Interim report
First quarter 2023

Key highlights

- Profit before tax of SEK 162m adjusted for rejuvenation cost of SEK 18m, increased by 113 per cent compared to the first quarter 2022[1)]
- Reported return on equity of 6 per cent. Adjusted for normalised capitalisation levels and rejuvenation costs the return on equity is approx 10 per cent[2)]
- Portfolio book value increased by 29 per cent, adjusted operating income increased by 34 per cent and adjusted operating expenses increased by 22 per cent compared to the first quarter 2022[1)]
- Strong collection performance of 105 per cent compared to plan
- First quarter portfolio investments amounted to SEK 1.9bn
- A stable funding base and improved competitive position in an uncertain and volatile macro environment
- Robust capital and liquidity position materially above regulatory requirements. The CET1 ratio increased by 52 per cent compared to the first quarter 2022

1) To illustrate underlying business performance, the comparative quarter in 2022 on page 6 is adjusted for the divested UK operations and aligned with the hedge accounting introduced 1 July 2022
2) See page 6

SEK 22,892m
Portfolio book value

6%
Return on equity

SEK 0.66
Earnings per share

15.01%
CET1 ratio

Key ratios[1)]

SEK m	Quarter 1 2023	Quarter 1 2022	Change, %	Full-year 2022
Total operating income	766	635	21	2,613
Profit/loss before tax	144	155	−7	490
Adjusted profit/loss before tax [2)]	162	76	113	n/a
Profit/loss for the period	93	179	−48	801
Return on equity, %	6	16	−10 pp	17
Normalised return on equity, % [2)]	10	3.5	6 pp	n/a
Portfolio acquisitions	1,909	1,311	46	6,928
Basic and diluted earnings per share, SEK	0.66	1.00	−34	3.55

SEK m	31 Mar 2023	31 Mar 2022	Change, %	31 Dec 2022
Gross 180-month ERC	35,452	26,904	32	32,946
Portfolio book value	22,892	17,724	29	21,624
CET1 ratio, %	15.01	9.90	52	15.85

1) See Definitions.
2) See page 6.

Statement by the CEO

Dear Shareholders,
It has been an intensive first quarter. To get to know my new colleagues, and to understand the business, I have visited all offices, held town hall meetings, workshops and team events with country management teams, support functions and control functions. When not travelling the markets, my time is spent at the headquarter in Stockholm. We have had a good start of the year with high investment levels, strong collection performance, intensive continued rejuvenation activity and a financial result that shows that we are moving towards achieving our financial objectives – described below in the following sections – The Rejuvenation Journey, The Core Business, Capital Allocation and Risk.

The Rejuvenation Journey
For the first quarter 2023 we report a return on equity of 6 per cent, which is far from our target of 15 per cent. We are however following our plan for the year, and if we adjust for the excess equity we are holding (SEK 4.7bn versus the target level of SEK 3.7bn) and the one-off costs of the rejuvenation program (SEK 18m), we end up with a return on equity of approximately 10 per cent. Additional improvements will come during the year as our book grows and the full effects of the cost savings from the rejuvenation programme kick in. Furthermore, we are gradually replacing the weaker vintages in the backbook with new portfolios acquired at higher returns.

The first quarter's earnings before tax came in at SEK 144m, and adjusted for SEK 18m in rejuvenation one-off costs, SEK 162m. We have continued to execute on our rejuvenation programme according to plan and we are looking forward to closing the program in the third quarter this year. The estimated annual cost savings from the changes carried out during the first half of 2023 is SEK 85m. We should see a majority of the savings coming through the P&L in the third quarter and have full effect in fourth quarter. The one-off costs associated with the programme in total are around SEK 100m.

The goal of the rejuvenation programme, characterised by larger and substantial changes, is to create an NPL Asset Management credit institution that has the capability to meet our financial objectives in the longer term:
» 15 per cent return on equity
» 15 per cent annual earnings per share growth
» 2.3 – 3.3 percentage points CET1 ratio above the regulatory level

From the fourth quarter 2023 we will move into the next development era which we call continuous improvements. Everything can always be improved a little bit every quarter, and we will have the organisation to execute accordingly.

The Core Business
We are satisfied with the first quarter's investment level of SEK 1.9bn, especially given that the first quarter normally is a seasonally weak quarter. We are also proud to announce that we have entered the Swedish NPL market, with a portfolio acquisition of around SEK 1.2bn. As a consequence of the increased interest rates the NPL market is changing. In the primary NPL market, sellers and buyers have different price expectations and hence are having trouble meeting each other, resulting in lengthier sales processes, and in a few cases, cancelled deals. We expect this to rebalance as 2023 progresses.

At the same time, the activity in the much larger secondary NPL market has increased significantly. As industry players review their strategies and financial positions, new opportunities arise. Specialisation is accelerating, and as a result, a large number of transactions are coming to market. These are typically bi-lateral discussions, and the transactions are usually sizeable. The pipeline for Hoist Finance remains healthy.

The investment strategy is to only acquire loan portfolios above a return on equity of 15 per cent. Therefore, since the beginning of 2022, all new acquired portfolios have a forecasted return on equity above that level. From January 2022 until end March 2023, we have invested approximately SEK 9bn. The collection level, so far, from these portfolios exceeds the forecasted collection curves.

In the first quarter 2023, our collection performance was 105 per cent, despite headwinds in Spain where the courts were on strike for most of the quarter (they are now open again). We currently do not see any impact of the challenging macro in our collection results, but we continue to closely monitor the situation.

We are continuing our active asset management strategy, and in France, a key market for Hoist Finance, we have successfully onboarded a new portfolio during the first quarter, and in April we divested our unsecured backbook. This portfolio optimisation is a further illustration of what we mean with the concept of being an active NPL asset management institution.

Capital Allocation
The ambition is to double the loan portfolio from around SEK 18bn in the first quarter 2022 (excluding the divested UK subsidiary) to SEK 36bn during a 5-year period, i.e. until the first quarter 2027. This ambition corresponds to an average annual portfolio growth of

15 per cent. Current portfolio book value is around SEK 23bn, an annualised growth rate of around 18 per cent since the new strategy was launched. The SEK 36bn target size represents a small fraction of the total European NPL asset base, so the market volume definitely exists today, and it will still exist in 5 years.

This portfolio growth of 100 per cent can be achieved with a limited increase of the indirect cost level. The reason is that most of the indirect costs are fixed or semi-fixed. A relatively high indirect cost level is required to maintain a high-quality credit institution with robust functions for finance, treasury, business control, legal, communication, information technology, risk, compliance, security and internal audit. We believe a doubling of our NPL portfolio is achievable due to our competitive funding cost and strong capital base. However, the actual portfolio growth depends on the market return levels, and we are not willing to compromise on our return on equity target. The investment levels will therefore vary between quarters.

Given the financial target of a CET1 ratio of 2.3 – 3.3 percentage points above current regulatory level, we will prioritise portfolio acquisitions to the extent they provide a return on equity exceeding 15 per cent.

Our ambition is that, over time, the stock market values Hoist Finance based on the company characteristics of being a high-quality credit institution and a leading consumer NPL asset management company that delivers 15 per cent return on equity and 15 per cent annual earnings growth per share.

Risk

Our balance sheet has the following composition:

Liability side

The liability side of Hoist Finance balance sheet consists mainly of HoistSpar savings accounts. We have 80,000 customers across three countries and currencies (SEK, EUR, GBP). The customers are all private individuals and the maximum balance per individual is SEK 1.05m to ensure that we don't have any single risk exposure. About 60 per cent of the savings accounts are term accounts.

The remaining liabilities consist of a well-diversified bond issuances with different maturities from selected bond investors.

Asset side

The asset side consists mainly of acquired loan portfolios. The remaining assets are cash and well-diversified financial instruments without a material interest rate risk and with minimal credit risk.

The main risk is concentrated to the acquired NPL loan portfolios, and to limit this risk our strategy and execution includes:

- Focus on consumer secured and unsecured loans, as well as company credits where a private person has issued some kind of collateral. Physical persons, with a few exceptions, cannot go bankrupt in the way companies can. Thus, we do not acquire large single risk exposure type of credits or large company loans.
- Our typical portfolio consists of a large amount of customers, where each person's share of the total portfolio is negligible. Therefore, each portfolio is very well diversified. Furthermore, we acquire portfolios in 11 countries and thereby diversify country specific risks. In addition, we acquire portfolios from many different banks, and thus diversifying counterparty specific risks.

