enhances the software's economic value by expanding its scope of use or extending its useful life.

Capitalised IT development costs are amortised over their useful life, up to seven years, and recognised at cost less accumulated depreciation and impairment losses. Maintenance costs are expensed as incurred. If internally developed expenditures are capitalised, the corresponding amount is transferred from free to restricted equity in the parent company.

Impairments

Impairment testing is performed annually to assess any potential impairment of assets. Recoverable amount is calculated annually for goodwill and other intangible assets with indefinite useful lives. Impairments are recognised if the asset's value exceeds its recoverable amount and are booked through the income statement. Resale and utility value are used to calculate the recoverable amount, with utility value calculated by discounting future cash flows.

Goodwill impairments are not reversed, while other assets may be reversed if there are changes in the assumptions underlying the recoverable amount.

9. Income and expenses

Interest income

Interest income includes income under the effective interest method for acquired loan portfolios, lending to financial institutions, and investments in treasury bills and treasury bonds, along with interest income and assets measured at fair value. For impaired loan portfolios, the original credit-adjusted effective interest

rate and the accumulated acquisition value of the portfolio at the beginning of the period are used as the basis for interest income. The accumulated acquisition value is comprised of the net amount of gross value and the loss allowance for expected credit losses. Interest income for other financial instruments is based on the original effective interest rate and the instrument's gross value at the beginning of the period.

Impairment gains and losses

The earnings item comprises loss allowance changes pertaining to "Portfolio book value". Where applicable, modification gains/losses attributable to "Portfolio book value" are included. The item also encompasses a loss allowance for other financial assets recognised at amortised cost. Both positive and negative re-measurements can be recognised under this item. If no reasonable expectation exists of recovering the remaining receivables in a portfolio, an impairment loss is recognised and the carrying amount of the asset is derecognised from the balance sheet.

"Impairment gains and losses" also includes the net of actual and projected collections.

10. Employee benefits

All forms of remuneration provided to employees as compensation for services rendered constitute employee benefits.

Pensions

Group companies operate various pension schemes, which are generally funded through payments determined by periodic actuarial calculations to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans:

- » Defined benefit plans normally specify the pension rate to be received by the employee upon retirement, usually dependent on one or several factors, such as age, years of service and salary.
- » Under defined contribution plans, the Group pays fixed contributions into a separate entity.

The Group has no legal or informal obligation to pay further contributions if the fund does not hold sufficient assets to pay all bene-

fits to employees relating to employee service during the current and prior periods.

The liability reported in the consolidated balance sheet with respect to defined benefit pension plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The net present value of the defined benefit obligation is determined by discounting estimated future cash flows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid and with durations approximating the durations of the related pension liability.

Net interest expense/income for the defined benefit pension obligation/asset is reported in "Net interest income". Net interest income is based on the discount rate used in calculating the net obligation – i.e., the interest on the obligation, plan assets and interest on effects of any asset restrictions. Other components are recognised in net operating income.

Revaluation effects are comprised of actuarial gains and losses, discrepancies between actual return on plan assets and the amount included in net interest income, and any changes to effects of asset restrictions (exclusive of interest included in net interest income). Revaluation effects are reported in "Other comprehensive income". Changes or reductions to defined benefit plans are reported at the earlier of the following:

- » When the change to or reduction in the plan occurs, or
- » When the company reports the associated restructuring costs and redundancy costs changes/reductions are reported.

Changes/reductions are reported directly as personnel expenses in the profit and loss accounts. The special employer's contribution is included in the actuarial assumptions and is reported as part of the net obligation/asset.

Tax on returns from pension funds is reported in profit or loss for the period the tax relates to, and is thus not included in the liability projection. For funded pension plans, the tax is charged to "Return

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on plan assets" and is reported in "Other comprehensive income". For unfunded or partially unfunded plans, the tax is charged to "Net profit for the year".

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 reported as employee benefit expense when they fall due. Prepaid contributions are reported as an asset to the extent that a cash refund or a reduction in the future payments is available.

11. Taxes

Taxes are comprised of current tax and deferred tax. Taxes are reported through profit or loss unless the underlying transaction is directly reported in "Equity" or in "Other comprehensive income", in which case the attributable tax effect is also reported in "Equity" or "Other comprehensive income", respectively. Current tax refers to tax paid or received for the current year, using tax rates that apply as at the balance sheet date, including adjustments for current tax attributable to previous periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the carrying value of assets and liabilities and their value for tax purposes.

The following temporary differences are not taken into account:

- » Temporary differences that arise in the initial recognition of goodwill. The initial recognition of assets and liabilities in a transaction other than a business combination and which, at the time of the transaction, does not affect either the reported or taxable profit.
- » Temporary differences that arise in the initial recognition of goodwill. The initial recognition of assets and liabilities in a transaction other than a business combination and which, at the time of the transaction, does not affect either the reported or taxable profit.

The measurement of deferred tax is based on how the carrying values of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax rules

that have been set or essentially set as of the balance sheet date.

Deferred tax assets from deductible temporary differences and tax losses carry-forwards are only recognised if it is likely that they will be utilised within the foreseeable future. The value of deferred tax assets is reduced when they are utilised or when it is no longer deemed likely that they will be utilised. Current tax, deferred tax and tax attributable to the previous year are reported under "Income tax expense".

12. Equity

When a financial instrument is issued in the Group it is reported as a financial liability or as an equity instrument, in accordance with the financial implications of the instrument's terms. These instruments or sections thereof are reported as liabilities when the company has an irrevocable obligation to pay cash. Issued financial instruments that do not irrevocably oblige the company to pay cash on interest and nominal amounts are reported as equity.

Return to investors is reported as a dividend to equity with respect to equity instruments and as an interest expense in profit or loss with respect to debt instruments.

13. Cash flow statement

The cash flow statement includes changes in the balance of cash and cash equivalents. The Group's cash and cash equivalents is comprised of cash, treasury bills exposed to an insignificant risk of value fluctuations, and non-restricted lending to credit institutions. Cash flow is divided into cash flow from operating activities, investment activities and financing activities. The indirect method is used to report cash flow.

Cash flow from investing activities includes only actual disbursements for investments made during the year.

Foreign subsidiaries' transactions are translated in the cash flow statement at the average exchange rate for the period. Acquired and divested subsidiaries are reported as "Cash flow from investing activities, net", after deducting cash and cash equivalents in the acquired or divested company. For acquired and divested subsidiaries that hold debt portfolios, acquired and divested loan portfolios are reported in "Operating activities"

14. Parent Company accounting principles

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for credit institutions and securities companies (1995:1559) and the regulatory code issued by the Swedish Financial Supervisory Authority on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), including applicable amendments. The Swedish Financial Board's RFR 2 "Accounting for legal entities" requires the Parent Company to use the same accounting principles as the Group (i.e., IFRS) to the extent allowed by Swedish accounting legislation. However, the exception in RFR 2 is applied with respect to guarantee agreements benefiting subsidiaries and leases. Mergers are accounted for in accordance with BFNAR 1999:1.

The differences between the Group's and the Parent Company's accounting principles are stated below.

The headings in the financial statements follow the Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority's regulations, and therefore differ in certain cases from headings in the Group's accounts.

14.1 Revaluation reserve

Revaluation reserve rules also apply to financial assets classified as purchased or issued credit-impaired loans. If the Parent Company makes a new assessment that leads to an upward revision of future cash flow compared with the cash flow that formed the basis of the calculation of the effective interest rate at the time of acquisition, it must report these revaluations in a revaluation reserve for restricted equity. The transfer therefore has an effect on distributable funds, until upward adjustments to cash flows are realised or reduced and amounts in the revaluation reserve are reversed. Revaluations and their reversals have no effect on earnings. In the Parent Company, the present value of the upwardly adjusted portion of future cash flows is reported in the revaluation reserve, with respect to acquired unsecured credit-impaired loans pursuant to collective valuation. Revaluation may also be done for other non-current assets with a permanent value that significantly exceeds the carrying amount.

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14.2 Hedge accounting

The Parent Company applies hedge accounting pursuant to IFRS 9 for the fair value of participations in foreign subsidiaries as well as participations in the Polish joint venture. Exchange rates affect the carrying value of shares and participations in subsidiaries and participations in joint ventures. Additionally, portfolio hedge accounting is implemented for interest rate risk, were the change of fair value of the hedging instrument is accounted for in the P/L, together with the change in fair value of the hedged item (which in this case consists of NPL portfolios in different currencies). These effects are accounted for in “Net result of financial transactions”. The ineffectiveness is also accounted for in “Net result of financial transactions”.

14.3 Pensions

The Parent Company calculated imputed pension costs in accordance with the Pension Obligations Vesting Act and Financial Supervisory Authority regulations. As compared with the Group, this primarily involves differences regarding determination of the discount rate and the calculation of future obligations, which does not take assumptions about future salary increases into account. The reported net cost for pensions is calculated as the sum of pensions paid and pension premiums.

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Note 2 Exchange rates

SEK m	2024	2023
1 EUR = SEK		
Income statement (average)	11.4326	11.4658
Balance sheet (at end of the period)	11.4865	11.0960
1 GBP = SEK		
Income statement (average)	13.5184	13.1818
Balance sheet (at end of the period)	13.8475	12.7680
1 PLN = SEK		
Income statement (average)	2.6553	2.5258
Balance sheet (at end of the period)	2.6929	2.5570
1 RON = SEK		
Income statement (average)	2.2991	2.3220
Balance sheet (at end of the period)	2.3081	2.2322

Note 3 Segment reporting

Operation segments

Segment reporting has been prepared based on the manner in which executive management monitors operations.

Unsecured has full responsibility for unsecured non-performing loans. Unsecured leads the transition from analogue to digital debt management and works with national markets and other business areas to ensure Hoist Finance's digital industry leadership.

Unsecured is also responsible for relations services provided for unsecured NPLs.

Secured has full responsibility for secured non-performing loans, including recovery activities, call centre and collateral management. Non-credit impaired portfolios are included in this segment, as these also have collateral attached to the receivable.

The business lines' income statements follow the statutory account preparation for the Group's income statement for Total operating income, with the exception of interest expense. Interest expense is included in Net interest income in Total operating income and is allocated to the business lines based on the portfolio book value in relation to a fixed internal monthly interest rate for each portfolio.

The difference between the external interest expense and internal funding cost is reported in Group items.

Total operating expenses also follow the statutory account preparation for the Group's income statement, but are distributed between direct and indirect expenses. Direct expenses are expenses directly attributable to, while indirect expenses are expenses from central and support functions that are related to the business lines.

Group items pertains to revenue and expenses from:

- » *Platforms*, which is the cost of the operations within the markets themselves.
- » *Asset management*, which is the cost of our team which actively seeks to both acquire and divest portfolios
- » *Central functions*, which pertain to Group items pertains to revenue and expenses for the Group's corporate financial transactions, expenses for deposits from the public, and other operating expenses

With respect to the balance sheet, only investment portfolio value is monitored. Other assets and liabilities are not monitored on a segment-by-segment basis.

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Note 3 Segment reporting, cont.

SEK m 2024	Unsecured	Secured	Group items	Total continuing operations
Total operating income	3,200	1,052	140	4,392
Net interest income	2,422	1,050	95	3,567
<i>of which, interest expense</i>	-760	-291	-377	-1,428
Impairment gains and losses	524	5	-2	527
<i>of which, realised collections against active forecast</i>	437	707	-	1,144
<i>of which, portfolio revaluation</i>	87	-702	-	-615
<i>of which, expected credit losses</i>	179	-3	-2	174
Fee and commission income	75	-	-	75
Net income financial transactions	-	-	4	4
Derecognition gains and losses	-	-	46	46
Operating expenses				
Direct expenses ¹⁾	-1,559	-360	-	-1,919
Indirect expenses ¹⁾	-	-	-1,180	-1,180
Total operating expenses	-1,559	-360	-1,180	-3,099
Share of profit from joint venture	7	-	-	7
Profit/loss before tax	1,648	692	-1,040	1,300
Key ratios ²⁾				
Investment portfolio value	19,667	10,253	784	30,704
Gross collections	7,033	2,327	-	9,359

1) Direct expenses are expenses directly attributable to the Business line. Indirect expenses are expenses related to support functions, including Platforms and Asset management.

2) See Definitions

SEK m 2023	Unsecured	Secured	Group items	Total continuing operations
Total operating income	2,571	639	285	3,495
Net interest income	1,989	719	108	2,816
<i>of which, interest expense</i>	-560	-205	-64	-829
Impairment gains and losses	437	-80	-	357
<i>of which, realised collections against active forecast</i>	416	269	-	685
<i>of which, portfolio revaluation</i>	27	-349	-	-322
<i>of which, expected credit losses</i>	-6	-	-	-6
Fee and commission income	103	-	-	103
Net income financial transactions	-	-	117	117
Derecognition gains and losses	43	-	59	102
Operating expenses				
Direct expenses ¹⁾	-1,342	-251	-	-1,593
Indirect expenses ¹⁾	-	-	-1,170	-1,170
Total operating expenses	-1,342	-251	-1,170	-2,763
Share of profit from joint venture	114	-	-	114
Profit/loss before tax	1,343	388	-885	846
Key ratios ²⁾				
Investment portfolio value	17,120	7,168	-	24,288
Gross collections	5,919	1,475	-	7,394

1) Direct expenses are expenses directly attributable to the Business line. Indirect expenses are expenses related to support functions, including Platforms and Asset management.

2) See Definitions

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Note 3 Segment reporting, cont.

Income statement, 2024

SEK m	Italy	Germany	Poland	France	Greece	Spain	Sweden	Other countries ¹⁾	Central Functions	Eliminations	Total continuing operations
Total operating income	1,090	456	685	228	545	696	133	468	5,067	-4,976	4,392
<i>of which, internal funding</i>	-184	-144	-254	-85	-83	-154	-46	-102	-1,051	-	-
Total operating expenses	-539	-297	-357	-169	-323	-334	-27	-252	-801	0	-3,099
<i>Impairment of shares in subsidiaries</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Share of profit from joint venture</i>	-	-	6	-	1	-	-	-	-	-	7
Profit before tax	551	159	334	59	224	363	105	216	4,265	-4,976	1,300

1) "Other countries" includes Netherlands, Belgium, Cyprus, UK and the newly opened market in Portugal.

Income statement, 2023

SEK m	Italy	Germany	Poland	France	Greece	Spain	Sweden	Other countries ¹⁾	Central Functions	Eliminations	Total continuing operations
Total operating income	746	323	633	247	423	484	125	256	717	-459	3,495
<i>of which, internal funding</i>	-135	-81	-236	-41	-46	-105	-38	-82	764	-	0
Total operating expenses	-504	-251	-294	-183	-215	-230	-22	-225	-839	0	-2,763
<i>Impairment of shares in subsidiaries</i>	-	-	-	-	-	-	-	-	-	-	0
<i>Share of profit from joint venture</i>	-	-	109	-	5	-	-	-	-	-	114
Profit before tax	242	72	448	64	213	254	103	31	-122	-459	846

1) "Other countries" includes Netherlands, Belgium, Cyprus and the UK.

Geographical information

Geographical information follows statutory account preparation, with the exception of internal funding. The internal funding cost is included in net interest income and allocated to the segments based on portfolio book value in relation to a fixed internal monthly interest rate for each portfolio. The difference between the external financing cost and the internal funding cost is reported in Central Function. This Central Functions item pertains to the net income for intra-group financial transactions. Group costs for central and supporting functions are not allocated to the operating segments but are reported as Central Functions.

With respect to the balance sheet, only portfolio book value are monitored. Other assets and liabilities are not monitored on a segment-by-segment basis.

For the geographical distribution of portfolio book value, see Note 19.

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Note 4 Net interest income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Interest income/Net revenues				
Loan portfolios calculated using effective interest rate method	4,523	3,469	1,925	1,494
Total interest income/net revenues from loan portfolios	4,523	3,469	1,925	1,494
Interest income on interest-bearing securities measured at fair value	45	-	207	-
Total interest income on interest-bearing securities measured at fair value	45	-	207	-
Interest income on interest-bearing securities measured at fair value over OCI	161	-	161	-
Total interest income on interest-bearing securities measured at fair value over OCI	161	-	161	-
Lending to credit institutions	65	48	39	32
Bonds and other securities	201	128	201	128
Receivables, Group companies	-	-	394	273
Total other interest income	266	176	634	433
<i>of which, interest income financial assets measured at amortized cost calculated using the effective interest rate method.</i>	4,588	3,517	2,358	1,798
Interest expense				
Deposit from the public	-977	-493	-977	-493
<i>of which, deposit guarantee scheme expenses</i>	-39	-37	-39	-37
Debt securities issued	-368	-276	-296	-197
Subordinated debts	-97	-67	-97	-66
Derivatives	75	56	75	56
Other interest expenses	-61	-49	-58	-50
Total interest expenses	-1,428	-829	-1,353	-750
<i>of which, interest expense from financial liabilities not measured at fair value through profit and loss</i>	-1,503	-886	-1,428	-806
Net interest expenses	3,567	2,816	1,574	1,177

Note 5 Impairment gains and losses

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Portfolio revaluations LECL, credit-impaired portfolios ¹⁾	-615	-322	-353	30
Collection differences LECL, credit-impaired portfolios ²⁾	1,144	685	334	61
Impairment gains and losses, credit-impaired portfolios	529	363	-19	91
Impairment gains and losses 12M ECL stage 1, performing loan portfolios	0	0	0	0
Impairment gains and losses LECL stage 2, performing loan portfolios	0	0	0	0
Impairment gains and losses LECL stage 3, performing loan portfolios	-1	0	2	-2
Expected credit losses, other assets	-1	-6	1	0
Impairment gains and losses, performing loan portfolios	-2	-6	3	-2
Total impairment gains and losses	527	357	-16	89

Note 6 Fee and commission income

Revenues from fee and commission income relates to revenues from contracts with borrowers. The Group provides debt collection services through call centres for third parties and the majority of customers operates within the financial industry. Under these contracts, the Group is entitled to a remuneration that corresponds to a fixed percentage of collections.

The Group can also be entitled to a bonus payment if the collections for a period reach a certain level. A contract can also include a termination fee. The majority of the contracts have no fixed end-date but continue until further notice.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Revenues from servicing	75	103	10	27
Total	75	103	10	27

Service revenues for remaining performance obligations. Expected service revenues for residual maturity, per year.

SEK m	2025	2026	2027	2028
Revenues from servicing	1	0	0	0
Total	1	0	0	0

Service revenues for the Parent Company derive from branch offices in Romania, Germany and France. See Note 3 "Segment reporting" for revenue distribution.

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Note 7 Net result from financial transactions

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Exchange rate fluctuations	-65	-19	-870	-155
Profit/Loss from financial assets pertained to market value changes of bonds mandatorily at fair value through profit or loss, net	13	35	13	35
Profit/Loss from financial liabilities pertained to interest rate swaps mandatorily at fair value through profit or loss, net	23	-225	23	-225
Profit/Loss from financial assets pertained to fx-swaps mandatorily at fair value through profit or loss, net	35	118	35	118
Profit/Loss from financial liabilities pertained to fx-swaps mandatorily at fair value through profit or loss, net	-5	-18	-5	-18
Profit/Loss from financial liabilities mandatorily at fair value through profit or loss, net	-	-	-	-
Profit/Loss from financial assets at amortised cost	0	0	10	0
Profit/Loss from value change of interest hedged items in portfolio hedge	-16	231	-31	163
Profit/Loss from financial liabilities at amortised cost	-2	-5	0	-5
Profit/Loss from value change of interest-bearing securities at fair value	21	-	28	-
Net result from financial transactions	4	117	-797	-87
Derecognition gains and losses at amortised cost ¹⁾	174	43	11	50
Sum of net result from financial transactions	178	160	-786	-37

1) Derecognition of performing loans where the debt is repaid but the amortisations does not correspond to book value.

Note 8 Other operating income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Intercompany transactions	-	-	172	153
Other	45	59	14	78
Total	45	59	186	231

Intercompany transactions in the Parent company is mainly attributable to management fees invoiced to subsidiaries. Other income in the Parent Company pertains mainly to revenues from servicing totalling SEK 10m (27).

Note 9 Personnel expenses

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Total personnel expenses and remuneration¹⁾				
Salaries and remuneration ²⁾	-707	-680	-385	-396
Of which, salaries and other compensation to senior executives ³⁾	-80	-60	-39	-36
Of which, salaries and other compensation to other employees	-677	-620	-346	-360
Pension expenses	-29	-27	-29	-27
Of which defined benefit plans	0	0	0	0
Social fees	-169	-164	-96	-100
Of which social fees for senior executives	-16	-13	-16	-14
Of which social fees for other employees	-153	-150	-80	-86
Other personnel-related expenses	-79	-90	-33	-65
Total	-983	-961	-543	-588

1) The table also includes costs for redundancy payments and similar items in connection with organisational changes.

2) The amount include fixed and variable remuneration.

3) Senior executives include Board members, the President/CEO and the Executive Management Team. Senior executives during the year included 14 (16) individuals, of which Board members accounted for 6 (6) and the CEO for 1 (1).

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Note 9 Personnel expenses, cont.

Remuneration to Members of the Board and the Executive Management Team

Approved guidelines for remuneration for executive officers, resolved on by the AGM on 7 May 2024.

These guidelines cover senior executives in Hoist Finance AB (publ) ("Hoist Finance" or the "Company"). The term "senior executives" shall in this context signify the CEO, other members of the Executive Management Team, and Board members to the extent they receive remuneration for services performed outside of their Board duties. The guidelines are applicable to contractual remuneration, and amendments to previously contracted remuneration, following adoption of the guidelines by the 2024 Annual General Meeting. The guidelines do not apply to remuneration decided by the General Meeting.

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

Remuneration at Hoist Finance shall encourage senior executives to promote the Company's business strategy, long-term interests and sustainability, and a conduct in line with the Company's ethical code of conduct and values. Remuneration shall also be structured to enable Hoist Finance to attract, retain and motivate employees who have the requisite skills. Remuneration shall encourage good performance, prudent behaviour and risk-taking aligned with customer and shareholder expectations. Hoist Finance's business strategy, long-term interests and sustainability work are described on the Company's website, www.hoistfinance.com.

Types of remuneration

Remuneration shall be on market terms and may comprise the following components: fixed remuneration, variable 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.

Fixed salary

Salaries shall be gender- and age-neutral and may not be discriminatory. Hoist Finance views remuneration from a comprehensive perspective and, accordingly, takes all remuneration components into account. Remuneration is weighted in favour of fixed remuneration, which is based on the position's complexity and level of responsibility, on prevailing market conditions and on individual performance.

Variable remuneration

Variable remuneration for senior executives shall not exceed 100 per cent of fixed annual remuneration. Variable remuneration is based on various financial and non-financial criteria, and is linked to the performance of Hoist Finance Group's respective business unit and to individual targets. It is therefore explicitly linked to the Company's business strategy and hence its long-term value creation, including its sustainability.

Variable remuneration takes into account the risks involved in the Company's operations and is commensurate with the Group's earning capacity, capital requirements, profit/loss and financial position. The payment of variable remuneration must not undermine the Group's long-term interests and is contingent upon the recipient's compliance with internal rules and procedures. Variable remuneration is not paid to a senior executive who has participated in or been responsible for any action resulting in significant financial loss for the Group or the relevant business unit.

For senior executives, payment of 51 per cent of the variable remuneration is deferred for a period of at least three years. Variable remuneration, including deferred remuneration, is only paid to the extent warranted by the Group's financial situation, the performance of the Group and the relevant business unit, and the senior executive's achievements.

Fulfilment of the criteria for payment of variable cash remuneration shall be measured over a one-year period. When this period has

ended, the extent to which the criteria have been fulfilled shall be evaluated/determined. The Remuneration Committee, and the Board of Directors with respect to remuneration to the CEO, are responsible for this assessment.

Pension benefits and other benefits

Pension and insurance are offered pursuant to national laws, regulations and market practices and are structured as collective agreements, company-specific plans or a combination of the two. Variable remuneration shall not qualify for pension benefits. Pension premiums for defined contribution pension plans shall amount to no more than 30 per cent of the fixed annual salary.

Other benefits may include, for example, life insurance, medical insurance (Sw. sjukvårdsförsäkring) and company cars. Other benefits are designed to be competitive in relation to similar operations in each respective country. Such benefits may amount to no more than 20 per cent of the fixed annual salary.

For employment relationships governed by non-Swedish regulations, pension benefits and other benefits may be duly adjusted for compliance with mandatory regulations or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Sign-on bonus

Sign-on bonuses – i.e., remuneration for new hires – are only offered in exceptional cases and then only to compensate for the lack of variable remuneration in the senior executive's previous employment contract. Sign-on bonuses are paid during the year in which the senior executive begins work. Decisions on exceptional cases are made in accordance with the decision-making process for variable remuneration.

Loan

The issuance of loans to senior executives is not permitted.

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Note 9 Personnel expenses, cont.

Salary and employment conditions for employees

In preparing the Board of Directors' proposal for these remuneration guidelines, the decision-making documentation for the Remuneration Committee and Board of Directors has taken into account, when evaluating the reasonableness and consequent limitations of the guidelines, the salary and employment conditions for the Company's employees by including information on employees' total remuneration and the remuneration's components, increase and growth rate over time.

Decision-making process to establish, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparation of the Board of Directors' decision on proposed guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year for submission to the General Meeting. The guidelines shall remain in force until the General Meeting adopts new guidelines.

The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for executive management, application of the guidelines for executive remuneration, and the Company's current remuneration structures and compensation levels.

Remuneration Committee members shall be independent in relation to the Company and the executive management. The CEO and other members of the Executive Management Team may not be a party to the Board of Directors' consideration of and decision-making process on remuneration-related issues, insofar as they are affected by these issues.

Termination of employment

Upon the Group's termination of an employment contract, the maximum notice period is twelve months.

Remuneration to Board members for services performed outside of their Board duties

Directors elected by the General Meeting may, in special cases, receive remuneration for non-Board-related services performed within their respective areas of expertise. Compensation for these services shall be paid at market terms and be approved by the Board of Directors.

Deviation from the guidelines

The Board of Directors may resolve to deviate temporarily from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. Since the Remuneration Committee's tasks include preparation of the Board of Directors' resolution in remuneration-related matters, the Committee shall also prepare any resolutions to deviate from the guidelines.

Remuneration to the Board of Directors¹⁾

SEK thousand	Group and Parent Company	
	2024	2023
Chair of the Board:		
Lars Wollung	1,643	1,511
Other Board members:		
Peter Zonabend	610	540
Lars Wollung ²⁾	434	195
Bengt Edholm	990	893
Camilla Philipson Watz	752	647
Christopher Rees	1,182	978
Rickard Westlund	711	606
Total	6,322	5,370

1) Director and Committee member fees are paid as a fixed annual amount, exclusive of social fees. Pursuant to an AGM resolution, fees are not paid to subsidiary directors. As from the 16 May 2018 AGM, all director fees are paid as salary.

2) Lars Wollung also receives remuneration as a member of Board committees.

Salaries and benefits¹⁾

SEK thousand	Invoiced fee		Fixed salary		Allocated value Ltlp		Benefits ³⁾		Pension benefits ⁴⁾		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Chief Executive Officer:												
Harry Vranjes ²⁾	–	–	8,000	7,009	8,000	–	280	–	2,336	1,985	18,616	8,944
Executive Management Team:												
13 (15) people exclusive of the CEO	1,590	3,405	33,597	49,265	22,400	16,180	1,471	5,750	4,103	2,381	63,161	76,981
Total	1,590	3,405	41,597	56,274	30,400	16,180	1,751	5,750	6,439	4,366	81,777	85,975

1) Exclusive of social fees.

2) 1 January 2023: Harry Vranjes took up the position of CEO.

3) Benefits have been included in the taxable benefit value, exclusive of social fees. Benefits primarily comprise company car, housing, health insurance and other benefits associated with foreign posting.

4) Amounts pertain to pension costs during the year for senior executives. Pension costs comprise pension premiums for defined contribution pension plans expensed during the year (costs for services rendered during the current and previous years as well as settlements, as defined by IAS 19). One hundred per cent of total pension costs is attributable to defined contribution pension plans.

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Note 9 Personnel expenses, cont.

Remuneration to Board of Directors and Executive Management Team

Board of Directors

Hoist Finance's Annual General Meeting held on 7 May 2024 resolved that annual directors' fees are to be paid as follows:¹⁾

SEK thousand	
Chairman of the Board	1,770,000
Director	588,000
Chair, Risk and Audit Committee	240,000
Member, Risk and Audit Committee	150,000
Chair, Remuneration Committee	120,000
Member, Remuneration Committee	60,000
Chair, Investment Committee	280,000
Member, Investment Committee	175,000
Chair, Finance Committee	250,000
Member, Finance Committee	150,000

1) For the period through the next AGM.

CEO

The CEO's basic salary, long-term incentive plan and other terms of employment are proposed by the Board's Remuneration Committee and adopted by the Board of Directors. The CEO's salary/remuneration amounted to SEK 8,000k (7,000) in 2024.

CEO pension

The pension premium for the CEO was SEK 2,336,490 (1,985,000) in 2024.

Executive Management Team (EMT)

The Board's Remuneration Committee prepares, for the Board's decision, changes to remuneration rates and bonus programme results and other changes to EMT compensation agreements. During 2024, performance-based compensation agreements were capped at 100 per cent of fixed annual salary for four (4) EMT members, at 70 per cent for one (1) EMT member, at 68 per cent for one (1) EMT member, at 60 per cent for four (4) EMT members, at 40 per cent

for one (0) EMT member, and at 35 per cent for one (0) EMT member. Three (3) EMT members were not eligible for bonuses. Benefits received include company car and health insurance benefits.

As at 31 December 2024, the EMT comprised 13 people (15), exclusive of the CEO.

Notice period

As at 31 December 2024, the notice period for EMT members is as follows: 12 months for one member, 9 months for one member, 6 months for seven members and 3 months for five members.

Pension benefits, EMT

Of Executive Management Team members at year end, six followed Hoist Finance AB's pre-determined pension plan. Fixed salary is the pensionable remuneration amount. Two EMT members have no pre-determined pension plan, and other EMT members have individual pension plans with pension provisions ranging from 6–30 per cent.

Incentive programme

Variable remuneration for senior executives is comprised of a long-term cash-based incentive programme. Variable remuneration takes into account the risks involved in the company's operations and is proportional to the Group's earning capacity, capital requirements, profit/loss and financial position, as well as individual targets.

The variable remuneration is based on results achieved during the performance year (calendar year 2024). Of the remuneration, 100 per cent must be paid in cash, governed by IAS 19 regulations. Forty-nine per cent is paid out after approval of the 2024 annual report, and the remaining parts are deferred so that 17 per cent is paid out in 2026, 2027 and 2028.

Payment of deferred remuneration is conditional on the participant remaining employed by Hoist Finance at the time of payment, except in cases where the employee has left their employment due

to retirement, death, long-term illness, or other customary exceptions, in which case the employee shall retain the right to receive the deferred compensation.

