HoistFinance

Q3 2025

Results presentation

24 October 2025

Today's presenters

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CEO

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CFO

HoistFinance

Key highlights Q3

- Profit before tax amounted to SEK 349m, compared to SEK 363m in the same quarter last year. Return on equity of 17.6 per cent, compared to 15.8 per cent in the same quarter last year
- Investments in new portfolios totalled SEK 2.4bn in the quarter, resulting in a total investment portfolio of SEK 32bn at the end of the period. After the quarter had been closed, another SEK 1.0bn of portfolio investments have been signed
- In August, acquired our first loan portfolio in Finland, strengthening the footprint in Northern Europe. Hoist Finance is thereby active across 14 European markets
- Stable collection performance of 103 per cent across the markets, compared to 102 per cent in the same quarter last year
- Cost control remains tight with underlying direct- and indirect costs at a stable level
- Strong capital and liquidity positions, with a CET1-ratio of 12.21 per cent and a liquidity reserve of SEK 25bn by end-Q3
- Optimised the capital structure though the issuance of SEK 200m AT1 capital with a coupon of STIBOR 3 months+500bps, in August
- Continue to meet the full SDR-criteria, with NSFR of 142 per cent. Hoist Finance is looking to notify SDR-status in connection with the upcoming Q4-report

SEK 31,565m Investment portfolio

17.6% RoE

3.00 EPS

12.21% CET1 ratio

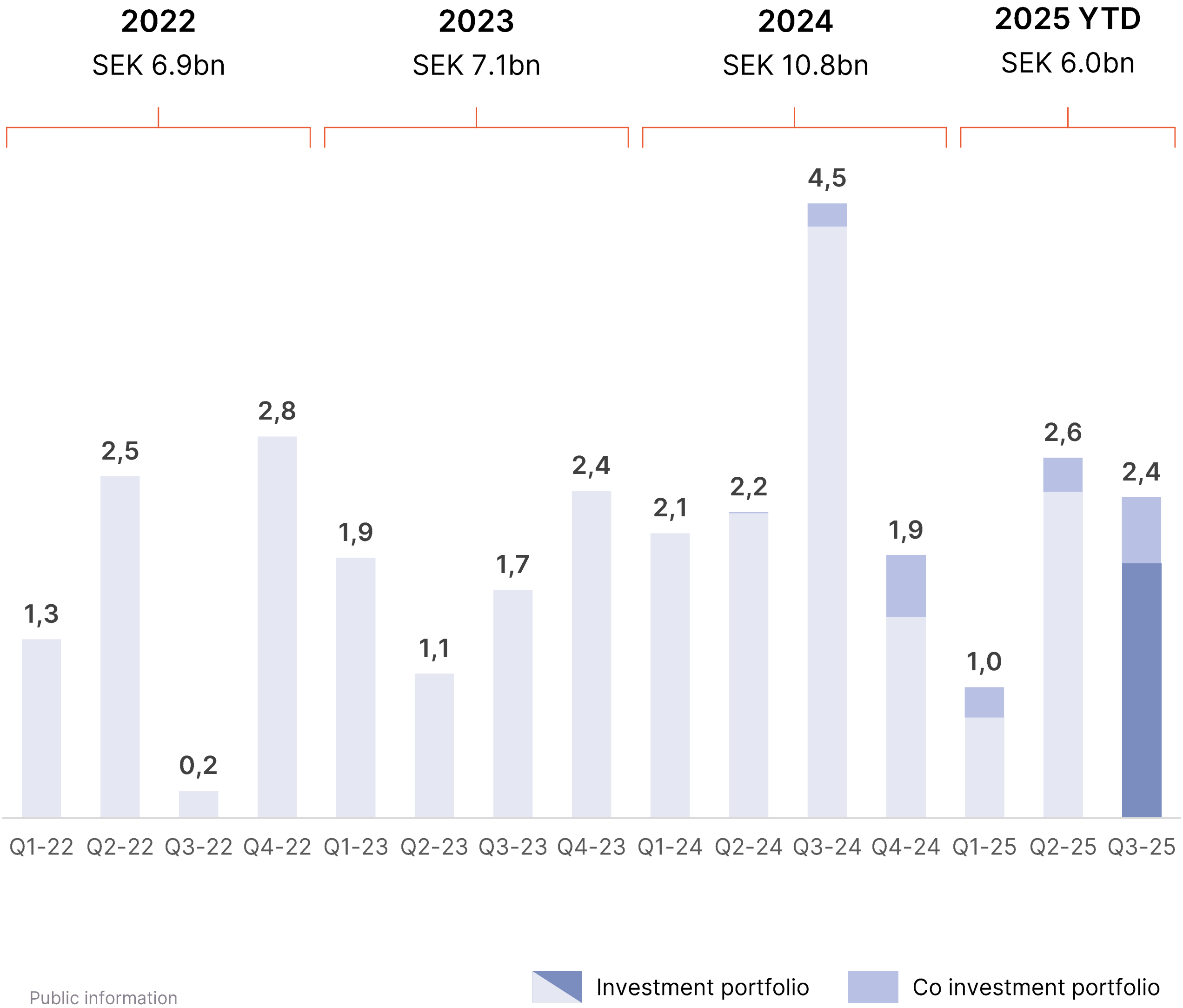
Q3 financial summary