Outlook

The first quarter of 2023 has seen significant disturbance in the banking sector around the world, from Silicon Valley Bank in the US to the trusted institution of Credit Suisse in Europe. Throughout this turmoil Hoist Finance has stood strong. Our 80,000 deposit customers have trusted us with their savings, and no outflows outside the usual have been noticeable. We have held an unusually large liquidity reserve throughout the period to ensure shock resistance, and in March, Hoist Finance issued a senior unsecured bond of SEK 1bn in three tranches at competitive rates. The uncertainty in the banking sector remains and we will stay vigilant.

We maintain our industry leading funding cost and strong capital base. In terms of investment volumes going forward, we will maintain our disciplined investment approach and continue our discussions with partners and peers. We had a good investment volume in the first quarter and the activity level for the deal teams continues to be high. We expect modest investment levels in the second quarter as most of the current active pipeline indicates third quarter closings. The fourth quarter, as for the rest of the industry, remains our seasonally strongest investment quarter.

Finally, I want to take this opportunity to thank all my colleagues and the board of directors at Hoist Finance for the fantastic reception they have given me. The energy and engagement of the team is amazing and I look forward to continuing working together to establish Hoist Finance as a leading European NPL asset manager in the years to come.

Best regards,
Harry Vranjes
CEO

Developments during the quarter, Group

Comparative figures for developments during first quarter 2023 pertain to first quarter 2022.

Operating income

Operating income totalled SEK 766m (635) during the period. Net interest income increased to SEK 670m (490). The change is mainly attributable to the larger portfolio and to higher interest rate levels as compared with the comparative quarter. Interest income from acquired loan portfolios totalled SEK 799m (624) and interest expense amounted to SEK –171m (–134). Other interest income, which was positively impacted by returns on the liquidity portfolio due to higher interest rate levels, totalled SEK 42m (0).

Collection performance was 105%. Collections against projections amounted to SEK 154m (144). Portfolio revaluations conducted during the quarter amounted to SEK –90m (–118), of which timing effects accounted for SEK –77m (–97).

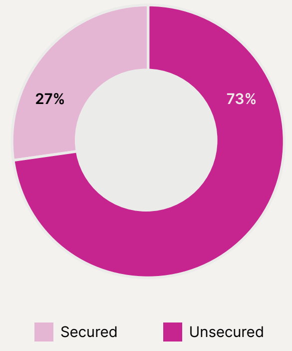
Net result from financial transactions totalled SEK 6m (98). The change is attributable to that Hoist Finance did not apply hedge accounting for interest rate hedging contracts during the comparative period, during which outstanding interest rate hedging contracts were positively driven by an increase in market value. Hoist Finance manages interest rate risk by continuously hedging the Group's interest rate exposure. During the period, Hoist Finance had several interest rate hedging contracts denominated in GBP, PLN and EUR under which Hoist Finance pays fixed interest. To address the effects of interest rate hedging contracts, Hoist Finance applies hedge accounting for unsecured loan portfolios in order to reduce the volatility in net result from financial transactions. Derecognition gains and losses totalled SEK –4m during the quarter, attributable to Hoist Finance's sale of a portfolio in Poland.

SEK m	Quarter 1 2023	Quarter 1 2022
Interest income acquired loan portfolios	799	624
Other interest income	42	0
Interest expense	–171	–134
Net interest income	**670**	**490**
Impairment gains and losses	64	26
of which, realised collections against active forecast	154	144
of which, portfolio revaluations	–90	–118
Fee and commission income	18	17
Net result from financial transactions	6	98
Derecognition gains and losses	–4	–
Other operating income	12	4
Total operating income	**766**	**635**

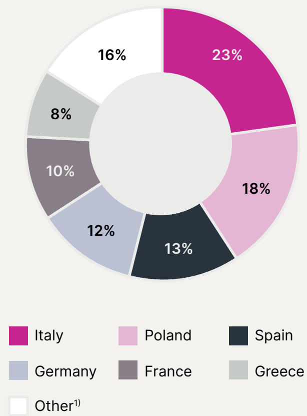
Operating expenses

Operating expenses totalled SEK –633m (–489). The increase is attributable to the larger total portfolio book, which increased costs as well as revenues, as well as to exchange rate fluctuations and items affecting comparability. Personnel expenses totalled SEK –225m (–183). The increase is attributable to inflation-adjusted pay increases, exchange rate fluctuations, and retained UK Group staff, previously accounted for in the divested UK legal entity. Increased portfolio acquisitions during the period affected interest income from acquired loan portfolios, as well as collection costs which totalled SEK –234m (– 171), of which legal collection costs totalled SEK –92 (–77). Portfolio volumes increased during the period and Covid-related restrictions were lifted in many markets, resulting in higher legal collection costs. Collections related to these activities are expected to contribute positively to earnings in coming quarters. Administrative expenses increased during the quarter to SEK –149m (–109) due to higher IT costs.

Breakdown, secured/unsecured portfolio book value



Breakdown, total carrying amount of portfolio book value



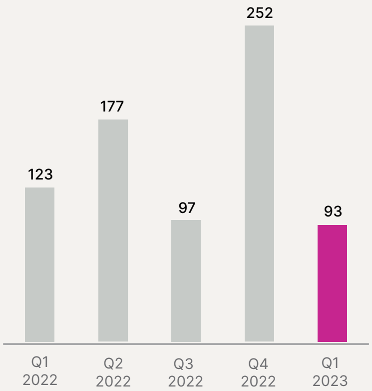
1) Other countries are United Kingdom, the Netherlands, Belgium, Spain and Cyprus

Net profit/loss for the quarter

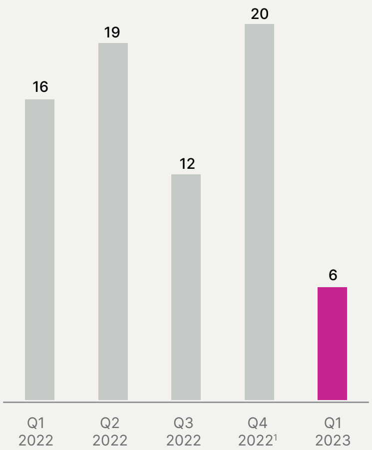
Net profit/loss totalled SEK 93m (179). Income tax expense for the period totalled SEK –51m (–32). The increase in income tax expense for the period was driven in part by large exchange rate fluctuations, which affects tax associated with hedge accounting for shares in subsidiaries SEK –26m, as well as provisions for tax. The provision for tax risks is reviewed every quarter and, for the first quarter 2023, the net change in the provision for uncertain tax positions amounts to SEK –21m. The change is due to factors including ongoing dialogue with relevant tax authorities and revised calculations of different exposures for various outcomes. The effective tax rate for the period was 35 per cent (20).

SEK m	Quarter 1 2023	Quarter 1 2022
Personnel expenses	–225	–183
Collection costs	–234	–171
Other administrative expenses	–149	–109
Depreciation and amortisation	–25	–26
Total operating expenses	**–633**	**–489**
Share of profit from joint ventures	11	9
Profit/loss before tax	**144**	**155**
Income tax expense	–51	–32
Net profit for the quarter from discontinued operations	–	56
Net profit/loss for the quarter	**93**	**179**

Profit/loss after tax from continuing operations, SEK m



Return on equity, %



1) Fourth quarter 2022 include capital gains result from divested operations.

Adjusted comparative figures of the underlying business

In addition to the ordinary financial statements to describe the developments during the quarter, an illustrative adjusted income statement and normalised return on equity are provided to facilitate the comparison of the underlying business performance year over year. This income statement outlines the development year over year adjusting for the impact of the divested UK operations and as if hedge accounting for all interest rate swaps would have been implemented 1 January 2022.

A normalised return on equity is shown to illustrate the return on equity adjusted for rejuvenation costs/ IACs and normalized 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. The capitalisation levels remain as reported in the comparative periods for ease of comparison.

Total operating income grew 34% driven primarily by the growth of the book and strong collection performance of 105%. The growth of the book drove higher total costs, consisting of higher direct costs partially compensated by lower indirect costs year over year. Profit before tax (adjusted for rejuvenation cost of SEK 18m) grew 113%, from SEK 76m to SEK 162m. Normalised return on equity increased from 3.5% to 10%.