The table below shows the value of granted and outstanding share options at the beginning and end of the financial year:

SEK thousand	Options, value	
	2024	2023
Outstanding at beginning of the period	–	11,509
+ Granted during the year	–	–
– Vested during the year	–	–
– Options revoked during the year	–	–11,509
– Options expired during the year	–	–
Outstanding at end of the period	–	–
Outstanding share options at end of the period: weighted average remaining contractual duration	–	–

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Note 9 Personnel expenses, cont.

Average number of employees during the year, Group

	2024			2023 ¹⁾		
	Men	Women	Total	Men	Women	Total
Sweden	32	40	72	26	32	58
Germany	61	137	198	58	143	201
France	41	63	104	47	70	117
Belgium	0	2	2	0	3	3
Netherlands	15	11	26	23	18	41
UK ¹⁾	48	14	62	49	32	81
Italy	112	217	329	118	233	351
Poland	116	232	349	117	225	342
Spain	55	81	136	56	77	133
Greece	9	2	11	8	3	11
Romania	16	76	91	28	101	129
Cyprus	6	2	8	6	3	9
Portugal	0	1	1	–	–	–
Total	511	878	1,388	536	940	1,476

1) The comparative figures for 2023 have been adjusted from the average number of employees (FTE) to the average number of employees (head count).

The average number of employees is calculated based on the number of head counts during the year. The Group also has contracted consultants, the number of which varies during the year depending on requirements. In 2024, the Company has switched to calculating the average number of employees (head count). The comparative figures for 2023 have therefore been adjusted as the annual report for 2023 provided information on the average number of employees (FTE), which is based on full-time equivalents.

As at 31 December 2024 the Group had 1,388 in average head counts (1,476).

Gender distribution, senior executives

	31 Dec 2024				31 Dec 2023			
	Men		Women		Men		Women	
	Number	%	Number	%	Number	%	Number	%
Senior executives	10	71	4	29	16	73	6	27
Board of Directors	66	93	5	7	37	82	8	18
<i>of which, Parent Company</i>	5	83	1	17	5	83	1	17

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Note 10 Other operating expenses

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Legal collection costs	-481	-403	-135	-91
Other collection costs	-798	-615	-450	-417
Total collection cost	-1,279	-1,018	-585	-508
Consultancy services	-325	-214	-184	-132
Intra-Group consultancy services	-	-	-148	-175
Other intra-Group expenses	-	-	-43	-46
IT expenses	-259	-310	-72	-86
Telecom expenses	-3	-3	-2	-2
Premises costs	-46	-42	-54	-52
Travel expenses	-15	-15	-10	-12
Bank charges	-12	-11	-8	-8
Sales and marketing expenses	-5	-4	-4	-2
Other expenses	-73	-89	-25	-32
Total administrative expenses	-738	-688	-550	-547
Total operating expenses	-2,017	-1,706	-1,135	-1,055

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Audit assignments EY				
Audit assignments	-12	-13	-7	-8
Audit-related assignments	0	-0	0	-0
Tax services	-3	-5	-3	-5
Other non audit-related assignments	-	-	-	-
Total	-15	-18	-10	-13

Note 11 Shares and participations in joint ventures

Shares and participations in joint ventures relate to Hoist Finance AB's (publ) holdings in Best III (50 percent) and PQH Single Special Liquidation S.A (33 percent). BEST III is a Polish closed-end fund located in Gdynia and designated for the acquisition of individual loan portfolios. The initial investment was PLN 40m (SEK 90m). The Greek company "PQH" was acquired, along with Qualco S.A. and Pricewaterhouse Coopers Business solutions S.A. PQH is based in Athens and offers advisory services. All joint ventures are consolidated pursuant to the equity method.

In 2023 BEST III sold its portfolio holdings to subsidiaries in Poland and in 2024 the last certificates were redeemed. The company is in liquidation.

SEK m	Group	
	2024	2023
Share of profit from joint ventures according to equity method	7	178
Performance-based compensation	-	15
Unrealised profit	-	-78
Exchange rate differences	-	-1
Total profit	7	114

SEK m	Parent Company	
	2024	2023
Capital gain redemption of fund units	13	342
Performance-based compensation	-	14
Total profit	13	356

SEK m	Group	
	2024	2023
Opening balance	5	188
Redemption of fund units	-13	-347
Share of profit from joint ventures according to equity method	7	178
Reversal from shareholders' equity	7	-28
Exchange rate differences	0	14
Closing balance	6	5

SEK m	BEST III	
	2024	2023
Assets		
Portfolio book value	-	0
Cash	0	27
Total assets	0	27
Liabilities		
Current liabilities	0	28
Total liabilities	0	28
Net assets	0	-1
Interest income	14	152
Impairment gains and losses	-	321
Other expenses	-3	-97
Net profit for the year	11	375

There are no contingent liabilities pertaining to the Group's interest in this joint venture, nor does the joint venture have any contingent liabilities.

SEK m	PQH	
	2024	2023
Assets		
Current assets	15	17
Cash	9	3
Total assets	24	20
Liabilities		
Current liabilities	6	6
Total liabilities	6	6
Net assets	18	14
Interest income	55	34
Other expenses	-52	-64
Net profit for the year	3	-30

There are no contingent liabilities pertaining to the Group's interest in this joint venture, nor does the joint venture have any contingent liabilities.

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Note 12 Untaxed reserves

Tax allocation reserve	Parent Company	
	2024	2023
SEK m		
Provision to tax allocation reserve 2017	75	75
Provision to tax allocation reserve 2018	55	55
Provision to tax allocation reserve 2019	43	43
Provision to tax allocation reserve 2020	28	28
Provision to tax allocation reserve 2021	-201	-
Closing balance 31 Dec	0	201

Note 13 Tax

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Current tax expense/income				
Tax expense/income for the year	-231	-76	-75	50
Tax adjustment attributable to previous years	-86	-91	-86	-92
Total	-317	-166	-161	-42
Deferred tax expense/income				
Deferred tax attributable to temporary differences	30	-17	-5	34
Total	30	-17	-5	34
Total recognised tax expense	-287	-183	-166	-8

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Profit before tax	1,300	846	1,481	607
Tax calculated at 20.60% (Swedish) tax rate	-268	-174	-305	-125
Effect of different tax rates in different countries	18	-10	0	0
Adjustment related to change in tax rate	-1	-6	-	-
Non-taxable revenues	112	105	941	166
Non-deductible expenses	-99	-63	-720	-15
Adjustments with reference to previous years	-86	-91	-86	-92
Utilisation of previously uncapitalised loss carry-forwards	1	2	-	0
Increase in loss carry-forwards without corresponding activation of deferred tax	33	-1	-	-
Tax related to tax matters ¹⁾	-9	64	-9	64
Other	12	-9	-13	-6
Total tax expense	-287	-183	-166	-8

1) For more information, see Administration report section "Significant risks and uncertainties".

The Group's effective tax rate was 22 percent (22) at 31 December 2024.

In 2024 SEK 0m (2) tax on items was recognised directly in equity in the Group. Other comprehensive income in the Group includes tax of SEK 83m (109) relating to tax attributable to hedging of currency risk in foreign operations, unrealised changes in the value of bonds and treasury bills for the liquidity portfolio, and a revaluation of defined benefit pension plans and a revaluation of post-service remuneration.

In the Parent Company, SEK 0m (0) tax was recognised directly in equity. Other comprehensive income in the Parent Company includes tax amounting to SEK 8m (-) relating to unrealised changes in the value of bonds and treasury bills for the liquidity portfolio.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Deferred tax				
Deferred tax assets	119	71	64	67
Deferred tax liabilities	-117	-84	0	0
Total	2	-13	64	67

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Note 13 Tax, cont.

SEK m	Group 31 Dec 2024					Parent Company 31 Dec 2024				
	Opening balance	Reclassification	Income statement	Translation differences	Closing balance	Opening balance	Reclassification	Income statement	Translation differences	Closing balance
Change in deferred tax										
Loss carry-forwards	117	0	-69	1	49	87	-	-87	-	-
Joint ventures	0	-	0	0	0	-	-	-	-	-
Portfolio book value	17	-	-17	-	0	-	-	-	-	-
Untaxed reserves	-43	2	43	0	2	-	-	-	-	-
Untaxed profits in SPV	-54	-	-61	-	-115	-	-	-	-	-
Other	-50	-3	118	1	66	-20	-1	84	0	64
Total	-13	-1	14	2	2	67	-1	-3	0	64
SEK m	Group 31 Dec 2023					Parent Company 31 Dec 2023				
Opening balance	Reclassification	Income statement	Translation differences	Closing balance	Opening balance	Reclassification	Income statement	Translation differences	Closing balance	
Change in deferred tax										
Loss carry-forwards	61	-	55	1	117	-	-	87	-	87
Joint ventures	-34	-	34	0	0	-	-	-	-	-
Portfolio book value	0	-	16	1	17	-	-	-	-	-
Untaxed reserves	-48	-	5	0	-43	-	-	-	-	-
Untaxed profits in SPV	-28	-	-25	-	-54	-	-	-	-	-
Other	52	0	-101	-1	-50	32	1	-53	0	-20
Total	2	0	-17	1	-13	32	1	34	0	67

The Group's deferred tax assets attributable to loss carry-forwards are expected to be fully utilised during the next six years.

Tax loss carry-forwards are reported as deferred tax assets only to the extent that a related tax benefit is likely to be realised.

Deferred tax assets and liabilities are offset to the extent there is a legal right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

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Note **14** Correction of error

Income statement SEK m	Q1 2024	Corr.	Q1 2024	Q2 2024	Corr.	Q2 2024	Q3 2024	Corr.	Q3 2024
Total operating Income	972	-4	968	1,214	-7	1,207	1,092	-5	1,087
<i>of which, interest expense</i>	-282	-4	-286	-297	-7	-304	-355	-5	-361
Total operating expenses	-696	-	-696	-823	-	-823	-724	-	-724
Profit/loss before tax	283	-4	279	383	-7	377	369	-5	364
Tax	-10	-6	-16	-109	-9	-119	-112	-7	-119
Net profit/loss	273	-10	263	274	-16	258	257	-13	244
Earning per share	2.42		2.30	2.17		2.99	1.69		1.55

Balance sheet SEK m	31 Mar 2024	Corr.	31 Mar 2024	30 Jun 2024	Corr.	30 Jun 2024	30 Sep 2024	Corr.	30 Sep 2024
Assets	36,796	-	36,796	40,264	-	40,264	47,847	-	47,847
Liabilities	30,534	140	30,674	33,838	154	33,992	41,212	166	41,378
<i>of which debt securities issued</i>	5,099	169	5,178	5,091	186	5,277	6,338	90	6,428
<i>of which deferred tax</i>	31	60	92	31	69	100	74	77	151
Equity	6,407	-104	6,303	6,426	-154	6,271	6,635	-166	6,469
<i>of which reserves</i>	959	-4	955	837	-6	831	828	-5	823
<i>of which retained earnings</i>	972	-122	968	1,214	-148	1,207	1,092	-161	1,087

Income statement SEK m	Q1 2023	Corr.	Q1 2023	Q2 2023	Corr.	Q2 2023	Q3 2023	Corr.	Q3 2023	Q4 2023	Corr.	Q4 2023	Full year 2023	Corr.	Full year 2023
Total operating Income	765	-5	761	903	-3	900	917	-7	910	933	-8	926	3,519	-23	3,496
<i>of which, interest expense</i>	-171	-5	-176	-177	-3	-180	-212	-7	-219	-246	-8	-253	-806	-23	-829
Total operating expenses	-633	0	-633	-744	0	-744	-692	0	-692	-694	0	-694	-2,763	0	-2,763
Profit/loss before tax	144	-5	139	177	-3	173	284	-7	277	265	-8	257	869	-23	846
Tax	-51	-7	-57	-17	-6	-23	-13	-6	-19	-77	-7	-84	-158	-25	-183
Net profit/loss	93	-11	82	160	-10	150	271	-12	259	187	-15	173	711	-48	663
Earning per share	0.66		0.53	1.06		0.95	1.61		1.47	0.39		0.39	6.26		5.72

Balance sheet SEK m	31 Mar 2023	Corr.	31 Mar 2023	30 Jun 2023	Corr.	30 Jun 2023	30 Sep 2023	Corr.	30 Sep 2023	31 Dec 2023	Corr.	31 Dec 2023
Assets	32,474	0	32,474	32,258	0	32,258	33,792	0	33,792	34,023	0	34,023
Liabilities	26,678	91	26,769	25,851	104	25,955	27,858	114	27,973	27,975	126	28,101
<i>of which debt securities issued</i>	6,654	56	6,709	3,901	63	3,964	4,468	68	4,535	4,577	72	4,649
<i>of which deferred tax</i>	84	35	119	84	41	126	67	47	144	30	54	84
Equity	5,796	-91	5,705	6,407	-104	6,303	5,934	-114	5,819	6,047	-126	5,921
<i>of which reserves</i>	454	-6	448	965	-9	956	579	-7	572	644	-4	640
<i>of which retained earnings</i>	765	-85	680	903	-95	808	917	-10	810	933	-122	811

Special purpose vehicles (SPVs) – accrual of variable returns to co-investors

In November a review of the accounting model used to determine the remuneration to be paid to co-investors in the Italian SPVs was carried out. The review concluded that the model for the SPV Marathon was set up incorrectly in 2019/20, resulting in an underestimation of the external co-investor's variable return and under-provisioning. The total impact on equity of the accounting error is SEK -88 million with an impact of SEK -16 million on the 2024 profit/loss.

Deferred tax

Hoist Finance has, in connection with the above review, identified that there are temporary differences between accounting and

taxation attributable to profits in SPVs that have not previously been recognised, and has therefore implemented group level recognition of deferred tax liabilities linked to untaxed surpluses in the Italian SPVs.

Adjustment of comparative figures

Comparative figures have been adjusted accordingly on an annual and quarterly basis for the years 2023–2024 and on an annualised basis for 2019–2023 in the Fact Book. The adjustments have no impact on cash flow.

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Note 14 Correction of error, cont.

Balance sheet SEK m	OB 2023	Corr.	OB 2023
Assets	32,500	–	32,500
Liabilities	26,755	78	26,833
<i>of which debt securities issued</i>	5,545	50	5,595
<i>of which deferred tax</i>	85	28	114
Equity	5,745	–78	5,667
<i>of which reserves</i>	366	–5	361
<i>of which retained earnings</i>	2,648	–74	2,574

Due to the correction of previous errors as of the fourth quarter of 2019, the opening balances (OB) for the comparative year have been affected. The table shows the change between the opening balances for 2023, assuming that no correction had been made, and the presentation of the opening balances following the corrections.

Note 15 Earnings per share

Number of shares outstanding

	2024	2023
Issues shares at beginning of year	89,303,000	89,303,000
New share issue	1,551,997	–
Repurchased shares	–3,432,391	–
Number of shares outstanding at end of period	87,422,606	89,303,000
Last paid, SEK	90.3	37.15
Market value, MSEK	7,894	3,318

Average number of shares outstanding

	2024	2023
Average number of outstanding shares before dilution, including repurchase	87,302,506	89,303,000
Weighted average number of shares giving rise to dilution effect following new share issue	36,938	–
Weighted average number of shares after dilution	87,339,444	89,303,000

Profit/loss

MSEK	2024	2023
Profit attributable to owners of Hoist Finance AB (publ)	879	511
Earnings used in calculation of earnings per share	879	511
SEK	2024	2023
Earnings per share before dilution	10.07	5.72
Earnings per share after dilution	10.07	5.72

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Note 16 Financial instruments

Carrying amount and fair value of financial instruments¹⁾

Group 31 Dec 2024						
SEK m	Assets/ liabilities recognised at fair value through other comprehen- sive income	Asset/ liabilities mandatorily recognised at fair value through profit or loss	Hedging	Amortised cost	Total carrying amount	Fair value
Cash	-	-	-	0	0	0
Treasury bills and treasury bonds	9,837	-	-	-	9,837	9,837
Lending to credit institutions	-	-	-	4,344	4,344	4,344
Lending to the public	-	-	-	0	0	0
Portfolio book value	-	-	-	29,920	29,920	28,801
Bonds and other securities	9,885	784	-	-	10,669	10,669
Derivatives	-	35	108 ¹⁾	-	143	143
Other financial assets	-	-	-	919	919	919
Total	19,772	819	108	35,183	55,832	54,713
Deposits from the public	-	-	-	40,190	40,190	39,556
Derivatives	-	5	324 ¹⁾	-	329	329
Debt securities issued	-	-	-	5,023	5,023	5,158
Subordinated debt	-	-	-	1,934	1,934	1,986
Other financial liabilities	-	-	-	2,197	2,197	2,197
Total	-	5	324	49,344	49,673	49,226

1) Derivatives recognised as hedging instruments is valued at fair value through profit and loss and other comprehensive income to the extent that the hedge is effective.

Carrying amount and fair value of financial instruments¹⁾

Group 31 Dec 2023					
SEK m	Asset/ liabilities mandatorily recognised at fair value through profit or loss	Hedging instrument	Amortised cost	Total carrying amount	Fair value
Cash	-	-	0	0	0
Treasury bills and treasury bonds	2,675	-	-	2,675	2,675
Lending to credit institutions	-	-	3,535	3,535	3,535
Lending to the public	-	-	0	0	0
Portfolio book value	-	-	24,288	24,288	24,168
Bonds and other securities	1,856	-	-	1,856	1,856
Derivatives	118	171 ¹⁾	-	289	289
Other financial assets	-	-	563	563	563
Total	4,649	171	28,386	33,206	33,086
Deposits from the public	-	-	20,238	20,238	20,385
Derivatives	18	182 ¹⁾	-	200	200
Debt securities issued	-	-	4,649	4,649	4,585
Subordinated debt	-	-	900	900	854
Other financial liabilities	-	-	1,792	1,792	1,792
Total	18	182	27,579	27,779	27,816

1) Derivatives recognised as hedging instruments is valued at fair value through profit and loss and other comprehensive income to the extent that the hedge is effective.

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Note 16 Financial instruments, cont

Carrying amount and fair value of financial instruments

Parent Company 31 Dec 2024						
SEK m	Assets/ liabilities recognised at fair value through other comprehen- sive income	Asset/ liabilities mandatorily recognised at fair value through profit or loss	Hedging instrument	Amortised cost	Total carrying amount	Fair value
Cash	-	-	-	0	0	0
Treasury bills and treasury bonds	9,837	-	-	-	9,837	9,837
Lending to credit institutions	-	-	-	3,597	3,597	3,597
Lending to the public	-	-	-	0	0	0
Portfolio book value	-	-	-	12,637	12,637	12,637
Receivables, Group companies	-	21	-	8,231	8,252	8,303
Bonds and other securities	9,885	2,193	-	-	12,078	12,078
Derivatives	-	35	108 ¹⁾	-	143	143
Other financial assets	-	-	-	659	659	659
Total	19,722	2,249	108	25,124	47,203	46,464
Deposits from the public	-	-	-	40,190	40,190	39,556
Derivatives	-	5	324 ¹⁾	-	329	329
Debt securities issued	-	-	-	4,675	4,675	4,811
Subordinated debt	-	-	-	1,934	1,934	1,986
Other financial debts	-	-	-	1,817	1,817	1,817
Total	-	5	324	48,616	48,945	48,499

1) Derivatives recognised as hedging instruments is valued at fair value through profit and loss.

Carrying amount and fair value of financial instruments

Parent Company 31 Dec 2023					
SEK m	Asset/ liabilities mandatorily recognised at fair value through profit or loss	Hedging instrument	Amortised cost	Total carrying amount	Fair value
Cash	-	-	0	0	0
Treasury bills and treasury bonds	2,675	-	-	2,675	2,675
Lending to credit institutions	-	-	2,678	2,678	2,678
Lending to the public	-	-	0	0	0
Portfolio book value	-	-	10,483	10,483	10,540
Receivables, Group companies	27	-	6,863	6,890	6,879
Bonds and other securities	1,856	-	-	1,856	1,856
Derivatives	118	171 ¹⁾	-	289	289
Other financial assets	-	-	472	472	472
Total	4,676	171	20,496	25,343	25,389
Deposits from the public	-	-	20,238	20,238	20,385
Derivatives	18	182 ¹⁾	-	200	200
Debt securities issued	-	-	4,101	4,101	4,050
Subordinated debt	-	-	900	900	854
Other financial debts	-	-	1,431	1,431	1,431
Total	18	182	26,670	26,870	26,920

1) Derivatives recognised as hedging instruments is valued at fair value through profit and loss.

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Note 16 Financial instruments, cont

Fair value measurement

SEK m	Group 31 Dec 2024				Parent Company 31 Dec 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Treasury bills and treasury bonds	9,837	–	–	9,837	9,837	–	–	9,837
Portfolio book value	–	–	28,801	28,801	–	–	11,845	11,845
Bonds and other securities	9,885	–	784	10,669	9,885	–	2,193	12,078
Receivables, Group companies ¹⁾	–	–	–	–	–	–	21	21
Derivatives	–	143	–	143	–	143	–	143
Total assets	19,722	143	29,585	49,450	19,722	143	14,059	33,924
Deposits from the public	39,556	–	–	39,556	39,556	–	–	39,556
Derivatives	–	329	–	329	–	329	–	329
Debt securities issued	–	5,158	–	5,158	–	4,811	–	4,811
Subordinated debt	–	1,986	–	1,986	–	1,986	–	1,986
Total liabilities	39,556	7,473	–	47,029	39,556	7,126	–	46,682

1) Receivables, Group companies pertain to junior notes issued by securitisation vehicles within the Group valued at fair value.

SEK m	Group 31 Dec 2023				Parent Company 31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Treasury bills and treasury bonds	2,765	–	–	2,675	2,675	–	–	2,675
Portfolio book value	–	–	24,168	24,168	–	–	10,540	10,540
Bonds and other securities	1,856	–	–	1,856	1,856	–	–	1,856
Receivables, Group companies ¹⁾	–	–	–	–	–	–	27	27
Derivatives	–	289	–	289	–	289	–	289
Total assets	4,531	289	24,168	28,986	4,531	289	10,567	15,386
Deposits from the public	20,385	–	–	20,385	20,385	–	–	20,385
Derivatives	–	200	–	200	–	200	–	200
Debt securities issued	–	4,585	–	4,585	–	4,050	–	4,050
Subordinated debt	–	854	–	854	–	854	–	854
Total liabilities	20,385	5,639	–	26,024	20,385	5,104	–	25,489

1) Receivables, Group companies pertain to junior notes issued by securitisation vehicles within the Group valued at fair value.

Fair value measurement Group

The Group uses observable data to the greatest possible extent when determining the fair value of an asset or liability. Fair values are categorised in different levels based on the input data used in the measurement approach, as per the following:

Nivå 1) Quoted prices (unadjusted) on active markets for identical instruments.

Level 2) Based on directly or indirectly observable market inputs not included in Level 1. This category includes instruments valued based on quoted prices on active markets for similar instruments, quoted prices for identical or similar instruments traded on markets that are not active, or other valuation techniques in which all important input data is directly or indirectly observable in the market.

Level 3) According to inputs that are not based on observable market data. This category includes all instruments for which the valuation technique is based on data that is not observable and has a substantial impact on the valuation. Fair value of acquired loanportfolios is calculated by discounting cash flow forecasts at the average effective interest rate for purchased loan portfolios from the past 24 months in each jurisdiction. The notes' fair value is calculated by discounting expected future cash flows at the market rate of interest.

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Note 16 Financial instruments, cont

For portfolio book value, the valuation approach, key input data and valuation sensitivity to material changes are described in the Accounting Principles.

Derivatives used for hedging (see Note 17 “Derivatives”) were model valued using interest and currency market rates as input data. Treasury bills and treasury bonds, and bonds and other securities, are valued based on quoted rates.

The fair value of liabilities in the form of issued bonds and other subordinated debt was determined with reference to observable market prices quoted by external market players/places. In cases where more than one market price observation is available, fair value is determined at the arithmetic mean of the market prices. Since no observable market price is available for the junior notes their fair value has been calculated using the income approach.

Carrying amounts for accounts receivable and accounts payable are deemed approximations of fair value. The fair value of current loans corresponds to their carrying amount due to the limited impact of discounting.

Level 3 holdings of bonds and other securities include notes that are valued at fair value in cases where the value is unobservable. Holdings of notes are valued using a valuation model based on market value. In 2024, notes at fair value were migrated from level 1 to level 3.

	Group 31 Dec 2024	Parent Company 31 Dec 2024
Opening balance	–	–
Acquisition	629	2,031
Revaluation	21	28
<i>of which, unrealized gains and losses</i>	<i>0</i>	<i>7</i>
Translation difference and other	134	134
Closing balance	784	2,193

A change in unobservable inputs is not deemed to lead to significantly higher or lower valuation of level 3 holdings and, accordingly, no sensitivity analysis is provided.

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Note 17 Derivatives

Derivatives held for trading

SEK m	Group 31 Dec 2024					
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values
	Up to 1 year	1-5 years	over 5 years			
Currency related contracts						
Currency forwards	7,359	–	–	7,359	35	–5
Total	7,359	–	–	7,359	35	–5

SEK m	Positiva marknadsvärden		Negativa marknadsvärden	
Currency breakdown of market values				
SEK		–		–
EUR		24		–2
GBP		–		–3
PLN		11		–
RON		–		–
Total		35		–5

Derivatives for hedge accounting

SEK m	Group 31 Dec 2024					
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values
	Up to 1 year	1-5 year	over 5 year			
Interest rate related contracts						
Swaps	0	3,545	4,889	8,434	97	–213
Currency related contracts						
Currency forwards	7,569	–	–	7,569	6	–106
Total	7,569	3,545	4,889	16,003	103	–319

SEK m	Group 31 Dec 2023					
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values
	Up to 1 year	1-5 year	over 5 year			
Currency breakdown of market values						
SEK/EUR	11.55				6	–47
SEK/GBP	13.79				0	0
SEK/PLN	2.64				0	–58
Total					6	–106

The Group continuously hedges its assets denominated in foreign currencies in order to reduce its exchange rate exposure. As per 31 December 2023, the Group had exposures in EUR, GBP, PLN and RON, which are hedged using currency forward contracts. All outstanding derivatives are measured at fair value. Gains/losses on derivative instruments are recognised in the income statement for each annual statement. The effective part of hedge accounting in the Group is recognised in other comprehensive income for each annual statement.

The Parent Company Hoist Finance AB (publ) apply hedge accounting for the fair value of shares in subsidiaries and for shares and participations in joint ventures. Gains/losses on derivative instruments for hedge accounting in the Parent Company are recognised in shares in subsidiaries and in shares and participations in joint ventures.

Additional information on the Group's and the Parent Company's management of hedge accounting is presented in Accounting Policies sections 7 and 14.3 "Hedge accounting"

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Note 17 Derivatives, cont

Derivatives held for trading

SEK m	Group 31 Dec 2023					
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values
	Up to 1 year	1-5 years	Over 5 years			
Currency related contracts						
Currency forwards	4,688	–	–	4,688	127	–24
Total	4,688	–	–	4,688	127	–24
Currency breakdown of market values						
SEK					–	–25
EUR					111	0
GBP					16	–
PLN					–	–
RON					–	1
Total					127	–24

Derivatives for hedge accounting

SEK m	Group 31 Dec 2023					
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values
	Up to 1 year	1-5 year	over 5 year			
Interest rate related contracts						
Swaps	–	1,376	3,495	4,872	52	–175
Currency related contracts						
Currency forwards	4,606	–	–	4,606	110	–
Total	4,606	1,376	3,495	9,477	162	–175
Currency breakdown of market values						
SEK/GBP	13.13	–	–		1	0
SEK/PLN	2.16	–	–		109	0
Total					110	0

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Note 17 Derivatives, cont

Hedging instruments and effectiveness in the hedge accounting 2024

SEK m	Carrying amount			Group				
	Nominal amount	Assets	Liabilities	Balance sheet item in which the hedging instrument is included	Change in fair value used to calculate ineffectiveness for the period	Change in value of the hedging instrument recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Income statement item which include the ineffectiveness
Currency related contracts								
EUR – Derivat, positive values	2,586	6	–	Other assets	0	0	–	Net result from financial transactions
Total	2,568	6	–		0	0	–	
EUR – Derivatives, negative values	1,549	–	–47	Other liabilities	–84	–84	–	Net result from financial transactions
GBP – Derivatives, negative values	30	–	0	Other liabilities	16	16	–	Net result from financial transactions
PLN – Derivatives, negative values	3,403	0	–59	Other liabilities	–298	–298	–	Net result from financial transactions
Total	4,982	0	–106		–366	–366	–	
Interest rate related contracts								
Swaps, positive values	3,026	102	–	Other assets	97	–	0	Net result from financial transactions
Total	3,026	102	–		97	–	0	
Swaps, negative values	5,408	–	–218	Other liabilities	–213	–	–	Net result from financial transactions
Total	5,408	–	–218		–213	–	–	

Hedging instruments and effectiveness in the hedge accounting 2023

SEK m	Carrying amount			Group				
	Nominal amount	Assets	Liabilities	Balance sheet item in which the hedging instrument is included	Change in fair value used to calculate ineffectiveness for the period	Change in value of the hedging instrument recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Income statement item which include the ineffectiveness
Currency related contracts								
GBP – Derivatives, negative values	37	1	–	Other liabilities	3	3	0	Net result from financial transactions
PLN – Derivatives, negative values	4,523	109	–	Other liabilities	511	511	–	Net result from financial transactions
Total	4,559	110	–		514	514	0	
Interest rate related contracts								
Swaps, positive values	942	52	–	Other assets	–	–	–	Net result from financial transactions
Total	942	52	–		–	–	–	
Swaps, negative values	3,929	–	–175	Other liabilities	–123	–	0	Net result from financial transactions
Total	3,929	–	–175		–123	–	0	

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Note 17 Derivatives, cont

Hedged items 2024

SEK m	Group		
	Change in fair value used to calculate ineffectiveness for the period	Hedge reserve	Amounts remaining in the hedging relationships for which hedge accounting is no longer applied
Hedging of foreign exchange risk in net investments in foreign operations			
EUR	81	-233	-
GBP	-16	13	-
PLN	298	-1,501	-
Total	363	-1,721	-

Hedged items 2024

SEK m	Group		
	Accumulated fair value adjustment included in the carrying amount of the hedged item	Balance sheet item in which the hedged item is included	Change in value of hedged items used to determine inefficiency for the period
Portfolio Hedge of interest rate risk in NPL-portfolios			
		Value change in interest-hedged items in portfolio hedging	
GBP	6		-10
PLN	48		-53
EUR	132		151
SEK	38		29
Summa	224		116

Hedged items 2024

SEK m	Parent Company			
	Carrying amount hedged item	Accumulated fair value adjustment included in the carrying amount of the hedged item	Balance sheet item in which the hedged item is included	Change in value of hedged items used to determine inefficiency for the period
Fair value hedges				
	Assets	Liabilities	Shares and participations in subsidiaries and joint ventures	
PLN	2,075	-74		-447
Total	2,075	-74		-447

Hedged items 2023

SEK m	Group		
	Change in fair value used to calculate ineffectiveness for the period	Hedge reserve	Amounts remaining in the hedging relationships for which hedge accounting is no longer applied
Hedging of foreign exchange risk in net investments in foreign operations			
EUR	-	-149	-149
GBP	-2	-3	-
PLN	-521	-1,203	-
Total	-523	-1,355	-149

Hedged items 2023

SEK m	Group		
	Accumulated fair value adjustment included in the carrying amount of the hedged item	Balance sheet item in which the hedged item is included	Change in value of hedged items used to determine inefficiency for the period
Portfolio Hedge of interest rate risk in NPL-portfolios			
		Value change in interest-hedged items in portfolio hedging	
GBP	1		1
PLN	99		99
EUR	106		106
SEK	23		23
Total	229		229

Hedged items 2023

SEK m	Parent Company			
	Carrying amount hedged item	Accumulated fair value adjustment included in the carrying amount of the hedged item	Balance sheet item in which the hedged item is included	Change in value of hedged items used to determine inefficiency for the period
Fair value hedges				
	Assets	Liabilities	Shares and participations in subsidiaries and joint ventures	
PLN	3,276	520		365
Total	3,276	520		365

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Note 18 Maturity analysis

Remaining contractual maturity (undiscounted value) and anticipated date of recovery

SEK m	Group 31 Dec 2024							Of which anticipated recovery date >12 months
	Payable on	<3 months	3–12 months	1–5 years	>5 years	No fixed maturity	Total	
Assets								
Treasury bills and Treasury bonds	–	5,001	1,104	3,433	300	–	9,838	3,433
Lending to credit institutions								
<i>Swedish banks</i>	1,759	–	–	–	–	–	1,759	–
<i>foreign banks</i>	2,583	2	–	–	–	–	2,585	–
Lending to the public	–	54	68	453	471	–	1,046	924
Bonds and other securities	–	26	0	9,859	784	–	10,669	9,859
Total assets with fixed/contractual maturities	4,342	5,083	1,172	13,745	1,555	–	25,897	14,216
Portfolio book value ¹⁾	–	2,274	6,563	26,768	12,634	–	48,238	39,402
Total assets with no fixed/anticipated maturities	–	2,274	6,563	26,768	12,634	–	48,238	39,401
Liabilities								
Deposits from the public ²⁾								
<i>retail</i>	9,176	3,004	17,035	10,974	–	–	40,189	10,974
<i>corporate</i>	1	–	–	–	–	–	1	–
Total deposits from the public	9,177	3,004	15,035	10,974	–	–	40,190	10,974
Lease liabilities	–	0	41	55	7	–	103	62
Debt securities issued ³⁾	–	481	311	4,954	0	–	5,746	4,954
Subordinated debt	–	16	106	1,942	424	–	2,488	2,365
Total liabilities with fixed/contractual maturities	9,177	3,501	17,493	17,925	431	–	48,527	18,355

1) Maturity analysis for portfolio book value is based on future cash flow forecast horizon of 180 months. See Note 35 "Risk management" for additional details on the Group's management of credit risk.