SEKm	Quarter 3 2025	Quarter 3 2024	Change
Interest income loan portfolios	1,238	1,195	4%
Interest income coinvestment portfolios	47	11	>100%
Other interest income	144	99	45%
Interest expense	-492	-361	36%
Net interest income	**937**	**944**	**-1%**
Total impairment gains & losses	75	123	-39%
Other income	39	23	70%
Net result from financial transactions	0	-3	>100%
Total operating income	**1,051**	**1,087**	**-3%**
Direct expense	-451	-454	-1%
Indirect expense	-251	-270	-7%
Total operating expenses	**-702**	**-724**	**-3%**
Share of profit from joint ventures	0	1	-87%
Profit before tax	**349**	**363**	**-4%**
Tax	-65	-119	-45%
Net Profit	**284**	**244**	**16%**

Key ratios	Quarter 3 2025	Quarter 3 2024	Change
Reported ROE	**17.6%**	**15.8%**	
Investment volumes	2,355	4,546	-48%
Investment portfolio	31,565	30,223	4%

- Strong growth in interest income from the investment portfolio (loan portfolios + co-investment portfolios = investment portfolio)
- Stable NIM, adjusting for higher funding costs YoY due to SDR-requirements
- Tight cost control
- Strong Return on Equity of 17.6 per cent

Investment portfolio acquisitions



- High market activity and strong pipeline ahead
- IRRs stabilised at attractive levels
- After the quarter had been closed, another SEK 1.0bn of portfolio investments signed

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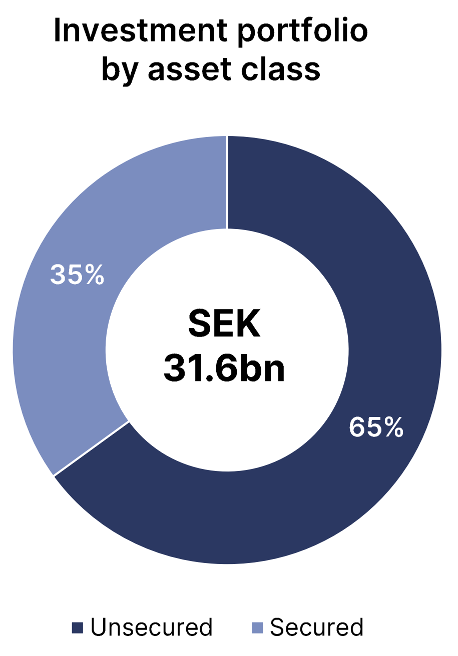
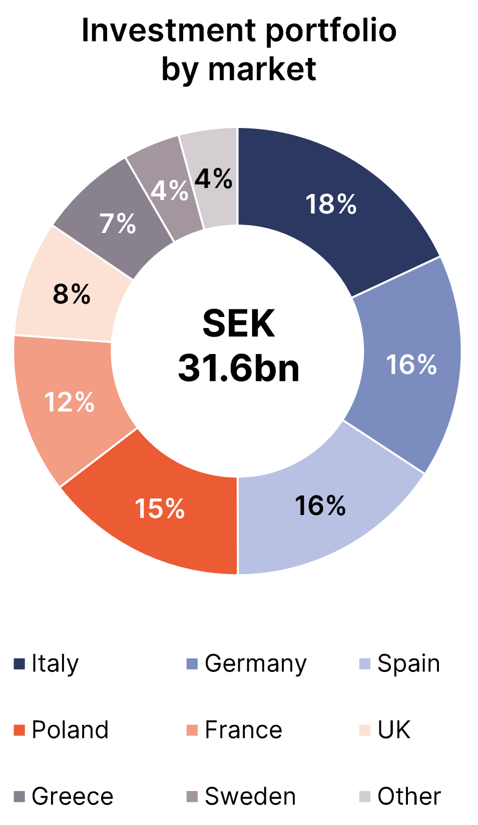
Q3 asset class mix





- Diverse presence across fourteen European markets
- Secured asset mix increased from 23 per cent to 35 per cent over the past three years