SEK m	Quarter 1 2023	Quarter 1 2022	Quarter 1 2022 Adjusted for comparison	Change vs Adjusted, %
Interest income	799	624	624	28
Interest expense[1)]	–129	–134	–95	36
Net interest income	**670**	**490**	529	27
Other income (incl Impair-ment gains and losses	89	46	46	94
Net result from financial transactions[3)]	6	98	–5	<-100
Total operating income	**766**	**635**	**571**	**34**
Total operating expenses[2)]	**–615**	**–489**	**–504**	**22**
Share of profit from joint ventures	11	9	9	22
Profit before rejuvenation	**162**	**155**	**76**	**113**
Rejuvenation cost	–18	–	–	
Profit before tax	**144**	**155**	**76**	**89**
Net profit for the quarter from discontinued operations[4)]	–	56	–	n/a
Net profit/loss for the quarter	**93**	**179**	**60**	**55**

Key ratios	Quarter 1 2023	Quarter 1 2022	Quarter 1 2022 Adjusted for comparison	Change vs Adjusted, %
Return on equity, %	6	16	n/a	n/a
Normalised return on equity, %	10	n/a	3.5	6.5pp
Portfolio acquisitions	1,909	1,311	1,311	46
Portfolio book value	22,892	17,724	17,724	29

1) First quarter 2022 interest expenses adjusted by SEK 39m pertaining to the funding of the divested UK operations.
2) First quarter 2022 operating expenses adjusted by SEK –15m for retained UK Group staff, previously accounted for in the divested UK legal entity.
3) First quarter 2022 net result from financial transaction adjusted for SEK 103m un-realized changes in value aligned with the hedge accounting introduced 1 July 2022.
4) First quarter 2022 adjusted to not include net profit from discontinued operations.

Other information

Balance sheet

Comparative figures for the balance sheet pertain to 31 December 2022.

Total assets decreased SEK 25m as compared with 31 December 2022 and totalled SEK 32,474m (32,499). The largest changes are primarily attributable to a SEK 1,304m decrease in cash and interest-bearing securities and an increase in portfolio book value to SEK 22,892m (21,624). Other assets decreased SEK 58m.

SEK m	31 March 2023	31 Dec 2022	Change, %
Cash and interest-bearing securities	7,937	9,241	–14
Portfolio book value	22,892	21,624	6
Value change of interest-hedged items in portfolio hedging	78	9	767
Other assets[1]	1,567	1,625	–4
Total assets	**32,474**	**32,499**	**0**
Deposits from the public	17,880	18,581	–4
Debt securities issued	6,654	5,545	20
Subordinated debt	930	903	3
Total interest-bearing liabilities	**25,464**	**25,029**	**2**
Other liabilities[1]	1,215	1,726	–30
Equity	5,795	5,744	1
Total liabilities and equity	**32,474**	**32,499**	**0**

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

Total interest-bearing debt amounted to SEK 25,464m (25,029). In Sweden, deposits from the public amounted to SEK 6,486m (6,687), of which SEK 2,652m (2,771) is attributable to fixed term deposits of one- to three-year duration. Deposits from the public in Germany totalled SEK 10,079m (10,584), of which SEK 7,783m (7,926) is attributable to fixed term deposits of one- to five-year duration.

At 31 March 2023, the outstanding bond debt totalled SEK 7,584m (6,448), of which SEK 6,654m (5,545) was comprised of senior unsecured liabilities.

Other liabilities totalled SEK 1,215m (1,726). Equity totalled SEK 5,795m (5,744).

Cash flow

Comparative figures for cash flow pertain to the period Jan – March 2022

SEK m	Quarter 1 2023	Quarter 1 2022	Change, %
Cash flow from operating activities	522	1,742	–70
Cash flow from investing activities	114	–1,578	>100
Cash flow from financing activities	42	93	–55
Cash flow for the period	**678**	**257**	**>100**

Cash flow from operating activities totalled SEK 522m for the quarter, as compared with SEK 1,742m during the 2022 comparative period. Amortisation of portfolio book value totalled SEK 977m (1,125). In addition, changes in other assets and liabilities amounted to SEK –709m (291), mainly attributable to other liabilities and collaterals in the risk management of interest rate- and currency risk.

Cash flow from investing activities totalled SEK 114m (–1,578), with portfolio acquisition activity totalling SEK –1,909m (–1,311). Re-entry to the Swedish NPL market corresponded to portfolio acquisitions of approximately SEK 1,200m. Portions of the liquidity portfolio were also sold during the quarter, corresponding to SEK 1,989m.

Cash flow from financing activities totalled SEK 42m (93). Net outflow from deposits from the public totalled SEK –882m (152). Hoist Finance also issued three senior unsecured bonds during the quarter for a total amount of SEK 1,000m, corresponding to a total cash flow of SEK 955m including transaction costs.

Total cash flow for the period amounted to SEK 678m, as compared with SEK 257m for the 2022 comparative period.

Capital adequacy

Comparative figures for capital adequacy pertain to 31 December 2022.

At the close of the quarter the CET1 ratio was 15.01 per cent (15.85) for the Hoist Finance consolidated situation. CET1 capital totalled SEK 4,156m (4,172). The risk-weighted exposure amount has increased to SEK 27,686m (26,313) since the previous year.

The minimal decrease in the CET1 ratio since the turn of the year was due mainly to new portfolio acquisitions which reduced the ratio by –1.09%, while collections on existing NPL portfolios during the quarter contributed to an increase of 0.20%. The Group's positive result for the quarter, recognised in own funds, increased the CET1 ratio by 0.25%. Exchange rate revaluations in NPL portfolios reduced the ratio by –0.13%. The NPL backstop also had an impact of –0.11% on the CET1 ratio through deductions in own funds.

Revaluation of securitised positions resulted in lower market values and lower risk weights. This contributed to a lower risk-weighted exposure amount and an increase in the CET1 ratio by 0.11%.

All capital ratios meet regulatory requirements. A 30% deduction for possible future dividends has been taken from consolidated profit/loss.

Total capital amounts to SEK 6,193m (6,181) and the total capital ratio is 22.37 per cent (23.49).

For Parent Company the CET1 ratio was 12.99 per cent (14.62).

Parent Company

Comparative figures for the Parent Company pertain to first quarter 2022.

Net interest income for the Parent Company totalled SEK 305m (256) during the first quarter. The change was primarily driven by an increase in portfolio acquisitions in combination with rising interest levels. Hoist Finance also acquired a portfolio in the Swedish market during the quarter, while intra-group interest income increased due to a lower proportion of loans to subsidiaries.

Net result from financial transactions totalled SEK –112m (67). The increase is mainly attributable to a change in the market value of bonds and interest rate and FX hedging contracts.

Other operating income totalled SEK 51m (49), driven primarily by group-wide services. Operating expenses were higher and amounted to SEK –387m (–286), with the increase in expenses due primarily to higher costs for consultant fees and IT. Profit before credit losses totalled SEK –143m (86).

Impairment gains totalled SEK 53m (24), derived primarily from positive portfolio revaluations and credit reserves for performing loans. During the quarter there was no write-down requirement for shares in subsidiaries (SEK –35m).

Earnings before tax totalled SEK –78m (93) and tax expense during the quarter amounted to SEK –9m (–26). Comprehensive income for the Parent Company totalled SEK –87m (67).

Risks and uncertainties

Hoist Finance's broad geographic presence diversifies credit exposure and reduces overall risk, but also involves a complex regulatory landscape. New and amended bank and credit market company regulations may affect Hoist Finance directly (e.g., via Basel IV capital and liquidity regulations) and indirectly through the impact of similar regulations on the market's supply of loan portfolios.

Hoist Finance's cross-border operations in various currencies entail exposure to exchange rate risks. Hoist Finance is also exposed to interest rate risks, due primarily to differences in maturities of interest-bearing assets and liabilities. In addition, Hoist Finance is exposed to operational risks, a broad and extensive risk area that includes potential process disruptions, regulatory compliance, fraud, etc. A final risk area is liquidity risk; for example, a sudden and unexpected net outflow of deposits.

Geopolitical tensions, mainly surrounding the situation in Ukraine, are the strongest uncertainty factor and are driving the development of risks, directly and indirectly. This creates uncertainty about macro-economic development and companies' and households' financial situation. For Hoist Finance, this may result in reduced collections as well as an increased supply of non-performing loans.

Development of risks

All risk exposures have been managed within risk appetite and associated limits during the quarter. The overall risk situation increased somewhat during the quarter, due mainly to greater uncertainty in the banking sector following events surrounding Silicon Valley Bank (SVB) and Credit Suisse. It is highly unlikely, however, that Hoist Finance will experience a situation similar to SVB's due to Hoist Finance's strong liquidity and capital position. In addition, approximately 60 per cent of Hoist Finance's deposits are fixed-term and, unlike SVB, 99,98% of Hoist Finance deposits are covered by deposit guarantee schemes.