2) Deposits in SEK, EUR, PLN & GBP and have a shorter term than 3 months, although a fee is assessed for premature withdrawals from fixed-term deposits.

3) The nominal value is SEK 279m for unsecured debt maturing in 2025 and SEK 1,350m for unsecured debt maturing in 2026 as per 31 December 2024. See Note 31 "Funding" for additional information.

For additional information see Note 35 "Risk management".

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Note 18 Maturity analysis, cont

Remaining contractual maturity (undiscounted value) and anticipated date of recovery

SEK m	Group 31 Dec 2023						Total	Of which anticipated recovery date >12 months
	Payable on demand	<3 months	3–12 months	1–5 years	>5 years	No fixed maturity		
Assets								
Treasury bills and Treasury bonds	–	947	1,266	455	–	–	2,667	455
Lending to credit institutions								
<i>Swedish banks</i>	1,398	–	–	–	–	–	1,398	–
<i>foreign banks</i>	2,135	2	–	–	–	–	2,137	–
Lending to the public	–	52	80	517	598	–	1,248	1,116
Bonds and other securities	–	131	257	1,468	–	–	1,856	1,468
Total assets with fixed/contractual maturities	3,533	1,131	1,603	2,440	598	–	9,306	3,039
Portfolio book value ¹⁾	–	1,726	5,571	20,485	9,722	–	37,505	30,208
Total assets with no fixed/anticipated maturities	–	1,726	5,571	20,485	9,722	–	37,505	30,208
Liabilities								
Deposits from the public ²⁾								
<i>retail</i>	8,586	834	7,703	3,109	–	–	20,232	3,109
<i>corporate</i>	5	–	–	–	–	–	5	–
Total deposits from the public	8,591	834	7,703	3,109	–	–	20,237	3,109
Lease liabilities	–	–	49	96	15	–	160	111
Debt securities issued ³⁾	–	73	2,598	2,563	0	–	5,233	2,563
Subordinated debt	–	–	59	1,049	0	–	1,108	1,049
Total liabilities with fixed/contractual maturities	8,591	907	10,408	6,817	15	–	25,739	6,832

1) Maturity analysis for portfolio book value is based on future cash flow forecast horizon of 180 months. See Note 35 "Risk management" for additional details on the Group's management of credit risk.

2) Deposits in SEK, EUR, PLN & GBP and have a shorter term than 3 months, although a fee is assessed for premature withdrawals from fixed-term deposits.

3) The nominal value is SEK 2,219m for unsecured debt maturing in 2024 and SEK 500m for unsecured debt maturing in 2025 as per 31 December 2023. See Note 31 "Funding" for additional information.

For additional information see Note 35 "Risk management".

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Note 18 Maturity analysis, cont

Remaining contractual maturity (undiscounted value) and anticipated date of recovery

SEK m	Parent Compay 31 Dec 2024						Total	Of which anticipated recovery date >12 months
	Payable on demand	<3 months	3–12 months	1–5 years	>5 years	No fixed maturity		
Assets								
Treasury bills and Treasury bonds	–	5,001	1,104	3,433	300	–	9,838	3,433
Lending to credit institutions								
<i>Swedish banks</i>	1,759	–	–	–	–	–	1,759	–
<i>foreign banks</i>	1,838	–	–	–	–	–	1,838	–
Lending to the public	–	30	28	209	200	0	467	409
Receivables, Group companies	–	254	330	5,172	–	4,287	10,043	9,459
Bonds and other securities	–	26	0	9,859	2,193	0	12,078	9,860
Total assets with fixed/contractual maturities	3,597	5,311	1,462	18,673	2,693	4,287	36,022	23,161
Portfolio book value ¹⁾	–	1,080	2,982	10,882	5,885	–	20,829	16,767
Total assets with no fixed/anticipated maturities	–	1,080	2,982	10,882	5,885	4,287	25,117	16,767
Liabilities								
Deposits from the public ²⁾								
<i>retail</i>	9,176	3,004	17,035	10,974	–	–	40,189	10,974
<i>corporate</i>	1	–	–	–	–	–	1	–
Total deposits from the public	9,177	3,004	17,035	10,974	–	–	40,190	10,974
Lease liabilities	0	41	–	–	–	–	41	–
Debt securities issued ³⁾	–	352	194	4,773	0	0	5,319	4,773
Subordinated debt	–	16	106	1,942	424	0	2,488	2,365
Total liabilities with fixed/contractual maturities	9,177	3,413	17,335	17,689	424	–	48,038	18,112

1) Maturity analysis for portfolio book value is based on future cash flow forecast horizon of 180 months. See Note 35 "Risk management" for additional details on the Group's management of credit risk.

2) Deposits in SEK, EUR, PLN & GBP and have a shorter term than 3 months, although a fee is assessed for premature withdrawals from fixed-term deposits.

3) The nominal value is SEK 279m for unsecured debt maturing in 2025 and SEK 1,350m for unsecured debt maturing in 2026 as per 31 December 2024. See Note 31 "Funding" for additional information.

For additional information see Note 35 "Risk management".

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Note 18 Maturity analysis, cont

Remaining contractual maturity (undiscounted value) and anticipated date of recovery

SEK m	Parent Company 31 Dec 2023						Total	Of which anticipated recovery date >12 months
	Payable on demand	<3 months	3–12 months	1–5 years	>5 years	No fixed maturity		
Assets								
Treasury bills and Treasury bonds	–	947	1,266	455	0	–	2,667	455
Lending to credit institutions								
<i>Swedish banks</i>	1,398	–	–	–	–	–	1,398	–
<i>foreign banks</i>	1,280	0	–	–	–	–	1,280	–
Lending to the public	–	27	36	244	266	0	574	510
Receivables, Group companies	–	100	213	3,309	0	4,150	7,772	7,459
Bonds and other securities	–	131	257	1,468	0	0	1,856	1,468
Total assets with fixed/contractual maturities	2,378	1,205	1,772	5,476	266	4,150	15,547	9,892
Portfolio book value ¹⁾	–	838	2,725	8,064	4,537	–	16,165	12,601
Total assets with no fixed/anticipated maturities	–	838	2,725	8,064	4,537	4,150	20,314	12,601
Liabilities								
Deposits from the public ²⁾								
<i>retail</i>	8,586	834	7,703	3,109	–	–	20,232	3,109
<i>corporate</i>	5	–	–	–	–	–	5	–
Total deposits from the public	8,591	834	7,703	3,109	–	–	20,237	3,109
Lease liabilities	10	49	–	–	–	–	58	–
Debt securities issued ³⁾	–	51	2,383	2,081	–	–	4,515	2,081
Subordinated debt	–	0	59	1,049	–	–	1,108	1,049
Total liabilities with fixed/contractual maturities	8,601	934	10,146	6,239	–	–	25,919	6,239

1) Maturity analysis for portfolio book value is based on future cash flow forecast horizon of 180 months. See Note 35 "Risk management" for additional details on the Group's management of credit risk.

2) Deposits in SEK, EUR, PLN & GBP and have a shorter term than 3 months, although a fee is assessed for premature withdrawals from fixed-term deposits.

3) The nominal value is SEK 2,219m for unsecured debt maturing in 2024 and SEK 500m for unsecured debt maturing in 2025 as per 31 December 2023. See Note 31 "Funding" for additional information.

For additional information see Note 35 "Risk management".

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Note 19 Portfolio book value

Net carrying amount

Group

Portfolio book value, credit impaired

SEK m	31 Dec 2024	31 Dec 2023
Opening balance 1 Jan	23,564	20,990
Acquisitions	10,143	6,909
Interest income	4,444	3,396
Gross collections	-9,359	-7,394
Impairment losses and gains	529	363
<i>of which, realised collections against active forecast</i>	1,144	685
<i>of which, portfolio revaluations</i>	-615	-322
Disposal	-1,031	-863
Translation differences	956	136
Closing balance	29,246	23,564

Portfolio book value, performing

SEK m	31 Dec 2024	31 Dec 2023
Opening balance 1 Jan	724	634
Acquisitions	-	180
Interest income	79	73
Amortisations and interest payments	-170	-176
Changes in loss allowance	0	-1
Derecognitions	-3	0
Translation differences	44	14
Closing balance	674	724
Total closing balance	29,920	24,288

For additional information see Note 1 "Accounting principles", section 9 "Income and Expenses" and Note 35 "Risk management".

Portfolio overview

The portfolios comprise a large number of loans. The debtors have varying characteristics, such as payers, partial payers and non-payers. There is some degree of mobility between debtor categories, with non-payers becoming payers and vice versa. The Group divides its portfolios into different categories, such as countries, age, asset class as the time of initial valuation and potential subsequent revaluations, ensuring the most up-to-date portfolio composition is reflected.

Collection forecast

The Group evaluates portfolios by estimating future cash flows for the next 15 years. Cash flow forecasts are regularly monitored during the year and updated based on factors such as achieved collection results and instalment plan agreements with debtors. A new carrying amount is calculated for the loan portfolios based on the updated forecasts and based on the principals set forth by the Effective Interest Rate method.

Revaluations

The Group evaluates actual collections in relation to the forecast that served as the basis for portfolio valuation during the same period. Deviations may in some cases result in an adjustment to future forecasts, especially if operational efforts have not had, or are not expected to have, the intended effect or in times of economics downturn e.g Covid-19.

Forecast revisions are managed by the internal Revaluation Committee, which reports to the Board's Investment Committee. Decisions are duly taken by the Revaluation Committee pursuant to instructions issued by the Board Investment Committee within the scope of the Revaluation Policy issued by the Board of Directors. Forecast adjustments and their impact on earnings are disclosed internally and externally. The portfolio valuation is independently audited by the Risk Control function.

Undiscounted acquired loss allowances

As at 31 December 2024, the undiscounted acquired loss allowances at initial recognition totalled SEK 68,753 m (43,688) for credit-impaired loan portfolios acquired by the Group during January to December, of which SEK 33,362m (30,052) is attributable to Parent Company acquisitions.

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Note 19 Portfolio book value, cont.

Net carrying amount

Parent company

Portfolio book value, credit impaired

SEK m	31 Dec 2024	31 Dec 2023
Opening balance 1 Jan	10,120	8,865
Acquisitions	5,143	3,649
Interest income	1,900	1,467
Gross collections	-4,112	-3,409
Impairment losses and gains	-20	91
<i>of which, realised collections against active forecast</i>	334	61
<i>of which, portfolio revaluations</i>	-353	30
Disposal	-1,109	-499
Translation differences	566	-44
Closing balance	12,488	10,120

Portfolio book value, performing

SEK m	31 Dec 2024	31 Dec 2023
Opening balance 1 jan	363	242
Acquisitions	-	179
Interest income	25	27
Amortisations and interest payments	-50	-82
Changes in loss allowance	3	-2
Derecognitions	-1	0
Translation differences	-191	-1
Closing balance	149	363

Total closing balance

12,637	10,483
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Note 19 Portfolio book value, cont.

Hoist ERC SEK m	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Total
Gross 180-month ERC	8,836	8,234	7,433	6,249	4,852	3,577	2,887	2,091	1,651	1,338	1,090	911	768	607	363	50,889
Amortisation	4,308	4,364	4,260	3,760	2,955	2,118	1,765	1,224	965	800	677	608	567	503	335	29,210
Interest income	4,528	3,870	3,173	2,489	1,897	1,459	1,122	867	686	538	413	303	201	104	28	21,679

Sensitivity analysis

Performance, SEK m	2024	2023
90%	-822	-671
92%	-657	-537
94%	-493	-403
96%	-329	-268
98%	-164	-134
100%	0	0
102%	164	134
104%	329	268
106%	493	403
108%	657	537
110%	822	671
Geographical distribution of portfolios SEM m	2024	2023
Italy	5,657	5,029
Germany	4,580	2,895
Poland	4,820	4,579
France	3,378	2,245
Greece	2,571	2,009
Spain	4,897	4,209
Sweden	1,186	1,104
Other countries 1)	2,831	2,218
	29,920	24,288

1) "Other countries" refer to the Netherlands, Belgium, Cyprus, the United Kingdom, and the newly opened market in Portugal.

Gross 180-months ERC

"Estimated Remaining Collections" – the company's estimate of the gross amount that can be collected on the loan portfolios currently owned by the company. For further information, see "Definitions".

Sensitivity analysis

When collections follow the forecast, the collection discrepancies remain unaffected, resulting in an intact 100% profit line. In case of deviations from the forecast, in the form of higher or lower collections, corresponding positive or negative changes in the collection discrepancies are generated which directly impacts the group's financial results.

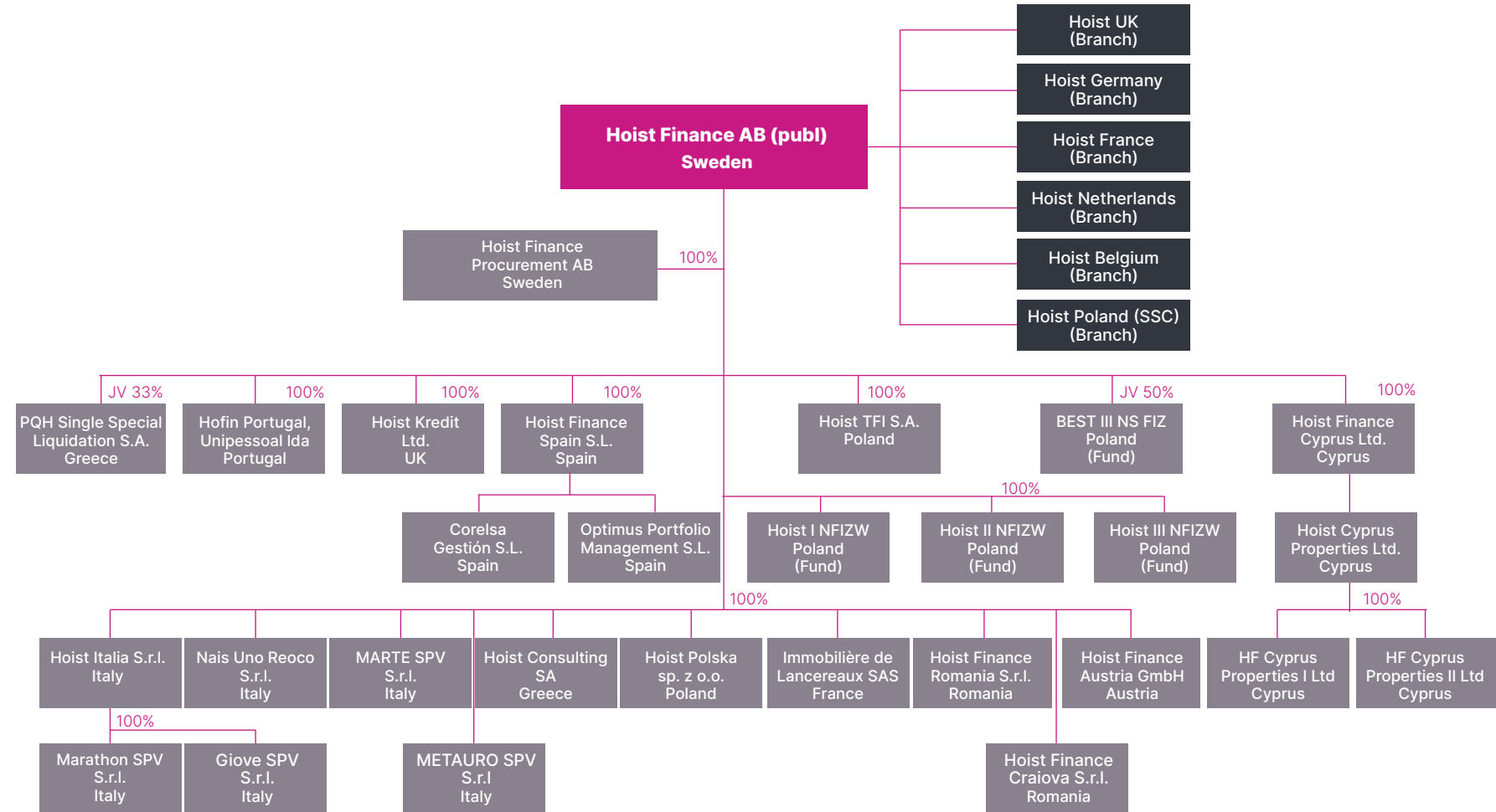
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Note 20 Shares and participations in subsidiaries

Legal structure

The Hoist Finance Group with its most important subsidiaries and branches as at 31 December 2024



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Note 20 Shares and participations in subsidiaries, cont.

Hoist Finance AB (publ), corporate identity number 556012-8489 and with its registered office in Stockholm, is the Parent Company of the Group. The list of Group subsidiaries is provided below.

Ownership percentage corresponds to share of voting power. All shares are unlisted. No registered credit market company. Information on the number of shares in Group companies is available upon request.

SEK m	Group			Carrying value 31 Dec 2024
	Corp. ID no.	Registered office	Ownership, %	
Swedish/Foreign				
Hoist Finance Procurement AB	5593337909	Stockholm	100	70
Utländska				
Corelsa Gestión S.L.	B13822242	Madrid	100	–
Giove SPV S.r.l.	05089700263	Conegliano	100	–
Hoist Cyprus Properties Ltd ¹⁾	HE 423727	Nicosia	100	–
Hoist Portugal, Unipessoal LDA ³⁾	518101347	Lisbon	100	0
Hoist Consulting S.A	8021942921	Athens	100	41
HF Cyprus Properties I Ltd ¹⁾	HE 424747	Nicosia	100	–
HF Cyprus Properties II Ltd ¹⁾	HE 424829	Nicosia	100	–
Hoist Finance Austria GmbH	FN544345h	Mooslackengasse	100	0
Hoist Finance Craiova S.R.L	46632099	Bucharest	100	6
Hoist Finance Cyprus Ltd.	HE 338570	Nicosia	100	149
Hoist Finance Romania S.r.l	41830400	Bucharest	100	9
Hoist Finance Spain S.L.	B87547659	Madrid	100	2,588
Hoist Hellas S.L.D.S.A ³⁾	137777901000	Athens	100	11
HOIST I NS FIZ ²⁾	RFI702	Warszawa	100	3,281
Hoist II NS FIZ ²⁾	RFI1617	Warszawa	100	1,201
Hoist III NS FIZ ²⁾	292229	Warszawa	100	93
Hoist Italia S.r.l.	12898671008	Rome	100	22
Hoist Kredit Ltd.	7646691	London	100	0
Hoist Polska SpZ.O.O	536257	Wroclaw	100	147
Hoist TFI S.A	937877	Wroclaw	100	57
Immobilière de Lancereaux SAS	2018B20590	Paris	100	0

SEK m	Group			Carrying value 31 Dec 2024
	Corp. ID no.	Registered office	Ownership, %	
Marathon SPV S.r.l	5048650260	Conegliano	100	–
Marte SPV S.r.l.	4634710265	Conegliano	100	–
Metauro SPV S.r.l ³⁾	16405681004	Rome	100	0
Nais Uno Reoco S.r.l.	14564684007	Rome	100	3
Optimus Portfolio Management S.L.	B86959285	Madrid	100	–

1) The company is under liquidation.

2) Polish Sec.fund.

3) Companies added during the year.

During the year, Hoist Finance transferred all holdings in the Polish funds in the Cypriot subsidiary to the parent company.

SEK m	2024	2023
Accumulated acquisition value		
Opening balance	6,386	5,031
Absorbed through merger	–	–
Acquired through merger	–	–
Acquisitions	4,575	–
Capital contribution	18	1,355
Disposal	–	–
Closing balance	10,979	6,386
Accumulated depreciations		
Opening balance	161	–195
Amortisation	–2,941	–
Hedge fair value ¹⁾	447	356
Closing balance	–3,227	161
Closing balance	7,752	6,547

1) For additional information see Accounting principles section 7 "Hedge accounting" and Note 17 "Derivatives".

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Note 21 Interest in structured entities

In 2024, Hoist Finance acquired interest in two newly established structured entities and one investment entity.

Consolidated structured entities

In 2024, HF Collections DAC and an investment entity ('compartment') have been established to manage loan portfolios.

A non-controlling interest of 5 percent is held in the Portuguese investment entity.

SEKm	Registered office	31 Dec 2024	31 Dec 2023
<i>Assets, carrying amount</i>			
HF Collections DAC	Dublin	1,298	–
Compartment Orthonave STC, S.A.	Lisbon	111	–

Non-consolidated structured entities

Disclosures are provided for structured entities in which Hoist Finance has interests but no controlling interest.

During 2024, Hoist Finance has invested in structured entities where Hoist Finance owns notes jointly with third parties and where the structured entity in turn holds loan portfolios. These notes are recognised at fair value through profit or loss and are included in the line item bonds and other securities. Interest income on these notes is recognised in the line 'Interest income on debt securities at fair value'. These investments are labelled as co-investments and are presented together with loan portfolios as the Hoist Finance investment portfolio.

There is no maturity for these instruments and the exposure to loss is the carrying value of the assets. Hoist Finance bears the same risk as other noteholders, but has a smaller exposure in terms of share.

SEKm	31 Dec 2024	31 Dec 2023
<i>Assets, carrying amount</i>		
Notes	784	–

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Note 22 Intangible assets

SEK m	Group 31 Dec 2024					Parent Company 31 Dec 2024				
	Goodwill	Internally developed software	Licences and software	Work in progress	Total	Goodwill	Internally developed software	Licences and software	Work in progress	Total
Opening balance	170	14	542	27	753	0	14	435	24	473
Investments for the year	–	–	14	2	16	–	–	1	1	2
Reclassification	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–7	–	–8	–2	–17	–	–	–8	–1	–9
Translation differences	10	0	7	0	17	–	–	3	0	3
Acquisition value	173	14	555	27	769	0	14	431	24	469
Opening balance	–6	–13	–470	–20	–509	0	–13	–369	–20	–402
Depreciation for the year	–	–	–27	–1	–28	–	–1	–23	–	–24
Divestments and disposals	–	–	–7	–	–7	–	–	–7	–1	–8
Reclassification	–	–	–	–	–	–	–	–	–	–
Translation differences	–2	–	–7	–	–9	–	–	–3	–	–3
Accumulated depreciation	–8	–13	–511	–21	–553	0	–14	–402	–21	–437
Carrying amount	165	1	44	6	216	0	0	29	3	32
	Group 31 Dec 2023					Parent Company 31 Dec 2023				
SEK m	Goodwill	Internally developed software	Licences and software	Work in progress	Total	Goodwill	Internally developed software	Licences and software	Work in progress	Total
Opening balance	159	13	546	34	752	0	14	437	25	476
Investments for the year	–	–	1	9	10	–	–	–2	4	2
Reclassification	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–6	–16	–22	–	–	–	–5	–5
Translation differences	11	–	1	0	12	–	–	–	–	–
Acquisition value	170	13	542	27	752	0	14	435	24	473
Opening balance	–6	–12	–417	–20	–455	0	–12	–318	–20	–350
Depreciation for the year	–	–1	–37	–	–38	–	–1	–37	–	–37
Divestments and disposals	–	–	–	–	–	–	–	–	–	–
Reclassification	–	–	–15	–	–15	–	–	–15	–	–15
Translation differences	–	–	–1	–	–1	–	–	–	–	–
Accumulated depreciation	–6	–13	–470	–20	–509	0	–13	–370	–20	–403
Carrying amount	164	0	72	7	243	0	1	65	4	70

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Note 22 Intangible assets, cont.

Impairment test for goodwill

The Group's goodwill of SEK 165m (164) has been identified as belonging to the following cash-generating units: Poland, SEK 154m (146); Spain, SEK 11m (11). Goodwill for Italy, which for 2023 totalled to 6 MSEK, has been amortized in 2024 in conjunction with the divestment of operations. Goodwill was impairment tested in conjunction with the year-end accounts.

The Group's impairment test is carried out as follows. Cash flow forecasts are based on an assessment of future collections, portfolio acquisitions, and cost and revenue development. The forecast period for gross cash collections is 15 years. Collection costs are calculated in relation to collection on portfolios, and other revenues and costs are based on established 3-year business plans. Investments are considered to be of a long-term nature and, accordingly, it is assumed that, for the period beyond the forecast period, revenues, costs and investments will increase 2 percent in perpetuity.

The effective tax rate applied in the impairment test is the local tax rate in the relevant country. The discount rate is the weighted average cost of capital in the relevant country. The discount rate for 2024 is within the 4.61–6.93 percent range after tax.

In this year's Group impairment test, the value in use was deemed to exceed the carrying value for all cash-generating units. There is therefore no impairment requirement.

Note 23 Tangible assets

SEK m	Group 31 Dec 2024			Parent Company 31 Dec 2024	
	Land and buildings	Equipment	Total	Equipment	Total
Opening balance	221	248	469	154	154
Investments for the year	44	33	77	5	5
Reclassifications	0	0	0	–	–
Divestments and disposals	–2	–2	–4	0	0
Translation differences	7	9	16	5	5
Acquisition value	270	288	558	164	164

SEK m	Group 31 Dec 2024			Parent Company 31 Dec 2024	
	Land and buildings	Equipment	Total	Equipment	Total
Opening balance	–159	–224	–383	–144	–144
Depreciation for the year	–38	–19	–57	–6	–16
Reclassifications	–	–	–	–	–
Divestments and disposals	6	0	6	0	0
Translation differences	–4	–7	–11	–5	–5
Accumulated depreciation	–195	–250	–445	–155	–155
Carrying amount	75	38	113	9	9

SEK m	Group 31 Dec 2023			Parent Company 31 Dec 2023	
	Land and buildings	Equipment	Total	Equipment	Total
Opening balance	220	240	460	157	157
Investments for the year	19	11	30	2	2
Reclassifications	–	1	1	–	–
Divestments and disposals	–20	–5	–25	–5	–5
Translation differences	2	1	3	–	–
Acquisition value	221	248	469	154	154

SEK m	Group 31 Dec 2023			Parent Company 31 Dec 2023	
	Land and buildings	Equipment	Total	Equipment	Total
Opening balance	–128	–205	–333	–137	–137
Depreciation for the year	–34	–18	–52	–8	–8
Reclassifications	–	–	–	–	–
Divestments and disposals	5	–	5	–	–
Translation differences	–1	–	–1	–	–
Accumulated depreciation	–158	–223	–381	–145	–145
Carrying amount	63	25	88	9	9

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Note 24 Seized assets

SEK m	Group 31 Dec 2024		Parent Company 31 Dec 2024	
	Seized assets	Total	Seized assets	Total
Opening balance	87	87	–	–
Investments for the year	66	66	–	–
Reclassifications	0	0	–	–
Divestments and disposals	–1	–1	–	–
Translation differences	3	3	–	–
Acquisition value	155	155	–	–

SEK m	Group 31 Dec 2024		Parent Company 31 Dec 2024	
	Seized assets	Total	Seized assets	Total
Opening balance	0	0	–	–
Depreciation for the year	0	0	–	–
Reclassifications	0	0	–	–
Divestments and disposals	0	0	–	–
Translation differences	0	0	–	–
Accumulated depreciation	0	0	–	–
Carrying amount	155	155	–	–

Seized assets

Repossessed assets are assets taken over to protect a claim. Hoist Finance may waive a loan receivable and instead seize the asset that served as collateral for the loan. Seized assets may consist of financial assets, properties and other tangible assets. Seized asset are recognised on the same line item in the balance sheet as similar assets that have been acquired otherwise.

The assets that have been seized during the year consists of real estate assets, they have a book value of 66 MSEK. These assets are being held with the intention of selling within the next year.

See Note 1 Accounting principles for additional information.

