

INTERIM REPORT

JANUARY-JUNE

2025



AVIDA FINANS AB (PUBL)
556230-9004

AVIDA

Interimreport

January-June 2025

Second quarter 2025 (compared to second quarter 2024)

- Lending to the public amounted to 10,762.8 MSEK (10,445.5 MSEK).
- Net interest income amounted to 339.1 MSEK (187.0 MSEK).
- Credit losses amounted to 276.3 MSEK (124.8 MSEK).
- Operating profit was -138.2 MSEK (-55.8 MSEK).
- C/I ratio 0.61 (0.64).
- CET 1 ratio 13.50% (11.70%).
- Return on equity negative (negative).

January-June 2025 (compared to January-June 2024)

- Lending to the public amounted to 10,762.8 MSEK (10,445.5 MSEK).
- Net interest income amounted to 663.9 MSEK (359.7 MSEK).
- Credit losses amounted to 482.5 MSEK (256.5 MSEK).
- Operating profit amounted to -195.8 MSEK (- 124.0 MSEK).
- C/I ratio 0.58 (0.64).
- CET 1 ratio 13.50% (11.70%).
- Return on equity negative (negative).

STATEMENT BY THE CEO



IMPORTANT STEPS TOWARDS AN EFFICIENT AND PROFITABLE COMPANY, BUT HARD WORK REMAINS.

The transformation of Avida into an efficient, modern, and profitable business continued during the second quarter of the year. The cost-saving program initiated at the end of last year is progressing according to plan, with costs decreasing month by month. As part of the savings plan, the organization was streamlined, and during the first half of the year we also completed the planned

staff reduction of approximately 30%. The focus is now on optimizing existing processes to suit our downsized organisation. This reduction resulted in one-off costs of SEK 11 million.

During the quarter, both of Avida's business areas contributed to an increase in revenues of SEK 14 million compared with the first quarter of the year.

STREAMLINING AND MODERNIZATION OF IT SYSTEMS.

The review and work to digitalize and improve the efficiency of our IT systems and technical platforms has continued, with the goal of ensuring that Avida has the most modern and cost-efficient technical capabilities for a scalable and effective business going forward. During the quarter, write-downs of old IT systems were made, amounting to approximately SEK 33 million, and IT development costs were expensed on an ongoing basis.

For Avida, the migration of the acquired credit card and sales financing business from Santander remains the most important project being undertaken this year. With a new management team and a more efficient IT organization in place, preparations are progressing according to plan to transfer the acquired customers and products into our own systems. The goal remains to complete the migration before end of the year, at which point we will be able to offer a broad range of services to our retail customers.

COST SAVINGS AND CULTURAL SHIFT YIELDING RESULTS.

The organization has achieved the previously communicated cost-saving target of reducing annual costs by SEK 200 million. During the third quarter of this year, we will reach effect of the measures taken. Our focus on streamlining operations and reducing costs will continue. An important part of this is the ongoing cultural change within the organization. A culture in which cost awareness is central creates the right conditions for keeping costs down in the long term.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD.

Avida has divested a Norwegian non-performing portfolio amounting to SEK 181 million during the quarter, resulting in a positive impact on credit losses of nearly SEK 6 million.

Avida has continued to review its credit provisioning during the quarter and adjusted the levels, for stage 1 and 2, with an increased coverage as

a result. During the quarter, a specific increase across all stages has also been made amounting to 100 million SEK.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD.

In August, Avida entered into an agreement for a significant risk transfer (SRT) through a synthetic securitization. Under the agreement, investors purchase securities linked to a credit portfolio of 2.8 billion SEK. The risk transfer provides capital relief and strengthens Avida's financial position. Closing and settlement of the transaction is expected to take place on September 11 2025.

Furthermore, have we signed an agreement of divesting a Swedish non-performance portfolio of approximately 320 million SEK at booked value for delivery in September.

The issued warrants from December 2024 have by the fifth of August been fully utilized and share capital has increased by approximately 10 million SEK, strengthening the balance sheet and the capital position.

WE HAVE COME LONG WAY, BUT MUCH REMAINS TO BE DONE.