Collection performance for credit portfolios was above forecasts during the quarter. In order to further diversify the Company's assets in a positive way from a risk perspective, Hoist Finance continues to assess new opportunities to acquire portfolios of non-performing secured loans. During the first quarter, Hoist Finance entered into an agreement with Lowell to acquire a Swedish portfolio of unsecured non-performing loans. The nominal value is approximately SEK 8.1 bn and the total investment approximately SEK 1.2 bn. The investment is in line with the business strategy and business plan and therefore also within risk appetite and capital targets. The investment signifies Hoist Finance's establishment in the Swedish market and involves the establishment of a new organisational unit, processes and procedures for managing Swedish portfolios.

The current geopolitical situation has had no material impact on credit risk in Hoist Finance's NPL portfolios, and exposure in general is well within the risk appetite. However, we are closely monitoring developments to analyse how a weakened economy over a long period may affect risk in the NPL credit portfolios.

Credit risk in the liquidity portfolio remains low, as investments are made in government, municipal and covered bonds of high credit quality. Hoist Finance has an internal framework for follow-up and oversight of the Group's operational risks. The Group is committed to continuously improving the quality of its internal procedures to minimise operational risks. The level of operational risks is deemed to be unchanged from previous quarters.

Market risks remain low, as Hoist Finance continuously hedges interest rate and FX risks in the short and medium term. Additional information on developments during the quarter is provided in the Net Profit section. Liquidity risk is deemed to continue to be low. The securitisation of asset portfolios is an effective method of managing the regulatory changes introduced in December 2018 (the NPL prudential backstop regulation).

Related-party transactions

The nature and extent of related-party transactions remain essentially unchanged since 31 December 2022, the only change being the agreement entered quarter 1 2023 by Lars Wollung, via Wollung & Partners, for consultancy work over and above his board work.

Group structure

Hoist Finance AB (publ), corporate identity number 556012-8489, is the parent company in the Hoist Finance Group. Hoist Finance is a Swedish publicly traded limited liability company, headquartered in Stockholm, Sweden. Hoist Finance AB (publ) has been listed on NASDAQ Stockholm since March 2015.

Hoist Finance AB (publ) is a credit market company under the supervision of the Swedish FSA. The operating Parent Company, including its subgroup, acquires and holds loan portfolios, which are managed by the Group's subsidiaries or foreign branch offices. These units also provide commission-based administration services to third parties and services within the Hoist Finance Group.

Other disclosures

For a more detailed description of the Group's legal structure, please refer to the 2022 Annual Report.

Subsequent events

Post the first quarter 2023, Hoist Finance has undertaken to sell a significant part of its unsecured portfolios in France. The sale is part of the proactive Asset Management strategy review that Hoist Finance Management performs on a continuous basis. The transaction will prepare the French platform for significant expected growth in future volume. The portfolio was sold at a premium and the transaction includes servicing revenues until the portfolio is transferred.

Review

This interim report has not been reviewed by the Company's auditors.

Quarterly Review

Condensed income statement

SEK m	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022
Net interest income	670	586	560	530	490
Total operating income	766	652	595	734	635
Total operating expenses	–633	–676	–522	–527	–489
Net operating profit/loss	133	–24	73	207	146
Profit/loss before tax	144	5	116	218	155
Net profit/loss from discontinued operations	–	237	56	40	56
Net profit/loss	**93**	**255**	**153**	**217**	**179**

Key ratios[1)]

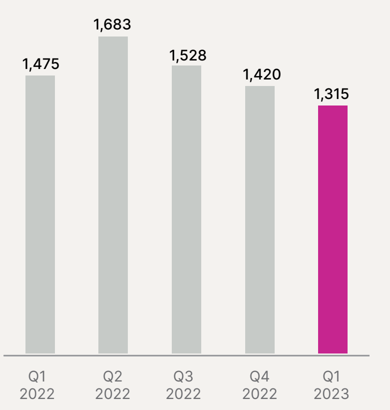
SEK m	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022
Cash EBITDA	1,315	1,420	1,528	1,683	1,475
C/I ratio, %	81	99	82	71	76
Return on equity, %	6	20	12	19	16
Portfolio acquisitions	1,909	2,767	342	2,508	1,311
Basic and diluted earnings per share from continuing operations, SEK	0.66	0.19	0.70	1.66	1.00

SEK m	31 March 2023	31 Dec 2022	30 Sep 2022	30 June 2022	31 March 2022
Gross 180-month ERC	35,452	32,946	28,846	29,615	26,904
Portfolio book value	22,892	21,624	19,370	19,680	17,724
Total capital ratio, %	22.37	23.49	19.2	15.01	15.63
CET1 ratio, %	15.01	15.85	12.23	9.6	9.9
Number of employees (FTEs)	1,323	1,304	1,455	1,478	1,496

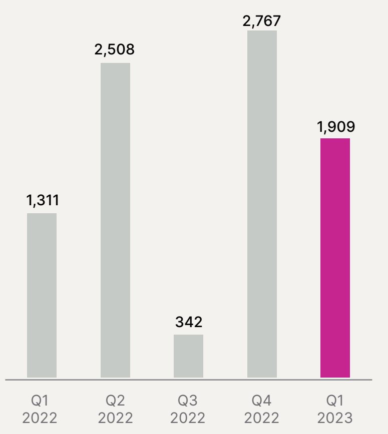
1) See Definitions

For details on items affecting comparability for previous quarters, please refer to the Financial Fact Book: hoistfinance.com/Investors/reports-and-presentations2/

Cash EBITDA, SEK m



Portfolio acquisitions, SEK m



Financial statements

Consolidated income statement

SEK m	Note	Quarter 1 2023	Quarter 1 2022	Full-year 2022
Interest income acquired loan portfolios calculated using the effective interest rate method		799	624	2 678
Other interest income [1)]		42	0	50
Interest expense		–171	–134	–562
Net interest income		**670**	**490**	**2,166**
Impairment gains and losses	4	64	26	53
Fee and commission income		18	17	66
Net result from financial transactions		6	98	309
Derecognition gains and losses		–4	–	–
Other operating income		12	4	20
Total operating income	3	**766**	**635**	**2,613**
Personnel expenses		–225	–183	–766
Collection costs		–234	–171	–764
Other administrative expenses		–149	–109	–575
Depreciation and amortisation of tangible and intangible assets		–25	–26	–109
Total operating expenses	3	**–633**	**–489**	**–2,214**
Net operating profit/loss		**133**	**146**	**399**
Share of profit from joint ventures	3	11	9	91
Profit/loss before tax	3	**144**	**155**	**490**
Income tax expense		–51	–32	–79
Net profit from discontinued operations		–	56	389
Net profit/loss		**93**	**179**	**801**
Profit/loss attributable to:				
Owners of Hoist Finance AB (publ)		59	146	706
Additional Tier 1 capital holders		34	33	95
Basic and diluted earnings per share continuing operations, SEK		0.66	1.00	3.55
Basic and diluted earnings per share discontinued operations, SEK		–	0.63	4.36
Basic and diluted earnings per share total, SEK		0.66	1.63	7.91

1) Of which interest income calculated using the effective interest method amount to SEK 5.9m (0.9) during quarter 1, SEK 16m during full-year 2022.

Condensed consolidated statement of comprehensive income

SEK m	Quarter 1 2023	Quarter 1 2022	Full-year 2022
Net profit/loss for the period	**93**	**179**	**801**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of defined benefit pension plan	–	–	13
Tax attributable to items that will not be reclassified to profit or loss	–	–	–
Total items that will not be reclassified to profit or loss	**–**	**–**	**13**
Items that may be reclassified subsequently to profit or loss			
Translation difference, foreign operations	90	–2	247
Hedging of currency risk in foreign operations	–126	–30	–475
Transferred to the income statement during the year [1)]	1	1	210
Tax attributable to items that may be reclassified to profit or loss	26	6	98
Total items that may be reclassified subsequently to profit or loss	**–8**	**–25**	**80**
Other comprehensive income for the period	**–8**	**–25**	**93**
Total comprehensive income for the period	**85**	**154**	**894**
Profit/loss attributable to:			
Owners of Hoist Finance AB (publ)	51	121	799
Additional Tier 1 capital holders	34	33	95

1) Due to discontinued operations SEK –206m has been transferred to the income statement during full year 2022.