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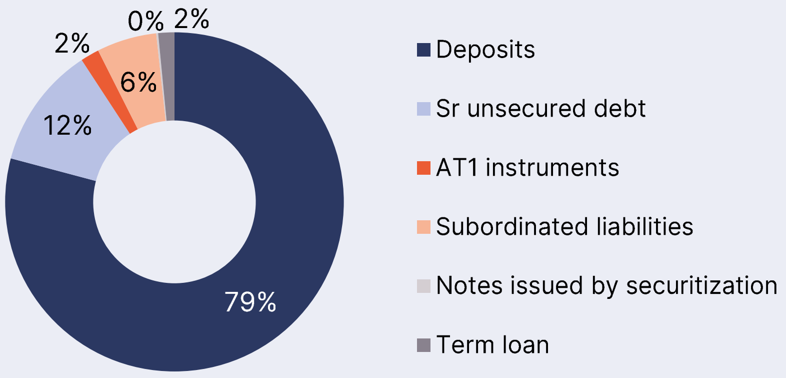
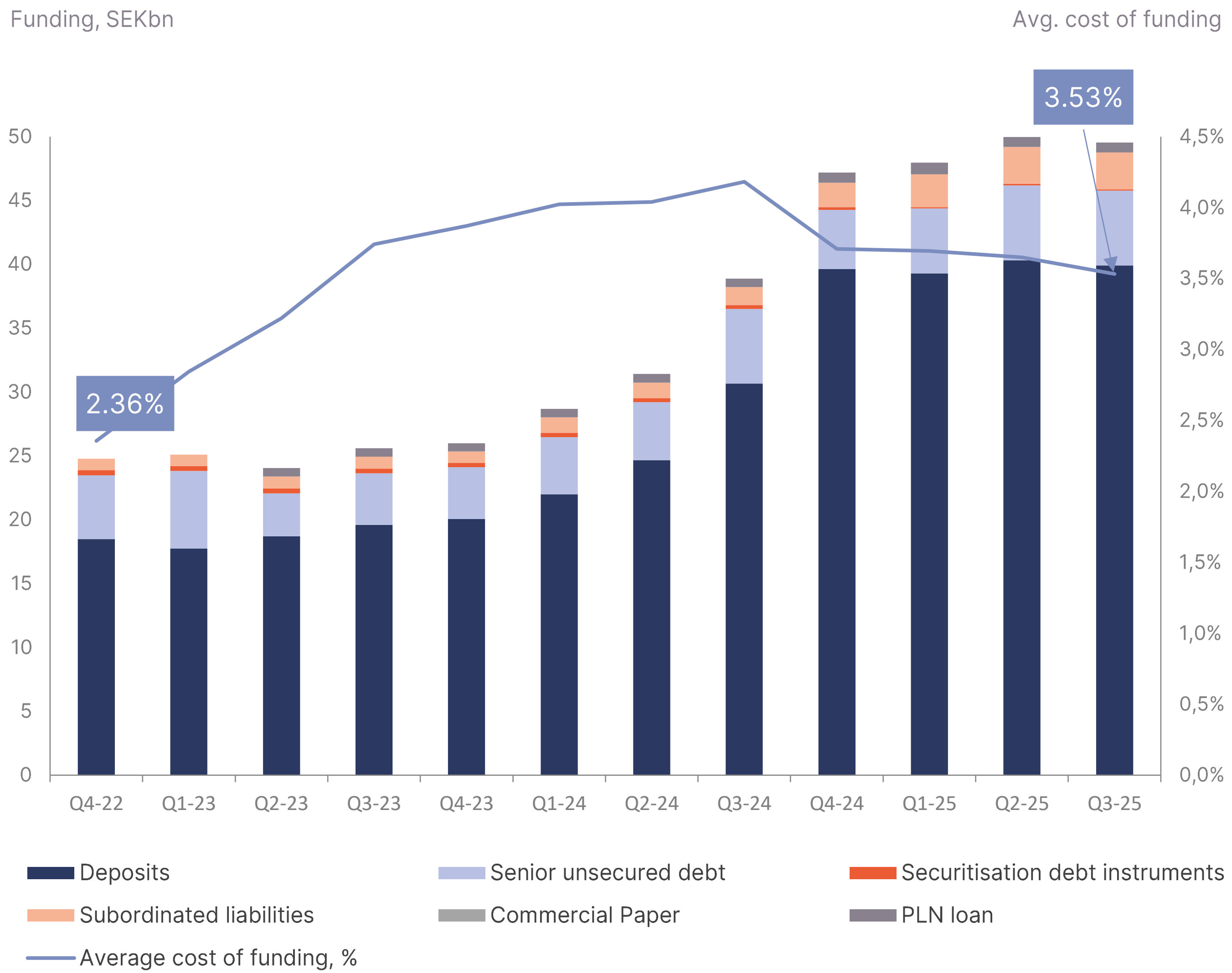
Funding

