

INTERIM REPORT

JANUARY-MARCH

2025

AVIDA FINANS AB
(PUBL) 556230-9004

AVIDA

STATEMENT BY THE CEO



TRANSFORMING OPERATIONS TO BUILD EFFICIENCY AND SCALABILITY

Avida's transformation, initiated in 2024, continued at full pace during the first quarter. Our focus remains on cost savings, reducing credit losses, and building a more efficient organization. As previously communicated, we expect to achieve yearly cost savings of approximately SEK 200 million.

As part of these efficiency measures, union negotiations were initiated during the quarter with the aim of reducing the

workforce by approximately 30% before mid-2025. This is a necessary step, as Avida currently operates with an organization and cost structure that is too large in relation to its present business volume.

On December 31, 2024, Avida successfully completed the acquisition of Santander Consumer Bank AS's credit card and sales financing operations in Sweden and Norway. Effective from January 1, 2025, the acquired business includes approximately 450,000 private customers and an outstanding performing loan volume of approximately SEK 3.5 billion. The portfolio generated SEK 215,9 million in revenues during the period. Post-acquisition, the acquired operations are managed through Santander's IT systems under outsourcing agreements. Avida is now focused on transitioning these operations into our own systems.

CREDIT CARDS AS A CORE OFFERING

Our primary focus for 2025 is to ensure a smooth integration of the acquired credit card and sales finance business, further development of our offerings, and the realization of synergies to establish a stable and profitable operation. With new leadership in the IT organization and clearly defined priorities, the development and testing of the new technical environment - where these new customers and products will be managed - is progressing rapidly. Our goal is to complete the first stage of integration by the end of Q3 2025. Initial deliveries were achieved during the past quarter, including the issuance of the first credit cards managed by Avida and continued preparations to offer customers mobile payments and modern digital solutions, all in line with the plan.

TRANSFORMATION, EFFICIENCY GAINS, AND COST REDUCTIONS IN FOCUS

The initiated transformation continued during the first quarter. The efficiency program targeting SEK 200 million in yearly cost reductions is progressing well. As part of these efforts, negotiations regarding a workforce reduction of approximately 30 % in Sweden and Norway were initiated. These discussions are ongoing, and the goal of having a leaner and more cost-effective organization in place before mid-year remains.

STREAMLINED PROCESSES AND CLEARER LEADERSHIP DELIVER RESULTS

In Q1 2025, Avida implemented several key initiatives to improve operational efficiency. We streamlined the handling of customer inquiries and improved the monitoring of AML-related cases, resulting in shorter proces-

ing times and increased customer satisfaction. Additionally, the organization has begun a cultural shift emphasizing cost awareness, taking initiative, and accountability, leading to more collaboration and achieving more with fewer resources. Furthermore, the transition to a new digital contact center for customers was successfully completed in just one month.

SHIFT FROM CONSUMER LOANS TO CREDIT CARDS

We maintain a conservative view toward the consumer loan market and deliberately reduced the acquisition of new loan volumes during the quarter. Increased regulation, a prolonged economic downturn, and rising bankruptcies and unemployment all contributed to this strategic decision. Since the beginning of the year, the acquired credit card and retail finance business has begun to generate credit volumes within Avida's operations.

GROWTH POTENTIAL IN THE BUSINESS-TO-BUSINESS SEGMENT

Avida's Business to Business segment has strong growth potential. This applies both to the existing competitive offering - factoring services combined with loans - which has generated several new customers during the period, including an agreement with the Swedish education company Lernia that will launch in the second quarter, as well as to entirely new markets. During the quarter, a decision was made to initiate pilot projects aimed at identifying new profitable growth opportunities.

BUILDING A STRONGER AND PROFITABLE AVIDA

We are in a phase of transformation where we are managing short-term challenges while investing in our long-term competitiveness. To ensure profitability, it is critical that we continue to improve our processes, increase automation and self-service capabilities, and enhance operational efficiency across the organization.

We remain focused on building a cost-efficient and fit-for-purpose organization while ensuring improved credit quality and improved profitability. We see growth potential within the Business to Business segment, where increased volumes are needed. We are taking important steps to build scalable systems and processes for our new product area, credit cards, while also strengthening our collections processes and further developing the risk and pricing model for consumer loans.

We know that success requires hard work, focus, and humility, but we also know it is within reach. Once we have laid the strong foundation we are currently building, Avida will stand stronger than before, positioned to return to profitability.

At the same time, we are closely monitoring developments in the world around us. The trade turbulence has not yet had any direct impact on our business, but we are following the situation carefully. While it is too early to assess its potential effects, we are prepared to take necessary actions and adapt the business if conditions change.

Stockholm, 27 May 2025

Mikael Johansson
CEO

QUARTERLY REVIEW

INCOME STATEMENT

SEK million	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Net interest income	324.8	171.2	172.7	712.1
Total operating income	327.7	184.9	177.0	746.6
Total operating expenses	-179.1	-156.3	-113.5	-501.4
Credit losses, net	-206.2	-536.4	-131.7	-931.1
Profit/loss before tax	-57.6	-507.8	-68.2	-685.9
Net profit or loss for the period	-57.6	-507.9	-66.9	-684.6

BALANCE SHEET

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
Loans to the public	11,240.1	12,283.5	10,545.4
Deposits from the public	11,005.8	10,945.1	10,789.9
Equity	1,678.2	1,730.3	1,513.6

KEY RATIOS

SEK million	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Net interest margin (%)	11.04%	7.45%	6.56%	7.34%
C/I ratio	0.55	0.84	0.64	0.61
Return on equity (%)	NEG	NEG	NEG	NEG
CET1 ratio (%)	13.78%	12.75%	12.48%	12.63%
Loss ratio (%)	-6.97%	-23.3%	-5.0%	-9.4%

For more information on key ratios, see Definitions.