Consolidated balance sheet

SEK m	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Cash		0	0	0
Treasury bills and Treasury bonds	5	1,392	1,530	2,789
Lending to credit institutions	5	4,440	2,415	2,358
Lending to the public	5	1	3	1
Portfolio book value	3,4	22,892	17,724	21,624
Value change of interest-hedged items in portfolio hedging		78	–	9
Bonds and other securities	5	2,105	3,755	4,094
Shares and participations in joint ventures		189	144	188
Intangible assets		287	347	297
Tangible assets		211	179	221
Other assets		555	339	694
Deferred tax assets		115	84	116
Prepayments and accrued income		209	84	108
Assets held for sale		–	4,718	–
TOTAL ASSETS		**32,474**	**31,322**	**32,499**
LIABILITIES AND EQUITY				
Liabilities				
Deposits from the public	5	17,880	18,418	18,581
Debt securities issued	5	6,654	5,158	5,545
Tax liabilities		121	142	107
Other liabilities		723	1,029	1,158
Deferred tax liabilities		84	91	85
Accrued expenses and deferred income		238	166	329
Provisions		49	58	47
Subordinated debts		930	855	903
Liabilities held for sale		–	342	–
Total liabilities		**26,679**	**26,259**	**26,755**
Equity				
Additional Tier 1 capital holders		1,106	1,106	1,106
Share capital		30	30	30
Other contributed equity		2,275	2,275	2,275
Reserves		–322	–419	–314
Retained earnings including profit/loss for the period		2,706	2,071	2,647
Total equity		**5,795**	**5,063**	**5,744**
TOTAL LIABILITIES AND EQUITY		**32,474**	**31,322**	**32,499**

Consolidated statement of changes in equity

SEK m	Share capital	Other contributed equity	Hedge reserve	Translation reserve	Retained earnings including profit/loss for the period	Total	Additional Tier 1 capital holders	Total equity
	Equity attributable to shareholders of Hoist Finance AB (publ)		Reserves					
Opening balance 1 Jan 2023	**30**	**2,275**	**–687**	**373**	**2,647**	**4,638**	**1,106**	**5,744**
Comprehensive income for the period								
Profit/loss for the period[1]					59	59	34	93
Other comprehensive income			–98	90	0	–8		–8
Total comprehensive income for the period			**–98**	**90**	**59**	**51**	**34**	**85**
Transactions reported directly in equity								
Interest paid on Additional Tier 1 capital							–34	–34
Total transactions reported directly in equity							**–34**	**–34**
Closing balance 31 Mar 2023	**30**	**2,275**	**–785**	**463**	**2,706**	**4,689**	**1,106**	**5,795**

SEK m	Share capital	Other contributed equity	Hedge reserve	Translation reserve	Retained earnings including profit/loss for the period	Total	Additional Tier 1 capital holders	Total equity
	Equity attributable to shareholders of Hoist Finance AB (publ)		Reserves					
Opening balance 1 Jan 2022	**30**	**2,275**	**–473**	**79**	**1,924**	**3,835**	**1,106**	**4,941**
Comprehensive income for the period								
Profit/loss for the period[1]					146	146	33	179
Other comprehensive income			–23	–2	0	–25		–25
Total comprehensive income for the period			**–23**	**–2**	**146**	**121**	**33**	**154**
Transactions reported directly in equity								
Interest paid on Additional Tier 1 capital							–33	–33
Share-based payments [2]					1	1		1
Total transactions reported directly in equity					**1**	**1**	**–33**	**–32**
Closing balance 31 Mar 2022	**30**	**2,275**	**–496**	**77**	**2,071**	**3,957**	**1,106**	**5,063**

SEK m	Share capital	Other contributed equity	Hedge reserve	Translation reserve	Retained earnings including profit/loss for the period	Total	Additional Tier 1 capital holders	Total equity
	Equity attributable to shareholders of Hoist Finance AB (publ)		Reserves					
Opening balance 1 Jan 2022	**30**	**2,275**	**–473**	**79**	**1,924**	**3,835**	**1,106**	**4,941**
Comprehensive income for the period								
Profit/loss for the period[1]					706	706	95	801
Other comprehensive income			–214	294	13	93		93
Total comprehensive income for the period			**–214**	**294**	**719**	**799**	**95**	**894**
Transactions reported directly in equity								
Interest paid on Additional Tier 1 capital							–95	–95
Share-based payments [2]					4	4		4
Total transactions reported directly in equity					**4**	**4**	**–95**	**–91**
Closing balance 31 Dec 2022	**30**	**2,275**	**–687**	**373**	**2,647**	**4,638**	**1,106**	**5,744**

1) Net profit for the period includes reclassifications of hedging reserves and historical exchange rate effects that were realised in profit/loss upon the sale of the disposal group of operations in the UK, amounting to SEK –206m net after tax.
2) For more information on share-based payments, see Hoist Finance Annual report 2022.

Condensed consolidated cash flow statement

SEK m	Quarter 1 2023	Quarter 1 2022	Full-year 2022
Profit/loss before tax	**144**	**209**	**490**
– of which, paid-in interest	841	773	2,727
– of which, interest paid	–61	–64	–562
Adjustment for other items not included in cash flow	130	155	30
Realised result from divestment of shares and participations in joint ventures	0	–18	3
Net profit/loss for the period attributable to discontinued operations	–	–	164
Income tax paid/received	–20	–20	–113
Amortisations on acquired loan portfolios	977	1,125	4,588
Increase/decrease in other assets and liabilities	–709	291	–1,318
Cash flow from operating activities	**522**	**1,742**	**3,844**
Acquired loan portfolios	–1,909	–1,311	–6,928
Disposed loan portfolios	24	–	–
Investments in bonds and other securities	–	–402	–1,878
Divestments of bonds and other securities	1,989	128	1,254
Divested subsidiaries	–	–	500
Other cash flows from investing activities	10	7	–77
Cash flow from investing activities	**114**	**–1,578**	**–7,129**
Deposits from the public	–882	152	–452
Net lending attributable to discontinued operations	–	–	4,965
Debt securities issued	995	7	880
Repurchase and repayment of Debt securities issued	–24	–20	–918
Interest paid on Additional Tier 1 capital	–34	–33	–95
Amortisation of lease liabilities	–13	–13	–50
Cash flow from financing activities	**42**	**93**	**4,330**
Cash flow for the period	**678**	**257**	**1,045**
Cash at beginning of the period	4,809	3,625	3,625
Translation difference	28	22	139
Cash at end of the period[3)]	**5,515**	**3,904**	**4,809**

3) Cash and cash equivalents in cash flow statement

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Cash	0	0	0
Treasury bills and Treasury bonds	1,392	1,530	2,789
Lending to credit institutions	4,440	2,665	2,358
excl. lending to credit institutions in securitisation vehicles	–317	–291	–338
Total cash and cash equivalents in cash flow statement	**5,515**	**3,904**	**4,809**

Parent Company

Parent Company condensed income statement

SEK m	Quarter 1 2023	Quarter 1 2022	Full-year 2022
Interest income	461	375	1661
Interest expense	–156	–119	–513
Net interest income	**305**	**256**	**1,148**
Net result from financial transactions	–112	67	42
Other operating income	51	49	260
Total operating income	**244**	**372**	**1,450**
General administrative expenses	–375	–272	–1,307
Depreciation and amortisation of tangible and intangible assets	–12	–14	–55
Total operating expenses	**–387**	**–286**	**–1,362**
Profit before credit losses	**–143**	**86**	**88**
Impairment gains and losses on acquired loan portfolios	53	24	54
Amortisation of other financial fixed assets	0	–35	–36
Share of profit from joint ventures	12	18	65
Profit/loss before tax	**–78**	**93**	**171**
Appropriations	–	–	60
Taxes	–9	–26	14
Net profit/loss	**–87**	**67**	**245**

Parent company condensed statement of comprehensive income

SEK m	Quarter 1 2023	Quarter 1 2022	Full-year 2022
Net profit/loss	**–87**	**67**	**245**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation difference, foreign operations	0	0	0
Tax attributable to items that may be reclassified to profit or loss	0	0	–
Total items that may be reclassified subsequently to profit or loss	0	0	0
Other comprehensive income for the period	**0**	**0**	**0**
Total comprehensive income for the period	**–87**	**67**	**245**

Parent Company condensed balance sheet

SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Cash	5,012	3,134	4,236
Portfolio book value	10,420	7,186	9,107
Receivables, Group companies	7,251	14,955	7,456
Bonds and other securities	2,105	3,755	4,094
Shares in subsidiaries and joint ventures	4,912	832	4,840
Tangible and intangible fixed assets	131	214	145
Other assets	666	412	692
TOTAL ASSETS	**30,497**	**30,488**	**30,570**
LIABILITIES AND EQUITY			
Liabilities			
Deposits from the public	17,880	18,418	18,581
Debt securities issued	6,167	4,699	5,053
Other liabilities	637	1,574	1,030
Provisions	37	35	36
Subordinated debts	930	855	903
Total liabilities and provisions	**25,651**	**25,581**	**25,603**
Untaxed reserves	**225**	**285**	**225**
Equity			
Restricted equity	52	113	52
Total restricted equity	**52**	**113**	**52**
Non-restricted equity			
Additional Tier 1 capital holders	1,106	1,106	1,106
Non-restricted equity attributable to shareholders	3,463	3,403	3,584
Total unrestricted equity	**4,569**	**4,509**	**4,690**
Total equity	**4,621**	**4,622**	**4,742**
TOTAL LIABILITIES AND EQUITY	**30,497**	**30,488**	**30,570**

Notes

Note 1 Accounting principles

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations thereof as adopted by the European Union. The accounting follows 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 Reporting Board's RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The Parent Company Hoist Finance AB (publ) prepares its interim reports 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, is also applied.