The transformation of Avida continues with energy and commitment. With a stronger balance sheet, a lower cost base, fit-for-purpose organization, and a customer-focused offering, we will be ready for the next step in our change journey. We continue to face short-term challenges while making the necessary investments to ensure long-term competitiveness with customer-focused solutions and efficient, automated processes.

Despite a challenging economic climate, we believe there is strong growth potential when the economy turns, particularly in our B2B segment, where our competitive offering and new markets will drive the necessary volume growth.

We remain focused on building efficient processes and cost-effective organization while ensuring improved credit quality and increased profitability. Our stated ambition is to improve every day. It is these daily improvements that will move us forward on the path toward a strong and profitable Avida. We are aware of the challenges ahead but also confident that we will succeed in our ambition.

Stockholm, August 28 2025

Mikael Johansson
CEO

QUARTERLY REVIEW

INCOME STATEMENT

SEK million	Quarter 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Net interest income	339.1	324.8	187.0	712.1
Total operating income	356.3	327.7	190.3	746.6
Total operating expenses	-218.3	-179.1	-121.3	-501.4
Credit losses, net	-276.3	-206.2	-124.8	-931.1
Profit/loss before tax	-138.2	-57.6	-55.8	-685.9
Net profit or loss for the period	-138.2	-57.6	-55.7	-684.6

BALANCE SHEET

SEK million	30 June 2025	31 Dec 2024	30 June 2024
Lending to the public	10,762.8	12,283.5	10,445.5
Deposits from the public	10,282.7	10,945.1	11,358.4
Equity	1,527.3	1,730.3	1,450.9

KEY RATIOS

	Quarter 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Net interest margin (%)	9.1%	8.3%	7.3%	7.3%
C/I ratio	0.61	0.55	0.64	0.67
Return on equity (%)	NEG	NEG	NEG	NEG
CET1 ratio (%)	13.50%	13.95%	11.70%	12.63%
Credit loss ratio (%)	7.4%	5.3%	4.9%	9.4%

For more information on key ratios, see Definitions.

FINANCIAL DEVELOPMENT DURING THE SECOND QUARTER 2025

The comparative figures for the income statement refer to the first quarter of 2025. Comparative figures for the balance sheet refer to December 31, 2024.

Significant events during the quarter

The acquired credit card portfolio has developed according to plan and seasonal variations and has contributed to increased revenues as well as net interest. The Business to Business segment has entered into several larger factoring agreements during the quarter, which will be implemented in the third and fourth quarters.

Business to Consumer has continued to have restrained new lending during the quarter and is expected to continue this restrained development for the remainder of 2025. Underlying recovery has had a positive development during the second quarter despite the divested portfolios.

The staff reduction announced in the first quarter was completed in the second quarter, and all staff affected by the reduction have left the company as of end of June. Costs related to the staff reduction have been charged to the second quarter and amount to approximately 10.7 million SEK.

The work on the cost reduction program is proceeding as planned and is expected to have an effect in the third quarter.

Operationally, the company has high activity around completing the migration of credit cards and sales financing offerings from Santander to our own systems, as well as a continued overarching activity to continuously reduce costs.

Furthermore, the company has continued to review its credit provisioning during the quarter and adjusted the levels, for stage 1 and 2, with an increased coverage as a result. During the quarter, a specific increase across all stages has also been made amounting to 100 million SEK.

Avida has seen a slightly improved pricing of non-performing portfolios during the quarter and has divested a Norwegian non-performing portfolio amounting to 180.8 million SEK during the quarter, resulting in a positive impact on credit losses of 5.5 million SEK.

INCOME STATEMENT

Operating income

The interest income for the quarter amounted to 449.6 million SEK (463.4). The income has decreased slightly, 13.9 million SEK, between the quarters, particularly within Business to Consumer where a lower financed volume has had a negative impact on consumer loans. In the Business to Consumer segment, the interest income amounts to 387.1 million SEK (403.1). Of the income, credit cards and sales financing account for 207.5 million SEK.

Part of the revenue increase, 63.6 million SEK (63.8), is attributable to the effective interest method based on the amounts that Avida has paid for the portfolios and their actual value; this effect will wane during the fourth quarter.

Avida has had a continued restrained origination of consumer loans which, together with repayments and provisions, has resulted in a continued decrease in the lending volume with decreased interest income during the quarter for consumer loans.

