

## Press release

Stockholm 26 February 2015

# Hoist Finance announces its intention to launch an initial public offering and listing on Nasdaq Stockholm

**Hoist Finance AB (publ) (“Hoist Finance” or the “Company”) today announces its intention to launch an initial public offering and listing (the “IPO”) of its shares on Nasdaq Stockholm. Hoist Finance is a leading debt restructuring partner to international banks, with debt purchase and debt collection activities in eight countries across Europe and retail deposit operations in Sweden. The Company specializes in the purchase and management of unsecured non-performing consumer loans originated by international banks and other financial institutions.**

Hoist Finance expects that the IPO will support the Company’s future growth and operational strategy, and provide improved access to capital markets and a diversified base of new Swedish and international shareholders. The Company also expects that the listing of its shares on Nasdaq Stockholm will increase the public profile of the Company and its business.

The listing committee of Nasdaq Stockholm has approved the Company’s shares for listing, subject to customary conditions, such as the approval of a prospectus by the Swedish Financial Supervisory Authority (Swe. *Finansinspektionen*) as well as fulfillment of the distribution requirements in respect of the Company’s shares, no later than on the first day of trading, which, in line with previous communications, is expected to be during the first half of 2015.

### **Jörgen Olsson, CEO of Hoist Finance comments:**

*“Over the last several years we have established Hoist Finance as a leading debt restructuring partner to international banks, and over the past three years we have been the largest pan-European investor in non-performing unsecured consumer debt originated by banks and financial institutions. We see significant opportunities ahead, to a large extent driven by the implementation of the Basel III regulations, which is expected to result in banks further reducing their balance sheets. The IPO will give us improved access to capital markets, which will facilitate our strategy to continue to grow our business, both in existing and new markets.”*

### **Ingrid Bonde, Chairman of Hoist Finance’s Board of Directors comments:**

*“Our status as a “Credit Market Company” and our longstanding relations with international banks and financial institutions, built on an amicable collection model, will serve as a strong platform for our business in the future. Reputation and focus on regulatory compliance will be key competitive advantages going forward.”*



### **About Hoist Finance**

Hoist Finance is a leading debt restructuring partner specializing in the purchase and management of unsecured non-performing consumer loans originated by international banks and other financial institutions. The Company primarily operates through in-house collection centers across Europe, which are complemented, where appropriate, by carefully selected local external debt servicing partners. The total carrying value of Hoist Finance's acquired loans was approximately SEK 8.6 billion<sup>1</sup> as per 31 December 2014.

Hoist Kredit AB (publ), a wholly-owned subsidiary of Hoist Finance, is a regulated "Credit Market Company" under the supervision of the Swedish Financial Supervisory Authority (Swe. *Finansinspektionen*), which enables Hoist Finance to primarily finance itself through a retail deposit platform (HoistSpar) in Sweden. In addition, Hoist Finance utilizes the public capital markets to raise long-term debt and has three outstanding series of notes issued by Hoist Kredit AB (publ) listed on Nasdaq Stockholm.

Hoist Finance's key strengths and strategic priorities

- A leading debt restructuring partner to international banks with a diversified origination network
- Pan-European platform providing diversified geographical risk and scale benefits
- Deep knowledge of operating in a regulated market and status as "Credit Market Company" are key differentiating factors
- Amicable collection model built on mutual agreements with debtors
- Extensive Data Warehouse and disciplined investment process
- Efficient and diversified funding model

Hoist Finance believes there are significant growth opportunities in the markets where it currently operates. In addition, the Company is constantly evaluating new market entry positions according to their underlying characteristics and strategic fit with the Company's growth plans. As a result of its scale, reputation, long-term client relationships and solid financial position, the Company believes that it will be able to capitalize on the portfolio volumes that are anticipated to be offered to the market over the next several years. Hoist Finance aims to continue to strengthen its position as a leading debt restructuring partner to international banks, and has, based on this goal, developed a core strategy underpinned by the following pillars:

- Strengthen and expand in current markets, and grow in select new markets
- Maintain investment discipline and focus on core assets
- Build upon status as a regulated credit institution
- Develop collection strategies with emphasis on in-house collection
- Leverage existing benefits of scale
- Maintain and develop the unique funding base and leverage on solid capital and liquidity positions

---

<sup>1</sup> Excluding run-off consumer loan portfolio and shares and participation in joint venture.