- Issued SEK 200m AT1 with a coupon of STIBOR 3 months+500bps
- Total deposits reduced by approx. SEK 0.5bn since end-Q2
- Sourced funding cost on a downward trend as market rates have decreased

Distribution of funding





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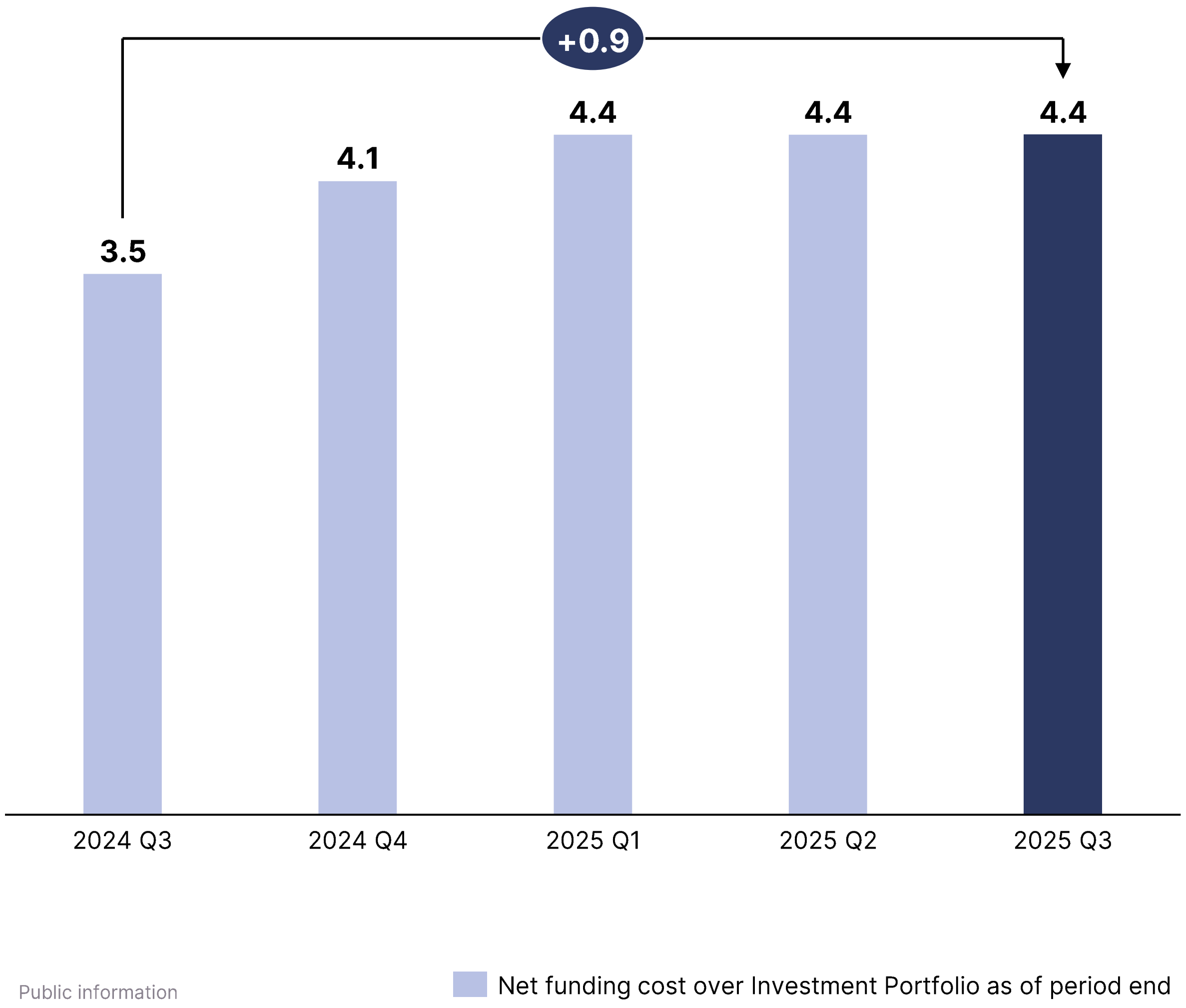
Industry leading funding cost



- Net funding cost at 4.4 per cent of the investment portfolio as of period-end
- The increase Q3’2025 vs Q3’2024 is due to:
  - Meeting the full SDR criteria (NSFR >130%)
  - Other measures to strengthen our capital base
- Work to further optimize our funding costs has been initiated:
  - Rolling out our own deposit platform to selected markets in Europe
  - NSFR optimisation