In the Business to Business segment, the volume has increased by 105.4 million SEK due to an increased financed factoring volume compared to the first quarter of 2025, with increased interest income amounting to 62.5 million SEK (60.3). Business to Consumer has continued to experience low new sales with a volume decrease of 582.7 million SEK compared to the previous quarter. Interest income for Business to Consumer amounted to 387.1 million SEK (403.1) for the second quarter.

The interest expenses for the quarter amounted to -110.5 million SEK (-138.6), the decrease is mainly attributable to lower lending to the public and lower market interest rates, as well as amortization of the financing from Santander Corporate Bank.

The net interest for the quarter amounted to 339.1 million SEK (324.8), of which Business to Consumer decreased by 5.8 million SEK to 283.5 million SEK (289.3) and Business to Business increased by 20.1 million SEK to 55.6 million SEK (35.5).

Operating costs

General administrative expenses amounted to -180.7 million SEK (-175.6). Total costs for the quarter amounted to -218.3 million SEK (-179.1). The costs for the second quarter have been negatively impacted by costs for the divestment of personnel amounting to 10.7 million SEK and a write-down of intangible assets of approximately 33.5 million SEK. Additionally, costs for the second quarter of 2025 have been burdened by transformation and migration costs for the acquired credit card and sales financing portfolios similar to the first quarter. The underlying cost base has decreased by 5.6 million SEK compared to the previous quarter and by 15.7 million SEK compared to the fourth quarter of 2024.

Credit losses

Credit losses amounted to 276.3 million SEK net (206.2), an increase of 70.1 million SEK. Of the increase, 100.0 million SEK pertains to increased provisions on all stages, the reserve refers to consumer loans only. During the quarter, a non-performing Norwegian portfolio (180.8 million SEK) was sold with a positive result amounting to 5.5 million SEK. Adjusted for the one-off effects mentioned above, credit losses decreased by a net of 24.4 million SEK compared to the first quarter of 2025.

Distributed by business area, credit losses for B2B amount to 8.6 million SEK (2.4) and for B2C they amount to 267.7 million SEK (203.8), of which 233.3 million SEK (168.8) refers to consumer loans and 34.4 million SEK (36.5) refers to credit cards.

Tax costs

No tax expense is reported for the quarter.

BALANCE SHEET

Lending and financing

Lending to the public amounted to 10,762.8 million SEK as of June 30, 2025, compared to 11,240.1 million SEK on March 31, 2025. The total lending volume has decreased during the quarter due to continued restrictive new issuance within Business to Consumer amounting to 8,551.6 million SEK (9,143.3), as well as an increased volume within Business to Business totaling 2,211.2 million SEK (2,105.8).

Deposits from the public decreased by 662.4 million SEK and amounted to 10,282.7 million SEK as of June 30, 2025. The decrease during the quarter is primarily related to a contracting loan book. Financing from Santander regarding credit cards and sales financing has been reduced during the quarter by 824.0 million SEK and amounted to 1,182.6 million SEK as of the end of June 2025.

Capital

No changes to the capital base have occurred during the quarter.

OTHER INFORMATION

Essential risks and uncertainties

Avida, through its operations as a credit institution with a presence in several countries, is exposed to both financial and non-financial risks. The financial risks consist of credit, liquidity, and market risks, while the non-financial risks pertain to strategic and operational risks. All risk exposures have been managed within the company's risk appetite and risk limits during the quarter. The second quarter, like the first quarter, has been characterized by turbulence stemming from the tariff changes proposed by the U.S. administration.

The Swedish Riksbank has announced an updated interest rate path and with more uncertain future prospects for the Swedish economy in the short term. The ECB has lowered the key interest rate during the quarter with similar reasoning as the Swedish Riksbank. The Norwegian central bank also lowered its interest rate at the end of the quarter. Avida has slightly reduced deposit rates for SEK and EUR during the quarter but has kept the interest 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 deposit guarantee, creating a stable funding base. Avida continuously monitors the development of the

company's loan portfolio and analyzes how the external situation may affect the risk in the portfolios. Within the consumer segment, PSD2 data has been incorporated into credit checks to further reduce the risk in new lending.

