

DISCLOSURE OF INFORMATION CONCERNING THE REMUNERATION POLICY AND THE REMUNERATION SYSTEMS

The following remuneration information is disclosed in accordance with article 450 in the Regulation (EU) No 575/2013 ("CRR"), chapter 2 section 11 of the Swedish Financial Supervisory Authority's regulations FFFS 2011:1 as well as chapter 8 of the Swedish Financial Supervisory Authority's regulations FFFS 2014:12.

Decision process for the remuneration policy

The Board of Directors of Hoist Finance AB (publ) ("HOFI") has adopted a remuneration policy that is applicable to all employees within the consolidated situation of HOFI (the "Group"). The remuneration policy is, inter alia, based on FFFS 2011:1 and the EBA Guidelines on sound remuneration policies 2021/04 and aims to be fully compliant with the undertakings imposed therein. Following FFFS 2011:1, the remuneration policy is based on an analysis of risks related to the remuneration policy and the remuneration system. The Board of Directors decides whether or not variable remuneration to senior management shall be paid out and on the amount to be paid out.

Remuneration Committee

The Board of Directors has established a remuneration committee to prepare its remuneration decisions. The Remuneration Committee shall consist of at least two members of the Board. All Committee members except the chairman shall be independent of the Company and its executive management. The members of the Remuneration Committee shall have sufficient knowledge and experience of risk management and remuneration matters. The Remuneration Committee's duties are outlined in instructions adopted by the Board of Directors. The remuneration committee shall have at least two meetings per year. During 2024 eight (8) meetings were held.

The Remuneration Committee shall make an independent evaluation of the Group's remuneration policy and its systems for determining and paying remuneration and report the result to the Board of Directors. The remuneration committee shall further prepare matters (i) in which the Board of Directors shall determine the remuneration to senior management and employees responsible for any of the internal Group control functions and, (ii) recommend the measures that are to be applied in order to ensure full compliance with the remuneration policy.

Principles for determining remuneration

The remuneration policy requires that employees are rewarded for doing a good job, for growing a sustainable business for all stakeholders and for building a company characterized by the Group's shared values. The remuneration policy further requires that employees are offered a fair and market aligned remuneration package that contains financial and non-financial components to support the development journey of the Group and the individual.

Remuneration within the Group primarily consists of fixed remuneration which is sometimes combined with variable remuneration to ensure an appropriate, balanced and market aligned remuneration package for all employees. Different variable remuneration schemes exist, and are applicable to different categories of employees. For senior management and other selected participants, the Group offers a variable cash-based remuneration scheme where part of the remuneration is deferred for up to three years.

In the scheme for senior management, financial targets will determine 80% and non-financial targets will determine 20% of the variable remuneration attributable to 2024. The financial targets for 2024 were based on Return on Equity (RoE). The non-financial targets for the financial year 2024 are, for risk takers who are not members of the executive management team, well defined and documented individual objectives. For the executive management team the non-financial targets are based on input from an Engagement index (employee survey). Criteria for the performance assessment and risk adjustment may vary depending on the goal setting program and the category of employees concerned.

Measuring of results and risk adjustment

The result and all measures used as a basis for the variable remuneration (cash flow, earnings, profitability or other) shall be measured and risk adjusted. In order to mitigate the risk of disproportionate costs, which could affect the Group's ability to meet its current capital requirements and/or foreseeable capital needs, remuneration must also be in proportion to the Group's and the local entities' earning capacity, profits, liquidity positions and general financial position.

Deferment and payment

When certain criteria are met, variable remuneration shall be deferred. For employees whose work tasks can have material impact on the Group's risk profile (risk takers), whose variable remuneration for one year amounts to at least SEK 200,000, 51 per cent of the variable remuneration shall be deferred for a period of at least three years.

The Board of Directors decides when and if to pay out deferred remuneration. When certain criteria are met, variable remuneration, including deferred parts of variable remuneration, may be suspended in part or in whole. Deferred remuneration may only be paid out if this is defensible with respect to the Group's financial situation and the results of the Group, the profit center concerned and the employee.

Deferred remuneration may be paid out once a year, evenly apportioned over the period for which the remuneration has been deferred. The first deferred payment may be made one year after the variable remuneration in question was decided on.

Ownership

The ownership of the remuneration funds is only passed on to the employee on the decided payment date.

