

PRESS RELEASE

Stockholm

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Hoist Finance provisions for tax risk and provides Q2 update

Due to recent correspondence with the Swedish Tax Agency concerning an ongoing tax audit regarding cross-jurisdictional allocation of profits, Hoist Finance has decided to provision for a potential tax risk. The audit has resulted in a negative advance notice from the Tax Agency with regards to a legacy setup established in 2014 for Polish assets. The process is in an early stage, but Hoist Finance has decided to provision for a potential unfavorable decision by the court. The negative impact on the Q2 result is estimated at around SEK -100m.

“We believe that we have made a correct profit allocation, but the matter is complex and difficult. A prudent approach will be taken while awaiting the administrative court’s interpretation of the current tax legislation”, says Fredrik Erneholm, Head of Tax at Hoist Finance.

The financial figures for the second quarter 2021 are preliminary, and the final report will be published on July 21, 2021. Net profit/loss is expected at approx. SEK -50m, and net profit/loss adjusted for IAC is expected at approx. SEK 60m. Portfolio acquisitions are expected at around SEK 850m, and the capital position remains stable with an estimated CET1 ratio of around 9.6 per cent. The preliminary financials for Q2 2021 are stated below:

- Total operating expenses: SEK ~590m
- Profit/loss before tax: SEK ~50m
- Profit/loss before tax adjusted for IAC: SEK ~65m
- Net profit/loss: SEK ~-50m
- Net profit/loss adjusted for IAC: SEK ~60m
- Portfolio acquisitions: SEK ~850m
- CET1 ratio: ~9.6 per cent

“The underlying performance is on par with the first quarter, but I see significant potential for improvement. Our main priority is to get back to growth and to accelerate our efforts to improve the operational performance and cost-effectiveness of the company”, says Per Anders Fasth, CEO of Hoist Finance.

This information is information that Hoist Finance AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets

Act. The information was submitted for publication by Andreas Lindblom at 15:00 CET on 8 July 2021.

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About Hoist Finance

Hoist Finance is a trusted debt resolution partner to individuals, companies and banks in thirteen European countries. With over 1,600 dedicated colleagues, smart digital solutions and a deep understanding of individual financial circumstances, we help over six million customers keep their commitments. This is achieved by agreeing on sustainable repayment plans so that everyone is included within the financial ecosystem. Hoist Finance has a diverse portfolio of asset classes and our online savings platform in Sweden and Germany enables our unique funding model. Hoist Finance was founded in 1994 and is today a public company listed on Nasdaq Stockholm. For more information, please visit hoistfinance.com.