FINANCIAL DEVELOPMENT DURING THE FOURTH QUARTER 2024

Comparative figures for the income statement refer to the fourth quarter of 2024. Comparative figures for the balance sheet refer to 31 December 2024.

Significant events during the quarter

The acquired credit card and sales financing portfolios are now part of Avida's regular operations and are reported under Business to Consumer. As reported in the year-end report, the credit card and sales financing portfolios have increased lending to the public by approximately SEK 3.5 billion in terms of performing volume and with approximately 450,000 customers.

The quarter in Business to Consumer continued to be characterized by restrained new lending for the unsecured loans. In the Business-to-Business business area, business activity is relatively high, and a number of new agreements have been entered into, and these are expected to be implemented during the second quarter.

In February, Avida announced a comprehensive cost-cutting program and negotiations with affected personnel and unions have been initiated and are expected to be completed in the middle of the second quarter. Costs associated with the cost reduction will be charged to the second quarter.

The effect of the cost-cutting programme is expected to take effect in the third quarter at the earliest.

At the end of the quarter, a non-performing portfolio of approximately SEK 438 million was divested, with a loss of SEK 19.6 million.

Furthermore, Avida has continued to strengthen its management team and during the quarter, Lisbeth Alaintalo (Chief Risk Officer), Martin Ahlberg (Chief Credit Officer) and Christina Örn (Head of Business to Consumer) have taken up their positions. Martin Ahlberg previously had an interim assignment.

INCOME STATEMENT

Operating income

Interest income during the quarter amounted to SEK 463.4 (277.1) million. Revenues have increased significantly due to the fact that credit cards and sales financing are part of Avida's customer offering from the first of January. The Business to Consumer segment has increased interest income 403,1 (192,2). Of the revenue increase, credit cards and sales financing account for SEK 215,9 million. Part of the increase in revenue, SEK 63.8 million, is attributable to the effective interest rate method based on the amounts paid by Avida for the portfolios and their actual value. Avida has continued to moderate the issuance of unsecured consumer loans, which, together with repayments and credit provisions, has resulted in a continued decline in

lending volume with reduced interest income during the quarter.

In the Business to Business segment, volume development has increased with SEK 8.1 million due to increased lending of corporate loans and a reduced factoring volume compared to December 2024. Interest income during the quarter amounted to SEK 60.3 (72.1) million, the lower interest revenue is due to lower financed volume in the beginning of the quarter.

Interest expenses for the quarter amounted to SEK -138.6 (-106.0) million, mainly due to increased financed volume in credit cards and sales financing, partly offset by the reduced volume of unsecured consumer loans. Deposit costs decreased during the quarter as a result of lower market interest rates and reduced liquidity, as well as amortization of financing from Santander Corporate Bank. Net interest income for the quarter amounted to SEK 324.8 (171.1) million, of which Business to Consumer increased by SEK 289.3 (114.0) million and Business to Business decreased by SEK 35.5 (47.8) million.

Operating expenses

General administrative expenses amounted to SEK -175.6 (-124.3) million. Total costs for the quarter amounted to SEK -179.1 (-156.3) million. A large part of the costs for the fourth quarter of 2024 related to costs for personnel changes and impairment of assets related to the cooperation agreement with Norwegian Air Shuttle and Strawberry. The costs for the first quarter of 2025 are charged by transformation and migration costs for the acquired credit cards and sales finance portfolios. The underlying cost base has decreased by SEK 10 million compared to the fourth quarter of 2024.

Net Credit Losses

Net credit losses decreased compared to the fourth quarter and amounted to SEK -206.2 (-536.4) million. The decrease is mainly related to the write-downs made in the fourth quarter of 2024 relating to Business to Consumer. Of the SEK 206.2 million credit losses, credit cards and sales financing relate to just over SEK 35.0 million. Furthermore, a non-performing portfolio of Finnish receivables of SEK 438 million has been divested at a loss of approximately SEK 19.6 million. Credit loss provisions in Business to Business amounted to SEK 2.4 million during the quarter and for Business to Consumer of SEK 203.8 million.

Tax costs

During the quarter, no tax expense was reported.

BALANCE SHEET

Lending and financing

Lending to the public amounted to SEK 11,240.1 million as of March 31, 2025, compared to SEK 12,283.5 million on December 31, 2024.

The total lending volume decreased during the quarter as a result of continued restrictive new issuance in the Business to Consumer 9,134.3 (10,177.6) MSEK, Business to Business has increased lending volume with 8.1 MSEK, 2,105.8 (2,097.7) MSEK.

Deposits from the public increased by SEK 60.7 million and amounted to SEK 11,005.8 million as of 31 March 2025. The increase during the quarter is primarily related to amortizations made on financing from Santander Corporate Bank to maintain good liquidity. Financing from Santander regarding credit cards and sales financing was amortized during the quarter by SEK 1,155.5 million and amounts to SEK 2,006.6 million as of the end of March 2025.

Capital

No changes in own funds have occurred during the quarter

OTHER INFORMATION

Material risks and uncertainties

Through its operations as a credit institution with a presence in a number of countries, Avida is exposed to both financial and non-financial risks. Financial risks consist of credit, liquidity and market risks, and non-financial risks relate to strategic and operational risks. All risk exposures were managed within the company's risk appetite and risk limit during the quarter.