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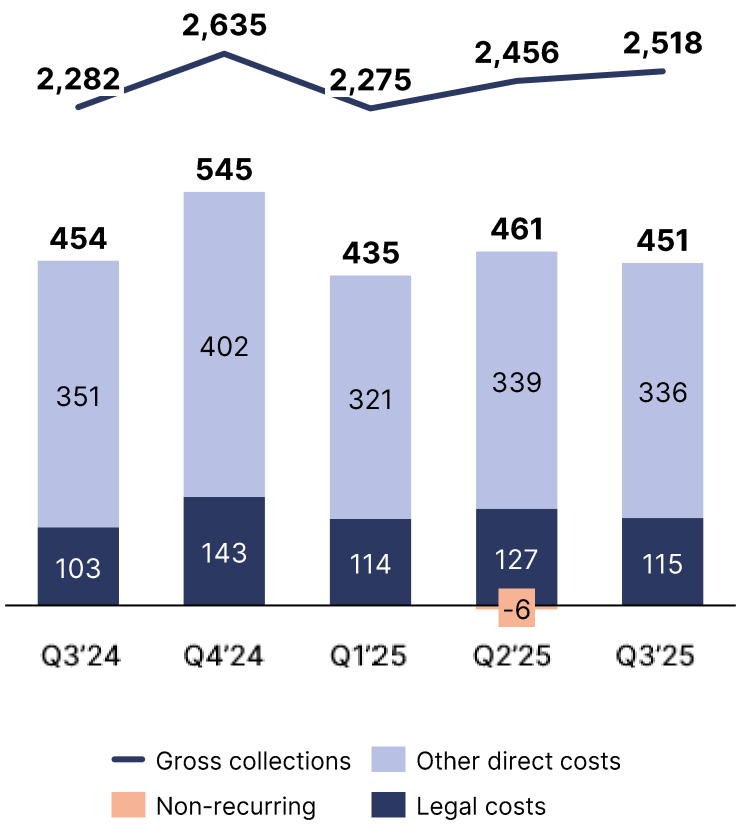
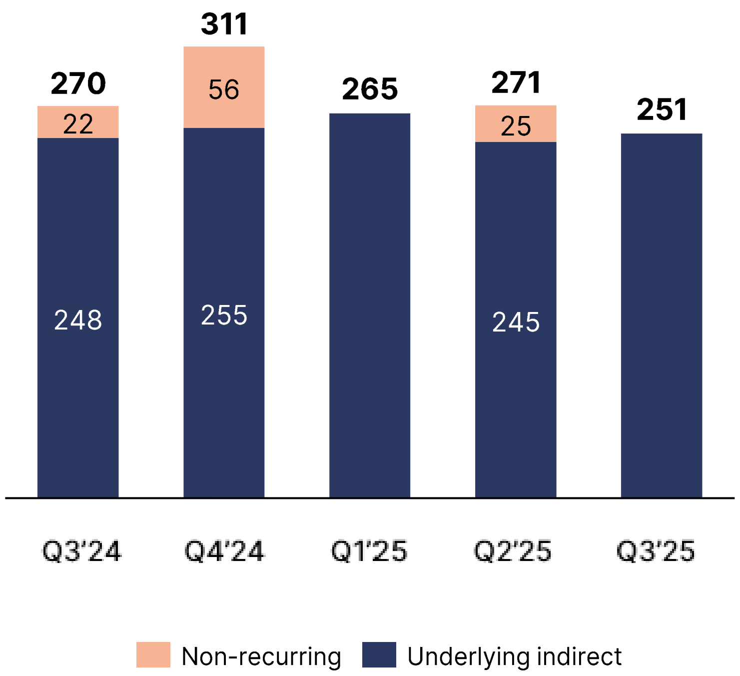
Five quarters cost trend

Direct costs



Indirect costs



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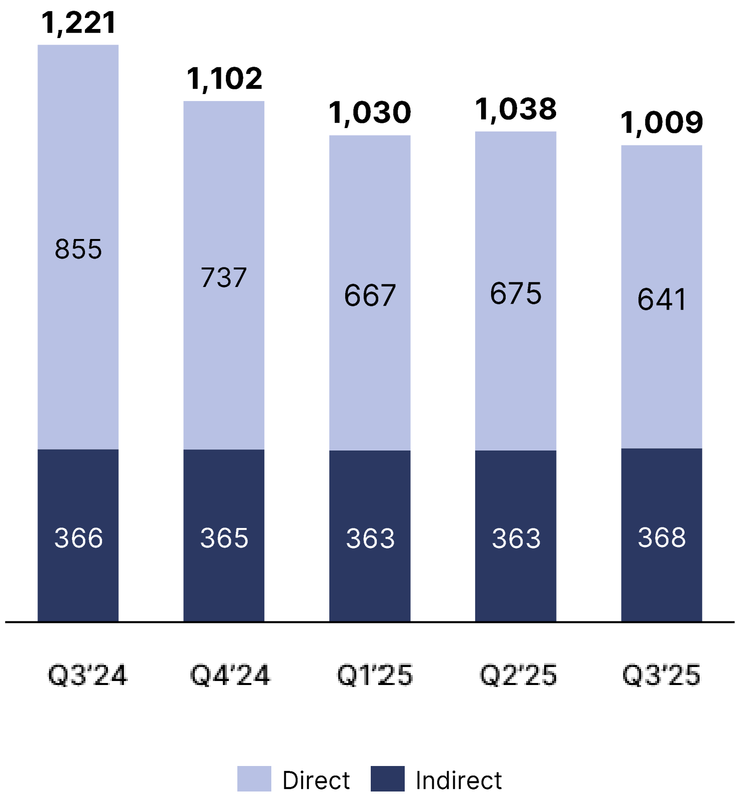