SEK m	Group 31 Dec 2023		Parent Company 31 Dec 2023	
	Seized assets	Total	Seized assets	Total
Opening balance	93	93	–	–
Investments for the year	–1	–1	–	–
Reclassifications	0	0	–	–
Divestments and disposals	0	0	–	–
Translation differences	–6	–6	–	–
Acquisition value	87	87	–	–

SEK m	Group 31 Dec 2023		Parent Company 31 Dec 2023	
	Seized assets	Total	Seized assets	Total
Opening balance	0	0	–	–
Depreciation for the year	0	0	–	–
Reclassifications	0	0	–	–
Divestments and disposals	0	0	–	–
Translation differences	0	0	–	–
Accumulated depreciation	0	0	–	–
Carrying amount	87	87	–	–

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Note 25 Leasing

The Group's lease contracts mainly comprise leased premises, with a small share of lease contracts covering vehicles, equipment and furniture, and IT hardware. All right-of-use assets are reported in "Tangible assets" in the balance sheet.

SEK m	Group 31 Dec 2024		
	Leased premises	Other right-of-use assets	Total
Opening balance	230	38	268
Investments for the year	46	8	54
Divestments and disposals	-3	0	-3
Translation differences	2	1	3
Acquisition value	275	47	322
Opening balance	-167	-30	-197
Depreciation for the year	-34	-6	-40
Divestments and disposals	4	0	4
Translation differences	-4	-1	-5
Accumulated depreciation	-201	-37	-238
Carrying value	74	10	84

The year's investments in right-of-use assets pertain to new acquisitions and to additional amounts resulting from reviewing existing lease liabilities when lease contracts are extended or prematurely terminated.

As at 31 December 2023 the Group has not entered into any material leases that are not reported in the balance sheet

Lease liabilities are reported in "Other liabilities" in the balance sheet and totalled SEK 89m (77) at 31 December 2024. A maturity analysis of lease liabilities is presented in Note 18, "Maturity analysis".

Total cash flow for lease liabilities during the year was SEK 45m

Amounts reported in the income statement

SEK m	Group	
	2024	2023
Depreciation of right-of-use assets	-42	-44
Interest expense related to lease liabilities	0	-3
Costs related to short-term leases	0	0
Costs related to low-value leases	0	0
Total	-43	-47

Amounts reported in the income statement

Interest expense related to lease liabilities is reported in Note 4, "Net interest income". Depreciation of right-of-use assets is reported in "Depreciation and amortisation of tangible and intangible assets". Costs related to short-term and low-value leases are reported in "General administrative expenses".

Parent Company

Hoist Finance AB (publ) has decided to apply the exceptions in RFR 2 in Parent Company accounting. The accounting standard IFRS 16, in force from 1 January 2019, is therefore not applied by the Parent Company.

All Parent Company leases are reported according to the rules for operating leases. There are no leases classified as finance leases.

The Parent Company's obligations under operating lease agreements are presented below.

SEK m	Parent Company	
	2024	2023
Payment obligations under non-cancellable lease contracts		
Within 1 year	30	28
Years 1-5	34	29
Year 5 and thereafter	5	0
Total	68	57

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Note 26 Other assets

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Derivatives ¹⁾	144	289	144	288
Financial assets	226	106	226	108
Tax receivables	103	33	84	7
VAT receivables	95	53	59	22
Accounts receivables ²⁾	118	52	0	0
Advance payments to customers	0	0	0	0
Other short-term receivables	286	275	265	193
Total	972	808	778	618

1) See note 17 "Derivatives".

2) No loss allowance for accounts receivable has been calculated as at the balance sheet date, as the discrepancies are not deemed to be significant.

Note 27 Prepaid expenses and accrued income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Prepaid expenses	285	129	70	52
Total	285	129	70	52

Note 28 Other liabilities

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Accounts payable	192	169	74	89
Payables to Group companies	0	0	350	81
Unpaid purchase consideration for portfolios	0	0	0	0
Liabilities from service billing	5	2	2	2
Derivatives ¹⁾	328	200	328	200
VAT payables	10	14	0	0
Employee withholding tax on deposit interest	68	49	68	49
Employee withholding tax	40	37	26	23
Payables to employees	50	80	28	37
Collateral received	44	194	15	194
Lease liabilities	89	77	0	0
Other liabilities	1,133	936	972	686
Total	1,961	1,758	1,863	1,361

1) See note 17 "Derivatives".

Note 29 Accrued expenses and deferred income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Accrued personnel expenses	85	50	61	38
Accrued legal costs	72	42	0	0
Accrued transaction costs	178	139	153	63
Accrued commission costs	4	5	0	0
Accrued collection costs	63	22	20	13
Accrued consultancy expenses	8	6	6	5
Accrued expenses for deposits from the public	44	4	44	4
Deferred income	170	0	0	0
Other accrued expenses	18	29	8	13
Total	642	297	292	136

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Note 30 Provisions

SEK m	Pension provision		Restructuring reserve		Other non current employee benefits		Other provisions		Group	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening balance	19	20	11	2	12	13	12	12	54	47
Provision	–	–	0	26	0	–1	79	6	79	31
Amount released	–	0	–2	–17	–2	0	–	–6	–5	–23
Change in value	–1	–1	–1	0	–	0	–	0	–2	–1
Other	2	–	0	–	0	–	10	–	12	0
Closing balance	20	19	7	11	10	12	101	12	138	54

SEK m	Group and Parent Company	
	31 Dec 2024	31 Dec 2023
Net pension provision, recognised in the balance sheet		
Defined-benefit commitment	28	24
Fair value of plan assets	4	4
Net pension provision	24	20
Pension commitments		
Opening balance	24	24
Interest expense	1	1
Pension payments	2	–1
Actuarial gains (–)/losses (+)	1	0
Currency effects, etc.	0	0
Closing balance	28	24
Assets under management		
Opening balance	4	4
Interest income	0	0
Employer-contributed funds	–	–
Benefits paid	–	–
Actuarial gains (–)/losses (+)	0	0
Currency effects, etc.	0	0
Closing balance	4	4

All plan assets are invested in investment fund

Restructuring costs

Utilised costs during 2024 are related to restructuring costs in Germany, France and the Netherlands. Remaining provisions are expected to be utilised in 2025.

Pensions

The Group has defined benefit pension schemes for Hoist Finance AB (publ), of which SEK 20m (19) is recognised in the German branch Hoist Finance AB (publ) Niederlassung and SEK 5 thousand (5) is recognised in the Swedish parent company. These pensions are based on the employees' pensionable remuneration and length of service. Pension commitments are determined using the Projected Unit Credit Method, which includes current pensions, vested rights and future increases in these parameters in the valuation.

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Note 31 Funding

SEK m	Group and Parent Company	
	31 Dec 2024	31 Dec 2023
Deposits from the public	40,190	20,238
Senior debt	4,682	4,102
Secured debt	341	547
Subordinated debt	1,934	900
Total interest-bearing debt	47,147	25,787

SEK m	Currency	Nominal interest rate	Maturity	31 Dec 2024		31 Dec 2023	
				Nominal value	Carrying amount	Nominal value	Carrying amount
Deposits from the public	SEK			9,812	9,882	5,846	5,893
<i>Current account deposits</i>		3.00%		5,602	5,602	3,839	3,839
<i>Fixed-term deposits 12m</i>		2.80%		2,571	2,607	1,022	1,040
<i>Fixed-term deposits 24m</i>		2.60%		1,503	1,532	565	580
<i>Fixed-term deposits 36m</i>		2.25%		136	141	420	434
Deposits from the public	EUR			27,594	27,951	12,784	12,910
<i>Current account deposits</i>		1.63%		3,559	3,601	3,681	3,709
<i>Fixed-term deposits 12m</i>		2.10%		13,688	13,875	3,146	3,199
<i>Fixed-term deposits 24m</i>		2.10%		4,584	4,644	862	871
<i>Fixed-term deposits 36m</i>		1.90%		1,874	1,905	226	227
<i>Fixed-term deposits 48m</i>		2.10%		1,184	1,203	278	280
<i>Fixed-term deposits 60m</i>		2.10%		2,705	2,724	4,591	4,623
Deposits from the public	GBP			1,644	1,663	1,418	1,434
<i>Current account deposits</i>		1.63%		1,575	1,593	1,310	1,324
<i>Fixed-term deposits 12m</i>		2.10%		30	30	34	34
<i>Fixed-term deposits 24m</i>		2.10%		3	3	0	0
<i>Fixed-term deposits 36m</i>		1.90%		5	5	45	45
<i>Fixed-term deposits 48m</i>		2.10%		10	10	9	9
<i>Fixed-term deposits 60m</i>		2.10%		23	23	21	21
Deposits from the public	PLN			685	694	1	1
<i>Fixed-term deposits 1m</i>		4.00%		3	3	0	0
<i>Fixed-term deposits 3m</i>		6.70%		319	322	1	1
<i>Fixed-term deposits 6m</i>		6.70%		358	364	1	1
<i>Fixed-term deposits 12m</i>		5.50%		5	5	0	0
Total				39,736	40,190	20,050	20,238

Retail funding

Deposits from the public

Hoist Finance AB (publ) has offered deposits for retail customers and corporates in Sweden since 2009 under the HoistSpar brand, where customers can save up to SEK 1,050,000. A deposit programme was established in Germany in 2017, with customers allowed to save up to EUR 85,000. In June 2021, a new deposit programme was established in the UK, with customers allowed to save up to GBP 70,000. In November 2023, a new deposit programme was established in Poland, with customers allowed to save up to PLN 375,000. Deposit programmes in Ireland, the Netherlands and Austria were established in 2024, allowing customers in each of these markets to save up to EUR 85,000. Deposit products in SEK, EUR and GBP offer both current account and fixed-term deposits, with the majority (99 percent) of all deposits covered by the Swedish deposit guarantee. At year-end 2024, Hoist Finance AB (publ) had SEK 5,602m and SEK 4,210m in current account and fixed-term deposits in SEK, respectively; SEK 3,559m and SEK 24,035m in current account and fixed-term deposits in EUR, respectively; SEK 1,575m and SEK 70m in current account and fixed-term deposits in GBP, respectively; and SEK 685m in fixed-term deposits in PLN.

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Note 31 Funding

SEK m	Currency	Nominal interest rate	Maturity	31 Dec 2024		31 Dec 2023	
				Nominal value	Carrying amount	Nominal value	Carrying amount
Senior debt	SEK	3.380%	2024	–	–	250	265
Senior debt	SEK	8.250%	2025	113	124	250	251
Senior debt	SEK	7.078%	2025	166	167	–	–
Senior debt	SEK	7.580%	2026	500	500	500	499
Senior debt	SEK	8.840%	2026	250	254	250	253
Senior debt	SEK	9.066%	2026	600	610	600	612
Senior debt	SEK	8.840%	2027	750	771	–	–
Senior debt	SEK	4.490%	2027	750	753	–	–
Senior debt	SEK	4.590%	2028	750	748	–	–
Senior debt	SEK	4.842%	2029	750	755	–	–
Senior debt	EUR	3.375%	2024	–	–	2,219	2,222
Secured debt	EUR	8.0% – 15.0%	2034	192	341	359	547
Subordinated debt	SEK	5.041%	2029	700	703	–	–
Subordinated debt	SEK	8.889%	2034	300	299	–	–
Subordinated debt	EUR	6.625%	2032	915	932	888	900
Total				6,736	6,957	5,316	5,550
Total interest-bearing liabilities				46,471	47,147	25,365	25,788

Wholesale funding

Senior debt

Hoist Finance AB (publ) issued six senior bond loans, totalling SEK 3,900m, in 2024. At year's end Hoist Finance AB (publ) had ten outstanding senior unsecured bond loans totalling SEK 5,550m and EUR 200m under the company's EMTN programme. There were no outstanding issues under the commercial paper programme as at year-end 2024.

Secured debt

Hoist Finance (AB) issued no secured debt during 2024.

Subordinated debt

Hoist Finance AB (publ) issued subordinated debt amounting to SEK 300m under the company's EMTN programme in 2024. At year-end 2024 Hoist Finance AB (publ) had an outstanding subordinated bond loan totalling SEK 30m, with EUR 80m outstanding under the company's EMTN programme.

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Note 32 Equity

Share capital. The Articles of Association of Hoist Finance AB (publ) specify that the company's share capital shall total a minimum of SEK 15m and a maximum of SEK 60m.

Number of shares	Group	
	2024	2023
Opening balance	89,303,000	89,303,000
New share issue	1,551,997	–
Approved issued and fully paid	90,854,997	89,303,000
Own shares	–3,432,391	–
Closing balance	87,422,606	89,303,000

The quota value is SEK 0.33 per share.

Shares carry one vote each and entitle the holder to dividend. Own shares are not entitled to dividend. Total amount paid and received for own shares amounted to SEK –201m (–). 1,551,997 (–) shares were issued during the year.

Reserves comprise financial assets classified in the category 'Financial assets at fair value through other comprehensive income' and the translation reserve and hedging reserve in the Group. The translation reserve includes all exchange rate differences arising from the translation of foreign operations less the hedging effect.

Other contributed equity refers to equity, other than share capital and AT1 capital contributions, contributed by shareholders.

AT1 capital contributions are subordinated loans, which have priority only over share capital. Subordinated loans that meet the requirements specified in Regulation (EU) No 575/203 may be rated as AT1 capital. The instruments are perpetual and are redeemable only upon approval of the Swedish Financial Supervisory Authority and no earlier than five years after issue date.

Other Non-controlling interest consist of minority interest.

Retained earnings comprise accrued earnings in the Parent Company, subsidiaries and joint ventures. For the financial year 2024, the Board has decided to propose to the Annual General dividend of SEK 2.00 per share.

The revaluation reserve in the Parent Company comprises portfolio revaluations pertaining to positive revaluations of portfolios reported in restricted equity.

The development expenditure fund in the Parent Company pertains to expenditures for the Company's own development work and has been transferred from retained earnings.

Note 33 Pledged assets, Contingent liabilities and Commitments

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Restricted bank balances	2	2	–	–
Loan portfolios, external loans	1,312	1,000	1,312	1,000
Acquired portfolios in the securitisation structures	2,244	2,710	–	–
Pledged assets	3,558	3,712	1,312	1,000
Contingent liabilities	219	147	219	147
Forward flow contracts	906	365	906	365
Signed but not settled acquisitions	–	965	–	965
Commitments	906	1,330	906	1,330

Pledged assets in the Group pertain to restricted bank balances and the value of portfolios pledged as collateral for issued bonds in securitisation structures Marathon SPV S.r.l. and Giove SPV S.r.l. As from third quarter 2023, the entire portfolio value is recognised as a pledged asset.

The Group's commitments consist of forward flow contracts and portfolio acquisitions that are signed but not yet settled. In forward flow contracts, a pre-determined volume (fixed or range) of NPLs is acquired at a pre-defined price during a certain time period.

A contingent liability should be reflected and disclosed when an obligation is possible but not likely. Hoist Finance has identified a few potential tax related obligations which are assessed as possible but not likely. Most of these cases involve VAT exposures,

mainly relating to determining the appropriate level of input VAT deduction (SEK 72m). Another Swedish VAT case consists of a potential reverse tax obligation for 2016 of SEK 70m. There is also a transfer pricing case between Hoist Finance AB and the Swedish Tax Agency regarding distribution of profits between Polish and Swedish entities for the years 2016–2017 with a potential obligation of SEK 53m. The Administrative Court in Stockholm issued a ruling on both of these cases in February 2025, after which the next step is an appeal to the Court of Appeal.

During the fourth quarter 2024 a new corporate income tax matter has been assessed as a contingent liability as a result of the Swedish Tax Agency denying a deduction worth SEK 23m. For all of these cases, Hoist Finance considers it more likely than not that Hoist Finance will prevail in court.

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Note 34 Specifications to the cash flow statement

Reconciliation of liabilities from funding activities

SEK m	Non-cash changes					31 Dec 2024
	31 Dec 2023	Cash flow	Investments	Accrued expenses	Exchange rate fluctuations	
Deposits from the public	20,238	19,028	–	267	657	40,190
Issued and repurchased securities	4,577	332	–	17	97	5,023
Subordinated debt	900	973	–	32	29	1,934
Lease liabilities	77	–45	47	9	2	89
Total liabilities from funding activities	25,792	20,288	47	325	785	47,237

Specification of adjustments for other items not included in cash flow

SEK m	Group	
	31 Dec 2024	31 Dec 2023
Depreciation and amortisation on tangible and intangible assets	99	96
Realised component of net income from financial transactions	35	140
Unrealised component of net income from financial transactions	–	–
Impairment gains and losses	–527	–357
Unrealised gains on shares and participations in joint ventures	–7	–177
Increase/decrease in accrued interest income and interest expense	299	133
Increase/decrease in provisions	81	8
Derecognition gains and losses	0	–43
Other items	–807	–598
Total	–827	–798

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Note 35 Risk management

Introduction

The Group's risk management is based on strategic and tactical business objectives, along with the business plan and business model established to fulfil these objectives. Risk management is an iterative and dynamic process through which risks are identified, assessed, managed, monitored and reported on a continuous basis. To ensure effective and functional risk management, identified risks are defined and categorised in a Group-wide risk universe. The Board of Directors controls risk management through policies that specify clear roles and responsibilities, the Group's risk strategy and risk appetite, and limits for risk-taking.

Risk identification normally takes place prior to decision-making and, on a Group-wide level, in conjunction with the business planning process and internal capital and liquidity adequacy assessment processes (ICLAAP). For each identified risk deemed to be material, the Board of Directors establishes a risk appetite; i.e., the level of risk exposure it is willing to accept in pursuit of the strategic and tactical objectives. These risk appetites are calibrated based on stress tests and scenario analyses covered by the ICLAAP and are translated to the Board's risk appetite limits.

The Group's Risk Control function ensures that risks are managed within the relevant units' risk appetites and limits by monitoring risk exposures and reporting these to the CEO and Board of Directors on a monthly basis. In the event of any breach of the limits, the Risk Control function shall, without delay, distribute an independent report to the Board of Directors, which is responsible for taking the necessary decisions and actions.

Four main categories of risk were identified during the most recent ICLAAP:

- » (i) credit risk
- » (ii) operational risk
- » (iii) market risk
- » (iv) liquidity risk

These risks are presented in separate sections below.

Credit risk

Credit risk is the risk to revenue and/or capital arising from a counterparty's failure to repay principal or interest at the stipulated time or a failure to otherwise perform as agreed.

Credit risk on the Group's balance sheet relates mainly to:

- » Acquired loan portfolios, comprised of performing and non-performing loans. Details on the credit risk for these two categories are presented in separate sections below.
- » Bonds and other securities.
- » Lending to credit institutions.
- » Counterparty risk exposure to institutions with which the Group conducts derivative transactions to hedge the Group's FX and interest rate exposure.

Credit risk for acquired non-performing loan portfolios

The non-performing loans are acquired in portfolios at prices that typically vary between 5 and 35 per cent of the nominal value outstanding at the acquisition date. The price depends on the portfolios' specific characteristics and composition in terms of factors such as size, age, the existence of collateral and type of loan, as well as debtor age, location, type, etc.

Measuring credit risk in the non-performing loan portfolios

Credit risk in the non-performing loan portfolios relates primarily to the Group overpaying for a portfolio – i.e., recovering less from the portfolio than expected – resulting in higher-than-expected portfolio carrying amount impairments and lower revenue.

Total credit risk exposure is equal to the carrying amount of the assets. At 31 December 2024, the carrying amount of Hoist Finance's non-performing loan portfolios was SEK 29,246m (23,564). The majority of these loans are unsecured, although a number of portfolios have real estate properties as collateral. As at 31 December 2024, these portfolios had a carrying amount of SEK 9,552m (6,444).

Information on the loan portfolios' geographical distribution is presented in Note 3, "Segment reporting". Other information on acquired loan portfolios is presented in Note 19, "Acquired loan portfolios". Net cash flow forecast is an important parameter for Hoist Finance's credit risk management, as described in Note 19, "Acquired loan portfolios".

Impairment of non-performing loan portfolio values

The risk of collections on loan portfolios failing to be realised as expected is regularly monitored by the business operations and the Risk Control function, by comparing actual outcome against forecasts. The process for identifying the need to impair portfolio values is regulated by a specific policy. The Risk Control function monitors compliance with the policy and participates on the Revaluation Committee, which makes decisions on portfolio value impairment. Revaluation of portfolios and the difference between realised collections versus forecasts are reported under "Impairment gains and losses".

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Note 35 Risk management, cont.

Portfolios held at amortized cost 31 Dec 2024

Book value (SEK m)	Collection performance				
	90%	95%	100%	105%	110%
Funding cost	26,928	28,424	29,920	31,416	32,912

Portfolios held at amortized cost 31 Dec 2023

Book value (SEK m)	Collection performance				
	90%	95%	100%	105%	110%
Funding cost	21,154	22,330	23,505	24,680	25,855

The table shows how the carrying amount changes in the event of deviations from current cash flow forecasts (ERC).

The carrying amount is calculated using a weighted average effective interest rate for all portfolios, with the weighted average cost of capital subtracted from the current ERC.

Expected credit loss measurement for acquired performing loan portfolios

For acquired performing loans IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. The model is only applicable to the Group's performing loan portfolios. Non-performing loan portfolios are always classified in Stage 3. The loss allowance for non-performing loans is detailed below in the section "Credit risk for acquired non-performing loan portfolios".

The IFRS 9 three-stage model is presented in the table on the next page.

For Hoist Finance, initial recognition is the date on which a loan portfolio is acquired and subsequently recognised on the balance sheet. All loans that are not considered credit-impaired are classified in Stage 1 at initial recognition. Criteria for migration to Stage 2 or Stage 3 are described respectively under "Significant increase in credit risk" and "Definition of default and credit-impaired loans".

The general approach applied by Hoist Finance for measuring Expected Credit Losses ("ECL") for acquired performing loan portfolios is component-based and builds upon an estimation of Exposure at Default ("EAD"), Loss Given Default ("LGD"), and Probability of Default ("PD"). These components are multiplied together each month to produce an ECL which is recognised in the financial statements as a loss allowance for performing loan portfolios.

During the period there have been no changes in estimation techniques or significant assumptions in the ECL measurement process.

Significant increase in credit risk

Hoist Finance has defined rating class staging criteria based on the PD rating class system used in the transition matrices utilised for PD estimation. Significant increase in credit risk ("SICR") is defined as when a loan experiences a risk class migration increase of one risk grade as counted from its original risk class at initial recognition. Hoist Finance is not rebutting the IFRS 9 presumption that a SICR has occurred when a loan is more than 30 days past due on con-

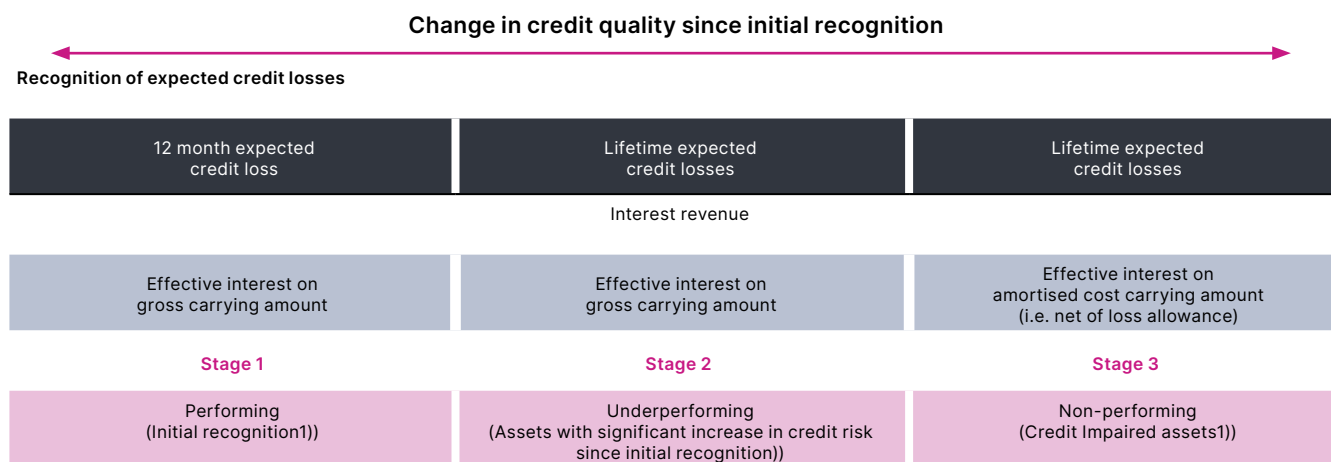
tractual payments. However, it should be noted that Hoist Finance applies this backstop criterium provided that the past due amount is considered material pursuant to the definition of default described under "Definition of default and credit-impaired loans".

Hoist Finance has not used the low credit risk exemption for any acquired performing loan portfolios.

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Note 35 Risk management, cont.



1) Except for purchased or originated credit impaired assets.

SEK m	Acquired loan portfolios 31 Dec 2024				Total
	Stage 1 12-month ECL	Stage 1 Lifetime ECL	Stage 1 Lifetime ECL	Purchased credit-impaired	
Credit grade					
Credit grade for high credit quality	458	–	–		458
Credit grade medium credit quality	136	–	–		136
Credit grade for low credit quality	4	7	–		11
Default	–	–	79	28,407	28,486
Gross carrying amount	598	7	79	28,407	29,091
Loss allowance	–	–1	–9	840	830
Net carrying amount	598	6	70	29,247	29,921

A full reconciliation of gross carrying amount and ECL movements can be found in Note 19, "Portfolio book value".

Definition of default and credit-impaired assets

Hoist Finance defines an acquired loan as in default, which is fully aligned with the definition of credit impairment, when it meets any of the following criteria:

- » The obligor is more than 90 days past due on its contractual payments by a material amount. Pursuant to the EB's guidelines on default of an obligor (article 178), material amounts are amounts exceeding EUR 100 plus 1% of the outstanding amount
- » A concession is granted that modifies the contractual cash flows, resulting in a material loss
- » Bankruptcy of the obligor
- » Confirmed death of the obligor
- » An obligor's sources of recurring income are no longer available to meet the payments of instalments
- » Hoist Finance has called any collateral, including a guarantee
- » There are justifiable concerns about an obligor's future ability to generate stable and sufficient cash flow

In terms of what is to be regarded as a purchased credit-impaired asset, the assessment is based on the information provided by the sellers of the acquired loan portfolios.

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Note 35 Risk management, cont.

Concentration risk

Hoist Finance has receivables from a large number of counter-parties, most of who are private individuals. The portfolio is also well diversified, with receivables in 13 countries and no country accounting for more than 20 per cent of total loan portfolios. Limits are in place for banks and other financial counterparties and are monitored and reported on an ongoing basis. In light of this, Hoist Finance considers there to be no significant concentration risk.

Credit risk exposure and maximum exposure to credit risk

For acquired non-performing and performing loan portfolios, the maximum exposure to credit risk is represented by the gross carrying amount of the loan. The table below presents an analysis of the credit risk exposure for acquired loan portfolios based on credit risk classes. The credit risk class for "high credit quality" corresponds to loans for which the exposure-weighted average 12-month probability of default (PD) is 0.14 per cent. The equivalent PD averages for "medium credit quality" and "low credit quality" are 0.79 per cent and 44.91 per cent, respectively.

Credit risk for liquidity portfolio assets

The credit risk associated with exposures in Hoist Finance's liquidity reserve is managed in accordance with the Group's Treasury Policy, which regulates the portion that may be invested in assets issued by individual counterparties. Restrictions include limits on exposures due to the counterparty's credit rating.

The table below shows Standard & Poor's credit rating for the Group's exposures in the liquidity reserve as per 31 December 2024 compared with 31 December 2023, with the exposure distribution stated as a percentage.

As per 31 December 2024, the weighted average maturity for liquidity portfolio assets was 2.74 years (1.17) and the modified duration was 0.14 years (0.27). Maturity and modified duration are important measures for evaluating Hoist Finance's credit spread risks and interest rate risks.

Credit risks arising from bond holdings or derivative transactions

Credit risks arising from bond holdings or derivative transactions are treated in the same way as other credit risks; i.e., they are analysed, managed, limited and controlled.

Counterparty risk

The Group uses FX and interest derivatives to hedge its exchange rate and interest rate exposure (see Note 17, "Derivatives"). To avoid counterparty risks associated with these derivatives, the Group uses ISDA and CSA agreements for all derivative counterparties. These agreements allow for netting and daily settlement of credit risk and, accordingly, counterparty risk with derivative counterparties corresponds at most to a one-day fluctuation of the derivative's value. The CSA agreement is backed by cash collateral. Derivative transactions are only conducted with stable counterparties with a minimum credit rating of A-, which also serves to limit the counterparty risk.

%	31 Dec 2024	31 Dec 2023
AAA	63.1	48.2
AA+	17.6	8.5
AA	0.0	0.0
AA-	8.2	19.8
A+	0.0	0.0
A	4.8	15.1
A-	2.4	1.9
BBB+	3.4	5.4
BBB	0.1	0.2
BBB-	0.0	0.0
BB+	0.1	0.2
BB	0.0	0.0
BB-	0.0	0.0
B+	0.0	0.0
B	0.0	0.0
B-	0.2	0.5
N/A	0.0	0.0
Total SEK m	23,811	7,792
<i>of which, in the liquidity portfolio</i>	<i>19,722</i>	<i>4,531</i>

31 Dec 2024

SEK m	Gross amount of financial assets and liabilities	Related amounts not offset in the balance sheet			Net Amount
		Amount offset in the balance sheet	Net amount presented in the balance sheet	Cash collateral	
Assets					
Derivatives	144		144	0	144
Liabilities					
Derivatives	328		328	-205	124

31 Dec 2023

SEK m	Gross amount of financial assets and liabilities	Related amounts not offset in the balance sheet			Net Amount
		Amount offset in the balance sheet	Net amount presented in the balance sheet	Cash collateral	
Assets					
Derivatives	289		289	-194	95
Liabilities					
Derivatives	200		200	-88	112

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Note 35 Risk management, cont.

Information per type of financial instrument

Financial assets and liabilities subject to set-off and covered by legally binding netting or similar agreements are presented in the tables above.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, personnel, IT systems or external events, and includes legal and compliance risk.

The operational risks that Hoist Finance is mainly exposed to is divided into the following standardised categories:

- » Unauthorised activities and internal fraud
- » External fraud and other criminal activity; e.g., money laundering and cybercrime
- » Employment practices and workplace safety
- » Clients, products and business practices
- » Damage to physical assets
- » Business disruption, systems failure, and information and communications technology (ICT)
- » Execution, delivery and process management

The Group manages operational risks using preventive controls, detection controls and corrective controls. Preventive controls, which reduce the likelihood of errors and discrepancies, include policies, procedures, training programmes, authorisation restrictions, customer due diligence, etc. Detection controls are designed to detect errors and discrepancies in the event they occur and include various types of reconciliation, monitoring systems, alarms, etc. Corrective controls are designed to limit negative consequences and/or restore operations as quickly as possible following an error or discrepancy; examples include backups, redundancies, contingency plans and, for serious disruptions, continuity and crisis planning.