The credit risk in the liquidity portfolio is assessed as low and investments of surplus 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.

Transactions with related parties

During this period, normal business transactions with related parties have occurred. The nature and scope of transactions with related parties have remained unchanged since December 31, 2024, and is reflected in the annual report.

Events after the end of the quarter

After the end of the quarter, a sale of a Swedish non-performing portfolio with delivery in September amounting to SEK 320.3 million has been signed. The expected impact on results from this sale is that it is sold at book value. Recoveries are expected to decrease going forward due to this and the Norwegian divestment. The divestment of non-performing portfolios follows the strategy decided by the board with the aim of reducing the proportion of non-performing portfolios.

The warrants issued at the extraordinary general meeting on December 16, 2024, which granted the right to subscribe for new shares in the company during the period from the time of registration with the Swedish Companies Registration Office of the issue decision until December 31, 2030, have been fully utilized as of August 5, increasing the company's share capital by 10,467,816.71 SEK in the form of Class B shares. The total number of shares has increased from 80,658,696 shares to 138,375,914 shares.

On 14 August, the company signed an agreement for a Significant Risk Transfer amounting to approximately 2,800 mSEK, with an estimated reduction of risk-weighted assets of around 1,800 mSEK. The transaction is expected to close on 11 September.

Expected future development

Avida continues to focus on investing in customer experience and adjusting the cost base for a profitable operation with the goal of developing the business in the long term. Initially, this is being done through the announced cost savings program as well as 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 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Interest income		449.6	463.4	304.2	1,174.7
Interest expenses		-110.5	-138.6	-117.2	-462.6
Net interest income	4	339.1	324.8	187.0	712.1
Net commission income		4.8	8.7	5.1	20.8
Net result from financial transactions		12.6	-5.7	0.6	9.2
Other operating income		-0.2	-0.1	-2.4	4.4
Total operating income		356.3	327.7	190.3	746.6
General administrative expenses		-180.7	-175.6	-118.9	-462.8
Depreciation and amortisation of tangible and intangible assets		-37.5	-3.6	-2.4	-38.6
Total expenses before credit losses		-218.3	-179.1	-121.3	-501.4
Profit/loss before credit losses		138.1	148.6	69.1	245.2
Credit losses, net	5	-276.3	-206.2	-124.8	-931.1
Operating profit/loss		-138.2	-57.6	-55.8	-685.9
Profit/loss before tax		-138.2	-57.6	-55.8	-685.9
Tax on profit or loss for the period		-	-	0.1	1.3
Profit or loss for the period		-138.2	-57.6	-55.7	-684.6

STATEMENT OF COMPREHENSIVE INCOME

SEK million	Quarter 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Profit or loss for the period	-138.2	-57.6	-55.7	-684.6
Currency rate differences when translating foreign operations	-4.5	5.3	-1.6	0.8
Sum of items that may be subsequently reclassified to the income statement	-4.5	5.3	-1.6	0.8
Total profit or loss for the period	-142.7	-52.3	-57.3	-683.8

STATEMENT OF FINANCIAL POSITION

SEK million	Note	30 June 2025	31 Dec 2024	30 June 2024
ASSETS				
Cash and balances with central banks		78.0	80.3	79.4
Treasury bills eligible for repayment		1,326.1	1,091.6	785.3
Lending to credit institutions		1,126.2	2,689.6	1,635.0
Lending to the public	6	10,762.8	12,283.5	10,445.5
Intangible assets		56.9	96.9	79.0
Tangible assets		4.5	4.6	4.0
Current tax asset		56.2	35.6	49.9
Other assets		57.0	83.2	148.6
Prepaid expenses and accrued income		26.9	17.6	17.4
TOTAL ASSETS		13,494.6	16,382.9	13,244.0
LIABILITIES AND EQUITY				
Deposits from the public		10,282.7	10,945.1	11,358.4
Other liabilities		148.8	130.5	106.8
Debt to credit institutions		1,182.6	3,226.0	-
Accrued expenses and prepaid income		105.8	104.4	76.7
Other provisions		2.3	2.1	1.7
Subordinated debt		245.1	244.6	249.6
TOTAL LIABILITIES		11,967.3	14,652.7	11,793.2
EQUITY				
Share capital		14.6	14.6	14.6
Other contributed capital		1,985.2	1,119.5	1,119.5
Additional Tier 1 capital		200.0	200.0	200.0
Other reserves		100.4	46.3	69.9
Retained earnings		-577.2	1,034.4	170.2
Profit for the year		-195.8	-684.6	-123.3
TOTAL EQUITY		1,527.3	1,730.3	1,450.9
TOTAL LIABILITIES AND EQUITY		13,494.6	16,382.9	13,244.0