**Hoist Finance operating data and key metrics**

SEK million unless otherwise stated	Years ended 31 December		
	2012	2013	2014
Gross cash collections <sup>2</sup>	887.3	1,641.0	2,541.3
Total revenue	667.2	1,275.1	1,660.6
EBIT	127.9	326.2	529.6
EBIT margin (%)	19.2	25.6	31.9
Net profit	28.7	116.9	180.1
Portfolio acquisitions <sup>3</sup>	1,511.2	3,265.8	3,226.8
Carrying value <sup>4</sup>	3,363.9	5,997.9	8,586.8
120-month ERC <sup>5</sup>	5,980.5	10,672.6	15,576.2
CET 1 ratio (%)	8.0	5.6	9.4

**About the industry**

Selling non-performing loans to debt purchasers represents an attractive alternative for banks and financial institutions as it strengthens the seller's capital ratios and releases immediate cash proceeds. Additionally, banks' core operations are typically lending money and taking deposits, while they are generally not specialists in collecting defaulted claims. By selling overdue debt, banks avoid the costs and challenges associated with maintaining in-house debt collection infrastructure, and can focus on their core operations.

In 2014, the market value of the non-performing loans<sup>6</sup> sold in Europe was approximately EUR 2 billion<sup>7</sup>, and the volumes have grown significantly in recent years. The Company expects the market to continue to grow in the years to come, driven by several strong underlying trends including e.g.:

- Shortage of capital among banks due to new bank regulations
- Large NPL stock accumulated in recent years
- Secular outsourcing trend among European banks
- Upside in collection rates due macro-economic recovery and higher disposable income

<sup>2</sup> Gross cash collections include payments made on claims in the Company's purchased portfolios.

<sup>3</sup> Excluding run-off consumer loan portfolio and investments in joint venture.

<sup>4</sup> Excluding run-off consumer loan portfolio and shares and participation in joint venture.

<sup>5</sup> ERC (Estimated Remaining Collections) means the sum of future projected gross cash collections on purchased portfolios for a set period of time.

<sup>6</sup> Defined as non-performing unsecured consumer loans originated by banks and financial institutions.

<sup>7</sup> Estimate based on a market study commissioned from a leading international third-party consultancy firm produced during 2014.

Other key industry trends that are expected to be beneficial for large established debt purchasers with focus on compliance and governance are:

- Increasing regulation for debt purchasers as the industry becomes more mature
- Increasing focus on reputation and relationships
- Size and scale advantages leading to industry consolidation

**Offering highlights**

The IPO of Hoist Finance is expected to comprise newly issued shares corresponding to an amount of approximately SEK 750 million to increase the Company's capital base and to finance further growth opportunities, and sale of existing shares by certain shareholders. The shares will be offered to qualified institutional investors in Sweden and internationally, as well as to the public in Sweden.

Carnegie Investment Bank and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners in the IPO and Citigroup is acting as Joint Bookrunner.

Further announcements relating to the process will be made in due course.

-----  
For further information, please contact:

Anne Rhenman Eklund, Group Head of Communications and IR Hoist Finance AB (publ)

Tel.: +46 (0)8 55 51 77 90

E-mail: [anne.rhenman-eklund@hoistfinance.com](mailto:anne.rhenman-eklund@hoistfinance.com)  
-----

The information above has been published pursuant to the Swedish Securities Markets Act (*Swe. lag om värdepappersmarknaden*) and Swedish Financial Instruments Trading Act (*Swe. lagen om handel med finansiella instrument*).

This information was released for publication at 08.00 CET on 26 February 2015.

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Hoist Finance AB (publ) (the "Company") in any jurisdiction where such offer or sale would be unlawful.

In any EEA Member State, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member State, the "Prospectus Directive"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This document and the information contained herein are not for distribution in or into the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

Any offering of the securities referred to in this communication will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements. This communication is an advertisement and not a prospectus for the purposes of the Prospectus Directive. Investors should not subscribe for any securities referred to in this communication except on the basis of information contained in a prospectus.

#### Forward-Looking Statements

Matters discussed in this communication may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intend," "may," "plan," "estimate," "will," "should," "could," "aim" or "might," or, in each case, their negative, or similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this presentation are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or any obligation to update or revise the statements in this presentation to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this document.



NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL

**The information, opinions and forward-looking statements contained in this communication speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.**