Ratio between fixed and variable remuneration

The Board of Directors has determined a maximum percentage of variable remuneration relative to the fixed remuneration. This percentage varies according to the type of role held by an employee. The maximum amount of variable remuneration paid each year must not exceed 100 per cent of the fixed remuneration.

Result criteria

In the event of variable remuneration to senior management or employees whose work tasks can have a material impact on the Group's risk profile, the total remuneration shall be based on a combination of individual results and the Group or country RoE. Individual results shall be measured on both a financial and non-financial basis. Each decision on variable remuneration shall take into account the employee's compliance with internal rules and procedures, including policies regarding conduct toward customers and investors.

Other variable components and other non-cash benefits

Certain employees may, in exceptional cases, be eligible to other remuneration components such as sign-on remuneration. Employees may also be entitled to other non-cash company benefits such as health care, insurance, car benefit or other benefits.

Remuneration 2024 for senior management and employees whose work tasks can have material impact on the Group's risk profile

The information below relates to the business year of 2024 unless otherwise stated. Variable remuneration concerning 2024 is included even if the remuneration has been determined and/or paid during 2025. The information is presented on the basis of the consolidated situation of the Group.

The key risks for Hoist Finance

Description	Risk profile	Risk management
<p>Credit risk</p> <p>The risk to earnings and/or capital arising from a counterparty's failure to repay principal or interest at the stipulated time or failure to otherwise perform as agreed.</p>	<p>Credit risk refers mainly to acquired loan portfolios and the risk that collections will be lower than forecasted in case of non-performing loans. For acquired performing loans the risk refers to a loss if the borrower fails to meet their credit obligation.</p> <p>Other credit risk exposures are (i) cash deposits with banks, (ii) investments in fixed income instruments, and (iii) counterparty risk relating to hedging of FX and interest rate risk.</p>	<p>Credit risk in acquired loan portfolios is monitored, analysed and managed by the management in each country and by the Group's Business Control function. Other credit risks are analysed and managed by the Treasury function.</p> <p>The Group's Risk Control function analyses and controls all credit risk exposures.</p>
<p>Operational risk</p> <p>The risk of loss resulting from inadequate or failed internal processes, people, IT systems or from external events, including legal and compliance risk.</p>	<p>Large losses and negative incidents due to failures in operations are rare. Given the nature of Hoist Finance's operations, it is not possible or cost effective to try to eliminate all operational risk. The goal is rather to minimise operational risk.</p>	<p>Routines for group-wide incident reporting, tracking of key risk indicators and regular training courses.</p> <p>The "dual-control" is applied to critical decisions and is supported by back-up routines, e.g., in the form of ratified business continuity plans.</p>
<p>ICT risk</p> <p>The risk associated with incidents that affect the confidentiality, accuracy and accessibility of ICT assets</p>	<p>The ICT incidents are typically scalable and can potentially give rise to other risks, such as financial, regulatory and operational risks</p>	<p>Security function is focusing on safeguarding customer data and business-critical information.</p> <p>The function is engaged through all three layers of defence that actively work with security.</p>
<p>Market risk</p> <p>The risk to earnings, capital or liquidity arising from adverse movements in market prices. This includes FX risk and interest rate risk.</p>	<p>The main FX risks arise from the fact that the loan portfolios (the assets) are denominated in EUR, PLN and GBP, while the reporting currency is SEK and the majority of liabilities are denominated in SEK and EUR.</p> <p>Interest rate movements have an effect on net interest income.</p>	<p>Market risks are hedged continuously by the Group's Treasury function and independently analysed and controlled by the Group's Risk Control function.</p>
<p>Liquidity risk</p> <p>The risk of difficulties in obtaining funding and thus, not being able to meet payment obligations at maturity without encountering significantly higher financing costs.</p>	<p>Liquidity risk in Hoist Finance stems primarily from the risk of unexpected outflow of deposits, the risk of cash outflow due to mark-to-market of hedging derivatives and the re-financing risk of existing wholesale funding.</p>	<p>The Group has a significant liquidity reserve to cover potential outflows of liquidity.</p> <p>Liquidity risk monitored on daily and monthly basis by Group's Treasury function and independently analysed and controlled by the Group's Risk Control function.</p>

The following requirements form part of the remuneration policy, and aim at ensuring sound incentives and highlight how risks affect remuneration.

Variable Remuneration schemes shall promote sound risk management and shall not induce excessive risk taking.