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									-195.8	-195.8
Other comprehensive income							0.8			0.8
Total comprehensive income							0.8		-195.8	-195.0
Transfer between restricted and non-restricted equity			-36.9					36.9		
Share issue, net of transaction costs										
Transaction costs on Additional Tier 1 capital								-0.7		-0.7
Interest paid on Additional Tier 1 capital								-7.3		-7.3
Closing balance 30 June 2025	14.6	1.8	28.1	200.0	1,119.5	865.8	-10.7	-496.2	-195.8	1,527.3

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	1,119.5		-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				-200.0						-200.0
Issuance of AT1 capital instruments				200.0						200.0
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-June 2025	Jan-Dec 2024	Jan-June 2024
Operating activities			
Operating profit/loss	-195.8	-685.9	-124.0
of which interest income received	956.8	1,551.4	577.4
of which interest expenses paid	-334.3	-521.2	-174.5
of which recovered credit losses	2.8	-2.0	-
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	41.1	20.1	4.8
Provisions for credit losses	482.5	933.1	131.7
Unrealised changes in assets and liabilities	13.3	-9.3	-3.3
Other non-cash items	-20.6	-16.6	2.7
Income tax paid	-20.7	-36.6	-21.3
Cash flow from operating activities before changes in operating assets and liabilities	299.8	204.8	-2.8
Increase (-)/decrease (+) in lending to the public	1,038.2	-2,698.7	-61.4
Increase (-)/decrease (+) in other assets	16.9	165.8	112.0
Increase (+)/decrease (-) in deposits from the public	-662.4	14.9	428.1
Increase (+)/decrease (-) in other liabilities	20.5	-	17.3
Cash flow from operating activities	713.0	-2,313.2	493.2
Investing activities			
Investments in bonds and other securities, net	-234.5	-251.4	28.0
Acquisition of property, plant and equipment	0.1	-	-
Acquisition of intangible assets	-	-15.5	-
Gain on liquidation of shares in subsidiary	-	-	-
Cash flow from investing activities	-234.5	-266.9	28.0
Financing activities			
Share issue	-	865.8	-
Debt financing	-2,043.4	3,281.4	-
Interest paid on Additional Tier 1 capital	-7.2	-24.6	-14.3
Cash flow from financing activities	-2,050.6	4,122.6	-14.3
Cash and cash equivalents at beginning of the period	2,769.9	1,214.0	1,214.0
Cash flow for the period	-1,572.0	1,542.5	507.0
FX effect	6.4	13.4	-
Cash and cash equivalents at end of the period	1,204.2	2,769.9	1,714.4
1) CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT			
Cash and balances with central banks	78.0	80.3	79.4
Lending to credit institutions	1,126.2	2,689.6	1,635.0
Total cash and cash equivalents in the cash flow statement	1,204.2	2,769.9	1,714.4

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 2025 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.

Each segment carries a portion of total interest expense based on lending volume and estimated lending financing cost.

Reported margins are calculated on average volume during the quarter.

Quarter 2, 2025	Business to Consumer	Business to Business	Total
SEK million			
Interest income	387.1	62.5	449.6
Interest expenses	-103.5	-6.9	-110.5
Net interest income	283.5	55.6	339.1
Net commission income	4.8	-	4.8
Net result from financial transactions	9.6	3.0	12.6
Other income	0.1	-0.2	-0.2
Total operating income	298.0	58.3	356.3
Credit losses, net	-267.7	-8.6	-276.3
Total risk-adjusted net operating income	30.3	49.7	80.0
Operating expenses	-189.4	-28.8	-218.3
Profit before tax	-159.1	20.9	-138.2
Lending the public	8,551.6	2,211.2	10,762.8
Key Performance Indicators			
Net Interest Margin	9.4%	7.6%	9.1 %
Net Credit Losses	8.9%	1.2%	7.4 %