Change in accounting principles 2023

No IFRS or IFRIC Interpretations that came into effect in 2023 had any significant impact on the Group's financial reports or capital adequacy.

In all material respects, the Group's and Parent Company's accounting principles, bases for calculation and presentation remain unchanged from those applied in the 2022 annual report.

Critical estimates and judgements

Hoist Finance continuously monitors the development of the Group's loan portfolios and markets and the ways in which these are impacted by macroeconomic factors.

As regards developments in Ukraine, Hoist Finance's assessment is that this does not currently affect our business, as no operations are conducted in Ukraine or Russia.

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. This might then affects the valuation of our credit portfolios.

There have been no changes to the previous estimates, assumptions and assessments presented in the 2022 Annual Report.

For Subsequent events according to IAS 34.16A, please see page 7.

Note 2 Exchange rates

SEK	Quarter 1 2023	Quarter 1 2022	Full-year 2022
1 EUR = SEK			
Income statement (average)	11.1960	10.4801	10.6232
Balance sheet (at end of the period)	11.2760	10.3384	11.1283
1 GBP = SEK			
Income statement (average)	12.6736	12.5267	12.4639
Balance sheet (at end of the period)	12.8142	12.1702	12.5811

SEK	Quarter 1 2023	Quarter 1 2022	Full-year 2022
1 PLN = SEK			
Income statement (average)	2.3678	2.2703	2.2684
Balance sheet (at end of the period)	2.4135	2.2255	2.3741
1 RON=SEK			
Income statement (average)	2.2756	2.1187	2.1541
Balance sheet (at end of the period)	2.2784	2.0901	2.2484

Note 3 Segment reporting

Operating 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 customer 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 loan 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 acquired loan portfolio assets 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 for the Group's corporate financial transactions, expenses for deposits from the public, and other operating expenses.

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.

Income statement, Quarter 1, 2023

SEK m	Unsecured	Secured	Group items	Total continuing operations
Total operating income	**567**	**146**	**53**	**766**
of which, interest expense	–123	–41	–7	–171
Operating expenses				
Direct expenses[1]	–318	–49	–	–367
Indirect expenses[1]	–205	–58	–3	–266
Total operating expenses	**–523**	**–107**	**–3**	**–633**
Share of profit from joint ventures	11			11
Profit/loss before tax	**55**	**39**	**50**	**144**
Key ratios[2]				
Direct contribution	249	97	53	398
Portfolio book value	16,654	6,238	–	22,892

1) Direct expenses are expenses directly attributable to the Business line. Indirect expenses are expenses related to support functions.
2) See Definitions

Note 3 Segment reporting, continue

Income statement, Quarter 1, 2022

SEK m	Unsecured	Of which discontinued operations Unsecured[3]	Secured[4]	Group items	Total continuing operations
Total operating income	**562**	**148**	**94**	**127**	**635**
of which, interest expense	–135	–	–24	25	–134
Operating expenses					
Direct expenses[1]	–253	–45	–33	–2	–243
Indirect expenses[1]	–258	–48	–36	0	–246
Total operating expenses	**–511**	**–93**	**–69**	**–2**	**–489**
Share of profit from joint ventures	9				
Profit/loss before tax	**60**	**55**	**25**	**125**	**155**
Key ratios[2]					
Direct contribution	309	103	61	125	392
Portfolio book value	17,463	3,982	4,243	–	17,724

1) *Direct expenses are expenses directly attributable to the Business line. Indirect expenses are expenses related to support functions.*
2) *See Definitions.*
3) *Discontinued operation excludes internal transactions, internal interest expense for discontinued operation is SEK –39m.*
4) *Discontinued operation includes an amount of SEK –0.1m attributable to Secured pertaining to direct costs that are not broken down in the segment, but are reported in "of which, discontinued operation Unsecured".*

Income statement, full-year 2022

SEK m	Unsecured	Of which discontinued operations Unsecured[3]	Secured[4]	Group items	Total continuing operations
Total operating income	**2,201**	**398**	**352**	**458**	**2,613**
of which, interest expense	–529		–112	79	–562
Operating expenses					
Direct expenses[1]	–1,240	–136	–166	–	–1,270
Indirect expenses[1]	–900	–120	–150	–14	–944
Total operating expenses	**–2,140**	**–256**	**–316**	**–14**	**–2,214**
Share of profit from joint ventures	91				91
Profit/loss before tax	**152**	**142**	**36**	**444**	**490**
Key ratios[2]					
Direct contribution	961	262	186	458	1,343
Portfolio book value	15,286	–	6,338	–	21,624

1) *Direct expenses are expenses directly attributable to the Business line. Indirect expenses are expenses related to support functions.*
2) *See Definitions.*
3) *Discontinued operation excludes internal transactions, internal interest expense for discontinued operation is SEK –145m.*
4) *Discontinued operation includes an amount of SEK –3m attributable to Secured pertaining to direct costs that are not broken down in the segment, but are reported in "of which, discontinued operation Unsecured".*

Note 4 Portfolio book value

Portfolio book value, 31 Mar, 2023

Acquired credit-impaired loan portfolios

SEK m	Gross carrying amount	Loss allowance Stage 1 12MECL	Stage 2 LECL	Stage 3 LECL	POCI	Loss Allowance	Net carrying amount
Opening balance 1 Jan 2023	**20,989**				**1**	**1**	**20,990**
Acquisitions	1,909						1,909
Interest income	782						782
Gross collections	–1,732						–1,732
Impairment gains and losses					64	64	64
of which, realised collections against active forecast					154	154	154
of which, portfolio revaluations					–90	–90	–90
Disposals	–29				0	0	–29
Translation differences	288				4	4	292
Closing balance 31 March 2023	**22,207**				**69**	**69**	**22,276**

Acquired performing loan portfolios

SEK m	Gross carrying amount	Stage 1 12MECL	Stage 2 LECL	Stage 3 LECL	POCI	Loss Allowance	Net carrying amount
Opening balance 1 Jan 2023	**640**	**–1**	**–1**	**–4**		**–6**	**634**
Interest income	17						17
Amortisations and interest payments	–44						–44
Changes in loss allowance	–	0	0	0		0	0
Derecognitions	0					0	0
Translation differences	9	0	0	0		0	9
Closing balance 31 March 2023	**622**	**–1**	**–1**	**–4**		**–6**	**616**
Total closing balance 31 March 2023	**22,829**	**–1**	**–1**	**–4**	**69**	**63**	**22,892**

The performing loan portfolios follow the ECL model in accordance with IFRS 9 for write-downs based on changes in credit risk following first recognition under the 3-step model.

The non-performing loan portfolios are acquired at a price significantly below the nominal receivable and are classified from day one as an acquired credit-impaired receivable. Accordingly, on day one the receivables are recognised at acquisition price with no additional ECL. Expected cash flow is continuously monitored pursuant to our revaluation policy and any new adjustments to cash flow that affect the value are booked against the accumulated reserve.