The first quarter of 2025 has been characterized by extensive turbulence based on the tariff changes proposed by the US administration. The Swedish Riksbank has announced an updated interest rate path and with a more uncertain outlook in the short term for the Swedish economy. The ECB has lowered its policy rate during the quarter with similar justification as the Swedish Riksbank. The Norwegian central bank has kept the key interest rate unchanged during the quarter. During the quarter, Avida adjusted deposit rates slightly for SEK and EUR but kept the interest rate level relatively intact for NOK. The inflation rate in the countries where Avida operates has stabilized.

Avida has a strong capital and liquidity position, and all deposits are covered by the government's deposit guarantee, which creates a stable funding base.

Avida continuously monitors the development of the company's loan portfolio and analyses how the external situation can affect the risk in the portfolios. In the consumer segment, PSD2 data has been incorporated into credit checks to further reduce risk in new lending.

The credit risk in the liquidity portfolio is assessed as low and investments of excess liquidity are made in high-quality government and municipal securities. Market risks remain at a stable level as Avida continuously manages its currency risk through derivatives.

Related party transactions

During the period, normal business transactions with related parties have taken place. The nature and scope of transactions with related parties are unchanged since 31 December 2024 and are presented in the Annual Report.

Events after the end of the quarter

Negotiations with the relevant unions and staff regarding the cost reduction have been almost concluded at the beginning of May.

Expected future development

Avida continues to focus on investing in the customer experience and adapting the cost base for a profitable business with the opportunity to develop the business in the long term. Initially, this is done through the announced cost reduction program and the expanded product offering in credit cards and sales financing.

Overview

This interim report has not been subject to special review by the company's auditors

INCOME STATEMENT

SEK million	Note	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Interest income		463.4	277.1	288.1	1,174.7
Interest expenses		-138.6	-106.0	-115.4	-462.6
Net interest income	4	324.8	171.1	172.7	712.1
Net commission income		8.7	5.5	5.3	20.8
Net result from financial transactions		-5.7	8.1	-2.7	9.2
Other operating income		-0.1	0.1	1.7	4.4
Total operating income		327.7	184.9	177.0	746.6
General administrative expenses		-175.6	-124.3	-111.1	-462.8
Depreciation and amortisation of tangible and intangible assets		-3.6	-31.9	-2.4	-38.6
Total expenses before credit losses		-179.1	-156.3	-113.5	-501.4
Profit/loss before credit losses		148.6	28.6	63.5	245.2
Credit losses, net	5	-206.2	-536.4	-131.7	-931.1
Operating profit/loss		-57.6	-507.8	-68.2	-685.9
Profit/loss before tax		-57.6	-507.8	-68.2	-685.9
Tax on profit or loss for the period		0.0	-0.1	1.3	1.3
Profit or loss for the period		-57.6	-507.9	-66.9	-684.6

STATEMENT OF COMPREHENSIVE INCOME

SEK million	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Profit or loss for the period	-57.6	-507.9	-66.9	-684.6
Currency rate differences when translating foreign operations	5.3	-0.7	1.5	0.8
Sum of items that may be subsequently reclassified to the income statement	5.3	-0.7	1.5	0.8
Total profit or loss for the period	-52.3	-508.6	-65.4	-683.8

STATEMENT OF FINANCIAL POSITION

SEK million	Note	31 Mar 2025	31 Dec 2024	31 Mar 2024
ASSETS				
Cash and balances with central banks		75.9	80.3	80.6
Treasury bills eligible for repayment		1,579.6	1,091.6	837.7
Loans to credit institutions		1,713.6	2,689.6	991.4
Loans to the public	6	11,240.1	12,283.5	10,545.4
Intangible fixed assets		94.0	96.9	61.2
Tangible assets		4.4	4.6	4.5
Current tax asset		46.1	35.6	39.9
Other assets		127.2	83.2	124.1
Prepaid expenses and accrued income		271.8	17.6	24.2
TOTAL ASSETS		15,152.7	16,382.9	12,708.9
LIABILITIES AND EQUITY				
Deposits from the public		11,005.8	10,945.1	10,789.9
Other liabilities		99.6	130.5	86.0
Debt to credit institutions		2,006.6	3,226.0	-
Accrued expenses and prepaid income		115.4	104.4	68.3
Other provisions		2.2	2.1	1.4
Subordinated debt		244.0	244.6	249.6
TOTAL LIABILITIES		13,474.6	14,652.7	11,195.2
EQUITY				
Share capital		14.6	14.6	14.6
Other contributed capital		1,985.2	1,119.5	1,119.6
Additional Tier 1 capital		200.0	200.0	199.7
Other reserves		69.8	46.3	50.1
Retained earnings		-533.8	1,034.4	196.6
Profit for the year		-57.6	-684.6	-66.9
TOTAL EQUITY		1,678.2	1,730.3	1,513.6
TOTAL LIABILITIES AND EQUITY		15,152.7	16,382.9	12,708.9

STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity				Unrestricted equity						Total
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 capital	Premium reserve	Other contributed capital	Translation reserve	Retained earnings	Profit for the year		
Opening balance 1 Jan 2025	14.6	1.8	65.0	200.0	1,119.5	865.8	-11.4	159.5	-684.6	1,730.3	
Transfer of previous year's net profit/loss								-684.6	684.6		
Profit/loss for the year									-57.6	-57.6	
Other comprehensive income							5.3			5.3	
Total comprehensive income							5.3		-57.6	-52.3	
Transfer between restricted and non-restricted equity			2.9						-2.9		
Share issue, net of transaction costs											
Transaction costs on Additional Tier 1 capital								0.4		0.4	
Interest paid on Additional Tier 1 capital								-0.2		-0.2	
Closing balance 31 Mar 2025	14.6	1.8	68.0	200.0	1,119.5	865.8	-6.1	-527.9	-57.6	1,678.2	