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	-	8.7
Net result from financial transactions	-4,7	-1.0	-5.7
Other income	-	-0,1	-0.1
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	32.0	121.5
Operating expenses	-147.7	-31,4	-179.1
Profit before tax	-58.2	0.6	-57.6
Lending to the public	9,134.3	2,105.8	11,240.1
Key Performance Indicators			
Net Interest Margin	9.0%	5.1%	8.3%
Net Credit Losses	6.3%	0.3%	5.3%

NOTE 4 NET INTEREST INCOME

SEK million	Quarter 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Lending to credit institutions and cash and balances with central banks	5.3	11.1	8.1	37.8
Bonds and other interest-bearing securities	5.2	6.0	3.2	13.1
Lending to the public	438.4	446.0	292.6	1,113.8
Other interest income	0.8	0.3	0.3	10.0
Total interest income	449.6	463.4	304.2	1,174.7
Liabilities to credit institutions	-0.9	-4.7	-1.8	-12.8
Deposits from the public	-95.8	-121.3	-108.3	-389.4
Subordinated debt	-7.3	-7.4	-8.4	-56.0
Other interest expenses	-6.5	-5.2	1.2	-4.1
Total interest expenses	-110.5	-138.6	-117.2	-462.3
Net interest income	339.1	324.8	187.0	712.1

NOTE 5 CREDIT LOSSES, NET

SEK million	Quarter 2 2025	Quarter 1 2025	Quarter 2 2024	Full year 2024
Lending to the public				
Provisions - stage 1	-65.7	-43.2	11.2	-83.7
Provisions - stage 2	-0.1	-2.8	18.3	23.2
Provisions - stage 3	-109.5	70.5	-140.3	-502.4
Total provisions	-175.3	-24.5	-110.8	-562.9
Write-offs	-102.1	-231.4	-14.3	-370.2
Recoveries	1.2	0.8	0.3	2.0
Total credit losses from lending to the public	-276.3	-206.2	-124.8	-931.1
Lending to credit institutions				
Provisions - stage 1	-	-	-	-
Total credit losses from lending to credit institutions	-	-	-	-
Total credit losses, net	-276.3	-206.2	-124.8	-931.1

NOTE 6 LENDING TO THE PUBLIC

SEK million	30 June 2025	31 Dec 2024	30 June 2024
Lending to the public, gross	12,394.0	13,775.0	11,603.1
of which: Stage 1	9,876.3	10,875.9	8,647.2
of which: Stage 2	239.6	337.7	472.0
of which: Stage 3	2,278.1	2,561.3	2,483.9
Total provisions	1,631.2	-1,491.5	-1,157.6
of which: Stage 1	193.1	-158.3	-77.3
of which: Stage 2	48.6	-40.6	-39.4
of which: Stage 3	1,389.5	-1,292.5	-1,040.9
Lending to the public, net	10,762.8	12,283.5	10,445.5

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	2,561.3	13,769.6
New financial assets	2,278.6	32.5	26.0	2,337.1
Derecognised financial assets	-2,051.7	-45.0	-697.1	-2,793.8
From stage 1 to stage 2	-121.5	116.4	-	-5.1
From stage 1 to stage 3	-216.9	-	210.5	-6.4
From stage 2 to stage 1	46.6	-52.1	-	-5.5
From stage 2 to stage 3	-	-197.4	191.8	-5.7
From stage 3 to stage 1	20.3	-	-22.3	-2.0
From stage 3 to stage 2	-	5.7	-6.1	-0.4
Changes that are not derecognised financial assets	-873.4	45.6	54.6	-773.2
Interest and fee's	-	-	-11.9	-11.9
Exchange-rate differences	-76.0	-4.0	-28.7	-108.8
Gross carrying amount, 30 June 2025	9,876.3	239.6	2,278.1	12,394.0
SEK million	Stage 1	Stage 2	Stage 3	Total
Provision for credit losses, 1 Jan 2025	125.4	40.0	1,320.5	1,485.9
New financial assets	3.2	7.2	18.6	29.0
Derecognised financial assets	-5.5	-2.4	-339.7	-347.5
From stage 1 to stage 2	-2.0	14.1	-	12.1
From stage 1 to stage 3	-5.3	-	89.5	84.1
From stage 2 to stage 1	0.9	-4.3	-	-3.4
From stage 2 to stage 3	-	-26.9	80.7	53.8
From stage 3 to stage 1	0.3	-	-9.3	-9.0
From stage 3 to stage 2	-	0.4	-2.9	-2.5
Changes that are not derecognised financial assets	24.3	3.8	115.2	143.3
Management overlay	53.1	16.1	124.0	193.2
Interest and fee's	-	-	3.8	3.8
Exchange-rate differences	-1.3	0.8	-11.0	-11.5
Provision for credit losses, 30 June 2025	193.1	48.6	1,389.5	1,631.2