Note 4 Portfolio book value, cont

Portfolio book value, 31 Mar, 2022

Acquired credit-impaired loan portfolios

SEK m	Gross carrying amount	Portfolio book value related to the disposal group, Gross carrying amount	Loss allowance Stage 1 12MECL	Loss allowance Stage 2 LECL	Loss allowance Stage 3 LECL	Loss allowance POCI	Loss allowance Portfolio book value related to the disposal group, POCI)	Loss Allowance, continuing operations	Net carrying amount, continuing operations
Opening balance 1 Jan 2022	**21,111**	**–4,587**				**–470**	**423**	**–47**	**16,477**
Acquisitions	1,311								1,311
Interest income	754	–145							609
Gross collections	–1,856	332							–1,524
Impairment gains and losses						30	–3	27	27
of which, realised collections against active forecast						144	0	144	144
of which, portfolio revaluations						–114	–3	–118	–117
Disposals									
Translation differences	157	–2				–4	0	–4	151
Closing balance 31 March 2022	**21,477**	**–4,402**				**–444**	**420**	**–24**	**17,051**
Acquired performing loan portfolios									
Opening balance 1 Jan 2022	**702**		**–1**	**–1**	**–4**			**–6**	**696**
Interest income	15								15
Amortisations and interest payments	–38								–38
Changes in loss allowance	0		0	0	0			0	0
Translation differences	0		0	0	0			0	0
Closing balance 31 March 2022	**679**		**–1**	**1**	**–4**			**–6**	**673**
Total closing balance 31 March 2022	**22,156**	**–4,402**	**–1**	**–1**	**–4**	**–444**	**420**	**–30**	**17,724**

Note 4 Portfolio book value, cont

Portfolio book value, 31 Dec 2022

Acquired credit-impaired loan portfolios

			Loss allowance						
SEK m	Gross carrying amount	Portfolio book value related to the disposal group, Gross carrying amount	Stage 1 12MECL	Stage 2 LECL	Stage 3 LECL	POCI	Portfolio book value related to the disposal group, POCI[1)]	Loss Allowance, continuing operations	Net carrying amount, continuing operations
Opening balance 1 Jan 2022	**21,111**	**−4,587**				**−470**	**423**	**−46**	**16,477**
Acquisitions	6,928								6,928
Interest income	3,028	−413							2,615
Gross collections	−7,520	945							−6,575
Impairment gains and losses						37	16	53	53
of which, realised collections against active forecast						524	19	543	543
of which, portfolio revaluations						−487	−3	−490	−490
Disposals[1)]	−4,163	4,163				447	−447	0	0
Translation differences	1,605	−108				−13	8	−5	1,492
Closing balance 31 December 2022	**20,989**	**0**				**1**	**0**	**1**	**20,990**

Acquired performing loan portfolios

SEK m	Gross carrying amount	Portfolio book value related to the disposal group, Gross carrying amount	Stage 1 12MECL	Stage 2 LECL	Stage 3 LECL	POCI	Portfolio book value related to the disposal group, POCI	Loss Allowance, continuing operations	Net carrying amount, continuing operations
Opening balance 1 Jan 2022	**702**		**−1**	**−1**	**−4**			**−6**	**696**
Interest income	63								63
Amortisations and interest payments	−159								−159
Changes in loss allowance	–		0	0	0			0	0
Derecognitions	−1		–	–	–			–	−1
Translation differences	35		0	0	0			0	35
Closing balance 31 December 2022	**640**		**−1**	**−1**	**−4**			**−6**	**634**
Total closing balance 31 December 2022	**21,629**	**0**	**−1**	**−1**	**−4**	**1**	**0**	**−5**	**21,624**

1) Disposal of Acquired credit-impaired loan portfolios refers to sold disposal group of operations in the UK.

Note 5 Financial instruments

Carrying amount and fair value of financial instruments, 31 Mar 2023[1]

SEK m	Assets/liabilities recognised at fair value through profit or loss	Hedging instruments	Amortised cost	Total carrying amount	Fair value
Cash	–	–	0	0	0
Treasury bills and treasury bonds	1,392	–	–	1,392	1,392
Lending to credit institutions	–	–	4,440	4,440	4,440
Lending to the public	–	–	1	1	1
Portfolio book value	–	–	22,892	22,892	23,503
Bonds and other securities	2,105	–	–	2,105	2,105
Derivatives	8	107	–	115	115
Other financial assets	–	–	406	406	406
Total	**3,505**	**107**	**27,739**	**31,351**	**31,962**
Deposits from the public	–	–	17,880	17,880	17,645
Derivatives	3	87	–	90	90
Debt securities issued	–	–	6,654	6,654	5,514
Subordinated debt	–	–	930	930	860
Other financial debts	–	–	856	865	856
Total	**3**	**87**	**26,320**	**26,410**	**24,964**

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

Carrying amount and fair value of financial instruments, 31 Mar 2022 [1]

SEK m	Assets/liabilities recognised at fair value through profit or loss	Hedging instruments	Amortised cost	Total carrying amount	Fair value
Cash	–	–	0	0	0
Treasury bills and treasury bonds	1,530	–	–	1,530	1,530
Lending to credit institutions	–	–	2,415	2,415	2,415
Lending to the public	–	–	3	3	3
Portfolio book value	–	–	17,724	17,724	18,447
Bonds and other securities	3,755	–	–	3,755	3,755
Derivatives	174	98	–	272	272
Other financial assets	–	–	43	43	43
Total	**5,459**	**98**	**20,185**	**25,742**	**26,465**
Deposits from the public	–	–	18,418	18,418	18,418
Derivatives	8	20	–	28	28
Debt securities issued	–	–	5,158	5,158	5,318
Subordinated debt	–	–	855	855	822
Other financial debts	–	–	1,156	1,156	1 ,156
Total	**8**	**20**	**25,587**	**25,615**	**25,742**

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

Note 5 Financial instruments, cont

Carrying amount and fair value of financial instruments, 31 Dec 2022 1)

SEK m	Assets/liabilities recognised at fair value through profit or loss	Hedging instruments	Amortised cost	Total carrying amount	Fair value
Cash	–	–	0	0	0
Treasury bills and treasury bonds	2,789	–	–	2,789	2,789
Lending to credit institutions	–	–	2,358	2,358	2,358
Lending to the public	–	–	1	1	1
Portfolio book value	–	–	21,624	21,624	24,261
Bonds and other securities	4,094	–	–	4,094	4,094
Derivatives	32	134	–	165	165
Other financial assets	–	–	504	504	504
Total	**6,915**	**134**	**24,487**	**31,536**	**34,172**
Deposits from the public	–	–	18,581	18,581	18,332
Derivatives	23	151	–	174	174
Debt securities issued	–	–	5,545	5,545	5,372
Subordinated debt	–	–	903	903	845
Other financial debts	–	–	1,253	1,253	1,253
Total	**23**	**151**	**26,282**	**26,456**	**25,976**

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

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

Level 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 measurements, 31 Mar 2023

SEK m	Level 1	Level 2	Level 3	Total
Treasury bills and Treasury bonds	1,392	–	–	1,392
Bonds and other securities	2,105	–	–	2,105
Derivatives	–	115	–	115
Total assets	**3,497**	**115**	–	**3,612**
Derivatives	–	90	–	90
Total liabilities	–	**90**	–	**90**

Fair value measurements, 31 Mar 2022

SEK m	Level 1	Level 2	Level 3	Total
Treasury bills and Treasury bonds	1,530	–	–	1,530
Bonds and other securities	3,755	–	–	3,755
Derivatives	–	272	–	272
Total assets	**5,285**	**272**	**–**	**5,557**
Derivatives	–	28	–	28
Total liabilities	**–**	**28**	**–**	**28**

Fair value measurements, 31 Dec 2022

SEK m	Level 1	Level 2	Level 3	Total
Treasury bills and Treasury bonds	2,789	–	–	2,789
Bonds and other securities	4,094	–	–	4,094
Derivatives	–	165	–	165
Total assets	**6,883**	**165**	**–**	**7,048**
Derivatives	–	174	–	174
Total liabilities	**–**	**174**	**–**	**174**

Note 6 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.

The Company's statutory capital requirements are determined primarily by Regulation (EU) No 575/2013 of the European Parliament and of the Council and the Capital Buffers Act (SFS 2014:966).

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.

Internally assessed capital requirement

As per 31 March 2023 the internally assessed capital requirement was SEK 2,622m (SEK 2,569m per 31 December 2022), of which SEK 408m (464) was attributable to Pillar 2.