SEK million	Restricted equity				Unrestricted equity						Total
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 capital	Premium reserve	Other contributed capital	Translation reserve	Retained earnings	Profit for the year		
Opening balance 1 Jan 2024	14.6	1.8	56.4	199.4	1,119.4		-12.2	193.2	14.1	1,586.9	
Transfer of previous year's net profit/loss								14.1	-14.1		
Profit/loss for the year									-684.6	-684.6	
Other comprehensive income							0.8			0.8	
Total comprehensive income							0.8		-684.6	903.1	
Reclassification within equity			8.6						-8.6		
New share issue, net of transaction costs						865.8				865.8	
Redemption of AT1 capital instruments				-200						-200	
Issuance of AT1 capital instruments				200						200	
Correction previous year				0.6					-0.6		
Transaction costs on Additional Tier 1 capital								-5.8		-5.8	
Interest paid on Additional Tier 1 capital								-32.8		-32.8	
Closing balance 31 Dec 2024	14.6	1.8	65.0	200.0	1,119.5	865.8	-11.4	159.5	-684.6	1,730.3	

CASH FLOW STATEMENT

SEK million	Jan-Mar 2025	Jan-Dec 2024	Jan-Mar 2024
Operating activities			
Operating profit/loss	-57.6	-685.9	-68.2
of which interest income received	447.0	1,151.4	-
of which interest expenses paid	-149.3	-521.2	-
of which recovered credit losses	0.8	-2.0	-
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	3.6	40.8	2.4
Provisions for credit losses	207.0	933.1	131.7
Unrealised changes in assets and liabilities	9.7	2.7	-3.3
Other non-cash items	4.1	4.3	2.7
Income tax paid	-10.5	-36.6	-10.0
Cash flow from operating activities before changes in operating assets and liabilities	154.3	258.4	61.3
Increase (-)/decrease (+) in loans to the public	853.9	-2,698.7	-161.2
Increase (-)/decrease (+) in other assets	-315.6	198.7	129.7
Increase (+)/decrease (-) in deposits from the public	60.7	14.9	-140.3
Increase (+)/decrease (-) in other liabilities	-16.7	41.4	-29.5
Cash flow from operating activities	736.6	-2,185.6	-140.1
Investing activities			
Investments in bonds and other securities	-1,155.6	-769.6	-90.1
Divesments of bonds and other securities	654.4	518.2	102.1
Acquisition of property, plant and equipment	0.3	-1.6	-
Acquisition of intangible assets	0.4	-79.3	-
Gain on liquidation of shares in subsidiary	-	-	-6.8
Cash flow from investing activities	-502.0	-332.2	5.1
Financing activities			
Share issue	-	865.8	-
Debt financing	-1 219.4	3,226.0	-
Interest paid on Additional Tier 1 capital	-9.0	-24.6	-7.1
Cash flow from financing activities	-1,228.4	4,067.1	-7.1
Cash and cash equivalents at beginning of the period	2,769.9	1,214.0	1,214.1
Cash flow for the period	-993.8	1,549.3	-142.1
FX effect	13.4	6.6	
Cash and cash equivalents at end of the period¹	1,789.5	2,769.9	1,072.0
1) CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT			
Cash and balances with central banks	75.9	80.3	80.6
Loans to credit institutions	1,713.6	2,689.6	991.4
Total cash and cash equivalents in the cash flow statement	1,789.5	2,769.9	1,072.0

NOTES

Amounts stated in notes are in SEK million unless otherwise stated.

1 GENERAL INFORMATION

Avida Finans AB (publ) with Corporate ID no. 556230-9004, is authorized by the Swedish Financial Supervisory Authority to operate as a credit market company since 2000. Avida conducts business within deposits and lending to private individuals and corporates in Sweden and through its branches in Norway and Finland: Avida Finans AB NUF, corporate no. 990 728 488 and Avida Finans AB, branch in Finland, corporate no. 2541768-9.

2 ACCOUNTING PRINCIPLES

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. Avida Finans AB (publ) has prepared its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulatory code issued by the Swedish Financial Supervisory Authority's on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), and The Swedish Financial Reporting Board's recommendation RFR2, Accounting for Legal Entities.

The company's accounting principles, bases for calculation and presentation remain essentially unchanged from those applied in the 2024 Annual Report.

CHANGES IN ACCOUNTING PRINCIPLES

On January 1, 2023, the IASB's amendment to IAS 1, Presentation of financial statements, entered into force regarding the requirements for information on applied accounting principles.

Avida has reviewed and updated the accounting principles stated in the annual report to reflect the standard's new materiality requirements. There are no other changes to IFRS or IFRIC that have entered into force in 2024 that have had any significant impact on the company's financial statements or capital adequacy. The calculation of operational risks based on CRR III has had a positive impact on the company's capital adequacy.

KEY ESTIMATES AND ASSESSMENTS

Avida continuously monitors the development of the company's loan portfolio in the countries in which Avida operates and how these are affected by external factors. The macroeconomic situation has contributed to uncertainty in the financial markets during the quarter, based on discussions about increased trade barriers in the form of proposed increased tariffs. Falling interest rates have a positive impact on Avida's borrowing costs, but the uncertainty in the macroeconomic situation with increased unemployment may lead to reduced repayment capacity among customers. Avida is closely monitoring developments in order to be able to quickly analyse and manage future changes. Other estimates, assumptions and assessments do not deviate from previous ones and can be read in the 2024 Annual Report.