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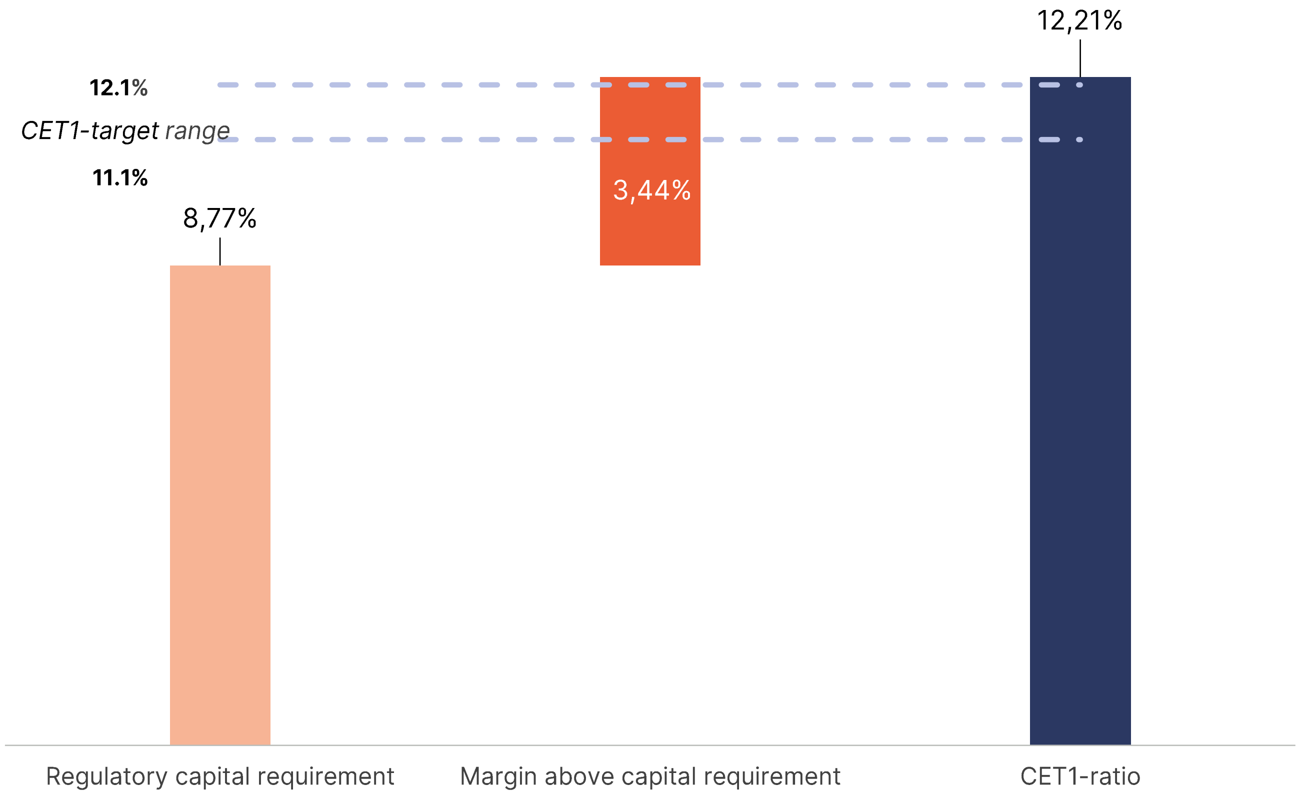
CET1 capital position

Capitalisation, %



- Strong capital position, well above regulatory requirement
- SEK 1.1bn impact from NPL backstop regulation
- With SDR status, CET1-ratio would increase approx. 2.5-3.0 per cent based on current backstop volume