SEK m		Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	4,156	4,172	3,471	3,480	3,391
2	Tier 1 capital	5,263	5,278	4,578	4,586	4,497
3	Total capital	6,193	6,181	5,449	5,439	5,352
Risk-weighted exposure amounts						
4	Total risk exposure amount	27,686	26,313	28,376	36,234	34,236
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.01	15.85	12.23	9.6	9.9
6	Tier 1 ratio (%)	19.01	20.06	16.13	12.66	13.14
7	Total capital ratio (%)	22.37	23.49	19.20	15.01	15.63
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0	0	0	0	0
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.00 pp	0.00 pp	0.00 pp	0.00 pp	0.00 pp
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.00 pp	0.00 pp	0.00 pp	0.00 pp	0.00 pp
EU 7d	Total SREP own funds requirements (%)	8	8	8	8	8
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0	0	0	0	0
9	Institution specific countercyclical capital buffer (%)	0.23	0.1	0.03	0	0
EU 9a	Systemic risk buffer (%)	0	0	0	0	0
10	Global Systemically Important Institution buffer (%)	0	0	0	0	0
EU 10a	Other Systemically Important Institution buffer (%)	0	0	0	0	0
11	Combined buffer requirement (%)	2.73	2.60	2.53	2.50	2.50
EU 11a	Overall capital requirements (%)	10.73	10.60	10.53	10.50	10.50
12	CET1 available after meeting the total SREP own funds requirements (%)	7.01	7.85	4.23	1.60	1.90

Note 6 Capital adequacy, cont

SEK m		Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022
Leverage ratio						
13	Total exposure measure	31,277	31,433	31,671	30,694	30,903
14	Leverage ratio (%)	16.83	16.79	14.45	14.94	14.55
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0	0	0	0	0
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00 pp	0.00 pp	0.00 pp	0.00 pp	0.00 pp
EU 14c	Total SREP leverage ratio requirements (%)	3	3	3	3	3
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0	0	0	0	0
EU 14e	Overall leverage ratio requirement (%)	3	3	3	3	3
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	4,760	4,963	4,314	4,328	4,735
EU 16a	Cash outflows – Total weighted value	2,241	2,252	2,216	2,355	2,190
EU 16b	Cash inflows – Total weighted value	2,759	2,526	2,221	2,341	2,280
16	Total net cash outflows (adjusted value)	601	604	595	630	556
17	Liquidity coverage ratio (%)	844	879	767	740	879
Net Stable Funding Ratio						
18	Total available stable funding	27,585	27,094	27,588	27,463	28,706
19	Total required stable funding	25,046	23,356	24,770	25,427	23,706
20	NSFR ratio (%)	110	116	111	108	121

Note 7 Liquidity risk

This note provides information required to be disclosed under the provisions of FFFS 2010:7, including applicable amendments, regarding the management of liquidity risks in credit institutions and investment firms.

Liquidity risk is the risk of difficulties in obtaining funding, and thus not being able to meet payment obligations at maturity without a significant increase in the cost of obtaining means of payment.

Because the Group's revenues and expenses are relatively stable, liquidity risk is primarily associated with the Group's funding which is based on deposits from the public. By definition this way of funding has a risk of major outflows of deposits at short notice. The overall objective of the Group's liquidity management is to ensure that the Group maintains control over its liquidity risk situation, with sufficient funds in liquid assets or immediately saleable assets to ensure timely discharge of its payment obligations without incurring high additional costs.

Funding is mainly raised in the form of deposits from the public and through the capital markets through the issuance of senior unsecured debts, own funds instruments and equity. 41 per cent (42) of deposits from the public are payable on demand (current account – "flex"), while 59 per cent (58) of the Group's deposits from the public are locked into longer maturities (fixed-term deposits) ranging from one to five years. About 99 per cent of deposits are is fully covered by the Swedish state deposit guarantee.

Funding

	Hoist Finance consolidated situation		Hoist Finance AB (publ)	
SEK m	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Current account deposits	7,369	7,810	7,369	7,810
Fixed-term deposits	10,511	10,772	10,511	10,772
Debt securities issued	6,654	5,545	6,167	5,053
Convertible debt instruments	1,107	1,106	1,107	1,106
Subordinated debts	930	903	930	903
Equity	4,689	4,639	3,515	3,637
Other	1,214	1,724	898	1,289
Balance sheet total	**32,474**	**32,499**	**30,497**	**30,570**

Note 7 Liquidity risk, cont

The Group's Treasury Policy specifies a limit and a target level for the amount of available liquidity and its nature. Available liquidity totalled SEK 7,615m (8,897) as per 31 March 2023, exceeding the limit and the target level by a significant margin.

Hoist Finance's liquidity reserve, presented below pursuant to the Swedish Banker's Association's template, primarily comprises bonds issued by the Swedish government and Swedish municipalities, as well as covered bonds.

Liquidity reserve, Hoist Finance consolidated situation

SEK m	31 Mar 2023	31 Dec 2022
Cash and holdings in central banks	0	0
Deposits in other banks available overnight	4,119	2,014
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	775	1,644
Securities issued or guaranteed by municipalities or other public sector entities	616	1,145
Covered bonds	2,105	4,094
Securities issued by non-financial corporates	–	–
Securities issued by financial corporates	–	–
Other	–	–
Total	**7,615**	**8,897**

Hoist Finance has a liquidity contingency plan for managing liquidity risk. This identifies specific events that may trigger the contingency plan and require actions to be taken

Note 8 Pledges, contingent liabilities and commitments

	Group		Parent Company	
SEK m	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Restricted bank balances	2	2	0	0
Acquired portfolios in the securitisation structures	845	949	-	–
Pledged assets	**847**	**952**	**0**	**0**
Contingent liabilities	**105**	**105**	**105**	**105**
Forward flow contracts	126	79	126	79
Signed but not settled acquisitions	–	–	–	–
Commitments	**126**	**79**	**126**	**79**

Pledged assets in the Group pertain to restricted bank balances and a portion of the portfolio book value in the Marathon SPV S.r.l. and Giove SPV S.r.l. securitisation structures pledged as security for bonds held by external investors.

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.

The Group's contingent liability originates from two separate VAT cases. The Swedish Tax Agency has issued its decision in one case, and Hoist Finance expects it may take up to 3–5 years before the issue is finally settled in court. We have received a first instance judgment in the other case, and Hoist Finance expects it may take approximately 2–3 years before the issue is finally resolved.

For both cases, Hoist Finance considers it more likely that Hoist Finance will prevail in court and, accordingly, no provision has been made.

Assurance

The Board of Directors and the CEO hereby give their assurance that the interim report provide a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm May 3 2023

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
Chief Executive Officer

Definitions – including Alternative Performance Measures

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, and Cash 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/reports-and-presentations2/, provides details on the calculation of key figures.

Performance measures according to IFRS and other legislation

Average number of employees
Average number of employees during the year converted to full-time posts (FTEs). The calculation is based on the total average number of FTEs per month divided by the year's twelve months.

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 acquired loan portfolio consists of a number of defaulted consumer loans or debts and SME loans that arise from the same originator.

Cash EBITDA
EBIT (operating earnings), less depreciation and amortization ("EBITDA") adjusted for net of collections and interest income from acquired loan portfolios.

C/I ratio
Total operating expenses in relation to Total operating income and Share of profit from joint ventures.

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+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.

Legal collection
Legal collections relate to the cash received following the initiation of Hoist Finance's litigation process. This process assesses customers' solvency and follows regulatory and legal requirements.

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

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 posts (FTEs).

SME
A company that employs fewer than 250 people and has either annual turnover of EUR 50m or less or a balance sheet total of EUR 43m or less.

About Hoist Finance

Hoist Finance is an asset manager specialised in non-performing loans. For more than 25 years, we have focused on investing in and managing debt portfolios. We are a partner to international banks and financial institutions across Europe, acquiring non-performing loan portfolios. We are also a partner to consumers and SMEs in a debt situation, creating long-term sustainable repayment plans enabling them to convert non-performing debt to performing debt. We are present in 13 markets across Europe and our shares are listed on Nasdaq Stockholm. For more information, please visit hoistfinance.com.

Financial calendar

Annual General Meeting 2023	**May 10 2023**
Interim report Q2 2023	**July 28 2023**
Interim report Q3 2023	**November 1 2023**
Year-end report 2023	**February 7 2024**

Presentation

A combined presentation and teleconference will be held on 4 May at 09:30 AM (CEST). If you wish to participate via webcast please use the link below.
https://ir.financialhearings.com/hoist-finance-q1-2023

If you wish to participate via teleconference, please register on the link below. After registration you will be provided a phone number and a conference ID to access the conference. You can ask questions verbally via the teleconference.
https://conference.financialhearings.com/teleconference/?id=200721

Contact

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The interim report and investor presentation are available at www.hoistfinance.com

Additional financial information and pillar 3 disclosures are available in Hoist Finance Fact Book which is published quarterly on https://www.hoistfinance.com/investors/

Hoist Finance AB (publ) (the "Company" or the "Parent") is the parent company of the Hoist Finance group of companies ("Hoist Finance"). The company is a regulated credit market company. Hence, Hoist Finance produces financial statements in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

The information in this interim report has been published by Hoist Finance AB (publ) pursuant to the EU Market Abuse Regulation and the Securities Market Act. This information was submitted for publication through the agency of the contact person set out above, on 4 May 2023, kl 07.30 CEST.