To identify and mitigate operational risks, the Risk Control function has established a framework for operational risk management that includes the following:

1. All employees are required to submit incident reports via a Group-wide risk management system, where incidents and actions taken are monitored by the Risk Control function. Significant reported incidents are included in the risk report submitted to the Board and Management.
2. Self-assessment of operational risks and controls. Under this method operational risks inherent in the organisation are identified and evaluated, and the effectiveness of existing control activities are then assessed. These analyses form the basis for an evaluation of the residual operational risks and whether these can be accepted or should be mitigated. The assessment is done in a group format, as discussions and diverse perspectives are important in identifying and assessing risks and controls.
3. Process for approval and quality assurance of new and amended products, services, markets, processes, ICT assets and major changes in Hoist Finance's operations and organisation.
4. Business Continuity Management (BCM) provides a framework for planning for and methods for responding to events and business disruptions to ensure the continuation of business operations at an acceptable predefined level. The framework comprises disruption and crisis management:
 - » Disruptions are managed by having in place continuity plans for all critical operations and recovery plans for critical ICT assets
 - » Crises are managed by crisis management plans and led by predefined crisis management teams
5. Key risk indicators are monitored to provide early warning when risks have changed or may change.
6. Regular training in operational risks is conducted in key areas.

Market risk

Market risk refers to the risk that FX and interest rate fluctuations may negatively affect a company's results or equity level.

Currency/FX risk

The FX risk that has an adverse impact on the Group's income statement, balance sheet and/or cash flow arises primarily as a result of:

- » Certain income and expense items arising in different currencies, resulting in a transaction risk.
- » Any imbalance between the value of assets and liabilities in different currencies that gives rise to a translation risk or balance sheet risk.

Group Treasury has overall responsibility for continuous management of these risks.

Transaction risk

In each country, most revenue and operating expenses are in local currency. Currency fluctuations therefore have only a limited impact on the company's operating profit in local currency. Revenue and expenses in national currency are therefore hedged in a natural way, which limits the transaction risk exposure.

Translation risk

The Group's presentation currency is SEK, while its three main functional currencies are EUR, GBP and PLN. The Group's loan portfolios (assets) are mainly denominated in foreign currency, while the Group's deposits from the public (liabilities) are denominated in SEK and EUR and, to a lesser extent, in GBP and PLN. This imbalance between assets and liabilities in different currencies entails a translation risk (balance sheet risk). To manage translation risk, the Group calculates its unhedged exposure to the aggregate value of net assets denominated in currencies other than SEK. The Group's translation exposure is then managed through linear derivative contracts. The Group uses hedge accounting for the net investment in foreign operations. Additional information regarding hedge accounting is provided in Accounting Principles section 10, "Hedge accounting" and in Note 17, "Derivatives".

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The tables show the Group's exposure per currency. The Group has no significant positions in currencies other than EUR, GBP and PLN. The tables also present translation risk expressed as sensitivity to a movement of 10 per cent in the exchange rate between SEK and each currency. The result of translation risk hedging is reported in "Other comprehensive income" in each annual report. The non-functional portion is reported in "Net result from financial transactions". At year-end 2023 changes in the EUR hedges are reported in the income statement under "Net result from financial transactions". Hedges for other currencies are presented in "Other comprehensive income" and mitigate the direct impact of translation risk on equity.

	31 Dec 2024	Impact on equity		Impact on P&L	Total	31 Dec 2023	Impact on equity		Impact on P&L	Total
Group FX risk in EUR m										
Net assets on the balance sheet, EUR m	223.26					257.74				
Currency forwards, EUR m	-231.20					-266.00				
Net exposure, EUR m	-7.94					-8.26				
A 10 per cent increase in the EUR/SEK FX rate impacts Group results by (SEK m)		256.45	3.82%	-256.57	-9.12		285.99	4.73%	-295.15	-9.16
A 10 per cent decrease in the EUR/SEK FX rate impacts Group results by (SEK m)		-256.45	-3.82%	256.57	9.12		-285.99	-4.73%	295.15	9.16
Group FX risk in PLN m										
Net assets on the balance sheet, PLN m	1,316.17					1,719.19				
Currency forwards, PLN m	-1,286.00					-1,719.20				
Net exposure, PLN m	30.17					-0.01				
A 10 per cent increase in the PLN/SEK FX rate impacts Group results by (SEK m)		8.12	0.12%		8.12		0.00	0.00%		0.00
A 10 per cent decrease in the PLN/SEK FX rate impacts Group results by (SEK m)		-8.12	-0.12%		-8.12		0.00	0.00%		0.00
Group FX risk in GBP ,										
Net assets on the balance sheet, GBP m	110.52					42.43				
Currency forwards, GBP m	-109.90					-42.40				
Net exposure, GBP m	0.62					0.03				
A 10 per cent increase in the GBP/SEK FX rate impacts Group results by (SEK m)		0.86	0.01%		0.86		0.03	0.00%		0.03
A 10 per cent decrease in the GBP/SEK FX rate impacts Group results by (SEK m)		-0.86	-0.01%		-0.86		0.03	0.00%		-0.03

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Note 35 Risk management, cont.

Interest rate risk

The Group's interest rate risk originates from changes in interest rates that may affect the company's revenues and expenses to varying degrees. Changes in interest rates may affect the company's revenues from loan portfolios as well as the liquidity reserve, while the cost of funding these assets may also change.

A sudden and permanent interest rate increase may adversely impact the Group's profit to the extent interest rates and interest expense for loans and deposits from the public are affected by the increase to a higher degree than are revenues from loan portfolios and the liquidity reserve. To ensure that the exposure is within the company's risk appetite, Group Treasury manages and reduces these interest rate risks by continuously hedging the Group's interest rate exposure through linear interest derivatives denominated in EUR, GBP, SEK and PLN. Hoist Finance also applies hedge accounting for interest derivatives.

Pursuant to accounting policies, however, the effects of interest rate changes are taken up as income at different times. For instance, the Group's liquidity reserve and interest derivatives are measured at fair value, so changes in interest rates have an instantaneous impact on the book value and hence on Group results. Hoist Finance accordingly applies hedge accounting for interest derivatives.

The loan portfolios, on the other hand, are valued under the amortised cost principle, so changes in interest rates have an impact over time (rather than instantaneously) on asset value and Group results. The Group's liabilities are valued under the amortised cost principle, so changes in interest rates have an impact over time (rather than instantaneously) on Group results.

Hoist Finance has strict limits for maximum allowed interest rate exposure. These regulate the maximum impact on earnings that is tolerated given various shifts in the yield curve. Limits are in place to reduce earnings risk and economic value risk.

Total impact on net interest income over 1 year, SEK m	Impact on profit/loss 31 Dec 2024		Impact on equity		Impact on profit/loss 31 Dec 2023		Impact on equity	
	-300 bps	+300 bps			-300 bps	+300 bps		
Impact on net interest income (over 1 year)	-274.48	274.64			159.24	-156.09		
Impact on derivatives (instantaneous impact)	-1,429.60	1,143.73			-956.57	956.57		
Total impact of change in short term interest rate	-1,704.08	1,418.37		-25.42%	-797.33	800.48		-13.19%
Total items measured at fair value including derivatives, SEK m	Impact on profit/loss 31 Dec 2024		Impact on equity		Impact on profit/loss 31 Dec 2023		Impact on equity	
	-300 bps	+300 bps			-300 bps	+300 bps		
Liquidity portfolio	97.54	-94.07			52.29	-52.29		
Interest-rate swaps	-1,429.88	1,143.99			-956.57	956.57		
Total	-1,332.34	1,049.92		-19.87%	-904.28	904.28		-14.95%

The tables above show the effect on various assets and liabilities of a sudden and permanent parallel shift of 300 basis points in market interest rates.

Liquidity risk

Liquidity risk is the risk of difficulties in obtaining funding, and thus being unable to meet payment obligations at maturity without a significant increase in the cost of obtaining means of payment.

The Group's cash flow from acquired loan portfolios is in its nature positive. The Group normally receives a cash flow of approximately 1.9 times the invested amount over time. Major cash outflows stem from a deliberate decision to invest in new loan portfolios or from unexpected cash outflows. The latter can result from outflow of deposits, from outflow due to mark-to-market of hedging derivatives or from outflow of existing wholesale funding (refinancing risk).

Details on the Group's funding base are presented in the table below.

Funding, SEK m	31 Dec 2024	31 Dec 2023
Current account deposits	10,796	8,873
Fixed-term deposits	29,395	11,365
Debt securities issued	5,023	4,649
Additional Tier 1 capital	1,109	1,109
Subordinated debts	1,934	900
Equity	5,596	4,813
Other	3,081	2,314
Balance sheet total	56,934	34,023

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The Group's overall liquidity strategy is to maintain a liquidity reserve of highly liquid assets designed to mitigate Hoist Finance's liquidity risks and, in addition, to make liquidity available for financial obligations related to loan portfolio acquisitions.

The Group's general funding strategy is to maintain a sustainable, cost-efficient and well-diversified funding structure while at the same time upholding a sound structural risk level – including liquidity, interest rate and FX risk – which is appropriate and proportionate to Hoist Finance's business model. Diversification between different types of sources of funding in various markets, currencies and forms of funding instruments is a key component of the funding strategy. Maintaining an investment grade rating is another cornerstone of Hoist Finance's funding strategy, and potential rating implications are taken into consideration in financial and business strategic decisions.

The Group has a diversified funding base with a diversified maturity structure. Funding is mainly raised in the form of deposits from the public and through the capital markets through the issuance of senior unsecured debt, own funds instruments and equity. Hoist Finance offers retail deposits in Sweden, Germany, Ireland, the Netherlands, Austria, Poland and Great Britain. Twenty-seven per cent (44) of deposits from the public are repayable on demand (current account deposits, "flex"), while 73 per cent (56) of the Group's deposits from the public are fixed-term deposits ranging from one to five years. More than 99 per cent of deposits are backed by the deposit guarantee scheme. The retail deposits give the Group a competitive advantage, as they are stable, flexible and provide access to funding in various currencies at relatively low cost.

In addition to having a diversified funding structure with respect to funding sources and maturity structure, the Group has implemented a number of measures to minimise liquidity risk:

- » **Centralised liquidity management:** Management of liquidity risk is centralised and managed by Group Treasury.
- » **Independent analysis:** The Group's Risk Control function serves as a central unit for independent liquidity analysis. Internal Audit is responsible for inspecting the Group's liquidity control tools.
- » **Continuous monitoring:** The Group uses short- and long-term liquidity forecasts to monitor the liquidity position and reduce liquidity risk. These forecasts are presented to Management and the Board.
- » **Stress testing:** The Group conducts stress tests of the liquidity situation. These tests vary in nature to demonstrate the risk from multiple angles and preclude negative results due to defects in stress test methodology.
- » **Interest rate adjustment:** The size of deposits from the public can be managed by adjusting quoted interest rates.
- » **Well-diversified deposit portfolio with no concentration risks:** The highest savings deposit is limited to SEK 1,050,000. The risk of large outflows is further reduced through the coverage of 99 per cent of deposits by national deposit insurance.
- » **Liquidity portfolio:** Liquidity investments are made in low-risk, interest-bearing securities with high credit quality and high market liquidity, which allows for rapid conversion to liquid funds if needed.

As a credit institution, Hoist Finance is subject to laws and regulations covering liquidity requirements. Hoist Finance's short-term Liquidity Coverage Ratio (LCR) was 1,434 per cent (506) at year end, compared with its regulatory ratio of 100 per cent. The Net Stable Funding Ratio (NSFR) was 154 per cent (115) at year end.

As per 31 December 2024, Hoist Finance's liquidity reserve amounted to 42 per cent (23) of total assets. The liquidity portfolio is largely made up of Swedish government and municipal bonds, Finnish government bonds, covered bonds and short-term lending to other banks.

Liquidity reserve, SEK m	31 Dec 2024	31 Dec 2023
Cash and holdings in central banks	–	0
Deposits in other banks available overnight	4,088	3,261
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	6,105	2,047
Securities issued or guaranteed by municipalities or other public sector entities	3,733	628
Covered bonds	9,885	1,856
Securities issued by non-financial corporates	–	–
Securities issued by financial corporates	–	–
Other	–	–
Total	23,811	7,792

The Group's Treasury Policy specifies a limit and a target level for the liquidity reserve. As per 31 December 2024 the liquidity reserve exceeded both the limit and the target level by a significant margin, totalling SEK 23,811m (7,792).

Hoist Finance has a liquidity contingency plan for managing liquidity risk. This identifies specific events that may trigger the contingency plan and require that actions be taken. These events may include:

- » An outflow from savings deposits of more than 10 per cent of total deposits over a 30-day period.
- » A lowering or removal of Hoist Finance's credit rating by an official rating institute.

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Note 35 Risk management, cont.

Internal capital and liquidity adequacy assessment processes

The internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP) are ongoing processes carried out by the Executive Management Team, which reviews, evaluates and quantifies risks to which the Group is exposed in carrying out its business operations. This risk analysis forms the basis for ensuring that the Group has sufficient capital and liquidity to cover regulatory requirements and ensure a comfortable financial margin vis-à-vis the regulatory requirements in Hoist Finance's operations and business plan.

The capital and liquidity assessment process is developed and reviewed at least once per year. The annual review focuses on ensuring that the process is always relevant to the current risk profile and to the Group's operations. The Board decides on any changes to the process, and Internal Audit verifies that the process is carried out pursuant to the Board's instructions.

The process starts with Management's business plan and budget for the coming three years. These are formalised into a forecast. The ICAAP and ILAAP use these forecasts as a starting point and, as a first step, evaluate the risks inherent in the forecasts.

ICAAP

ICAAP is Hoist Finance's internal evaluation to ensure that it has sufficient capital to meet potential risks to Hoist Finance's business within the existing business plan's framework and in stressed scenarios.

Credit and market risks are rigorously stress-tested to determine the extent of the losses that Hoist Finance is capable of withstanding under severely adverse circumstances. This loss figure is then compared with the statutory capital requirement calculated according to Pillar 1. If the simulated losses exceed this amount, the excess is covered by additional Pillar 2 capital.

Operational risks are evaluated based on the company's reported incidents statistics. Once the operational risks have been quantified, the next step is calculation of the amount of capital required to cover all potential unexpected losses related to the operational risks. The company must be able to withstand even extremely serious operational incidents. Here as well, the calculated capital requirement is compared with the statutory Pillar 1 capital requirement and any excess loss risk is covered by additional Pillar 2 provisions.

Hoist Finance conducts stress tests and sensitivity analyses of the business plan, under ICAAP and on an ongoing basis in the operations, to ensure that the Group maintains a strong financial position in relation to regulatory capital requirements under severely adverse market conditions.

The capital requirement produced by ICAAP is used by Management as a decision-making tool when making future plans for the Group. ICAAP thus adds a further dimension to the Group's decision-making, beyond strategic and daily planning. Before being implemented, strategic plans, forecasts and immediate management decisions are always reviewed against the background of capital requirements.

The conclusion from this year's ICAAP is that Hoist Finance has a strong capital position and good capacity to withstand the effects of unexpected events without risking its capital position.

ILAAP

ILAAP is Hoist Finance's internal evaluation to ensure that the Group maintains sufficient levels of liquidity buffers and sufficient funding in light of the liquidity risks that exist in the business and the business plan. The process identifies, verifies, plans and stress-tests Hoist Finance's future funding and liquidity requirements.

Hoist Finance uses ILAAP to define the size of the liquidity buffer the Group needs to maintain, to prevent identified liquidity risks from affecting the Group's capacity to achieve its business plan and to meet regulatory requirements (LCR/NSFR) and the limits set by the Board of Directors.

Results from this year's ILAAP show that Hoist Finance has sufficient capacity to meet unexpected liquidity risks without jeopardising Hoist Finance's operating activities and that the company maintains a liquidity reserve aligned with its strategic business plan objectives.

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Note 36 Capital adequacy

The information in this Note includes information that is required to be disclosed pursuant to FFFS 2008:25, including applicable amendments, regarding annual reports for credit institutions, and FFFS 2014:12, including applicable amendments, concerning supervisory requirements and capital buffers. The information refers to the Hoist Finance AB (publ) consolidated situation ("Hoist Finance") and Hoist Finance AB (publ), the regulated entity.

The Company's statutory capital requirements are determined primarily by Regulation (EU) No 575/2013 of the European Parliament and of the Council and by the Capital Buffers Act (SFS 2014:966). These laws are aimed at ensuring that the regulated entity and its consolidated situation manages its risks and protects its customers.

The difference between the consolidated accounts and the consolidated situation for capital adequacy purposes is as follows. Joint ventures are consolidated with the equity method in the consolidated accounts, whereas the proportional method is used for the consolidated situation. Securitised assets are recognised in the consolidated accounts but are removed from the accounting records for the consolidated situation. Hoist Finance's participating interest in the securitised assets is always covered.

There are no existing or anticipated actual or legal obstacles to the immediate transfer of own resources or debt repayment between companies and their subsidiaries.

Additional information on capital adequacy is available in the company's Pillar 3 report available on www.hoistfinance.com.

Own funds

The table below shows own funds used to cover the capital requirements for Hoist Finance consolidated situation and the regulated entity Hoist Finance AB (publ).

SEK m	Hoist Finance consolidated situation		Hoist Finance AB (Publ)	
	2024	2023	2024	2023
<i>Common equity Tier 1 (CET1) capital: instruments and reserves</i>				
Capital instruments and related share premium accounts	1,913	1,913	1,913	1,913
Retained earnings	2,745	2,16	1,454	988
Accumulated other comprehensive income and other reserves	-203	-12	183	573
Independently reviewed interim profits net of any foreseeable charge or dividend ¹	789	611	1,086	499
CET1 capital before regulatory adjustments	5,244	4,672	4,636	3,973
<i>CET1 capital: regulatory adjustments</i>				
Additional value adjustments	-21	-5	-22	-5
Intangible assets (net of related tax liability)	-216	-223	-29	-49
Deferred tax assets that rely on future profitability	-119	-71	-64	-67
Exposure amount of securitisation positions which qualify for a RW of 1,250 %, where the institution opts for the deduction alternative	-5	-9	-5	-9
Transitional rules regarding IFRS9	-	-	-	-
Adjustment NPL Backstop	-572	-245	-264	-140
Total regulatory adjustments to CET1	-933	-553	-384	-270
CET1 capital	4,311	4,119	4,252	3,703
<i>Additional Tier 1 (AT1) capital: instruments</i>				
Capital instruments and the related share premium accounts	1,109	1,109	1,109	1,109
AT1 capital	1,109	1,109	1,109	1,109
Tier 1 (T1) capital	5,420	5,228	5,361	4,812
<i>Tier 2 (T2) capital: instruments and provisions</i>				
Capital instruments and the related share premium accounts	1,231	900	1,231	900
T2 capital	1,231	900	1,231	900
Total capital (TC = T1+ T2)	6,651	6,128	6,592	5,712

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Note 36 Capital adequacy, cont.

As presented in the table, issued Tier 1 capital instruments and Tier 2 capital instruments are both used in calculating own funds. These instruments are described briefly below.

Additional Tier 1 capital

Additional Tier 1 capital, issued as part of Hoist Finance's capital planning, is comprised of write-down instruments. At year end the company had two outstanding instruments with nominal amounts of EUR 40m and SEK 700m respectively.

The former instrument bears a coupon rate of 7.75 per cent and the latter a coupon rate of 3-month STIBOR plus a margin of 1,000 basis points. The issued additional Tier 1 capital instruments have no scheduled maturity date. The first possible redemption dates are 26 February 2025 for the EUR-denominated instrument and 25 May 2028 for the SEK-denominated instrument. Hoist Finance will redeem the issued Additional Tier 1 capital of EUR 40m in full on the instrument's first call date of 26 February 2025.

The EUR-denominated instrument is listed on Euronext Dublin and the SEK-denominated instrument on Nasdaq Stockholm.

Tier 2 capital instruments

As at 31 December 2024, Hoist Finance had two subordinated loans of EUR 80m and SEK 300m outstanding, which are included as Tier 2 capital in Hoist Finance's own funds. The subordinated loan of EUR 80m matures on 4 August 2032 with possibility for early redemption after five years and carries a fixed coupon rate of 6.625 per cent. The subordinated loan of SEK 300m matures on 2 May 2034 with possibility for early redemption after five years and carries a coupon rate of 3-month STIBOR plus a margin of 625 basis points. The instruments are listed on Euronext Dublin.

Revaluation reserve

Hoist Finance's own funds include a revaluation reserve of SEK 1m which pertains to revaluation of acquired loan portfolios.

Risk-weighted exposure amounts, SEK m	Hoist Finance consolidated situation		Hoist Finance AB (Publ)	
	2024	2023	2024	2023
Exposures to central governments or central banks	–	–	–	–
Exposures to regional governments or local authorities	–	–	–	–
Exposures to institutions	1,286	1,069	1,087	827
<i>of which, counterparty credit risk</i>	319	266	319	266
Exposures to corporates	1,727	150	10,947	6,189
Retail exposures	10	14	2	10
Exposures secured by mortgages on immovable property	291	320	44	111
Exposures in default	26,691	21,950	12,370	11,157
Exposures in the form of covered bonds	989	186	989	186
Exposures in the form of CIU	–	–	4,694	–
Equity exposures	0	–	3,177	6,547
Other items	561	329	82	83
Credit risk (standardised approach)	31,555	24,018	33,392	25,11
Securitisation positions in the banking book	407	786	407	786
Market risk (foreign exchange risk – standardised approach)	181	–	181	–
Operational risk (standardised approach)	5,018	4,470	2,047	2,256
Credit valuation adjustment (standardised approach)	419	385	419	385
Total risk-weighted exposure amount	37,580	29,659	36,446	28,537

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Note 36 Capital adequacy, cont.

	Hoist Finance consolidated situation		Hoist Finance AB (Publ)	
	2024	2023	2024	2023
Capital adequacy, SEK m				
Pillar 1				
Exposures to central governments or central banks	–	–	–	–
Exposures to regional governments or local authorities	–	–	–	–
Exposures to institutions	103	85	87	66
<i>of which, counterparty credit risk</i>	26	21	26	21
Exposures to corporates	138	12	875	495
Retail exposures	1	1	0	1
Exposures secured by mortgages on immovable property	23	26	3	9
Exposures in default	2,135	1,756	990	893
Exposures in the form of covered bonds	79	15	79	15
Exposures in the form of CIU	–	–	376	–
Equity exposures	0	–	254	524
Other items	45	26	6	7
Credit risk (standardised approach)	2,524	1,921	2,671	2,009
Securitisation positions in the banking book	33	63	33	63
Market risk (foreign exchange risk – standardised approach)	14	–	14	–
Operational risk (standardised approach)	401	358	164	180
Credit valuation adjustment (standardised approach)	34	31	34	31
Total own funds requirement – Pillar 1	3,006	2,373	2,916	2,283
Pillar 2				
Concentration risk	196	170	274	261
Interest-rate risk in the banking book	183	188	127	191
Market risk	2	9	2	9
Pension risk	–	–	–	–
Other Pillar 2 risks	272	59	272	59
Total capital requirement – Pillar 2	653	426	675	520
Capital buffers				
Capital conservation buffer	939	741	911	713
Countercyclical buffer	237	117	237	126
Total capital requirement – Capital buffers	1,176	858	1,148	839
Total capital requirements	4,835	3,657	4,739	3,642
Pillar 2 guidance	188	–	–	–
Total capital requirements and Pillar 2 guidance	5,023	3,657	4,739	3,642

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Note 36 Capital adequacy, cont.

	Hoist Finance consolidated situation		Hoist Finance AB (Publ)	
	2024	2023	2024	2023
Capital ratios and capital buffers, %				
CET1 ratio	11.48	13.89	11.67	12.98
Risk-weighted exposure amounts, SEK m	14.43	17.63	14.71	16,87
Total capital ratio	17.70	20.66	18.09	20,02
Institution-specific CET1 requirements	3.13	2.90	3.15	2,90
<i>of which, capital conservation buffer requirement</i>	2.50	2.50	2.50	2,50
<i>of which, countercyclical buffer requirement</i>	0.63	0.40	0.65	0,40
CET1 capital available to meet buffers (as a percentage of risk exposure amount)¹⁾	6.98	9.39	7.17	8,48

¹⁾ CET1 ratio as reported, less minimum requirement of 4.5 per cent (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.

Internally assessed capital requirement

As per 31 December 2024 3, the internally assessed capital requirement for Hoist Finance was SEK 3,659m (2,799), of which SEK 653m (426) is attributable to Pillar 2.

	Hoist Finance consolidated situation		Hoist Finance AB (Publ)	
	2024	2023	2024	2023
Leverage ratio				
Exposure measure for leverage ratio calculation	56,187	33,845	57,129	33,893
Tier 1 capital	5,422	5,229	5,364	4,813
Leverage ratio, %	9,65	15,45	9,39	14,20

Capital ratios and capital buffers

Regulation (EU) No 575/2013 of the European Parliament and the Council requires credit institutions to maintain Common Equity Tier 1 capital of at least 4.5 per cent, Tier 1 capital of at least 6 per cent and a total capital ratio (capital in relation to risk-weighted exposure amount) of 8 per cent. Credit institutions are also required to maintain specific capital buffers. Hoist Finance is currently required to maintain a capital conservation buffer of 2.5 per cent of the total risk-weighted exposure amount and an institution-specific countercyclical buffer.

The table below shows CET1 capital, Tier 1 capital and the total capital ratio in relation to the total risk-weighted exposure amount for Hoist Finance consolidated situation and for the regulated entity Hoist Finance AB (publ). It also shows the total regulatory requirements under each pillar and the institution-specific CET1 capital requirements. All capital ratios exceed the minimum requirements and capital buffer requirements.

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Note 37 Related party transaction

The Group conducted transactions during the year with joint venture companies Best III and PQH Single Special Liquidation S.A. As at balance sheet date Hoist Finance AB (publ), the Parent Company, had receivables from these companies totalling SEK 0m (0). Revenues from joint ventures totalled SEK 13m (356) for the Parent Company and SEK 7m (114) for the Group. No costs were recognised for joint ventures during the year, and no liabilities to joint ventures were recognised as at balance sheet date. For additional information on these companies, please refer to Note 11 “Shares and participations in joint ventures”.

During the year, Lars Wollung received SEK 4.4m (9.7) via TPS Advisory AB and Christopher Rees received SEK 1.0m (3.9) via 4CAdvisory Ltd through consulting agreements for work beyond board duties. No other transactions were carried out with senior executives or the Board during the year other than salary and other remuneration. Information regarding remuneration and benefits for these individuals can be found in Note 9 “Personnel expenses”.

There have otherwise been no transactions between the Group and related parties that have affected the Group’s financial position and results.

Parent Company

The parent company Hoist Finance AB (publ) has a controlling interest over its subsidiaries, as well as the structured entity HF Collections DAC and an investment compartment in Orthonave STC, S.A. See Note 20 ‘Interests in Subsidiaries’ and Note 21 ‘Interests in structured entities and investment compartments’ for more information.

The following related party transactions were conducted during the year between the Parent Company and other Group companies.

Subsidiaries

SEK m	31 Dec 2024	31 Dec 2023
Receivables on balance sheet date	8,239	6,879
Liabilities on balance sheet date	350	81
Interest income	394	273
Interest expenses	–4	–4
Dividend received	4,974	457
Other operating income	171	152
Other operating expenses	–97	–88

Other Group companies

SEK m	31 Dec 2024	31 Dec 2023
Receivables on balance sheet date	1,428	–
Interest income	163	–
Net result from financial transactions	7	–

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Note 38 Reconciliation of alternative performance measures

Cash EBITDA

SEK m	31 Dec 2024	31 Dec 2023
Profit for the year	1,013	663
+ Income tax expense	287	183
+/- Net result from financial transactions	-4	-117
+ Interest expense	1,428	829
+/- Interest income (excl. interest from run-off performing portfolio)	-426	-177
+/- Portfolio revaluations	615	322
+ Depreciation and amortisation of tangible and intangible assets	99	96
EBITDA	3,011	1,799
+ Gross cash collections on acquired loan portfolios	9,359	7,394
- Interest income on acquired loan portfolios	-4,523	-3,469
Cash EBITDA	7,847	5,724

Return on equity

SEK m	31 Dec 2024	31 Dec 2023
Equity	6,705	5,921
Additional Tier 1 capital	-1,109	-1,109
Reversal of interest expense Equity Additional Tier 1 capital	134	152
Total equity	5,729	4,964
Total equity (quarterly average)	5,297	4,788
Profit for the year	1,013	663
Adjustment of interest on AT1 capital	-124	-133
Adjusted annual profit	889	530
Return on equity, %	17	11

Return on equity, adjusted for items affecting comparability

SEK m	31 Dec 2024	31 Dec 2023
Equity	6,705	5,921
Additional Tier 1 capital	-1,109	-1,109
Reversal of interest expense paid for AT1 capital	134	152
Reversal of items affecting comparability ¹⁾	-1	120
Total equity	5,728	5,085
Total equity (quarterly average)	5,320	4,853
Profit for the year	1,013	663
Reversal of items affecting comparability ¹⁾	-	120
Estimated annual profit	1,013	783
Adjustment of interest on AT1 capital	-124	-133
Adjusted annual profit	889	650
Return on equity, adjusted for items affecting comparability, %	17	13

1) Items affecting comparability 2024 relate to new share issue

Note 39 Subsequent events

Hoist Finance announced on 20 January 2025 that the company will redeem the EUR 40 million Additional Tier 1 capital (AT1) in its entirety on the instrument's first call date, 26 February 2025.

On February 28, 2025, the Administrative Court in Stockholm announced a ruling in various VAT and transfer pricing cases.

Christian Wallentin, CFO and Deputy CEO, left Hoist Finance in March 2025. Until a replacement is in place, Magnus Söderlund, Finance Director, is acting CFO.

Note 40 Appropriation of profits

According to the Parent Company's balance sheet, the following unappropriated earnings are at the disposal of the Annual General Meeting:

SEK	
Share premium	1,968,774,287
Reserves	-23,233,065
Retained earnings	1,683,827,622
Net profit for the year	1,314,694,174
Summa¹⁾	4,944,063,017

1) Unrealised changes in assets and liabilities at fair value have had a net impact on equity of SEK -214m in accordance with Chapter 4, section 14 of the Swedish Annual Accounts Act.

The Board of Directors proposes that the available profits and unrestricted funds be allocated as follows:

SEK	
Dividend to shareholders, SEK 2.00 per share	174,845,212
To be carried forward	4,769,217,805
Total	4,944,063,017

The Board of Directors proposes that the Annual General Meeting resolve on a dividend of SEK 2.00 per share. The proposed total dividend amounts to SEK 174.8 million, calculated on the number of issued shares as at 31 December 2024, excluding treasury shares.

It is the Board's judgment that the proposed dividend is justifiable in view of the requirements that the business's nature, scope and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The proposed record date for the dividend is 12 May 2025 and the dividend is expected to be paid on 15 May 2025.