The Variable Remuneration scheme shall contain non-financial criteria, meaning i.a. objectives with regard to an Employee's compliance with internal rules and procedures, including policies

regarding conduct toward customers and investors. Pay-out is not made if the Employee has been responsible for any conduct resulting in significant financial losses.

Variable Remuneration shall be aligned with the Group's risk appetite and also take into account capital and liquidity requirements. Risk alignment shall be achieved by using risk adjusted performance criteria that do not incentivize excessive risk taking.

Additional information on remuneration is disclosed in the 2024 annual report.

[Table EU REMA - Remuneration policy](#)

[Template EU REM1 - Remuneration awarded for the financial year](#)

[Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile \(identified staff\)](#)

[Template EU REM3 - Deferred remuneration](#)

[Template EU REM4 - Remuneration of 1 million EUR or more per year](#)

[Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile \(identified staff\)](#)

Table EU REMA - Remuneration policy

Institutions shall describe the main elements of their remuneration policies and how they implement these policies. In particular, the following elements, where relevant, shall be described:

Qualitative disclosures	
	<p>Information relating to the bodies that oversee remuneration. Disclosures shall include:</p> <ul style="list-style-type: none"> • Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.
(a)	<ul style="list-style-type: none"> • External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework. • A description of the scope of the institution's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries. • A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.
	<p>Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:</p> <ul style="list-style-type: none"> • An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders. • Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.
(b)	<ul style="list-style-type: none"> • Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration. • Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee. • Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.</p>
(d)	<p>The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.</p>

Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:

- An overview of main performance criteria and metrics for institution, business lines and individuals.
- An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.
- (e) • Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.
- Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.

Description of the ways in which the institution seeks to adjust remuneration to take account of longterm performance. Disclosures shall include:

- An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.
- (f) • Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).
- Where applicable, shareholding requirements that may be imposed on identified staff.

The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:

- (g) • Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.

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- (h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.

Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.

- (i) • For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.

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- (j) Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.
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EU REM1 - Remuneration awarded for the financial year

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	6	18		22
	Total fixed remuneration	6 322 339	53 498 963		31 404 729
	Of which: cash-based	6 322 339	53 498 963		31 404 729
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments				
	(Not applicable in the EU)				
	Of which: other forms				
	(Not applicable in the EU)				
Variable remuneration	Number of identified staff	0	13		13
	Total variable remuneration	0	31 136 706		9 772 520
	Of which: cash-based	0	31 136 706		9 772 520
	Of which: deferred	0	14 089 368		4 596 953
	Of which: shares or equivalent ownership interests				
	Of which: deferred				
	Of which: share-linked instruments or equivalent non-cash instruments				

	Of which: deferred			
	Of which: other instruments			
	Of which: deferred			
	Of which: other forms			
	Of which: deferred			
Total remuneration (2 + 10)		6 322 339	84 635 669	41 177 249

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d
	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff	N/A	0		0
Guaranteed variable remuneration awards -Total amount	N/A	0		0
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	N/A	0		0
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	N/A	0		
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	N/A	0		

Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	N/A	1		1
Severance payments awarded during the financial year - Total amount	N/A	*		*
Of which paid during the financial year	N/A	*		*
Of which deferred	N/A	*		*
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	N/A	*		*
Of which highest payment that has been awarded to a single person	N/A	*		*

EU REM3 - Deferred remuneration

	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function	0	0	0			-		
Cash-based	0	0	0			-		

Shares or equivalent ownership interests						-		
Share-linked instruments or equivalent non-cash instruments						-		
Other instruments						-		
Other forms						-		
MB Management function	30 534 643	6 189 228	24 345 415			-		
Cash-based	30 534 643	6 189 228	24 345 415			-		
Shares or equivalent ownership interests						-		
Share-linked instruments or equivalent non-cash instruments						-		
Other instruments						-		
Other forms						-		
Other senior management						-		
Cash-based						-		
Shares or equivalent ownership interests						-		

Share-linked instruments or equivalent non-cash instruments						-		
Other instruments						-		
Other forms						-		
Other identified staff	10 323 108	2 535 923	7 787 185			-		
Cash-based	10 323 108	2 535 923	7 787 185			-		
Shares or equivalent ownership interests						-		
Share-linked instruments or equivalent non-cash instruments						-		
Other instruments						-		
Other forms						-		
Total amount						-		

EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	
3	2 000 000 to below 2 500 000	
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	
x	To be extended as appropriate, if further payment bands are needed.	

5	Total remuneration of identified staff										
6	Of which: variable remuneration										
7	Of which: fixed remuneration										