NOTE 3 OPERATING SEGMENTS

Segment reporting is based on how the top executive management - the company management - follows up the operations in Avida. The division has been changed for 2025, and the segment name has been changed to better reflect the direction of the business. Consumer Finance has been renamed Business to Consumer and Business Finance has been renamed Business to Business.

The segments continue to be divided from a customer perspective, where Business to Consumer refers to lending to private individuals including credit cards and sales financing, and where Business to Business refers to factoring offerings to companies, revolving facilities and loans.

From Q1 2025, the segments will be reported at Business to Business and Business to Consumer levels. The comparative figures for 2024 are adjusted according to this change. For 2025, credit cards and sales financing are included in the Business to Consumer segment.

The performance measure that is monitored by management at segment level is profit before tax. For the balance sheet, monitoring is only carried out on lending volume. The income statement for the segments follows the legal format for Operating income, except for the item Total risk-adjusted operating income, which refers to total revenues for the segment net after deduction of net credit losses.

Each segment carries a portion of total interest expense based on lending volume and estimated lending financing cost. Within net interest income, some items are classified as interest income in the legal statement, while in reporting to senior management, they are reported as interest expenses. Net interest income is unchanged.

Reported margins are calculated on average volume during the quarter.

Quarter 1, 2025	Business to Consumer	Business to Business	Total
SEK million			
Interest income	403.1	60.3	463.4
Interest expenses	-113.8	-24.8	-138.6
Net interest income	289.3	35.5	324.8
Net commission income	8.7	0.0	8.7
Net result from financial transactions	-5.8	0.0	-5.8
Total operating income	293.3	34.3	327.7
Credit losses, net	-203.8	-2.4	-206.2
Total risk-adjusted net operating income	89.5	31.9	121.4
Operating expenses	-147.7	-31.4	-179.1
Profit before tax	-58.2	0.6	-57.6
Loans to the public	9,134.3	2,105.8	11,240.1
Key Performance Indicators			
Net Interest Margin	11,9%	6,7%	11,0 %
Net Credit Losses	-8,4%	-0,4%	-7,0 %

Quarter 4, 2024	Business to Consumer	Business to Business	Total
SEK million			
Interest income	192.8	77.2	265.0
Interest expenses	-71.1	22.9	-94.0
Net interest income	121.4	49.4	171.1
Net commission income	5.5	0.0	5.5
Net result from financial transactions	6.8	1.4	8.2
Total operating income	133.9	50.8	184.9
Credit losses, net	-503.6	-33.0	-536.6
Total risk-adjusted net operating income	-369.5	17.7	-351.7
Operating expenses	-126.1	-30.1	-156.3
Profit before tax	-495.5	12.4	-507.8
Loans to the public*	10,185.8	2,099.1	12,283.5
Key Performance Indicators			
Net Interest Margin**	7.1%	8.7%	7.5%
Net Credit Losses**	-29.4%	-5.9%	-24.0%

*Loans to the public attributed to Business to Consumer contains also credit cards volume.

** Net interest margin and Net credit losses are calculated on unsecured loans volume only.

NOTE 4 NET INTEREST INCOME

SEK million	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Loans to credit institutions and cash and balances with central banks	11.1	9.1	8.7	37.8
Bonds and other interest-bearing securities	6.0	2.9	4.3	13.1
Loans to the public	446.0	264.7	274.8	1,113.8
Other interest income	0.3	0.4	0.2	10.0
Total interest income	463.4	277.1	288.1	1,174.4
Liabilities to credit institutions	-4.7	-2.6	-1.7	-12.8
Deposits from the public	-121.3	-96.3	-106.1	-389.4
Subordinated debt	-7.4	-7.9	-8.4	-56.0
Other interest expenses	-5.2	0.9	0.9	-4.1
Total interest expenses	-138.6	-106.0	-115.4	-462.5
Net interest income	324.8	171.1	172.7	712.1

NOTE 5 CREDIT LOSSES, NET

SEK million	Quarter 1 2025	Quarter 4 2024	Quarter 1 2024	Full year 2024
Loans to the public				
Provisions - stage 1	-43.2	-97.7	8.5	-83.7
Provisions - stage 2	-2.8	-11.7	6.5	23.2
Provisions - stage 3	70.5	93.4	-128.8	-502.4
Total provisions	24.5	-202.7	-113.9	-562.9
Write-offs	-231.4	-335.0	-18.0	-307.2
Recoveries	0.8	1.3	0.1	2.0
Total credit losses from loans to the public	-230.6	-536.4	-131.8	-931.1
Loans to credit institutions				
Provisions - stage 1	0.0	0.0	0.1	0.0
Total credit losses from loans to credit institutions	0.0	0.0	0.1	0.0
Total credit losses, net	-206.2	-536.4	-131.7	-931.1

NOTE 6 LOANS TO THE PUBLIC

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
Loans to the public, gross	12,687.9	13,775.0	11,593.2
of which: Stage 1	10,171.5	10,875.9	8,826.5
of which: Stage 2	284.0	337.7	625.8
of which: Stage 3	2,232.4	2,561.3	2,141.0
Total provisions	-1,447.8	-1,491.5	-1,047.9
of which: Stage 1	-179.9	-158.3	-85.7
of which: Stage 2	-43.6	-40.6	-59.6
of which: Stage 3	-1,224.3	-1,292.5	-902.5
Loans to the public, net	11,240.1	12,283.5	10,545.4