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	-6.6	-	-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

30 June 2025	Fair value through profit and loss	Amortised cost	Total reported value	Total fair value
SEK million				
Cash and balances with central banks		78.0	78.0	78.0
Treasury bills eligible for repayment	161.2	1,326.1	1,487.4	1,323.0
Lending to credit institutions		1,126.2	1,126.2	1,126.2
Lending to the public		10,762.8	10,762.8	10,762.8
Derivatives	11.6		11.6	11.6
Other financial assets	2.3	9.5	11.8	11.8
Total financial assets	175.2	13,302.6	13,477.8	13,313.3
Deposits from the public		10,282.7	10,282.7	10,282.7
Derivatives	8.3		8.3	8.3
Debt to credit institutions		1,182.6	1,182.6	1,182.6
Other financial liabilities		78.9	78.9	78.9
Subordinated debt		245.1	245.1	245.1
Total financial liabilities	8.3	11,789.3	11,797.6	11,797.6

31 Dec 2024	Fair value through profit and loss	Amortised cost	Total reported value	Total fair value
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
Lending to credit institutions		2,689.6	2,689.6	2,689.6
Lending 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
Debt to credit institutions		3 226.0	3 226.0	3 226.0
Other financial liabilities		55.0	55.0	55.0
Subordinated debt		250.0	250.0	250.0
Total financial liabilities	3.1	14,476.2	14,479.3	14,479.3

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.

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

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.

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

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.

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

30 June 2025	Level 1	Level 2	Level 3	Total
SEK million				
Financial assets				
Treasury bills eligible for repayment	161.2			161.2
Derivatives		11.6		11.6
Other financial assets		2.3		2.3
Total financial assets	161.2	13.9		175.2
Financial liabilities				
Derivatives		8.3		8.3
Total financial liabilities		8.3		8.3

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	30 June 2025	31 Dec 2024	30 June 2024
CAPITAL RATIOS AND CAPITAL BUFFERS, %			
CET1 ratio	13.50%	12.63%	11.70%
Tier 1 ratio	15.58%	14.32%	13.63%
Total capital ratio	18.18%	16.43%	16.04%
Total CET1 capital requirement including buffer requirements	8.61%	8.66%	8.49%
of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
of which: countercyclical capital buffer requirement	1.61%	1.66%	1.49%
CET1 available to meet buffers	9.00%	8.13%	7.20%
SPECIFICATION OF OWN FUNDS			
Capital instruments and related share premium: Equity	1,999.9	1,999.9	1,134.1
Retained earnings and reserves	-672.8	-469.9	116.5
Deductions:			
Intangible assets	28.7	31.9	33.9
Deferred tax assets	0.6	0.5	0.4
Insufficient coverage for exposures in default	-0.7	0.0	-8.4
Application of IFRS 9 transitional rules	0.0	0.0	4.2
CET1 capital	1,298.5	1,497.6	1,212.2
Perpetual subordinated loan	200.0	200.0	200.0
Additional Tier 1 capital	200.0	200.0	200.0
Tier 1 capital, total	1,498.5	1,697.6	1,412.2
Supplementary capital	250.0	250.0	249.6
Tier 2 capital	250.0	250.0	249.6
Total capital	1,748.5	1,947.6	1,661.8
SPECIFICATION OF RISK EXPOSURE AMOUNT (REA)			
Exposures to regional governments and local authorities	3.7	9.1	10.0
Exposures to institutions	256.0	558.6	340.7
Exposures to corporates	1,481.7	1,352.3	1,806.4
Retail exposures	6,150.0	7,063.2	5,134.4
Exposures in default	751.7	1,127.0	1,292.6
Exposures in the form of covered bonds	10.2	0.0	0.0
Exposures to institutions and corporates with a short term assessment	11.8	0.0	0.0
Equity exposures	0.0	0.0	0.0
Other items	66.9	116.6	170.2
Total risk exposure amount for credit risk	8,732.0	10,226.8	8,754.3