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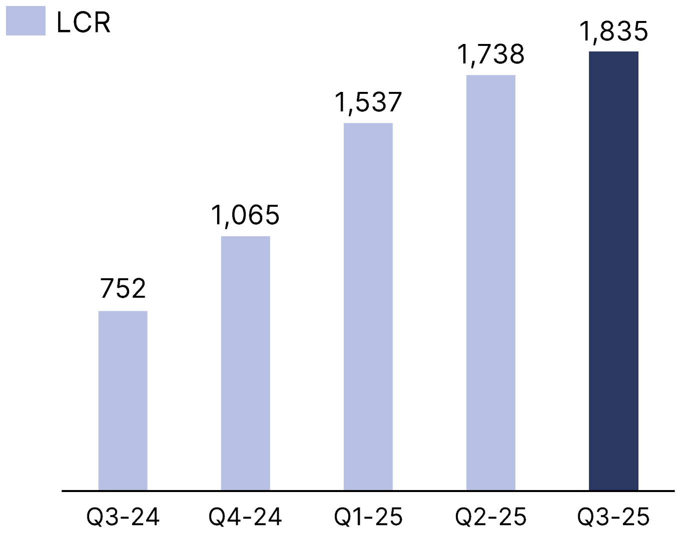
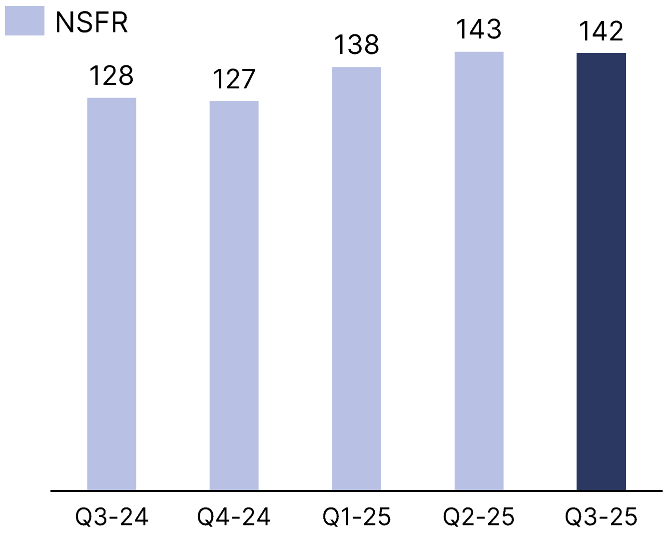
Liquidity position

LCR, %



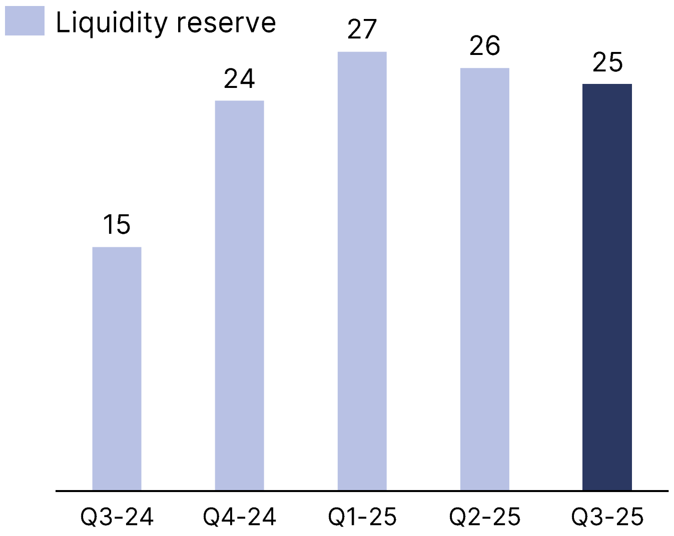
* LCR regulatory limit based on SFSA legal position on deposit platforms from Q4 2024 onwards

NSFR, %



* NSFR regulatory limit based on SFSA legal position on deposit platforms from Q4 2024 onwards

Liquidity reserve, SEKbn



- NSFR at a stable level, above the >130 per cent requirement for SDR
- Liquidity reserve reduced since last quarter, reflecting improved NSFR-efficiency

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Shorter- and longer-term benefits of becoming an SDR

What Specialised Debt Restructurer-status will mean for Hoist Finance

Specialised Debt Restructures (SDRs) are **exempted from the EU backstop regulation**. For Hoist Finance, becoming an SDR will mean:

- More capital available for **growth** and **capital repatriation**
- **Larger investable market**
  - **Backstop-affected loans** will become a larger share of the European NPL-market
- **Increased flexibility, reduced complexity**
  - Hoist Finance is currently acquiring backstop-affected NPLs mainly through co-investment and securitisation structures. Also as an SDR, **will continue to invest with partners** (extends investable market, beneficial in larger deals, etc.), however SDR-notification will **increase flexibility** and **reduce complexity**