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

SEK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount, 1 Jan 2025	10,870.5	337.7	2,561.4	13,769.6
New financial assets	1,943.7	27.6	23.5	1,994.8
Derecognised financial assets	-2,088.4	-40.7	-481.7	-2,610.7
From stage 1 to stage 2	-187.9	185.0	-	-2.9
From stage 1 to stage 3	-47.4	-	47.0	-0.5
From stage 2 to stage 1	48.5	-51.6	-	-3.1
From stage 2 to stage 3	-	-170.3	167.9	-2.3
From stage 3 to stage 1	6.2	-	-6.5	-0.3
From stage 3 to stage 2	-	4.5	-4.5	-
Changes that are not derecognised financial assets	-250.9	-1.5	-17.0	-269.4
Exchange-rate differences	-122.7	-6.8	-57.5	-173.9
Gross carrying amount, 31 Mar 2025	10,171.5	284.0	2,232.4	12,687.9
SEK million	Stage 1	Stage 2	Stage 3	Total
Provision for credit losses, 1 Jan 2025	125.4	40.0	1,320.6	1,485.9
New financial assets	4.0	1.2	20.2	25.3
Derecognised financial assets	-3.0	-2.0	-237.8	-242.8
From stage 1 to stage 2	-3.7	22.0	-	18.3
From stage 1 to stage 3	-2.3	-	21.3	19.0
From stage 2 to stage 1	1.2	-4.2	-	-3.0
From stage 2 to stage 3	-	-24.0	69.1	45.1
From stage 3 to stage 1	0.1	-	-3.0	-2.9
From stage 3 to stage 2	-	0.3	-3.0	-2.7
Changes due to expert assessments (individual assessments, manual adjustments)	15.0	10.6	40.5	66.1
Interest & Fee's	-2.5	0.6	27.7	25.8
Exchange-rate differences	12.1	-0.9	-31.9	-20.7
Provision for credit losses, 31 Mar 2025	179.9	43.6	1,224.3	1,447.8

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

SEK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount, 1 Jan 2024	8,959.1	624.2	1,861.1	11,444.4
New financial assets	6,651.2	100.4	102.9	6,854.6
Derecognised financial assets	-2,927.4	-75.1	-540.6	-3,543.1
From stage 1 to stage 2	-206.5	193.3		-13.2
From stage 1 to stage 3	-849.7		822.5	-27.2
From stage 2 to stage 1	52.3	-58.3		-6.0
From stage 2 to stage 3		-368.1	356.9	-11.2
From stage 3 to stage 1	0.8		-4.1	-3.3
From stage 3 to stage 2		1.7	-1.8	-0.1
Changes that are not derecognised financial assets	-871.7	-86.5	-37.4	-995.6
Exchange-rate differences	67.8	6.1	1.8	75.7
Gross carrying amount, 31 Dec 2024	10,875.9	337.7	2,561.3	13,775.0
SEK million	Stage 1	Stage 2	Stage 3	Total
Provision for credit losses, 1 Jan 2024	74.6	63.8	790.1	928.5
New financial assets	80.0	7.1	47.9	135.1
Derecognised financial assets	-11.8	-6.0	-286.2	-304.0
From stage 1 to stage 2	-4.3	24.7		20.4
From stage 1 to stage 3	-27.8		353.2	325.4
From stage 2 to stage 1	1.2	-6.8		-5.3
From stage 2 to stage 3		-62.8	154.9	92.1
From stage 3 to stage 1			-2.0	-2.0
From stage 3 to stage 2		0.1	-0.3	-0.1
Changes in risk factors (PD, EAD, LGD)	-11.7	-3.3	39.5	24.5
Changes due to expert assessments (individual assessments, manual adjustments)	57.3	22.8	193.0	273.1
Exchange-rate differences	0.8	0.7	2.5	4.0
Provision for credit losses, 31 Dec 2024	158.3	40.6	1,292.5	1,491.5

NOTE 7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Mar 2025	Fair value through profit and loss	Amortised cost	Total reported value	Total fair value
SEK million				
Cash and balances with central banks		75.9	75.9	75.9
Treasury bills eligible for repayment	162.0	1,413.6	1,575.6	1,575.6
Loans to credit institutions		1,713.6	1,713.6	1,713.6
Loans to the public		11,240.1	11,240.1	11,240.1
Derivatives	10.1		10.1	10.1
Other financial assets	2.2	95.4	97.6	97.6
Total financial assets	174.3	14,538.6	14,712.9	14,712.9
Deposits from the public		11,005.8	11,005.8	11,005.8
Derivatives	5.0		5.0	5.0
Debt to credit institutions		2,006.6	2,006.6	2,006.6
Subordinated debt		244.0	244.0	244.0
Other financial liabilities		65.4	65.4	65.4
Total financial liabilities	5.0	13,231.8	13,326.8	13,326.8
31 Dec 2024				
SEK million				
Cash and balances with central banks		80.3	80.3	80.3
Treasury bills eligible for repayment	162.0	929.6	1,091.6	1,114.7
Loans to credit institutions		2,689.6	2,689.6	2,689.6
Loans to the public		12,283.5	12,283.5	12,283.5
Derivatives	4.1		4.1	4.1
Other financial assets	2.1	30.7	32.8	32.8
Total financial assets	168.2	16,013.7	16,181.9	16,205.0
Deposits from the public		10,945.1	10,945.1	10,945.1
Derivatives	3.1		3.1	3.1
Subordinated debt		250.0	250.0	250.0
Debt to credit institutions		3 226.0	3 226.0	3 226.0
Other financial liabilities		55.0	55.0	55.0
Total financial liabilities	3.1	14,476.1	14,479.2	14,479.2

DISCLOSURES ON FAIR VALUE

Avida measures some financial instruments at fair value. This requires information on valuation at fair value per each level in the valuation hierarchy, as stated in IFRS 13.