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Basis for preparation

Accounting fundamentals

Hoist Finance's consolidated sustainability report is presented each financial year as an integrated part of the annual report. This sustainability report is published 26 March 2025 and covers the reporting period from 1 January 2024 to 31 December 2024. The scope of consolidation is the same as for the financial statements, unless otherwise stated.

The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and includes disclosures under the EU Taxonomy regulation and related delegated acts. The UN Global Compact (UNGC) Ten Principles and the Sustainable Development Goals (SDGs) are applied as guiding tools.

In 2024 the Corporate Sustainability Reporting Directive (CSRD) has been adopted into Swedish law. The requirements under the European Sustainability Reporting Standards (ESRS) will affect Hoist Finance's sustainability report from the financial year 2025. In 2024 Hoist Finance has started the preparations and implementation to ensure CSRD compliance in 2025, which has triggered a number of updates aligned with ESRS in the report. However, the sustainability report 2024 is not prepared on a complete set of the upcoming ESRS requirements. The sustainability report is this year developed with reference to the Global Reporting Initiative Standards (GRI Standards, GRI 1: Foundation 2021), due to that GRI requirements not aligned with future ESRS are phased out. Please see section "Updated and changes" for more information.

The structure of the Sustainability Report is listed in the content overview on the left-hand side. References in relation to statutory obligations are presented on the right-hand side. The scope of disclosures related to our material topics is presented in the GRI Content Index of this report.

Signatories

The Board of Directors is responsible for approving the Sustainability Report.

Contact

For questions about the sustainability report and related topics, please contact: ir@hoistfinance.com

Updates and changes

In 2024, Hoist Finance's sustainability efforts have been focused on mobilising the implementation of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The implementation plan has triggered a number of updates aligned with the ESRS already in this year, while GRI requirements not aligned with ESRS are phased out. We have initiated alignment according to the new standards, with the following updates:

The structure of general chapters; "Basis for preparation", "Sustainability governance", "Our Business model, strategy and value chain" and "Material Sustainability topics" are established and disclosures partly updated based on the disclosure requirements in ESRS 2.

A double materiality analysis based on the European Sustainability Reporting Standard was conducted in 2023, with refinements in and active implementation from 2024. The updated process is reflected in the section "The double materiality assessment method and process" and presents our material topics. The focus in this report is the impact materiality and therefore the financial materiality including risks and opportunities are not included in the chapter "Sustainability Disclosures". In addition, the Sustainability Disclosures chapter focuses on Hoist Finance's own operations and activities.

In this year's report we have phased out a number of metrics previously reported under GRI, which do not align with future ESRS requirements, hence resulted in increased omissions according to GRI. These omissions are presented in the GRI content index.

No prior period errors are identified or adjusted for.

Definitions and notions

See list of definitions, methodologies and notions related to performance measurements and disclosures on page 136-137.

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Sustainability governance

Roles and responsibilities

Hoist Finance's corporate governance structure enables us to monitor and advance the effectiveness of our sustainability work, the development of sustainability-related KPIs in line with ESRS and follow-up on set targets. The corporate governance structure ensures that insights from this work are taken into account in the company's strategic work and that ESG-related risk factors are integrated into the risk management framework.

The model presented on the right hand side demonstrates how Hoist Finance's corporate governance structure interacts with our sustainability work and implementation of the Corporate Sustainability Reporting Directive (CSRD), as well as the roles and responsibilities and decision-making on strategy, targets and KPIs.

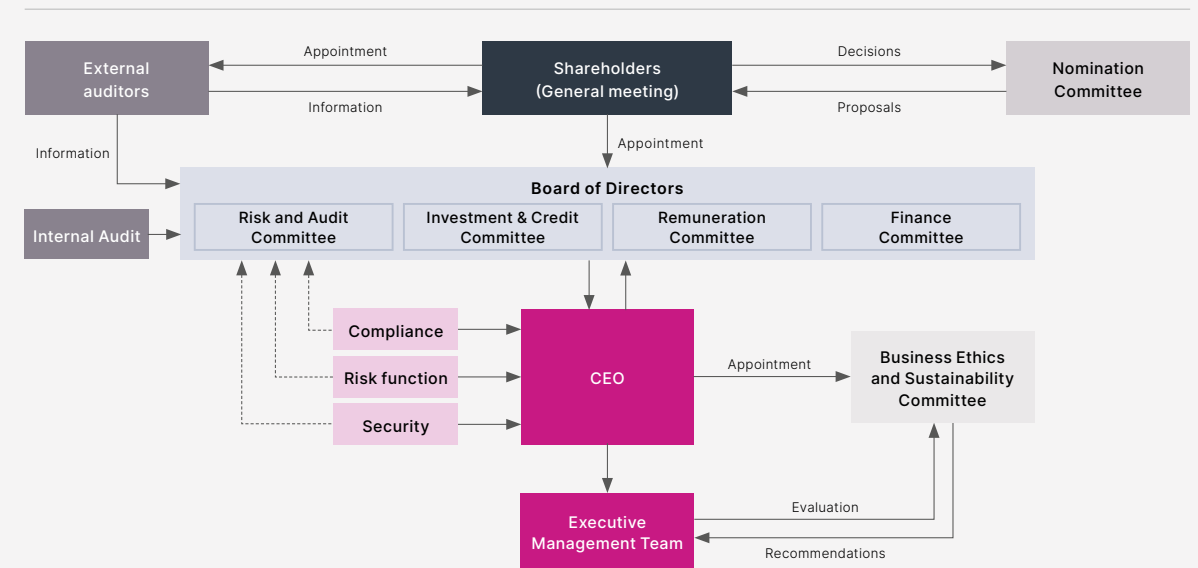
The Board of Directors is the highest governing body and decides on the sustainability topics, strategy, double materiality analysis, targets and KPIs. The Company's Board as a whole shall have the appropriate collective expertise, experience and background in the Company's business operations to enable identification and understanding of the risks such operations entail. During 2024 the Board received trainings in sustainability and sustainability reporting, including new sustainability legislations such as the Corporate Sustainability Reporting Directive (CSRD). At the end of the financial year, the Board had one female and five male members.

From 1 of January 2024, the Risk and Audit Committee is responsible for supervising and monitoring sustainability reporting matters and material risk factors, and ensuring the quality of the Company's sustainability reporting. In 2024 RACO consisted of one woman and two men.

Sustainability in incentive schemes

Hoist Finance has no incentive schemes or remuneration policies linked to sustainability and sustainability performance.

Sustainability in the corporate governance model



Board of Directors (BoD)	Is the highest governing body and decides on the sustainability topics, strategy, double materiality analysis, indicators and targets. BoD is continuously informed on the implementation of the Corporate Sustainability Reporting Directive (CSRD).
Risk and Audit Committee (RACO)	Provides advice, counsel and recommendations on sustainability matters. From 1 of January 2024, RACO is also responsible for supervising and monitoring sustainability reporting matters and material risk factors on a quarterly basis. Accordingly, RACO is continuously informed on the implementation of the Corporate Sustainability Reporting Directive (CSRD).
Business Ethics and Sustainability Committee (BESC)	Provides recommendations to the Executive Management Team (EMT) and the organisation on topics relating to ethics, environmental-, social-, human rights-, human resources- and consumer matters. The forum is headed by the CEO and includes our Chief Operating Officer, Chief Investment Officer, Chief People Officer and certain other managers that the CEO nominates.
Chief Executive Officer (CEO)	The primary responsibility for executing and managing the sustainability strategy rests with the CEO with the support from the Executive Management Team (EMT).
Functional units	Responsible for ensuring compliance with sustainability matters in line with CSRD and the material topics set out in the DMA. Responsible for integrating the established strategy, targets and KPIs at group level.
Country management	Responsible for developing local activity plans and delivering on strategy, targets and KPIs.
Sustainability function	Supporting on sustainability operational activities to secure execution of strategy, the delivery of sustainability targets in collaboration with operational and functional units. Responsible for implementing sustainability reporting requirements and supporting functions to comply with sustainability reporting. Responsible for writing the sustainability statement and the integrated annual report.

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ESG in the risk management

ESG factors refer to environmental, social, or governance factors that may directly or indirectly cause risks. For Hoist Finance, this primarily involves potential credit risks and operational risks. ESG factors are integrated and managed into Hoist Finance's regular risk management processes.

ESG factors may directly or indirectly affect the risk profile of Hoist Finance at different points of the value chain. In our own operations, for example environmental factors may have a potential direct negative impact on Hoist Finance's operational capabilities through disruptions in the delivery of our own key services, or through services delivered by third-parties in the upstream value-chain. These scenarios are part of our framework for continuity and crisis management.

In the upstream value chain, there is also potential indirect exposures to ESG factors through investments in our liquidity portfolio and in the underlying lending to small and medium-sized enterprises and individuals in our acquired loan portfolios.

In the downstream value chain, ESG factors may cause geopolitical consequences and macroeconomic shocks that erode household disposable income and hence repayment capacity. Our collection performance from loan portfolios have proven resilient to historical macroeconomic shocks.

ESG factors that may drive operational risk, as well as mitigating actions, are identified and prioritised through Hoist Finance's group-wide risk management framework and processes. We are also developing the process for integrating ESG factors into our reporting of risk incidents, to improve the ability to identify actual operational ESG factors, analyse the size and extent of the financial impact, and evaluate measures to prevent recurrence.

Read more

About Hoist Finance's corporate governance, work of the board and Board Committees

→ [PAGE 34-39](#)

About Hoist Finance's internal governance and control

→ [PAGE 40-42](#)

About Hoist Finance's Board of Directors and Executive Management Team

→ [PAGE 43-47](#)

About Hoist Finance's risk management

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Our Business model, strategy and value chain

Our Business model and strategy

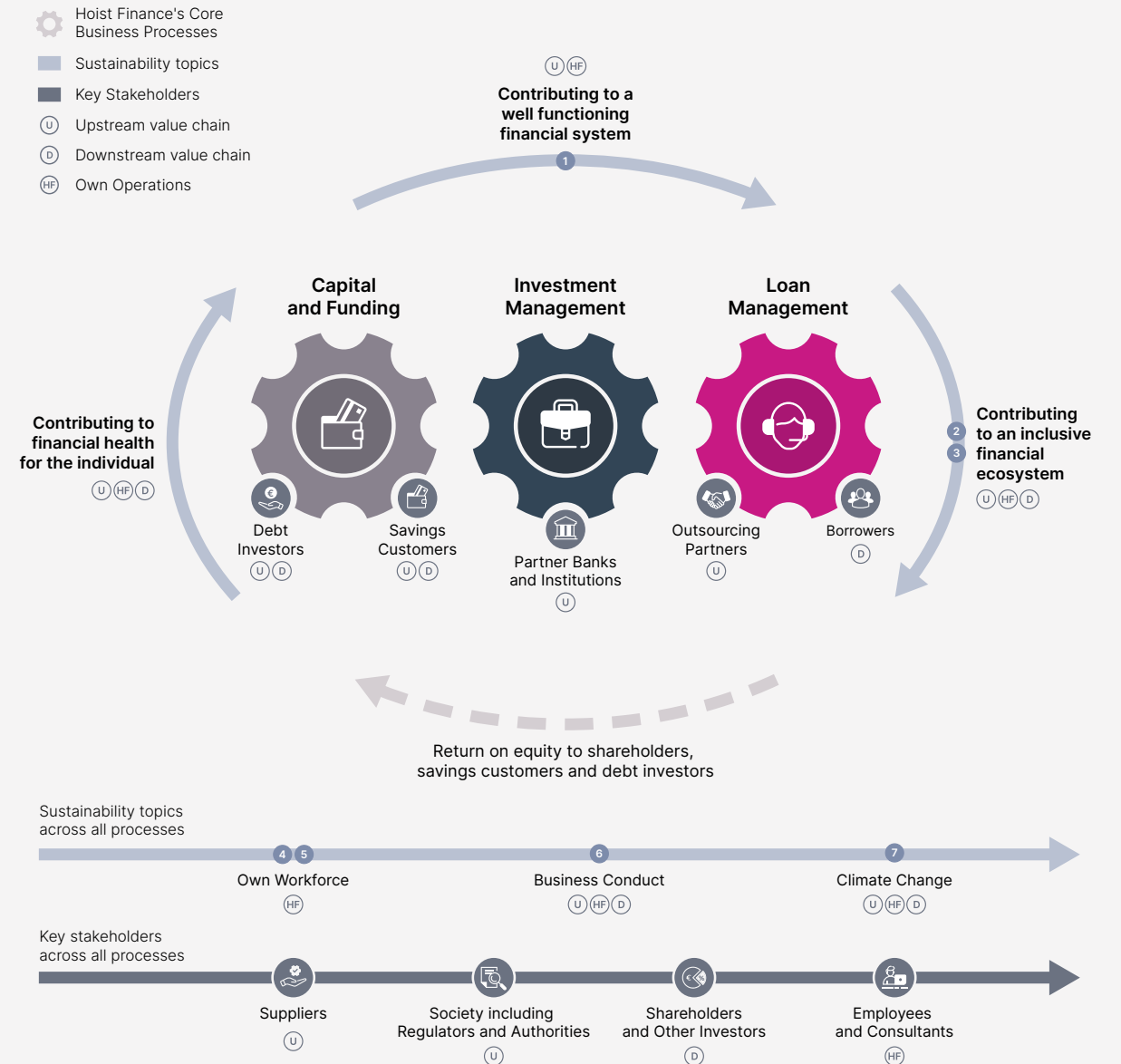
Hoist Finance invests in non-performing loans from European banks and financial institutions. Our business model rests on three core business processes: investment management, loan management, and capital and funding. These are core for fulfilling our purpose of contributing to a healthy and resilient financial system in Europe by providing support to both banks and borrowers. To read more about our business model and strategy, please see page 7-24.

Our Value chain

Hoist Finance's value chain is the ecosystem which we operate in. It encompasses the activities and relationships with key upstream and downstream stakeholders, as well as our core business processes; Capital and funding, Investment management and Loan management. The model presented on the right-hand side demonstrates the actual or potential impact we have on our stakeholders along the value chain, related to our business model, purpose and external environment which we operate in.

Sustainability Topics	Positive impact	Negative impact	
1 A healthy and resilient financial system in Europe	✓		(U) (HF)
2 Financial inclusion and Ethical treatment of our borrowers	✓	✓	(U) (HF) (D)
4 Working conditions	✓	✓	(HF)
5 Equal opportunities for all	✓	✓	(HF)
6 Business conduct	✓	✓	(U) (HF) (D)
7 Climate change		✓	(U) (HF) (D)

Hoist Finance's value chain



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How we engage with our stakeholders

Hoist Finance's key stakeholders are partners, borrowers and savings customers, employees, investors, suppliers and society (including legislators and regulators). We engage with key stakeholders through a multitude of channels. A summary of the interaction is demonstrated in the table on the right-hand side.

Additional other stakeholder groups are essential to run our business sustainably and effectively. Hoist Finance participates in peer forums and network activities with industry colleagues, focused on sustainability reporting, legislation and the development of common standards to drive standardisation in our industry.

The purpose of engaging with our key stakeholders, is to understand their expectations of Hoist Finance's sustainability work, deliver long-term value creation and receive input on our double materiality assessment. Stakeholder engagement is central to informing our materiality assessment. Although Hoist Finance have yet to formalise our sustainability due diligence process, sub-segments of this process are included as basis for the materiality assessments, such as the identification and assessment of negative impacts through its severity and likelihood.

In 2024 internal and some external stakeholder dialogues were carried out to gather input on the double materiality assessment and mobilise the output. Internal stakeholder dialogues have primarily focused on mobilising the output of the double materiality assessment into current business processes, and to enable execution of the CSRD implementation for the fiscal year 2025. This has included both; workshops and trainings with the Board of Directors and partials of the Executive Management Team, and establishment of quarterly reporting to the Risk and Audit Committee.

Stakeholder	Stakeholder descriptions	Stakeholder Interaction
 Partners	Banks and financial institutions who we acquire loan portfolios from	<ul style="list-style-type: none"> » Regular interaction prior to- and during investment process, as well as post acquisition interaction » Know Your Customer (KYC) process to ensure compliance with regulatory requirements and mitigate risks
 Borrowers and savings customers	<p>Our borrowers are individuals and SME's who we support by helping them to resolve their debt and get back to the financial ecosystem.</p> <p>Our savings customers are mainly individuals who hold deposit accounts with us</p>	<ul style="list-style-type: none"> » Continuous contact through customer service in various communication channels. » Borrower experience surveys » Complaints procedures
 Employees	Including full time employees, part time employees and consultants	<ul style="list-style-type: none"> » Performance and development dialogue » Leadership and function conferences, team events and other meetings » Training and educations » Employee Surveys » Social events
 Investors	Shareholders and debt investors	<ul style="list-style-type: none"> » Formal engagement through the Annual Meeting, capital market days, quarterly presentations, ESG ratings and ongoing dialogue via investor relations » Formal and informal engagement throughout the client relationship
 Suppliers	Third party providers supporting us with services, systems and tools. e.g. our outsourcing partners within collection services	<ul style="list-style-type: none"> » Formal engagement through contracts, Supplier code of conduct and sustainability due diligence » Collaboration and continuous dialogue depending on the topic
 Society	National and local authorities and courts; regulators and policy makers, NGOs, credit service- and consumer association, peer companies	<ul style="list-style-type: none"> » Formal and informal written enquiries, meetings etc » Collaboration on selected initiatives and proposals » Ongoing collaboration and dialogue on selected topics, depending on market, actor, need and insight

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Material sustainability Topics

The double materiality assessment method and process

The transition in the regulatory environment, due to the Corporate Sustainability Reporting Directive (CSRD), mandates Hoist Finance and other European companies to shift from a Materiality- to a Double materiality assessment (DMA).

Hoist Finance started to work on the double materiality analysis in 2023. We based the analysis on the sustainability matters previously reported on according to the the Global Initiative (GRI), as well as the topics defined in ESRS. In addition, sector-specific sustainability topics identified by, among others, the Sustainability

Accounting Standards Board (SASB) as well as other sustainability matters of relevance to Hoist Finance's operations were included. In 2024 the assessment was further developed based on complementary regulatory alignments, new stakeholder dialogues and enhanced scorings. The method for the double materiality analysis will be developed over time as the quality of models and data improves.

This chapter reflects an overview of Hoist Finance's method and process to identify, assess and prioritise its material sustainability topics. The DMA is carried out in line with the the European Sustainability Reporting Standards (ESRS), including the assessment

of impacts, risks and opportunities (IRO) within Hoist Finance's own operations and along its value chain. The scope of Hoist Finance's double materiality assessment is focused on core business processes and key stakeholders. In addition, a short-, medium- and long-term time perspective is considered.

The outcome of this DMA is a list of material topics. The impact materiality connected to Hoist Finance's own operation is reflected in subsequent chapters of this report. Hoist Finance's risks, opportunities and value chain perspective will be incorporated into the report in 2025, following the full implementation of CSRD.

Method and process steps

Hoist Finance's double materiality is assessed in a four step process, described below.

Step 1

Understanding the organisation's context

To ensure the double materiality assessment adheres to the organisation's current business context, an analysis was performed based on our strategy, business model and value chain, including affected stakeholders. With this background, we reviewed the mapping of key stakeholders for the Group, to ensure their involvement throughout the process. We continuously monitor market and regulatory updates impacting the sustainability and business context in which we operate in. This includes sectoral and market developments, compliance with laws and regulations and relevant intergovernmental instruments.

Step 2

Identifying impacts, risks and opportunities

A gross list of impacts, risks and opportunities related to Hoist Finance's own operations and value chain was identified. The result included both positive, negative, actual and potential impacts. Several sources, in addition to stakeholder interactions and the European Sustainability Reporting Standards, have contributed as input to the assessment. Such as the SDGs, the UN Guiding Principles (UNGPs) on Business and Human Rights, our internal anti-corruption index and information from operational risk processes. A broader scope of input sources was used to ensure completeness of identified sustainability matters.

Step 3

Assessing impacts, risks and opportunities

The materiality of impacts, risks and opportunities from step 2 was assessed by both internal and external stakeholders. The negative impacts were assessed based on severity (scale, scope and irremediable character), while the positive impacts were assessed solely based on scale and scope. In addition, potential impacts were assessed also on their likelihood. The risks and opportunities, in the financial materiality, were assessed based on likelihood and magnitude. Each material impact, risk or opportunity received a quantitative scoring for each of the assessment variables which were summarised into a total score.

Step 4

Determining the material impacts, risks and opportunities

Built on the materiality assessment of impacts, risks and opportunities in step 3, we have set a threshold and determined which IROs are material for reporting purposes. The material impacts, risks and opportunities were grouped and thereafter mapped to the material topics provided by the European Sustainability Reporting Standards. IRO's not covered by the ESRS were grouped as Hoist specific topics. The material topics were tested with an internal expert group and external stakeholders, subsequently approved by the Board of Directors.

Stakeholder involvement

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Hoist Finance's material sustainability topics

Hoist Finance's material topics, derived from the DMA, is presented in the list below. Hoist Finance has its main impact within the social aspect of the ESG framework. When acquiring loan portfolios of defaulted loans from our partners, we support the banks and financial institutions to reduce their risk exposure and meet regulatory requirements, which contributes to a healthy and resilient financial system. Our loan management aims to help every borrower become debt-free and thereby regain access to the financial system. To execute on our mission and vision, our employees are of highest importance. To retain and attract talent, Hoist Finance seeks to offer competitive working conditions and development opportunities. Read more about our material topics in the chapter "Sustainability Disclosures".

Social
Consumers and end-users <ul style="list-style-type: none"> - A healthy and resilient financial system in Europe - Financial inclusion and Ethical treatment of our Borrowers
Own workforce <ul style="list-style-type: none"> - Diversity - Working Conditions - Training and skills development
Governance
Business Conduct <ul style="list-style-type: none"> - Corruption and bribery - Privacy - Cybersecurity
Environmental
Climate change <ul style="list-style-type: none"> - Climate change adaptation and mitigation

Policies and actions to manage our material sustainability topics

Hoist Finance's Code of Conduct (CoC) is governing our commitment for responsible, sustainable and ethical business conduct. The CoC includes commitments to the UN Global Compact principles and the Supplier Code of Conduct, which governs our suppliers' adherence to sustainability and ethical business conduct. It includes commitments to the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, and the United Kingdom Modern Slavery Act. The precautionary principle is stipulated by committing to managing sustainability impacts that we may cause, meaning that cause-and-effect must not be established for us to take responsibility.

Hoist Finance's Sustainability Policy, which should be read together with our Code of Conduct, defines our governance of the sustainability area. The policy includes our commitment to integrate sustainability aspects in all areas of our daily business, including social matters, human rights, employee matters, anti-corruption and climate related matters. The specific policy commitment to human rights refers to the same internationally proclaimed rights as the CoC, and gives particular attention to colleagues, borrowers, shareholders, suppliers and communities.

The governance documents that primarily address Hoist Finance's material sustainability topics are listed on the right-hand side. The review procedures for these policies vary depending on the policy and includes for example progress measurement according to sustainability KPIs, e-learning completion rates and other internal follow-up mechanisms.

All policies shall be reviewed annually and approved by the Board of Directors. Many of these also constitute e-learnings and knowledge tests for all employees on an annual basis and during on-boarding, including the Sustainability e-learning.

Other policies and instructions governing the material sustainability topics are:



- » AML Policy (Policy on measures against money laundering and financing of Terrorism)
- » Code of Conduct Policy
- » Anti-Corruption Policy and Conflict of Interest Instruction
- » Diversity Policy
- » ICT Instruction for Employees
- » Information Classification Instruction
- » Investment Policy
- » Personal Data Breach Instruction
- » Personal Data Retention Instruction
- » Privacy Policy
- » Remuneration Policy
- » Security Policy
- » Sourcing Policy
- » Supplier Code of Conduct
- » Sustainability Policy
- » Whistleblowing Policy

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Sustainability disclosures

Consumer and end-users



Contribute to a healthy and resilient financial system in Europe	GRI: 3-3	Related SDG: 	UNGC principle: 1, 2, 10	Nature of impact: Positive actual	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy
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Hoist Finance plays an important role in the efficient and long-term management of non-performing loans in the European financial system, and thereby contributes to a healthy and resilient financial system. When we acquire non-performing loans from banks and other financial institutions, we help them reduce their risk exposures, free up resources for their respective core businesses and meet regulatory requirements. This enables our partner banks to generate new lending to both companies and individuals, which has many advantages for society and the economy, including a positive impact on economic growth, job opportunities, household income and increased government revenues.

We offer banks and financial institutions advice and complete solutions for restructuring non-performing debt based on solid experience, specialized financial and regulatory knowledge and local presence.

In 2024, Hoist Finance acquired loan portfolios from 52 banks and other financial institutions, for a gross value of SEK 96,565 million.

	2024	2023	2022
Increased financial system resilience, SEK m	96,565	56,671	–
Number of banks which we acquired portfolios from	52	41	34

Financial inclusion and ethical treatment of our Borrowers	GRI: 3-3	Related SDG: 	UNGC principle: 1, 2, 10	Nature of impact: Positive and negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy
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Hoist Finance offers support and advice to the individuals and small and medium-sized enterprises that hold loans in our portfolios. We offer competent advice, tailored repayment plans and providing channels and platforms based on the borrower's needs. We believe that solid experience, knowledge of economics and regulations, as well as local presence helps to offer support for borrowers in debt situations.

Our loan management aims to help every borrower pay off their defaulted loans, rebuild creditworthiness and thereby re-establish their financial security with access to the financial system. Our ambition is to establish realistic and affordable repayment plans in amicable agreements with each borrower, taking into account each individual's personal circumstances.

Hoist Finance borrowers are often in financially vulnerable situations where it is important to treat the borrowers fairly and ethically. In communication with borrowers, integrity, empathy and a good understanding of the borrowers' situation are required. The contact with the bor-

rowers is handled locally, in local languages. Employees who interact with borrowers receive training and coaching in listening and communicating with borrowers to understand their perspective and finances.

Borrowers are provided with channels and processes for handling complaints and for submitting feedback via our Borrower experience survey. The Group's policy is to inform borrowers in an appropriate manner on how to submit complaints, how complaints are handled, and to provide information on external organisations and local authorities that offer consumer guidance.

The Borrower Experience Measurement is designed to measure how we are perceived throughout the borrower journey and measures experience levels in three touch points: After on-boarding once we have a payment plan agreement in place, after a payment has been made and after the borrower has paid off the loan. In 2024, the Borrower Experience Measurement was conducted in our self-service platform as well as in a number of our service centers. The self-service platform

survey was active in France, Germany, Poland, Belgium, Netherlands and Spain. The survey in our service centres was active in France, Italy, Poland and Spain.



Per cent of service center agents completing training on:	2024	2023	2022
Ethical and fair borrower treatment	84%	74%	82%

	Target 2024	2024	2023	2022
Average Borrower Experience Score	≥4.22	4.25	4.22	–

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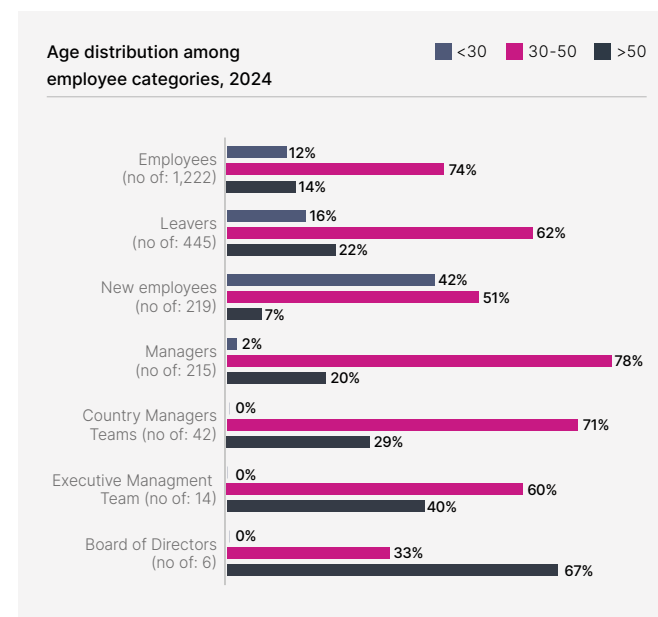
Own workforce

Diversity	GRI: 2-7, 2-8, 3-3, 401-1, 405-1	Related SDG: 	UNGC principle: 1, 2, 3, 4, 5, 6	Nature of impact: Positive and negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Diversity Policy, Whistleblowing Policy
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Hoist Finance' commitment to encourage diversity, equality and inclusion (DEI), and to oppose unlawful discrimination among our workforce, is embedded in our Diversity Policy. Beyond the direct value for our employees, we see clear business value in working actively with DEI to retain and attract talent and improve performance.

As of 31 December 2024, Hoist Finance had 1,222 employees in 13 countries. The decreased number of headcount compared to previous period is mainly related to the divestment of operations in Spoleto in Italy and the closure of an internal service centre in Romania. Most of our people are full-time employees with permanent contracts, but numerous employees in our service centres are part-time employees and combine work and studies, while a minority hold consultant roles.

The organisation has 11 working languages represented: English, Italian, Romanian, French, Dutch, German, Greek, Polish, Spanish, Portuguese and Swedish. All country managers are locally positioned, which means that they represent and work in the country whose operations they run.



The table below demonstrates the diversity among employee categories based on headcounts. In 2024, 60 (64) percent of the employees were women, and 40 (36) percent of the employees were men. The distribution between women and men within all employee categories as well as Board of Directors were in line with the distribution previous financial year.

Diversity, Women / Men (Headcount)	2024				2023				2022			
	Women %	Men %	Women, no of	Men, no of	Women %	Men %	Women, no of	Men, no of	Women %	Men %	Women, no of	Men, no of
Total number of Employees	60%	40%	737	485	64%	36%	936	522	64%	36%	930	534
Managers	46%	54%	98	117	46%	54%	101	118	48%	52%	111	120
Country Management Teams	24%	76%	10	32	28%	72%	16	41	-	-	-	-
Executive Management Team (EMT)	29%	71%	4	10	31%	69%	5	11	17%	83%	1	5
Board of Directors	17%	83%	1	5	17%	83%	1	5	17%	83%	1	5



Information on employees and other workers	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Total number of employees (FTEs)	1,101	633	468	1,280	782	498	1,304	790	514
of which permanent contract	1,054	601	453	1,170	715	455	1,175	714	461
of which temporary contract	47	32	15	110	67	43	129	76	53
of which full-time contract	939	501	438	1,027	568	459	1,048	573	475
of which part-time contract	162	132	30	253	214	39	256	217	39
Total number of employees in consultant roles/agency workers, FTEs	34	20	14	34	23	11	40	21	19
Total number of employees (Headcount)	1,222	737	485	1,458	936	522	1,464	930	534
Total number of new employees (Headcount)	219	104	115	307	160	147	364	207	157
Total number of leavers (Headcount)	445	293	152	308	155	153	462	248	214

Supplementary information about the division and diversity of employees per market and Board of Directors can be found in Note 9.