SEK million	30 June 2025	31 Dec 2024	30 June 2024
Total risk exposure amount for market risk (foreign exchange risk)	87.9	61.0	17.6
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)	2.3	0.2	0.0
Total risk exposure amount	9,608.3	11,856.7	10,359.3
SPECIFICATION OF OWN FUNDS REQUIREMENT			
Exposures to regional governments and local authorities	0.3	0.7	0.8
Exposures to institutions	20.5	44.7	27.3
Exposures to corporates	118.5	108.2	144.5
Retail exposures	492.0	565.1	410.8
Exposures in default	60.1	90.2	103.4
Exposures in the form of covered bonds	0.8	0.0	0.0
Exposures to institutions and corporates with a short term assessment	0.9	0.0	0.0
Equity exposures	0.0	0.0	0.0
Other items	5.4	9.3	13.6
Total capital requirement for credit risk	698.6	818.1	700.3
Total capital requirement for market risk (foreign exchange risk)	7.0	4.9	1.4
Total capital requirement for operational risk (basic indicator approach)	62.9	125.5	127.0
Total capital requirement for credit valuation adjustment risk (CVA)	0.2	0.0	0.0
Total capital requirement - Pillar 1	768.7	948.5	828.7
Credit concentration risk	87.0	110.3	92.1
Interest rate risk in the banking book	31.2	42.9	25.8
Other additional capital requirements	6.1	1.8	2.3
Total capital requirement - Pillar 2	124.3	155.0	120.2
Capital conservation buffer	240.2	296.6	259.0
Countercyclical capital buffer	155.1	197.4	153.9
Total capital requirement - Capital buffers	395.3	493.7	412.9
Total capital requirement	1,288.3	1,597.2	1,361.8
CAPITAL REQUIREMENT AS A PERCENTAGE OF REA			
Pillar 1	8.00%	8.00%	8.00%
Pillar 2	1.29%	1.31%	1.16%
Capital conservation buffer	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	1.61%	1.66%	1.49%
Total capital requirement	13.41%	13.47%	13.15%
LEVERAGE RATIO			
Total exposure measure for calculating leverage ratio	14,811.1	17,614.6	13,401.1
Tier 1 capital	1,497.1	1,697.6	1,412.1
Leverage ratio, %	10.11%	9.64%	10.54%
Overall leverage ratio requirement	444.3	528.4	402.0
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	30 June 2025	31 Dec 2024	30 June 2024
Cash and balances with central banks	78.0	80.3	79.4
Deposits in other banks available overnight	1,126.2	2,689.6	1,635.0
Bonds issued by governments and municipalities	1,326.2	1,091.6	785.3
Total	2,530.3	3,861.5	2,499.7

FUNDING SOURCES

SEK million	30 June 2025	31 Dec 2024	30 June 2024
Deposits from the public	10,282.7	10,945.1	11,358.4
Debt to credit institutions	1,182.6	3,226.0	-
Other liabilities	256.9	236.9	190.9
Subordinated debt	245.1	244.6	243.9
Additional Tier 1 capital	200.0	200.0	200.0
Other equity	1,327.3	1,530.2	1,250.9
Total	13,494.6	16,382.9	13,244.0

LIQUIDITY MEASURES, %

	30 June 2025	31 Dec 2024	30 June 2025
Liquidity coverage ratio (LCR)	314.4%	298.8%	238.7%
Net stable funding ratio (NSFR)	121.7%	113.7%	130.3%

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 lending to the public.

CREDIT LOSS RATIO

Net credit losses for the period in relation to average lending 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 AUGUST 28, 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

AUGUST 28	INTERIM REPORT JANUARY - JUNE
NOVEMBER 28	INTERIM REPORT JANUARY - SEPTEMBER

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