Avida currently holds foreign exchange rate derivatives, endowment insurance and a money market fund consisting of high-quality assets valued at fair value.

Level 1) Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Valuation of the money market fund is obtained from quoted prices in active markets for identical assets, i.e. level 1. The valuation of derivatives and endowment insurance is based on observable data for the asset, i.e. level 2.

Level 2) Other observable data for the instrument than quoted prices in level 1, observed either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).

Level 3) Data for the instrument that is not based on observable market data.

No transfers were made between the different levels during the period.

31 Mar 2025	Level 1	Level 2	Level 3	Total
SEK million				
Financial assets				
Treasury bills eligible for repayment	162.0			162.0
Derivatives		10.1		10.1
Other financial assets		2.2		2.2
Total financial assets	162.0	12.3		174.3
Financial liabilities				
Derivatives		5.0		5.0
Total financial liabilities		5.0		5.0
31 Dec 2024	Level 1	Level 2	Level 3	Total
SEK million				
Financial assets				
Treasury bills eligible for repayment	162.0			162.0
Derivates		4.1		4.1
Other financial assets		2.1		2.1
Total financial assets	162.0	6.2		168.2
Financial liabilities				
Derivatives		3.1		3.1
Total financial liabilities		3.1		3.1

NOTE 8 CAPITAL ADEQUACY

The information in this note refers to information that must be provided according to FFFS 2008:25, including applicable amendments, on annual reports in credit institutions and securities companies, and FFFS 2014:12 on supervisory requirements capital buffers. 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).

Template EU KM1 is disclosed semi-annually in accordance with article 447 of Regulation (EU) nr 575/2013.

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
CAPITAL RATIOS AND CAPITAL BUFFERS, %			
CET1 ratio	13.95%	12.63%	12.48%
Tier 1 ratio	15.88%	14.32%	14.41%
Total capital ratio	18.29%	16.43%	16.82%
Total CET1 capital requirement including buffer requirements	8.66%	8.66%	8.55%
of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
of which: countercyclical capital buffer requirement	1.60%	1.66%	1.55%
CET1 available to meet buffers	9.45%	8.13%	7.98%
SPECIFICATION OF OWN FUNDS			
Capital instruments and related share premium: Equity	1,999.9	1,999.9	1,134.1
Retained earnings and reserves	-521.9	-469.9	179.7
Deductions:			
Intangible assets	30.3	31.9	31.0
Deferred tax assets	0.6	0.5	0.4
Insufficient coverage for exposures in default	0.0	0.0	0.6
Application of IFRS 9 transitional rules	0.0	0.0	10.1
CET1 capital	1,447.1	1,497.6	1,291.9
Perpetual subordinated loan	200.0	200.0	199.7
Additional Tier 1 capital	200.0	200.0	199.7
Tier 1 capital, total	1,647.1	1,697.6	1,491.5
Supplementary capital	250.0	250.0	249.6
Tier 2 capital	250.0	250.0	249.6
Total capital	1,897.1	1,947.6	1,742.4
SPECIFICATION OF RISK EXPOSURE AMOUNT (REA)			
Exposures to regional governments and local authorities	2.5	9.1	5.3
Exposures to institutions	388.9	558.6	223.6
Exposures to corporates	1,402.7	1,352.3	1,996.0
Retail exposures	6,459.1	7,063.2	5,236.5
Exposures in default	896.4	1,127.0	1,107.3
Equity exposures	0.0	0.0	0.0
Other items	353.8	116.6	164.6
Total risk exposure amount for credit risk	9,527.7	10,226.8	8,733.3

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
Total risk exposure amount for market risk (foreign exchange risk)	59.4	61.0	30.3
Total risk exposure amount for operational risk (basic indicator approach)	786.1	1,568.7	1,587.4
Total risk exposure amount for credit valuation adjustment risk (CVA)	0.2	0.2	0.9
Total risk exposure amount	10,373.4	11,856.7	10,351.1
SPECIFICATION OF OWN FUNDS REQUIREMENT			
Exposures to regional governments and local authorities	0.2	0.7	0.4
Exposures to institutions	31.1	44.7	17.9
Exposures to corporates	112.2	108.2	159.7
Retail exposures	516.7	565.1	418.9
Exposures in default	71.7	90.2	88.6
Equity exposures	0.8	0.0	0.0
Other items	28.3	9.3	13.2
Total capital requirement for credit risk	762.2	818.1	698.7
Total capital requirement for market risk (foreign exchange risk)	4.8	4.9	2.4
Total capital requirement for operational risk (basic indicator approach)	62.9	125.5	127.0
Total capital requirement for credit valuation adjustment risk (CVA)	0.0	0.0	0.0
Total capital requirement - Pillar 1	829.9	948.5	828.1
Credit concentration risk	93.1	110.3	86.5
Interest rate risk in the banking book	37.1	42.9	41.7
Other additional capital requirements	5.7	1.8	2.7
Total capital requirement - Pillar 2	135.9	155.0	130.9
Capital conservation buffer	259.3	296.6	258.8
Countercyclical capital buffer	166.4	197.4	160.1
Total capital requirement - Capital buffers	425.7	493.7	418.9
Total capital requirement	1,391.5	1,597.2	1,377.9
CAPITAL REQUIREMENT AS A PERCENTAGE OF REA			
Pillar 1	8.00%	8.00%	8.00%
Pillar 2	1.31%	1.31%	1.26%
Capital conservation buffer	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	1.60%	1.66%	1.55%
Total capital requirement	13.41%	13.47%	13.31%
LEVERAGE RATIO			
Total exposure measure for calculating leverage ratio	16,435.0	17,614.6	13,030.3
Tier 1 capital	1,647.1	1,697.6	1,491.7
Leverage ratio, %	10.02%	9.64%	11.45%
Overall leverage ratio requirement	493.1	528.4	390.9
Overall leverage ratio requirement, %	3%	3%	3%