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Own workforce

Working Conditions	GRI: 2-21, 2-30, 3-3, 201-3, 401-3, 405-2	Related SDG: 	UNGC principle: 1, 2, 3, 4, 5, 6	Nature of impact: Positive and negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Diversity Policy, Remuneration Policy
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Hoist Finance relies on having a skilled and competent team, to contribute to a healthy and resilient financial ecosystem. Our workplace is dominated by a young and flexible workforce and a fast paced environment. To retain and attract talent, Hoist Finance seeks to offer competitive working conditions.

The well-being of our employees is highly prioritised across the group. We believe that a high presence in the offices contributes to our corporate culture, while still offering a hybrid working model enables more flexibility in managing work-life balance.

Hoist Finance provide fair wages and benefits according with local laws. We make additional efforts when required, for example to mitigate consequences in regard to previous years' high inflation environment. Hoist Finance support the right to freedom of association, freedom of expression and collective bargaining.

The annual employee survey, including areas like leadership, culture and opportunities for professional development was conducted in December 2024. The response rate was 82 per cent and both the overall employee satisfaction and the employee Net Promotor Score (eNPS) increased somewhat compared to previous year.



	Target 2024	2024	2023	2022		2024	2023	2022	
Work-life balance					Corporate culture				
Total number of employees entitled to parental leave	-	1,222	1,458	1,434	Result in Hoist Finance Index	4.16	4.08	-	
of which Women	-	737	936	917	Employee Net Promoter Score (eNPS) ¹⁾	12	3	69%	
of which Men	-	485	522	517					
Staff Turnover									
Total number of employees that did take out parental leave	-	224	121	63	Number of Leavers	445	308	462	
of which Women	-	173	100	49	of which voluntary	175	194	-	
of which Men	-	51	21	14	Staff Turnover, %	31.99%	21.21%	28.50%	
Remuneration ratios and adequate wages					of which voluntary				
Annual total compensation ratio, the highest paid individual	-	21.6:1	23.6:1	-		12.58%	13.30%	-	
Percent of employees paid below the applicable adequate wage benchmark	0%	0%	0%	-					
Collective bargaining									
Markets with a collective bargaining agreement in place, percent	-	17%	17%	-					
Markets aligned with a National Bargaining agreement, percent	-	8%	8%	-					
Markets with no bargaining agreement, percent	-	75%	75%	-					

(1) The methodology was updated to a standardized eNPS-measurement during 2023. Read more on page 136.

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Own workforce

Training and skills development	GRI: 3-3, 404-1, 404-2, 404-3	Related SDG: 	UNGC principle: 1, 2, 3, 4, 5, 6	Nature of impact: Positive actual	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Diversity Policy
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It is essential for the success of our business to provide our people with the right skills to contribute to their development goals, treat our borrowers and savings customers with empathy and care and remain compliant with laws and regulations.

Hoist Finance provides a variety of development opportunities, including career development, skills enhancement and technical trainings, all underpinned by our performance development routines. From 2024 local markets are responsible for the upskilling of employees. On a group level, all employees are offered an online training catalogue with around 100 different modules, aimed at upskilling a range of interests on both hard and soft skills. The online courses are offered in local language. The annual Personal Development Dialogue (PDD) provides opportunities for regular performance and development reviews.

	Target 2024	Total 2024	Total 2023	Per cent of total employees who completed a PDD review	Target 2024	Total 2024	Total 2023
Average hours of training							
Employees	-	8 h	8 h	Employees	>93%	99%	96%
Managers	-	9 h	11 h	Managers	-	98%	93%
Executive Management Team	-	4 h	5 h	Executive Management Team	-	92%	85%
Men	-	7 h	7 h	Men	-	98%	95%
Women	-	9 h	8 h	Women	-	99%	97%

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Business conduct

Corruption and bribery	GRI: 2-15, 2-25, 2-26, 2-27, 3-3, 205-1/2/3	Related SDG: 	UNGC principle: 1, 2, 10	Nature of impact: Positive and negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Conflict of interest Policy, Whistleblowing policy, AML Policy
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Corruption and money laundering are causing grand challenges for society. Hoist Finance is committed to reducing the risk of corruption and money laundering along our value chain.

We seek to prevent, monitor, manage and enforce measures related to corruption and conflicts of interest - and we regularly conduct risk analyses related to these risk. As part of our process to prevent and manage conflicts of interest, we conduct regular workshops with the board of directors and local management. We also regularly train all colleagues on anti-corruption rules and their application.

We are actively working on strengthening our work against money laundering and terrorist financing. This includes preventative measures on continuous customer due diligence and transaction monitoring. In business areas with increased risk exposure, and for high risk customers,

we have enhanced KYC and monitoring processes in place ensuring that potential suspicious activities and transactions are reported to relevant authorities. Furthermore, all customers are screened against applicable sanction lists, and all employees receive anti-money laundering training annually.

Hoist Finance empowers all employees to anonymously report misconduct, unethical or illegal behaviours through a whistleblowing mechanism provided by an independent external supplier. All concerns are treated with strict confidentiality and access to the whistleblowing messages is restricted to appointed individuals.

During 2024, Hoist Finance was not subject to any sanctions for violation of anti-corruption or anti-bribery laws.

Per cent of employees completing training on:	Target 2024	2024	2023	2022
Anti-money laundering	-	100%	100%	100%
Conflicts of interest and anti-corruption	100%	100%	99%	100%
Sustainability and ESG	-	- ⁽¹⁾	99%	96%
Whistleblowing process	-	98%	97%	-

(1) In 2024, the sustainability and ESG training was redesigned to also cover CSRD, why the training was launched after the year end, in 2025.

Privacy	GRI: 2-27, 3-3, 418-1	Related SDG: 	UNGC principle: 1, 2, 10	Nature of impact: Negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Privacy Policy, Personal Data Retention Guideline, Personal Data Breach Guideline
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Data privacy is essential for protecting personal data of Hoist Finance's borrowers and savings customers. This is especially important in our industry when managing non-performing loans, where many of the borrowers are in vulnerable situations. Hoist Finance processes personal data in accordance with applicable data protection laws and

regulations. To fulfil these regulatory requirements, Hoist Finance has implemented a comprehensive privacy programme which includes the implementation of necessary governance documents, regular trainings, monitoring reviews and the appointment of Data Protection Officers in all jurisdictions where Hoist Finance operates.

All employees are to complete training on data protection annually.

Per cent of employees completing training on:	Target 2024	2024	2023	2022
Data protection	100%	99%	100%	100%

Cybersecurity	GRI: 3-3	Related SDG: 	UNGC principle: 1, 2, 10	Nature of impact: Negative potential	Value chain: 	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy, Privacy Policy, ICT Instruction for Employees, Information Classification
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Managing cybersecurity is crucial to Hoist Finance, and successful attacks on our systems would have negative consequences for us, our borrowers, savings customers and our partners. Consequences could include harm through the disclosure of our borrowers and savings customers' personal data and the disruption of customer platforms.

The Cyber Security team oversees the implementation of technologies and technical processes, known as safeguards, that are designed to

protect our systems from cyber attacks. Following best practices, this work is undertaken in line with well-established standards and frameworks such as the National Institute for Standards and Technology (NIST) and the Center for Internet Security (CIS). Information security is handled in all three layers of defence at Hoist Finance. Also, security awareness among employees is tested through trainings on a regular basis.

Per cent of employees completing training on:	2024	2023	2022
Security awareness	100%	100%	100%

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Climate change

Climate change adaptation and mitigation	GRI: 3-3, 201-2, 305-1/2/3/4/5	Related SDG:	UNGC principle: 7	Nature of impact: Negative actual	Value chain:	Policy governing Sustainability Topic: Code of Conduct, Sustainability Policy
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As a credit market company regulated by the Swedish Financial Supervisory Authority and listed on Nasdaq Stockholm, Hoist Finance has an important responsibility to contribute to ethical business conduct and governance. Hoist Finance is committed to contribute to the Paris Agreement's 1.5 °C target and our long-term target is to be climate neutral by 2040.

Hoist Finance adhere to market practices in regards to climate reporting and have transparently reported on climate information and GHG emissions for many years according to voluntary reporting initiatives. Due to the increased regulatory requirements in the financial sector, through the Corporate Sustainability Reporting Directive (CSRD) and regulations from the European Banking Authority (EBA), it is of continued importance to report our greenhouse gas emissions from a transparency and value chain perspective. Hoist Finance is part of the financial industry and its ecosystem, where our greenhouse gas emissions entails the financed emissions of our investors. Our reporting is therefore part of their expectations and data needs from us.

Hoist Finance invest in portfolios consisting of non-performing loans to individuals and small and medium-sized enterprises. We acquire both secured and unsecured loan portfolios. Through Hoist Finance's

core business and own activities, direct emissions in scope 1 and indirect emissions in scope 2, does not have a major impact on the climate. These emissions are derived from our company cars and the energy consumption in our offices. The majority of our greenhouse gas emissions are instead related to other indirect emissions from the value chain, known as scope 3.

Hoist Finance does not generate any new lending, why the composition and characteristics of our loan portfolios conforms with the lending generated by partner banks in our upstream value chain. Many market actors have stated that their financed emissions and related physical and transitional risks are material topics for their operations. This means that potential indirect risks from our upstream value chain may also have a negative impact on Hoist Finance in the long term. These risks are integrated and managed in Hoist Finance's regular risk management process.

Greenhouse gas emissions are calculated according to the Greenhouse Gas (GHG) Protocol and are measured and followed up on a quarterly basis. During the financial year, updated system support has contributed to improved process design, internal controls and validations to financial information. This has also entailed some new structures for

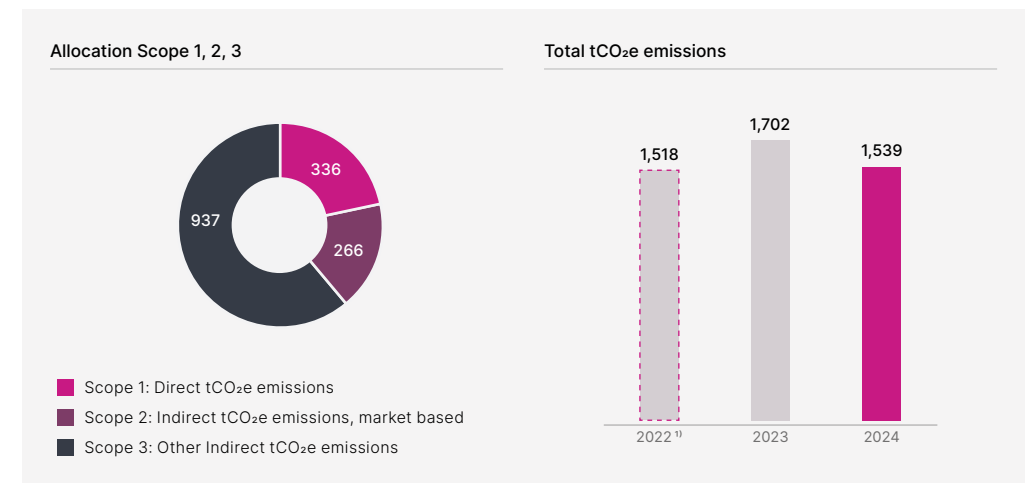
GHG reporting. Read more about calculations, emissions factors, base year calculations, reporting gaps and other methodological approaches on page 136. The following variables are included in our GHG emissions reporting for 2024:

- » **Scope 1:** Company cars and direct energy.
- » **Scope 2:** Purchased energy in our offices, including electricity, heating and cooling.
- » **Scope 3:** Business travel (including air, rail, taxi and hotels), cloud usage, office material and letters sent to customers.

In 2024 total emissions amounted to 1,539 tCO₂e (market-based) and decreased by 10 per cent compared to the previous year. Compared to the base year, total emissions (market-based) have increased by an average of 1 per cent, which also includes improved data quality and completeness. To compare with our ambition to reduce greenhouse gas emissions by an average of 7 percent per year. The change is mainly attributable to scope 2, where energy consumption in our offices has decreased by approximately 20 per cent from 1,448,952 kWh to 1,147,595 kWh, due to reduced office space. In addition, reduced emissions from business travel contributed to a slightly lower scope 3 emissions.

	2024	2023	2022 ¹⁾	Δ% 23-24
Total tCO₂e emissions, market based²⁾	1,539	1,702	1,518	-10%
Scope 1: Direct tCO ₂ e emissions	336	328	271	3%
Scope 2: Indirect tCO ₂ e emissions, market-based ³⁾	266	383	319	-31%
Scope 3: Other indirect tCO ₂ e emissions ⁴⁾	937	991	928	-5%
Intensity measures				
Indirect emissions per sq.m. office space, tCO ₂ e	0.017	0.022	0.016	
Other indirect emissions per employee (FTE), tCO ₂ e	0.85	0.77	0.71	

(1) Base year
 (2) Total emissions, tCO₂e "location-based", amount to 1,501 tCO₂e in 2024, 1,663 tCO₂e in 2023 and 1,649 tCO₂e in 2022.
 (3) Comparative figures in scope 2 "market based" have been adjusted by 17 tCO₂e for 2023 and 14 tCO₂e for 2022 due to a new system set up for emission factors.
 (4) Comparative figures in scope 3 have been adjusted by 101 tCO₂e for 2023 and 68 tCO₂e for 2022 due to a new system set up for emission factors.



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Definitions and notions

The following inventory of definitions and notions describes definitions, explanations, methodologies for performance measures and disclosures as well as frequently applied abbreviations. It further highlights relevant updates in methodologies from previous financial years, when relevant.

The FX rates applied in the sustainability report is presented in Note 2.

Definitions

Annual total compensation ratio, the highest paid individual

Defined as the ratio of the annual salary level of the organisation's highest-paid individual to the median annual salary level of all employees (excluding the organisation's highest-paid individual).

Average hours of training

Total number of training hours during the year, including training hours in the Human Resource system and other registered training hours, divided by the number of employees who have been assigned to the training.

Average Borrower Experience score

Hoist Finance measures the Borrower experience in our service centres and our self-service platform. The Borrower experience is measured on a scale from 1-5, and the average Borrower Experience score represents an average of results, expressed with two decimals. A total of 8,500 borrowers has their say in the 2024 measurement. The Borrower experience is measured across four segments. The self-service platform survey was active in France, Germany, Poland, Belgium, Netherlands and Spain. The survey in our service centres was active in France, Italy, Poland and Spain.

Employees who completed a PDD review

Number of completed PDD reviews attributable to the year, divided by the number of registered employees in the Human Resource system. Registered employees are adjusted for newly hired employees, sick leave, parental leave, or other long-term absences.

eNPS

The Employee Net Promoter Score (eNPS) is an NPS measurement of whether employees would recommend Hoist Finance as an employer to friends or family. The survey was active during December 2024 and the response rate was 82 per cent. The scores are based on a standardised NPS measurement. The underlying question is answered on a scale between 0–10, where 0–6 are considered detractors, 7–8 are neutrals and 9–10 are considered promoters. The per cent of promoters minus the per cent of detractors is the eNPS, expressed on a scale from –100 to + 100.

Guarantees of Origin (GoO/GO)

Guarantees of origin is a renewable energy credit guaranteeing that one Mwh of energy has been produced from renewable energy sources.

Greenhouse Gas emissions calculations

Greenhouse gas emissions are calculated according to the Greenhouse Gas (GHG) Protocol and are measured and followed up on a quarterly basis based on an operational control approach. Greenhouse gas emissions are presented as metric tonnes of carbon dioxide equivalent (CO2e) and Global Warming Potential (GWP) values are based on the GWP (100) from The Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report. Other GHG gases such as methane, nitrous oxides, chlorofluorocarbons, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride have not been identified within Hoist Finance's control approach.

The emission factors used for the calculation of carbon dioxide equivalents of purchased electricity in scope 2 originate from the Association of Issuing Bodies (AIB) European residual mix, and emission factors for district heating from Energiföretagen Sverige. For scope 1 and 3, emission factors mainly originate from the Department of Environment, Food and Rural Affairs (DEFRA). For the calculation of WTT for electricity, the proportion of transmission losses originate from the International Energy Agency (IEA). Finally, emission factors for letters are retrieved from Pitney Bowes Inc.'s report "The Environmental Impact of Mail".

Information for GHG calculations is based on activity data. Information for GHG calculations is collected based on invoices, information provided by landlords from electricity meters, our travel management platform, and to some extent estimates based on square meters.

In order to track progress to defined targets, Hoist Finance adjusts the base year for significant changes. A significant change should be understood as a significant change in either the emissions inventory, structural changes, data errors or timeline, ensuring comparability of metrics. If such a change leads to an increase or decrease in emissions of more than 10 per cent, the base year shall be adjusted.

In 2024 Hoist Finance updated the system support for calculations and consolidation of greenhouse gas emissions. This has resulted in a new structure and system set up for emission factors, which will ensure an improved process for updating emission factors. All comparable periods have been adjusted based on the same method, and the change does not entail Hoist Finance to adjust the base year.

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Current report cover Scope 1, 2 and certain Scope 3 emissions. 2024 data covers Scope 3.1, 3.3, 3.4, 3.6 and 3.9. Scope 3.5, 3.7 and 3.15 emissions are outstanding. We are continuously working actively to close these gaps. Scope 3.2, 3.8, 3.10, 3.11, 3.12, 2.13 and 3.14 are excluded due to not driving any or material emissions. All offices below 5 employees and 100 square meter office space are excluded based on materiality. Hoist Finance does not participate in any compensation schemes or activities.

Location-based method

The location-based method for calculating emissions, calculates such emissions based on the carbon intensity of the grid in the specific location of operations.

Market-based method

The market-based method for calculating emissions, calculates such emission based on the electricity that organisations have chosen to purchase. In other words, the method reflects the active choices.

Per cent of service centre agents completing training on ethical and fair borrower treatment

The per cent of service centre agents completing training on ethical and fair borrower treatment. The trainings focus on communication skills, affordable and customised repayment plans, complaints procedures and skills to evaluate the borrower's situation.

Result in Hoist Finance Index

Hoist Finance Index is an overall score from our annual Group-wide employee survey. The Index builds on an average of the total survey, which consists of multiple questions across nine segments concerning for example the team, manager, leadership and organisation, sustainability and diversity, psychological well-being and remuneration. The survey was active during December 2024 and the response rate was 82 per cent. The scores are based on a 1–5 scale and a "Don't know" alternative.

Scope 1

Direct emissions that occur from sources that are controlled or owned by an organisation.

Scope 2

Indirect emissions from the generation of purchased energy from a utility provider.

Scope 3

Other indirect emissions, excluding Scope 2, that occur in the value chain of an organisation.

Staff Turnover

The number of terminated employments during the year divided by the average number of employees (headcount). The average number of employees (headcount) is calculated as the total number of headcount per month divided by the twelve months of the year. "Of which voluntary" is defined as those who have chosen to terminate their employment at their own request.

Total number of employees (FTE)

Number of employees at the end of the period converted to full-time equivalents (FTEs)

Total number of employees (Headcounts)

Number of full-time and part-time employees at the end of the period.

Increased financial system resilience in the financial system

Gross book value of claims acquired during the financial year.

Notions

Abbreviation	Notion
CoC	Code of Conduct
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, equality and inclusion
DMA	Double Materiality Assessment
eNPS	Employee Net Promoter Score
ESG	Environmental, Social & Governance
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
ILO	International Labour Organization
PAIA	Product Attribute to Impact Algorithm
PDD	Personal Development Dialogue
SCoC	Supplier Code of Conduct
SDGs	Sustainability Development Goals
tCO ₂ e	Metric tonnes of carbon dioxide equivalents
UNGC	United Nations Global Compact
UNGPs	The United Nations Guiding Principles on Business and Human Rights

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Disclosures according to the EU Taxonomy Regulation

Background

As part of the EU's Green Deal and objective of being climate neutral by 2050, investments need to be directed towards sustainable activities. As part of this, the EU Taxonomy Regulation was adopted in 2020 and has since then been implemented gradually. The EU Taxonomy is a classification system based on common definitions to identify and compare environmentally sustainable activities. To be classified as Taxonomy-aligned, a given economic activity must:

- » Contribute substantially to one or more of the six environmental objectives;
- » Not cause significant harm to any of the other objectives;
- » Meet certain minimum social safeguards, and
- » Comply with the technical screening criterias.

Scope and applicability

The following chapter covers Hoist Finance's disclosures under the EU Taxonomy and related delegated acts, in accordance with reporting requirements under Article 8 of the Taxonomy Regulation and the EU Non-Financial Reporting Directive (NFRD). Hoist Finance is not subject to the Sustainable Finance Disclosures Regulation (SFRD).

As of the 2023 financial year, credit institutions report complete disclosures regarding the KPI; Green Asset Ratio (GAR). In other words, it is the proportion of assets that finance Taxonomy-aligned economic activities. The information has been prepared in accordance with Annex V and presented in accordance with the templates set out in Annex VI, from the delegated act under Article 8. We present disclosures relating to the two environmental objectives; Climate Change Mitigation and Climate Change Adaptation. Since Hoist Finance has not identified any exposures to the other four environmental objectives, we have chosen to exclude these columns from the presented templates. In addition, the reporting presents the qualitative table under the EU Commission Delegated Regulation 2022/1214 including economic activities in certain energy sectors.

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

	Total environmentally sustainable assets SEK m	KPI ⁽¹⁾	KPI ⁽²⁾	% coverage (over total assets) ⁽³⁾	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI						
Green asset ratio (GAR) stock	217	0.46%	0.47%	82.16%	11.51%	17.84%
Additional KPIs						
GAR (flow)	162	0.38%	0.39%	75.64%	12.33%	24.36%
Trading book ⁽⁴⁾	-	-	-			
Financial guarantees	-	-	-			
Assets under management	-	-	-			
Fees and commissions income ⁽⁵⁾	-	-	-			

(1) based on the Turnover KPI of the counterparty.

(2) based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

(3) % of assets covered by the KPI over banks' total assets.

(4) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR. Reported from 2025.

(5) Fees and commissions income from services other than lending and AuM. Reported from 2025.

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Since no such activity has been identified, we do not present the following quantitative tables under the Delegated Regulation.

Hoist Finance's assessment of eligibility and alignment with the EU Taxonomy is based on public information from counterparties as well as internal databases, collection systems and portfolio databases.

Covered Assets

The Green asset ratio (GAR) is calculated through assets that are aligned with the EU Taxonomy (in the numerator) divided by total covered assets (in the denominator). According to the delegated act, there are assets that are excluded from the numerator and assets that are completely excluded from the calculation of the GAR. Examples of assets excluded from the numerator are exposures to non-NFRD companies, derivatives and cash. Assets that are completely excluded from the calculation include, for example, exposures to central governments.

Hoist Finance's covered assets in the numerator consist mainly of loan portfolios with retail exposures, where loans to households

collateralised by residential immovable property or granted for house renovation purposes are Taxonomy-eligible. In addition, covered assets in the numerator comprise of exposures to financial corporations and non-financial corporations. These assets mainly consist of bonds and debt securities, as well as loans and advances. We do not trade with financial instruments and hold no trading book, and therefore trading portfolio disclosures are out of scope.

Limitations

Different interpretations and applications of the EU Taxonomy reporting requirements remain, which entails limitations in the availability and quality of data. Hoist Finance does not generate new lending, whereby the assessment of taxonomy alignment is dependent on information about the loan portfolios provided by credit issuers. Different applications of the regulatory framework make it difficult to consolidate and calculate in a uniform and comparable manner. We continuously work in dialogue with Partners to improve data quality. The completeness of Hoist Finance's taxonomy reporting, in terms of eligibility and alignment, will thus increase going forward based on data availability.

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Assets for the calculation of GAR – Based on Turnover

31 December 2024		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)		
SEK m		of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40,226	12,719	217	-	-	0	0	-	-	12,719	217	-	-
Financial undertakings	10,111	2,651	217	-	-	0	0	-	-	2,651	217	-	-
Credit institutions	10,090	2,649	217	-	-	0	0	-	-	2,649	217	-	-
Loans and advances	204	82	7	-	-	0	0	-	-	82	7	-	-
Debt securities, including UoP	9,885	2,567	210	-	-	0	0	-	-	2,568	210	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	22	2	0	-	-	-	-	-	-	2	0	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Loans and advances</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Loans and advances</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	22	2	0	-	-	-	-	-	-	2	0	-	-
<i>Loans and advances</i>	22	2	0	-	-	-	-	-	-	2	0	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	285	1	0	-	-	-	-	-	-	1	0	-	-
Loans and advances	285	1	0	-	-	-	-	-	-	1	0	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	29,674	9,912	-	-	-	-	-	-	-	9,912	-	-	-
of which loans collateralised by residential immovable property	9,912	9,912	-	-	-	-	-	-	-	9,912	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	0	0	-	-	-	-	-	-	-	0	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	155	155	-	-	-	-	-	-	-	155	-	-	-

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Assets for the calculation of GAR – Based on Turnover

31 December 2023		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
SEK m		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
		of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	
GAR - Covered assets in both numerator and denominator														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	26,161	7,339	5,6	-	-	-	-	-	-	-	7,339	5,6	-	-
Financial undertakings	1,967	280	5,6	-	-	-	-	-	-	-	280	5,6	-	-
Credit institutions	1,949	280	5,6	-	-	-	-	-	-	-	280	5,6	-	-
Loans and advances	88	88	1,8	-	-	-	-	-	-	-	88	1,8	-	-
Debt securities, including UoP	1,856	192	3,8	-	-	-	-	-	-	-	192	3,8	-	-
Equity instruments	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	18	-	-	-	-	-	-	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Loans and advances</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Loans and advances</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Loans and advances</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt securities, including UoP</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Equity instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	211	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	211	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	23,896	6,973	-	-	-	-	-	-	-	-	6,973	-	-	-
of which loans collateralised by residential immovable property	6,973	6,973	-	-	-	-	-	-	-	-	6,973	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	0	0	-	-	-	-	-	-	-	-	0	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	86	86	-	-	-	-	-	-	-	-	86	-	-	-

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GAR KPI stock – Based on Turnover

31 December 2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	31.62	0.54	-	-	-	0	0	-	-	31.62	0.54	-	-	-	70.65	
Financial undertakings	26.22	2.15	-	-	-	0	0	-	-	26.22	2.15	-	-	-	17.76	
Credit institutions	26.26	2.15	-	-	-	0	0	-	-	26.26	2.15	-	-	-	17.72	
Loans and advances	40.11	3.23	-	-	-	0.10	0.02	-	-	40.21	3.25	-	-	-	0.36	
Debt securities, including UoP	25.97	2.12	-	-	-	0.01	0.01	-	-	25.98	2.13	-	-	-	17.36	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial corporations	8.30	0.55	-	-	-	-	-	-	-	8.30	0.55	-	-	-	0.04	
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which insurance undertakings	8.30	0.55	-	-	-	-	-	-	-	8.30	0.55	-	-	-	0.04	
Loans and advances	8.30	0.55	-	-	-	-	-	-	-	8.30	0.55	-	-	-	0.04	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	0.40	0.02	-	-	-	-	-	-	-	0.40	0.02	-	-	-	0.50	
Loans and advances	0.40	0.02	-	-	-	-	-	-	-	0.40	0.02	-	-	-	0.50	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	33.40	-	-	-	-	-	-	-	-	33.40	-	-	-	-	52.12	
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	100	-	-	-	-	17.41	
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which motor vehicle loans	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	100	-	-	-	-	0.27	
Total GAR assets	27.19	0.46	-	-	-	0	0	-	-	27.19	0.46	-	-	-	82.16	

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GAR KPI stock – Based on Turnover

31 December 2023	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	28.06	0.02	-	-	-	-	-	-	-	-	28.06	0.02	-	-	-	76.89
Financial undertakings	14.24	0.28	-	-	-	-	-	-	-	-	14.24	0.28	-	-	-	5.78
Credit institutions	14.37	0.29	-	-	-	-	-	-	-	-	14.37	0.29	-	-	-	5.73
Loans and advances	100	2	-	-	-	-	-	-	-	-	100	2	-	-	-	0.26
Debt securities, including UoP	10.35	0.21	-	-	-	-	-	-	-	-	10.35	0.21	-	-	-	5.46
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	29.18	-	-	-	-	-	-	-	-	-	29.18	-	-	-	-	70.24
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	20.49
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	0.26
Total GAR assets	23.57	0.02	-	-	-	-	-	-	-	-	23.57	0.02	-	-	-	91.54

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GAR KPI flow – Based on Turnover

31 December 2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.13	0.45	-	-	-	0	-	-	-	10.13	0.45	-	-	-	63.31	
Financial undertakings	11.43	1.37	-	-	-	0	-	-	-	11.43	1.37	-	-	-	20.73	
Credit institutions	11.43	1.37	-	-	-	0	-	-	-	11.43	1.37	-	-	-	20.37	
Loans and advances	41.35	3.81	-	-	-	0.17	-	-	-	41.52	3.81	-	-	-	0.20	
Debt securities, including UoP	11.13	1.34	-	-	-	-	-	-	-	11.13	1.34	-	-	-	20.53	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	0.01	0	-	-	-	-	-	-	-	0.01	0	-	-	-	27.62	
Loans and advances	0.01	0	-	-	-	-	-	-	-	0.01	0	-	-	-	27.62	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	26.65	-	-	-	-	-	-	-	-	26.65	-	-	-	-	14.88	
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	100	-	-	-	-	3.96	
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	100	-	-	-	-	0.08	
Total GAR assets	8.48	0.38	-	-	-	0	-	-	-	8.48	0.38	-	-	-	75.64	

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Assets for the calculation of GAR – Based on CapEx

31 December 2024		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)		
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)		
SEK m		of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which enabling	of which Use of Proceeds	of which transitional	of which enabling	
GAR - Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40,226	12,726	219	-	0	-	12,726	219	-	
Financial undertakings	10,111	2,658	219	-	0	-	2,658	219	-	
Credit institutions	10,090	2,656	219	-	0	-	2,656	219	-	
Loans and advances	205	83	7	-	0	-	83	7	-	
Debt securities, including UoP	9,885	2,574	212	-	0	-	2,574	212	-	
Equity instruments	-	-	-	-	-	-	-	-	-	
Other financial corporations	22	2	0	-	-	-	2	0	-	
of which investment firms	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	
of which management companies	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	
of which insurance undertakings	22	2	0	-	-	-	2	0	-	
Loans and advances	22	2	0	-	-	-	2	0	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	285	1	0	-	-	-	1	0	-	
Loans and advances	285	1	0	-	-	-	1	0	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	
Households	29,674	9,912	-	-	-	-	9,912	-	-	
of which loans collateralised by residential immovable property	9,912	9,912	-	-	-	-	9,912	-	-	
of which building renovation loans	-	-	-	-	-	-	-	-	-	
of which motor vehicle loans	0	0	-	-	-	-	0	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	155	155	-	-	-	-	155	-	-	

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Continued, Assets for the calculation of GAR – Based on CapEx

