PRESS RELEASE
Stockholm
13 April 2022

Hoist Finance divests UK unsecured operations

Hoist Finance has entered into an agreement with Lowell to divest its UK credit management subsidiary including unsecured NPL portfolios. The enterprise value of the transaction is approx. SEK 4,500 million and represents 108 per cent of Hoist Finance's unsecured book value.

"The divestment of the UK unsecured operations is a result of our commitment to invest and operate where we can generate attractive risk-adjusted returns. Our UK unsecured business has generated low returns during many years. It involves substantial fixed and semi-fixed costs, and thus scale will be a prerequisite for long-term success. Our UK unsecured platform does not have sufficient size, and it will perform better as a part of Lowell's larger operations. The sale provides Hoist Finance with the opportunity to grow and invest in portfolios where we can generate higher returns", says Lars Wollung, CEO.

The transaction is earnings, capital and return on equity (RoE) accretive at closing. The net pre-tax transaction gain amounts to approx. SEK 140 million, the CET1 ratio is expected to increase by approx. 280 basis points, and RoE is improving by approx. 1 percentage point in 2022, other things being equal.

The book value of the sold unsecured portfolios was approx. SEK 4,150 million, representing approx. 19 per cent of the Group's total portfolios in December 2021.

A portfolio of secured loans of SEK 340 million and group functions will remain operating as usual in the UK.

The transaction is expected to close in the third quarter 2022 and is subject to approval by the UK Financial Conduct Authority (FCA).

A conference call will be held today at 08:30 CEST, when Lars Wollung, CEO and Christian Wallentin, CFO will discuss the transaction. Dial in numbers:

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This information is information that Hoist Finance AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above at 07:00 CEST on 13 April 2022.

About Hoist Finance
Hoist Finance is a trusted debt resolution partner to individuals, companies and banks in eleven European countries. With over 1,500 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, Germany and UK 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.