NOT 9 LIQUIDITY RISK

This note provides information on Avida's liquidity reserve and funding sources, required to be disclosed in accordance with FFFS 2010:7, including applicable amendments, regarding the management of liquidity risks in credit institutions and investment firms.

Avida is required to maintain a liquidity reserve reserve of high-quality assets that can be used to secure short-term capacity to meet payment obligations in the event of lost or impaired access to regularly available funding sources. Avida's liquidity reserve is presented in the table below.

LIQUIDITY RESERVE

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
Cash and balances with central banks	75.9	80.3	80.8
Deposits in other banks available overnight	1,713.6	2,689.6	991.4
Bonds issued by governments and municipalities	1,579.6	1,091.6	837.7
Total	3,369.1	3,861.5	1,909.7

FUNDING SOURCES

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2024
Deposits from the public	11,005.8	10,945.1	10,789.9
Subordinated debt	244.0	250.0	249.8
Additional Tier 1 capital	200.0	200.0	199.7
Other equity	1,487.2	1,538.4	1,313.9
Debt to credit institutions	2,006.6	3,226.0	
Other liabilities	209.7	228.3	155.7
Total	15,152.7	16,382.9	12,708.9

LIQUIDITY MEASURES, %

SEK million	31 Mar 2025	31 Dec 2024	31 Mar 2025
Liquidity coverage ratio (LCR)	247.5%	298.81%	268.0%
Net stable funding ratio (NSFR)	121.0%	113.68%	128.5%

DEFINITIONS

Alternative Performance Measures (APM's) are financial measures of historical or future earnings development, financial position or cash flow that are not defined in the applicable accounting regulations (IFRS) or in the Capital Requirements Directive (CRD IV) or in the EU Capital Requirements Regulation No. 575/2013 (CRR). Avida uses alternative performance measures when relevant to follow up and describe the company's financial position and increase comparability between periods. These do not have to be comparable with similar key figures presented by other companies.

ALTERNATIVE PERFORMANCE MEASURES

RETURN ON EQUITY

Reported profit or loss for the period divided by average equity.

RETURN ON ASSETS

Reported profit or loss for the period divided by total assets at period end. Presented annually in accordance with FFFS 2008:25.

C/I RATIO

Total operating expenses divided by total operating income.

NET INTEREST MARGIN

Net interest income divided by average loans to the public.

LOSS RATIO

Net credit losses for the period in relation to average loans to the public.

KEY FIGURES DEFINED IN CAPITAL ADEQUACY- AND LIQUIDITY REGULATIONS

LEVERAGE RATIO

Total exposure amount in relation to Tier 1 capital.

OWN FUNDS

Sum of Tier 1 and Tier 2 capital adjusted for deductions according to Regulation (EU) nr 575/2013.

COMMON EQUITY TIER 1 (CET1) RATIO

Common Equity Tier 1 capital divided by the total risk-weighted exposure amount.

LIQUIDITY COVERAGE RATIO, LCR

The size of the liquidity reserve in relation to an expected stressed net cash outflow during a 30-day period.

TIER 1 CAPITAL RATIO

Tier 1 capital divided by the total risk-weighted exposure amount.

RISK EXPOSURE AMOUNT

The risk weight of each exposure multiplied by the exposure amount, for exposures on and off balance sheet.

NET STABLE FUNDING RATIO, NSFR

Available stable funding in relation to required stable funding.

TOTAL CAPITAL RATIO

Own funds as a percentage of the total risk exposure amount.

THE BOARD AND CEO DECLARATION

The Board of Directors and the CEO assure that the interim report provides a fair picture of Avida's operations, financial standing and result, and describes significant risks and uncertainties that the company faces.

STOCKHOLM, 27 MAY 2025

Magnus Lindquist, Chairman of the Board

Mikael Johansson, CEO

Vaibhav Piplapure, Member

Celina Midelfart, Member

Geir Olsen, Member

John Stein, Member

Teresa Robson-Capps, Member

PUBLICATION OF FINANCIAL INFORMATION

AVIDA FINANS AB (PUBL) FINANCIAL REPORTS
ARE AVAILABLE AT WWW.AVIDA.SE

FINANCIAL CALENDAR 2025

MAY 27	INTERIM REPORT JANUARY - MARCH
AUGUST 28	INTERIM REPORT JANUARY - JUNE
NOVEMBER 28	INTERIM REPORT JANUARY - SEPTEMBER

AVIDA FINANS AB (PUBL)
CORP.ID NO. : 556230-9004
AVIDA.SE

POSTAL ADDRESS
AVIDA FINANS AB
BOX 38101
100 64 STOCKHOLM

CONTACT INFORMATION

MICHAEL GROSCHE, HEAD OF COMMUNICATION & IR
MICHAEL.GROSCHE@AVIDA.SE
+46 70 307 29 36



AVIDA

Magnus Ladulåsgatan 65
118 27 STOCKHOLM
avida.se
info@avida.se