See slide in the appendix for background and more details

Another solid quarter while progressing towards SDR

Key takeaways

- Delivering strong return on equity of 17.6 per cent
- Busy investment quarter, high market activity and a strong pipeline ahead
- Further expanded footprint in Northern Europe, acquiring the first loan portfolio in Finland
- Tight cost control, ample capital and plenty of liquidity
- Continuing to meet the full SDR-criteria, on track to notify SDR-status in connection with the upcoming Q4-report

Q&A

Appendix

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Status on the SDR criteria

Fulfilling the full SDR-criteria on each reporting date during the preceding financial year

From the regulatory text (article 36(5) CRR), conditions to be complied with, on an individual and consolidated basis, to qualify as SDR:	Hoist Finance at end-Q3 2025:
1 The main activity of the institution is the purchase, management and restructuring of **non-performing exposures** in accordance with a clear and effective internal decision process implemented by its management body	Main activity is **acquiring, managing and restructuring NPLs**
2 The accounting value measured without taking into account any credit risk adjustments of its own originated loans does **not exceed 15% of its total assets**	**No** own originated loans
3 At least **5% of the accounting value** measured without taking into account any credit risk adjustments of its own originated loans constitutes a total or partial refinancing, or the adjustment of relevant terms, of the purchased non-performing exposures that **qualifies as a forbearance measure** in accordance with Article 47b of this Regulation	**>15%** of NPLs qualifies as forbearance measures in accordance with the article
4 The total assets of the institution do not exceed **EUR 20 billion**	Total assets at SEK 59,3bn / **EUR 5,43bn**
5 The institution maintains, on an ongoing basis, a net stable funding ratio of **at least 130%**	NSFR by end-Q3 of **142%**
6 The sight deposits of the institution **do not exceed 5%** of total liabilities of the institution	Only offers deposits with contractual maturity, **0%** sight deposits

Shorter- and longer-term benefits of becoming an SDR

What Specialised Debt Restructurer-status will mean for Hoist Finance

Background

- To notify as an SDR, the full regulatory criteria needs to be met on **each reporting date during the financial year preceding SDR-notification** and after notification, on an ongoing basis
- Hoist Finance assesses it has met the criteria as per YTD and is planning to **notify as an SDR in connection with its upcoming Q4-report**
- SDRs are **exempted from the EU backstop-regulation** which require regulated institutions to hold capital for NPLs following a set scheme:
  - For unsecured NPLs, 100% CET1-coverage after three years
  - For NPLs secured by collateral, 100% CET1-coverage after seven years
- Hoist Finance per Q3 holds **SEK 1,1bn CET1-capital** to cover for backstop-affected NPLs, equaling approx. **2.5-3.0 per cent onto the CET1-ratio**

What will happen when Hoist Finance notify SDR-status?

- SDRs are **exempted from the EU backstop regulation**. For Hoist Finance, becoming an SDR will mean:
  - More capital available for **growth/investment** and **capital repatriation**
    - Capital currently being held for backstop-affected NPLs (SEK 1,1bn) **would be released**
      - **Financial target** to have a **dividend of 25-30 per cent of annual net profit**, to be decided on an annual basis with respect to **growth prospects.** Previously also done **share buybacks**
  - **Reduced complexity** and a **larger investable market**
    - **Backstop-affected loans** will become an **increasingly large share** of the European NPL-market
    - Hoist Finance is currently acquiring backstop-affected NPLs mainly through co-investment- and securitisation structures. Also as an SDR, **will continue to invest with partners** (extends investable market, beneficial in larger deals, etc.), however SDR-notification will **increase flexibility** and **reduce complexity**
- Fulfilling the SDR-criteria also means Hoist Finance has a **larger funding cost base** than before (>130 per cent NSFR requirement), with a cost increase of c. 0.5 per cent relative to the investment portfolio

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Overview non-recurring items

P&L nominal	Q3'24 SEKm		Q4'24 SEKm		Q1'25 SEKm		Q2'25 SEKm		Q3'25 SEKm
Impairment gains and losses	77	Positive revaluation, Poland							
Derecognition gains and losses									
Total operating income	**77**		**0**		**0**		**0**		**0**
Personnel expenses			-22	Re-structuring, Spain	-4	Re-structuring, Spain			
Other administrative expenses	-22	Strategic project	-35	Re-structuring, Spain, provisions			-25	VAT court ruling in the Netherlands, tax provisions	
Depreciation and amortisation of tangible and intangible assets									
Total operating expenses	**-22**		**-56**		**-4**		**-25**		**0**
Profit/loss before tax from continuing operations	**55**		**-56**		**-4**		**-25**		**0**

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