31 December 2024		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)							
SEK m	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)							
		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling					
Assets excluded from the numerator for GAR calculation (covered in the denominator)																	
	6,554																
Financial and Non-financial undertakings	1,110																
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,110																
Loans and advances	246																
<i>of which loans collateralised by commercial immovable property</i>	36																
<i>of which building renovation loans</i>	–																
Debt securities	784																
Equity instruments	80																
Non-EU country counterparties not subject to NFRD disclosure obligations	–																
Loans and advances	–																
Debt securities	–																
Equity instruments	–																
Derivatives	367																
On demand interbank loans	4,344																
Cash and cash-related assets	0																
Other categories of assets (e.g. Goodwill, commodities etc.)	733																
Total GAR assets	46,780	12,726	219	–	–	–	–	0	–	–	–	–	12,726	219	–	–	–
Assets not covered by GAR calculation																	
	10,155																
Central governments and Supranational issuers	10,155																
Central banks exposure	–																
Trading book	–																
Total assets	56,934	12,726	219	–	–	–	–	0	–	–	–	–	12,726	219	–	–	–

GAR sector information – Based on CapEx

31 December 2024		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total (CCM + CCA)				
Breakdown by sector - NACE 4 digits level (code and label)	SEK m	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCM + CCA)		Of which environmentally sustainable (CCM + CCA)		
K64.9.9 - Other financial service activities, except insurance and pension funding n.e.c.	285		0			–		–		285		0		

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Assets for the calculation of GAR – Based on CapEx

31 December 2023		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)					
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)					
SEK m			of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which enabling		of which Use of Proceeds	of which transitional	of which enabling	
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	26,161	7,339	6.4	-	-	-	-	-	-	7,339	6.4	-	-
Financial undertakings	1,967	280	6.4	-	-	-	-	-	-	280	6.4	-	-
Credit institutions	1,949	280	6.4	-	-	-	-	-	-	280	6.4	-	-
Loans and advances	88	88	1.8	-	-	-	-	-	-	88	1.8	-	-
Debt securities, including UoP	1,856	192	4.6	-	-	-	-	-	-	192	4.6	-	-
Equity instruments	5	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	18	-	-	-	-	-	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	211	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	211	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	23,896	6,973	-	-	-	-	-	-	-	6,973	-	-	-
of which loans collateralised by residential immovable property	6,973	6,973	-	-	-	-	-	-	-	6,973	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	0	0	-	-	-	-	-	-	-	0	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	86	86	-	-	-	-	-	-	-	86	-	-	-

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Continued, Assets for the calculation of GAR – Based on CapEx

31 December 2023	Total [gross] carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)						
		of which Use of Proceeds	of which transitional	of which enabling	of which Use of Proceeds	of which enabling	of which Use of Proceeds	of which transitional	of which enabling					
SEK m														
Assets excluded from the numerator for GAR calculation (covered in the denominator)	4,984													
Financial and Non-financial undertakings	392													
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	392													
Loans and advances	392													
of which loans collateralised by commercial immovable property	43													
of which building renovation loans														
Debt securities														
Equity instruments														
Non-EU country counterparties not subject to NFRD disclosure obligations														
Loans and advances														
Debt securities														
Equity instruments														
Derivatives	528													
On demand interbank loans	3,534													
Cash and cash-related assets	0													
Other categories of assets (e.g. Goodwill, commodities etc.)	530													
Total GAR assets	31,146	7,339	6.4	-	-	-	-	-	-	7,339	6.4	-	-	-
Assets not covered by GAR calculation	2,877													
Central governments and Supranational issuers	2,877													
Central banks exposure														
Trading book														
Total assets	34,023	7,339	6.4	-	-	-	-	-	-	7,339	6.4	-	-	-

GAR sector information – Based on CapEx

31 December 2023	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total (CCM + CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	SEK m	Of which environmentally sustainable (CCM)	SEK m	Of which environmentally sustainable (CCM)	SEK m	Of which environmentally sustainable (CCA)	SEK m	Of which environmentally sustainable (CCA)	SEK m	Of which environmentally sustainable (CCM + CCA)	SEK m	Of which environmentally sustainable (CCM + CCA)
Breakdown by sector - NACE 4 digits level (code and label)												
K64.9.9 - Other financial service activities, except insurance and pension funding n.e.c.	-	-			-	-			211	-		

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GAR KPI stock – Based on CapEx

31 December 2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling			
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	31.64	0.54	-	-	-	0	-	-	-	-	31.64	0.54	-	-	-	70.65
Financial undertakings	26.29	2.17	-	-	-	0	-	-	-	-	26.29	2.17	-	-	-	17.76
Credit institutions	26.33	2.17	-	-	-	0	-	-	-	-	26.33	2.17	-	-	-	17.72
Loans and advances	40.34	3.30	-	-	-	0.14	-	-	-	-	40.47	3.30	-	-	-	0.36
Debt securities, including UoP	26.04	2.15	-	-	-	0	-	-	-	-	26.04	2.15	-	-	-	17.36
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	8.33	0.55	-	-	-	-	-	-	-	-	8.33	0.55	-	-	-	0.04
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	8.33	0.55	-	-	-	-	-	-	-	-	8.33	0.55	-	-	-	0.04
Loans and advances	8.33	0.55	-	-	-	-	-	-	-	-	8.33	0.55	-	-	-	0.04
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	0.40	0.02	-	-	-	-	-	-	-	-	0.40	0.02	-	-	-	0.50
Loans and advances	0.40	0.02	-	-	-	-	-	-	-	-	0.40	0.02	-	-	-	0.50
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	33.40	-	-	-	-	-	-	-	-	-	33.40	-	-	-	-	52.12
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	17.41
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	0.27
Total GAR assets	27.20	0.47	-	-	-	0	-	-	-	-	27.20	0.47	-	-	-	82.16

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GAR KPI stock – Based on CapEx

31 December 2023	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
	of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																	
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	28.06	0.02	-	-	-	-	-	-	-	-	28.06	0.02	-	-	-	-	76.89
Financial undertakings	14.24	0.32	-	-	-	-	-	-	-	-	14.24	0.32	-	-	-	-	5.78
Credit institutions	14.37	0.33	-	-	-	-	-	-	-	-	14.37	0.33	-	-	-	-	5.73
Loans and advances	100	2	-	-	-	-	-	-	-	-	100	2	-	-	-	-	0.26
Debt securities, including UoP	10.35	0.25	-	-	-	-	-	-	-	-	10.35	0.25	-	-	-	-	5.46
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	29.18	-	-	-	-	-	-	-	-	-	29.18	-	-	-	-	-	70.24
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	-	20.49
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	-	0.26
Total GAR assets	23.57	0.02	-	-	-	-	-	-	-	-	23.57	0.02	-	-	-	-	91.54

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GAR KPI flow – Based on CapeX

31 December 2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which transitional	of which enabling			
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.15	0.47	-	-	-	0	-	-	-	-	10.15	0.47	-	-	-	63.31
Financial undertakings	11.49	1.43	-	-	-	0	-	-	-	-	11.49	1.43	-	-	-	20.73
Credit institutions	11.49	1.43	-	-	-	0	-	-	-	-	11.49	1.43	-	-	-	20.37
Loans and advances	43.27	4.63	-	-	-	0.15	-	-	-	-	43.42	4.63	-	-	-	0.20
Debt securities, including UoP	11.18	1.40	-	-	-	-	-	-	-	-	11.18	1.40	-	-	-	20.53
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	0.01	0	-	-	-	-	-	-	-	-	0.01	0	-	-	-	27.62
Loans and advances	0.01	0	-	-	-	-	-	-	-	-	0.01	0	-	-	-	27.62
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	26.65	-	-	-	-	-	-	-	-	-	26.65	-	-	-	-	14.88
of which loans collateralised by residential immovable property	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	3.96
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	100	-	-	-	-	-	-	-	-	-	100	-	-	-	-	0.08
Total GAR assets	8.50	0.39	-	-	-	0	-	-	-	-	8.50	0.39	-	-	-	75.64

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KPI off-balance-sheet exposures – Based on Turnover and CapEx

2023	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling	
Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-

Nuclear energy- and Fossil gas related activities, Turnover- and Capital expenditures-based

Rad	Nuclear energy related- and Fossil gas related activities, Turnover- and Capital expenditures-based	
Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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KPI off-balance-sheet exposures – Based on Turnover and CapEx

2023	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling		of which Use of Proceeds	of which transitional	of which enabling
Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

Nuclear energy- and Fossil gas related activities, Turnover- and Capital expenditures-based

Rad	Nuclear energy related- and Fossil gas related activities, Turnover- and Capital expenditures-based	
Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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GRI content index

Statement of use	Hoist Finance AB has reported the information cited in this GRI content index for the period 2024-01-01 - 2024-12-31 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards

GRI Standard/Other Source	Disclosure	Location	Omission
			Requirements Omitted / Reason / Explanation
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organisational details	Administration report	
	2-2 Entities included in the organisation's sustainability reporting	Accounting fundamentals, Note 20 Shares and participations in subsidiaries	
	2-3 Reporting period, frequency and contact point	Accounting fundamentals, Contact, Certification of the Board of Directors	
	2-4 Restatements of information	Updates and changes	
	2-5 External assurance	Sustainability Governance, Auditor's report on the statutory sustainability statement	
	2-6 Activities, value chain and other business relationships	This is Hoist Finance, Strategy and financial targets, Market, Investment Management, Loan Management, Our Business model strategy and value chain	
	2-7 Employees	Note 9 Personnel expenses, Sustainability Disclosures	
	2-8 Workers who are not employees	Sustainability Disclosures	
	2-9 Governance structure and composition	Corporate Governance Report, Board of Directors, Sustainability Governance	2-9 c.vi / unavailable or incomplete information / information is unavailable.
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report, Board of Directors	
	2-11 Chair of the highest governance body	Board of Directors, Executive Management Team	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report, Sustainability Governance, How we engage with our stakeholderst	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report, Sustainability Governance	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Report, Sustainability Governance, The double materiality assessment method and process	
	2-15 Conflicts of interest	Corporate Governance Report, Board of Directors, Note 37 Related-party transactions, Sustainability Governance, Sustainability Disclosures	
	2-16 Communication of critical concerns	Corporate Governance Report, Sustainability Governance	2-16 b / Confidentiality constraints / omission of "nature" due confidentiality constraints.
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report, Board of Directors, Sustainability Governance	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	
	2-19 Remuneration policies	Note 9 Personnel expenses	
	2-20 Process to determine remuneration	Corporate Governance Report, Note 9 Personnel expenses	

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GRI Standard/Other Source	Disclosure	Location	Omission
			Requirements Omitted / Reason / Explanation
	2-21 Annual total compensation ratio	Sustainability Disclosures, Definitions and notions	2-21 a / unavailable or incomplete information / Consolidated annual total compensation incomplete, why ratio is calculated based on annual fixed salary. 2-21 b / As a step towards CSRD compliance the disclosure is phased out in 2024, due to this GRI requirement not covered by ESRS.
	2-22 Statement on sustainable development strategy		
	2-23 Policy commitments	Corporate Governance Report, Policies and actions to manage our material sustainability topics	2-23 c / Confidentiality constraints / A selection of relevant policies are named on the organisation's website as well as references to the left. However, the policy document or content is not externally published due to confidentiality constraints within the organisation.
	2-24 Embedding policy commitments	Corporate Governance Report, Sustainability Governance, Sustainability Disclosures	
	2-25 Processes to remediate negative impacts	Corporate Governance Report, Sustainability Governance, Material sustainability Topics, Sustainability Disclosures	
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Governance, Sustainability Disclosures	
	2-27 Compliance with laws and regulations	Sustainability Disclosures	
	2-28 Membership associations	-	2-28 a / As a step towards CSRD compliance the disclosure is phased out in 2024, due to this GRI requirement not aligned with ESRS.
	2-29 Approach to stakeholder engagement	How we engage with our stakeholders	
	2-30 Collective bargaining agreements	Sustainability Disclosures	2-30 a / unavailable or incomplete information / information on percentage of total employees is unavailable, why percentage of our markets are disclosed.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	The double materiality assessment method and process	
	3-2 List of material topics	The double materiality assessment method and process	
Consumers and end-users			
GRI 3: Material Topics 2021	3-3 Management of material topics	This is Hoist Finance, Market, Our three pillars, Sustainability governance, Our Business model strategy and value chain, Sustainability Disclosures	
Internal disclosures	Increased financial system resilience	Sustainability Disclosures	
	Number of banks which we acquired portfolios from	Sustainability Disclosures	
	Percent of service centre agents completing training on ethical and fair customer treatment	Sustainability Disclosures	
	Average borrower Experience Score	Sustainability Disclosures	
	Average monthly repayment	-	As a step towards CSRD compliance these disclosures are phased out in 2024, compared to previous year.
	Balance sheet alleviation for partners by number of claims		
	Borrowers repaying a debt in full		
	Partner satisfaction		
	Partnerships for financial inclusion and financial literacy		
Total borrower repayments			

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GRI Standard/Other Source	Disclosure	Location	Omission
			Requirements Omitted / Reason / Explanation
Own workforce			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, Sustainability governance, Our Business model strategy and value chain, Sustainability Disclosures	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Disclosures	
	401-3 Parental leave	Sustainability Disclosures	401-3 c, d and e / unavailable or incomplete information / information is not collected within the organisation. As a step towards CSRD compliance the disclosure is phased out in 2024 and will not be collected, due to this GRI requirement not being covered by ESRS.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Disclosures	
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Disclosures	
	404-3 Per cent of employees receiving regular performance and career development reviews	Sustainability Disclosures	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Disclosures	405-1 a iii and b iii. / Not applicable / information on other indicators of diversity is not applicable.
	405-2 Ratio of basic salary and remuneration of women to men	–	405-2 a / unavailable or incomplete information / Data is not available per employee category. Set up and method for this metric is in progress.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Disclosures	
Internal disclosures	Result in Hoist Finance Index	Sustainability Disclosures	
	Employee Net Promoter score (eNPS)	Sustainability Disclosures	
	Sick leave	–	As a step towards CSRD compliance these disclosures are phased out in 2024, compared to previous year.
	Health and wellbeing score		
Business Conduct			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance Report, Sustainability governance, Our Business modl strategy and value chain, Sustainability Disclosures	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Disclosures	
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Report, Sustainability governance, Sustainability Disclosures	205-2 c / unavailable or incomplete information / information is unavailable, continuous data collection improvements.
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Disclosures	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	Number of substantiated complaints are not tracked within organisation in 2024 due to fact that GRI standard definition does not align with organisations definition of substantiated complaints. As a step towards CSRD compliance the disclosure is phased out in 2024, due to this GRI requirement not covered by ESRS.
Internal disclosures	Per cent of employees completing training on: anti-money laundering, conflicts of interest and anti-corruption, Sustainability and ESG, Whistleblowing process, Data protection and Security awareness	Sustainability Disclosures	
	Hoist Finance anti-corruption index	–	As a step towards CSRD compliance these disclosures are phased out in 2024, compared to previous year.
	Raised and managed whistleblowing cases		
	Total number of data subject rights request		
	Total number of data subject rights request that we responded to		

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GRI Standard/Other Source	Disclosure	Location	Omission
			Requirements Omitted / Reason / Explanation
Climate change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability governance , Our Business model strategy and value chain , Sustainability Disclosures	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	ESG in the risk management , Sustainability Disclosures	201-2 a iii. and a v. and compilation requirement 2.2 / unavailable or incomplete information / information is unavailable, continuous data collection improvements.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Disclosures , Definitions and notions	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Disclosures , Definitions and notions	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Disclosures , Definitions and notions	
	305-4 GHG emissions intensity	Sustainability Disclosures , Definitions and notions	
	305-5 Reduction of GHG emissions	Sustainability Disclosures , Definitions and notions	
Internal disclosures	Total number of sent letters to borrowers	–	As a step towards CSRD compliance these disclosures are phased out in 2024, compared to previous year.

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Certification of the Board of Directors

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting policies in Sweden, and the consolidated accounts in accordance with 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 Report and consolidated accounts provide a true and fair presentation of the Parent Company's and the Group's financial position and performance. The Parent Company's and the Group's Administration Reports provide a true and fair account of the development of the respective entities' business, financial position and performance, and accurately describe the significant risks and uncertainties faced by the Parent Company and Group companies.

Stockholm 20 March 2025.

Lars Wollung
Chairman of the Board

Bengt Edholm
Board Member

Camilla Philipson Watz
Board Member

Christopher Rees
Board Member

Rickard Westlund
Board Member

Peter Zonabend
Board Member

Harry Vranjes
CEO

Our audit report was submitted on 25 March, 2025 and deviates from the standard format.

Ernst & Young AB

Daniel Eriksson
Authorised Public Accountant
Auditor in charge

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Auditor's report

To the general meeting of the shareholders of Hoist Finance AB (publ), corporate identity number 556012-8489

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Hoist Finance AB (publ) for the year 2024 except for the corporate governance statement on pages 34–47. The annual accounts and consolidated accounts of the company are included on pages 29–33, 48–121 and 166 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2024 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 for Credit Institutions and Securities Companies. 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 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 Responsibilities 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.

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 of 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of acquired credit-impaired loan portfolios

Detailed information and description of the area is presented in the annual accounts and consolidated accounts. The Group's and parent's acquired loan portfolios are specified in note 19 with additional information regarding risks in note 35. Regarding the area relevant accounting policies for the group, these can be found in note 1, section 9 and critical estimates and assumptions in note 1, section 5. Note 1 section 14 shows that the accounting principles of the parent company concerning acquired loan portfolios corresponds with the accounting principles of the group.

Description

As of December 31, 2024, acquired loan portfolios amounts to 29 920 (12 637) MSEK on Group (Parent) level where as 29 246 (12 488) MSEK are credit-impaired loan portfolios and 674 (149) non-impaired loan portfolios. Acquired loan portfolios makes up 53 (23) % of total assets.

Credit-impaired loan portfolios are valued at amortised cost where the expected future cashflows are discounted using an effective interest rate to the gross carrying amount. When the estimates of future cash flows on acquired credit-impaired loans are revised, the carrying amount of the financial asset is adjusted to reflect the new estimate discounted using the effective interest rate determined at initial recognition. Any changes are recognised in profit or loss on the line item Derecognition gains and losses. The Group applies internal rules and a formalised decision-making process for the adjustment of previously adopted cash flow forecasts.

Due to the size of the balance sheet item in relation to total assets and that it requires the company to make estimates and assumptions to estimate future cashflows valuation of acquired credit-impaired loan portfolios is considered a key audit matter.

How our audit addressed this key audit matter

We have reviewed the revaluation process and design of key controls including decision mandate on forecast adjustments and identification and decision on portfolios for which the cashflows are to be reviewed.

We have tested that data from the supporting IT-systems used in the forecast assessment is complete and accurate. Furthermore, we have on a sample basis assessed the reasonableness in updates in cash flow forecasts and reviewed Management's assumptions and conclusion.

We have assessed whether the applied accounting principles using credit-adjusted effective interest rate are in accordance with IFRS 9.

We have also reviewed disclosures in the financial statements regarding acquired loan portfolios and estimates are appropriate.

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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 1-28, 34-47, 122-159 and 167-169. 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 for Credit Institutions and Securities Companies 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 these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the company's internal control.

- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- » Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

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 Hoist Finance AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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 Responsibilities 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 organization 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 organization 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 Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

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 4(a) of the Swedish Securities Market Act (2007:528) for Hoist Finance AB (publ) for the financial year 2024.

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Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 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 Hoist Finance 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 4(a) 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 4(a) 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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable 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 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 validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 34-47 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is 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.

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

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Hoist Finance AB (publ) by the general meeting of the shareholders on 7 May 2024 and has been the company's auditor since 14 May 2020.

Remark

On several occasions during the financial year, deducted withholding tax, value added tax, tax charged and employer's contributions have not been paid on time.

Stockholm 25 March 2025

Ernst & Young AB

Daniel Eriksson

Authorized Public Accountant

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Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Hoist Finance AB (publ),
corporate identity number 556012-8489

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2024 pages 122–159 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 auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability 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 statutory sustainability statement has been prepared.

Stockholm 25 March 2025
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant

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Five-year overview

Consolidated income statement in summary¹⁾

SEK m	2024	2023	2022	2021	2020
Total operating income	4,392	3,495	2,597	2,239	2,355
of which net interest income	3,567	2,816	2,149	2,415	2,712
Total operating expenses	-3,099	-2,763	-2,214	-2,355	-2,343
Profit before tax	1,300	846	474	-54	68
Net profit for the year	1,013	663	765	-140	27

1) Years prior to 2021 includes discontinued operations

Consolidated balance sheet in summary¹⁾

SEK m	2024	2023	2022	2021	2020
Cash and lending to credit institutions	4,344	3,535	2,358	2,480	2,526
Treasury bills and treasury bonds	9,837	2,675	2,789	1,576	2,411
Lending to the public	0	0	1	3	6
Portfolio book value	29,920	24,288	21,624	21,337	21,075
Value change of interest-hedged items in portfolio hedge	224	239	9	-	-
Bonds and other securities	10,669	1,856	4,094	3,502	4,082
Shares and participations in joint ventures	6	5	188	155	160
Shareholdings in other companies	74				
Fixed assets	484	417	518	565	620
Other assets	1,376	1,008	918	754	984
Total assets	56,934	34,023	32,499	30,372	31,864
Deposits from the public	40,190	20,238	18,581	18,169	17,928
Other liabilities and provisions	10,039	7,864	8,252	7,299	8,792
Equity	6,705	5,921	5,667	4,904	5,145
Total liabilities and equity	56,934	34,023	32,499	30,372	31,864

1) Years prior to 2022 includes discontinued operations.

Key ratios, Group¹⁾

SEK m	2024	2023	2022	2021	2020
C/I ratio, %	70	77	82	102	97
Return on equity, %	17	11	16	-6	-1
Return on assets, %	2.0	2.0	2.4	-0.5	0.1
Portfolio acquisitions	10,143	7,089	6,928	3,558	1,761
Gross 180-month ERC	52,495	38,574	32,946	32,900	32,763
Total capital ratio, %	17.7	20.66	23.49	15.16	16.49
CET1 ratio, %	11.48	13.89	15.85	9.56	10.76
Liquidity reserve	23,811	7,792	8,897	7,119	8,652
Number of employees (FTEs)	1,102	1,280	1,304	1,544	1,631

1) See definitions

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Definitions

including Alternative Performance Measures

Alternative performance measures (APMs) are financial measures of past or future earnings trends, financial position or cash flow that are not defined in the applicable accounting regulatory framework (IFRS), in the Capital Requirements Directive (CRD IV), or in the EU's Capital Requirement Regulation number 575/2013 (CRR). APMs are used by Hoist Finance, along with other financial measures, when relevant for monitoring and describing the financial situation and for providing additional useful information to users of the financial statements. These measures are not directly comparable with similar

performance measures that are presented by other companies. C&I ratio, Return on equity, Collection performance and Adjusted EBITDA are alternative performance measures that provide information on Hoist Finance's profitability. "Estimated Remaining Collections" is Hoist Finance's estimate of the gross amount that can be collected on portfolio book value. Definitions of alternative performance measures and other key figures are presented below. The financial fact book, available on hoistfinance.com/investors/financial-information, provides details on the calculation of key figures.

As from 2021 Hoist Finance only monitors "Portfolio book value" and not "Book value". This reflects Hoist Finance internal monitoring process, as items that are not included in "Portfolio book value" are immaterial. Hoist Finance removed Net interest income margin as a performance measure to monitor profitability and instead began monitoring the measures "Collection performance" and "Direct contribution" at transition to the new segment reporting. As from Q2 2021 Hoist Finance has removed the measure Portfolio growth due to that it is not monitored internally.

Performance measures according to IFRS and other regulations

Average number of employees

Average number of employees during the year converted to full-time equivalents (FTEs). The calculation is based on the total number of FTEs per month divided by the twelve months of the year.

Basic earnings per share

Net profit for the year, adjusted for interest on capital instruments recorded in equity, divided by the weighted average number of outstanding shares.

Diluted earnings per share

Net profit for the year, adjusted for interest on capital instruments recorded in equity, divided by the weighted average number of outstanding shares after full dilution.

Return on assets (only presented yearly in accordance with FFFS 2008:25)

Net result for the year as a percentage of total assets at the end of the year.

Weighted average number of shares outstanding

Weighted number of shares outstanding plus potential dilutive effect of warrants outstanding.

Alternative performance measures

Portfolio book value

An portfolio book value consists of a number of defaulted and non-defaulted consumer loans and SME loans that arise from the same originator.

Adjusted EBITDA

EBIT (operating earnings), less depreciation and amortization ("EBITDA") adjusted for net of collections and interest income from portfolio book value.

C/I ratio

Total operating expenses in relation to Total operating income and Profit from shares and participations in joint ventures.

Collection performance

Actual collections for the period adjusted for contractual and timing adjustments, divided by estimated collections.

Direct contribution

Direct contribution is the sum of total operating income minus direct costs directly attributable to each business line.

Fee and commission income

Fees for providing debt management services to third parties.

Gross 180-months ERC

"Estimated Remaining Collections" – the company's estimate of the gross amount that can be collected on the loan portfolios currently owned by the company. The assessment is based on estimates for each loan portfolio and extends from the following month through the coming 180 months. The estimate for each loan portfolio is based on the company's extensive experience in processing and collecting over the portfolio's entire economic life.

Internal funding

The internal funding cost is determined per portfolio applying the following monthly interest rate: $(1 + \text{annual interest})^{(1/12)} - 1$.

Items affecting comparability

Items that interfere with comparison due to the irregularity of their occurrence and/or size as compared with other items. Items affecting comparability can consist of costs for restructuring, impairment of goodwill and other revenues and costs which are not recurring.

Legal collection

Legal collections relate to the cash received following the initiation of Hoist Finance's litigation process. This process assesses borrowers' solvency and follows regulatory and legal requirements.

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Normalised return on equity

A normalised return on equity is shown to illustrate the return on equity adjusted for rejuvenation costs/ IACs and normalised capitalisation levels. Normalised capitalisation represents capitalisation in line with the financial target regarding capital structure, i.e. in the middle of the target range of the CET1 ratio 2.3–3.3 percentage points above overall CET1 requirements specified by the Swedish Financial Supervisory Authority. The normalised return on equity for comparative periods is adjusted for the Income Statement impact of the divested UK operations and as if hedge accounting for all interest rate swaps would have been implemented in comparative periods.

Portfolio acquisitions

Portfolio book value during the period that consists of defaulted and non-defaulted consumer loans and SME loans.

Portfolio revaluation

Changes in the portfolio value based on revised estimated remaining collections for the portfolio.

Return on equity

Net profit for the period adjusted for accrued unpaid interest on AT1 capital calculated on annualized basis, divided by equity adjusted for AT1 capital reported in equity, calculated as an average for the year based on a quarterly basis.

Definitions

According to the EU Capital Requirements Regulation no 575/2013 (CRR)

Additional Tier 1 capital

Capital instruments and associated share premium reserves that fulfil the requirements of Regulation (EU) 575/2013 of the European Parliament and the Council and that may accordingly be included in the Tier 1 capital.

Capital requirements – Pillar 1

Minimum capital requirements for credit risk, market risk and operational risk.

Capital requirements – Pillar 2

Capital requirements beyond those stipulated in Pillar 1.

Common equity tier 1

Capital instruments and associated share premium reserves that fulfil the requirements of Regulation (EU) 575/2013 of the European Parliament and the Council, and other equity items that may be included in CET1 capital, less regulatory dividend deduction and deductions for items such as goodwill and deferred tax assets.

Common equity tier 1 ratio

Common Equity Tier 1 in relation to total risk exposure amount.

Leverage ratio

An institution's total exposure measure in relation to Tier 1 capital.

Liquidity coverage ratio (LCR)

A mandatory requirement for banks within the EU, whereby an institution must hold a sufficiently large buffer of liquid assets to be able to withstand actual and simulated cash outflows for a period of 30 days while experiencing heavy liquidity stress.

Liquidity reserve

Hoist Finance's liquidity reserve is a reserve of high-quality liquid assets which is used to carry out planned acquisitions of loan portfolios and to secure the Company's short term capacity to meet payment obligations in the event of lost or impaired access to regularly available funding sources.

Net stable funding ratio (NSFR)

Measures an institution's amount of available stable funding to cover its required stable funding under normal and stressed conditions in a one-year perspective.

Own funds

Sum of Tier 1 capital and Tier 2 capital.

Risk-weighted exposure amount

The risk weight of each exposure multiplied by the exposure amount.

Tier 1 capital

The sum of CET1 capital and AT1 capital.

Tier 1 capital ratio

Tier 1 capital as a percentage of the total risk exposure amount.

Tier 2 capital

Capital instruments and associated share premium reserves that the requirements of Regulation (EU) 575/2013 of the European Parliament and the Council and that may accordingly be included in the funds.

Total capital ratio

Own funds as a percentage of the total risk exposure amount.

Non-financial definitions

Co-investments

Co-investments consists of notes in established Special Purpose Vehicles (SPV) that Hoist Finance subscribe to, together with third parties. These SPVs in turn, own loan portfolios.

Investment portfolio

Hoist Finance' investment portfolio consist of Portfolio book value (loan portfolios) and co-investments.

Non-performing loans (NPLs)

A loan that is deemed to cause probable credit losses including individually assessed impaired loans, portfolio assessed loans past due more than 60 days and restructured portfolio assessed loans. Hoist Finance primarily purchases loans that are credit impaired on initial recognition.

Number of employees (FTEs)

Number of employees at the end of the period converted to full time equivalents (FTEs).

SME

A company that employs fewer than 250 people and has either annual turnover of EUR 50 million or less or a balance sheet total of EUR 43 million or less.

Timing effect

A revaluation driven by changing the cash forecast to reflect cash already received and/or changes to when assets still expected to be collected are amortised.

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Annual General Meeting

The Annual General Meeting 2025 will be held on Thursday 8 May 2025.

Right to attend

Shareholders who wish to attend the Annual General Meeting shall both be registered in the shareholders' register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository) no later than on 29 April 2025, and notify the company of their attendance no later than on 2 May 2025.

Notification shall be given in writing and sent to:

Hoist Finance AB (publ)

Annual General Meeting

Box 7848

103 99 Stockholm

or to

bolagsstamma@hoistfinance.com

To be able to attend and vote at the Annual General Meeting, the shareholders whose shares are registered in the name of a nominee must have such shares re-registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. Such re-registration may be temporary, so-called voting rights registration. The re-registration must have effect on Friday 2 May 2025 and should be requested from the nominee well in advance of this date.

Annual Report

Hoist Finance's annual reports and other financial information are available at www.hoistfinance.com

Every case has been taken in the translation of this annual report to English. However, in the event of discrepancies, the Swedish original will supersede the English translation.

Financial calendar

Interim Reports:

January – March	7 May 2025
January – June	25 July 2025
January – September	24 October 2025
January – December	6 February 2026

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